

Appendix 4D

1. Company Details

Name of Entity

Zelda Therapeutics Limited		
ABN	Half year ended ("current period")	Half year ended ("previous
27 103 782 378	31 December 2017	31 December 2016

2. Results for announcement to the market

			AUD \$
2.1 Revenues from ordinary activities	Up	7,782% to	871,792
2.2 Profit / (loss) from ordinary activities after tax attributable to members - 31 December 2016: loss of (\$5,047,324)	Down	90% to	(496,648)
2.3 Net profit / (loss) for the period attributable to members - 31 December 2016: loss of (\$5,047,324)	Down	90% to	(496,648)
2.4 Dividends	Amount per security	Franked amount per security	
Interim dividend declared	N/A	N/A	
2.5 Record date for determining entitlements to the dividend	N/A		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood			
<p>On 18 November 2016, the Company, the formerly named Gleneagle Gold Limited, completed its acquisition of 100% of Zelda Therapeutics Pty Ltd (Zelda) together with an AUD\$4 million capital raising (Acquisition Transaction), transaction fees associated with the Acquisition Transaction were \$3,700,102.</p> <p>For the half year to 31 December 2017, the Company has increased expenditure in research to develop a range of cannabinoid-based formulations for the treatment of a variety of medical conditions. Additionally, Zelda recognised a profit of \$715,266 through the movement in fair value of financial assets.</p>			

3. Net tangible assets per security

	31 December	31 December 2016
Net tangible asset backing per ordinary security	0.01	0.005

4. Details of entities over which control has been gained or lost

4.1. Control gained over entities

N/A

4.2. Control lost over entities

N/A

5. Dividends

Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans.

N/A

7. Details of associates and joint entities

N/A

8. Foreign entities

N/A

9. If the accounts are subject to audit dispute or qualification, details are described below.

N/A

Sign here:

A handwritten signature in black ink, appearing to read 'H. Karelis', written over a light grey rectangular background.

Director

Date: 27 February 2018

Print Name: Harry Karelis

Zelda Therapeutics Limited

ABN 27 103 782 378

Half-Year Financial Report

31 December 2017

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CORPORATE DIRECTORY

EXECUTIVE DIRECTORS

Harry Karelis
Dr Stewart Washer

NON-EXECUTIVE DIRECTORS

Jason Peterson
Mara Gordon

COMPANY SECRETARY

Tim Slate

PRINCIPAL & REGISTERED OFFICE

Level 6, 105 St George's Terrace
PERTH WA 6000
Telephone: (08) 6558 0886
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AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

SHARE REGISTRAR

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
PERTH WA 6000
Ph 08 9323 2000
Fax 08 9323 2033

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: ZLD

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Harry Karelis	Executive Chairman
Stewart Washer	Executive Director
Mara Gordon	Non-Executive Director
Jason Peterson	Non-Executive Director

Review of Operations

During the half year, the ended 31 December 2017, Zelda reported a net loss after tax attributable to the members of Zelda Therapeutics Limited of \$496,648 (31 December 2016: \$5,047,324).

Half year report to 31 December 2017

Business performance

Zelda Therapeutics has made significant progress in its strategy to grow the business, highlighted by the following key achievements:

- Pre-Clinical Cancer Research
 - Zelda's pre-clinical cancer research in Spain targeting breast cancer is progressing and generating additional data. We continue to progress our active intellectual property strategy built around this data.
 - The pre-clinical research programme in Australia in the area of brain cancer at the Telethon Kids Institute and pancreatic cancer at Curtin University is now underway with cannabinoid material being successfully imported into Australia.
- Insomnia Clinical Trial Approved
 - Zelda has received full regulatory approval for its medicinal cannabis clinical trial, which will commence in Q1 2018.
- US Based Observational Study in Autism
 - Zelda entered into a research agreement with the Children's Hospital of Philadelphia (CHOP) to study the pharmacology of cannabinoids in the treatment of pediatric patients.
- Chile Autism Clinical Trial
 - Trial protocols are being progressed with a view to lodging these with the approving bodies in the coming quarter. Trials are expected to commence later this year.

The principal activities of the Company is the development of novel cannabinoid-based therapies for a range of diseases.

Other than set out above, there were no other significant changes to the nature of the consolidated group's principal activities during the period.

About the business

Zelda Therapeutics ("Zelda") is an Australian-based bio-pharmaceutical company that is focused on developing a range of cannabinoid-based formulations for the treatment of a variety of medical conditions. The Company has a two-pronged strategy comprising:

- A human clinical trial programme focused on insomnia, autism and eczema with activities in Australia, Chile and the United States.
- A pre-clinical research programme examining the effect of cannabinoids in breast, brain and pancreatic cancer. It has partnered with the world's leading cancer cannabis researchers at Complutense University

Madrid in Spain to conduct certain pre-clinical work testing cannabis-based formulations known to have an effect in humans in order to generate data packs in a form expected by regulators and the pharmaceutical industry. A similar programme is in place with the Australian Telethon Kids Institute targeting paediatric brain cancer and Curtin University targeting pancreatic cancer.

Cash flow

The Company's cash at bank was \$6,612,219 at 31 December 2017.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Harry Karelis
Executive Chairman
27 February 2018



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Zelda Therapeutics Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'M R Ohm'.

Perth, Western Australia
27 February 2018

M R Ohm
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 December 2017 \$	31 December 2016 \$
Continuing operations			
Other income	5	78,329	-
Interest income		78,197	11,060
Changes in fair value of financial assets at fair value through profit and loss	6	715,266	-
Compliance and regulatory expenses		(99,911)	(4,250)
Consultants and professional fees		(114,724)	(155,054)
Administration		(33,087)	(26,685)
Directors' fees		(180,500)	(193,000)
Travel and accommodation expense		(103,105)	(39,964)
Share based payments	4	(21,411)	(824,162)
Research consultancy fees		(803,849)	(82,639)
Transaction related costs	2	-	(3,700,102)
Other expenses		(11,853)	(31,371)
Foreign exchange loss		-	(1,157)
Loss before income tax		(496,648)	(5,047,324)
Income tax expense		-	-
Loss for the period		(496,648)	(5,047,324)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(496,648)	(5,047,324)
Basic loss per share (cents per share)		(0.07)	(1.78)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	31 December 2017 \$	30 June 2017 \$
Assets			
Current Assets			
Cash and cash equivalents		6,612,219	7,867,854
Trade and other receivables		104,062	99,302
Financial assets held at fair value	5	78,329	-
Total Current Assets		6,794,610	7,967,156
Non-Current Assets			
Financial assets held at fair value	6	715,266	-
Total Non-Current Assets		715,266	-
Total Assets		7,509,876	7,967,156
Liabilities			
Current Liabilities			
Trade and other payables		88,582	70,625
Total Current Liabilities		88,582	70,625
Total Liabilities		88,582	70,625
Net Assets		7,421,294	7,896,531
Equity			
Issued capital	3	13,803,411	13,803,411
Reserves		496,374	474,963
Accumulated losses		(6,878,491)	(6,381,843)
Total Equity		7,421,294	7,896,531

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total Equity \$
Balance at 1 July 2016	1	(224,428)	-	(224,427)
Loss for the period	-	(5,047,324)	-	(5,047,324)
Total comprehensive loss for the period	-	(5,047,324)	-	(5,047,324)
Shares issued to acquire subsidiary	3,015,692	-	-	3,015,692
Shares issued under Prospectus	4,000,000	-	-	4,000,000
Shares issued to convertible noteholders	1,050,000	-	-	1,050,000
Transfer of issued convertible notes to equity	(50,000)	-	-	(50,000)
Shares issued to consultants	400,000	-	-	400,000
Options issued to parties related to the acquisition	-	-	428,162	428,162
Transaction costs relating to issue of shares	(240,985)	-	-	(240,985)
Balance at 31 December 2016	8,174,707	(5,271,752)	428,162	3,331,117
Balance at 1 July 2017	13,803,411	(6,381,843)	474,963	7,896,531
Loss for the period	-	(496,648)	-	(496,648)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(496,648)	-	(496,648)
Share-based payments	-	-	21,411	21,411
Balance at 31 December 2017	13,803,411	(6,878,491)	496,374	7,421,294

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017	31 December 2016
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers	(526,098)	(658,442)
Payments for research	(803,127)	(90,143)
Interest received	73,590	3,492
Net cash (used in) / from operating activities	<u>(1,255,635)</u>	<u>(745,093)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	-	(4,192)
Cash acquired on acquisition of Gleneagle Gold Ltd	-	34,083
Payments for borrowings made to related companies	-	31,790
Net cash from investing activities	<u>-</u>	<u>61,681</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	4,000,000
Issue costs associated with issue of shares	-	(240,985)
Proceeds from issue of options	-	3,700
Net cash from financing activities	<u>-</u>	<u>3,762,715</u>
Net (decrease) / increase in cash held	(1,255,635)	3,079,303
Cash and cash equivalents at the beginning of the period	7,867,854	722,064
Cash and cash equivalents at the end of the period	<u>6,612,219</u>	<u>3,801,367</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Zelda Therapeutics Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period. The interim financial statements were authorized for issue on 27 February 2018.

Basis of preparation

The half-year report has been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2017, except for the following:

Financial assets at fair value through profit and loss:

The Company holds options (unlisted) in an entity which listed during the period. A Black-Scholes model was used to value the options by comparison to volatilities of other similar listed entities.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2017

In the half-year ended 31 December 2017, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

Standards and Interpretations in issue on yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

NOTE 2: REVERSE ACQUISITION ACCOUNTING

On 18 November 2016, Zelda Therapeutics Limited (formerly Gleneagle Gold Limited) completed the acquisition of Zelda Therapeutics Pty Ltd (Zelda). Under Australian Accounting Standards Zelda was deemed to be the accounting acquirer in this transaction.

The acquisition has been accounted for as a share based payment by which Zelda acquires the net assets and listing status of Zelda Therapeutics Limited. At acquisition date, the net assets of Zelda Therapeutics Ltd are recorded at their book value and the company are recorded at fair value. The acquisition has been accounted for as a share based payment by which Zelda acquires the net assets and listing status of Zelda Therapeutics Limited.

(a) Deemed Consideration

The purchase consideration was the issue of 320,000,000 shares in Zelda Therapeutics Limited (legal parent) to the shareholders of Zelda.

(b) Other equity issues

Zelda Therapeutics Limited also issued a total of 16,000,000 Shares and 23,000,000 options to acquire shares at a price equal to the issue price under the Capital Raising on or before the date that is 5 years after the date of the issue (Options) in consideration for professional services provided to Zelda Therapeutics Ltd in connection with the Acquisition. The Shares were deemed to have a value of \$400,000 and Options issued were deemed to have a total value of \$243,893.

Zelda Therapeutics Limited also issued a total of 17,000,000 Options in consideration for past and future services to be provided to Zelda Therapeutics Ltd. The Options issued were deemed to have a total value of \$180,269.

The pre-combination carrying amounts of the assets and liabilities of the company as at acquisition date (being 18 November 2016) were as follows: -

	\$
Cash and cash equivalents	34,083
Trade and other receivables	8,125
Total assets	<u>42,208</u>
Trade and other payables	350,549
Borrowings	211,070
Total liabilities	<u>561,619</u>
Net liabilities	<u>(519,411)</u>

Listing Expense

	\$
Deemed consideration	3,015,692
Add: Net liabilities of Zelda Therapeutics Limited	519,411
Add: Other transaction costs	164,999
Total Zelda Therapeutics Limited listing expense	<u>3,700,102</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 3: ISSUED CAPITAL

	Six months to 31 December 2017 \$	Year to 30 June 2017 \$
<i>Ordinary shares</i> Issued and fully paid	13,803,411	13,803,411

	Six months to 31 December 2017 No.	Year to 30 June 2017 No.	Six months to 31 December 2017 \$	Year to 30 June 2017 \$
<i>Movements in ordinary shares on issue</i>				
At start of period	754,841,934	100,449,102	13,803,411	1
Zelda Therapeutics Limited shares on issue at acquisition date	-	120,627,649	-	16,307,505
Elimination of historical value of Zelda Therapeutics Limited	-	-	-	(16,307,505)
Elimination of historical shares of Zelda Pty Ltd	-	(100,449,102)	-	-
Shares issued to vendors	-	320,000,000	-	3,015,692
Shares issued under Prospectus	-	160,000,000	-	4,000,000
Shares issued to convertible noteholders	-	52,500,000	-	1,050,000
Shares issued to consultants	-	16,000,000	-	400,000
Shares issued to Sophisticated investors	-	85,714,285	-	6,000,000
Share issue expenses	-	-	-	(662,282)
At end of period	754,841,934	754,841,934	13,803,411	13,803,411

NOTE 4: OPTIONS

Unlisted Options (as at Balance date)

Set out below are the summaries of options granted as share based payments and expired during the previous period:

The following share-based payment arrangements were in existence during the period:

Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date	Vesting date
40,000,000	18 November 16	17 November 2021	\$0.03125	\$0.0106	Held in escrow for 24 months from reinstatement to official quotation.
2,000,000	6 February 17	6 February 2020	\$0.04	\$0.0147	6 February 2017
6,000,000	6 February 17	6 February 2020	\$0.04	\$0.0147	6 February 2019

No options over ordinary shares in the Company expired during the half year.

There were no new share-based payment options issued during the half year. The movement of \$21,411 represents the current period vesting expense on the above share-based payment arrangement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

(b) Weighted average fair value

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which they were granted.

Expected volatility (%)	80	128	128
Risk-free interest rate (%)	2	1.96	1.96
Expected life of option (years)	5	3	3
Exercise price (cents)	3.125	4	4
Grant date share price (cents)	2.5	3	3

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTE 5: OTHER INCOME

During the period, the Group disposed of exploration and prospecting licences to Enterprise Metals Limited ("ENT"). Other income of \$78,329 relates to the fair value of ENT shares received as consideration.

NOTE 6: FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

On 27 March 2017, Zelda entered into a strategic partnership with CannPal Pty Ltd (CannPal) (Agreement), an Australian company focused on developing cannabis based prescription and non-prescription medicines, and animal feed nutrition for the emerging global pet pharmaceutical market. The Agreement is to promote and encourage collaborative activity to improve the offerings of both CannPal and Zelda and exploit opportunities of mutual interest in both the human and animal pharmaceutical markets.

Under the terms of the agreement CannPal issued Zelda 7,250,000 unlisted options in CannPal (or such other amount equivalent to 10% of the fully diluted issued capital at 27 March 2017) exercisable at the lower of \$0.20 or the next round capital raising price including but not limited to the per share price of any acquisition, reverse takeover transaction or similar event, exercisable within five years from the date of issue. On 23 October 2017, CannPal was admitted to the Official List of ASX Limited and these options have accordingly been remeasured to fair value at 31 December 2017. The options have been valued under the Black-Scholes methodology with reference to the volatility of CannPal as a newly listed entity and the volatilities of other similar ASX listed entities in the medicinal cannabis sector.

NOTE 7: FINANCIAL INSTRUMENTS

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value in a recurring basis as at 31 December 2017 and 30 June 2017.

	31 December 2017	30 June 2017	Fair value hierarchy
<i>Financial assets held at fair value through profit and loss</i>	\$	\$	
Current	78,329	-	Level 1
Non-current	715,266	-	Level 2
	<u>793,595</u>	<u>-</u>	

Valuation techniques

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Level 1

Listed ENT shares

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Level 2

Options in CannPal

The fair values of the CannPal options granted are estimated as at the date when CannPal listed on the ASX using the Black and Scholes model taking into account the terms and conditions they were granted.

NOTE 8: SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

During the half-year ended 31 December 2017, the Company only operated in one segment, being conducting research with medicinal cannabis.

Where applicable, corporate costs, finance costs, interest revenue and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a group basis.

NOTE 9: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 10: RELATED PARTY TRANSACTIONS

There are no related party transactions requiring disclosure since the last annual reporting date.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the reporting date that require disclosure.

DIRECTORS' DECLARATION

In the opinion of the directors of Zelda Therapeutics Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Harry Karelis

Executive Chairman



27 February 2018



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Zelda Therapeutics Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Zelda Therapeutics Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zelda Therapeutics Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001*

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
27 February 2018**

A handwritten signature in blue ink, appearing to read 'M R Ohm'.

**M R Ohm
Partner**