

Prescient Therapeutics Limited
(Formerly known as Virax Holdings 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 2015
Previous period:	For the year ended 30 June 2014

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	390.9% to	39,967
Loss from ordinary activities after tax attributable to the owners of Prescient Therapeutics Limited	up	20.6% to	(2,133,375)
Loss for the year attributable to the owners of Prescient Therapeutics Limited	up	20.6% to	(2,133,375)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,133,375 (30 June 2014: \$1,769,396).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.89</u>	<u>0.40</u>

4. Control gained over entities

During the year, the consolidated entity acquired all the shares in AKTivate Therapeutics Pty Ltd following shareholder approval received at the 2014 Annual General Meeting of shareholders.

5. Loss of control over entities

Name of entities (or group of entities)	Not Applicable
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Date control lost

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

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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.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

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.

11. Attachments

Details of attachments (if any):

The Annual Report of Prescient Therapeutics Limited for the year ended 30 June 2015 is attached.

12. Signed



Signed _____

Date: 28 August 2015

Steve Engle
Non-Executive Chairman

Prescient Therapeutics Limited

(Formerly known as Virax Holdings Limited)

ABN 56 006 569 106

Annual Report - 30 June 2015

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Corporate directory
30 June 2015

Directors	Mr Steven Engle (Non-Executive Chairman) Dr Robert Crombie (Managing Director) Mr Paul Hopper (Executive Director) Mr Steven Yatomi-Clarke (Non-Executive Director) Dr James Campbell (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205
Principal place of business	Level 2 Riversdale Quay 1 Southbank Boulevard Southbank, VIC, 3003
Share register	Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth, WA, 6005
Auditor	Ernst & Young 8 Exhibition Street Melbourne, VIC 3000
Stock exchange listing	Prescient Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX code: PTX)
Website	www.prescienttherapeutics.com

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30 June 2015

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**Prescient Therapeutics Limited
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Review of operations
30 June 2015**

Review of Operations

Below is a summary of the Company's review of operations during the financial year ended 30 June 2015.

Request for Reactivation of Breast IND:

In September 2014 the company announced plans to request reactivation of an Investigational New Drug (IND) application for its novel drug candidate PTX-100 (formerly known as GGTI-2418) for a planned Phase 1b/2 trial in breast cancer patients. This IND was reactivated in June 2015, enabling trials of this novel and highly promising compound to be conducted in the United States.

This novel compound is a first in class small molecule with the ability to block the Ral and Rho circuits in cancer cells, which act as key oncogenic survival pathways. In addition to breast cancer trials, Prescient plans to commence a trial of PTX-100 in multiple myeloma. Longer term, it also has potential as a new therapy to treat other cancers, including prostate and pancreatic cancer.

Previous Phase 1 clinical studies of PTX-100 have demonstrated a favourable safety profile in patients with advanced stage solid tumours, with 4 out of 13 patients experiencing stable disease.

Board Update

In September 2014 Prescient appointed respected multiple myeloma authority Professor Douglas Joshua to its Scientific Advisory Board (SAB). Professor Joshua is the Emeritus Professor of Haematology at the Sydney University Medical School and a Consultant Haematologist at the Royal Prince Alfred Hospital. He will work alongside esteemed US breast cancer authority Dr Joseph Sparano who joined the company's SAB in July 2014.

In November 2014 Prescient further strengthened its Board of Directors with three pivotal appointments to support the Company's growing US oncology portfolio.

Mr Steven Engle joined the Board as Non-Executive Chairman. Mr Engle is a former CEO and Chairman of XOMA (NASDAQ: XOMA) and brings extensive experience in US capital markets, a record of achievement with big pharma and experience steering multiple drug filings with the US Food and Drug Administration (FDA).

In addition, Dr James Campbell was appointed a Non-Executive Director, bringing a strong track record as a biotechnology executive and entrepreneur. Dr Campbell was previously CFO and COO of ChemGenex Pharmaceuticals, which was acquired by Cephalon for \$230 million in 2011.

Finally, Mr Steven Yatomi-Clarke joined the Board as a Non-Executive Director. Widely regarded as one of Australia's most experienced biotech capital markets operatives, he has a successful history of financing many private and public biotech companies over the past decade.

Chief Medical Officer

The Company appointed an internationally regarded pharmaceutical executive Dr Terrence Chew as Chief Medical Officer. He brings more than 30 years' experience in drug development and has steered the successful approval of several anti-cancer drugs worldwide.

Dr Chew will oversee clinical development and regulatory strategy for both novel oncology candidates now in mid-stage clinical trials at leading US cancer centres.

Chief Scientific Officer

In another appointment designed to further strengthen Prescient's management team, Professor Said Sebti has taken position as Chief Scientific Officer. He brings an outstanding track record in drug development and is a current Chair of Drug Discovery at the prestigious Moffitt Cancer Center in Florida, the third largest cancer centre in the United States. Professor Sebti has held several notable positions throughout his tenure at this centre, including Program Leader of Molecular Oncology and Drug Discovery and more recently, Program Leader of Chemical Biology and Molecular Medicine. His work has been awarded grants of more than US\$35 million, including the National Cooperative Drug Discovery Award from the NCI, RO1 and PO1 program project grants which have funded his work continuously since 1989. He has achieved over 35 issued patents and an impressive 280 research articles.

**Prescient Therapeutics Limited
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AKTivate Therapeutics Acquisition

In December 2014 Prescient acquired the specialty oncology company AKTivate Therapeutics and its novel cancer drug TCN-P (now known as PTX-200). This was the company's second major oncology acquisition of 2014, following the acquisition of Pathway Oncology in May.

This second strategic acquisition substantially strengthened the company's oncology pipeline, providing further clinical and investor opportunity.

Under the terms of the AKTivate agreement, the company paid US\$300,000 upfront, as well as 234 million shares at \$0.01 per share. 134 million shares were paid upfront with a further 100 million to be paid on reaching clearly defined clinical success milestones.

This acquisition transformed Prescient into a mid-clinical stage company with two novel oncology compounds (PTX-100 and PTX-200) in development under two separate Investigational New Drug (IND) applications. An IND is a major regulatory milestone toward obtaining approval for a new drug product and is basically a green light to undertake clinical trials of experimental therapies in the high value US market. With the addition of acquired PTX-200 trial programs, Prescient will potentially have five active mid-stage clinical trials underway in the next 12 months, providing investors with 'multiple shots on goal'

PTX-200

The centrepiece of the AKTivate acquisition was novel compound TCN-P (now known as PTX-200). This is a novel small molecule that works by blocking the AKT pathway, which is regarded as a 'master switch' for many cancers, including breast and ovarian cancer, as well as leukaemia. It plays an important role in cancer cell division and high AKT expression is associated with a poor outlook, resistance to chemotherapy and shortened patient survival times. Previous studies have shown that PTX-200 is able to suppress growth of high AKT expressing tumours and is able to overcome resistance to commonly used chemotherapy drugs.

Under the terms of the AKTivate transaction, Prescient acquired responsibility for all future clinical development of this highly promising compound, including ongoing Phase 1b/2 trials in breast cancer at the prestigious Montefiore Cancer Center in New York and a Phase 1b/2 in patients with recurrent or persistent platinum resistant ovarian cancer at Florida's Moffitt Cancer Center.

Prescient is further planning a Phase 1b/2 trial of the compound as a potential new therapy for acute myeloid leukaemia.

The two clinical trials currently underway for PTX-200 in breast cancer and ovarian cancer have been supported by US government grants.

Intellectual Property

During the year, the Company substantially bolstered its intellectual property portfolio, with the US Patent and Trademark Office granting key patents to underpin the development and commercialisation of lead drug candidate PTX-200. These patents confirm Prescient's monopoly rights to this novel compound and will further protect our proprietary position with this drug asset as it is used in combination studies as an adjunctive therapy with other drugs.

Investigational New Drug (IND) Applications

During the June 2015 quarter, Prescient secured agreement from the US FDA to transfer sponsorship to Prescient of the Investigational New Drug (IND) for lead product PTX-200.

On 10 June 2015 the Company received formal notification that an IND was reactivated for second novel drug candidate PTX-100 (formerly known as GGTI- 2418) in a Phase Ib trial for the treatment of metastatic breast cancer. As part of this reactivation notification from the FDA, and in accordance with the terms of the acquisition of the drug from Pathway in mid-2014, the Company issued 4,500,000 fully paid ordinary shares to the previous shareholders of Pathway Oncology Pty Ltd in line with its obligations under the Milestone 1 consideration.

**Prescient Therapeutics Limited
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Review of operations
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Change of Company Name:

In November 2014 shareholders voted to rename the company. Virax Holdings Limited (ASX: VHL) became Prescient Therapeutics Limited (ASX: PTX), a specialty oncology company progressing two highly promising and novel drug candidates targeting a range of cancers. Rebranding was designed to more accurately reflect the new oncology product pipeline.

Capital Consolidation:

Finally, as approved at the AGM on 28 November 2014, Prescient completed a one for twenty capital consolidation (of both shares and options) in December 2014.

Acquisition of worldwide license for Cancer Biomarker p27

During February 2015, Prescient obtained an exclusive worldwide license for intellectual property rights to a novel cancer biomarker known as p27 from the highly regarded Lee Moffitt Cancer Center in the United States. Terms of this acquisition were favourable and the company now plans to use this biomarker as a tool for measuring the effectiveness of PTX-100 in the clinic.

Over time, Prescient expects p27 will be used as a companion diagnostic for PTX-100. This means it should enable us to identify those cancer patients who are most likely to respond and benefit from PTX-100 therapy. This kind of approach is known as “personalised medicine” and is a next frontier in cancer treatment.

The Company was also invited to present at the prestigious 27th Annual Roth Conference, providing a unique opportunity to showcase the company to the US investment market.

Pathway Project – PTX-100

PTX-100 is a first in class compound with the ability to block important cancer-causing proteins such as Ral and Rho, leading to apoptosis (death) of cancer cells. Previous investigations have demonstrated encouraging data, with PTX-100 shown to be safe and well tolerated, achieving stable disease in xx patients in a Phase 1 trial in advanced solid tumours.

As discussed, Prescient expects to commence Phase 1b/2 clinical trials of PTX-100 in breast cancer and multiple myeloma in 2015. In tandem, it will develop its novel p27 cancer biomarker as a companion diagnostic to potentially identify those patients that are most likely to respond to PTX-100 therapy.

During the year, the Company also reported highly encouraging data from a pre-clinical trial of its novel compound PTX-100 in multiple myeloma at a prestigious US oncology conference.

Moffitt Cancer Center scientists examined the effect of Prescient’s small molecule compound PTX-100 in a mouse model highly relevant to multiple myeloma. They found the compound significantly decreased the percentage of multiple myeloma tumours within the bone and also offered a substantial improvement on mouse median survival times.

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' report
30 June 2015**

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 2015.

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 (appointed 28 November 2014)
Dr Robert Crombie
Mr Paul Hopper
Dr James Campbell (appointed 28 November 2014)
Mr Steven Yatomi-Clarke (appointed 28 November 2014)
Dr Wayne Millen (resigned 28 November 2014)
Dr Rohan Toder (resigned 28 November 2014)
Dr Brendan de Kauwe (resigned 28 November 2014)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- In-licensing of novel intellectual property including Pathway and AKTivate acquisitions;
- the preparation for and conduct of clinical trials relating to the companies products;
- business development associated with the promotion of Prescient's proprietary technologies and products; and
- business development associated with developing collaborative, partnership relationships and corporate transactions.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,133,375 (30 June 2014: \$1,769,396).

Significant changes in the state of affairs

On 17 October 2014, the consolidated entity announced that it had entered into an agreement to acquire oncology company AKTivate Therapeutics Pty Ltd and its novel TCN-P cancer drug pending shareholder approval. AKTivate's technology inhibits the highly promising drug target AKT and includes two active clinical trials – a Phase 1b/2 in breast cancer and an active Phase 1b in ovarian cancer. These trials are fully funded by US government authorities including grants from the Department of Defence and National Cancer Institute.

The acquisition terms were weighted towards clinical success and therefore shareholder returns. Under the terms of the AKTivate agreement the consolidated entity would pay a US\$300,000 cash consideration as well as 234 million shares (pre-consolidation) at \$0.01 per share. 134 million shares (pre-consolidation) will be paid upfront, with a further 100 million shares (pre-consolidation) to be paid on reaching clearly defined clinical success milestones.

Shareholder approval was provided on 28 November 2014 and the cash consideration amounting to US\$300,000 and issue of 6,700,005 shares (post consolidation) were processed on 11 December 2014 for the first tranche consideration.

On 2 December 2014 the consolidated entity announced that it had changed its name to Prescient Therapeutics Limited, from Virax Holdings Limited, following shareholder approval provided at the 2014 Annual General Meeting of shareholders held on 28 November 2014.

On 5 December 2014 the consolidated entity announced that it had completed a consolidation of its fully paid ordinary shares on issue through the conversion of twenty (20) fully paid shares and unlisted options into one (1) fully paid share and unlisted option following shareholder approval received at the 2014 Annual General Meeting of shareholders held on 28 November 2014.

On 11 December 2014 the consolidated entity announced that it had granted 2,000,000 unlisted options to Dr Robert Crombie following shareholder approval received at the 2014 Annual General Meeting of shareholders held on 28 November 2014. The unlisted options are exercisable at \$0.14 (14 cents) on or before 11 December 2018.

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On 27 May 2015 the consolidated entity announced that it had granted 300,000 unlisted options to Professor Said M. Sebti (Chief Scientific Officer). The unlisted options are exercisable at \$0.092 (9.2 cents) on or before 6 May 2018, and subject to a number of vesting conditions.

On 10 June 2015 the consolidated entity announced that it had been advised by the US Food and Drug Administration (FDA) that they have reactivated the Investigation New Drug (IND) for its novel drug candidate PTX-100. This follows the acquisition of the drug from Pathway Oncology in mid-2014, and as a result of this notification by the FDA and in accordance with the terms of the acquisition, the consolidated entity issued 4,500,000 fully paid ordinary shares in the Company on 22 June 2015 as Tranche 2 consideration following satisfaction of the Milestone 1 criteria in relation to the Pathway Project acquisition, in accordance with the shareholder meeting held on 9 May 2014.

On 22 June 2015 the consolidated entity issued 4,500,000 fully paid ordinary shares for Tranche 2 consideration following satisfaction of the Milestone 1 criteria in relation to the Pathway Project acquisition, in accordance with the shareholder meeting held on 9 May 2014.

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 2015 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

Pursuant to sections 299(3) and 299A(3) of the Corporations Act 2001, this Report omits information relating to likely developments in the company's operations in the future because to do so will result, in the opinion of the Directors, in unreasonable prejudice to the Company.

Environmental regulation

The Company's activities in respect of the conduct of preclinical and clinical trials, vector construction and the manufacturing of drugs, using Co-X-Gene™ 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. The Company undertakes such activities itself and through contractors. 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.

Prescient Therapeutics Limited
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30 June 2015

Information on directors

Name: Mr Steven Engle
Title: Non-executive Chairman (appointed 28 November 2014)
Experience and expertise: Mr Steven Engle former Chairman and CEO of XOMA (NASDAQ:XOMA) and La Jolla Pharmaceuticals (NASDAQ: LJPC) joins the Board as Non-Executive Chairman. He is currently CEO of Averigon Consulting, an advisory firm to the life science industry. Mr Engle has deep experience in US capital markets, a record of achievement in partnering with big pharma, and has overseen multiple drug filings with the FDA. He has wide networks in the US and European biotech industries and is a past member of the board of directors of BIO, the Biotechnology International Organization, and a current director of the Baybio board in San Francisco. Mr. Engle was Chairman and CEO of XOMA, a publicly listed company and developer of monoclonal antibody therapeutics including an antibody for uveitis, an inflammatory eye disease, which is in Phase 3 clinical studies, and novel antibodies for metabolic, oncology and other diseases. During Mr. Engle's tenure, XOMA generated significant revenues from its antibody technology business, which built the world's largest antibody libraries and included major pharmaceutical partnerships with Novartis, Pfizer, Servier and Takeda, and grew its biodefense business significantly. Previously, Mr. Engle was Chairman and CEO of La Jolla Pharmaceutical Company, which discovered the biology of B cell tolerance, developed the first B cell toleragen for lupus patients, and received an approvable letter from the FDA. Mr. Engle served as VP of Marketing for Cygnus, a drug delivery company working in hormone replacement, metabolic, consumer and other areas, where he helped gain FDA approval of and launch Nicotrol for smoking cessation.

Other current directorships: None.
Former directorships (last 3 years): None.
Special responsibilities: Member of the Audit Committee.
Interests in shares: Nil.

Name: Dr Robert Crombie
Title: Managing Director
Qualifications: BA(Mod) Hons, PhD
Experience and expertise: Dr Crombie has held senior management roles at Arana Therapeutics, and EvoGenix Limited. He has also been a consultant providing specialist advice to start up innovation companies. Previously as Head of Melbourne Operations for Antibody drug development company Arana Therapeutics, Rob played a key role in Arana's success, from its start up phase as EvoGenix, through its successful IPO on the ASX, merger with fellow Australian company Peptech to form Arana, culminating in Arana's \$318M acquisition by Cephalon. Rob has also worked in the UK biotechnology sector, helping transition Cobra Therapeutics, a gene therapy start-up company, into drug delivery company ML Laboratories (now Vectura Group).

Other current directorships: None.
Former directorships (last 3 years): None.
Special responsibilities: None.
Interests in shares: None.
Interests in options: 2,000,000 Unlisted Options exercisable @ \$0.14 each, expiring on 11 December 2018.

Prescient Therapeutics Limited
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30 June 2015

Name: Mr Paul Hopper
Title: Executive Director
Qualifications: BA, ASIA
Experience and expertise: Mr Hopper is a Los Angeles based biotechnology executive. He brings more than 20 years experience in international public company markets, primarily in the life sciences sector. He is an advisor to Los Angeles based investment bank Cappello Group, in particular to the Life Sciences and Australia Desks at that institution. He is Chairman of the American Australian Association in California.
Other current directorships: Executive Chairman Imugene Ltd (ASX: IMU) and Chairman Viralytics Ltd (ASX:VLA).
Former directorships (last 3 years): Director Psvida Corp 2008 to 2014. Director Isona 2012 to 2013. Director Somnomed 2007 to 2012. Chairman of the California Chapter of American Australian Association.
Special responsibilities: None.
Interests in shares: 9,038,338 fully paid ordinary shares

Name: Dr James Campbell
Title: Non-executive Director (appointed 28 November 2014)
Experience and expertise: Dr James Campbell has been appointed Non-Executive Director and has a demonstrable track record as both a scientist and commercial executive in the sector. He was previously CFO and Chief Operating Officer of Chemgenex, which was acquired by Cephalon for \$230 million in 2011. At Chemgenex Dr Campbell's responsibilities ranged from intellectual property management to licensing and business development. As a member of the ChemGenex executive team he helped transform a research-based company with a market capitalisation of \$10 million into a company with completed clinical trials, regulatory dossiers submitted to the FDA and EMA that was sold for \$230 million. More recently, Dr Campbell guided the creation of Invion Limited (ASX:IVX) as an Executive Director and remains a Non-Executive Director of that Company. He has also assisted private biotechnology companies in New Zealand and the US with capital raising and partnering negotiations. Dr Campbell is also a Non-Executive Director of Medibio Limited (ASX:MEB) and Managing Director of Patrys Limited (ASX:PAB).
Other current directorships: Non-Executive Director Medibio Limited (ASX: MEB), Chief Executive Officer, Managing Director and Director Patrys Limited (ASX: PAB) and Non-Executive Director, Member of Audit & Risk Management Committee and Member of Nomination & Remuneration Committee Invion Limited (ASX:IVX).
Former directorships (last 3 years): None.
Special responsibilities: Chairman of Audit Committee.
Interests in shares: None.

Name: Mr Steven Yatomi-Clarke
Title: Non-executive Director (appointed 28 November 2014)
Experience and expertise: Mr Steven Yatomi-Clarke, one of Australia's most experienced biotech capital markets operatives with a successful history of financing many private and public biotech companies over the past decade, joins as a Non-Executive Director. Mr Yatomi-Clarke is Director of Corporate Finance at Patersons Securities, one of Australia's oldest and largest full service stockbroking firms. He has over 15 years' experience in investment banking across a range of sectors but specialises in healthcare and biotechnology, where he has consistently been one of the most prolific bankers, involved in primary and secondary offerings, corporate advisory and mergers and acquisitions assignments for pharmaceutical and medical device companies. Mr Yatomi-Clarke is also a collaborator on clinical trials conducted in Australia and the US in the field of cancer immunotherapy. He holds a Bachelor of Science with an Honours Degree in Biochemistry and Molecular Biology, and a Bachelor of Commerce majoring in economics.
Other current directorships: None.
Former directorships (last 3 years): None.
Special responsibilities: Member of the Audit Committee.
Interests in shares: 2,040,000 Fully paid ordinary shares.

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Name: Dr Wayne Millen
Title: Non-executive Chairman of the Board (resigned 28 November 2014)
Qualifications: Ph.D
Experience and expertise: Dr Millen is a venture capitalist with over 30 years' experience in establishing his own start-up enterprises in the life sciences and technical services sectors. He has been the lead investor and strategist in private companies, ASX listings and company mergers. Dr Millen has been Chairman and CEO of several private and ASX listed organisations, and has brought to these companies a strong ability to operate at the interface of technology and commerce. Notable examples are the Pilbara Laboratories Group, AMMTEC Ltd, Clinuvel Pharmaceuticals Limited, Elk OrthoBiologics Limited, and Biotech Equity Partners Pty Ltd. Dr Millen has been involved with structuring joint ventures, strategic alliances and marketing agreements in several countries including China, Malaysia, Kenya, USA, UK and in Europe. He is vitally committed to wealth creation for investors through generating corporate teams, and building companies around unique projects with high growth potential. As a recent example, in Europe, Clinuvel has commercialised the First-in-Class drug SCENESSE for photoprotection and re-pigmentation of the skin. He has a PhD in chemistry and biochemistry from the University of Western Australia and as a Fulbright Scholar studied in the Molecular Biology Institute to the University of California Los Angeles (UCLA) with Nobel Prize Laureate - Professor Paul Boyer.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Special responsibilities: N/A
Interests in shares: N/A

Name: Dr Rohan Toder
Title: Non-executive Director (resigned 28 November 2014)
Qualifications: Dipl.Bio, PhD, habil,
Experience and expertise: Dr Toder has held various executive and board positions in Pharma and Biotechnology companies in Europe, Australia and New Zealand, notably as a board member of Broadvector Limited, Australia and Gibb Holdings, New Zealand, CEO of Vivendy Therapeutics Ltd, Switzerland, CEO of Axicos AG, Switzerland, CEO of Biochip Technologies, Germany and CSO of Genescan Europe AG. He is currently Executive Director of Akalpa, Lifescience Consulting Limited, New Zealand, Director of Business Development and International Licensing of Footfalls&Heartbeats Limited, New Zealand and Vice President of Centogene AG, Germany.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Special responsibilities: N/A
Interests in shares: N/A

Name: Dr Brendan de Kauwe
Title: Non-executive Director (resigned 28 November 2014)
Qualifications: BDSc, Grad Dip App Fin, RG146(ASIC)
Experience and expertise: Dr de Kauwe studied a Bachelor of Science and Bachelor of Dental Surgery of the University of Western Australia. He also holds a Post Graduate Diploma in Applied Finance, majoring in Corporate Finance, is currently completing his Masters in Applied Finance and is also an ASIC compliant (RG1 46) Securities Advisor. Dr de Kauwe's extensive science and bio-medical background with more than 10 years' experience in the health sector; coupled with his finance background, gives him an integral understanding in the evolution of projects over a diverse range of sectors.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Special responsibilities: N/A
Interests in shares: N/A

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

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

Company secretary

Melanie Leydin was appointed Company Secretary on 3 February 2015.

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bioscience and biotechnology sector. Melanie has over 23 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Mr Sean Henbury was Company Secretary until his resignation on 3 February 2015.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Mr Steven Engle	4	5	1	1
Dr Robert Crombie	8	8	-	-
Mr Paul Hopper	7	8	-	-
Dr James Campbell	5	5	1	1
Mr Steven Yatomi-Clarke	5	5	1	1
Dr Wayne Millen	3	3	-	-
Dr Rohan Toder	3	3	-	-
Dr Brendan de Kauwe	3	3	-	-

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 conforms 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

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

Alignment to shareholders' interests:

- focuses 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
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are 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. Non-executive directors do not receive share options or other incentives.

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 with a level and mix of remuneration based on their position and responsibility, 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.

The long-term incentives ('LTI') include share-based payments. Options are awarded to executives over a period of three years based on long-term incentive measures.

Consolidated entity performance and link to remuneration

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

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' report
30 June 2015

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the year ended 30 June 2015 the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2014 Annual General Meeting ('AGM')

At the 2014 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled options	
	and fees						
2015	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr Steven Engle *	38,458	-	-	-	-	-	38,458
Mr Steven Yatomi-Clarke *	27,517	-	-	2,529	-	-	30,046
Dr James Campbell *	27,517	-	-	2,529	-	-	30,046
Dr Wayne Millen **	30,217	-	-	-	-	-	30,217
Dr Rohan Toder **	15,000	-	-	-	-	-	15,000
Dr Brendan de Kauwe **	15,000	-	-	-	-	-	15,000
<i>Executive Directors:</i>							
Dr Robert Crombie	275,157	-	-	26,168	-	50,444	351,769
Mr Paul Hopper	135,000	-	-	-	-	-	135,000
<i>Other Key Management Personnel:</i>							
Melanie Leydin ***	45,500	-	-	-	-	-	45,500
Professor Said M. Sebti	16,442	-	-	-	-	980	17,422
Dr Terrence Chew	24,270	-	-	-	-	-	24,270
	<u>650,078</u>	<u>-</u>	<u>-</u>	<u>31,226</u>	<u>-</u>	<u>51,424</u>	<u>732,728</u>

Prescient Therapeutics Limited
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Directors' report
30 June 2015

* Appointed 28 November 2014

** Resigned 28 November 2014

*** Ms Melanie Leydin was appointed as Company Secretary on 3 February 2015. Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting Services.

**** On 28 April 2015, Dr Terrence Chew was appointed as Chief Medical Officer of the Company. During the period 28 April 2015 – 30 June 2015 as Chief Medical Officer, Dr Chew received A\$24,270 in remuneration. Prior to becoming Chief Medical Officer of the Company, Dr Chew also received additional remuneration as a consultant amounting to A\$4,483. Professor Said M. Sebti was appointed on 26 May 2015 as Chief Scientific Officer of the consolidated entity.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	
2014	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Dr Wayne Millen *	117,000	-	-	-	-	117,000
Dr Rohan Toder *	18,500	-	-	-	-	18,500
Dr Brendan de Kauwe *	13,500	-	-	-	-	13,500
<i>Executive Directors:</i>						
Dr Robert Crombie ** N1	11,301	-	-	1,046	-	55,811
Mr Paul Hopper ***	7,500	-	-	-	-	7,500
	<u>167,801</u>	<u>-</u>	<u>-</u>	<u>1,046</u>	<u>-</u>	<u>212,311</u>

* Appointed 30 August 2013

** Appointed 16 June 2014

*** Appointed 30 May 2014

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

Name	Fixed remuneration		At risk - LTI	
	2015	2014	2015	2014
<i>Non-Executive Directors:</i>				
Mr Steven Engle	100%	-%	-%	-%
Mr Steven Yatomi-Clarke	100%	-%	-%	-%
Dr James Campbell	100%	-%	-%	-%
Dr Wayne Millen	100%	100%	-%	-%
Dr Rohan Toder	100%	100%	-%	-%
Dr Brendan de Kauwe	100%	100%	-%	-%
<i>Executive Directors:</i>				
Dr Robert Crombie	86%	22%	14%	78%
Mr Paul Hopper	100%	100%	-%	-%
<i>Other Key Management Personnel:</i>				
Ms Melanie Leydin	100%	-%	-%	-%
Professor Said M. Sebti	100%	-%	-%	-%
Dr Terrence Chew	100%	-%	-%	-%

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' report
30 June 2015**

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: Dr Robert Crombie
Title: Managing Director
Agreement commenced: 16 June 2014
Term of agreement: No fixed term, commencing on 16 June 2014 and for an ongoing term subject to termination by the Company with 3 months' notice and 6 months' pay at the end of the notice period, or by Dr Crombie with 3 months' notice.

Details: Dr Crombie will be entitled to an annual salary (inclusive of superannuation) of \$300,437, subject to annual review. In addition, the Company will pay to Dr Crombie a performance based bonus over and above the annual salary. The bonus is split between short-term incentives (STI) and long-term incentives (LTI). The STI bonus will be up to 20% of the executive's annual salary and paid upon the achievement of certain milestones and KPI's. The payment amount of any STI will be determined by the Board on a percentage basis having regard to Dr Crombie's performance against KPI's as established by the Board on an annual basis. Dr Crombie was awarded 2,000,000 options (post-consolidation) expiring 11 December 2018 and exercisable at 14 cents. Vesting conditions are awarded to these options as detailed below.

Name: Mr Paul Hopper
Title: 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 base salary of \$180,000 per annum. Prior to this updated service agreement, Mr Hopper was entitled to an annual base salary of \$90,000 per annum.

Name: Professor Said M. 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 an hourly rate of \$USD120.20 payable monthly in arrears during which services are performed.

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 \$USD9,500 per month.

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

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30 June 2015

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	Fair value per option at grant date
11 December 2014	500,000 options vest when share price equals or exceeds 30 cents over 10 trading days in any 20 sequential trading days out of 60 days at any time after issue.	11 December 2018	\$0.140	\$0.129
11 December 2014	500,000 options vest when share price equals or exceeds 60 cents over 10 trading days in any 20 sequential trading days out of 60 days either side of the date which is one year after the date of issue of the Options and if Robert Crombie is still an employee of the Company two years after the issue of the Options.	11 December 2018	\$0.140	\$0.080
11 December 2014	500,000 options vest when share price equals or exceeds 80 cents over 10 trading days in any 20 sequential trading days out of 60 days either side of the date which is two years after the date of issue of the Options and if Robert Crombie is still an employee of the Company three years after the issue of the Options.	11 December 2018	\$0.140	\$0.099
11 December 2014	500,000 options vest when share price equals or exceeds \$1.20 over 10 trading days in any 20 sequential trading days out of 60 days either side of the date which is three years after the date of issue of the Options and if Robert Crombie is still an employee of the Company four years after the issue of the Options.	11 December 2018	\$0.140	\$0.112
6 May 2015	100,000 options vest on 6 May 2016	11 May 2018	\$0.092	\$0.064
6 May 2015	100,000 options vest on 6 May 2017	11 May 2018	\$0.092	\$0.064
6 May 2015	100,000 options vest on 6 May 2018	11 May 2018	\$0.092	\$0.060

Options granted carry no dividend or voting rights.

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30 June 2015

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 2015 are set out below:

Name	Number of options granted during the year 2015	Number of options granted during the year 2014	Number of options vested during the year 2015	Number of options vested during the year 2014
Dr Robert Crombie	2,000,000	-	-	-
Professor Said M. Sebti	300,000	-	-	-

No options lapsed during the financial year.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
Revenue	39,967	8,142	2,240,154	145,495	851,334
Net profit/(loss) before tax	(2,133,375)	(1,769,396)	1,787,000	(1,892,370)	(1,361,594)
Net profit/(loss) after tax	(2,133,375)	(1,769,396)	1,787,000	(1,892,370)	(1,361,594)

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
<i>Ordinary shares</i>					
Mr Paul Hopper *	35,640,000	-	7,256,338	(33,858,000)	9,038,338
Mr Steven Yatomi-Clarke (*) (***)	-	-	17,544,000	(15,504,000)	2,040,000
Dr Wayne Millen **	25,000,000	-	-	(25,000,000)	-
Dr Brendan de Kauwe **	12,400,000	-	-	(12,400,000)	-
	<u>73,040,000</u>	<u>-</u>	<u>24,800,338</u>	<u>(86,762,000)</u>	<u>11,078,338</u>

* The disposals/other column represents the post - consolidation share movement, giving the correct amount of shares at year end.

** Resigned 28 November 2014, no longer requires disclosure.

*** Appointed 28 November 2014.

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' report
30 June 2015

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Dr Robert Crombie (*)	-	2,000,000	-	-	2,000,000
Dr Wayne Millen (**)	7,000,000	-	-	(7,000,000)	-
Dr Rohan Toder (**)	2,000,000	-	-	(2,000,000)	-
Dr Brendan de Kauwe (**)	5,000,000	-	-	(5,000,000)	-
Professor Said M. Sebti (***)	-	300,000	-	-	300,000
	<u>14,000,000</u>	<u>2,300,000</u>	<u>-</u>	<u>(14,000,000)</u>	<u>2,300,000</u>

* Granted to Dr Robert Crombie on 11 December 2014 following shareholder approval at the AGM on 28 November 2014 on a post - consolidation basis.

** Resigned 28 November 2014, no longer requires disclosure.

*** Granted to Professor Said M. Sebti on 27 May 2015.

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Dr Robert Crombie	-	-	2,000,000
Prof Said Sebti	-	-	300,000
	<u>-</u>	<u>-</u>	<u>2,300,000</u>

Loans to key management personnel and their related parties

There were no loans to Key Management Personnel at any time during the financial year (2014: Nil).

Other transactions with key management personnel and their related parties

Please refer to Note 21 "Related Parties" for further information. Other than disclosed in Note 21 and the remuneration disclosed above, there were no other transactions with Key Management Personnel (2014: Nil).

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
11 December 2014	11 December 2018	\$0.140	2,000,000
27 May 2015	6 May 2018	\$0.092	300,000
			<u>2,300,000</u>

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

Shares issued on the exercise of options

There were no ordinary shares of Prescient Therapeutics Limited issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' report
30 June 2015**

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 on the following page.

Auditor

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

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

On behalf of the directors



Steve Engle
Non-Executive Chairman

28 August 2015

Auditor's Independence Declaration to the Directors of Prescient Therapeutics Limited

In relation to our audit of the financial report of Prescient Therapeutics Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Don Brumley
Partner
28 August 2015

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

		Consolidated	
	Note	2015	Restated
		\$	2014
			\$
Revenue		39,967	8,142
Other income	5	211,119	-
Expenses			
Research and development costs		(986,344)	-
Business development		(317,538)	(47,235)
Corporate expenses		(83,579)	(50,138)
Administrative expenses		(85,046)	(113,871)
Audit & tax services expenses		(145,139)	(235,847)
Insurance and legal expenses		(134,255)	(128,638)
Employment costs		(440,589)	(168,847)
Payment to creditors trust		-	(380,182)
Employee share based expenses		(53,198)	(515,964)
Investor services expenses		(55,350)	(81,871)
Outside advisors & consultants expenses		(83,423)	(54,945)
		<u>(2,133,375)</u>	<u>(1,769,396)</u>
Loss before income tax expense		(2,133,375)	(1,769,396)
Income tax expense	6	-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the year attributable to the owners of Prescient Therapeutics Limited		(2,133,375)	(1,769,396)
Other comprehensive income for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Prescient Therapeutics Limited		<u>(2,133,375)</u>	<u>(1,769,396)</u>
		Cents	Cents
Basic earnings per share	27	(4.28)	(5.94)
Diluted earnings per share	27	(4.28)	(5.94)

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

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Statement of financial position
As at 30 June 2015**

		Consolidated	
	Note	2015	Restated 2014
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	1,042,896	3,808,562
Trade and other receivables	8	216,360	126,770
Other	9	265,464	-
Total current assets		<u>1,524,720</u>	<u>3,935,332</u>
Non-current assets			
Intangibles	10	3,366,894	1,344,383
Total non-current assets		<u>3,366,894</u>	<u>1,344,383</u>
Total assets		<u>4,891,614</u>	<u>5,279,715</u>
Liabilities			
Current liabilities			
Trade and other payables	11	416,834	252,893
Employee benefits	12	21,799	-
Total current liabilities		<u>438,633</u>	<u>252,893</u>
Non-current liabilities			
Employee benefits	13	2,495	-
Total non-current liabilities		<u>2,495</u>	<u>-</u>
Total liabilities		<u>441,128</u>	<u>252,893</u>
Net assets		<u>4,450,486</u>	<u>5,026,822</u>
Equity			
Issued capital	14	43,994,092	42,496,592
Reserves	15	575,503	515,964
Accumulated losses		(40,119,109)	(37,985,734)
Total equity		<u>4,450,486</u>	<u>5,026,822</u>

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

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Issued capital \$	Share Based Payments Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2013	36,216,338	-	(36,216,338)	-
Loss after income tax expense for the year	-	-	(1,769,396)	(1,769,396)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,769,396)	(1,769,396)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of Shares and Options	6,762,750	-	-	6,762,750
Capital Raising Costs	(482,496)	-	-	(482,496)
Share based payments	-	43,464	-	43,464
Restatement (note 29)	-	472,500	-	472,500
Balance at 30 June 2014	<u>42,496,592</u>	<u>515,964</u>	<u>(37,985,734)</u>	<u>5,026,822</u>

Consolidated	Issued capital \$	Foreign Exchange Reserves \$	Share Based Payments Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2014	42,496,592	-	515,964	(37,985,734)	5,026,822
Loss after income tax expense for the year	-	-	-	(2,133,375)	(2,133,375)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,133,375)	(2,133,375)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 28)	1,497,500	-	51,318	-	1,548,818
Foreign Exchange	-	8,221	-	-	8,221
Balance at 30 June 2015	<u>43,994,092</u>	<u>8,221</u>	<u>567,282</u>	<u>(40,119,109)</u>	<u>4,450,486</u>

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

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(2,280,622)	(1,135,451)
Interest received		39,967	8,142
		<u> </u>	<u> </u>
Net cash used in operating activities	25	<u>(2,240,655)</u>	<u>(1,127,309)</u>
Cash flows from investing activities			
Payments for intangibles	10	<u>(525,011)</u>	<u>(144,383)</u>
Net cash used in investing activities		<u>(525,011)</u>	<u>(144,383)</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	<u> -</u>	<u>5,080,254</u>
Net cash from financing activities		<u> -</u>	<u>5,080,254</u>
Net increase/(decrease) in cash and cash equivalents		(2,765,666)	3,808,562
Cash and cash equivalents at the beginning of the financial year		<u>3,808,562</u>	<u> -</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,042,896</u></u>	<u><u>3,808,562</u></u>

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

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Notes to the financial statements
30 June 2015**

Note 1. General information

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

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

Registered office

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

Principal place of business

Level 2 Riversdale Quay
1 Southbank Boulevard,
Southbank, VIC, 3003

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 28 August 2015.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going Concern

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

The working capital position as at 30 June 2015 of the consolidated entity results in an excess of current assets over current liabilities of \$1,086,087 (30 June 2014: \$3,682,439 excess). The consolidated entity made a loss after tax of \$2,133,375 during the financial year (2014: \$1,769,396 from continuing operations) and the net operating cash outflow was \$2,240,655 (2014: \$1,127,309 net outflow). The cash balance as at 30 June 2015 was \$1,042,896 (30 June 2014: \$3,808,562).

The Directors are of the opinion that the existing cash reserves, receipts from research and development rebates and additional capital to be raised in the next 12 months will provide the Company with adequate funds to ensure its continued viability and operate as a going concern. The Company is in advanced discussions with a number of equity financiers and expects to be able to secure funding in the short term to enable progression of the projects.

The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities. On the basis that sufficient funding is expected to be raised to meet the consolidated entity's expenditure forecasts, the directors consider that the consolidated entity remains a going concern and these financial statements have been prepared on this basis.

Whilst the directors are confident in the consolidated entity's ability to continue as a going concern, in the event the capital raising initiatives and commercial opportunities described above do not eventuate as planned, there is significant uncertainty as to whether the consolidated entity will be able to generate sufficient net operating cash inflows or execute alternative funding arrangements to enable it to continue as a going concern. Consequently, material uncertainty exists as to whether the consolidated entity will continue as a going concern and it may therefore be required to realise assets, extinguish liabilities at amounts different to those recorded in the balance sheet and settle liabilities other than in the ordinary course of business.

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Notes to the financial statements
30 June 2015**

Note 2. Significant accounting policies (continued)

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

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 22.

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 2015 and the results of all subsidiaries for the year then ended. Prescient Therapeutics Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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

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.

Revenue recognition

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

**Prescient Therapeutics Limited
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Note 2. Significant accounting policies (continued)

Sale of goods

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

Rendering of services

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

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

Interest

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

Other revenue

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

Income tax

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.

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 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.

**Prescient Therapeutics Limited
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Notes to the financial statements
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Note 2. Significant accounting policies (continued)

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

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

Cash and cash equivalents

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

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Research and Development

Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project will be recognised only when the Company or a subsidiary can demonstrate all of the following:

- technical feasibility of completing the intangible asset so that it will be available for use or sale,
- it intends to complete the asset and use or sell it,
- its ability to use or sell the asset,
- how the asset will generate future economic benefits,
- the availability of resources to complete the development and to use or sell the asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure as an intangible asset, the asset is required to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

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 carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

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.

**Prescient Therapeutics Limited
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Notes to the financial statements
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Note 2. Significant accounting policies (continued)

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.

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 within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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 bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

Prescient Therapeutics Limited
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Note 2. Significant accounting policies (continued)

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

**Prescient Therapeutics Limited
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Note 2. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

Share-based payment transactions

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

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Income tax

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

Recovery of deferred tax assets

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

Employee benefits provision

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

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Prescient Therapeutics Limited
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Note 4. Operating segments

Identification of reportable operating segments

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

Note 5. Other income

	Consolidated	
	2015	2014
	\$	\$
Research and Development Tax Concession	211,119	-

Note 6. Income tax benefit

	Consolidated	
	2015	2014
	\$	\$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(2,133,375)	(1,769,396)
Tax at the statutory tax rate of 30%	(640,013)	(530,819)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Capital raising costs	-	(28,950)
Share based payments	15,395	13,039
Payment to creditors trust	-	114,055
Others	2,827	6,000
Net temporary differences not recognised	607,413	426,675
Research and development related income and expenditure	14,378	-
Income tax benefit	-	-

Prescient Therapeutics Limited has unconfirmed, un-recouped 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 7. Current assets - cash and cash equivalents

	Consolidated	
	2015	2014
	\$	\$
Cash at bank	1,042,896	3,808,562

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

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Note 8. Current assets - trade and other receivables

	Consolidated	
	2015	2014
	\$	\$
Other receivables	113	-
GST receivable	216,247	126,770
	<u>216,360</u>	<u>126,770</u>

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

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

Note 9. Current assets - other

	Consolidated	
	2015	2014
	\$	\$
Accrued revenue	211,119	-
Prepayments	50,565	-
Security deposits	3,780	-
	<u>265,464</u>	<u>-</u>

Note 10. Non-current assets - intangibles

	Consolidated	
	2015	2014
	\$	\$
Intellectual property - at fair value on acquisition	<u>3,366,894</u>	<u>1,344,383</u>

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 \$	Total \$
Balance at 1 July 2013	<u>1,344,383</u>	<u>1,344,383</u>
Balance at 30 June 2014	1,344,383	1,344,383
Issue of shares for acquisition of AKTivate & Pathway	1,497,500	1,497,500
Acquisition costs	525,011	525,011
Balance at 30 June 2015	<u>3,366,894</u>	<u>3,366,894</u>

**Prescient Therapeutics Limited
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Note 10. Non-current assets - intangibles (continued)

Acquisition of Pathway Oncology Pty Ltd

On 30 May 2014, the Company completed the acquisition of Pathway Oncology Pty Ltd (Pathway). Pathway is the holder of an exclusive worldwide licence of certain intellectual property from Yale University and the University of South Florida. The intellectual property includes anti-cancer technology developed at Yale University in New Haven, Connecticut and the Moffitt Cancer Center in Florida, the third largest cancer center in the United States.

The technology is a novel cancer drug, GGTI-2418, that blocks the important cancer growth enzyme geranyl-geranyl transferase I (GGTase I) as well as Ral & Rho circuits in cancer cells, which are key oncogenic pathways for a cancer cell to survive and grow.

The acquisition of Pathway was accounted for as an “asset acquisition” under Australian Accounting Standards. The consideration paid for the acquisition of Pathway is as follows:

- (a) 60,000,000 fully paid ordinary shares in Virax at settlement;
- (b) within 18 months from the date of settlement and subject to the re-activation or re-opening, or allowance, of an IND for any disease indication by US FDA (Milestone 1), an additional 90,000,000 fully paid ordinary shares in Virax within 10 Business Days of such satisfaction; and
- (c) within 36 months from the date of settlement and subject to the dosing of the patient in a Phase Ib/II trial for any disease indication (Milestone 2), an additional 90,000,000 fully paid ordinary shares in Virax within 10 Business Days of such satisfaction.

At 30 May 2014, the Company had issued 60,000,000 fully paid ordinary shares in Virax to the Pathway shareholders. The fair value of the intellectual property has been determined by reference to fair value of share issued in accordance with AASB 2: Share Based Payment, including an allowance for the share to be issued subject to the satisfaction of milestones 1 and 2. The fair value of the underlying Intellectual property, being GGTI-2418 has been measured by reference to the fair value of share issued in accordance with AASB 2 as the Group at this point in time does not have sufficient information to accurately measure the value of GGTI-2418.

The fair value of the shares issued (and to be issued) was determined by reference to the share price on the date the acquisition of Pathway was settled i.e. 30 May 2014. The directors are of the opinion that Milestones 1 & 2 are likely to occur within the timeframes designated and accordingly, shares to be issued under Milestone 1 & 2 were taken into account in determining the fair value of the share issued at settlement.

Milestone 1 & 2 are considered “non-vesting conditions” and accordingly, were taken into account in determining the fair value of the shares issued at settlement.

Pathway Reconciliation

In June 2015 the Company satisfied milestone 1 and issued 4,500,000 shares to the vendors of Pathway. The market value of the shares at the time of issue was \$0.067 (6.7 cents) equating to an additional acquisition consideration of \$301,500.

Therefore the total cost of the acquisition shares recognised as at 30 June 2015 are as follows:

-	Consideration shares	\$480,000
-	Tranche 1 shares	\$360,000
-	Tranche 2 shares	\$360,000
-	Milestone 1 shares	\$301,500
-	Acquisition costs	\$123,676
-	Cash payment	<u>\$ 25,000</u>
	Total cost of acquisition shares	\$1,650,176

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Note 10. Non-current assets - intangibles (continued)

Acquisition of AKTivate Therapeutics Pty Ltd

On 17 October 2014 the consolidated entity announced that it had entered into a binding agreement to acquire AKTivate Therapeutics Pty Ltd (ACN 168 507 202) (AKTivate), an oncology company with a novel TCN-P cancer drug. AKTivate's technology inhibits the highly promising drug target AKT and includes two active clinical trials – a Phase 1b/2 in breast cancer and an active Phase 1b in ovarian cancer. These trials are fully funded by US government authorities including grants from the Department of Defense and National Cancer Institute.

The acquisition of AKTivate was accounted for as an “asset acquisition” under Australian Accounting Standards. The consideration paid for the acquisition of AKTivate is as follows:

- (a) 6,700,005 fully paid ordinary shares (post-consolidation) at settlement;
- (b) US\$300,000 paid at settlement; and
- (c) subject to the satisfaction of any one or more of Milestone 1, Milestone 2 or Milestone 3 (defined in clause 5 of the SSPA, together the milestones), the issue of 5,000,000 fully paid ordinary shares (on a post consolidated basis to the shareholders other than Cahaba, Professor Said Sebti and Mrs Michele Sebti).

The Milestones as defined under the agreement are noted below:

- (i) Milestone 1 – TCN-P successfully causing an Overall Response Rate for ovarian cancer treatment of 30% or greater for AKTivate's ovarian cancer trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction;
- (ii) Milestone 2 – TCN-P successfully causing a Pathologic Complete Response Rate for breast cancer treatment of 50% or greater for AKTivate's breast cancer trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction; and
- (iii) Milestone 3 – TCN-P successfully causing an Overall Response Rate for Leukaemia of 40% for AKTivate's Leukaemia trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction.

On 11 December 2014, the Company issued 6,700,005 fully paid ordinary shares to the AKTivate shareholders. The fair value of the intellectual property has been determined by reference to fair value of share issued in accordance with AASB 2: Share Based Payment, including an allowance for the shares to be issued subject to the satisfaction of one or more of milestones 1, 2 or 3. The fair value of the underlying Intellectual property, being TCN-P has been measured by reference to the fair value of share issued in accordance with AASB 2 as the Group at this point in time does not have sufficient information to accurately measure the value of TCN-P. The fair value of the shares issued (and to be issued) was determined by reference to the share price on the date the acquisition of AKTivate was settled i.e. 11 December 2014. The directors are of the opinion that one or more of Milestones 1, 2 or 3 are likely to occur within the timeframes designated and accordingly, shares to be issued under the satisfaction of the next Tranche payment were taken into account in determining the fair value of the share issued at settlement.

The second tranche consideration is considered “non-vesting conditions” and accordingly, were taken into account in determining the fair value of the shares issued at settlement.

AKTivate Reconciliation

The total cost of the acquisition shares recognised as at 30 June 2015 are as follows:

- Tranche 1 shares	\$871,000
- Tranche 2 shares	\$325,000
- Cash payment	\$364,511
- Acquisition costs	\$156,207
Total cost of acquisition shares	\$1,716,718

Intangible assets have finite useful lives. The Company is in the process of determining the useful lives of its intangible assets.

**Prescient Therapeutics Limited
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Note 11. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	\$	\$
Other creditors	396,834	217,429
Deferred Director fees and Executive remuneration	-	3,117
Wages Accruals	-	12,347
Other Accruals	20,000	20,000
	<u>416,834</u>	<u>252,893</u>

Refer to note 17 for further information on financial instruments.

Note 12. Current liabilities - employee benefits

	Consolidated	
	2015	2014
	\$	\$
Annual leave	21,799	-
	<u>21,799</u>	<u>-</u>

Note 13. Non-current liabilities - employee benefits

	Consolidated	
	2015	2014
	\$	\$
Long service leave	2,495	-
	<u>2,495</u>	<u>-</u>

Note 14. Equity - issued capital

	Consolidated			
	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	57,248,221	920,947,371	43,994,092	42,496,592
	<u>57,248,221</u>	<u>920,947,371</u>	<u>43,994,092</u>	<u>42,496,592</u>

**Prescient Therapeutics Limited
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Note 14. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	236,469,817		36,216,338
Consolidation of capital (20 : 1)		(212,822,446)	\$0.000	-
Issue of shares	14 November 2013	525,000,000	\$0.005	2,501,250
Exercise of options	10 December 2013	2,000,000	\$0.005	10,000
Exercise of options	18 February 2014	2,800,000	\$0.005	14,000
Exercise of options	26 March 2014	7,500,000	\$0.005	37,500
Issue of shares	19 May 2014	300,000,000	\$0.010	3,000,000
Issue of shares for the acquisition of Pathway Oncology	30 May 2014	60,000,000	\$0.020	1,200,000
Less transaction costs		-	\$0.000	(482,496)
Balance	30 June 2014	920,947,371		42,496,592
Consolidation of capital (20 : 1)	5 December 2014	(874,899,155)	\$0.000	-
Issue of shares for the acquisition of AKTivate (Note 3)	11 December 2014	6,700,005	\$0.179	1,196,000
Issue of shares for Tranche 2 consideration for the acquisition of Pathway Oncology	22 June 2015	4,500,000	\$0.067	301,500
Balance	30 June 2015	<u>57,248,221</u>		<u>43,994,092</u>

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.

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

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

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2014 Annual Report.

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Notes to the financial statements
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Note 15. Equity - reserves

	Consolidated	
	2015	2014
	\$	\$
Share-based payments reserve	567,282	515,964
Unrealised foreign exchange loss	8,221	-
	<u>575,503</u>	<u>515,964</u>

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 \$	Foreign currency reserve \$	Total \$
Balance at 1 July 2013	-	-	-
Share based payments to directors/employees	43,464	-	43,464
Restatement of comparative	472,500	-	472,500
Balance at 30 June 2014	515,964	-	515,964
Foreign currency translation	-	8,221	8,221
Share based payments to directors/employees	51,318	-	51,318
Balance at 30 June 2015	<u>567,282</u>	<u>8,221</u>	<u>575,503</u>

Note 16. Equity - dividends

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

Note 17. Financial instruments

Financial risk management objectives

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

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

**Prescient Therapeutics Limited
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Note 17. Financial instruments (continued)

Market risk

Foreign currency risk

The Group has the following foreign currency exposures:

Transgene Sub-licence

The Group has Sub-licensed Co-X-Gene™ to Transgene under which milestone payments are expected and due from time to time.

Upon successful completion by Transgene of the clinical trials of their products which utilise the Co-X-Gene™ technology, the Group would expect to receive milestone payments and royalty income. The Sub-licence is contractually denominated in US currency.

As at 30 June 2015 and in the near future, the amounts that the Group may receive are not known in respect to quantum or timing. These amounts and timing of receipts become known after Transgene has completed transactions with third parties which they then in turn announce to the market. The time period between the revenue triggering event and payment by Transgene is not significant and accordingly any risk is assessed at that time.

Accordingly, there is limited ability to manage these risks until milestone entitlements or royalty streams are established under the Transgene Sub-licence.

Price risk

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

Interest rate risk

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

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

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

Cash at bank of \$1,042,896 (2014: \$3,808,562).

The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/- \$10,429 (2014: +/- \$38,086). The sensitivity of 1% is based on reasonable, possible changes, over a financial year, using the observed range of actual historical short term deposit rate movements and management's expectation of future movements.

Credit risk

Cash and cash equivalents

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

Trade and other receivable

Credit risk on trade and other receivables is limited as the Group does not have any trading activities. The receivables at 30 June 2015 related to GST recoverable.

Liquidity risk

The Group has historically raised capital approximately every 12-18 months. The most recent capital raisings were completed in May 2014.

Fair value of financial instruments

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

Prescient Therapeutics Limited
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Note 18. Key management personnel disclosures

Directors

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

Mr Steven Engle	Non-Executive Chairman (appointed 28 November 2014)
Dr Robert Crombie	Managing Director
Mr Paul Hopper	Executive Director
Dr James Campbell	Non-Executive Director (appointed 28 November 2014)
Mr Steven Yatomi-Clarke	Non-Executive Director (appointed 28 November 2014)
Dr Wayne Millen	Non-Executive Chairman (resigned 28 November 2014)
Dr Rohan Toder	Non-Executive Director (resigned 28 November 2014)
Dr Brendan de Kauwe	Non-Executive Director (resigned 28 November 2014)

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 M. Sebti	Chief Scientific Officer
Dr Terrence Chew	Chief Medical Officer

Compensation

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

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	650,078	168,847
Post-employment benefits	31,226	-
Share-based payments	51,424	43,464
	<u>732,728</u>	<u>212,311</u>

Note 19. 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	
	2015	2014
	\$	\$
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	<u>20,000</u>	<u>27,000</u>

Note 20. Contingent liabilities

As at 30 June 2015, the Company had a number of consideration Tranche shares in accordance with the AKTivate and Pathway acquisition that have not been issued due to certain milestone criteria not having been met as at 30 June 2015. 5,000,004 consideration shares in relation to Tranche 2 of the AKTivate acquisition remain un-issued as at 30 June 2015 subject to a number of milestones yet to be met. 4,500,000 consideration shares in relation to Tranche 3 of the Pathway acquisition remain un-issued as at 30 June 2015 subject to certain milestones yet to be met.

**Prescient Therapeutics Limited
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Notes to the financial statements
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Note 21. Related party transactions

Parent entity

Prescient Therapeutics Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report in the directors' report.

Transactions with related parties

During the financial year, the Company entered into an Agreement to acquire AKTivate Therapeutics Pty Ltd ("AKTivate"), an entity which related partly to Mr Paul Hopper ("Hopper"). The acquisition of AKTivate was a substantial asset acquisition for the Company and as a result of the related party transaction, shareholder approval was sought at the Company 2014 Annual General Meeting of shareholders and an Independent Expert's Report prepared.

A total of 4,583,338 fully paid ordinary shares were issued in December 2014 to Mr Hopper and related parties in consideration for the acquisition of AKTivate Therapeutics Pty Ltd, in accordance with the shareholder approval obtained.

During the financial year the Company issued 4,500,000 shares to the vendors of Pathway Oncology in satisfaction of Milestone 1 of the acquisition consideration. The vendors of Pathway include Mr Paul Hopper and Mr Said Sebti. Mr Paul Hopper was not a related party at the time of the initial acquisition transaction which completed in May 2014.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Terms and conditions

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

Note 22. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2015	2014
	\$	\$
Loss after income tax	<u>(2,133,375)</u>	<u>(1,769,396)</u>
Total comprehensive income	<u>(2,133,375)</u>	<u>(1,769,396)</u>

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Notes to the financial statements
30 June 2015**

Note 22. Parent entity information (continued)

Statement of financial position

	Parent	
	2015	2014
	\$	\$
Total current assets	1,524,675	3,935,332
Total assets	4,891,569	5,279,715
Total current liabilities	438,633	252,893
Total liabilities	441,128	252,893
Equity		
Issued capital	43,994,092	42,496,592
Share-based payments reserve	567,282	515,964
Unrealised foreign exchange loss	8,221	-
Accumulated losses	(40,119,109)	(37,985,734)
Total equity	<u>4,450,486</u>	<u>5,026,822</u>

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 2014 and 2015.

Contingent liabilities

The parent entity had no contingent liabilities as at 2014 and 2015.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 2014 and 2015.

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 23. 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	
		2015	2014
		%	%
Virax Holdings Limited	Australia	100.00%	100.00%
Virax Immunotherapeutics Pty Ltd	Australia	100.00%	100.00%
Pathway Oncology Pty Ltd *	Australia	100.00%	100.00%
AKTivate Therapeutics Pty Ltd **	Australia	100.00%	-%

* Acquired on 30 May 2014.

** Acquired on 11 December 2014 following shareholder approval at the 2014 Annual General Meeting of shareholders.

Prescient Therapeutics Limited
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Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 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 25. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2015	2014
	\$	\$
Loss after income tax expense for the year	(2,133,375)	(1,769,396)
Adjustments for:		
Share-based payments	51,318	515,964
Change in operating assets and liabilities:		
Increase in trade and other receivables	(300,709)	(126,770)
Increase in prepayments	(55,576)	-
Increase in trade and other payables	185,740	240,546
Increase in employee benefits	11,947	12,347
	<u>11,947</u>	<u>12,347</u>
Net cash used in operating activities	<u>(2,240,655)</u>	<u>(1,127,309)</u>

**Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Notes to the financial statements
30 June 2015**

Note 26. Deed of Company Arrangements and Restructuring Deed

On 24 August 2012 the Board resolved to place the Company into administration and Mr Laurie Fitzgerald and Mr Stephen Dixon were appointed Voluntary Administrators.

A Deed of Company Arrangement (“DoCA”) was proposed and considered by the Company’s creditors on 28 September 2012.

The DoCA provided for the creation of a creditors’ deed of trust and an opportunity for the Company to be restructured for a “cash consideration”. The DoCA was approved by Creditors on 28 September 2012. Under the DoCA the claims of the Company’s creditors as at the 24 August 2012 now reside within the trust. The DoCA was executed on 19 October 2012, as was the Virax Creditors Trust Deed. The Voluntary Administrators were appointed as Deed Administrators and Trustees. The purpose of the DoCA was to facilitate a reconstruction and recapitalisation of the Company with a view to having the Company relisted on the ASX.

Following the Administrators’ appointment, expressions of interest were sought from third parties for the reconstruction and recapitalisation of the Company.

Reconstruction of the Company

On 26 February 2013 (as amended on 21 June 2013) the Company, the Deed Administrators and Otsana Capital entered into a Reconstruction Deed, which embodied a Recapitalisation Proposal.

The Recapitalisation Proposal (as contained in the Explanatory Statement of 30 July 2013) involved the following:

- (a) The Company consolidated its existing securities on a one (1) for ten (10) basis, rounded to the nearest whole number (Consolidation). This occurred on 11 September 2013.
- (b) The Company issued the following securities under a transaction specific prospectus on 14 November 2013:
 - (i) 25,000,000 fully paid ordinary shares in the Company (Shares) issued at a price of \$0.00001 each raising \$250 (on a post-Consolidation basis)(Proponent Shares);
 - (ii) 500,000,000 Shares at an issue price of \$0.005 each raising \$2,500,000 (on a post-Consolidation basis) (General Placement Shares); and
 - (iii) 100,000,000 unquoted Options exercisable at an exercise price of \$0.005 each on or before 12 October 2017 at an issue price of \$0.00001 each, raising \$1,000 (on a post-Consolidation basis) (Proponent Options).
- (c) These securities were issued to persons nominated by Otsana to receive securities in the Company, in accordance with Resolution 2 of the Notice of Meeting dated 24 July 2013, and their associates (together, the Proponent Nominees). The proposed new directors of the Company, Dr. Brendan de Kauwe, Dr. Wayne Millen and Dr. Roland Toder (together the Proposed Directors) and their associates, participated as Proponent Nominees up to a maximum allocation as specified in the accompanying Explanatory Statement.
- (d) Of the funds raised from the issue of these securities, the Company paid \$500,000, subject to reduction of that amount to the extent of certain Virax Group liabilities which may be incurred up to Settlement of the Reconstruction Deed that will not be paid by the Trustees of the creditors’ trust created in accordance with the DOCA and certain additional audit and other costs associated with the Virax Group’s financial accounts and reports up until the financial year ended 30 June 2013 (Cash Consideration), to the Trustees of the Creditors’ Trust.
- (e) The Proposed Directors were appointed to the board of directors of the Company immediately upon the Recapitalisation Resolutions being passed at the Meeting. Following appointment of the Proposed Directors, the Company’s existing Directors resigned.

The Reconstruction Deed was subject to a number of conditions, including obtaining necessary shareholder approvals.

These shareholder approvals were provided in a general meeting on 30 August 2013.

**Prescient Therapeutics Limited
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Notes to the financial statements
30 June 2015**

Note 26. Deed of Company Arrangements and Restructuring Deed (continued)

The Prospectus was issued on 19 September 2013. The Company announced on 25 October 2013 that it had completed the recapitalisation proposal after receiving subscriptions in excess of the proposed maximum \$2,500,000 capital raising with the issue of the following securities:

- 500,000,000 ordinary shares of \$0.005 each raising \$2,500,000;
- 25,000,000 ordinary shares at \$0.00001 each raising \$250; and
- 100,000,000 unlisted options exercisable within 4 years at \$0.005 per ordinary share raising \$1,000.

At the time the Cash Consideration was paid to the Creditors' Trust (which occurred upon Settlement of the Reconstruction Deed):

1. the Deed Administrators perfected the assignment to the Creditors' trust of the Company's loan receivable from its subsidiary Virax Immunotherapeutics Pty Ltd (capped at the amount of \$8,269,756 less the Cash Consideration) as described in paragraph (d) above;
2. DOCA will terminated;
3. all admitted claims against the Company arising on or before 24 August 2012 (Claims) were released and compromised with those creditors' with Claims (Creditors) instead entitled to rights in respect of the Creditors' Trust; and
4. the Company retained its main business undertaking.

Following finalisation of all outstanding compliance matters on 13 November 2013, the Deed of Company Arrangement was fully effectuated and the Deed Administrators retired.

The Company sought the reinstatement to trading of its Shares on the ASX, and this was granted on 19 November 2013.

Note 27. Earnings per share

	Consolidated	
	2015	2014
	\$	\$
Loss after income tax attributable to the owners of Prescient Therapeutics Limited	<u>(2,133,375)</u>	<u>(1,769,396)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>49,836,438</u>	<u>29,780,236</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>49,836,438</u>	<u>29,780,236</u>
	Cents	Cents
Basic earnings per share	(4.28)	(5.94)
Diluted earnings per share	(4.28)	(5.94)

Note 28. Share-based payments

During the financial period, the consolidated entity granted a total of 2,000,000 options to Mr Robert Crombie, Managing Director, following shareholder approval received at the 2014 Annual General Meeting of shareholders held on 28 November 2014. On 27 May 2015 the consolidated entity also granted 300,000 options to Mr Said Sebti (Chief Scientific Officer). A summary of the options granted are provided below:

**Prescient Therapeutics Limited
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Note 28. Share-based payments (continued)

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

2015							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/12/2014	11/12/2018	\$0.140	-	2,000,000	-	-	2,000,000
06/05/2015	06/05/2018	\$0.092	-	300,000	-	-	300,000
12/10/2013	12/10/2017	\$0.005	87,700,000	-	-	(83,315,000)	4,385,000
			<u>87,700,000</u>	<u>2,300,000</u>	<u>-</u>	<u>(83,315,000)</u>	<u>6,685,000</u>

2014							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/10/2013	12/10/2017	\$0.005	-	100,000,000	(12,300,000)	-	87,700,000
			<u>-</u>	<u>100,000,000</u>	<u>(12,300,000)</u>	<u>-</u>	<u>87,700,000</u>

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

Grant date	Expiry date	Number
11/12/2014	11/12/2018	2,000,000
06/05/2015	06/05/2018	300,000
12/10/2013	12/10/2017	4,385,000
		<u>6,685,000</u>

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

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

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2014	11/12/2018	\$0.140	\$0.140	155.20%	-%	2.59%	\$0.129
11/12/2014	11/12/2018	\$0.140	\$0.140	155.20%	-%	2.59%	\$0.080
11/12/2014	11/12/2018	\$0.140	\$0.140	155.20%	-%	2.59%	\$0.099
11/12/2014	11/12/2018	\$0.140	\$0.140	155.20%	-%	2.59%	\$0.112
06/05/2015	06/05/2018	\$0.080	\$0.092	131.75%	-%	2.18%	\$0.064
06/05/2015	06/05/2018	\$0.080	\$0.092	131.75%	-%	2.18%	\$0.064
06/05/2015	06/05/2018	\$0.080	\$0.092	131.75%	-%	2.18%	\$0.064
12/10/2013	12/10/2017	\$0.000	\$0.005	100.00%	-%	3.16%	\$0.350

**Prescient Therapeutics Limited
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Note 29. Restatement of comparatives

In September 2013, as part of the recapitalisation of the Company, the Company issued 25,000,000 ordinary shares at \$0.00001 each and 100,000,000 unlisted options exercisable within 4 years at \$0.005 per ordinary share at \$0.00001 each to the proponent of the Company's recapitalisation, Otsana Pty Ltd (Otsana Capital), including a syndicate of investors nominated by Otsana Capital, being the Directors or their nominees and any other person nominated by Otsana Capital and their associates (together the Syndicate).

The shares and options issued to the syndicate were accounted for as part of the capital raising in the 30 June 2014 annual financial report. The allocation of options and shares to the Syndicate represents a share based payment.

Accordingly, the difference between the allocation proceeds received and the fair value of the instruments granted to the syndicate should have been recognised as a share based payment expense.

The error has been corrected by restating each of the affected 30 June 2014 annual financial statement line items for the prior period, as follows:

	\$
Impact on Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2014 (increase/(decrease)):	
Share based payment expense	(472,500)
Net impact on loss for the year	<u>(472,500)</u>

	\$
Impact on Statement of Financial Position as at 30 June 2014:	
Increase in reserves	472,500
Increase in share based payment expense	<u>(472,500)</u>
Impact on net assets	<u><u>-</u></u>

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS):	\$
Basic and diluted loss per share	(\$0.036)

The change did not have an impact on the Company's other comprehensive income and the operating, investing and financing cash flows for the year ended 30 June 2014.

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Directors' declaration
30 June 2015

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 to 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 2015 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



Steve Engle
Non-Executive Chairman

28 August 2015

Independent auditor's report to the members of Prescient Therapeutics Limited

Report on the financial report

We have audited the accompanying financial report of Prescient Therapeutics Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Prescient Therapeutics Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Material uncertainty regarding continuation as a going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in Note 2 'Basis of Preparation' to the financial report, there is material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the remuneration report

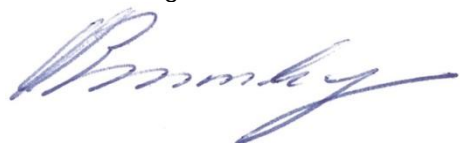
We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Prescient Therapeutics Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



Don Brumley
Partner
Melbourne
28 August 2015

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Shareholder information
30 June 2015

The shareholder information set out below was applicable as at 27 August 2015.

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	2,703
1,001 to 5,000	240
5,001 to 10,000	88
10,001 to 100,000	289
100,001 and over	115
	<u>3,435</u>
Holding less than a marketable parcel	<u>2,982</u>

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 % of total shares issued	
	Number held	% of total shares issued
Kilinwata Investments Pty Ltd	3,388,334	5.92
Moreglade Pty Ltd	2,333,334	4.08
Deborah Anne Coleman	2,216,667	3.87
Mrs Jaclyn Stojanovski & Mr Chris Retzos & Mrs Susie Retzos (Retzos Executive S/F A/C)	1,850,000	3.23
Arrow Wealth Pty Ltd (Berbay Family A/C)	1,245,000	2.17
Cahaba Pharmaceuticals LLC	1,200,000	2.10
Onetangi Nominees Pty Ltd (Onetangi Super fund A/C)	1,000,000	1.75
Mr John Colin Loosemore & Mrs Susan Marjory Loosemore (Loosemore Super Fund A/C)	1,000,000	1.75
Mr Andrew Morrison Stewart	991,202	1.73
Mr Michael Eddy Smits & Mrs Kylie Smits (Longbeach Super Fund A/C)	800,000	1.40
Dr Rosamund Julian Banyard & Mr Phillip Stanley Holten (R Banyard Super Fund A/C)	773,638	1.35
Mr Nicholas David Young & Mr Andrew Steven Young (Young A/C)	756,667	1.32
Paul Hopper	750,000	1.31
Natsta Pty Ltd (Natsta Super Fund A/C)	726,000	1.27
Redcliff Pty Ltd (McGhee Super Fund A/C)	700,000	1.22
Netshare Nominees Pty Ltd	692,796	1.21
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly <Daly Family S/F A/C>	666,667	1.16
Cataric Pty Ltd <The Olynyk Family A/C>	638,236	1.11
Novetera Pty Ltd <SAYC Super Fund A/C>	622,500	1.09
Howard Trading Co Pty Ltd	570,000	1.00
	<u>22,921,041</u>	<u>40.04</u>

Prescient Therapeutics Limited
(Formerly known as Virax Holdings Limited)
Shareholder information
30 June 2015

Unquoted equity securities

	Number on issue
Options over ordinary shares issued	6,685,000
Ordinary shares subject to 12 months escrow until 11 December 2015	4,583,338

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares % of total shares issued	
	Number held	
Mr Paul Edward Alexander Hopper and Associates	8,905,002	15.56

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.

There are no other classes of equity securities.