1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	24.7%	to	125,156
Loss from ordinary activities after tax attributable to the Owners of Prescient Therapeutics Limited	up	0.2%	to	(2,573,730)
Loss for the year attributable to the Owners of Prescient Therapeutics Limited	up	0.2%	to	(2,573,730)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $2,573,730 (30 June 2017: $2,567,633).

Financial performance
The consolidated entity has accounted for an estimated research and development incentive rebate for the year amounting to $939,771. The financial year saw a $153,217 reduction of operating expenses to $3,638,657 (30 June 2017: $3,791,874). This was mainly driven by a decrease in research and development costs, as PTX-200 activity was reduced, and a clinical hold was in place for PTX-200 during the start of the financial year. There was an offsetting increase in administrative expenses, due to a reduced proportion of overhead expenditure being allocated to research and development.

Financial position
Cash reserves have decreased by $2,159,486 to $5,485,902 during the year (30 June 2017: $7,645,388), however the consolidated entity remains in a net positive position. The movement in cash has contributed to an overall decrease in net assets of $2,345,690 to $9,439,263.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.87	3.98

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 2018 is attached.

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12. Signed

Signed ____________________ Date: 31 August 2018

Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Annual Report - 30 June 2018

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 code: PTX)
Website	www.prescienttherapeutics.com

Prescient Therapeutics Limited
Chairman's letter
30 June 2018

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 2017-2018 year.

Prescient Therapeutics continues to be tightly focused on realizing the medical and market potential of two anti-cancer compounds, PTX -200 and PTX-100, to treat multiple types of cancer, and potentially providing unique solutions to drug resistance problems experienced with current therapies. Importantly, following a serious adverse patient health event in one study of PTX-200 that resulted in a clinical hold on all three studies, the management team overcame many hurdles including completing a thorough analysis, considering study protocol alternatives, and holding multiple discussions with key clinical researchers and the US Food and Drug Administration (FDA). Remarkably, the Management Team achieved a lifting of all of the clinical holds in a rapid fashion beginning with the AML study in September, the ovarian study in November and the breast cancer study in December.

These kinds of events are not uncommon in the development of novel oncology agents in patients receiving standard-of-care therapies, and where the patient's health is often highly impaired by the disease and the effect of approved therapies. In general, the key hurdles in development initially are having a product with clear activity and a good clinical study design. Programs routinely experience setbacks and delays. After that, management's ability to rebound from unexpected events with thoughtful plans and flawless execution determines success. Fortunately, Prescient's very agile and capable team, led by senior executives, made systematic and relatively quick progress in dealing with the issues at hand.

Regarding clinical results, analysis of PTX-200 Phase 1b expansion cohort data in patients with breast cancer yielded an overall response rate of double the average response rate of paclitaxel alone. With PTX-100, the Company announced plans to re-enter the clinic with its small molecule geranylgeranyl transferase inhibitor (GGTI) in a several malignancies – and plans to do so once it has completed a new lot of product based on an improved manufacturing route.

With one of the deepest clinical stage pipelines on the ASX – particularly in oncology - 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 JP Morgan Conference in San Francisco and the Rodman Global Investment Conference in New York.

During the financial year, the Company has been careful to minimize spending and leverage the effort with outside resources. Net cash outflows for the financial year were $2.15 million and the Company ended the year with $5.49 million in cash.

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

Sincerely,

Steven Engle
Non-executive Chairman

Pleasingly, Prescient achieved a great deal of progress on many fronts during the year, despite the significant challenges and interruptions of a clinical hold on all PTX-200 trials.

On 29 May 2017, Prescient paused all three clinical trials of PTX-200 following a serious adverse event (SAE) in a patient with late-stage breast cancer who experienced liver failure and died. The patient had metastatic disease, compromised liver function and was being administered several concomitant medications. The patient had ceased treatment with PTX-200 many weeks before her passing, but continued with other medications, including the chemotherapy agent paclitaxel, which is known to be hepatotoxic. SAEs are not unusual in oncology clinical studies where patients are very ill and where existing standard therapies can have potentially serious adverse effects.

Upon notification, the US Food and Drug Administration (FDA) placed a clinical hold on all three PTX-200 trials. It is noteworthy that each of Prescient's three trials required liaison with different divisions of the FDA.

The Prescient team worked very hard, together with our participating clinicians, to gather and analyse the requisite clinical information and address the questions of the FDA, and to revise the risk mitigation plans and trial protocols to the FDA's satisfaction. These responses were all submitted in a timely manner.

In September 2017 the FDA lifted the clinical hold on the Company's Phase 1b/2 clinical trial of PTX-200 in patients with refractory or relapsed Acute Myeloid Leukemia (AML).

In November, the clinical hold was lifted on the Company's Phase 1b trial of PTX-200 in patients with recurrent or persistent platinum resistant ovarian cancer.

In December the FDA lifted the clinical hold placed on the Company's trial of PTX-200 in patients with HER2 negative breast cancer, which was last remaining PTX-200 trial on clinical hold.

In all cases, the updated risk mitigation plan aimed to minimize risks around hepatotoxicity. Prescient has now revised the trial inclusion criteria whereby anyone with a history of liver disease will not be eligible to participate in the trial. In addition, Prescient will conduct a liver function test prior to administering each dose of PTX-200.

Whilst a SAE and resultant clinical hold is unfortunate and unpredictable for any company, I believe that our shareholders can take comfort in the fact that your Company has dealt with this challenge successfully.

By industry standards, these responses were submitted to the FDA expediently, and the fact that three divisions of the FDA all lifted Prescient's clinical holds quickly and without further amendment is testament to the quality and professionalism of the Prescient team. I wish to thank every member of our executive team who worked tirelessly, whilst under extreme pressure, towards these successful responses.

Furthermore, Prescient's disciplined operational approach, which at the time had all trials ahead of schedule and under budget, enabled the Company to dedicate time and resources to the issues whilst minimising delays.

The nature of clinical trials presents us with an opportunity to learn more about our studies as they unfold. With this in mind, Prescient took the opportunity of the clinical hiatus to amend the protocols of its trials with a view to further improving safety and interpretive analysis. Such amendments are normal and ongoing as trials progress.

With the clinical holds behind us, in April 2018, Prescient was delighted to announce its most significant clinical milestone to date, which was the efficacy analysis from the Phase 1b expansion cohort of the PTX-200 breast cancer study. This component of the study exhibited an overall response rate of 50%, against an expected industry average response rate of 25% with paclitaxel alone. In patients with locally advanced disease, two patients had pathologic complete responses (40%), meaning a complete eradication of cancer. Particularly strong responses were seen in patients with locally advanced ER+ breast cancer. Whilst the patient numbers were small, this efficacy signal was nevertheless very encouraging, as this study continues into Phase 2.

During the period, Prescient also announced its plans to re-enter the clinic with its small molecule geranylgeranyl transferase inhibitor (GGTI), known as PTX-100, in rare lymphomas - a group of related cancers that affect the lymphatic system, which forms part of the immune system.

PTX-100 may have a particular advantage in treating lymphomas driven by a mutation of the molecular switch RhoA. The implication of RhoA in these diseases is a relatively new discovery, and PTX-100 appears to be the only drug in development with the potential to address RhoA. To further protect the company's IP assets, Prescient filed a new patent application for PTX-100 in RhoA mutant cancers.

Preparations for a pilot study are underway. PTX-100 has previously completed a Phase 1 study in solid tumors, which demonstrated safety, tolerability and stable disease in some patients with advanced cancers. The next trial plans to understand pharmacokinetics and pharmacodynamics, particularly in the haematological setting, and correlating this against Rho and Ras mutant status of patients and if successful, will potentially enable further trials in RhoA mutant cancers.

I would like to thank our shareholders for their ongoing support during this challenging 12 months. You can be proud that your Company was able to not only overcome these challenges with aplomb, but also deliver on our other operational objectives. Prescient continues to punch well above its weight, and we could not do so without you. Similarly, thanks to our world-class clinical faculty, who lead our trials and provide Prescient with genuine thought leadership in their respective fields.

Finally, I would like to acknowledge our patients, their families and caregivers. Each of them, on their darkest days, have chosen to place their hope in Prescient's trials. It's a humbling honour, and a tremendous responsibility. Some of these patients unfortunately succumb to disease, and our team feels this loss.

However, other patients have benefited – some of them dramatically so – and this is what drives us forward.

Sincerely,

Steven Yatomi-Clarke
CEO and Managing Director

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') 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 2018.

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.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $2,573,730 (30 June 2017: $2,567,633).

Financial performance
The consolidated entity has accounted for an estimated research and development incentive rebate for the year amounting to $939,771. The financial year saw a $153,217 reduction of operating expenses to $3,638,657 (30 June 2017: $3,791,874). This was mainly driven by a decrease in research and development costs, as PTX-200 activity was reduced, and a clinical hold was in place for PTX-200 during the start of the financial year. There was an offsetting increase in administrative expenses, due to a reduced proportion of overhead expenditure being allocated to research and development.

Financial position
Cash reserves have decreased by $2,159,486 to $5,485,902 during the year (30 June 2017: $7,645,388), however the consolidated entity remains in a net positive position. The movement in cash has contributed to an overall decrease in net assets of $2,345,690 to $9,439,263.

Significant changes in the state of affairs
On 14 March 2018 the company issued 246,478 fully paid ordinary shares in satisfaction of fees owing to a consultant of the company. On 6 April 2018, a total of 11,789 fully paid ordinary shares were issued through a conversion of options. A further 300,000 and 56,147 fully paid ordinary shares were also issued through conversion of options on 10 May 2018 and 22 June 2018 respectively.

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 2018 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
The company continues to develop its two drug candidates, PTX-100 and PTX-200, for potential new therapies to treat a range of cancers, including breast and ovarian cancer, as well as leukaemia.

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 Chairman of Remuneration and Nomination Committee
Interests in shares:	None.
Interests in options:	300,000 unlisted options exercisable at $0.081 before 4 November 2018 370,000 unlisted options exercisable at $0.1194 before 21 December 2019.

Name:	Mr Steven Yatomi-Clarke
Title:	Managing Director and CEO
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 Employee Loan Share Plan ("ELSP") with an expiry date of 30 November 2021
Interests in options:	200,000 unlisted options with an exercise price of $0.081 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:	Imugene Limited (ASX: IMU)
Former directorships (last 3 years):	Viralytics Limited (ASX: VLA)
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:	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 $0.081 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

Ms Melanie Leydin, CA
Ms Leydin has 25 years' experience in the accounting profession including 13 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of Leydin Freyer, specialising in outsourced company secretarial and financial duties.

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 2018, 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	5	5	1	1	2	2
Mr Steven Yatomi-Clarke	5	5	-	-	2	2
Mr Paul Hopper	5	5	1	1	2	2
Dr James Campbell	5	5	1	1	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 retaining 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 2018 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 2018 the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2017 Annual General Meeting ('AGM')
At the 2017 AGM, 99.46% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. 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 30 June 2018 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)
- 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.

2018	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	75,000	-	-	-	-	2,176	-	77,176
Dr James Campbell*	49,275	-	-	-	-	1,452	-	50,727
Mr Paul Hopper**	49,275	-	-	-	-	1,117	-	50,392
Executive Directors:								
Mr Steven Yatomi-Clarke***	329,569	35,805	-	31,077	2,997	80,032	-	479,480
Other Key Management Personnel:								
Ms Melanie Leydin****	102,000	-	-	-	-	-	-	102,000
Professor Said Sebti	148,436	-	-	-	-	17,913	-	166,349
Dr Terrence Chew*****	167,447	-	-	-	-	14,922	-	182,369
	921,002	35,805	-	31,077	2,997	117,612	-	1,108,493

* Dr Campbell received his remuneration through Barrabool Biotechnology Pty Ltd (an entity associated with him).
** Mr Hopper received his remuneration through Kilinwata Investments Pty Ltd (an entity associated with him).
*** Mr Yatomi-Clarke's salary increased from $325,500 plus superannuation per annum to $335,265 plus superannuation per annum as at 1 February 2018.
**** Fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services.
***** Included in Dr Chew's fees is additional consulting fees amounting to approximately USD $15,000, on top of his annual fixed rate.

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:								
Ms Melanie Leydin	117,000	-	-	-	-	-	-	117000
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

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

	Fixed remuneration		At risk - LTI		At risk - STI	
Name	2018	2017	2018	2017	2018	2017
Non-Executive Directors:						
Mr Steven Engle	97%	88%	3%	12%	-	-
Dr James Campbell	97%	89%	3%	11%	-	-
Executive Directors:						
Mr Paul Hopper	98%	98%	2%	2%	-	-
Mr Steven Yatomi-Clarke	76%	70%	17%	9%	7%	21%
Other Key Management Personnel:						
Ms Melanie Leydin	100%	100%	-	-	-	-
Professor Said Sebti	89%	76%	11%	24%	-	-
Dr Terrence Chew	92%	94%	8%	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 $335,265 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.

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.

Name:	Mr Paul Hopper
Title:	Non-Executive Director
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 is entitled to an annual salary of $49,275 per annum.

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:	Professor Sebti is entitled to a fixed rate of $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.

Name:	Dr James Campbell
Title:	Non-Executive Director
Agreement commenced:	28 November 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:	Dr Campbell is entitled to an annual salary of $49,275 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:

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	$0.116	$0.038
16 May 2017	16 May 2018	16 May 2021	$0.116	$0.037
16 May 2017	16 May 2019	16 May 2021	$0.116	$0.036
16 May 2017	16 May 2021	16 May 2021	$0.116	$0.035

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	30/11/16	2,000,000	30/11/21	$0.094	$0.074
Steven Yatomi-Clarke	2,000,000	30/11/16		30/11/21	$0.150	$0.047
Steven Yatomi-Clarke	2,000,000	30/11/16		30/11/21	$0.220	$0.041
Steven Yatomi-Clarke	2,000,000	30/11/16		30/11/21	$0.290	$0.037

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 2018 are set out below:

Name	Number of options granted during the year 2018	Number of options granted during the year 2017	Number of options vested during the year 2018	Number of options vested during the year 2017
Paul Hopper	-	247,000	61,750	123,500
Prof. Said Sebti	-	1,600,000	416,666	950,000
Steven Yatomi-Clarke	-	-	50,000	50,000
Steven Engle	-	370,000	167,500	260,000
James Campbell	-	247,000	111,750	173,500
Terrence Chew	-	1,000,000	250,000	250,000

Additional information

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 $	2017 $	2016 $	2015 $	2014 $
Revenue	125,156	166,220	10,704	39,967	8,142
Net profit/(loss) before tax	(2,573,730)	(2,567,634)	(1,754,142)	(2,133,375)	(1,769,396)
Net profit/(loss) after tax	(2, 573,730)	(2,567,634)	(1,754,142)	(2,133,375)	(1,769,396)

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:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Paul Hopper	9,160,916	-	-	-	9,160,916
Steven Yatomi-Clarke	4,394,412	-	-	-	4,394,412
Prof Said Sebti	500,000	-	300,000	-	800,000
Melanie Leydin	250,000	-	-	-	250,000
	14,305,328	-	300,000	-	14,605,328

* Steven Engle, James Campbell, and Terrence Chew 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	-	-	(70,000)	200,000
James Campbell	447,000	-	-	-	447,000
Steven Engle	670,000	-	-	-	670,000
Prof Said Sebti	2,100,000	-	(300,000)	-	1,800,000
Paul Hopper	269,222	-	-	(22,222)	247,000
Melanie Leydin	125,000	-	-	(125,000)	-
Terrence Chew	1,000,000	-	-	-	1,000,000
	4,881,222	-	(300,000)	(217,222)	4,364,000

Loans to key management personnel and their related parties
There were no loans to Key Management Personnel at any time during the financial year (2017: Nil).

Other transactions with key management personnel and their related parties
Please refer to note 23 Related party transactions for further information. There were no other transactions with Key Management Personnel (2017: Nil).

There were no other transactions with Key Management Personnel other than the remuneration disclosed above (2017: 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	$0.136	500,000
4 November 2015	4 November 2018	$0.081	700,000
23 November 2015	20 October 2020	$0.056	200,000
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	$0.116	1,000,000
10 May 2018	10 May 2022	$0.137	2,200,000
			7,064,000

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

The following ordinary shares of Prescient Therapeutics Limited were issued during the year ended 30 June 2018 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
30 June 2016	$0.180	11,789
6 May 2015	$0.088	300,000
30 June 2016	$0.180	56,147
		367,936

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

31 August 2018

Building a better
working world

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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 2018, 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
31 August 2018

CONSOLIDATED FINANCIAL STATEMENTS
Prescient Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	5	125,156	166,220
Other income	6	939,771	1,058,021
Expenses			
Research and development costs		(2,057,410)	(2,432,166)
Employment costs		(445,437)	(340,215)
Corporate expenses		(640,676)	(767,986)
Administrative expenses		(288,740)	(102,193)
Share based payments	31	(173,750)	(119,475)
Finance costs		(2,200)	(918)
Realised foreign exchange movements		(30,444)	(28,921)
Loss before income tax expense		(2,573,730)	(2,567,633)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the Owners of Prescient Therapeutics Limited		(2,573,730)	(2,567,633)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Prescient Therapeutics Limited		(2,573,730)	(2,567,633)
		Cents	**Cents**
Basic earnings per share	30	(1.22)	(1.22)
Diluted earnings per share	30	(1.22)	(1.22)

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

Prescient Therapeutics Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	8	5,485,902	7,645,388
Trade and other receivables	9	45,530	21,822
Short term investments	10	20,000	20,000
Prepayments		91,750	115,493
Other current assets	11	978,467	1,058,021
Total current assets		6,621,649	8,860,724
Non-current assets			
Property, plant and equipment		2,280	2,230
Intangibles	12	3,366,894	3,366,894
Total non-current assets		3,369,174	3,369,124
Total assets		9,990,823	12,229,848
Liabilities			
Current liabilities			
Trade and other payables	13	407,026	400,587
Borrowings	14	56,046	-
Employee benefits	15	80,703	40,059
Total current liabilities		543,775	440,646
Non-current liabilities			
Employee benefits	16	7,785	4,249
Total non-current liabilities		7,785	4,249
Total liabilities		551,560	444,895
Net assets		9,439,263	11,784,953
Equity			
Issued capital	17	55,570,683	55,497,148
Reserves	18	883,194	728,689
Accumulated losses		(47,014,614)	(44,440,884)
Total equity		9,439,263	11,784,953

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

Prescient Therapeutics Limited
Statement of changes in equity
For the year ended 30 June 2018

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	-	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

Consolidated	**Issued capital $**	**Share based payments reserves $**	**Share loan plan reserve $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2017	55,497,148	682,199	46,490	(44,440,884)	11,784,953
Loss after income tax expense for the year	-	-	-	(2,573,730)	(2,573,730)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,573,730)	(2,573,730)
Share based payments	-	94,053	79,696	-	173,749
Issue of Shares	56,128	-	-	-	56,128
Transfer from share based payments reserve on conversion of options	19,244	(19,244)	-	-	-
Capital raising fees	(1,837)	-	-	-	(1,837)
Balance at 30 June 2018	55,570,683	757,008	126,186	(47,014,614)	9,439,263

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 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(3,322,166)	(4,081,343)
Interest received		117,219	159,193
R&D tax incentive	6	1,058,021	644,828
Interest and other finance costs paid		(2,200)	(918)
Net cash used in operating activities	29	(2,149,126)	(3,278,240)
Cash flows from investing activities			
Payments for short term investments		-	(20,000)
Payments for property, plant and equipment		(1,522)	(1,686)
Net cash used in investing activities		(1,522)	(21,686)
Cash flows from financing activities			
Proceeds from conversion of options		38,628	1,355,089
Capital raising costs		(1,838)	(134,500)
Repayment of borrowings		(37,425)	-
Net cash from/(used in) financing activities		(635)	1,220,589
Net decrease in cash and cash equivalents		(2,151,283)	(2,079,337)
Cash and cash equivalents at the beginning of the financial year		7,645,388	9,753,646
Effects of exchange rate changes on cash and cash equivalents		(8,203)	(28,921)
Cash and cash equivalents at the end of the financial year	8	5,485,902	7,645,388

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 is:

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 31 August 2018.

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.

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').

Management has prepared an assessment of the consolidated entity's ability to meet its debts as and when they fall due. This assessment includes forecasting committed expenditure and research and development incentive refunds. This assessment has demonstrated the Group has sufficient funds to meet the obligations of the Group as and when they fall due. In addition, there are no formal plans to liquidate or wind-up the Group. Accordingly, the Directors have prepared these financial statements on the going concern basis.

For the purposes of preparing financial statements, Prescient Therapeutics Limited is a for-profit entity.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

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.

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 26.

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 2018 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'.

Note 2. Significant accounting policies (continued)

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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Prescient Therapeutics Limited 's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised 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.

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 2018. 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 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 comprise solely of principal and interest. 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 July 2018 and the impact of its adoption has been assessed as follows. The consolidated entity's financial instruments consist of cash and cash equivalents, trade and other receivables, and trade and other payables. These will continue to be measured at amortised cost. In relation to impairment requirements, using the ECL method is not expected to change the determination of allowances. The Board believes adoption of this standard will not have a significant impact to the financial statements.

Note 2. Significant accounting policies (continued)

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, adjusted for the time value of money excluding credit risk; 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 when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has 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. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments 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 July 2018, however does not expect the impact to be significant as the only revenue source is interest income. Interest income does not arise from a contract with a customer.

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, however does not expect the impact to be significant as the consolidated entity is not party to any operating lease arrangements.

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.

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

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. Refer to note 31 for further details.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

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 consolidated entity 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	
	2018	**2017**
	$	**$**
Interest	125,156	166,220

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.

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.

Note 6. Other income

	Consolidated	
	2018	**2017**
	$	**$**
Research and development tax incentive	939,771	1,058,021

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% (2017: 43.5%) on the eligible R&D expenditure incurred on eligible R&D activities.

The 43.5% (2017: 43.5%) 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 2018, the consolidated entity has recognised a receivable of $939,174 (2017: $1,058,021).

Note 7. Income tax benefit

	Consolidated 2018 $	2017 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	(2,573,730)	(2,567,633)
Tax at the statutory tax rate of 27.5% (2017: 30%)	(707,775)	(770,290)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	47,781	35,842
Others	8,135	15,418
Net temporary differences not recognised	316,566	306,767
Research and development related income and expenditure	335,293	412,263
Income tax benefit	-	-

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.

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.

Tax Losses

Prescient Therapeutics Limited has unconfirmed, unrecouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorities will be complied with.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank	716,287	1,502,918
Cash on deposit	4,756,133	6,142,470
Cash on trust	13,482	-
	5,485,902	7,645,388

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

Cash on trust relates to amounts held at the company's share registry in relation to proceeds from issue of ordinary shares.

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 2018 $	Consolidated 2017 $
Other receivables	15,069	7,131
GST receivable	30,461	14,691
	45,530	21,822

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 2018 $	Consolidated 2017 $
Cash on deposit	20,000	20,000

Cash on deposits are made for varying periods up to twelve months, depending on the immediate cash requirements of the consolidated entity, and earn interest at the respective term deposit rates.

Note 11. Current assets - other current assets

	Consolidated 2018 $	Consolidated 2017 $
R&D tax incentive receivable	939,174	1,058,021
Other current assets	39,293	-
	978,467	1,058,021

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% (2017: 43.5%) on the eligible R&D expenditure incurred on eligible R&D activities.

Note 12. Non-current assets - intangibles

	Consolidated 2018 $	Consolidated 2017 $
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
Balance at 30 June 2018	3,366,894	3,366,894

Accounting policy for intangible assets
Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment assessment at 30 June 2018
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 2018, 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.

Note 12. Non-current assets - intangibles (continued)

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, that being PTX-100 and PTX-200, 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.

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 2018:

- 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.

All assumptions are obtained from external sources.

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 2018, reduce the recoverable amounts to the extent that the intangible assets would be impaired.

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2018	**2017**
	$	**$**
Trade payables	243,243	340,849
Other payables	36,596	17,590
Other accruals	127,187	42,148
	407,026	400,587

Refer to note 20 for further information on financial instruments.

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 14. Current liabilities - borrowings

	Consolidated 2018 $	2017 $
Premium financing	56,046	-

Refer to note 20 for further information on financial instruments.

During the year, the consolidated entity entered into a premium finance arrangement to fund its D&O insurance.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Note 15. Current liabilities - employee benefits

	Consolidated 2018 $	2017 $
Annual leave	80,703	40,059

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 2018 $	2017 $
Long service leave	7,785	4,249

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			
	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares - fully paid	211,864,521	211,250,107	55,570,683	55,497,148

Note 17. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 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
Issue of Shares	14 March 2018	246,478	$0.071	17,500
Options Conversion	6 April 2018	11,789	$0.180	2,122
Options Conversion	10 May 2018	300,000	$0.088	26,400
Options Conversion	22 June 2018	56,147	$0.180	10,106
Transfer from share based payments reserve on conversion of options		-	-	19,244
Capital raising fees		-	-	(1,837)
Balance	30 June 2018	211,864,521		55,570,683

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 14 March 2018 the company issued 246,478 fully paid ordinary shares in satisfaction of fees owing to a consultant of the company. On 6 April 2018, a total of 11,789 fully paid ordinary shares were issued through a conversion of options. A further 300,000 and 56,147 fully paid ordinary shares were also issued through conversion of options on 10 May 2018 and 22 June 2018 respectively.

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 2017 Annual Report.

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

Note 17. Equity - issued capital (continued)

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 2018 $	Consolidated 2017 $
Share based payments reserve	757,008	682,199
Share loan plan reserve	126,186	46,490
	883,194	728,689

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. On 10 May 2018 the company issued 2,200,000 unlisted options in accordance with the Executive Option Plan as approved by shareholders at the company's 2016 Annual General Meeting.

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 $	Total $
Balance at 1 July 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
Share based payments to directors/employees*	94,053	79,696	173,749
Exercise of options	(19,244)	-	(19,244)
Balance at 30 June 2018	757,008	126,186	883,194

* 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 consolidated entity's principal financial instruments comprise receivables, payables, cash at bank and short term deposits from time to time.

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

Market risk

Foreign currency risk
The consolidated entity 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 2018 and in the near future, the amounts that the consolidate entity 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 consolidated entity's exposure to market interest rates relate to the consolidated entity's cash at bank and on deposit. All interest bearing debt is not variable.

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

At the balance date the consolidated entity 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 $5,485,902 (2017: $7,645,388).

The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/-$54,859 (2017: +/-$76,454). 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 consolidated entity is not exposed to significant credit risk.

Trade and other receivables
Credit risk on trade and other receivables is limited as the consolidated entity does not have any trading activities. The receivables as at 30 June 2018 relate to interest and GST receivable.

Liquidity risk
The consolidated entity has historically raised capital approximately every 12-18 months.

Note 20. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	243,243	-	-	-	243,243
Other payables	-	160,406	-	-	-	160,406
Interest-bearing - fixed rate						
Premium finance	5.89%	59,347	-	-	-	59,347
Total non-derivatives		462,996	-	-	-	462,996

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	340,849	-	-	-	340,849
Other payables	-	59,738	-	-	-	59,738
Total non-derivatives		400,587	-	-	-	400,587

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

Consolidated	2018 Carrying amount $	2018 Fair value $	2017 Carrying amount $	2017 Fair value $
Liabilities				
Premium financing	56,046	56,046	-	-
	56,046	56,046	-	-

The fair value premium financing liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Fair value of premium financing is determined using Level 2 (Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable) inputs.

Changes in liabilities arising from financing activities

	1 July 2017 $	New finance $	Cash flows $	30 June 2018 $
Premium financing	-	93,471	(37,425)	56,046

Note 21. Key management personnel disclosures

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

Mr Steven Yatomi-Clarke	Managing Director and CEO
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
Ms Melanie Leydin	Company Secretary

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

	Consolidated	
	2018	**2017**
	$	**$**
Short-term employee benefits	956,807	1,136,357
Post-employment benefits	31,077	34,339
Long-term benefits	2,997	3,907
Share-based payments	117,612	119,845
	1,108,493	1,294,448

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	
	2018	**2017**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	48,000	46,350

Note 23. Contingent liabilities

There are no contingent liabilities that need disclosure in the financial statements of the consolidated entity (2017: Nil)

Note 24. Commitments

The company has entered into several agreements whereby it is obliged to make royalty payments on future sales and make future cash milestone payments if certain events occur. These agreements include:

- Yale University Agreement: milestone payments and royalty payments;
- Cahaba Pharmaceuticals Agreement: milestone payments and royalty payments.

Yale University Agreement

The company is committed to making payments as follows:

- milestone payments based on dosing of patients in trials
- milestone payments based on First New Drug Application (NDA) for a licensed product, and the associated FDA approval of the NDA
- milestone payments based on market entry of licensed products in certain countries
- royalty payments on worldwide annual net sales

Cahaba Pharmaceuticals Agreement

The company is committed to making payments as follows:

- payments derived from achievement of clinical success-based milestones
- milestone payments based on FDA acceptance of trials conducted
- milestone payments based on dosing of patients in trials
- milestone payments based on First New Drug Application (NDA) for a licensed product, and the associated FDA approval of the NDA
- royalty payments on net sales or sublicensing revenue (if applicable)

Note 25. Related party transactions

Parent entity
Prescient Therapeutics Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

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 26. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2018	**2017**
	$	**$**
Loss after income tax	(2,573,730)	(2,567,633)
Total comprehensive income	(2,573,730)	(2,567,633)

Note 26. Parent entity information (continued)

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	6,621,649	8,860,724
Total assets	9,990,823	12,229,848
Total current liabilities	543,775	440,646
Total liabilities	551,560	444,895
Equity		
Issued capital	55,570,683	55,497,148
Share based payments reserve	757,008	682,199
Share loan plan reserve	126,186	46,490
Accumulated losses	(47,014,614)	(44,440,884)
Total equity	9,439,263	11,784,953

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 30 June 2018 (2017: nil).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 (2017: nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2018 (2017: nil).

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 27. 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 2018 %	Ownership interest 2017 %
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 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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 29. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax expense for the year	(2,573,730)	(2,567,633)
Adjustments for:		
Depreciation and amortisation	1,471	605
Share-based payments	173,750	119,475
Foreign exchange differences	8,202	28,921
Change in operating assets and liabilities:		
Increase in trade and other receivables	(23,708)	(415,499)
Decrease/(increase) in prepayments	23,743	(66,457)
Decrease in other current assets	79,555	-
Increase/(decrease) in trade and other payables	117,411	(411,784)
Increase in employee benefits	44,180	34,132
Net cash used in operating activities	(2,149,126)	(3,278,240)

Note 30. Earnings per share

	Consolidated 2018 $	Consolidated 2017 $
Loss after income tax attributable to the Owners of Prescient Therapeutics Limited	(2,573,730)	(2,567,633)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	211,369,753	209,957,838
Weighted average number of ordinary shares used in calculating diluted earnings per share	211,369,753	209,957,838
	Cents	**Cents**
Basic earnings per share	(1.22)	(1.22)
Diluted earnings per share	(1.22)	(1.22)

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 or loss 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 31. Share-based payments

Options

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

2018

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
11/12/2014	11/12/2018	$0.136	500,000	-	-	-	500,000
06/05/2015	06/05/2018	$0.088	300,000	-	(300,000)	-	-
04/11/2015	04/11/2018	$0.081	700,000	-	-	-	700,000
23/11/2015	20/10/2020	$0.056	200,000	-	-	-	200,000
12/10/2013	12/10/2017	$0.096	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	$0.116	1,000,000	-	-	-	1,000,000
10/05/2018	10/05/2022	$0.137	-	2,200,000	-	-	2,200,000
			9,549,000	2,200,000	(300,000)	(4,385,000)	7,064,000

During the year, the company granted 2,200,000 unlisted options to employees in accordance with the Executive Option Plan as approved by shareholders at the company's 2016 Annual General Meeting.

Professor Said Sebti exercised 300,000 unlisted options which were due to expire on 6 May 2018.

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
11/12/2014	11/12/2018	$0.136	500,000	-	-	-	500,000
06/05/2015	06/05/2018	$0.088	300,000	-	-	-	300,000
04/11/2015	04/11/2018	$0.091	700,000	-	-	-	700,000
23/11/2015	20/10/2020	$0.056	200,000	-	-	-	200,000
12/10/2013	12/10/2017	$0.096	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	$0.116	-	1,000,000	-	-	1,000,000
			6,085,000	3,464,000	-	-	9,549,000

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
10/05/2018	10/05/2022	$0.125	$0.137	90.000%	-	2.300%	$0.079

Note 31. 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 is a summary of shares granted under the plan:

30 June 2018

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

30 June 2017

Grant date	Expiry date	Issue price	Balance at the start of the year	Granted	Vested & Issued	Expired/ forfeited/ other	Balance at the end of the 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 is a summary of shares issued under the plan:

30 June 2018

Loan Share Plan	Issue Price $	Balance at the start of the year	Issued during the year	Loans repaid during the year	Loans cancelled during the year	Balance at the end of the 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

30 June 2017

Loan Share Plan	Issue Price $	Balance at the start of the year	Issued during the year	Loans repaid during the year	Loans cancelled during the year	Balance at the end of the 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

Note 31. Share-based payments (continued)

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.

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 2018 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

31 August 2018

Building a better working world

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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 2018, 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.

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 2018 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.

1. Impairment assessment of indefinite life intangible assets

Why significant	How our audit addressed the key audit matter
At 30 June 2018, 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 its acquisition and as outlined in Note 12, the Company carried out its 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 assessed the appropriateness of key assumptions made in the impairment testing, 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 12 of 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.	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.

The Company has estimated the R&D credit for the year ending 30 June 2018. The estimated claim of $939,771 is recorded as Other income in the Statement of Comprehensive Income and a receivable in the Statement of Financial Position. 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.

We tested the mathematical accuracy of the Company's calculations. We also compared historical estimates against the actual claims received in prior years.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 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, with the exception of the Remuneration Report and our related assurance opinion.

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 9 to 17 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Prescient Therapeutics Limited for the year ended 30 June 2018, 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
31 August 2018

The shareholder information set out below was applicable as at 17 August 2018.

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	2,633
1,001 to 5,000	262
5,001 to 10,000	252
10,001 to 100,000	762
100,001 and over	259
	4,168
Holding less than a marketable parcel	2,908

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	22,209,613	10.48
Retzos Executive Pty Ltd (Retzos Executive S/Fund A/C)	11,300,000	5.33
Citicorp Nominees Pty Limited	7,177,980	3.39
Mr Andrew M Stewart	6,229,815	2.94
J P Morgan Nominees Australia Limited	4,750,303	2.24
Margaret Khoo	4,444,444	2.10
Mr Richard Thomas Hayward Daly & Mrs Sarah Kah Daly (Daly Family S/F A/C)	4,318,476	2.04
Kilinwata Investments Pty Ltd	3,572,778	1.69
UBS Nominees Pty Ltd	3,031,910	1.43
Wigtown Pty Limited	3,009,261	1.42
One Managed Investments Fund (TI GROWTH A/C)	2,855,333	1.35
T E & J Pasias Pty Ltd	2,500,000	1.18
Moreglade Pty Ltd	2,333,334	1.10
Deborah Anne Coleman	2,216,667	1.05
Arrow Wealth Pty Ltd (Berbay Family A/C)	2,000,000	0.94
Mr Mladen Marusic	1,910,000	0.90
CS Third Nominees Pty Limited (HSBC CUST NOM AU LTD 13 A/C)	1,879,475	0.89
Langham Property Pty Ltd (Montagner Zembrzuski Family)	1,805,556	0.85
Sam Goulopoulos Pty Ltd (S Goulopoulos F/Super A/C)	1,715,000	0.81
Armada Trading Pty Ltd	1,702,307	0.80
	90,962,252	42.93

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	7,064,000	11

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.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Fully paid ordinary shares	14 September 2018	246,478

Corporate Governance

The Company's 2018 Corporate Governance Statement is available at www.ptxtherapeutics.com/investors/corporate-governance