



ASX & Media Release

Market Update

- Deoxymab development plan on track, with lead candidate selection in coming months
- PAT-SM6 trial still on hold until specification and manufacturing challenges are resolved
- PAT-SC1 progressing under the auspices of Hefei Co-source Biomedical
- Strong cash position to fund value-generating activities

Melbourne, Australia; September 13, 2016: Patrys Limited (**ASX: PAB**) is pleased to update the market on the progress of a range of activities being pursued by the Company.

The past year has been one of consolidation and rebuilding for Patrys and its shareholders. This has meant an unavoidable period of low news flow, but the company is now well positioned to build on its assets and looks forward to sharing these developments with its shareholders over the coming year.

Deoxymab

Patrys has acquired a worldwide license to develop and commercialise as anti-cancer agents a portfolio of pre-clinical novel anti-DNA antibodies and antibody fragments/variants discovered at Yale University.

Deoxymab is the name used by Patrys for 3E10, a lupus derived autoantibody. Unlike normal antibodies that bind to foreign cells (eg pathogens) or aberrant cells (eg cancer cells) and trigger an immune response, autoantibodies bind to normal cells. Of particular interest with Deoxymab is that whilst most antibodies bind to markers on the surface of cells, Deoxymab penetrates cells' nuclei and binds directly to DNA. Having bound to the DNA, Deoxymab inhibits DNA repair and damages DNA. Normal cells repair DNA damage utilising intact DNA repair processes, however Deoxymab can kill cells that have mutations or deficiencies in DNA repair mechanisms as found in various cancer cells. As well as showing single agent therapeutic potential Deoxymab has been shown to significantly enhance the efficacy of both chemo- and radiotherapies.

Patrys believes that Deoxymab, and its sister antibody, 5C6, may have application across a wide range of malignancies such as gliomas, melanomas, prostate, breast, pancreatic and ovarian cancers.

Since acquiring the rights to develop and commercialise Deoxymab in March 2016 Patrys, working with international commercial partners has completed detailed *in silico* biology to optimise Deoxymab, and has entered into a sponsored research agreement with Yale University to complete lead candidate selection and pre-clinical testing. Patrys is delighted to be working closely with the international leader in this field, Dr James Hansen of Yale University, on the development of Deoxymab. The company has a fully-costed development plan and anticipates lead candidate selection will be completed in the coming months. Through H1 of 2017 Patrys will screen its lead candidate against a suite of pre-clinical tests to guide the optimal route to the clinic for Deoxymab.



IgM Assets

The company, in conjunction with its partners is addressing the fundamental issues that arose with the specifications and manufacturing of PAT-SM6 antibody, and is seeking to progress the development of PAT-SM6 and its other IgM assets on a risk sharing basis. Cost effective solutions that leverage new technologies and learnings from other companies working in the field of IgM antibodies will be critical to advance these programs. Until such solutions can be harnessed Patrys' proposed clinical trial of PAT-SM6 in multiple myeloma will remain on hold.

Patrys has out-licensed its asset PAT-SC1 to Hefei Co-source Biomedical, an integrated Chinese drug development company. The license agreement covers the exclusive development and commercialisation rights for all oncology indications in China for PAT-SC1. There has been considerable progress in the pre-clinical development of PAT-SC1 under the auspices of the Chinese team, and the Joint Development Committee for the program will be meeting in Q4, 2016.

Financial Position

The company is in a strong financial position, with \$3,215,039 in cash and term deposits as at 30 June 2016. Management are working diligently to maximize non-dilutive capital inflows, including particularly insurance recoveries. A total of \$1,272,332 in insurance recoveries was received in 2015, and the company has several similar claims lodged and in development. Also, since 1 July 2016 the company reached an agreement regarding amounts due from a contracting party and received \$334,342, with additional funds expected to be released to the company from escrow this year. The company anticipates receiving an R&D Tax Incentive of approximately \$179,000 in coming months.

Looking Ahead

With a strong cash position, reduced corporate overhead, tight financial management and further anticipated non - dilutive cash inflows the company is confident that it has the resources to progress the development of its assets and continue to rebuild value for its shareholders.

Patrys has undergone a transformation this year, with new leadership, new assets, a relationship with Yale University and a development partner for PAT-SC1 in China. The company is expanding its business development efforts around its IgM assets, and working to resolve the historical challenges around product specification and manufacturing.

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About Patrys Limited:

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