

15 September 2020

Melissa Kostopoulos
ASX Limited
Level 4, North Tower
525 Collins Street
MELBOURNE VIC 3000

(By email: melissa.kostopoulos@asx.com.au)

PRESCIENT THERAPEUTICS LIMITED (ASX: PTX) (the Company) - RESPONSE TO QUERY LETTER

In reference to your letter of 9 September 2020 regarding the early closure of its Share Purchase Plan (**SPP**) and subsequent Placement in August 2020, the response to your queries and requests for information are in number order as follows:

1. *ASX notes that the SPP Extension Announcement on 14 August 2020 advised that the closing date of the SPP offer had been extended from Monday, 17 August 2020 to Thursday, 20 August 2020. In light of this, why did PTX decide to close the SPP offer on Tuesday, 18 August 2020?*

On Friday 14th August 2020 the Company announced the extension of the SPP from Monday 17th August 2020 to Thursday 20th August 2020. At the time of the extension announcement, the Company had received applications for \$3.9 million of the maximum raise of \$6.5 million. The Company therefore considered it should extend the offer to 20th August 2020 to allow for potential further participation by existing shareholders.

The Company had proposed to extend the offer on Monday 17th August 2020, to allow for added certainty of any applications received over the weekend, but following engagement with ASX it was confirmed that the latest date for announcing and extension was Friday 14th August 2020 (so the Company proceeded with the extension on this date).

On Monday 17th August 2020, the Company received notification at 11am that \$5.9 million in applications had been received.

On Tuesday 18th August 2020 at approximately 10.30am, the Company received further notification that \$6.969m in applications had been received. At this time, the Board met and discussed the early closure of the SPP to preserve early participant applications and to limit the impact of any scale back for all participants as much as possible, noting that the maximum SPP capacity for the Company had been reached. The Board considered that this would otherwise result in an unfair outcome to those participants that had applied and settled their funds based on the original timetable. Given the momentum of applications received towards the end of the extended SPP offer period, the Company was also concerned that leaving the extended offer open for a further 48 hours could unfairly impact participants with the potential for a substantial scale back across all participants.

Accordingly, the Board agreed to close the SPP effective at 5.00pm (AEST) on 18th August 2020.

2. *ASX notes that the Placement Announcement was released on Wednesday, 26 August 2020 at 9:25am ('Relevant Date') and stated that 'demand for the Placement was secured last week, immediately following completion of the SPP'. In light of this:*

2.2 *When did PTX determine that it would close the SPP?*

As outlined in Point 1 above, at approximately 11am (AEST) on Tuesday 18th August 2020.

2.3 *When did PTX determine that it would undertake the Placement?*

The potential for a placement was contemplated at the time of launching the SPP and, accordingly, PTX included reference to this in the SPP offer documentation. Specifically, the SPP offer booklet noted that ‘If there is sufficient demand, the Company will also consider a potential follow-on placement’. On the basis of this statement, the Company received numerous expressions of interest for any such placement.

On Thursday 20th August 2020, following the success of the SPP and its excess demand, the Board, on the advice of management, started to give consideration to a potential follow-on placement as a result of further indicative demand received of approximately \$5.6 million, with the potential to raise a greater sum.

On Friday 21st August 2020, further demand of up to \$10 million had been reached, at which time management recommended to the Board a proposal to proceed with a placement of \$7 million (being the maximum placement capacity of the Company under LR 7.1 and 7.1A), subject to finalisation of offer letters and receipt of acceptances.

Expressions of Interest were finalised on Sunday 23rd August 2020 at approximately 5.00pm (AEST).

Allocations for the placement were considered and finalised, with a view to a recommendation being provided to the Board, on Sunday 23rd August 2020. In the current environment, the Company was not comfortable to announce the placement (or quantum of the placement) until such time that the offer letters were accepted and the majority of cleared funds received.

At 3.00pm on Tuesday 25th August 2020, receipt of funds was confirmed (although not yet bank cleared), and the Board agreed to proceed with the follow-on placement and approved the release of an announcement to market, subject to clearance of funds, on Wednesday 26th August 2020. The announcement was made at 9.25am (AEST) on Wednesday 26th August 2020.

Settlement of the placement and the allotment of shares under the placement was confirmed by the Board on Monday 31st August 2020.

2.4 *When did PTX or its appointed broker(s) first circulate information (including, but not limited to, terms sheets) seeking expressions of interest or bids from potential investors for the Placement?*

Please include the relevant date and time in your responses to questions 2.1 to 2.3 above.

Having contemplated the potential for a follow-on placement at the time of announcement of the SPP, and having received expressions of interest during the SPP (including some expressions of interest received pursuant to that statement), a term sheet for the potential follow-on placement was finalised on Wednesday 19th August 2020.

The term sheet did not include any new information that had not already been disclosed to the market as part of the SPP booklet. The term sheet was circulated to Reach Markets and Argonaut at 12.20pm on Wednesday 19th August 2020.

In the days that followed, the Company received substantial bids from investors well in excess of its placement capacity under Listing Rules 7.1 and 7.1A.

2.5 *Please provide the name(s) of the broker(s) or other parties that provided services to PTX in relation to the Placement together with their respective fees or remuneration.*

The following brokers provided services to PTX together with their fees at 6% of their respective contributions:

Reach Financial Group Pty Ltd	\$156,000
Cumulus Wealth Pty Ltd	\$114,000

Viriathus Capital Pty Ltd
Argonaut Securities Limited

\$25,200
\$10,800

The fees for the SPP were disclosed in the SPP offer booklet, together with reference to a potential placement fee for any follow-on placement.

3. *Does PTX consider the information in the Placement Announcement ('Information') to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes. As noted above, PTX included reference to the potential for a follow-on placement up-front in the SPP offer documentation, subject to demand at the time the SPP offer was made. PTX subsequently announced the outcome of the follow-on placement at the time that the placement offers were accepted.

4. *If the answer to question 3 is 'no', please advise the basis for that view.*

Not applicable

5. *If the answer to question 3 is 'yes' and PTX first became aware of the Information before the Relevant Date, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe PTX was obliged to release the Information under Listings Rules 3.1, 3.1A and 3.10.3 and what steps PTX took to ensure that details of the Placement were released promptly and without delay.*

As noted, the Company received interest in the potential for a follow-on placement during the course of the SPP offer period. The level of potential demand was ascertained following closure of the SPP on 19th August 2020. The Company was seeking expressions of interest in the potential placement between Wednesday 19th August 2020 and Sunday 23rd August 2020.

On Monday 24th August 2020 at approximately 3.30pm (AEST), placement allocation emails were dispatched to interested parties for completion and settlement by Wednesday 26th August 2020.

On Wednesday 26th August 2020, the majority of funds had been received as cleared funds in the Company's bank account and the Company announced the completion of the placement that morning.

As noted above, the Company was not comfortable to announce the placement (or quantum of the placement) until such time that the offer letters were accepted and the majority of cleared funds received.

6. *Why did PTX scale-back applications under the SPP offer despite it having reserved the right to raise more than \$6.5 million under the SPP?*

In making the statement, that the company reserved its rights to raise more than \$6.5 million under the SPP, the company ultimately considered that it was restricted by its capacity to issue no more than 30% of the Company's issued capital at the relevant time. On reflection, the company recognises that this statement did not need to be made given this capacity equated to approximately \$6.5 million at the pricing for the SPP.

In any event, and importantly, it is noted that this statement was expressed as a reservation only by the company, to potentially increase the SPP, and so the company was not bound to increase the raise under the SPP.

Accordingly, the Company did not consider going beyond its 30% capacity, and a \$6.5 million raise under the SPP, and the reservation to raise further funds was made in contemplation of a potential follow-on placement, as outlined in the SPP booklet, based on demand at the relevant time.

7. *ASX observes that:*

- *PTX did not elect to raise more than \$6.5 million under the SPP.*
- *PTX scaled-back applications received under the SPP offer.*

- *The subsequent Placement diluted Eligible Shareholders who elected not to participate in the SPP and Eligible Shareholders who elected to participate in the SPP and were scaled-back.*

Please reconcile ASX's observations above with PTX's statements detailed in paragraph B(iii) above.

As noted, the Company had reached its maximum capacity under the SPP of \$6.5 million. The fact that the Company had contemplated a follow-on placement indicated to the market that there was the potential for the Company to raise further funds, beyond \$6.5 million, subject to demand (but naturally this could not be achieved under the SPP alone).

While the Company had not anticipated the level of demand for the SPP (up to its SPP capacity), on reaching that level of applications the Company considered it appropriate to close the SPP earlier than the extended SPP close date, when the SPP capacity had been reached, and proceeded to scale-back applications on a pro rata basis, based on a shareholder's applicable holding at the record date. The allocation policy was set out in the SPP documentation and considered equitable by the Company.

As flagged in the SPP documentation, the Company then proceeded to ascertain the level of demand for a follow-on placement following closure of the SPP on 19th August 2020, having received expressions of interest during the SPP offer period. The Company had not anticipated the level of demand for a follow-on placement, with the level of demand only emerging following the close of the SPP.

It is also noted that the Company proceeded with an SPP in the first instance, to give all eligible shareholders the opportunity to participate in the Company's capital raising up-front, before proceeding with the follow-on placement (at a time when the Company's maximum SPP capacity had been reached).

8. *Please provide the following information in relation to the SPP offer:*

8.1 *What was the total amount of the applications received under the SPP offer?*

\$7.379 million

8.2 *How many PTX shareholders applied to participate in the SPP offer?*

547

8.3 *Did PTX allocate a minimum number of shares to each applicant regardless of the size of their PTX shareholding?*

As noted in the SPP offer document, the scale back of applications was undertaken on a pro rata basis, based on a shareholder's applicable holding at record date, and noting that the company's maximum SPP capacity had been reached at the time the SPP closed.

9. *What proportion of funds raised under the Placement were from:*

9.1 *existing PTX shareholders?*

60

9.2 *new investors?*

145

10. *Please confirm whether any parties listed in Listing Rules 10.11.1 to 10.11.5 participated in the Placement.*

It is confirmed that no parties listed under Listing Rule 10.11.1 to 10.11.5 participated in the Placement.

11. *Please provide a list of Placement allottees including their respective share allotments (not for release to the market).*

Supplied separately to ASX.

12. *Please confirm that PTX is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

It is confirmed that the Company is in compliance with the Listing Rules, including Listing Rule 3.1.

13. *Please confirm that PTX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PTX with delegated authority from the board to respond to ASX on disclosure matters.*

It is confirmed that the responses to the questions above have been authorised and approved by the Board of the Company.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

Yours sincerely,
Prescient Therapeutics Limited



Melanie Leydin
Company Secretary



9 September 2020

Reference: 23644

Ms Melanie Leydin
Company Secretary
Prescient Therapeutics
Level 4
100 Albert Road
South Melbourne VIC 3205

By email: mleydin@leydinfreyer.com.au

Dear Ms Leydin

Prescient Therapeutics Limited ('PTX'): Query letter

ASX Limited ('ASX') refers to the following:

- A. PTX's announcement entitled 'Prescient Therapeutics Launches Share Purchase Plan' lodged on the ASX Market Announcements Platform ('MAP') on 27 July 2020, which announced details of a Share Purchase Plan ('SPP') partially underwritten by Viriathus Capital Pty Ltd to raise up to \$6.5 million at an issue price of 5.5 cents per share, with an opening date of 28 July 2020 and a closing date of 17 August 2020.
- B. The Chairperson's letter contained in PTX's SPP Offer Booklet lodged on MAP on 27 July 2020, which included the following statements:
 - (i) *'The Company is seeking to raise \$6.5 million under the SPP, however the Company reserves the right to raise more or less than this amount.'*
 - (ii) *'If Applications under the SPP exceed \$6.5 million (or a higher amount determined by the Company) (SPP Cap), the Company may scale back Applications received under the SPP on a pro rata basis ...'*
 - (iii) *'The SPP Cap is designed to ensure all Eligible Shareholders have a reasonable opportunity to participate equitably in the future of the Company by:*
 - *ensuring that Eligible Shareholders who decide not to participate in the SPP are not significantly diluted; and*
 - *providing those who elect to participate in the SPP Offer in a meaningful way to maintain, to the extent possible, their respective interests.'*
- C. PTX's announcement entitled 'Extension of Share Purchase Plan' lodged on MAP on 14 August 2020 ('SPP Extension Announcement'), which announced the following:
 - (i) *'... the closing date for the Share Purchase Plan (SPP) announced to the market on 27 July 2020 will be extended from Monday, 17 August 2020 to Thursday, 20 August 2020 at 5:00pm.'*
 - (ii) *'The extension of the SPP closing date is in response to shareholder requests for additional time to absorb several recent announcements and to allow eligible shareholders additional time to submit applications and arrange settlement before the closing date.'*
- D. PTX's announcement entitled 'Successful SPP Closed Early' lodged on MAP on 18 August 2020, which announced that PTX had decided to close the SPP early at 5:00pm on that same day.
- E. PTX's announcement entitled 'Completion of \$6.5 million Share Purchase Plan' lodged on MAP on 21 August 2020, which announced the following:

'... the Company has now successfully completed its Share Purchase Plan (SPP), raising \$6.5 million.

The SPP received overwhelming support and was heavily oversubscribed. In accordance with the terms in the SPP booklet a pro-rata scale-back was applied to the applications.'

- F. PTX's announcement entitled 'PTX Raises \$7 million via Strongly Supported Placement' lodged on MAP on 26 August 2020 (the 'Placement Announcement'), which announced details of a share placement with an issue price of 5.5 cents per share ('Placement') and included the following statements:
- (i) *'Prescient Therapeutics ... is pleased to announce that it has received firm commitments to raise \$7,046,084 (before costs) by way of a share placement (Placement) to professional and sophisticated investors ...'*
 - (ii) *'Demand for the Placement was secured last week, immediately following completion of the SPP, and significantly exceeded the Company's placement capacity.'*
- G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- H. Listing Rule 3.10, which requires a listed entity to tell ASX the following information immediately unless otherwise specified:
- '... 3.10.3 Details of a proposed issue of:*
- *Equity securities (other than an issue to be made under a dividend or distribution plan or an employee incentive scheme or as a consequence of the conversion of any convertible securities) ...*
- The notification to ASX must be in the form of, or accompanied by, an Appendix 3B.'*
- I. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:
- 'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity' and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information.'*
- J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:
- '3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.'*

- K. ASX's policy position on the concept of 'confidentiality', which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

'Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.'

Questions and Request for information

Having regard to the above, ASX asks PTX to respond separately to each of the following questions and requests for information:

1. ASX notes that the SPP Extension Announcement on 14 August 2020 advised that the closing date of the SPP offer had been extended from Monday, 17 August 2020 to Thursday, 20 August 2020. In light of this, why did PTX decide to close the SPP offer on Tuesday, 18 August 2020?
2. ASX notes that the Placement Announcement was released on Wednesday, 26 August 2020 at 9:25am ('Relevant Date') and stated that '*demand for the Placement was secured last week, immediately following completion of the SPP*'. In light of this:
 - 2.1 When did PTX determine that it would close the SPP?
 - 2.2 When did PTX determine that it would undertake the Placement?
 - 2.3 When did PTX or its appointed broker(s) first circulate information (including, but not limited to, terms sheets) seeking expressions of interest or bids from potential investors for the Placement?

Please include the relevant date and time in your responses to questions 2.1 to 2.3 above.
 - 2.4 Please provide the name(s) of the broker(s) or other parties that provided services to PTX in relation to the Placement together with their respective fees or remuneration.
3. Does PTX consider the information in the Placement Announcement ('Information') to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
4. If the answer to question 3 is 'no', please advise the basis for that view.
5. If the answer to question 3 is 'yes' and PTX first became aware of the Information before the Relevant Date, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe PTX was obliged to release the Information under Listings Rules 3.1, 3.1A and 3.10.3 and what steps PTX took to ensure that details of the Placement were released promptly and without delay.
6. Why did PTX scale-back applications under the SPP offer despite it having reserved the right to raise more than \$6.5 million under the SPP?
7. ASX observes that:
 - PTX did not elect to raise more than \$6.5 million under the SPP.
 - PTX scaled-back applications received under the SPP offer.
 - The subsequent Placement diluted Eligible Shareholders who elected not to participate in the SPP and Eligible Shareholders who elected to participate in the SPP and were scaled-back.

Please reconcile ASX's observations above with PTX's statements detailed in paragraph B(iii) above.

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8. Please provide the following information in relation to the SPP offer:
 - 8.1 What was the total amount of the applications received under the SPP offer?
 - 8.2 How many PTX shareholders applied to participate in the SPP offer?
 - 8.3 Did PTX allocate a minimum number of shares to each applicant regardless of the size of their PTX shareholding?
 9. What proportion of funds raised under the Placement were from:
 - 9.1 existing PTX shareholders?
 - 9.2 new investors?
 10. Please confirm whether any parties listed in Listing Rules 10.11.1 to 10.11.5 participated in the Placement.
 11. Please provide a list of Placement allottees including their respective share allotments (not for release to the market).
 12. Please confirm that PTX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 13. Please confirm that PTX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PTX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30am AEST on Tuesday, 15 September 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PTX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PTX to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PTX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PTX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PTX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1-3.1B. It should be noted that PTX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence with ASX

ASX reserves the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please contact me.

Yours sincerely

Melissa Kostopoulos
Compliance Adviser, Listings Compliance (Melbourne)