



ASX & Media Release

Quarterly Activities Report and 4C Quarterly Cash Flow Report

Highlights:

- Results from specification testing of drug product announced following completion of GMP production run of PAT-DX1;
- Internal development focus on PAT-DX3 and actively seeking partnering or licensing opportunities for PAT-DX1;
- Implemented cost reduction initiatives while plans for a future R&D program and associated funding is finalised;
- Received \$1.3 million for the 2023/24 financial year under the Federal Government's R&D Tax Incentive Scheme;
- Cash and short-term investment balance of \$2.2 million on 31 December 2024.

Melbourne, Australia; 30 January 2025: Patrys Limited (ASX: PAB, "Patrys" or the "Company"), a therapeutic antibody development company, today released its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow report for the quarter ended 31 December 2024.

Patrys Chief Executive Officer and Managing Director, Dr. James Campbell said: "The disappointing result we received from specification testing on the material from the recent GMP run of PAT-DX1 means that material is not suitable for Patrys to initiate a Phase 1 clinical trial. During this quarter, we have been actively working on multiple initiatives to identify opportunities to use the resources and assets that we currently have available to advance our deoxymab technology. This has included a detailed evaluation of opportunities for PAT-DX3 in inflammatory diseases through its impact on NETosis, seeking new partnerships for our deoxymab technology, and looking at complementary assets that may enhance our pipeline. We have also taken steps to reduce our costs in order to preserve our remaining cash reserves until such time as we are in a position to access additional capital to support these opportunities."

Operations Update

In the last quarter of FY2024, the large-scale production of PAT-DX1 was successfully completed. At the beginning of this quarter, the Company announced results from specification testing of this drug material from this production run. Unfortunately, while the drug material from this GMP manufacturing run did meet the pre-determined specifications, for many of these parameters, it only



met those pre-determined thresholds with a narrow margin. As a consequence, there was a significant risk that it would not continue to meet specification for the time required to initiate and conduct a Phase-1 clinical trial. In view of this, the Board of Patrys decided it was not appropriate to continue with plans to initiate a Phase-1 clinical trial of PAT-DX1 using this material. Given the challenges Patrys has experienced with manufacturing PAT-DX1 over several production runs, Patrys' Board made a strategic decision to prioritise its future investment in development activities on progressing PAT-DX3.

PAT-DX3 has shown very similar biological activity to PAT-DX1 including the ability to target tumours throughout the body and to cross the blood-brain barrier. As a full-sized IgG antibody, PAT-DX3 can also be used as the basis for Antibody Drug Conjugates. More recently, Patrys has shown that, by way of their DNA-binding properties, deoxymabs are able to inhibit a process called NETosis that is implicated in a number of inflammatory and autoimmune diseases including vasculitis.

During the quarter, Patrys has worked with its research partners to evaluate and develop an R&D program to take PAT-DX3 towards the clinic as a therapy for inflammatory diseases based on its ability to inhibit NETosis. While planning is still in progress, at this stage it is believed that such a program may be feasible and that the associated clinical trials have the potential to require less drug material than for cancer indications due to the anticipated dosing regime and shorter time to achieve clinical endpoints. The Company has also initiated discussions with several third parties who are working on therapeutics based on the NETosis pathway.

Corporate Update

During the quarter ended 31 December 2024, Patrys had net cash inflows of \$863,000. In December, Patrys received a rebate of \$1.3 million for eligible R&D expenditure under the Federal Government's R&D Tax Incentive Scheme. At 31 December 2024, Patrys held \$2.2 million in cash and cash equivalents. During the quarter, Patrys invested \$170,000 in R&D activities. Payments to related parties and their associates during the quarter, which are outlined in Section 6 of the accompanying Appendix 4C to this quarterly activity report, were \$151,000. These payments include non-executive director fees and consulting services as well as salary (including superannuation) for the CEO and Managing Director.

-Ends-

This announcement is authorised for release by the Board of Directors of Patrys Limited.

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About Patrys Limited

Based in Melbourne, Australia, Patrys (ASX:PAB) is focused on the development of its deoxymab platform of cell-penetrating antibodies as therapies for a range of different cancers. More information can be found at www.patrys.com.

About Patrys' deoxymabs

Patrys has developed a new type of antibody - deoxymabs - which are attracted to cancer cells that do not have traditional cell surface markers of disease. Instead, they bind to fragments of DNA that are released from cells when they die - the rate of cell death is much higher in cancer cells than in healthy cells, meaning that deoxymabs can be used to target cancer cells regardless of their location or type.

In animal experiments, Patrys has successfully demonstrated that deoxymabs are able to seek out and kill cancer cells in a variety of tissues anywhere in the body and can cross the blood brain barrier. This suggests that deoxymabs have the potential to be a versatile treatment for cancers, including brain cancers.

Recent studies into the mechanism of action of deoxymabs have shown that they inhibit the formation of neutrophil extracellular traps (NETs), a process that underpins a range of inflammatory conditions. Patrys' collaborators have expanded these studies and shown that unlike other agents that reduce NETosis, deoxymabs do not reduce neutrophil function – a particular advantage in fighting inflammatory diseases. These discoveries in inflammatory diseases have the potential to complement our existing development programs and provide increased flexibility for deoxymabs' potential to address diseases with significant unmet medical needs.

Patrys' commitment to advancing these innovative antibody-based approaches brings hope for more effective and targeted therapies, potentially transforming the landscape of cancer treatment and NETosis-driven inflammatory diseases.

Patrys' rights to deoxymab 3E10 are part of a worldwide license to develop and commercialize a portfolio of novel anti-DNA antibodies and antibody fragments, variants and conjugates discovered at Yale University as anti-cancer agents. Six patents covering the unconjugated form of deoxymab 3E10 (and derivatives thereof) have already been granted (Europe, Japan, China, and 3 in the USA), and five patents covering nanoparticle conjugation have been granted (Australia, Canada, China, India and the USA).

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PATRYS LIMITED

ABN

97 123 055 363

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(170)	(612)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs*	(125)	(248)
	(f) administration and corporate costs	(121)	(365)
1.3	Dividends received	-	-
1.4	Interest received	11	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,285	1,285
1.8	Others - IP expenditure	(17)	(123)
1.9	Net cash from / (used in) operating activities	863	(42)
<i>*A portion of staff costs are reallocated into payments for research and development.</i>			

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments in term deposits	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investment in term deposits	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,336	2,241
4.2	Net cash from / (used in) operating activities (item 1.9 above)	863	(42)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,199	2,199

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,199	791
5.2	Call deposits	-	545
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,199	1,336

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	151
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	863
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,199
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,199
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.