ASX & Media Release

28 October 2022

Quarterly Activities Report and 4C Quarterly Cash Flow Report

Highlights:

- **Second engineering run of PAT-DX1 successfully passes specification testing providing material for final GLP toxicology studies to support Phase-1 clinical trial in 2H CY2023**
- **Preclinical studies demonstrate PAT-DX1 improves effectiveness of radiation and survival in animal model of high grade glioma – a highly aggressive primary brain cancer**
- **Olivia Newton-John Cancer Research Institute awarded $100,000 grant to research use of PAT-DX1 and PAT-DX3 in animal models of triple negative breast cancer**
- **Cash and short-term investments of $7.2M at 30 September 2022**

Melbourne, Australia; 28 October 2022: 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 30 September 2022.

Patrys Chief Executive Officer and Managing Director, Dr. James Campbell said: "We are delighted that the second engineering run has provided us with the material needed to complete the final studies that will allow us to initiate the first clinical trials of PAT-DX1 in the second half of next year. This is a very significant milestone for the company. The preclinical work on our deoxymabs continues to highlight the great potential these unique antibodies have to provide new therapeutic approaches for treating cancer. In addition to the exciting results reported from the Telethon Kids Cancer Centre, we are very pleased that additional grant funding has been secured to continue the research that is being conducted at the Olivia Newton John Cancer Research Institute looking at ways to use our deoxymabs to treat breast cancers."

Operations Update

At the beginning of the quarter, Patrys announced that its Contract Development Manufacturing Organisation (CDMO) had completed a second engineering run of PAT-DX1 which used an updated purification process to produce large-scale quantities of clinical grade PAT-DX1. In August, Patrys reported that the material produced in this engineering run had successfully completed specification testing. Specification testing is a necessary requirement to ensure that the activity and purity of the manufactured drug material falls within pre-defined tolerance levels. The PAT-DX1 drug material has also undergone microbiological and chemical testing to confirm the absence of contaminants.

This GMP PAT-DX1 drug material will be used to complete the two remaining animal toxicology studies that are required before first-in-human studies can be initiated in 2H CY2023. Patrys has already successfully completed animal toxicology studies using non-GLP PAT-DX1 drug material and these showed that it is safe and well-tolerated. The GLP toxicology studies for PAT-DX1 are scheduled to commence in Q4 CY2022.

In August, Patrys reported new pre-clinical data for its lead asset, PAT-DX1 which supports the development of PAT-DX1 as a potential treatment for high grade glioma (HGG), a fast growing and clinically challenging form of brain cancer. The study was conducted in the laboratory of Professor Terrence Johns of the Telethon Kids Cancer Centre as part of the program of research being conducted under the $250,000 grant from the inaugural Clinical Accelerator fund of the Cure Brain Cancer Foundation awarded earlier this year. In this study, the administration of PAT-DX1 increased the effectiveness of radiation therapy which resulted in a significant improvement in survival in an animal model of high-grade glioma

Researchers at the Olivia Newton-John Cancer Research Institute (ONJCRI) have been awarded a $100,000 Victorian Medical Research Acceleration Fund (VMRAF) grant from the Victorian State Government to support research into the potential to incorporate PAT-DX1 and PAT-DX3 into new treatments for metastatic breast cancer. This research program will be led by Professor Robin Anderson, Head of ONJCRI's Translational Breast Cancer Program and Metastasis Research Laboratory. Professor Anderson's research is focused on understanding the genetic regulation of metastasis, primarily in breast cancer, and is aimed at identifying new targets for molecular based therapy for patients with progressive disease.

Corporate Update

In August, John Read announced his intention to step down as Chair of Patrys having held the role since the company listed on the ASX approximately 15 years ago. Mr Read played a pivotal leadership role, most recently guiding the Company's development of its unique deoxymab antibody technology platform. Current Director Mike Stork has been appointed as interim Chair while a search for a permanent Chair is completed. While this is being undertaken, Stefan Ross has been appointed as a Non-Executive Director and it is intended that he will step down from this position once a permanent Chair is appointed.

In September Patrys and Hefei Co-Source mutually agreed to terminate the exclusive development and commercialisation program for China for the IgM asset PAT-SC1, which was the last of Patrys' IgM legacy assets. The termination of this program aligns with Patrys' focus on advancing its deoxymab technology towards the clinic.

During the quarter ended 30 September 2022, Patrys had net cash outflows from operating activities of A$2,584k, with A$2,151k invested in R&D activities. At 30 September 2022, Patrys held A$5.2M in cash and an additional A$2M in short-term investments. 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 A$166k. 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.

For further information, please contact:

General enquiries	**Media enquiries:**
James Campbell	Haley Chartres
Chief Executive Officer	H^CK
P: +61 3 96703273	P: +61 423 139 163
info@patrys.com	haley@hck.digital

Registered Office Address
Level 4, 100 Albert Road
South Melbourne VIC 3205

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:

Patrys' deoxymab platform is based on the deoxymab 3E10 antibody that was first identified as an autoantibody in a mouse model of the human disease systemic lupus erythematosus (SLE). While 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. Cancer cells often have high levels of mutations and underlying deficiencies in the DNA repair mechanisms. For these reasons, the additional inhibition of the DNA repair processes by deoxymab 3E10 can kill cancer cells, but appears to have little impact on normal cells. As a single agent, deoxymab 3E10 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 tumours.

Patrys has developed two humanised forms of deoxymab 3E10, both which have improved activity over the original deoxymab 3E10 antibody. PAT-DX1 is a dimer (two joined subunits) of the short chain from the binding domain of deoxymab 3E10, while PAT-DX3 is a full-sized IgG antibody. In a range of pre-clinical studies, PAT-DX1 has shown significant ability to kill cancer cells in cell models, human tumour explants, xenograft and orthotopic models. PAT-DX1 has been shown to cross the blood brain barrier, reduce tumour size, and increase survival in multiple animal models of brain cancer, other cancers, and cancer metastases. PAT-DX1 is tumour-agnostic, meaning that it can target many

different tumour types in the body, regardless of specific tumour antigens. Patrys believes that PAT-DX1 may have application across a wide range of cancers including gliomas, melanomas, prostate, breast, pancreatic and ovarian cancers.

Deoxymabs, such as PAT-DX1 and PAT-DX3, can be used to target nanoparticles carrying a payload of anti-cancer drugs specifically to tumours. This allows specific delivery of cancer drugs to multiple types of cancer while having minimal impact on normal, healthy cells.

Patrys' rights to deoxymab 3E10 are part of a worldwide license to develop and commercialise a portfolio of novel anti-DNA antibodies and antibody fragments, variants and conjugates discovered at Yale University as anti-cancer and diagnostic agents. Overall, eight patents in the portfolio have been granted with 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 two patents covering nanoparticle conjugation (Australia and India).

Appendix 4C

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

Name of entity

PATRYS LIMITED

ABN	**Quarter ended ("current quarter")**
97 123 055 363	30 September 2022

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	(2,151)	(2,151)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs*	(108)	(108)
	(f) administration and corporate costs	(235)	(235)
1.3	Dividends received	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Others - IP expenditure	(93)	(93)
1.9	**Net cash from / (used in) operating activities**	**(2,584)**	**(2,584)**

**A portion of staff costs are reallocated into payments for research and development.*

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 (3 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	7,818*	7,818*
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,584)	(2,584)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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***	**5,234***	**5,234***

**In addition to the cash and cash equivalents balance above as at 30 September 2022, the Company holds an additional $2million in term deposits (30 June 2022: $2million), classified in the statement of financial position as short-term investments.*

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	3,228	5,813
5.2	Call deposits*	2,006*	2,005*
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)**	**5,234***	**7,818****

**The call deposits included in item 5.2 above, have a maturity of 3 months.*

***In addition to the cash and cash equivalents balance above as at 30 September 2022, the Company holds an additional $2million in term deposits (30 June 2022: $2million), classified in the statement of financial position as short-term investments.*

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	166
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.		

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)	(2,584)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,234
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,234
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.03
	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. **In addition to the cash and cash equivalents balance noted above at 8.4, the Company holds an additional $2 million in term deposits, classified in the statement of financial position as short-term investments, due to the maturity date being greater than 3 months. As a result, the estimated quarters of funding available will be greater than the figure provided in 8.5 due to holding these additional short-term investments. On a pro-forma basis with the $2 million included, the Group would have estimated quarters of funding available amounting to 2.80.*	
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.

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: 28 October 2022

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.