

Appendix 4D

1. Company Details

Name of Entity

Zelda Therapeutics Limited		
ABN	Half year ended ("current period")	Half year ended ("previous period")
27 103 782 378	31 December 2018	31 December 2017

2. Results for announcement to the market

			AUD \$
2.1 Revenues from ordinary activities	Down	139% to	47,714
2.2 Profit / (loss) from ordinary activities after tax attributable to members - 31 December 2017: loss of (\$496,648)	Up	315% to	(2,063,058)
2.3 Net profit / (loss) for the period attributable to members - 31 December 2017: loss of (\$496,648)	Up	315% to	(2,063,058)
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			
For the half year to 31 December 2018, 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 loss of \$202,159 (PY profit of \$715,266) through the movement in fair value of financial assets.			

3. Net tangible assets per security

	31 December 2018	31 December 2017
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

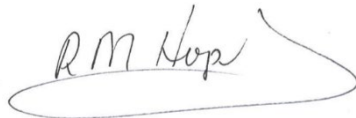
8. Foreign entities

N/A

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

N/A

Sign here:

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Managing Director

Date: 22 February 2019

Print Name: Richard Hopkins

Zelda Therapeutics Limited

ABN 27 103 782 378

Half-Year Financial Report

31 December 2018

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CORPORATE DIRECTORY

MANAGING DIRECTOR

Dr Richard Hopkins

NON-EXECUTIVE DIRECTORS

Harry Karelis

Dr Stewart Washer

Jason Peterson

Mara Gordon

COMPANY SECRETARY

Tim Slate

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HLB Mann Judd

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PERTH WA 6000

SHARE REGISTRAR

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45 St George's Terrace

PERTH WA 6000

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: ZLD

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2018. 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	Non-Executive Chairman
Richard Hopkins	Managing Director
Stewart Washer	Non-Executive Director
Mara Gordon	Non-Executive Director
Jason Peterson	Non-Executive Director

Review of Operations

During the half year, the ended 31 December 2018, Zelda reported a net loss after tax attributable to the members of Zelda Therapeutics Limited of \$2,063,058 (31 December 2017: \$496,648).

Half year report to 31 December 2018

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.
- A separate preclinical programme assessing the impact of CBD on cognitive decline in animal models of diabetes is also progressing. The CBD has been successfully reformulated for oral delivery and animal experiments are planned to commence in the next few weeks.

- **Insomnia Clinical Trial Approved**

- In September 2018, Zelda was pleased to announce the first patient received medication in its pioneering insomnia trial. A number of patients have now completed the programme with no reports of significant adverse events. Preliminary results from this clinical trial will be available by mid-2019.

- **US Based Observational Study in Autism**

- In September 2018, Zelda announced that recruitment had commenced for its observational autism study, which is being conducted in collaboration with the Children's Hospital of Philadelphia, a leading children's hospitals in the US. This trial is seeking to better understand the efficacy of medicinal cannabis treatment in patients diagnosed with autism.

As of the end of December 2018, a total of 32 patients had been enrolled with a target sample size of >100 patients.

- **Chile Autism Clinical Trial**

- Following a strategic review completed in October 2018, the Company decided to cease clinical operations in Chile to concentrate on clinical trial activities in the US and Australia.

- **Opioid Reduction Trial with St Vincent's Hospital**

- In November 2018, Zelda was pleased to announce a new clinical trial partnership with the prestigious St Vincent's Hospital in Melbourne to examine the potential to use certain cannabinoid medications in patients on chronic, high dose opioid pain management therapy.

This joint clinical trial program is aimed at assisting patients who have become dependent on opioids for chronic pain management. An initial pharmacokinetic study will inform a small scale 20 patient

double-blinded, randomised, placebo-controlled study, with the potential to expand into a larger trial depending on results.

The clinical trial protocols are being finalised and remains on-track for submission to the human ethics committee during Q1 2019. The trial is expected to commence immediately following approval from the committee.

- **SUDA Pharmaceuticals Collaboration**

- In December 2018, Zelda announced it had entered into a feasibility and option agreement with oro-mucosal drug delivery company SUDA Pharmaceuticals Ltd (ASX: SUD) ("SUDA").

Under the 12-month workplan, SUDA will apply its proprietary OroMist® oro-mucosal spray technology to deliver Zelda's pharmaceutical-grade cannabis formulations.

The 24-month option provides Zelda with the exclusive right to extend the Agreement and to enter into an exclusive global development and licensing agreement for oral spray formulations containing medicinal cannabis developed by SUDA.

- **Partnership with HAPA Medical BV to manufacture and distribute Zelda products in Germany and Europe**

- In September 2018, Zelda was pleased to announce it had entered a strategic partnership with HAPA Medical BV, a European medicinal cannabis company focused initially on the important German market. The strategic partnership provides HAPA with first rights to distribute and/or manufacture Zelda's clinically validated formulations into the rapidly growing German market. With a population of 83 million people, Germany is estimated to have the potential to become the world's largest single medical cannabis market. HAPA's in-house ability to manufacture specialised pharmaceuticals to stringent EU-GMP standards combined with its distribution network provides an attractive market entry pathway for Zelda.

- **New Appointments to Medical Advisory Board**

- Zelda appointed two leading medicinal cannabis experts to its Scientific and Medical Advisory Board. Professor David Casarett and Dr Dustin Sulak are internationally recognised as key opinion leaders in the clinical use of medicinal cannabis and are both based in the United States. These appointments further strengthen Zelda's world-class Scientific and Medical Advisory Board.

New Managing Director Commenced with Zelda

- Zelda was delighted to welcome Dr Richard Hopkins as Managing Director after he formally commenced with the Company on 16 July 2019.

The principal activities of the Company are 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 Ltd is an Australian-based bio-pharmaceutical company developing a range of cannabinoid-based formulations for the treatment of a variety of medical conditions. The Group is undertaking:

- A **human clinical trial programme** focused on insomnia, autism and opioid reduction with activities in Australia and the USA.
- A **pre-clinical research programme** examining the effect of cannabinoids in breast, brain and pancreatic cancer as well as research examining the potential for cannabinoids to treat diabetes-associated cognitive decline. It has partnered with the world's leading cancer cannabis researchers at Complutense University Madrid in Spain to conduct 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 and cognitive decline.

The Company has also formed a strategic partnership with European medicinal cannabis group HAPA Medical BV, to access HAPA's EU-GMP grade manufacturing capabilities and accessing its German distribution network providing a credible and rapid path to commercialisation for successful clinically validated formulations.

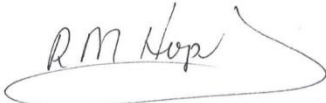
Cash flow

The Group's cash at bank was \$4,410,400 at 31 December 2018.

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 7 and forms part of this directors' report for the half-year ended 31 December 2018.

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.

A handwritten signature in black ink, appearing to read 'RM Hop', is enclosed within a large, loopy oval shape.

Richard Hopkins
Managing Director
22 February 2019



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 2018, 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 black ink, appearing to read 'B G McVeigh'.

Perth, Western Australia
22 February 2019

B G McVeigh
Partner

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Notes	31 December 2018 \$	31 December 2017 \$
Continuing operations			
Other income		-	78,329
Interest income		47,714	78,197
Compliance and regulatory expenses		(85,936)	(99,911)
Consultants and professional fees		(127,446)	(114,724)
Administration expenses		(114,666)	(33,087)
Directors' fees		(226,530)	(180,500)
Travel and accommodation expense		(50,607)	(103,105)
Share based payments	3	(121,663)	(21,411)
Research consultancy fees		(1,178,786)	(803,849)
Changes in fair value of financial assets at fair value through profit and loss	4	(202,159)	715,266
Other expenses		(2,979)	(11,853)
Loss before income tax		(2,063,058)	(496,648)
Income tax expense			-
Loss for the period		(2,063,058)	(496,648)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(2,063,058)	(496,648)
Total comprehensive income attributable to owners of the parent		(2,063,058)	(496,648)
Basic loss per share (cents per share)		(0.27)	(0.07)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	31 December 2018 \$	30 June 2018 \$
Assets			
Current Assets			
Cash and cash equivalents		4,410,400	5,685,725
Trade and other receivables		86,608	91,085
Prepayments		18,000	-
Total Current Assets		4,515,008	5,776,810
Non-Current Assets			
Other financial assets	4	334,845	537,004
Total Non-Current Assets		334,845	537,004
Total Assets		4,849,853	6,313,814
Liabilities			
Current Liabilities			
Trade and other payables		576,857	99,423
Total Current Liabilities		576,857	99,423
Total Liabilities		576,857	99,423
Net Assets		4,272,996	6,214,391
Equity			
Issued capital	2	13,823,411	13,823,411
Reserves		624,292	502,629
Accumulated losses		(10,174,707)	(8,111,649)
Total Equity		4,272,996	6,214,391

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total Equity \$
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)
Shares issued to acquire subsidiary	-	-	21,411	21,411
Balance at 31 December 2017	13,803,411	(6,878,491)	496,374	7,421,294
Balance at 1 July 2018	13,823,411	(8,111,649)	502,629	6,214,391
Loss for the period	-	(2,063,058)	-	(2,063,058)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(2,063,058)	-	(2,063,058)
Share-based payments	-	-	121,663	121,663
Balance at 31 December 2018	13,823,411	(10,174,707)	624,292	4,272,996

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31 December 2018	31 December 2017
	\$	\$
	<hr/> Inflows/(Outflows) <hr/>	
Cash flows from operating activities		
Payments to suppliers	(524,537)	(526,098)
Payments for research	(810,315)	(803,127)
Interest received	59,527	73,590
Net cash (used in) / from operating activities	<hr/> (1,275,325) <hr/>	<hr/> (1,255,635) <hr/>
Cash flows from investing activities		
Payments for borrowings made to related companies	-	-
Net cash from investing activities	<hr/> - <hr/>	<hr/> - <hr/>
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Issue costs associated with issue of shares	-	-
Proceeds from issue of options	-	-
Net cash from financing activities	<hr/> - <hr/>	<hr/> - <hr/>
Net (decrease) / increase in cash held	(1,275,325)	(1,255,635)
Cash and cash equivalents at the beginning of the period	5,685,725	7,867,854
Cash and cash equivalents at the end of the period	<hr/> 4,410,400 <hr/>	<hr/> 6,612,219 <hr/>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 Group 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 2018 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 22 February 2019.

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 Group'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 Group'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 2018, except for the following:

Financial assets at fair value through profit and loss:

The Group 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

AASB 9 *Financial Instruments*

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Equity instruments have been valued at fair value with any movements in fair value being recorded in the profit and loss per the Standard.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Standards and Interpretations applicable to 31 December 2018

In the half-year ended 31 December 2018, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2018.

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 Group and, therefore, no change is necessary to Group 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 Group and effective for the half-year reporting periods beginning on or after 1 January 2019.

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 Group and therefore no material change is necessary to Group accounting policies.

NOTE 2: ISSUED CAPITAL

	Six months to 31 December 2018 \$	Year to 30 June 2018 \$
<i>Ordinary shares</i>		
Issued and fully paid	13,823,411	13,823,411

	Six months to 31 December 2018 No.	Year to 30 June 2018 No.	Six months to 31 December 2018 \$	Year to 30 June 2018 \$
<i>Movements in ordinary shares on issue</i>				
At start of period	755,341,934	754,841,934	13,823,411	13,803,411
Shares issued from exercise of options	-	500,000	-	20,000
Share issue expenses	-	-	-	-
At end of period	755,341,934	755,341,934	13,823,411	13,823,411

NOTE 3: OPTIONS

Unlisted Options (as at Balance date)

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

The following share-based payment arrangements were entered into during the period:

Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date	Vesting date
1,000,000 ¹	22 August 18	22 August 2021	\$0.125	\$0.0183	Immediately
2,000,000 ²	22 August 18	22 August 2021	\$0.125	\$0.0183	22 August 2020
5,000,000 ³	16 October 18*	16 October 2021	\$0.10	\$0.0116*	Immediately
5,000,000 ⁴	16 October 18*	16 October 2021	\$0.15	\$0.0082*	16 October 2019
5,000,000 ⁵	16 October 18*	16 October 2021	\$0.20	\$0.0062*	16 October 2019
5,000,000 ⁶	16 October 18*	16 October 2021	\$0.28	\$0.0043*	16 October 2020
5,000,000 ⁷	16 October 18*	16 October 2021	\$0.30	\$0.0039*	16 October 2020

Note: During the period, the Group entered into a share-based payment arrangement with Dr Richard Hopkins to issue 25,000,000 options exercisable at various exercise prices on or before 3 years from the date of issue. These options are subject to shareholder approval. The grant date fair value has therefore been estimated in accordance with AASB 2 using the inputs below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3: OPTIONS (CONT)

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 2018
6,000,000	6 February 17	6 February 2020	\$0.04	\$0.0147	6 February 2019

(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.

	1	2	3	4	5	6	7
Expected volatility (%)	78	78	73	73	73	73	73
Risk-free interest rate (%)	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Expected life of option (years)	3	3	3	3	3	3	3
Exercise price (cents)	12.5	12.5	10	15	20	28	30
Grant date share price (cents)	7	7	5.2	5.2	5.2	5.2	5.2

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 4: 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.

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 2018 and 30 June 2018.

	31 December 2018 \$	30 June 2018 \$	Fair value hierarchy	Valuation techniques
<i>Financial assets held at fair value through profit and loss</i>				
Non-current	334,845	537,004	Level 2	<i>Options in CannPal</i> The fair values of the CannPal options are estimated using the Black and Scholes model taking into account the terms and conditions they were granted.
	334,845	537,004		

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 5: SEGMENT REPORTING

The Group 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 2018, the Group 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 6: CONTINGENT LIABILITIES

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

NOTE 7: RELATED PARTY TRANSACTIONS

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

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

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

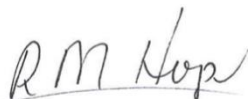
DIRECTORS' DECLARATION

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 2018 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.

Richard Hopkins
Managing Director

A handwritten signature in cursive script, appearing to read 'R M Hop', is written over a horizontal line.

22 February 2019



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Zelda Therapeutics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Zelda Therapeutics Limited ("the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other 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 2018 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 Group 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* including: giving a true and fair view of the Groups' financial position as at 31 December 2018 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 Group, 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

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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
22 February 2019

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

B G McVeigh
Partner