



PATRY'S LIMITED
ABN 97 123 055 363

**APPENDIX 4D HALF YEAR REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

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1. Company details

Name of entity:	Patrys Limited
ABN:	97 123 055 363
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	78.1% to	214,623
Loss from ordinary activities after tax attributable to the Owners of Patrys Limited	up	17.2% to	(2,004,257)
Loss for the half-year attributable to the Owners of Patrys Limited	up	17.2% to	(2,004,257)
		31 December 2020	31 December 2019
		Cents	Cents
Basic loss per share		(0.14)	(0.16)
Diluted earnings per share		(0.14)	(0.16)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$2,004,257 (31 December 2019: \$1,710,116).

During the period, the Group had total revenue of \$214,623 (31 December 2019: \$120,476), consisting of R&D incentive income of \$82,324 (31 December 2019: \$60,061) licensing income of \$13,750 (31 December 2019: \$13,750), interest income of \$1,549 (31 December 2019: \$41,167) and government grants and incentives \$117,000 (31 December 2019: \$5,498),

The Group's research and development expenditure during the half year was \$1,003,971 (31 December 2019: \$869,221). This includes direct research and development activities associated with pre-clinical and manufacturing work, as well as wages, salaries and other overheads associated with research and development.

Cash at bank at 31 December 2020 was \$13,169,143 (30 June 2020: \$3,981,210). The working capital position as at 31 December 2020 of the consolidated entity results in an excess of current assets over current liabilities of \$13,483,258 (30 June 2020: \$4,370,639).

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year financial report.

10. Attachments

Details of attachments (if any):

The Half-year financial report of Patrys Limited for the half-year ended 31 December 2020 is attached.

11. Signed

Signed  _____

Date: 19 February 2021

Patrys Limited

ABN 97 123 055 363

Half-year financial report - 31 December 2020

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Patrys Limited
Contents
For the half-year ended 31 December 2020



Corporate directory	2
Directors' report	3
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	17
Independent auditor's review report to the members of Patrys Limited	18

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Directors	Mr. John Read (Non-Executive Chairman) Mr. Michael Stork (Non-Executive Director and Deputy Chairman) Ms. Suzy Jones (Non-Executive Director) Dr. James Campbell (Managing Director & CEO) Dr. Pamela M. Klein (Non-Executive Director)
Company secretary	Ms. Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Phone: +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC, 3205
Share register	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067 Phone: 1300 850 505 (within Australia) Phone: +61 3 9415 5000
Auditor	BDO Audit Pty Ltd Tower 4, Level 18, 727 Collins Street Melbourne VIC 3008 Australia
Stock exchange listing	Patrys Limited shares are listed on the Australian Securities Exchange (ASX code: PAB and Listed Options: PABO & PABOA)
Website	www.patrys.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or the 'Group') consisting of Patrys Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were Directors of Patrys Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Mr. John Read (Non-Executive Chairman)
- Mr. Michael Stork (Non-Executive Director and Deputy Chairman)
- Ms. Suzy Jones (Non-Executive Director)
- Dr. James Campbell (Managing Director & CEO)
- Dr. Pamela M. Klein (Non-Executive Director)

Principal activities

Patrys is leveraging its proprietary deoxymab antibody technology platform to develop new therapies for the treatment of cancer. Unlike most other antibodies, Patrys' deoxymabs are able to cross the blood-brain barrier, enter cells and the cell nucleus, and block DNA damage repair systems. Patrys is using these properties to develop new therapies that incorporate deoxymabs as a single agent, as part of a combination therapy, and for the targeted delivery of therapeutic agents to cancer cells.

The Company has developed PAT-DX1, a humanised antibody fragment based on the original mouse deoxymab, 3E10. Patrys is advancing PAT-DX1, and a version coupled to a nanoparticle (PAT-DX1-NP), towards clinical development. During 2020, Patrys added a full-sized IgG deoxymab, PAT-DX3, to its pipeline expanding the potential opportunities for deoxymabs. Large scale manufacture of clinical grade antibody is planned for the current financial year and will provide the material required to complete the final preclinical studies and first clinical studies.

Patrys has an exclusive, worldwide right to the deoxymab technology for cancer applications from Yale University to develop and commercialise a portfolio of anti-cancer and diagnostic agents that include: anti-DNA antibodies, antibody fragments, variants and conjugates.

Review of operations

PAT-DX1 – progressing pre-clinical studies and manufacturing workstreams ahead of Phase 1 clinical trial

During the half year period, Patrys expanded its pipeline and advanced the preclinical and manufacturing programs for PAT-DX1.

In September, Patrys announced it had completed the initial production and characterisation of PAT-DX3, a full-sized, humanised version of its deoxymab antibody fragment PAT-DX1. PAT-DX3 has demonstrated functional equivalence with PAT-DX1 in several important attributes including the ability to penetrate the cell nucleus, and the ability to bind to the DNA that is released from damaged tumour cells. PAT-DX3 offers Patrys the ability to further leverage its deoxymab platform by allowing the development of new, broad-based, anticancer therapeutics with different pharmaceutical profiles. This full-sized version of PAT-DX1 is protected by existing granted and pending patents in key jurisdictions

During the half, Patrys made significant progress with its development of PAT-DX1. 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.

In addition, Patrys made material progress in its program to develop and select a cell line for commercial scale production of clinical-grade PAT-DX1 antibody. A stable cell line was selected in early February 2021 (subsequent event). This cell line will be used in the commercial scale production of the clinical-grade material required to complete the final preclinical toxicology studies, and the proposed Phase-1 clinical trial of PAT-DX1.

Corporate developments

During the period, Patrys closed two capital raises for a total of \$11.6M before costs (\$4.3M in August and \$7.3M in December). These have provided the company with a strong balance sheet and sufficient funds to expand the deoxymab platform, complete the commercial-scale manufacture of clinical grade material and complete required preclinical studies for PAT-DX1. As a result, the company believes that it has sufficient capital to be able initiate a first human clinical trial of PAT-DX1 in 2022.

In December 2020, data from Patrys' preclinical studies were presented at the San Antonio Breast Cancer Symposium. These data demonstrate the ability of Patrys' PAT-DX1 deoxymab to cross the blood brain barrier, suppress metastatic tumour growth, and prolong survival, in an animal model of triple negative breast cancer (TNBC) brain metastases. The poster presentation was titled, "An ENT2-dependent, cell-penetrating, and DNA-damaging lupus autoantibody crosses the blood-brain barrier to target breast cancer brain metastases".

During the period, the Company initiated an active clinical engagement program. CEO Dr James Campbell and Board member Dr Pamela M. Klein held key opinion leader (KOL) discussions with several leading international neuro-oncologists. These discussions provide the company with valuable insights to assist with identifying the most attractive clinical opportunities for Patrys' deoxymabs.

A patent covering the use of Patrys' novel deoxymab platform for the targeted delivery of anticancer drugs using nanoparticles was granted in Australia during the period. This patent covers the use of deoxymabs (both PAT-DX1 and PAT-DX3) conjugated to nanoparticles (NPs) for both the diagnosis and treatment of multiple types of cancer.

Looking ahead

Under the guidance of the Board and the Scientific Advisory Board Patrys made advances in its efforts to build and realise the value of its assets in the six months to 31 December 2020.

The activities for 2021 include the creation of a Master Cell Bank based on the selected stable cell line, then large scale manufacture of clinical grade PAT-DX1 for the final preclinical studies that are required to complete PAT-DX1's regulatory dossier. Other ongoing activities include the further development of nanoparticle delivery opportunities, ongoing efforts to build our understanding of the biology of deoxymab antibodies, new intellectual property patent filings and a focus on establishment of collaborations and alliances.

Statement of Financial Position

At 31 December 2020, cash and term deposits of \$13,169,143 (30 June 2020: \$3,981,210) are held. Patrys' policy is to hold its cash and cash equivalent deposits in 'A' rated or better deposits.

Patrys' strategy is to outsource product development expenses, including manufacturing, regulatory and clinical trial expenses, to specialist, best of breed partner organisations. As a consequence, Patrys has not incurred any major capital expenditure for the period and does not intend to incur substantial commitments for capital expenditure in the immediate future.

Operating results

During the period, the Group had total revenue of \$214,623 (31 December 2019: \$120,476), consisting of R&D incentive income of \$82,324 (31 December 2019: \$60,061) licensing income of \$13,750 (31 December 2019: \$13,750), interest income of \$1,549 (31 December 2019: \$41,167) and government grants and incentives \$117,000 (31 December 2019: \$5,498),

Total consolidated operating expenses for the period were \$2,218,880 (31 December 2019: \$1,830,592),

The Group's research and development expenditure during the half year was \$1,003,971 (31 December 2019: \$869,221).

Management and administration costs contributed a further \$1,214,909 (31 December 2019: \$961,371) to expenses from continuing operations.

Statement of Cash Flows

The Group's cash outflow from operations over the period was \$1,553,014 (31 December 2019: outflow of \$882,825). Net inflows were \$9,454,597 (31 December 2019: outflow of \$882,825).

Significant changes in the state of affairs

On 22 June 2020 the company announced a fully underwritten, non-renounceable pro-rata rights offer (Entitlement Offer) to acquire one fully paid ordinary share at \$0.012 (1.2 cents) per share, for every three existing fully paid ordinary shares held by eligible Patrys shareholders in Australia and New Zealand at the Record Date. One free attaching New Option with an exercise price of \$0.024 (2.4 cents) expiring three years after grant date will also be issued for every three New Shares subscribed for and issued.

On 5 August 2020 the company completed the Entitlement Offer by way of issue and allotment of 357,530,827 fully paid ordinary shares at \$0.012 (1.2 cents) per share, raising \$4.29m before costs and a total of 126,677,087 Options. The Options issued comprise 119,177,087 free attaching options applied for under the fully underwritten non-renounceable Entitlement Offer and 7,500,000 Options which have been issued to Lazarus Corporate Finance Pty Limited (Underwriter and Lead Manager).

On 12 October 2020 the company issued 6,000,000 fully paid ordinary shares, upon exercise of 6,000,000 unquoted options exercisable at \$0.0072.

On 9 November 2020 the company announced a \$7.3m capital raising to fund "Expanded Deoxymab Program" through to First-In-Man studies via a placement and rights issue.

The placement was for the issue of 125,000,000 fully paid ordinary shares at \$0.02 (2 cents) per share to raise gross proceeds of \$2.5m before costs. The placement participants were entitled to one free attaching three year option exercisable at \$0.04 (4 cents) for every three new Shares issued (New Option).

The rights issue was a fully underwritten, non-renounceable rights issue on the basis of one new share for every six shares held, at \$0.02 (2 cents) per Share, with one free attaching three year option exercisable at \$0.04 (4 cents) for every three new shares issued, to raise approximately \$4.8m before costs.

On 16 November 2020 the company completed the placement portion of the above capital raising by issue of 125,000,000 fully paid ordinary shares at \$0.02 (2 cents) per share, raising \$2.5m before costs.

On 15 December 2020 the company completed the rights issue portion of the above capital raising, by way of issue of 127,928,183 fully paid ordinary shares and a total of 90,109,523 Options.

The Shares comprise 120,428,183 shares applied for under the fully underwritten non-renounceable Entitlement Offer, issued at \$0.02 (2 cents) and raising \$2,408,564 before costs, and 7,500,000 shares as settlement of the Placement fee.

The Options issued comprise 40,142,855 free attaching options applied for under the Entitlement Offer, 41,666,668 free attaching options to participants in the Placement, 2,500,000 free attaching options in relation to the Placement fee, and 5,800,000 Options to Lazarus Corporate Finance Pty Limited (Underwriter and Lead Manager).

On 17 December 2020 the company issued the shortfall securities relating to the rights issue, with 118,926,336 shortfall shares issued at \$0.02 (2 cents) and 39,642,126 options, raising \$2,378,527 before costs.

On 18 December 2020 the company issued 22,100,000 unquoted options, exercisable at \$0.027 (2.7 cents), expiring 18 December 2024, comprising 14,600,000 unquoted options issued to Directors of the Company, pursuant to Resolutions 4, 5, 6, 7 and 8 of the Company's Notice of Annual General Meeting held on 19 November 2020, and as approved by Shareholders, and 7,500,000 unquoted options issued to employees of the Company under the Company's Executive Share Option Plan (ESOP).

On 21 December 2020, the company issued 500,000 unquoted options, exercisable at \$0.027 (2.7 cents) and expiring 18 December 2024 to members of the Scientific Advisory Board (SAB), pursuant to their consulting agreements.

On 21 December 2020 the company issued 1,250,000 PABO Listed Options, exercisable at \$0.024 (2.4 cents), expiring 5 August 2023 to a consultant as part consideration for services provided.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 10 February 2021, the Company announced that it has selected an optimised stable cell line for its lead asset PAT-DX1.

On 17 February 2021, the Company issued a total of 41,111 fully paid ordinary shares upon the exercise of 40,185 PABO Listed Options, exercisable at \$0.024 (2.4 cents) each, and 926 PABOA Listed Options, exercisable at \$0.04 (4 cents) each.

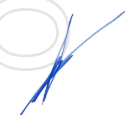
No other matter or circumstance, other than disclosed in this Report has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr. John Read
Chairman

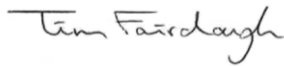
19 February 2021

DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE DIRECTORS OF PATRYS LIMITED

As lead auditor for the review of Patrys Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Patrys Limited and the entities it controlled during the period.



Tim Fairclough
Director

BDO Audit Pty Ltd

Melbourne, 19 February 2021

Patrys Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Revenue	3	214,623	120,476
Expenses			
Research & development expenses		(1,003,971)	(869,221)
Administration & management expenses		<u>(1,214,909)</u>	<u>(961,371)</u>
Loss before income tax expense		(2,004,257)	(1,710,116)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the Owners of Patrys Limited		(2,004,257)	(1,710,116)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		<u>(11)</u>	<u>(7)</u>
Other comprehensive income for the half-year, net of tax		<u>(11)</u>	<u>(7)</u>
Total comprehensive income for the half-year attributable to the Owners of Patrys Limited		<u><u>(2,004,268)</u></u>	<u><u>(1,710,123)</u></u>
		Cents	Cents
Basic loss per share	8	(0.14)	(0.16)
Diluted earnings per share	8	(0.14)	(0.16)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Patrys Limited
Statement of financial position
As at 31 December 2020



	Consolidated	
	31 December	
Note	2020	30 June 2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	13,169,143	3,981,210
Trade and other receivables	788,354	679,955
Other	78,104	182,912
Total current assets	<u>14,035,601</u>	<u>4,844,077</u>
Non-current assets		
Property, plant and equipment	5,377	3,598
Intangibles	506,249	528,750
Total non-current assets	<u>511,626</u>	<u>532,348</u>
Total assets	<u>14,547,227</u>	<u>5,376,425</u>
Liabilities		
Current liabilities		
Trade and other payables	369,853	313,249
Employee benefits	182,490	160,189
Total current liabilities	<u>552,343</u>	<u>473,438</u>
Non-current liabilities		
Employee benefits	27,570	24,946
Total non-current liabilities	<u>27,570</u>	<u>24,946</u>
Total liabilities	<u>579,913</u>	<u>498,384</u>
Net assets	<u>13,967,314</u>	<u>4,878,041</u>
Equity		
Issued capital	4 78,039,395	67,086,513
Reserves	5 1,393,621	1,252,973
Accumulated losses	(65,465,702)	(63,461,445)
Total equity	<u>13,967,314</u>	<u>4,878,041</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Patrys Limited
Statement of changes in equity
For the half-year ended 31 December 2020



Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	67,066,992	953,741	(60,724,279)	7,296,454
Loss after income tax expense for the half-year	-	-	(1,710,116)	(1,710,116)
Other comprehensive income for the half-year, net of tax	-	(7)	-	(7)
Total comprehensive income for the half-year	-	(7)	(1,710,116)	(1,710,123)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments	-	206,065	-	206,065
Balance at 31 December 2019	<u>67,066,992</u>	<u>1,159,799</u>	<u>(62,434,395)</u>	<u>5,792,396</u>

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	67,086,513	1,252,973	(63,461,445)	4,878,041
Loss after income tax expense for the half-year	-	-	(2,004,257)	(2,004,257)
Other comprehensive income for the half-year, net of tax	-	(11)	-	(11)
Total comprehensive income for the half-year	-	(11)	(2,004,257)	(2,004,268)
<i>Transactions with Owners in their capacity as Owners:</i>				
Contributions of equity, net of transaction costs (note 4)	10,952,882	(21,522)	-	10,931,360
Share-based payments	-	162,181	-	162,181
Balance at 31 December 2020	<u>78,039,395</u>	<u>1,393,621</u>	<u>(65,465,702)</u>	<u>13,967,314</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Patrys Limited
Statement of cash flows
For the half-year ended 31 December 2020



	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,672,191)	(1,633,567)
Interest received	2,177	45,600
Other revenue	-	5,498
Licensing income	-	27,500
R&D tax incentive	-	672,144
Government Grants and Incentives	117,000	-
	<u>(1,553,014)</u>	<u>(882,825)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(3,546)	-
	<u>(3,546)</u>	<u>-</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	11,620,661	-
Share issue transaction costs	(609,504)	-
	<u>11,011,157</u>	<u>-</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	9,454,597	(882,825)
Cash and cash equivalents at the beginning of the financial half-year	3,981,210	6,473,840
Effects of exchange rate changes on cash and cash equivalents	(266,664)	(20,415)
	<u>13,169,143</u>	<u>5,570,600</u>
Cash and cash equivalents at the end of the financial half-year		

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Patrys Limited as a Consolidated Entity consisting of Patrys Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Patrys Limited's functional and presentation currency.

Patrys Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 February 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Going concern

It is noted that for the half-year ended 31 December 2020, the Group incurred a loss from continuing operations after income tax of \$2,004,257 (31 December 2019: loss of \$1,710,116) and had operating cash outflows of \$1,553,014 (31 December 2019: outflows of \$882,825).

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates normal business activity, realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- At 31 December 2020, the Group had net current assets of \$13,483,258 (30 June 2020: \$4,370,639) and cash reserves of \$13,169,143;
- Cash flow forecasts prepared by management demonstrate that the Group has sufficient funds to meet commitments over the next twelve months; and
- At 31 December 2020, the Group recognised a receivable of \$623,197 in relation to the actual R&D tax incentive for the year ended 30 June 2020 (expected to be received in the 2021 financial year) and the estimated R&D tax incentive for the half-year ended 31 December 2020 was \$82,323 (expected to be received after the end of the 2021 financial year).
- The Directors have a track record of successful capital raisings, most recently having raised \$11,620,661 in the six months to December 2020.

Based on the above, the Directors believe the Consolidated Entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Note 3. Revenue

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Licensing income	13,750	13,750
R&D tax incentive	82,324	60,061
Interest income	1,549	41,167
Government grants and incentives	117,000	5,498
Revenue	<u>214,623</u>	<u>120,476</u>

Note 4. Equity - issued capital

	Consolidated			
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,806,478,572</u>	<u>1,071,318,226</u>	<u>78,039,395</u>	<u>67,086,513</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	1,071,318,226		67,086,513
Issue of shares under entitlement offer	5 August 2020	357,530,827	\$0.01200	4,290,371
Exercise of options	12 October 2020	6,000,000	\$0.00720	43,200
Issue of shares under equity placement	16 November 2020	125,000,000	\$0.02000	2,500,000
Issue of shares under entitlement offer	15 December 2020	120,428,183	\$0.02000	2,408,564
Issue of shares in settlement of placement fee	15 December 2020	7,500,000	\$0.02000	150,000
Issue of shortfall shares under entitlement offer	17 December 2020	118,926,336	\$0.02000	2,378,527
Transfer from option reserve on exercise of options		-	\$0.00358	21,523
Share issue costs		-	\$0.00000	(839,303)
Expiration of shares from share loan plan	31 December 2020	(225,000)	\$0.00000	-
Balance	31 December 2020	<u>1,806,478,572</u>		<u>78,039,395</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 5. Equity - reserves

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
Foreign currency translation reserve	(18,805)	(18,794)
Share option reserve	1,224,030	1,083,371
Share loan plan reserve	8,396	8,396
Other reserve	180,000	180,000
	<u>1,393,621</u>	<u>1,252,973</u>

Consolidated	Foreign currency translation reserve \$	Share option reserve \$	Share loan plan reserve \$	Other reserve \$	Total \$
Balance at 1 July 2020	(18,794)	1,083,371	8,396	180,000	1,252,973
Foreign currency translation	(11)	-	-	-	(11)
Share based payments	-	140,659	-	-	140,659
Balance at 31 December 2020	<u>(18,805)</u>	<u>1,224,030</u>	<u>8,396</u>	<u>180,000</u>	<u>1,393,621</u>

Note 6. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 7. Events after the reporting period

On 10 February 2021, the Company announced that it has selected an optimised stable cell line for its lead asset PAT-DX1.

On 17 February 2021, the Company issued a total of 41,111 fully paid ordinary shares upon the exercise of 40,185 PABO Listed Options, exercisable at \$0.024 (2.4 cents) each, and 926 PABOA Listed Options, exercisable at \$0.04 (4 cents) each.

No other matter or circumstance, other than disclosed in this Report has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 8. Earnings per share

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Loss after income tax attributable to the Owners of Patrys Limited	<u>(2,004,257)</u>	<u>(1,710,116)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,414,112,664</u>	<u>1,069,757,969</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,414,112,664</u>	<u>1,069,757,969</u>
	Cents	Cents
Basic loss per share	(0.14)	(0.16)
Diluted earnings per share	(0.14)	(0.16)

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Patrys Limited
Directors' declaration
For the half-year ended 31 December 2020



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read "John Read", written over a horizontal line.

Mr. John Read
Chairman

19 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Patrys Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Patrys Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO
Tim Fairclough

Tim Fairclough
Director

Melbourne, 19 February 2021

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