

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	QRxPharma Limited
ABN	16 102 254 151
Financial Year Ended	30 June 2017
Previous Corresponding Reporting Period	12 months ended 30 June 2016

Part 2 – Results for Announcement to the Market

	2017	2016	Increase/ (Decrease)	Change
	\$	\$	\$	%
Revenue from ordinary activities	8,141	15,846	(7,705)	-49%
Loss from ordinary activities after tax attributable to members	(422,282)	(1,762,120)	1,339,838	76%
Net loss attributable to members	(422,282)	(1,762,120)	1,339,838	76%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:
Not Applicable

Part 3 – Contents of ASX Appendix 4E

SECTION	CONTENTS
Part 1	Details of entity, reporting period
Part 2	Results for announcement to the market
Part 3	Contents of ASX Appendix 4E
Part 4	Consolidated statement of profit or loss and other comprehensive income
Part 5	Consolidated accumulated losses
Part 6	Consolidated statement of financial position
Part 7	Consolidated statement of cash flows
Part 8	Basis of preparation
Part 9	Loss from ordinary activities
Part 10	Commentary on results
Part 11	Notes to the consolidated statement of cash flows
Part 12	Details relating to dividends
Part 13	Loss per share
Part 14	Net tangible assets per security
Part 15	Details of entities over which control has been gained or lost
Part 16	Details of associates and joint venture entities
Part 17	Issued securities
Part 18	Segment information
Part 19	Subsequent events
Part 20	Information on audit or review

Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year Ended 30 June 2017 \$	Year Ended 30 June 2016 \$
Revenue from continuing operations	(a) 8,141	15,846
Research and development expense	-	(78,251)
Employee benefits expense	(44,224)	(379,866)
Depreciation and amortisation	(731)	(1,783)
Restructuring expense	(5,639)	(854,409)
General and Administration expense	(b) (374,910)	(695,575)
Net foreign exchange (loss) / gain	(4,919)	231,918
Loss before income tax	(422,282)	(1,762,120)
Income tax benefit	-	-
Loss from continuing operations	(422,282)	(1,762,120)
Loss for the year	(422,282)	(1,762,120)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(292)	8,596
Other comprehensive income for the year, net of tax	-	8,596
Total comprehensive (loss) for the year	(422,574)	(1,753,524)
Loss for the year is attributable to:		
Owners of QRxPharma Limited	(422,574)	(1,753,524)
Non-controlling interests	-	-
	(422,574)	(1,753,524)
Total comprehensive (loss) is attributable to:		
Owners of QRxPharma Limited	(422,574)	(1,753,524)
Non-controlling interests	-	-
	(422,574)	(1,753,524)

Part 5 – Consolidated Accumulated losses

	Year Ended 30 June 2017 \$	Year Ended 30 June 2016 \$
Accumulated losses at the beginning of the year	(167,731,910)	(165,969,790)
Loss for the year	<u>(422,282)</u>	<u>(1,762,120)</u>
Accumulated losses at the end of the year	<u>(168,154,192)</u>	<u>(167,731,910)</u>

Part 6 – Consolidated Statement of Financial Position

	Year Ended 30 June 2017 \$	Year Ended 30 June 2016 \$
ASSETS		
Current assets		
Cash and cash equivalents	626,297	1,193,886
Trade and other receivables	11,930	77,836
Other current assets	-	2,006
Total current assets	<u>638,227</u>	<u>1,273,728</u>
Non-current assets		
Plant and equipment	365	1,096
Intangible assets	-	-
Other financial assets	14,806	-
Total non-current assets	<u>15,171</u>	<u>1,096</u>
Total assets	<u>653,398</u>	<u>1,274,824</u>
LIABILITIES		
Current liabilities		
Trade and other payables	36,476	102,194
Provisions	-	133,134
Total current liabilities	<u>36,476</u>	<u>235,328</u>
Non-current liabilities		
Total non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>36,476</u>	<u>235,328</u>
Net assets	<u>616,922</u>	<u>1,039,496</u>
EQUITY		
Contributed equity	155,341,513	155,341,513
Reserves	13,494,133	13,494,425
Accumulated losses	<u>(168,154,192)</u>	<u>(167,731,910)</u>
Capital and reserves attributable to owners of QRxPharma Limited	681,454	1,104,028
Non-controlling interests	<u>(64,532)</u>	<u>(64,532)</u>
Total equity	<u>616,922</u>	<u>1,039,496</u>

Part 7 – Consolidated Statement of Cash Flows

	Year Ended 30 June 2017	Year Ended 30 June 2016
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(555,777)</u>	<u>(2,436,283)</u>
Interest received	<u>8,141</u>	<u>15,846</u>
Net cash (outflows) from operating activities	(547,636)	(2,420,437)
Cash flows from investing activities	<u>-</u>	<u>-</u>
Net cash (outflows) from investing activities	<u>-</u>	<u>-</u>
Net cash inflows from financing activities	<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash and cash equivalents	<u>(547,636)</u>	<u>(2,420,437)</u>
Cash and cash equivalents at the beginning of the financial year	1,193,886	3,382,405
Effects of exchange rate changes on cash and cash equivalents	<u>(5,147)</u>	<u>231,918</u>
Cash and cash equivalents at end of year	<u>641,103</u>	<u>1,193,886</u>

Part 8 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Loss from Ordinary Activities

The loss from ordinary activities before income tax includes the following items of revenue and expense:

	Year Ended 30 June 2017	Year Ended 30 June 2016
REVENUES AND EXPENSES	\$	\$
(a) Revenue from continuing operations	8,141	15,846
(b) General and Administration expense		
Legal	51,581	42,706
Audit	22,861	129,602
Rent	58,782	66,736
Other	241,686	456,531
	<u>374,910</u>	<u>695,575</u>

Part 10 – Commentary on Results

The Company reported total comprehensive loss for the year ended 30 June 2017 of \$422,574 (30 June 2016: \$1,753,524). The year ended 30 June 2017 operating results are attributed to the following:

- Restructuring expense of \$5,639 (2016: \$854,409)
- General and administration expense of \$374,910 (2016: \$695,575); and
- Employment benefit expense of \$44,224 (2016: \$379,866).

Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2017	Year Ended 30 June 2016
	\$	\$
Loss for the year	(422,282)	(1,762,120)
Depreciation and amortisation	731	1,783
Non-cash employee benefits expense / (write-back) - share-based payments	-	(17,364)
Net exchange differences on cash and cash equivalents	4,853	(224,876)
(Gain)/ Loss on disposal / retirement of fixed assets	-	-
Change in operating assets and liabilities		
(Increase)/decrease in other receivables and prepayments	67,912	90,532
(Decrease)/increase in trade creditors, accruals and provisions	(198,850)	(508,428)
Net cash outflow from operating activities	<u>(547,636)</u>	<u>(2,420,473)</u>

Part 12 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 13 – Loss per Share

	Year Ended 30 June 2017	Year Ended 30 June 2016
Basic (loss) per share	(0.3 cents)	(1.1 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	164,190,969	164,190,969
As the Company is in a loss position there is no diluted earnings per share calculated.		

Part 14 – Net Tangible Assets per Security

	30 June 2017	30 June 2016
Net tangible asset backing per ordinary security (cents)	0.38	0.63

Part 15 – Details of Entities Over Which Control has been Gained or Lost

Name of entity	Nil
Date deregistered	Nil
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	Nil
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Nil

Part 16 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/17 %	30/06/16 %	Year ended 30/06/17 \$A'000	Year ended 30/06/16 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 17 – Issued Securities

	2017 No. of Shares	2016 No. of Shares	30 June 2017 \$	30 June 2016 \$
Share capital				
Ordinary shares - fully paid	<u>164,190,969</u>	<u>164,190,969</u>	<u>155,341,513</u>	<u>155,341,513</u>
Options				
The following options to subscribe for ordinary fully paid shares are outstanding at balance date				
Grant Date	Expiry date	Exercise price	Balance at end of the year Number	Vested and exercisable at end of the year Number
24 August 2010	24 August 2017	\$0.95	50,000	50,000
1 January 2011	1 January 2018	\$1.40	20,000	20,000

Part 18 – Segment Information

Based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources, the Group has determined that it operates within a single operating segment.

Part 19 – Subsequent Events

There has not been any matter or circumstance that has arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Part 20 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

<p>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</p> <p style="text-align: center;">Not applicable</p>
<p>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</p> <p style="text-align: center;">Not applicable</p>