Prescient Therapeutics Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the year ended 30 June 2017
Previous period:	For the year ended 30 June 2016

2. Results for announcement to the market

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Revenues from ordinary activities	up	1,452.9%	to	166,220
Loss from ordinary activities after tax attributable to the Owners of Prescient Therapeutics Limited	up	46.4%	to	(2,567,633)
Loss for the year attributable to the Owners of Prescient Therapeutics Limited	up	46.4%	to	(2,567,633)

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

Comments
Total revenues for the financial year were $1,224,241 (2016: 1,002,500) with $166,220 relating to interest income (2016: $10,704) and $1,058,021 being the R&D tax incentive rebate (2016: $991,796).

The consolidated entity had total expenditure of $3,791,874 (2016: $2,756,642) due to increased operations and research and development activities.

At 30 June 2017, the consolidated entity's cash at bank was $7,645,388 (2016: $9,753,646) and its working capital position was $8,420,078 (2016: $9,644,826).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.98	4.97

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. 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.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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10. Audit qualification or review

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

The financial statements have been audited and an unqualified opinion has been issued.

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11. Attachments

Details of attachments (if any):

The Annual Report of Prescient Therapeutics Limited for the year ended 30 June 2017 is attached.

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12. Signed

Signed ______________________ Date: 29 August 2017

Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Annual Report - 30 June 2017

The Company's 2017 Corporate Governance Statement is available at www.ptxtherapeutics.com/investors/corporate-governance

Directors	Mr Steven Engle (Non-Executive Chairman) Mr Steven Yatomi-Clarke (Managing Director and CEO) Mr Paul Hopper (Non-Executive Director) Dr James Campbell (Non-Executive Director)
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Phone: 03 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC, 3205
Share register	Automic Registry Services Level 3 50 Holt Street Surrey Hills NSW 2010 Phone: 1300 288 664
Auditor	Ernst & Young 8 Exhibition Street Melbourne, VIC 3000
Stock exchange listing	Prescient Therapeutics Limited shares and options are listed on the Australian Securities Exchange (ASX codes: PTX and PTXO)
Website	www.prescienttherapeutics.com

Prescient Therapeutics Limited
Chairman's Letter
30 June 2017

Dear Shareholder,

On behalf of the Board and Management of Prescient Therapeutics Limited, I am pleased to report on the Company's progress for the 2016-2017 year.

Prescient Therapeutics continues to be a tightly run ship focused on the potential for PTX -200 and PTX-100 to treat multiple types of cancer, potentially providing solutions to drug resistance problems experienced with current therapies. The Company made significant progress, including completing the pre-defined requirements of the Phase 1b breast cancer study and initiating a new study in acute myeloid leukemia, and yet unfortunately, the Company experienced a setback in May, as a result of a clinical hold situation. Although not unusual in oncology clinical studies in very ill patients, where standard therapy itself has potentially dire effects, it did result in an immediate delay in the PTX-200 program.

As is normal in this situation, Management is reviewing the clinical protocols and risk mitigation plans for PTX-200 both internally and with regulatory authorities. Specifically, Prescient's CEO Steven Yatomi-Clarke, Chief Medical Officer, Dr Terrence Chew M.D., and Chief Scientific Officer, Professor Said Sebti, M.D., together with our regulatory affairs advisors, have already exchanged information with the U.S. Food and Drug Administration (FDA) and held initial discussions.

Noting we will not have clarity until completing ongoing discussions, Management remains confident that the clinical development of PTX-200 will resume based on our review of the situation to date and on industry experience.

At the end of 2016 and based on positive Phase 1 results, the Management Team initiated a Phase 1b/2 clinical trial evaluating PTX-200 for acute myeloid leukemia at the Moffitt Cancer, Yale Cancer, and Kansas University Medical centers. In parallel, the Team is undertaking a Phase 1b/2 trial of PTX-200 in patients with ovarian cancer at the Moffitt. These studies are currently on hold as well.

In May, Management secured an Orphan Drug Designation for PTX-200 for the treatment of acute myeloid leukemia from the Office of Orphan Products Development at the U.S. Food and Drug Administration. The benefits of an Orphan Drug Designation are considerable and include market exclusivity of seven years from granting of regulatory approval, potential for accelerated review, and a 50% tax credit on U.S. clinical trial expenses.

Also in May, Prescient received a key, new patent in Europe providing broad platform technology protection for PTX-200 and greatly extending the life of our proprietary position. With Phase 1b/2 clinical studies aimed at acute myeloid leukemia, breast and ovarian cancers, this patent further strengthened PTX's position.

Recently, the Company announced that a pre-clinical study published in the scientific journal, *Nature*, indicates that PTX-100 plays a key role in mitigating a new cancer pathway discovered at New York University's Langone Medical Center. As Prescient's Chief Scientific Officer Professor Said Sebti said "These findings have important translational implications for Prescient as patients whose tumors harbor defective PTEN may be more likely to respond to a combination of PTX-100 and photodynamic therapy."

With one of the latest stage pipelines on the ASX, Management was active in the last year in expanding the awareness of Prescient's story with investor audiences both in Australia and the US, including conferences such as the Biotech Showcase 2017 during the JP Morgan Conference week in San Francisco, ROTH Conference, and the Rodman & Renshaw Global Investment Conference in New York. Further, there are plans to present at Rodman & Renshaw in September 2017.

During the financial year, the Company has been careful to advance its clinical programs while minimizing spending. Net cash outflows for the financial year were $2.1 million and the Company ended the year with $7.6 million in cash.

On behalf of the Board, I want to thank the dedicated physicians and many patients involved in our studies. I also want to thank our Management Team for its contributions in continuing to realize the Company's vision, and our shareholders for their continued support and interest.

Steven Engle
Non-executive Chairman

Review of Operations

Despite the imposition of a clinical hold following a serious adverse event (SAE) on our PTX-200 breast cancer trial, Prescient achieved a great deal of progress on many fronts during the year. Below is a summary of the Company's operations during the financial year.

PTX-200

Prescient's novel PTX-200 technology inhibits an important tumor survival pathway known as Akt, which plays a key role in the development of many cancers. Prescient is in clinical stages evaluating PTX-200 as a treatment for breast cancer, ovarian cancer and acute myeloid leukemia (AML).

Breast Cancer

Prescient is conducting a Phase 1b/2 trial testing PTX-200 in combination with the chemotherapy standard of care, paclitaxel, for the treatment of metastatic and locally advanced breast cancer at the Albert Einstein College of Medicine and Cancer Center in New York, as well the H. Lee Moffitt Cancer Center (Moffitt) in Florida. In particular, Prescient is focusing on HER2 negative breast cancer, which is characterized by a high level of unmet clinical need.

The Phase 1b Breast Cancer Trial met its pre-determined safety criteria in April, and had encouraging interim efficacy in patients with HER2 negative breast cancer. This indicated that the study was able to progress to Phase 2, with five patients from Phase 1b qualifying for analysis in Phase 2. At the time, eight patients had been evaluated for clinical response. Of these eight patients, one had a complete response; four had partial responses; two exhibited stable disease; and one had progressive disease.

Unfortunately, at the end of May, it was announced that the last patient in the Phase 1b trial subsequently suffered an SAE and passed away. The SAE occurred in a female patient with triple negative, stage IV metastatic breast cancer (advanced cancer with poor prognosis) who experienced hepatic (liver) failure. The Principal Investigator assessed that the cause of the SAE was possibly related to the chemotherapy paclitaxel (known to impact liver metabolism), possibly related to diabetes medication pioglitazone, and possibly related to PTX-200.

In accordance with operational procedures, recruitment to all PTX-200 trials was put on hold to further investigate the cause of the SAE, and the Company continues to work closely with the FDA to review protocols, update the risk mitigation plan and ensure that patient safety across all trials is maximized. Working towards this is the Company's highest priority. Prescient's PTX-200 trials may resume once the FDA removes the clinical holds on each respective trial.

Acute Myeloid Leukemia (AML)

Prescient is also evaluating PTX-200 in patients with refractory or relapsed AML in a Phase 1b trial combining PTX-200 with the chemotherapeutic agent cytarabine, following encouraging results from a previous Phase 1 study of PTX-200 as a monotherapy in acute leukemias. This trial is led by Principal Investigator Professor Jeffrey Lancet, a world renowned hematologist at the Moffitt.

Prescient commenced recruitment for a subsequent Phase 1b study and in December announced that Moffitt had dosed the first patient in this trial.

In March, the Company confirmed completion of the first cohort in Phase 1b; the cohort treated three patients with relapsed or refractory AML using a dose of 25mg/m^2 of PTX-200 given as a one-hour intravenous infusion on days 1, 8 and 15; in combination with 400mg/m^2 of cytarabine as continuous infusion on days 2 – 6 of each 21-day cycle. The dose was found safe with no dose limiting toxicities. The trial subsequently progressed to the next dosage level of 35 mg/m^2 PTX-200.

In addition to Moffitt and the Yale Cancer Center, Prescient welcomed the University of Kansas Medical Center as a third participating trial center in May. Recruitment at Kansas University is led by Associate Professor Tara Lin, Director of the Acute Leukemia Program in the Division of Hematologic Malignancies at the University's cancer center.

The Company was pleased to announce that the US Food and Drug Administration (FDA) granted PTX-200 Orphan Drug Designation for the treatment of AML during the year. The benefits of an Orphan Drug Designation are considerable and include guaranteed market exclusivity for PTX-200 of seven years from granting of regulatory approval; potential for accelerated review; and a 50% tax credit on US trials.

Ovarian Cancer

The third trial is a Phase 1b/2 trial of PTX-200 in combination with carboplatin (current standard of care chemotherapy), underway in patients with recurrent or persistent platinum resistant ovarian cancer at the Moffitt. Hyper-phosphorylated Akt is a key feature of platinum-resistant ovarian cancer, and these patients no longer respond to conventional chemotherapies like carboplatin.

In December, the Company announced the dosing of its first patient at the next dose level of 25mg/m^2 of PTX-200 in the dose escalation stage of the Phase 1b/2 trial taking place at the Moffitt.

PTX-100

Prescient's second novel drug candidate, PTX-100 is a first in class compound with the ability to block an important cancer growth enzyme known as geranylgeranyl transferase (GGT).

In June, the Company announced the results of PTX-100's pre-clinical study which were published in the scientific journal *Nature*. *Nature* is regarded as one of the world's most cited and prestigious scientific publications.

These results indicated that PTX-100 plays a key role in mitigating a new cancer pathway discovered by Professor Michele Pagano at New York University's Langone Medical Center, in New York.

Professor Pagano's study also showed in mouse models that when administered with PTX-100, plus photodynamic therapy, a protein known as FBXL2 is "switched-off" allowing abnormal cells to self-destruct. Therefore, patients whose tumors harbor defective PTEN may also be more likely to respond to a combination of PTEN and photodynamic therapy.

Intellectual Property

During the year, the Company bolstered its intellectual property portfolio, with key patents granted in the US and Europe that underpin the development and commercialization of lead drug candidate PTX-200.

In the September quarter, the Company announced that the US Patent and Trademark Office (USPTO) had issued two notices of allowance under the PTX-200 patent families "Effective treatment of tumors and cancer with triciribine and related compounds" and "Compositions including triciribines and taxanes and methods of use thereof".

In March, the issue of three additional US patents was announced. These patents include a platform method of treatment for identifying and treating a patient having a tumor with enhanced sensitivity to TCN, a method for treating esophageal adenocarcinoma which overexpress Akt kinase and a method for treating cancers which overexpress Akt in combination with trastuzumab.

Prescient also announced the granting of an additional patent in Europe in May. This patent is entitled "Effective treatment of tumors and cancers with triciribine and related compounds" and it covers particular therapeutic regimens of triciribine phosphate and compositions with reduced toxicity for the treatment of tumors, and cancer.

Operational team

Prescient's operational team has been bolstered by the appointments of highly experienced individuals in Chemistry, Manufacturing & Controls (CMC); clinical operations; and general operations.

Dr Mike Preigh (VP-CMC) spent 10 years at Array BioPharma leading a CMC group that successfully filed INDs for >20 new chemical entities and supported development of drug substance, drug product, analytical testing, and regulatory filings as these products progressed into Phase 2 and Phase 3 clinical trials. Notably, Array developed strong expertise in addressing CMC specific issues in kinase drug development.

Prior to joining Array, Mike spent 12 years at Pfizer supporting programs from late state discovery through NDA and post-marketing including leading the analytical chemistry efforts in support of the Aricept NDA.

Mark Sonnemann (Clinical Operations) is an experienced clinical research and regulatory specialist based in Tampa, Florida, with experience in selection, initiation, monitoring, and management of investigative centers for Phase I through IV clinical trials; sponsor standard operating procedures; and regulatory filings. He was formerly a senior clinical research associate at Quintiles, a multinational clinical research organization. Mr Sonnemann is also a Juris Doctor admitted to the Bar in 2000.

Dr Claudia Gregorio-King (VP-Operations) has over 10 years of experience in project management in the biotechnology industry, with knowledge of product development from preclinical to phase 3 clinical trials and an understanding of national and international regulatory guidelines and regulations related to non-clinical and clinical development of pharmaceutical products. Dr Gregorio-King was formerly Clinical Operations Manager with NOHLA Therapeutics; R&D Program Manager at Cell Care Australia and had project management roles with Clinical Network Services, Amgen and CNSBio.

Given the appointment of specialists to Prescient's operational team, Mr Paul Hopper transitioned from Executive Director to Non-executive Director at the end of the financial year. The Company thanks Mr Hopper for his contributions and looks forward to his continued involvement at Board level.

Statement of Financial Position

- Cash and term deposits held of $7,665,388 (2016: $9,753,646) at reporting date. The Company did not have any debt.

Operating Results

- The Company produced a loss from ordinary activities before income tax of $2,567,633 (2016: $1,754,142).
- Revenue including other income during the period was $1,224,241 (2016: $1,002,500). This revenue consisted of interest income amounting to $166,220 and R&D tax incentive income of $1,058,021.
- Total operating expenses for the period were $3,791,874 (2016: $2,756,642).
- Research and development costs of $2,432,166 (2016: $797,889) have been expensed in the year that they were incurred.
- Corporate expenses of $768,904 (2016: $792,213) have been expensed from continuing operations. These costs include legal fees for work completed associated with intellectual property, professional consulting fees and fees associated with investor relations activities.
- Administrative expenses of $102,193 (2016: $296,272) consisted of travel expenditure, general administrative expenses and communications costs.
- Occupancy expenses of $Nil (2016: $24,992) for rental expenses.
- Employment costs of $340,215 (2016: $796,302) for consulting fees and Director Fees.
- Share based payment costs of $119,475 (2016: $41,932).

Statement of Cash Flows

- The Company's net cash outflow from operations over the period was $3,278,240 (2016: $1,558,914).

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Prescient Therapeutics Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Directors
The following persons were directors of Prescient Therapeutics Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Steven Engle
Mr Steven Yatomi-Clarke
Mr Paul Hopper
Dr James Campbell

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- the preparation for and conduct of clinical trials relating to the Company's drugs;
- business development associated with the promotion of Prescient's proprietary technologies and products; and
- business development associated with developing collaborative, partnership relationships and corporate transactions.

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

Significant changes in the state of affairs
On 18 July 2016 the consolidated entity announced the issue of 15,052,633 fully paid ordinary shares and 7,526,312 PTXO listed options following the placement of shortfall shares in accordance with the consolidated entity's non-renounceable rights issue offer dated 3 June 2016.

On 21 December 2016 the consolidated entity issued 2,000,000 fully paid ordinary shares in accordance with the consolidated entity's Loan Funded Share Plan, as approved by shareholders at the Company's 2016 Annual General Meeting.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2017 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.

Likely developments and expected results of operations
Prescient's priority continues to be working with the FDA to remove the clinical hold for the PTX-200 clinical trials. Once removed, Prescient can work towards resuming recruitment to these trials. In parallel, Prescient is planning pre-clinical investigations and a clinical trial to determine pharmacodynamics of PTX-100 in new indications.

Environmental regulation
The Company's activities in respect of the conduct of preclinical and clinical trials and the manufacturing of drugs, using PTX 100 and PTX 200 technology and other biological technologies, for preclinical and clinical trials are subject to the law of the Commonwealth or the State or Territory in which such activity takes place. Some aspects of such activities could be construed as being covered by law or regulations relating to environmental matters. It is believed that, should activities be so construed, the Company meets the requirements of such law and regulations. The Company retains the right, under the respective contracts, to audit the performance of its contractors.

Information on Directors

Name:	Mr Steven Engle
Title:	Non-Executive Chairman
Experience and expertise:	Steve Engle is CEO of Averigon, an advisory firm to the life science industry. Previously, Mr. Engle was Chairman and CEO of XOMA, a developer of antibody therapeutics for inflammatory, metabolic and other diseases and which had partnerships with multiple pharmaceutical companies. Prior to that, he was Chairman and CEO of La Jolla Pharmaceutical Company, which discovered the biology of B cell tolerance, developed the first B cell toleragen for lupus patients, and received an approvable letter from the FDA. Mr. Engle served as VP of Marketing for Cygnus, a drug delivery company, where he helped gain FDA approval of and launch Nicotrol for smoking cessation. He was VP of Marketing at a device company and a management consultant at Strategic Decisions Group and SRI International. Mr. Engle is a board member of AROA Biosurgery, Author-it Software Corporation, and Prescient Therapeutics. He is a former board member of BIO, Baybio, BIOCOM and the Lupus Foundation of America. Mr. Engle holds a B.S. and an M.S. in electrical engineering with a focus in biomedical engineering from the University of Texas at Austin.
Other current directorships:	AROA Biosurgery, Author-it Software Corporation
Former directorships (last 3 years):	Anthera Pharmaceuticals Inc (NASDAQ: ANTH)
Special responsibilities:	Member of the Audit Committee and Remuneration and Nomination Committee
Interests in shares:	Nil.
Interests in options:	300,000 unlisted options exercisable at $0.085 before 4 November 2018 and 370,000 unlisted options exercisable at $0.1194 before 21 December 2019.

Name:	Mr Steven Yatomi-Clarke
Title:	Managing Director and CEO appointed as of 15 February 2016.
Qualifications:	BSc(Hons), BCom
Experience and expertise:	Mr Yatomi-Clarke was appointed as CEO and Managing Director of Prescient Therapeutics in February 2016, having previously been a Non-executive Director of the Company. He has over 17 years' experience in investment banking specialising in healthcare and biotechnology, where he was consistently one of the most prolific and successful bankers, involved in primary and secondary offerings, corporate advisory and mergers and acquisitions assignments for pharmaceutical and medical device companies. Educated at the University of Melbourne, where he earned a Bachelor of Science with an Honours Degree in Biochemistry and Molecular Biology, and a Bachelor of Commerce majoring in Economics, he has the rare distinction of readily bridging the divide between science and commerce. Mr Yatomi-Clarke has also been a collaborator on clinical trials conducted in Australia and the US in the field of cancer immunotherapy.
Other current directorships:	None.
Former directorships (last 3 years):	None.
Special responsibilities:	None.
Interests in shares:	2,394,412 Fully paid ordinary shares. 2,000,000 ordinary shares as part of the ELSP with an expiry date of 30 November 2021.
Interests in options:	70,000 listed options. 200,000 unlisted options with an exercise price of $0.085 exercisable before 4 November 2018.

Name:	Mr Paul Hopper
Title:	Non-Executive Director
Qualifications:	BA, ASIA
Experience and expertise:	Mr Hopper has over 20 years' experience in the management and funding of biotechnology and healthcare public companies both as CEO and Director, with extensive capital markets experience in equity and debt raisings in Australia, Asia, US and Europe. Mr Hopper's sector experience has covered a number of therapeutic areas with a particular emphasis on immunotherapy and cancer vaccines. Mr Hopper left his role of Executive Director and became a Non-Executive Director of the Company on 30 June 2017.
Other current directorships:	Viralytics Limited (ASX: VLA) and Imugene Limited (ASX: IMU)
Former directorships (last 3 years):	None.
Special responsibilities:	Member of the Audit Committee and Remuneration and Nomination Committee
Interests in shares:	9,160,916 fully paid ordinary shares
Interests in options:	22,222 listed options. 247,000 unlisted options exercisable at $0.1194 before 21 December 2019.

Name:	Dr James Campbell
Title:	Non-Executive Director
Experience and expertise:	Dr Campbell has more than 20 years of international biotechnology research, management and leadership experience and has been involved in the creation and/or transformation of multiple successful Australian and international biotechnology companies. Dr Campbell was previously the CFO and COO of ChemGenex Pharmaceuticals Limited (ASX:CXS), where, as a member of the executive team he helped transform a research-based company with a market capitalization of $10M to a company with completed clinical trials and regulatory dossiers submitted to the FDA and EMA. In 2011 ChemGenex was sold to Cephalon for $230M. Dr Campbell was a foundation executive of Evolve Biosystems, and has assisted private biotechnology companies in Australia, New Zealand and the USA with successful capital raising and partnering negotiations. Dr Campbell sits on the IP and Commercialization Advisory Committee of the CRC for Mental Health, and sits on the Advisory Board of Deakin University's Centre for Innovation in Mental and Physical Health and Clinical Treatment (IMPACT).
Other current directorships:	Non-Executive Director of Invion Limited (ASX:IVX) and CEO and Managing Director of Patrys Limited (ASX:PAB).
Former directorships (last 3 years):	Medibio Limited (ASX: MEB) and Non-Executive Chairman of Innavac Limited.
Special responsibilities:	Chairman of Audit Committee and Member of the Remuneration & Nomination Committee
Interests in shares:	None.
Interests in options:	200,000 unlisted options with an exercise price of $0.085 before 4 November 2018. 247,000 unlisted options with an exercise price of $0.1194 before 21 December 2019.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Melanie Leydin was appointed Company Secretary on 1 October 2015. Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the resources, technology, bioscience and biotechnology sector. Melanie has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies and shareholder relations.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Steven Engle	8	8	2	2	2	2
Mr Steven Yatomi-Clarke	8	8	-	-	2	2
Mr Paul Hopper	8	8	2	2	2	2
Dr James Campbell	8	8	2	2	2	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- focussing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retains high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 9 November 2004, where the shareholders approved an aggregate remuneration of $400,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Short-term incentives

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

In the 2017 financial year, a bonus was awarded to Mr Steven Yatomi-Clarke upon achievement of financial and non-financial performance targets. The Board has discretion to approve payment of short term incentives.

Long-term incentives

The long-term incentives ('LTI') include share-based payments under the ESOP (employee share option plan) and ESLP (employee share loan plan) and have been selected to align Company performance and reflect individual employee contribution to the Company. Directors and other key management personnel receive compensation under these plans.

Options are awarded to key management personnel over a period of three years based on long-term incentive measures using a combination of time-based milestones and performance-based milestones. Performance-based milestones can be based on financial or non-financial targets.

Shares are issued to key management personnel under the ESLP based on the achievement of performance hurdles. Performance hurdles are decided on an individual basis as approved by the Board and can be based on financial and non-financial targets.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Refer to the additional information disclosure for a summary of earnings of the Company.

Use of remuneration consultants
During the year ended 30 June 2017 the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')
At the 2016 AGM, 97.44% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
This remuneration report for the year ended 20 June 2017 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. This information has been audited as required by section 308(3C) of the Act.

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Prescient Therapeutics Limited:

- Mr Steven Engle (Non-Executive Chairman)
- Mr Steven Yatomi-Clarke (Managing Director & CEO)
- Mr Paul Hopper (Non-Executive Director) (previously Executive Director until 30 June 2017)
- Dr James Campbell (Non-Executive Director)
- Prof Said Sebti (Chief Scientific Officer)
- Dr Terrence Chew (Chief Medical Officer)
- Ms Melanie Leydin (Company Secretary)

Key management personnel are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

2017	Short-term benefits Cash salary and fees $	Short-term benefits Bonus $	Short-term benefits Non-Monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	Termination Payments $	Total $
Non-Executive Directors:								
Mr Steven Engle*	65,833	-	-	-	-	8,940	-	74,773
Dr James Campbell	45,000	-	-	4,275	-	5,966	-	55,241
Mr Paul Hopper	180,000	-	-	-	-	4,491	-	184,491
Executive Directors:								
Mr Steven Yatomi-Clarke**	316,458	103,333	-	30,064	3,907	47,966	-	501,728
Other Key Management Personnel:								
Melanie Leydin***	117,000	-	-	-	-	-	-	117,000
Professor Said Sebti****	129,417	-	-	-	-	41,678	-	171,095
Dr Terrence Chew	179,316	-	-	-	-	10,804	-	190,120
	1,033,024	103,333	-	34,339	3,907	119,845	-	1,294,448

* Mr Engle's salary increased from $65,000 to $75,000 as at 1 June 2017.

** Mr Yatomi-Clarke's salary increased from $310,000 plus superannuation per annum to $325,500 plus superannuation per annum as at 1 February 2017.

*** Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and accounting services.

**** Professor Sebti's fee increased from 80,000 USD per annum to 115,000 USD per annum on 1 January 2017.

2016	Short-term benefits Cash salary and fees $	Short-term benefits Bonus $	Short-term benefits Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	Termination Payments $	Total $
Non-Executive Directors:								
Mr Steven Engle	65,000	-	-	-	-	6,943	-	71,943
Dr James Campbell	45,000	-	-	4,275	-	4,629	-	53,904
Executive Directors:								
Mr Steven Yatomi-Clarke*	168,300	-	-	13,716	-	4,629	-	186,645
Mr Paul Hopper	180,000	-	-	-	-	-	-	180,000
Dr Robert Crombie**	171,913	10,000	-	13,062	-	-	137,500	332,475
Other Key Management Personnel:								
Melanie Leydin***	86,000	-	-	-	-	-	-	86,000
Professor Said Sebti****	101,850	-	-	-	-	11,227	-	113,077
Dr Terrence Chew*****	156,828	-	-	-	-	-	-	156,828
	974,891	10,000	-	31,053	-	27,428	137,500	1,180,872

* Appointed as Managing Director and CEO on 15 February 2016
** Dr Crombie resigned on 15 October 2015.
*** Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting Services
**** Professor Said M. Sebti was appointed on 26 May 2015 as Chief Scientific Officer of the consolidated entity.
***** On 28 April 2015, Dr Terrence Chew was appointed as Chief Medical Officer of the Company. During the period 28 April 2015 – 30 June 2015 as Chief Medical Officer, Dr Chew received A$24,270 in remuneration. Prior to becoming Chief Medical Officer of the Company, Dr Chew also received additional remuneration as a consultant amounting to A$4,483.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - LTI		At risk - STI	
Name	2017	2016	2017	2016	2017	2016
Non-Executive Directors:						
Mr Steven Engle	88%	90%	12%	10%	-	-
Dr James Campbell	89%	91%	11%	9%	-	-
Executive Directors:						
Dr Robert Crombie	-	97%	-	-	-	3%
Mr Paul Hopper	98%	100%	2%	-	-	-
Mr Steven Yatomi-Clarke	70%	97%	9%	3%	21%	-
Other Key Management Personnel:						
Ms Melanie Leydin	100%	100%	-	-	-	-
Professor Said Sebti	76%	90%	24%	10%	-	-
Dr Terrence Chew	94%	100%	6%	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Steven Yatomi-Clarke
Title:	Managing Director & CEO
Agreement commenced:	15 February 2016
Term of agreement:	No fixed term, commencing on 15 February 2016 for an ongoing term subject to termination by the Company with six month's notice or by Mr Yatomi-Clarke with 6 month's notice.
Details:	Mr Yatomi-Clarke will be entitled to an annual salary of $325,500 plus superannuation, subject to annual review. In addition, the Company will pay Mr Yatomi-Clarke a performance based bonus over and above the annual salary. This bonus is split between short-term incentives and long-term incentives. The STI bonus amount is payable within 30 days upon achievement of relevant milestones. Three months before the commencement of each subsequent year, the Board and the Employee will agree the milestones applicable to the achievement of the Bonus Amount for those years. The LTI bonus provides that the Employer will grant a loan to acquire up to 5,000,000 shares subject to shareholder approval.

Name:	Mr Steven Engle
Title:	Non-Executive Chairman
Agreement commenced:	28 November 2014
Term of agreement:	No fixed term.
Details:	Mr Engle is entitled to an annual salary of $75,000 per annum, increasing from $65,000 on 1 June 2017.

Name:	Mr Paul Hopper
Title:	Non-Executive Director (previously Executive Director until 30 June 2017)
Agreement commenced:	1 December 2014
Term of agreement:	No fixed term, commencing on 1 December 2014 and for an ongoing term subject to termination by the Company with 2 months' notice.
Details:	Mr Hopper was entitled to an annual base salary of $180,000 per annum during the financial year. He took a reduced salary of $49,275 as of 1 July 2017 upon moving to his new role as Non-Executive Director.

Name:	Professor Said Sebti
Title:	Chief Scientific Officer
Agreement commenced:	28 May 2015
Term of agreement:	The term of the agreement is initially six months (6) that may be extended to two (2) years commencing on the date of the agreement, subject to termination by the Company with 1 months' notice.
Details:	During the period, the company increased Professor Sebti's fees to $115,000 USD per annum.

Name:	Dr Terrence Chew
Title:	Chief Medical Officer
Agreement commenced:	20 April 2015
Term of agreement:	No fixed term, commencing 20 April 2015 and for an ongoing term subject to termination by the Company with 14 days' notice.
Details:	Dr Chew is entitled to a fixed rate of $114,000 USD per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

On 30 November 2016, shareholders approved the Company's proposal to issue up to 8,000,000 Loan Funded Shares (LFS) with an expiry date of 30 November 2021 to the Company's Managing Director, Mr Steven Yatomi-Clarke, by way of a non-recourse, interest-free loan. The loan is repayable at any time or is repayable immediately if the participant ceases to be an employee. If the employee sells the shares, the shares are payable on the date of receipt of the funds. The initial tranche of 2,000,000 shares was issued at $0.094 (9.4 cents) on 21 December 2016. The second tranche, of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.15 (15 cents) prior to the expiry date; the third tranche of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.22 (22 cents) prior to the expiry date; and the fourth and final tranche of 2,000,000 shares will be issued when the 5-day VWAP of ordinary shares in the Company reaches $0.29 (29 cents) prior to the expiry date.

The terms and conditions of each grant of shares under the ESLP affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of shares granted	Grant date	Vested & issued	Expiry date	Issue price on vesting	Fair value per option at grant date
Steven Yatomi-Clarke	2,000,000	30/11/2016	2,000,000	30/11/2021	$0.090	$0.074
Steven Yatomi-Clarke	2,000,000	30/11/2016		30/11/2021	$0.150	$0.047
Steven Yatomi-Clarke	2,000,000	30/11/2016		30/11/2021	$0.220	$0.041
Steven Yatomi-Clarke	2,000,000	30/11/2016		30/11/2021	$0.290	$0.037

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price on vesting	Fair value per option at grant date
21 December 2016	21 December 2016	21 December 2019	$0.119	$0.027
21 December 2016	21 December 2017	21 December 2019	$0.119	$0.023
21 December 2016	21 December 2018	21 December 2019	$0.119	$0.016
20 April 2017	20 April 2017	20 April 2021	$0.121	$0.037
20 April 2017	20 April 2018	20 April 2021	$0.121	$0.036
20 April 2017	20 April 2019	20 April 2021	$0.121	$0.036
20 April 2017	20 April 2021	20 April 2021	$0.121	$0.035
16 May 2017	16 May 2017	16 May 2021	$0.119	$0.038
16 May 2017	16 May 2018	16 May 2021	$0.119	$0.037
16 May 2017	16 May 2019	16 May 2021	$0.119	$0.036
16 May 2017	16 May 2021	16 May 2021	$0.119	$0.035

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Number of options granted during the year 2017	Number of options granted during the year 2016	Number of options vested during the year 2017	Number of options vested during the year 2016
Paul Hopper	247,000	-	123,500	-
Prof. Said Sebti	1,600,000	200,000	950,000	100,000
Steven Yatomi-Clarke	-	200,000	50,000	100,000
Steven Engle	370,000	300,000	260,000	150,000
James Campbell	247,000	200,000	173,500	100,000
Terrence Chew	1,000,000	-	250,000	-

Additional information

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015 $	2014 $	2013 $
Revenue	166,220	10,704	39,967	8,142	2,240,154
Net profit/(loss) before tax	(2,567,634)	(1,754,142)	(2,133,375)	(1,769,396)	1,787,000
Net profit/(loss) after tax	(2,567,634)	(1,754,142)	(2,133,375)	(1,769,396)	1,787,000

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Mr Paul Hopper	9,159,808	-	134,444	(133,336)	9,160,916
Mr Steven Yatomi-Clarke	2,254,412	2,000,000	140,000	-	4,394,412
Prof Said Sebti	500,000	-	-	-	500,000
	11,914,220	2,000,000	274,444	(133,336)	14,055,328

* Steven Engle, James Campbell, Terrence Chew and Melanie Leydin do not hold shares in the Company.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Steven Yatomi Clarke	270,000	-	-	-	270,000
James Campbell	200,000	247,000	-	-	447,000
Steven Engle	300,000	370,000	-	-	670,000
Prof Said Sebti	500,000	1,600,000	-	-	2,100,000
Paul Hopper	22,222	247,000	-	-	269,222
Terrence Chew	-	1,000,000	-	-	1,000,000
	1,292,222	3,464,000	-	-	4,756,222

Loans to key management personnel and their related parties
There were no loans to Key Management Personnel at any time during the financial year (2016: Nil).

Other transactions with key management personnel and their related parties
Please refer to note 24 "Related Parties" for further information. There were no other transactions with Key Management Personnel (2016: Nil).

There were no other transactions with Key Management Personnel other than the remuneration disclosed above (2016: Nil).

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Prescient Therapeutics Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11 December 2014	11 December 2018	$0.140	500,000
6 May 2015	6 May 2018	$0.092	300,000
4 November 2015	4 November 2018	$0.085	700,000
23 November 2015	20 October 2020	$0.060	200,000
12 October 2013	12 October 2017	$0.100	4,385,000
30 June 2016	30 June 2018	$0.180	57,751,356
21 December 2016	21 December 2019	$0.119	864,000
20 April 2017	20 April 2021	$0.121	1,600,000
16 May 2017	16 May 2021	$0.119	1,000,000
			67,300,356

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Prescient Therapeutics Limited issued on the exercise of options during the year ended 30 June 2017 and up to the date of this report.

Indemnity and insurance of officers

During the financial year, Prescient Therapeutics Limited paid an insurance premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against a liability incurred as director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entities against a liability incurred as such an officer or auditor.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payments have been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

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.

Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Steven Engle
Non-Executive Chairman

29 August 2017

Ernst & Young
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Melbourne VIC 3000 Australia
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Auditor's Independence Declaration to the Directors of Prescient Therapeutics Limited

As lead auditor for the audit of Prescient Therapeutics Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Prescient Therapeutics Limited and the entities it controlled during the financial year.

Ernst + Young

Ernst & Young

Joanne Lonergan
Partner
29 August 2017

	Note	Consolidated 2017 $	2016 $
Revenue	5	166,220	10,704
Other income	6	1,058,021	991,796
Expenses			
Research and development costs		(2,432,166)	(797,889)
Corporate expenses		(768,904)	(792,213)
Administrative expenses		(102,193)	(296,272)
Occupancy expenses		-	(24,992)
Realised foreign exchange movements		(28,921)	(7,042)
Employment costs		(340,215)	(796,302)
Share based payments		(119,475)	(41,932)
Loss before income tax expense		(2,567,633)	(1,754,142)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the Owners of Prescient Therapeutics Limited		(2,567,633)	(1,754,142)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Prescient Therapeutics Limited		(2,567,633)	(1,754,142)
		Cents	**Cents**
Basic earnings per share	29	(1.22)	(2.13)
Diluted earnings per share	29	(1.22)	(2.13)

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

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	8	7,645,388	9,753,646
Trade and other receivables	9	21,822	19,520
Short term investments	10	20,000	-
Other	11	1,173,514	693,864
Total current assets		8,860,724	10,467,030
Non-current assets			
Property, plant and equipment	12	2,230	1,149
Intangibles	13	3,366,894	3,366,894
Total non-current assets		3,369,124	3,368,043
Total assets		12,229,848	13,835,073
Liabilities			
Current liabilities			
Trade and other payables	14	400,587	812,375
Employee benefits	15	40,059	9,829
Total current liabilities		440,646	822,204
Non-current liabilities			
Employee benefits	16	4,249	347
Total non-current liabilities		4,249	347
Total liabilities		444,895	822,551
Net assets		11,784,953	13,012,522
Equity			
Issued capital	17	55,497,148	54,276,559
Reserves	18	728,689	609,214
Accumulated losses		(44,440,884)	(41,873,251)
Total equity		11,784,953	13,012,522

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

Consolidated	**Issued capital $**	**Foreign currency reserve $**	**Share based payments Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2015	43,994,092	8,221	567,282	(40,119,109)	4,450,486
Loss after income tax expense for the year	-	-	-	(1,754,142)	(1,754,142)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,754,142)	(1,754,142)
Issue of Shares and Options	11,011,497	-	-	-	11,011,497
Less Costs of Capital Raising	(729,030)	-	-	-	(729,030)
Adjustment for lapsed options during the year	-	-	(54,895)	-	(54,895)
Share based payments (note 30)	-	-	96,827	-	96,827
Foreign exchange movements	-	(8,221)	-	-	(8,221)
Balance at 30 June 2016	54,276,559	-	609,214	(41,873,251)	13,012,522

Consolidated	**Issued capital $**	**Share based payments reserves $**	**Share loan plan reserve $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2016	54,276,559	609,214	-	(41,873,251)	13,012,522
Loss after income tax expense for the year	-	-	-	(2,567,633)	(2,567,633)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,567,633)	(2,567,633)
Share based payments (note 30)	-	72,985	46,490	-	119,475
Conversion of options	352	-	-	-	352
Contribution of equity	1,354,737	-	-	-	1,354,737
Capital raising fees	(134,500)	-	-	-	(134,500)
Balance at 30 June 2017	55,497,148	682,199	46,490	(44,440,884)	11,784,953

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

Prescient Therapeutics Limited
Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(4,082,261)	(2,127,714)
Interest received		159,193	10,713
R&D tax incentive		644,828	558,087
Net cash used in operating activities	28	(3,278,240)	(1,558,914)
Cash flows from investing activities			
Payments for short term investments		(20,000)	-
Payments for property, plant and equipment		(1,686)	(1,320)
Proceeds from release of security deposits		-	3,780
Net cash from/(used in) investing activities		(21,686)	2,460
Cash flows from financing activities			
Proceeds from issue of shares		1,355,089	11,011,497
Capital raising costs		(134,500)	(729,030)
Net cash from financing activities		1,220,589	10,282,467
Net increase/(decrease) in cash and cash equivalents		(2,079,337)	8,726,013
Cash and cash equivalents at the beginning of the financial year		9,753,646	1,042,896
Effects of exchange rate changes on cash and cash equivalents		(28,921)	(15,263)
Cash and cash equivalents at the end of the financial year	8	7,645,388	9,753,646

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

Note 1. General information

The financial statements cover Prescient Therapeutics Limited as a consolidated entity consisting of Prescient Therapeutics Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Prescient Therapeutics Limited's functional and presentation currency.

Prescient Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 4, 100 Albert Road
South Melbourne, VIC, 3205

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 29 August 2017.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 30 June 2017 of the consolidated entity results in an excess of current assets over current liabilities of $8,420,078 (30 June 2016: $9,644,826 excess). The consolidated entity made a loss after tax of $2,567,633 during the financial year (2016: $1,754,142 from continuing operations) and the net operating cash outflow was $3,278,240 (2016: $1,558,914 net outflow). The cash balance as at 30 June 2017 was $7,645,388 (30 June 2016: $9,753,646).

The Directors are of the opinion that the existing cash reserves, receipts from research and development rebates and capital raised during the 2016 calendar year will provide the Company with adequate funds to ensure its continued viability and operate as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Prescient Therapeutics Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Prescient Therapeutics Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The Company operated predominately in the clinical stage oncology industry within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of clinical stage oncology within Australia.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Revenue

	Consolidated	
	2017	**2016**
	$	**$**
Interest	166,220	10,704

Accounting policy for revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue as or when each performance obligation is satisfied. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied as or when the service is been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 and the impact of is not expected to materially affect the Company's performance.

Note 6. Other income

	Consolidated	
	2017	**2016**
	$	**$**
Research and development tax incentive	1,058,021	991,796

Note 6. Other income (continued)

Effective 1 July 2011, the R&D tax incentive regime replaced the R&D tax concession. Under this regime, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% (2016: 45%) on the eligible R&D expenditure incurred on eligible R&D activities.

The 43.5% (2016: 45%) refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance and is recorded as 'other income' in the Statement of profit or loss & other comprehensive income.

During the financial year ended 30 June 2017, the consolidated entity has recognised a receivable of $1,058,021.

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Government subsidies
Subsidies from the government including R&D tax incentive income, are recognised as revenue at their fair value where there is reasonable assurance that the grant will be received, the Company will comply with attached conditions and the R&D incentive is readily measureable.

Note 7. Income tax expense

	Consolidated	
	2017	**2016**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,567,633)	(1,754,142)
Tax at the statutory tax rate of 30%	(770,290)	(526,243)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	35,842	12,580
Others	15,418	1,563
Net temporary differences not recognised	306,767	379,753
Research and development related income and expenditure	412,263	132,347
Income tax expense	-	-

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 7. Income tax expense (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2017 $	2016 $
Cash at bank	1,502,918	9,733,646
Cash on deposit	6,142,470	20,000
	7,645,388	9,753,646

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2017 $	2016 $
Other receivables	7,131	104
GST receivable	14,691	19,416
	21,822	19,520

Balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Note 10. Current assets - Short term investments

	Consolidated	
	2017 $	2016 $
Cash on deposit	20,000	-

Note 11. Current assets - other

	Consolidated 2017 $	Consolidated 2016 $
R&D tax incentive receivable	1,058,021	644,828
Prepayments	115,493	49,036
	1,173,514	693,864

Effective 1 July 2011, the R&D tax incentive regime replaced the R&D tax concession. Under this regime, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% (2016: 45%) on the eligible R&D expenditure incurred on eligible R&D activities.

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
Computer equipment - at cost	3,005	1,320
Less: Accumulated depreciation	(775)	(171)
	2,230	1,149

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer Equipment $	Total $
Balance at 1 July 2015	-	-
Additions	1,320	1,320
Depreciation expense	(171)	(171)
Balance at 30 June 2016	1,149	1,149
Additions	1,686	1,686
Depreciation expense	(605)	(605)
Balance at 30 June 2017	2,230	2,230

Accounting policy for property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 13. Non-current assets - intangibles

	Consolidated 2017 $	Consolidated 2016 $
Intellectual property - at fair value on acquisition	3,366,894	3,366,894

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Intellectual Property at cost $	Total $
Balance at 1 July 2016	3,366,894	3,366,894
Balance at 30 June 2017	3,366,894	3,366,894

Impairment assessment at 30 June 2017
The impairment assessment consists of a comparison of the carrying value with the expected recoverable amount of the intangible assets based on the estimated value in use which is determined by discounted cash flow models, as set out below.

As a result of the impairment assessment at 30 June 2017, the directors and management of the consolidated entity identified that the recoverable amount of the intellectual property, recorded for PTX-100 and PTX-200 as estimated from the discounted cash flows were not required to be impaired.

Impairment testing of significant CGUs

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The consolidated entity's intangible assets are reviewed for impairment at a CGU level and individually identifiable projects to develop appropriate discounted cash flow models. The discounted cash flow models take into account a range of factors including:

- the status of an individual project with regard to its stage of product development;
- the extent of any incremental costs expected to be incurred to commercialise the intellectual property;
- five to fifteen year forecast revenues from commercialisation of the intellectual property, including assumptions with respect to sales growth dependent upon either the quantum of projects forecast to commence;
- the risks attached to commercialising the asset, including any industry specific or regulatory risk; -anticipated levels of competition; and
- other general economic factors.

In generating the forecast cash flows, the consolidated entity has used a post-tax discount rate of 20% for all future cash flows for a 5 year period. The discount rate was used in conjunction with a range of probability factors for both CGUs to reflect the current assessment of the likelihood of success of the forecast cashflows. Management note that reasonably possible changes in key assumptions include changes to probability factors applied to forecast cash flows, changes in the timing of cash flows and changes to assumed rates of market penetration.

Note 13. Non-current assets - intangibles (continued)

The most significant potential changes and their impact, independent of each other, on the carrying values to be tested for impairment are as follows at 30 June 2017:

- a reduction of 10% in the probability factors applied to forecast cash flows;
- a delay of six months in the commencement of forecast cash flows;
- a market growth rate of 10%; and
- a reduction of 25% to the consolidated entity's assumed market penetration rates.

Management's conclusion is that these changes in key assumptions while reducing the recoverable amounts of the consolidated entity's intellectual property, would not, as at 30 June 2017, reduce the recoverable amounts to the extent that the intangible assets would be impaired.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Note 14. Current liabilities - trade and other payables

	Consolidated 2017 $	2016 $
Trade payables	340,849	308,553
Other payables	17,590	28,062
Other accruals	42,148	475,760
	400,587	812,375

Refer to note 20 for further information on financial instruments.

The other accruals balance in the 2016 financial year is significantly higher as it also includes capital raising costs incurred during the financial year amounting to approximately $380K.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Current liabilities - employee benefits

	Consolidated 2017 $	2016 $
Annual leave	40,059	9,829

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 16. Non-current liabilities - employee benefits

	Consolidated 2017 $	Consolidated 2016 $
Long service leave	4,249	347

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17. Equity - issued capital

	Consolidated			
	2017 Shares	2016 Shares	2017 $	2016 $
Ordinary shares - fully paid	211,250,107	194,195,519	55,497,148	54,276,559

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2015	57,248,221		43,994,092
Share Purchase Plan Issue	23 November 2015	17,174,368	$0.054	927,421
Additional share placement	30 November 2015	19,319,076	$0.054	1,043,230
Share Placement - Tranche 1	20 May 2016	19,444,448	$0.090	1,750,000
Share Placement - Tranche 2	23 June 2016	58,333,336	$0.090	5,250,000
Rights Issue Shares	30 June 2016	22,676,070	$0.090	2,040,846
Costs of Capital Raising	30 June 2016	-	-	(729,030)
Balance	30 June 2016	194,195,519		54,276,559
Rights Issue	11 July 2016	15,052,633	$0.090	1,354,737
Options Conversion	16 August 2016	1,000	$0.180	180
Options Conversion	12 September 2016	955	$0.180	172
Issue of fully paid ordinary shares under LFSP	30 November 2016	2,000,000	-	-
Capital raising fees		-	-	(134,500)
Balance	30 June 2017	211,250,107		55,497,148

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.

On 30 November 2016, at the Company's Annual General Meeting, shareholders approved the issue of 2,000,000 loan funded shares to Steven Yatomi-Clarke under the Company's Loan Funded Share Plan (LFSP). The shares were fair valued on the date of approval and were issued on 21 December 2016 (Refer to Note 30). These shares rank equally with all other ordinary shares on issue in the Company.

Note 17. Equity - issued capital (continued)

Listed options
On 15 July 2016, the Company issued 7,526,312 listed PTXO options. These options were pursuant to the shortfall facility in accordance with the Company's Replacement Prospectus dated 3 June 2016. These options are exercisable at $0.18 (18 cents) on or before 30 June 2018.

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

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2016 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 18. Equity - reserves

	Consolidated	
	2017	**2016**
	$	**$**
Share based payments reserve	682,199	609,214
Share loan plan reserve	46,490	-
	728,689	609,214

Share-based payments reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. During the period, 3,464,000 unlisted options were granted to directors and key management personnel of the Company (refer to Note 30 for additional information on unlisted options issued).

Note 18. Equity - reserves (continued)

Share loan plan reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. On 30 November 2016, shareholders approved the Company's proposal to issue up to 8,000,000 Loan Funded Shares (LFS) with an expiry date of 30 November 2021 to the Company's Managing Director, Mr Steven Yatomi-Clarke, by way of a non-recourse, interest-free loan. The loan is repayable at any time or is repayable immediately if the participant ceases to be an employee. If the employee sells the shares, the loan is repayable on the date of receipt of the funds. The initial tranche of 2,000,000 shares was issued at $0.094 (9.4 cents) on 21 December 2016. The second tranche, of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.15 (15 cents) prior to the expiry date; the third tranche of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.22 (22 cents) prior to the expiry date; and the fourth and final tranche of 2,000,000 shares will be issued when the 5-day VWAP of ordinary shares in the Company reaches $0.29 (29 cents) prior to the expiry date.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments reserve $	Share loan plan reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2015	567,282	-	8,221	575,503
Foreign currency translation	-	-	(8,221)	(8,221)
Share based payments to directors/employees*	41,932	-	-	41,932
Balance at 30 June 2016	609,214	-	-	609,214
Share based payments to directors/employees*	72,985	46,490	-	119,475
Balance at 30 June 2017	682,199	46,490	-	728,689

* The equity settled employee benefits reserves arise on issue of equity under the Share Option Plan to executives and senior employees. Amounts are transferred out of the reserves and into issued capital when the loans are repaid or the other options are exercised. Amounts are then transferred to accumulated losses when the shares or options are cancelled.

Note 19. Equity - dividends

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

Note 20. Financial instruments

Financial risk management objectives
The Group's principal financial instruments comprise receivables, payables, cash at bank and short term deposits from time to time.

The Group manages its exposures to key financial risk, including interest rate and currencies in accordance with the Group's financial risk management policy, which requires it to undertake those actions that are necessary to reduce the Group's exposure to financial risk so as to provide reasonable assurances as to financial outcomes in respect to the transactional circumstances of each situation.

Note 20. Financial instruments (continued)

Market risk

Foreign currency risk
The Group has the following foreign currency exposures:

The Company has entered into service agreements and clinical trial agreements with companies and institutions based overseas. A significant amount of the expenditures will be subject to foreign currency exchange rates for the coming years.

As at 30 June 2017 and in the near future, the amounts that the Group may receive are not known in respect to quantum or timing. The time period between the revenue triggering event and payment to these creditors is not significant and accordingly any risk is assessed at that time.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The Group's exposure to market interest rates relate to the Group's cash at bank and on deposit. There was no bank debt or interest bearing debt during the financial year.

The Group does not enter into any interest rate swap or cap contracts.

At the balance date the Group had the following financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

Cash at bank of $7,645,388 (2016: $9,753,646).

The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/-$76,454 (2016: +/-$97,536). The sensitivity of 1% is based on reasonable, possible changes, over a financial year, using the observed range of actual historical short term deposit rate movements and management's expectation of future movements.

Credit risk
Cash and cash equivalents
The cash and cash equivalents are held with an Australian major bank in accordance with the Board's risk policy. The Board believes the Group is not exposed to significant credit risk.

Trade and other receivables
Credit risk on trade and other receivables is limited as the Group does not have any trading activities. The receivables at 30 June 2017 related to GST, interest and research & development tax incentives recoverable.

Liquidity risk
The Group has historically raised capital approximately every 12-18 months. The most recent capital raisings were completed in May 2016 and June 2016.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Financial instruments (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 and the impact of this standard will not materially affect the Company.

Note 21. Key management personnel disclosures

Directors

The following persons were Directors of Prescient Therapeutics Limited during the financial year:

Mr Steven Yatomi-Clarke	CEO & Managing Director
Mr Steven Engle	Non-executive Chairman
Mr Paul Hopper	Non-executive Director
Dr James Campbell	Non-executive Director

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Professor Said Sebti	Chief Scientific Officer
Dr Terrence Chew	Chief Medical Officer

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2017 $	2016 $
Short-term employee benefits	1,136,357	984,891
Post-employment benefits	34,339	31,053
Long-term benefits	3,907	-
Termination benefits	-	137,500
Share-based payments	119,845	27,428
	1,294,448	1,180,872

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	Consolidated	
	2017	**2016**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	46,350	44,000

Note 23. Contingent liabilities

There are no contingent liabilities that need disclosure in the financial statements of the Group (2016: Nil)

Note 24. Related party transactions

Parent entity
Prescient Therapeutics Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 21 and the remuneration report included in the Directors' report.

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2017	**2016**
	$	**$**
Loss after income tax	(2,567,633)	(1,754,142)
Total comprehensive income	(2,567,633)	(1,754,142)

Note 25. Parent entity information (continued)

Statement of financial position

	Parent 2017 $	Parent 2016 $
Total current assets	8,860,724	10,467,030
Total assets	12,229,848	13,835,073
Total current liabilities	440,646	822,204
Total liabilities	444,895	822,551
Equity		
Issued capital	55,497,148	54,276,559
Share based payments reserve	682,199	609,214
Share loan plan reserve	46,490	-
Accumulated losses	(44,440,884)	(41,873,251)
Total equity	11,784,953	13,012,522

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2016 and 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 2016 and 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 2016 and 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Virax Holdings Limited	Australia	100.00%	100.00%
Virax Immunotherapeutics Pty Ltd	Australia	100.00%	100.00%
Pathway Oncology Pty Ltd	Australia	100.00%	100.00%
AKTIvate Therapeutics Pty Ltd	Australia	100.00%	100.00%

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 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 28. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax expense for the year	(2,567,633)	(1,754,142)
Adjustments for:		
Depreciation and amortisation	605	171
Share-based payments	119,475	41,932
Foreign exchange differences	28,921	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(415,499)	(233,086)
Decrease/(increase) in prepayments	(66,457)	1,529
Increase/(decrease) in trade and other payables	(411,784)	373,906
Increase in employee benefits	34,132	10,776
Net cash used in operating activities	(3,278,240)	(1,558,914)

Note 29. Earnings per share

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax attributable to the Owners of Prescient Therapeutics Limited	(2,567,633)	(1,754,142)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	209,957,838	82,176,659
Weighted average number of ordinary shares used in calculating diluted earnings per share	209,957,838	82,176,659
	Cents	**Cents**
Basic earnings per share	(1.22)	(2.13)
Diluted earnings per share	(1.22)	(2.13)

The rights to options held by option holders and the holders of performance rights have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights to options are non-dilutive as the consolidated entity is loss generating.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the Owners of Prescient Therapeutics Limited , excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 30. Share-based payments

Options

Set out below are summaries of options granted during the current financial year:

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/11/2014	11/12/2018	$0.140	500,000	-	-	-	500,000
06/05/2015	06/05/2018	$0.092	300,000	-	-	-	300,000
04/11/2015	04/11/2018	$0.085	700,000	-	-	-	700,000
23/11/2015	20/10/2020	$0.060	200,000	-	-	-	200,000
12/10/2013	12/10/2017	$0.100	4,385,000	-	-	-	4,385,000
21/12/2016	21/12/2019	$0.119	-	864,000	-	-	864,000
20/04/2017	20/04/2021	$0.121	-	1,600,000	-	-	1,600,000
16/05/2017	16/05/2021	$0.119	-	1,000,000	-	-	1,000,000
			6,085,000	3,464,000	-	-	9,549,000

During the period, the Company granted a number of options to employees and key management personnel:

247,000 unlisted options were granted to Paul Hopper and James Campbell; and 370,000 options to Steven Engle under the plan. The unlisted options were granted in three tranches, with 432,000 vesting on the grant date, 216,000 vesting in one year following the grant date and 216,000 vesting two years after the grant date.

The Company issued 1,600,000 unlisted options to Professor Said Sebti in four tranches, with 800,000 vesting on grant date and 266,666 vesting in one year following the grant date, 266,667 vesting two years after the grant date and 266,667 vesting three years after the grant date.

1,000,000 unlisted options were granted to Dr Terrence Chew in eight tranches. 500,000 unlisted options are based on achievement of milestones and 500,000 unlisted options are based on service conditions. 250,000 unlisted options vest on grant date, 250,000 unlisted options vest one year following the grant date, 250,000 vest two years after the grant date and 250,000 vest three years after the grant date.

During the previous financial year and following resignation of Dr Robert Crombie 1,500,000 unlisted options lapsed unexercised. Also during the period, Redchip were granted 1,300,000 options which were unexercised upon the cancellation of the contract and options on 30 June 2016.

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/11/2014	11/12/2018	$0.140	2,000,000	-	-	(1,500,000)	500,000
06/05/2015	06/05/2018	$0.092	300,000	-	-	-	300,000
04/11/2015	04/11/2018	$0.085	-	700,000	-	-	700,000
23/11/2015	20/10/2020	$0.060	-	200,000	-	-	200,000
12/10/2013	12/10/2017	$0.100	4,385,000	-	-	-	4,385,000
15/12/2015	10/12/2018	$0.100	-	1,300,000	-	(1,300,000)	-
			6,685,000	2,200,000	-	(2,800,000)	6,085,000

Note 30. Share-based payments (continued)

Set out below are the options outstanding at the end of the financial year:

Grant date	Expiry date	2017 Number	2016 Number
11/12/2014	11/12/2018	500,000	500,000
06/05/2015	06/05/2018	300,000	300,000
12/10/2013	12/10/2017	4,385,000	4,385,000
23/11/2015	20/10/2020	200,000	200,000
04/11/2015	04/11/2018	700,000	700,000
21/12/2016	21/12/2019	864,000	-
20/04/2017	20/04/2021	1,600,000	-
16/05/2017	16/05/2021	1,000,000	-
		9,549,000	6,085,000

The weighted average share price during the financial year was $0.14.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.129
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.080
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.099
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.112
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
12/10/2013	12/10/2017	$0.000	$0.005	100.00%	-	3.16%	$0.350
04/11/2015	04/11/2018	$0.000	$0.085	96.38%	-	1.91%	$0.032
23/11/2015	20/10/2020	$0.000	$0.060	92.26%	-	2.40%	$0.053
10/12/2015	10/12/2018	$0.089	$0.100	109.62%	-	2.19%	$0.058
21/12/2016	21/12/2019	$0.092	$0.119	53.44%	-	2.03%	$0.027
20/04/2017	20/04/2021	$0.093	$0.121	60.00%	-	1.77%	$0.037
20/04/2017	20/04/2021	$0.093	$0.121	60.00%	-	1.77%	$0.037
20/04/2017	20/04/2021	$0.093	$0.121	60.00%	-	1.77%	$0.036
20/04/2017	20/04/2021	$0.093	$0.121	60.00%	-	1.77%	$0.035
16/05/2017	16/05/2021	$0.092	$0.115	60.00%	-	1.79%	$0.038
16/05/2017	16/05/2021	$0.092	$0.115	60.00%	-	1.79%	$0.037
16/05/2017	16/05/2021	$0.092	$0.115	60.00%	-	1.79%	$0.036
16/05/2017	16/05/2021	$0.092	$0.115	60.00%	-	1.79%	$0.035

Note 30. Share-based payments (continued)

Loan Funded Shares

On 30 November 2016, shareholders approved the Company's proposal to issue up to 8,000,000 Loan Funded Shares (LFS) with an expiry date of 30 November 2021 to the Company's Managing Director, Mr Steven Yatomi-Clarke, by way of a non-recourse, interest-free loan. The loan is repayable at any time or is repayable immediately if the participant ceases to be an employee. If the employee sells the shares, the shares are payable on the date of receipt of the funds. The initial tranche of 2,000,000 shares was issued at $0.094 (9.4 cents) on 21 December 2016. The second tranche, of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.15 (15 cents) prior to the expiry date; the third tranche of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.22 (22 cents) prior to the expiry date; and the fourth and final tranche of 2,000,000 shares will be issued when the 5-day VWAP of ordinary shares in the Company reaches $0.29 (29 cents) prior to the expiry date.

Set out below are summaries of shares granted under the plan:

30 June 2017

Grant date	Expiry date	Issue price	Balance at the start of the half-year	Granted	Vested & Issued	Expired/ forfeited/ other	Balance at the end of the half-year
30/11/2016	30/11/2021	$0.09	-	2,000,000	2,000,000	-	2,000,000
30/11/2016	30/11/2021	$0.15	-	2,000,000	-	-	2,000,000
30/11/2016	30/11/2021	$0.22	-	2,000,000	-	-	2,000,000
30/11/2016	30/11/2021	$0.29	-	2,000,000	-	-	2,000,000
			-	8,000,000	2,000,000	-	8,000,000

Set out below are the summaries of shares issued under the Share Loan Plan:

Loan Share Plan	Issue price $	Balance at start of year	Issued during The year	Loans repaid during the year	Loans cancelled during the year	Balance at end of year
Director – Initial Issue	$0.09	-	2,000,000	-	-	2,000,000
Director – Tranche A	$0.15	-	-	-	-	
Director – Tranche B	$0.22	-	-	-	-	
Director – Tranche C	$0.29	-	-	-	-	-
		-	2,000,000	-	-	2,000,000

For the shares granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/11/2016	30/11/2021	$0.093	$0.093	111.20%	-	1.97%	$0.0741
30/11/2016	30/11/2021	$0.093	$0.150	111.20%	-	1.97%	$0.0476
30/11/2016	30/11/2021	$0.093	$0.220	111.20%	-	1.97%	$0.0411
30/11/2016	30/11/2021	$0.093	$0.290	111.20%	-	1.97%	$0.0365

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 30. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 of the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Steven Engle
Non-Executive Chairman

29 August 2017

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Independent Auditor's Report to the Members of Prescient Therapeutics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prescient Therapeutics Limited (Prescient or the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the Company.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Impairment assessment of indefinite life intangible assets

Why significant	How our audit addressed the key audit matter
At 30 June 2017, the Company held $3.4m of intangible assets, comprised of acquired intellectual property (IP). The IP was classified as indefinite life intangible assets at the time of the acquisition and as outlined in Note 13, the Company carries out annual impairment tests based on a value-in-use calculation. The recoverable amount of intangible assets is contingent on future cash flows and should these cash flows not meet the Company's expectations, the assets may be impaired. No impairment was recorded in the current year in respect of these assets. Given the significance of this balance in relation to total assets and the significant judgement exercised by the Company in assessing its recoverable amount, this was considered to be a key audit matter.	We obtained the Company's impairment calculation and assessed the appropriateness of key assumptions, including market penetration, royalty forecasts and the growth rates and discount rate applied. We assessed the Company's supporting evidence for its key assumptions, which included comparing relevant assumptions to industry standards and economic forecasts. We tested the integrity of the supporting calculations and corroborated certain information with third party sources. We evaluated the Company's sensitivity analyses to ascertain the impact of reasonably possible changes to key assumptions on the recoverable amount and available headroom. We enquired of the Company as to the status of clinical trials to assess whether any events might impact the assessment of the recoverability of these intangible assets. We assessed the adequacy of the disclosures in Note 13 to the financial report.

2. Research & Development tax benefit

Why significant	How our audit addressed the key audit matter
Under the Australian Government's Research & Development ("R&D") income tax credit regime, the Company is entitled to an R&D credit on eligible R&D expenditure incurred including the decline in value of depreciating assets used in eligible R&D activities. The Company has estimated the R&D credit for the year ending 30 June. The estimated claim of $1,058,021 is recorded as Other income in the Statement of Comprehensive Income and a receivable in the Statement of Financial Position.	We evaluated the methodology and assumptions used by the Company in calculating the R&D income tax credit claim receivable with reference to the applicable legislation and in conjunction with our R&D taxation specialists. We tested the mathematical accuracy of the Company's calculations. We also compared historical estimates against the actual claims received in prior years.

The Company's policy for accounting for this income and the receivable are disclosed in Note 6 and Note 11 respectively.

This was considered a key audit matter due to the quantum of the receivable recorded and the judgement associated with applying the relevant income tax legislation.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 18 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Prescient Therapeutics Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

Lonergan

Joanne Lonergan
Partner
Melbourne
29 August 2017

The shareholder information set out below was applicable as at 25 August 2017.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of listed options
1 to 1,000	2,646	131
1,001 to 5,000	236	73
5,001 to 10,000	207	31
10,001 to 100,000	623	98
100,001 and over	242	58
	3,954	391
Holding less than a marketable parcel	3,954	229

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
National Nominees Limited	22,202,054	9.81
UBS Nominees Pty Ltd	17,771,241	7.85
Retzos Executive Pty Ltd (Retzos Executive S/Fund A/C)	13,525,000	5.98
Mr Andrew Morrison Stewart	6,103,815	2.70
Armada Trading Pty Ltd Level 29	5,555,556	2.45
Margaret Khoo	4,444,444	1.96
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly (Daly Family S/F A/C)	4,318,476	1.91
Kilinwata Investments	3,572,778	1.58
T E & J Pasias Pty Ltd	3,500,000	1.55
HSBC Custody Nominees (Australia) Limited - A/C 2	3,312,582	1.46
Wigtown Pty Limited	3,009,261	1.33
One Managed Investment FunDS Limited (TI Growth A/C)	2,855,333	1.26
Jagen Pty Ltd	2,777,779	1.23
Sam Goulopoulos Pty Ltd (S Goulopoulos F/Super A/C)	2,700,000	1.19
Moreglade Pty Ltd	2,333,334	1.03
Deborah Anne Coleman	2,216,667	0.98
Arrow Wealth Pty Ltd (Berbay Family A/C)	2,000,000	0.88
Langham Property Pty Ltd (Montagner Zembrzuski Family)	1,805,556	0.80
Atlantis MG Pty Ltd (MG Family Super Fund A/C)	1,750,000	0.77
Nutsville Pty Ltd (Indust Electric Co S/F A/C)	1,623,116	0.72
	107,376,992	47.44

	Options over ordinary shares Number held	Options over ordinary shares % of total options issued
National Nominees Limited	11,118,671	19.25
UBS Nominees Pty Ltd	10,452,779	18.10
Armada Trading Pty Ltd Level 29	2,777,778	4.81
HSBC Custody Nominees (Australia) Limited - A/C 2	2,407,408	4.17
Margaret Khoo	2,222,222	3.85
Retzos Executive Pty Ltd (Retzos Executive S/Fund A/C)	2,099,739	3.64
One Managed Investment Funds Limited (TI Growth A/C)	1,666,667	2.89
Sandhurst Trustees Ltd (JMFG Consol A/C)	1,588,889	2.75
Wigtown Pty Limited	1,504,630	2.61
Mr Andrew Morrison Stewart	1,503,184	2.60
Jagen Pty Ltd	1,388,889	2.40
Mr Tarecq Aldaoud	1,000,000	1.73
Retzos Family Pty Ltd (RetzOS Family S/Fund A/C)	990,741	1.72
Langham Property Pty Ltd (Montagner Zembrzuski Family)	902,779	1.56
Atlantis MG Pty Ltd (MG Family Super Fund A/C)	900,000	1.56
WJ & BA Barry Pty Ltd (WJ & BA Barry S/F A/C)	500,580	0.87
First Investment Partners Pty Ltd	500,000	0.87
Atlantis MG Pty Ltd (MG Family A/C)	500,000	0.87
Nutsville Pty Ltd (Indust Electric Co S/F A/C)	477,890	0.83
Mr Stuart Craigie	409,000	0.71
	44,911,846	77.79

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	9,549,000	9

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

Listed options

Class	Expiry date	Number of options
PTXO	30 June 2018	57,751,356