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ASX & Media Release

Patrys Quarterly Activities Report and Appendix 4C

Melbourne, Australia; 26 October 2020: Patrys (ASX: PAB, "**Patrys**" or "the **Company"**), a therapeutic antibody development company, is pleased to announce further progress across its Deoxymab platform (including PAT-DX1 and PAT-DX1-NP) and the release of its Appendix 4C for the quarter ended 30 September 2020.

Key highlights

- **$4.3 million (before costs) fully underwritten Rights Issue positions the Company well to advance PAT-DX1 development and expand Deoxymab platform activities**
- **Grant-funded research alliance between Patrys and the Olivia Newton-John Cancer Research Institute initiated**
- **Full sized humanized IgG Deoxymab antibody, PAT-DX3, added to Patrys' pre-clinical Deoxymab portfolio expanding develop opportunities for Patrys and potential partners**
- **Market update and release of Business Review to shareholders**
- **Cash at bank at close of quarter of A$7.02m and net cash outflows of A$832k including A$474k invested in R&D activities**

Operations

In July 2020, Patrys partnered with Olivia Newton-John Cancer Research Institute (ONJCRI) and the La Trobe University School of Cancer Medicine, and was awarded a $50,000 Federal Government grant to support research at ONJCRI for Patrys' PAT-DX1 program. This research will be led by Professor Robin Anderson, Head of ONJCRI's Translational Breast Cancer Program and the Metastasis Research Laboratory. Professor Anderson's research is focused on understanding the genetic regulation of metastasis, primarily in breast cancer. The research program will investigate the ability of PAT-DX1 to identify and treat distant sites of breast cancer metastasis. PAT-DX1's impact on regression of primary and metastatic breast cancers will be assessed in combination with standard-of-care radio- and chemo-therapies. Following these initial studies, Patrys and the ONJCRI plan to expand this collaboration to include PAT-DX1-NP, PAT-DX3 and additional new formats of the Deoxymab platform.

In August 2020, the Company released a Business Review of its activities and achievements for the 2019-2020 financial year. The Company is proud of its successes in a what has been a very turbulent year due to the Coronavirus (COVID-19) pandemic. Patrys' research teams in the US and Australia have been successful in obtaining multiple grants to the value of US$3.1m (A$4.9m) over the next five years to progress the Deoxymab platform. During 2019-2020 Patrys has expanded its knowledge and gained further insights into PAT-DX1's unique mechanism of action, allowing development of programs to further elucidate its role in killing aggressive cancers.

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In September 2020,Patrys was pleased to announce it had successfully completed the initial production and characterisation of PAT-DX3, a full-sized, humanised version of its Deoxymab antibody fragment PAT-DX1. The initial development and characterisation of PAT-DX3 confirms that, like PAT-DX1, it is able to bind to the DNA release from solid tumours and penetrate into cancer cell nuclei. The Company believes that PAT-DX3 is likely to show similar efficacy benefits in future animal models of cancer but, as a full-sized antibody, PAT-DX3 is likely to have different pharmaceutical properties (pharmacokinetics, half-life and tissue distribution) to PAT-DX1 that may provide open up additional clinical applications for Patrys' Deoxymab platform.

During the quarter, Patrys continued progressing the development of stable cell lines for the PAT-DX1 program which is on track for completion this calendar year. The Company expects to complete toxicology studies in the new year and filing for a clinical trial in late 2021 or early 2022.

Corporate

During the quarter, Patrys successfully closed a fully underwritten $4.3 million Rights Issue, ending the quarter with A$7.02m in cash. During the quarter, the Company had net cash outflows of A$832k with A$474k invested in research and development (R&D) associated with pre-clinical studies. As noted above, and supported by new investors, the Company's activities have expanded and now include both the advancement of PAT-DX1 towards the clinic and new development activities of the broader Deoxymab platform. The Company will continue to expend funds prudently, in line with both management and operational practices and policies, particularly during this time of economic uncertainty due to the COVID-19 pandemic.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 4C to this quarterly activities report were A$141k. These payments are related to executive director salaries, non-executive director fees and consulting services for the quarter.

-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' Deoxymab 3E10 platform – lead candidates PAT-DX1 and PAT-DX1-NP:
Deoxymab 3E10 is a DNA damage-repair (DDR) antibody that was first identified in lupus as an autoantibody that bound to normal cells. Of particular interest is that whilst most antibodies bind to cell surface markers, Deoxymab 3E10 penetrates into the cell nuclei and binds directly to DNA where it inhibits DNA repair processes and kills cells that have mutations or deficiencies in DNA repair mechanisms as found in various cancer cells. Deoxymab 3E10 has single agent therapeutic potential and has been shown to significantly enhance the efficacy of both chemo- and radiotherapies. Further, Deoxymab 3E10 can be conjugated to nanoparticles to target delivery of chemotherapeutics and imaging agents to tumors.

Patrys has developed a humanized form of Deoxymab 3E10, PAT-DX1 with improved activity over the original version of 3E10, and is progressing this, and a nanoparticle-conjugated form (PAT-DX1-NP) towards the clinic. In a range of pre-clinical cancer models PAT-DX1 has shown significant ability to kill cancer cells in cell models, human tumor explants, xenograft and orthotopic models. Treatment with PAT-DX1 has been shown to significantly improve survival in orthotopic models of both triple negative breast cancer brain metastases and glioblastoma. PAT-DX1 has also been shown to enhance the therapeutic effect of low dose radiation. Patrys believes that PAT-DX1 may have application across a wide range of malignancies such as gliomas, melanomas, prostate, breast, pancreatic and ovarian cancers.

Patrys' rights to Deoxymab 3E10 are part of a worldwide license to develop and commercialize as anti-cancer and diagnostic agents a portfolio of novel anti-DNA antibodies and antibody fragments, variants and conjugates discovered at Yale University.

Appendix 4C

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

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Name of entity	
PATRYS LIMITED	
ABN	**Quarter ended ("current quarter")**
97 123 055 363	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(474)	(474)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(150)	(188)
	(f) administration and corporate costs	(213)	(175)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	23	23
1.8	Other		
	- IP expenditure	(55)	(55)
	- Government Incentive	37	37
1.9	**Net cash from / (used in) operating activities**	**(832)**	**(832)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	4,290	4,290
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)		
	- Share issue cost	(326)	(326)
3.10	**Net cash from / (used in) financing activities**	**3,964**	**3,964**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,981	3,981
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(832)	(832)
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)	3,964	3,964
4.5	Effect of movement in exchange rates on cash held	(95)	(95)
4.6	**Cash and cash equivalents at end of period**	**7,018**	**7,018**

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	5,931	2,894
5.2	Call deposits	1,087	1,087
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)**	**7,018**	**3,981**

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	141
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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7.	**Financing facilities** *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.*	**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)	(832)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,018
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,018
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	8.44

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.

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

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.

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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: 26 October 2020

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.

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