

Patrys to License Chinese Rights for PAT-SC1

Melbourne, Australia; 25 June, 2015: Patrys Limited (**ASX: PAB**), a clinical stage biotechnology company is pleased to advise that it has entered into a binding termsheet with Hefei Co-source Biomedical Co. LTD (**Hefei Co-source**), a Chinese based company which is part of the Hefei Co-source Medicine Group focussed on integrated drug development. The termsheet covers the exclusive development and commercialisation rights for all oncology indications in China for PAT-SC1, one of Patrys' anti-cancer IgM antibody therapeutic candidates. Patrys and Hefei Co-source are moving towards finalising formal documents for this agreement, which should be executed during the third quarter of 2015. Patrys will receive an upfront payment at that time and retains the right to develop and commercialise PAT-SC1 outside of China.

In 2009 Patrys acquired the exclusive rights to commercialise PAT-SC1 from Debiovision Inc., a member of the global drug development Debiopharm Group. PAT-SC1 was the first of Patrys' IgM antibodies to be trialled clinically. Between 1997 and 2001, 51 patients with CD55-positive gastric cancer were treated with a single intravenous low dose of PAT-SC1 48 hours prior to gastrectomy. Of those 51 patients treated, 35 of them had no evidence of metastatic disease at operation and were classified as having R0 stage disease. Patients did not receive any additional treatment (radiotherapy or chemotherapy).

Survival of these patients has been followed over time and compared to a control group of patients with R0 stage gastric cancer *who did not receive* PAT-SC1 before surgery. Ten year follow-up data was published in *Oncology Reports* last year on 30 of the PAT-SC1 treated patients. Fifty-five percent of these patients are still alive whilst only thirty percent of the control group have survived, indicating that the treatment of gastric cancer patients with PAT-SC1 confers a significant survival benefit.

"We are very excited to be working with Hefei Co-source, one of China's emerging R&D commercialisation companies, to develop PAT-SC1 as an IgM therapeutic for the Chinese gastric cancer market," said Dr. James Campbell, Patrys' Chief Executive Officer. "China has one of the highest incidences of gastric cancer globally, accounting for over 40% of all new gastric cancer cases in the world. We believe that Hefei Co-source is very well credentialed, and highly motivated to progress development of PAT-SC1 for the Chinese market."

"I would like to acknowledge the significant efforts of our scientific and corporate teams to realise this deal and know that the teams will strengthen our Hefei Co-source collaboration through technology transfer and ongoing support. This is the first collaboration and out-licensing agreement for Patrys and we look forward to keeping shareholders updated on developments" added Dr. Campbell.

Hefei Co-sources' Chief Executive Officer, Dr. Shanchun Zhang, added: "We are pleased to be collaborating with Patrys and we look forward to reporting on the development of PAT-SC1 in China. Hefei plans to provide up to RMB 30 million to support future PAT-SC1 development in China."

The financial and other key terms of the deal are confidential, but are on par for similar transactions of this type in this territory, including potential back-loaded payments, sharing of revenue and double digit royalties on end sales.

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About Patrys Limited:

Based in Melbourne, Australia, Patrys (ASX: PAB) is focused on the development of antibodies as therapies for cancer and other major diseases. Patrys has a pipeline of anti-cancer antibodies that enable both internal development and partnering opportunities. More information can be found at www.patrys.com

About Hefei Co-source Biomedical, Co. LTD:

Hefei Co-source Medicine Group is an integrated platform of new drug research and development, which engages in research on chemical synthesis, pharmaceutical safety assessment, pharmacokinetics & pharmacodynamics studies, and clinical trials. Hefei Co-source Biomedical, Co. LTD which is part of the Hefei Co-source Medicine Group, based in Hefei China, and is focused on the development of peptide and antibody drugs in the fields of inflammation, tumor and other human diseases. More information can be found at www.heyuanyiyao.com

About PAT-SC1:

PAT-SC1 is a natural human IgM antibody that acts by binding to a special form of a protein, called CD55 that appears on the surface of gastric cancer cells but not on the surface of healthy cells, thereby permitting PAT-SC1 to kill the cancer cells while sparing the healthy cells. PAT-SC1 was evaluated in an investigator led human clinical trial, at the University of Würzburg (Germany) Surgical Clinic, under which treated patients were dosed with PAT-SC1 48 hours prior to a surgical procedure that involved the removal of the primary tumour (surgical removal of the tumour is currently the standard treatment). PAT-SC1 was granted orphan designation by the US FDA, and the gastric cancer market in this territory is a potential future focus.

About Gastric Cancer:

Gastric cancer can develop in any part of the stomach and may spread throughout the stomach and to other organs; particularly the oesophagus, lungs, lymph nodes, and the liver. Stomach cancer causes about 800,000 deaths worldwide per year. Gastric cancer shows a male predominance in its incidence as up to three males are affected for every female. Surgery is the most common treatment and is often the only hope of cure for stomach cancer. The surgeon removes part or all of the stomach, as well as the surrounding lymph nodes, with the basic goal of removing all cancer and a margin of normal tissue.