Prescient Therapeutics Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	42.4%	to	72,109
Loss from ordinary activities after tax attributable to the Owners of Prescient Therapeutics Limited	up	47.5%	to	(3,797,227)
Loss for the year attributable to the Owners of Prescient Therapeutics Limited	up	47.5%	to	(3,797,227)

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 $3,797,227 (30 June 2018: $2,573,730).

Financial performance
The consolidated entity has accounted for an estimated research and development incentive rebate for the year amounting to $1,631,321 (2018: $939,771). There was a $1,878,438 increase of operating expenses to mainly driven by an increase of $1,624,918 in research and development activity and associated costs to $3,682,328 (2018: $2,057,410). This was a result of increased drug manufacturing across PTX-100 and PTX-200. Furthermore, during the comparative period a clinical hold was in place for PTX-200 clinical trials.

Financial position
Net assets of $14,320,934 have increased by $4,881,671 (30 June 2018: $9,439,263). This was mainly driven by completion of a share placement and rights issue completed during April and May 2019. This capital raising activity raised a total of $9.1 million before costs. Furthermore, as a result of increased research and development spend, the research and development incentive rebate receivable significantly increased by $691,897 to $1,631,071 (30 June 2018: $939,174).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.78	2.87

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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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 2019 is attached.

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12. Signed

Signed ______________________________ Date: 26 August 2019

Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Annual Report - 30 June 2019

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 5 126 Phillip Street Sydney NSW 2010 Ph: 02 9698 5414
Auditor	Ernst & Young 8 Exhibition Street Melbourne, VIC 3000
Stock exchange listing	Prescient Therapeutics Limited securities are listed on the Australian Securities Exchange (ASX code: PTX and PTXOC)
Website	https://ptxtherapeutics.com
Notice of annual general meeting	The Company will hold its annual general meeting of shareholders on 19 November 2019

Dear Shareholder,

On behalf of the Board of Prescient Therapeutics, I am pleased to present our 2019 Annual Report.

Financial

The successful capital raising and placement completed in April materially strengthened our financial position and ability to rapidly advance our promising pipeline.

Prescient is constantly reviewing ways to expand and enhance the value of its assets while prudently managing its resources.

Net cash inflows for the financial year were $4.17 million (2018: net cash outflow of $2.15 million) and the consolidated entity ended the year with $9.6 million in cash (2018: $5.5 million). Expenses rose 52 per cent to $5.5 million (2018: $3.6 million) reflecting our increased clinical activity and is in line with our plans. More detail on our financial performance can be found in the Financial Review on page 7.

Clinical and manufacturing

We are privileged to collaborate with world leaders in cancer treatment and strong partnerships and collaborations are a key foundation of our strategy.

Prescient continued to deliver progress across its clinical programs, including initiation of the innovative PTX-100 study.

Industry developments

The reporting period saw several encouraging market developments we believe validate our strategy of targeted therapies in the field of personalized medicine.

Among the positive developments was Eli Lilly & Co's US$8 billion acquisition of targeted cancer therapy developer Loxo Oncology Inc and GlaxoSmithKline’s purchase of targeted cancer drug developer Tesaro Inc for US$5.1 billion.

Pfizer Inc acquired US-based biotechnology company Array BioPharma for more than A$10 billion. Array’s targeted small molecule drugs promise to end or limit the use of chemotherapy for some cancer patients. Like Prescient, Array’s cancer therapies target mutations found across a variety of tumor types.

Another positive advance came at the annual American Society of Clinical Oncology when Amgen Inc shared early data for its KRAS inhibitor. The data showed its drug AMG-510 stopped tumor growth in the majority of patients with non-small cell lung cancer and colorectal cancer. This has increased the industry spotlight on the Ras pathway, which is of particular relevance to Prescient’s current PTX-100 trial.

Board and management

Prescient has assembled a team of accomplished leaders with experience building and operating successful life science businesses.

The varied and considerable experience of the Board is a significant asset for the company and we will seek to complement the existing skill sets with additional international biopharmaceutical and commercial expertise as our programs expand.

Summary

With its targeted therapy portfolio, Prescient is well positioned in the growing field of personalized medicine.

We are grateful for the ongoing support of all our shareholders and look forward to updating you on the substantial progress expected in the coming year.

I would like to thank our Chief Executive Officer and Managing Director, Steven Yatomi-Clarke, and his team who have contributed to Prescient’s progress.

Lastly, our efforts are focused on bringing real hope to the lives of people and facing the challenge of cancer. All of us at Prescient thank our clinical collaborators and each of the individuals who made the choice to participate in our important studies.

Sincerely,

Steven Engle
Non-executive Chairman

Financial year 2019 was one of continued progress for Prescient as we continued to advance our promising pipeline of small molecule targeted cancer therapies through the clinic.

Prescient's results and achievements this year demonstrate the strength of our strategy, the value of our clinical assets and dedication of an exceptional professional team.

Significant achievements for the reporting period included:

- A successful A$9 million capital raising and placement supported by existing shareholders and several leading US and Australian specialist life science investors.

- Excellent progress in the HER2 negative breast cancer, relapsed and refractory acute myeloid leukemia and recurrent or platinum resistant ovarian cancer trials.

- Advanced plans to initiate a new study for PTX-100 to rapidly identify potential in a 'basket' of hard to treat cancers with high unmet needs. This has since been initiated, in what is a landmark achievement for Prescient. This included overcoming manufacturing challenges. This trial significantly differentiates Prescient from peers, as the only inhibitor of its type in the Ras pathway – an area of increasing industry interest – as well as being the only RhoA inhibitor in development.

- Expansion of the acute myeloid leukemia trial to explore the potential of PTX-200 in lower doses of chemotherapy based on the strong data from the Phase 1b study and endorsement of medical investigators.

- Positive interim durability data from the HER2 negative breast cancer study, fortifying the efficacy signal observed so far. All five responders saw no disease progression after two years.

- Collaboration with a leading private US-based drug discovery company to create new formulations of our lead compound and significantly expand our already robust intellectual property position.

Behind Prescient's achievements is the commitment and dedication of our employees and specialist contractors across all areas of the business.

The team we have assembled is one of our most valuable assets. During the reporting period we appointed former Array BioPharma executive Dr Jim Winkler as our US-based Head of Business Development.

The coming year will see a number of important clinical, regulatory and commercial inflection points in our efforts to bring important new cancer therapies to global markets.

We have an extensive program to engage with the local and international investor and medical communities to highlight the potential of our assets and ensure the market can accurately measure our progress and value in a global context.

We are grateful for the ongoing support of all our shareholders and look forward to updating you on the substantial progress expected in the coming year.

It continues to be a privilege to lead a great business that has real potential to have a positive impact on the lives of so many people facing cancer. Together with our partners in the medical community we feel a strong sense of commitment to these people.

We continue to work hard to position Prescient as a strong contributor in the growing field of personalised medicine.

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') 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 2019.

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 (Non-Executive Chairman)
Mr Steven Yatomi-Clarke (Managing Director and CEO)
Mr Paul Hopper (Non-Executive Director)
Dr James Campbell (Non-Executive Director)

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 $3,797,227 (30 June 2018: $2,573,730).

Financial performance
The consolidated entity has accounted for an estimated research and development incentive rebate for the year amounting to $1,631,321 (2018: $939,771). There was a $1,878,438 increase of operating expenses to mainly driven by an increase of $1,624,918 in research and development activity and associated costs to $3,682,328 (2018: $2,057,410). This was a result of increased drug manufacturing across PTX-100 and PTX-200. Furthermore, during the comparative period a clinical hold was in place for PTX-200 clinical trials.

Financial position
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Significant changes in the state of affairs
On 5 July 2018, a total of 18,541 fully paid ordinary shares were issued through a conversion of listed options.

On 18 December 2018, the company issued 2,000,000 unlisted options as approved by shareholders at the November 2018 Annual General Meeting. The options are exercisable at $0.1016 expiring 4 years from the grant date with 50% of the options vesting upfront and 50% one year following the date of grant.

During April and May 2019, the company conducted a Placement to institutional and sophisticated investors and a Non-Renounceable Rights Issue to existing shareholders, issuing a total of 182,377,565 fully paid ordinary shares. As part of the offers, each subscriber would receive one option for every two shares subscribed for. As such, a total of 91,188,827 listed options were also issued as part of the Placement and Rights Issue. These options are exercisable at $0.0625 expiring on 31 March 2023.

On 30 April 2019, the company issued 4,200,000 listed options to sub-underwriters of the Rights Issue as approved by shareholders at the company's April 2019 General Meeting. These options are exercisable at $0.0625 expiring on 31 March 2023.

On 2 May 2019, the company issued 5,000,000 unlisted options as approved by shareholders at the company's April 2019 General Meeting. These options are exercisable at $0.0663 expiring on 2 May 2023. One third of the options vest immediately, one third vest 12 months following the issue date, one third vest 24 months following the issue date.

On 3 June 2019, the company issued 800,000 unlisted options in accordance with the company's Executive Option Plan. These options are exercisable at $0.0628 expiring on 3 June 2023. 200,000 options vest immediately, 200,000 options vest 12 months following the issue date, 200,000 options vest 24 months following the issue date, 200,000 options vest 36 months following the issue date.

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 2019 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. The expected results of operations for the consolidated entity will depend on the result of these clinical trials.

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:	Steven Engle is the CEO of CohBar, a clinical stage biotechnology company developing mitochondria-based therapeutics to treat age-related diseases and extend healthy lifespan. Previously, Mr. Engle served as CEO of Averigon, an advisory firm to the life science industry, as Chairman and CEO of XOMA, a developer of antibody therapeutics for metabolic, inflammatory, oncology and other diseases, and which had partnerships with multiple pharmaceutical companies, and as 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. Steven Engle was VP of Marketing for Cygnus, a drug delivery company, where he helped gain FDA approval of and launch Nicotrol for smoking cessation. Mr. Engle is a director on the board of AROA, a developer and marketer of regenerative products, and Author-it Software Corporation, a developer of authoring information solutions for pharmaceutical and biotechnology companies. He is a former director of industry associations, BIO, BayBio and BIOCOM. Mr. Engle holds M.S.E.E. and B.S.E.E. degrees from the University of Texas with a focus in biomedical engineering.
Other current directorships:	None.
Former directorships (last 3 years):	Anthera Pharmaceuticals Inc (NASDAQ: ANTH)
Special responsibilities:	Chairman of Remuneration and Nomination Committee and member of the Audit Committee
Interests in shares:	None.
Interests in options:	370,000 unlisted options exercisable at $0.1189 before 21 December 2019 670,000 unlisted options exercisable at $0.0663 before 2 May 2023

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:	Member of the Audit Committee
Interests in shares:	4,589,795 fully paid ordinary shares
Interests in options:	97,692 listed options exercisable at $0.0625 before 31 March 2023 2,000,000 unlisted options exercisable at $0.1016 before 18 December 2022 3,500,000 unlisted options exercisable at $0.0663 before 2 May 2023

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:	9,368,544 fully paid ordinary shares
Interests in options:	103,814 listed options exercisable at $0.0625 before 31 March 2023 247,000 unlisted options exercisable at $0.1189 before 21 December 2019 415,000 unlisted options exercisable at $0.0663 before 2 May 2023

Name:	Dr James Campbell
Title:	Non-Executive Director
Qualifications:	Ph.D, MBA
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 Advisory Board of Deakin University's Centre for Innovation in Mental and Physical Health and Clinical Treatment (IMPACT).
Other current directorships:	CEO and Managing Director of Patrys Limited (ASX:PAB) and Non-Executive Director of Invion Limited (ASX:IVX)
Former directorships (last 3 years):	Medibio Limited (ASX: MEB)
Special responsibilities:	Chairman of Audit Committee and Member of the Remuneration and Nomination Committee
Interests in shares:	213,750 fully paid ordinary shares
Interests in options:	17,813 listed options exercisable at $0.0625 before 31 March 2023 247,000 unlisted options exercisable at $0.1189 before 21 December 2019 415,000 unlisted options exercisable at $0.0633 before 2 May 2023

'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 profession 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, Ms Leydin has been the principal of LeydinFreyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in ASX listed entities.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Steven Engle	7	7	2	2	2	2
Mr Steven Yatomi-Clarke	7	7	-	-	2	2
Mr Paul Hopper	7	7	2	2	2	2
Dr James Campbell	7	7	2	2	2	2

Held: represents the number of meetings held during the time the Director held office.

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 Remuneration and Nomination 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 2019 financial year, no bonuses were awarded. 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 Employee/Executive Share Option Plan (ESOP) and Employee Share Loan Plan (ESLP) 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 two to four years based on long-term incentive measures using time-based milestones.

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 not directly linked to the performance of the consolidated entity. The cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
During the year ended 30 June 2019 the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 98.32% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. 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 2019 outlines the remuneration arrangements of the consolidated entity 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 consolidated entity.

2019	Short-term benefits Cash salary and fees $	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	-	-	7,751	-	82,751
Dr James Campbell*	49,275	-	-	4,816	-	54,091
Mr Paul Hopper**	49,275	-	-	4,816	-	54,091
Executive Directors:						
Mr Steven Yatomi-Clarke***	366,745	31,851	6,364	180,613	-	585,573
Other Key Management Personnel:						
Melanie Leydin****	102,000	-	-	-	-	102,000
Professor Said Sebti	161,786	-	-	6,916	-	168,702
Dr Terrence Chew	158,772	-	-	6,524	-	165,296
	962,853	31,851	6,364	211,436	-	1,212,504

* 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).
*** Included in Mr Yatomi-Clarke's Cash salary and fees is increase in his annual leave entitlements totalling $31,477
**** Fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services.

2018	Short-term benefits Cash salary and fees $	Short-term benefits Bonus $	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:							
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

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

	Fixed remuneration		At risk - LTI		At risk - STI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Mr Steven Engle	91%	97%	9%	3%	-	-
Mr Paul Hopper	91%	98%	9%	2%	-	-
Dr James Campbell	91%	97%	9%	3%	-	-
Executive Directors:						
Mr Steven Yatomi-Clarke	69%	76%	31%	17%	-	7%
Other Key Management Personnel:						
Ms Melanie Leydin	100%	100%	-	-	-	-
Professor Said Sebti	96%	89%	4%	11%	-	-
Dr Terrence Chew	96%	92%	4%	8%	-	-

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 and is capped at one third of the annual salary as at the date of payment of the bonus. 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 loan is payable on the date of receipt of the funds. The initial tranche of 2,000,000 shares was issued at $0.094 (9.4 cents) on 21 December 2016. The second tranche, of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.15 (15 cents) prior to the expiry date; the third tranche of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.22 (22 cents) prior to the expiry date; and the fourth and final tranche of 2,000,000 shares will be issued when the 5-day VWAP of ordinary shares in the Company reaches $0.29 (29 cents) prior to the expiry date.

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

Name	Number of shares granted	Grant date	Vested & issued	Expiry date	Issue price on vesting	Fair value per option at grant date
Steven Yatomi-Clarke	2,000,000	30/11/16	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

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	$0.1189	$0.027
21 December 2016	21 December 2017	21 December 2019	$0.1189	$0.023
21 December 2016	21 December 2018	21 December 2019	$0.1189	$0.016
20 April 2017	20 April 2017	20 April 2021	$0.1206	$0.037
20 April 2017	20 April 2018	20 April 2021	$0.1206	$0.036
20 April 2017	20 April 2019	20 April 2021	$0.1206	$0.036
20 April 2017	20 April 2020	20 April 2021	$0.1206	$0.035
16 May 2017	16 May 2017	16 May 2021	$0.1150	$0.038
16 May 2017	16 May 2018	16 May 2021	$0.1150	$0.037
16 May 2017	16 May 2019	16 May 2021	$0.1150	$0.036
16 May 2017	16 May 2020	16 May 2021	$0.1150	$0.035
20 November 2018	20 November 2018	18 December 2022	$0.1016	$0.039
20 November 2018	20 November 2019	18 December 2022	$0.1016	$0.039
26 April 2019	2 May 2019	2 May 2023	$0.0663	$0.026
26 April 2019	1 May 2020	2 May 2023	$0.0663	$0.026
26 April 2019	1 May 2021	2 May 2023	$0.0663	$0.026

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 2019 are set out below:

Name	Number of options granted during the year 2019	Number of options granted during the year 2018	Number of options vested during the year 2019	Number of options vested during the year 2018
Paul Hopper	415,000	-	200,083	61,750
Professor Said Sebti	-	-	316,667	416,666
Steven Yatomi-Clarke	5,500,000	-	2,166,667	50,000
Steven Engle	670,000	-	315,883	167,500
James Campbell	415,000	-	200,083	111,750
Terrence Chew	-	-	250,000	250,000

The value of Mr Hopper's options granted was $11,056.
The value of Mr Yatomi-Clarke's options granted was $171,640.
The value of Mr Engle's options granted was $17,849.
The value of Dr Campbell's options granted was $11,056.

None of the above options were exercised during the year.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $	2015 $
Revenue	72,109	125,156	166,220	10,704	39,967
Net profit/(loss) before tax	(3,797,227)	(2,573,730)	(2,567,634)	(1,754,142)	(2,133,375)
Net profit/(loss) after tax	(3,797,227)	(2,573,730)	(2,567,634)	(1,754,142)	(2,133,375)
Share price at year end (cents)	3.80	10.80	5.10	8.60	6.10

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					
Mr Paul Hopper	9,160,916	-	207,628	-	9,368,544
Dr James Campbell	-	-	213,750	-	213,750
Mr Steven Yatomi-Clarke	4,394,412	-	195,383	-	4,589,795
Prof Said Sebti	800,000	-	63,000	-	863,000
Ms Melanie Leydin	250,000	-	-	-	250,000
	14,605,328	-	679,761	-	15,285,089

* Steven Engle 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 as part of remuneration	Granted /other	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Steven Yatomi Clarke	200,000	5,500,000	97,692	(200,000)	5,597,692
James Campbell	447,000	415,000	17,813	(200,000)	679,813
Steven Engle	670,000	670,000	-	(300,000)	1,040,000
Prof Said Sebti	1,800,000	-	-	-	1,800,000
Paul Hopper	247,000	415,000	103,814	-	765,814
Terrence Chew	1,000,000	-	-	-	1,000,000
	4,364,000	7,000,000	219,319	(700,000)	10,883,319

There were no options exercised during the period. Expired and forfeited options during the period were originally granted as part of remuneration.

Loans to key management personnel and their related parties
There were no loans to Key Management Personnel at any time during the financial year (2018: Nil).

Other transactions with key management personnel and their related parties
Please refer to note 25 Related party transactions for further information.

There were no other transactions with Key Management Personnel other than the remuneration disclosed above (2018: 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
23 November 2015	20 October 2020	$0.0560	200,000
21 December 2016	21 December 2019	$0.1189	864,000
20 April 2017	20 April 2021	$0.1206	1,600,000
16 May 2017	16 May 2021	$0.1150	1,000,000
10 May 2018	10 May 2022	$0.1362	1,400,000
20 November 2018	18 December 2022	$0.1016	2,000,000
30 April 2019	31 March 2023	$0.0625	4,200,000
26 April 2019	2 May 2023	$0.0663	5,000,000
23 May 2019	3 June 2023	$0.0628	800,000
1 April 2019	31 March 2023	$0.0625	17,656,909
30 April 2019	31 March 2023	$0.0625	21,188,828
3 May 2019	31 March 2023	$0.0625	52,343,090
			108,252,827

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
On 5 July 2018 the company issued 18,541 ordinary shares on exercise of PTXO listed options. The options were exercised at $0.18 per share.

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.

Rounding
The amounts contained in the financial report have been rounded to the nearest $.

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

26 August 2019

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

As lead auditor for the audit of the financial report of Prescient Therapeutics Limited for the financial year ended 30 June 2019, 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

Lonergan

Joanne Lonergan
Partner
26 August 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Interest revenue	5	72,109	125,156
Other income	6	1,647,759	939,771
Expenses			
Research and development costs		(3,682,328)	(2,057,410)
Employment costs		(486,708)	(445,437)
Corporate expenses		(691,319)	(640,676)
Administrative expenses		(428,551)	(288,740)
Share based payments	31	(256,170)	(173,750)
Interest expense		(3,301)	(2,200)
Realised foreign exchange movements		31,282	(30,444)
Loss before income tax expense		(3,797,227)	(2,573,730)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the Owners of Prescient Therapeutics Limited		(3,797,227)	(2,573,730)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Prescient Therapeutics Limited		(3,797,227)	(2,573,730)
		Cents	**Cents**
Basic earnings per share	30	(1.55)	(1.22)
Diluted earnings per share	30	(1.55)	(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 2019

	Note	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	8	9,639,637	5,485,902
Trade and other receivables	9	117,201	45,530
Short term investments	10	20,000	20,000
Prepayments		230,982	91,750
Other current assets	11	1,631,071	978,467
Total current assets		11,638,891	6,621,649
Non-current assets			
Property, plant and equipment		942	2,280
Intangibles	12	3,366,894	3,366,894
Total non-current assets		3,367,836	3,369,174
Total assets		15,006,727	9,990,823
Liabilities			
Current liabilities			
Trade and other payables	13	551,964	407,026
Borrowings	14	-	56,046
Employee benefits	15	116,066	80,703
Total current liabilities		668,030	543,775
Non-current liabilities			
Employee benefits	16	17,763	7,785
Total non-current liabilities		17,763	7,785
Total liabilities		685,793	551,560
Net assets		14,320,934	9,439,263
Equity			
Issued capital	17	63,930,411	55,570,683
Reserves	18	1,099,704	883,194
Accumulated losses		(50,709,181)	(47,014,614)
Total equity		14,320,934	9,439,263

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 2019

Consolidated	Issued capital $	Share based payments reserve $	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 (note 31)	-	94,053	79,696	-	173,749
Issue of Shares (note 17)	56,128	-	-	-	56,128
Transfer from share based payments reserve on conversion of options (note 17)	19,244	(19,244)	-	-	-
Capital raising fees (note 17)	(1,837)	-	-	-	(1,837)
Balance at 30 June 2018	55,570,683	757,008	126,186	(47,014,614)	9,439,263

Consolidated	Issued capital $	Share based payments reserve $	Share loan plan reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2018	55,570,683	757,008	126,186	(47,014,614)	9,439,263
Loss after income tax expense for the year	-	-	-	(3,797,227)	(3,797,227)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,797,227)	(3,797,227)
Share based payments (note 31)	-	176,473	79,697	-	256,170
Issue of shares (note 17)	9,118,878	-	-	-	9,118,878
Issue of shares on conversion of options (note 17)	3,338	-	-	-	3,338
Capital raising fees (note 17)	(762,488)	63,000	-	-	(699,488)
Lapsed/expired ESOP Options	-	(102,660)	-	102,660	-
Balance at 30 June 2019	63,930,411	893,821	205,883	(50,709,181)	14,320,934

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(5,232,742)	(3,322,166)
Interest received		84,714	117,219
R&D tax incentive		939,423	1,058,021
Interest paid		(3,301)	(2,200)
Government grants received		16,438	-
Net cash used in operating activities	29	(4,195,468)	(2,149,126)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,522)
Net cash used in investing activities		-	(1,522)
Cash flows from financing activities			
Proceeds from conversion of options	17	3,338	38,628
Proceeds from issue of shares	17	9,118,877	-
Capital raising costs	17	(699,488)	(1,838)
Repayment of borrowings		(56,046)	(37,425)
Net cash from/(used in) financing activities		8,366,681	(635)
Net increase/(decrease) in cash and cash equivalents		4,171,213	(2,151,283)
Cash and cash equivalents at the beginning of the financial year		5,485,902	7,645,388
Effects of exchange rate changes on cash and cash equivalents		(17,478)	(8,203)
Cash and cash equivalents at the end of the financial year	8	9,639,637	5,485,902

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 26 August 2019.

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018.

Financials asset are 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 that are solely principal and interest. Debt investments are measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the consolidated entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using 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. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

In applying AASB 9 retrospectively, comparatives were not restated and there were no material adjustments required or impact on the financial statements.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15, which supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations, from 1 July 2018. Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is based on a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an impairment expense rather than adjusted against revenue. Contracts with customers are presented in the 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. Customer acquisition costs and costs to fulfil a contract are, subject to certain criteria, capitalised as an asset and amortised over the contract period.

In applying AASB 15, the consolidated entity has elected to use the modified retrospective method, and did not restate the comparatives. On applying this standard, there were no material adjustments required or impact on the financial statements, as there is currently no revenue from customer contracts.

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').

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 2019 and the results of all subsidiaries for the year then ended. Prescient Therapeutics Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

Note 2. Significant accounting policies (continued)

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.

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.

Reclassification
Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year’s presentation.

Note 2. Significant accounting policies (continued)

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 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases', AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. Subject to recognition exemptions, a lease liability and 'right-of-use' asset will be recognised 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 recognition exemptions relate to short-term leases with an original lease term 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 lease liability and 'right-of-use' asset are recognised or lease payments are expensed to profit or loss as incurred. 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. 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 management does not expect any impact on the financial statements as the consolidated entity is not party to any 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.

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 intend 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.

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

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

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 12. 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 16, 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 consolidated entity 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. Interest revenue

	Consolidated	
	2019 $	2018 $
Interest income	72,109	125,156

Accounting policy for revenue recognition
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	
	2019 $	2018 $
Government grants	16,438	-
Research and development tax incentive	1,631,321	939,771
Other income	1,647,759	939,771

The Research and Development Tax Incentive programme provides tax offsets for expenditure on eligible R&D activities. Under the programme, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% (2018: 43.5%) on the eligible R&D expenditure incurred on eligible R&D activities. One of the conditions the company must meet is ensuring more than 50% of total R&D activity costs will be incurred in Australia.

The refundable R&D tax offset is accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

During the financial year ended 30 June 2019, the consolidated entity recognised R&D tax incentive revenue of $1,631,321 (2018: $939,771).

During the year, the consolidated entity also claimed and received business growth grants of $16,438 (2018: nil) from the Department of Industry, Innovation and Science.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Note 7. Income tax benefit

	Consolidated 2019 $	2018 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	(3,797,227)	(2,573,730)
Tax at the statutory tax rate of 27.5%	(1,044,237)	(707,776)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	70,447	47,781
Others	12,184	8,136
Net temporary differences not recognised	379,082	316,566
Research and development related income and expenditure	582,524	335,293
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 2019 $	Consolidated 2018 $
Cash at bank	7,139,637	716,287
Cash on deposit	2,500,000	4,756,133
Cash on trust	-	13,482
	9,639,637	5,485,902

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

Cash on deposit relates to short-term deposits with a maturity of three months or less.

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 include 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 2019 $	Consolidated 2018 $
Other receivables	2,463	15,069
GST receivable	114,738	30,461
	117,201	45,530

Accounting policy for trade and other receivables
Trade and other receivables are measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment
Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using 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.

Note 10. Current assets - Short term investments

	Consolidated 2019 $	Consolidated 2018 $
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 2019 $	Consolidated 2018 $
R&D tax incentive receivable	1,631,071	939,174
Other current assets	-	39,293
	1,631,071	978,467

During the year, the consolidated entity recognised R&D tax incentive receivable of $1,631,071. On the 15 January 2019, the consolidated entity received $939,423 in relation to the 2018 financial year R&D tax incentive.

Note 12. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
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 2017	3,366,894	3,366,894
Balance at 30 June 2018	3,366,894	3,366,894
Balance at 30 June 2019	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 2019
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 2019, the directors and management of the consolidated entity identified that the carrying amounts for each cash-generating unit (CGU) (PTX-100 and PTX-200) did not exceed their recoverable amounts, as estimated from the discounted cash flows, and 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 the following key assumptions:

- a post-tax discount rate of 20% (2018: 20%) for all future cash flows for a five to fifteen 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.
- a market growth rate of 10% (2018: 10%)
- a market penetration of 50% for PTX-200 (2018: 50%)
- a market penetration of 25% for PTX-100 (2018: 25%)

All assumptions are based on past experience and from external sources.

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 2019:

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

Management's conclusion is that these changes in key assumptions while reducing the recoverable amounts of the consolidated entity's intellectual property, would not, as at 30 June 2019, reduce the recoverable amounts to the extent that the intangible assets would be impaired.

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2019 $	2018 $
Trade payables	393,151	243,243
Other payables	42,171	39,971
Other accruals	116,642	123,812
	551,964	407,026

Refer to note 20 for further information on financial instruments.

Note 13. Current liabilities - trade and other payables (continued)

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	
	2019 $	2018 $
Premium financing	-	56,046

Refer to note 20 for further information on financial instruments.

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	
	2019 $	2018 $
Annual leave	116,066	80,703

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	
	2019 $	2018 $
Long service leave	17,763	7,785

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			
	2019 Shares	**2018 Shares**	**2019 $**	**2018 $**
Ordinary shares - fully paid	394,260,627	211,864,521	63,930,411	55,570,683

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2017	211,250,107		55,497,148
Issue of shares	14 March 2018	246,478	$0.0710	17,500
Options conversion	6 April 2018	11,789	$0.1800	2,122
Options conversion	10 May 2018	300,000	$0.0880	26,400
Options conversion	22 June 2018	56,147	$0.1800	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
Options Conversion	5 July 2018	18,541	$0.1800	3,338
Placement tranche 1	1 April 2019	35,313,842	$0.0500	1,765,692
Rights issue	30 April 2019	42,377,565	$0.0500	2,118,878
Placement tranche 2	3 May 2019	104,686,158	$0.0500	5,234,308
Capital raising fees*		-		(762,488)
Balance	30 June 2019	394,260,627		63,930,411

* Capital raising fees includes $63,000 non-cash share based payment.

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

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

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

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.

Note 17. Equity - issued capital (continued)

The capital risk management policy remains unchanged from the 2018 Annual Report.

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

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

Note 18. Equity - reserves

	Consolidated 2019 $	2018 $
Share based payments reserve	893,821	757,008
Share loan plan reserve	205,883	126,186
	1,099,704	883,194

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.

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 2017	682,199	46,490	728,689
Share based payments	94,053	79,696	173,749
Exercise of options	(19,244)	-	(19,244)
Balance at 30 June 2018	757,008	126,186	883,194
Share based payments	176,473	79,697	256,170
Lapse/expiry of Options	(102,660)	-	(102,660)
Capital raising fees	63,000	-	63,000
Balance at 30 June 2019	893,821	205,883	1,099,704

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 undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 2019 $	Assets 2018 $	Liabilities 2019 $	Liabilities 2018 $
US dollars	566,661	29,996	381,259	208,376

The consolidated entity had net assets denominated in foreign currencies of $185,402 (assets of $566,661 less liabilities of $381,259) as at 30 June 2019 (2018: net liabilities of $178,380 (assets of $29,996 less liabilities of $208,376)).

Based on this exposure, had the Australian dollars weakened by 1%/strengthened by 1% (2018: weakened by 1%/strengthened by 1%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $1,854 lower/$1,854 higher (2018: $1,784 lower/$1,784 higher) and equity would have been $1,854 lower/$1,854 higher (2018: $1,784 lower/$1,784 higher).

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

	AUD strengthened			AUD weakened		
Consolidated - 2019	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US dollars	1%	1,854	1,854	(1%)	(1,854)	(1,854)

Note 20. Financial instruments (continued)

Consolidated - 2018	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
US dollars	1%	1,784	1,784	(1%)	(1,784)	(1,784)

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 reporting 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 $9,639,637 (2018: $5,485,902). The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/-$96,396 (2018: +/-$54,859). Borrowings of $0 (2018: $56,046). The sensitivity of the borrowings balance to changes in interest rate (of +/-1%) equates to +/-$0 (2018: +/-$560). 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
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are considered in default and written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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 2019 relate to interest and tax receivables.

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 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 - 2019	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	-	393,151	-	-	-	393,151
Other payables	-	158,813	-	-	-	158,813
Total non-derivatives		551,964	-	-	-	551,964

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

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

The carrying amount of financial assets and liabilities is a reasonable approximation of fair value.

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:

	2019		**2018**	
Consolidated	**Carrying amount $**	**Fair value $**	**Carrying amount $**	**Fair value $**
Liabilities				
Premium financing	-	-	56,046	56,046
	-	-	56,046	56,046

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Note 20. Financial instruments (continued)

Changes in liabilities arising from financing activities

Consolidated - 2018	1 July 2018 $	New finance $	Cash flows $	Total $
Premium financing	56,046	-	(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	
	2019 **$**	**2018** **$**
Short-term employee benefits	962,853	956,807
Post-employment benefits	31,851	31,077
Long-term benefits	6,364	2,997
Share-based payments	211,436	117,612
	1,212,504	1,108,493

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	
	2019 **$**	**2018** **$**
Audit services - Ernst & Young		
Audit or review of the financial statements	55,000	48,000

Note 23. Contingent liabilities

There are no contingent liabilities that need disclosure in the financial statements of the consolidated entity (2018: 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)

The value of the above commitments currently cannot be reliably measured.

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
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2019 $	2018 $
Current payables:		
Trade payables to other related party*	12,319	-

Note 25. Related party transactions (continued)

* Relates to director fees for Dr James Campbell, payable to Barrabool Biotechnology Pty Ltd (an entity associated with him).

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

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

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	
	2019	**2018**
	$	**$**
Loss after income tax	(3,797,227)	(2,573,730)
Total comprehensive income	(3,797,227)	(2,573,730)

Statement of financial position

	Parent	
	2019	**2018**
	$	**$**
Total current assets	11,638,891	6,621,649
Total assets	15,006,727	9,990,823
Total current liabilities	668,030	543,775
Total liabilities	685,793	551,560
Equity		
Issued capital	63,930,411	55,570,683
Share based payments reserve	893,821	757,008
Share loan plan reserve	205,883	126,186
Accumulated losses	(50,709,181)	(47,014,614)
Total equity	14,320,934	9,439,263

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 2019 (30 June 2018: nil).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 (30 June 2018: nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2019 (30 June 2018: nil).

Note 26. Parent entity information (continued)

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 2019 %	Ownership interest 2018 %
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 2019 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 2019 $	Consolidated 2018 $
Loss after income tax expense for the year	(3,797,227)	(2,573,730)
Adjustments for:		
Depreciation and amortisation	1,338	1,471
Share-based payments	256,170	173,750
Foreign exchange differences	17,478	8,202
Change in operating assets and liabilities:		
Increase in trade and other receivables	(71,671)	(23,708)
Decrease/(increase) in prepayments	(139,232)	23,743
Decrease/(increase) in other current assets	(652,604)	79,555
Increase in trade and other payables	144,941	117,411
Increase in employee benefits	45,339	44,180
Net cash used in operating activities	(4,195,468)	(2,149,126)

Note 30. Earnings per share

	Consolidated 2019 $	2018 $
Loss after income tax attributable to the Owners of Prescient Therapeutics Limited	(3,797,227)	(2,573,730)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	244,545,485	211,369,753
Weighted average number of ordinary shares used in calculating diluted earnings per share	244,545,485	211,369,753
	Cents	**Cents**
Basic earnings per share	(1.55)	(1.22)
Diluted earnings per share	(1.55)	(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”.

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.

There are 108,252,827 potentially dilutive shares on issue.

Note 31. Share-based payments

Options

Under the company's Employee/Executive Share Option Plan (ESOP), awards are delivered to directors and other key management personnel in the form of options over shares which vest over a period of two to four years. The vesting conditions of the current options on issue are based on time-based milestones.

Note 31. Share-based payments (continued)

Set out below are summaries of equity-settled unlisted options granted and on issue at the end of the financial year:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Forfeited	Expired	Balance at the end of the year
11/12/2014	11/12/2018	$0.1360	500,000	-	-	(500,000)	-
04/11/2015	04/11/2018	$0.0810	700,000	-	-	(700,000)	-
23/11/2015	20/10/2020	$0.0560	200,000	-	-	-	200,000
21/12/2016	21/12/2019	$0.1189	864,000	-	-	-	864,000
20/04/2017	20/04/2021	$0.1206	1,600,000	-	-	-	1,600,000
16/05/2017	16/05/2021	$0.1150	1,000,000	-	-	-	1,000,000
10/05/2018	10/05/2022	$0.1362	2,200,000	-	(800,000)	-	1,400,000
20/11/2018	18/12/2022	$0.1016	-	2,000,000	-	-	2,000,000
26/04/2019	02/05/2023	$0.0663	-	5,000,000	-	-	5,000,000
23/05/2019	03/06/2023	$0.0628	-	800,000	-	-	800,000
			7,064,000	7,800,000	(800,000)	(1,200,000)	12,864,000

During the period, the company granted and issued 7,800,000 unlisted options in accordance with the company's ESOP.

Furthermore the company granted and issued 95,388,827 PTXOC listed options in relation to the Placement and Rights Issue conducted during the year. Of this number, 4,200,000 listed options were issued to the sub-underwriters of the company's Non-Renounceable Rights Issue as approved by shareholders at the company's April 2019 General Meeting. These options are exercisable at $0.0625 expiring on 31 March 2023. The fair value of these options was the market price of PTXOC on the date they were issued, being $0.015. The fair value of these options have been recognised as capital raising costs.

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
11/12/2014	11/12/2018	$0.1360	500,000	-	-	-	500,000
06/05/2015	06/05/2018	$0.0880	300,000	-	(300,000)	-	-
04/11/2015	04/11/2018	$0.0810	700,000	-	-	-	700,000
23/11/2015	20/10/2020	$0.0560	200,000	-	-	-	200,000
12/10/2013	12/10/2017	$0.0960	4,385,000	-	-	(4,385,000)	-
21/12/2016	21/12/2019	$0.1189	864,000	-	-	-	864,000
20/04/2017	20/04/2021	$0.1206	1,600,000	-	-	-	1,600,000
16/05/2017	16/05/2021	$0.1150	1,000,000	-	-	-	1,000,000
10/05/2018	10/05/2022	$0.1362	-	2,200,000	-	-	2,200,000
			9,549,000	2,200,000	(300,000)	(4,385,000)	7,064,000

For the unlisted 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
20/11/2018	18/12/2022	$0.0760	$0.1016	82.020%	-	2.130%	$0.039
26/04/2019	02/05/2023	$0.0480	$0.0663	85.800%	-	1.290%	$0.026
23/05/2019	03/06/2023	$0.0410	$0.0628	85.970%	-	1.135%	$0.021

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 31. Share-based payments (continued)

2019

Grant date	Expiry date	Exercise price	Exercisable at the start of the year	Vested	Forfeited	Expired	Exercisable at the end of the year
11/12/2014	11/12/2018	$0.1360	500,000	-	-	(500,000)	-
04/11/2015	04/11/2018	$0.0810	700,000	-	-	(700,000)	-
23/11/2015	20/10/2020	$0.0560	100,000	50,000	-	-	150,000
21/12/2016	21/12/2019	$0.1189	648,000	216,000	-	-	864,000
20/04/2017	20/04/2021	$0.1206	1,066,666	266,667	-	-	1,333,333
16/05/2017	16/05/2021	$0.1150	500,000	250,000	-	-	0,000
10/05/2018	10/05/2022	$0.1362	550,000	550,000	(400,000)	-	700,000
20/11/2018	18/12/2022	$0.1016	-	1,000,000	-	-	1,000,000
26/04/2019	02/05/2023	$0.0663	-	1,666,667	-	-	1,666,667
23/05/2019	03/06/2023	$0.0628	-	200,000	-	-	200,000

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 2019

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 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

During the current year there were no shares issued under the plan (2018: nil).

Note 31. Share-based payments (continued)

Reconciliation of share based payments expense recorded in the statement of profit and loss relating to each class of share based payment:

	Consolidated	
	2019	**2018**
Options payments to directors and advisors	176,473	94,053
Loan funded shares expense	79,697	79,697
Total share based payment	256,170	173,750

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 2019 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

26 August 2019

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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 2019, 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 2019 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.

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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 2019, 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 determined by the use of a discounted cash flow model. Should the Group's cash flow forecasts not be achieved, the assets may be impaired. No impairment was recorded in the current year in respect of these assets. Given the significance of this balance relative to total assets and the significant judgement exercised by the Company in determining recoverable amount, this was considered to be a key audit matter.	We assessed the appropriateness of key assumptions made by the Group in their impairment testing, including market penetration, royalty forecasts, growth rates and the 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 compared the market capitalisation of the company to the Company's net assets. We assessed whether the disclosure in Note 12 was adequate and whether the calculations complied with Australian Accounting Standards.

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2. Research & Development tax benefit

Why significant	How our audit addressed the key audit matter
Under the Australian Government's Research & Development ("R&D") income tax credit regime, the Company is entitled to an R&D credit on eligible R&D expenditure incurred, including the decline in value of depreciating assets used in eligible R&D activities. The Company has estimated the R&D credit for the year ending 30 June 2019 and had this reviewed by a third party specialist. The estimated claim of $1,631,321 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 evaluated the methodology and assumptions used by the Company and their expert third party specialist in calculating the R&D income tax credit claim receivable with reference to the applicable legislation. We assessed the qualifications, competence and objectivity of the Company's specialist. We tested the mathematical accuracy of the Company's calculations. We also compared historical estimates against the actual claims received in prior years.

3. Accounting for share based payment arrangements

Why significant	How our audit addressed the key audit matter
During the year the Company issued options to directors and certain executive management under an employee option plan. Further to this, equity options were issued to a third party as compensation for services in relation to a capital transaction. These arrangements have differing terms and conditions that give rise to different accounting outcomes. In addition, the Company has share based payment arrangements that were issued in previous years.	Our procedures included the following; Assessed the terms of the share based payment arrangements issued during the period with reference to offer documents. We involved our valuation specialists to assess the key input assumptions such as volatility rates, exercise price and vesting period included in the valuations and calculations. We assessed the methodology used by the Company in valuing the share based payment arrangements.

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Share based payment arrangements require judgemental assumptions in determining their fair value, including volatility rates and expected life, and in the expensing of that fair value over the estimated service period.

The Group has used the Black Scholes valuation methodology to assess fair value.

Details of the share based payment arrangements granted to directors and certain executive management are disclosed in Note 31 to the financial report. Details of the arrangement with the third party are disclosed in Note 31 of the financial report.

The audit of the share based payment arrangements is a key audit matter due to the judgements required in determining their fair value and the expensing of that fair value over the estimated service period.

We assessed the expense recorded in the consolidated statement of comprehensive income for the directors and management arrangements complied with Australian Accounting Standards.

With respect to the options issued in relation to the capital transaction, we assessed whether the value was offset against the share capital raised.

We assessed the disclosures in Note 31 in relation to the arrangements.

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 2019 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 11 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Prescient Therapeutics Limited for the year ended 30 June 2019, 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
26 August 2019

The shareholder information set out below was applicable as at 14 August 2019.

Distribution of equitable securities

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

	Number of holders of ordinary shares	Number of holders of listed options
1 to 1,000	2,591	132
1,001 to 5,000	227	113
5,001 to 10,000	230	40
10,001 to 100,000	874	88
100,001 and over	458	86
	4,380	459
Holding less than a marketable parcel	3,080	313

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	44,209,613	11.21
Brispot Nominees Pty Ltd (House Head Nominee A/C)	21,622,046	5.48
Retzos Executive Pty Ltd (Retzos Executive S/Fund A/C)	16,800,000	4.26
Cs Fourth Nominees Pty Limited (Hsbc Cust Nom Au Ltd 11 A/C)	16,381,904	4.16
Bnp Paribas Noms Pty Ltd (DRP)	12,860,037	3.26
Citicorp Nominees Pty Limited	7,276,499	1.85
Cs Third Nominees Pty Limited (Hsbc Cust Nom Au Ltd 13 A/C)	7,157,639	1.82
Mr Andrew Morrison Stewart	7,048,448	1.79
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly (Daly Family S/F Tom A/C)	5,761,934	1.46
Westpark Operations Pty Ltd (Westpark Operations Unit A/C)	4,623,812	1.17
Margaret Khoo	4,444,444	1.13
Miengrove Pty Ltd (G J & P K Bird Super A/C)	4,100,000	1.04
Kilinwata Investments	3,572,778	0.91
Ubs Nominees Pty Ltd	3,220,250	0.82
Wigtown Pty Limited	3,009,261	0.76
Mrs Pauline Mary Deeves	3,000,000	0.76
Shayden Nominees Pty Ltd	2,759,526	0.70
Mr Mladen Marusic	2,522,800	0.64
Moreglade Pty Ltd	2,333,334	0.59
Retzos Family Pty Ltd (Retzos Family S/Fund A/C)	2,319,049	0.59
	175,023,374	44.40

	Options over ordinary shares	
	Number held	**% of total options issued**
Brispot Nominees Pty Ltd (House Head Nominee A/C)	18,194,196	19.07
National Nominees Limited	11,000,000	11.53
Bnp Paribas Noms Pty Ltd (DRP)	6,000,000	6.29
Citicorp Nominees Pty Limited	3,763,713	3.95
Merrill Lynch (Australia) Nominees Pty Limited (Mlpro A/C)	3,750,000	3.93
Alto Opportunity Master Fund & Spc (Segregated Master Port B A/C)	3,750,000	3.93
Accbell Nominees Pty Ltd	3,750,000	3.93
Cvc Limited	3,500,000	3.67
Retzos Executive Pty Ltd (Retzos Executive S/Fund A/C)	3,369,050	3.53
Cs Third Nominees Pty Limited (Hsbc Cust Nom Au Ltd 13 A/C)	2,800,803	2.94
Westpark Operations Pty Ltd (Westpark Operations Unit A/C)	2,449,406	2.57
Mr Paul Homewood	1,738,000	1.82
Retzos Family Pty Ltd (Retzos Family S/Fund A/C)	1,559,524	1.63
Nutsville Pty Ltd (Indust Electric Co S/F A/C)	1,169,642	1.23
Mr Timothy Francis Clive Mcdonnell	1,078,182	1.13
Mr Phillip Stanley Holten	1,071,000	1.12
Hsbc Custody Nominees (Australia) Limited	1,040,000	1.09
Allekian Exchange Pty Ltd	999,999	1.05
Shayden Nominees Pty Ltd	913,097	0.96
Mr Andrew Morrison Stewart	900,000	0.94
	72,796,612	76.31

Unquoted equity securities

	Number on issue	**Number of holders**
Options over ordinary shares issued	12,864,000	11

Substantial holders
The Company has received the following substantial Shareholder notices as at the date of this report:

	Ordinary shares	
	Number held	**% of total shares issued**
National Nominees Ltd ACF Australian Ethical Investment	44,141,543	11.20
Chris Retzos	15,015,352	3.81
UBS Group AG and its related bodies corporate	21,622,054	5.48

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

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

Listed options

Class	**Expiry date**	**Number of options**
PTXOC	31 March 2023	459

Corporate Governance

The Company's 2019 Corporate Governance Statement is available at www.ptxtherapeutics.com/investors/corporate-governance