

Appendix 4D

Half Year Report to the Australian Securities Exchange

Part 1

| | |
|--|----------------------------------|
| Name of Entity | AdAlta Limited |
| ABN | 92 120 332 925 |
| Half Year Ended | 31 December 2016 |
| Previous Corresponding Reporting Period | Half Year Ended 31 December 2015 |

Part 2 – Results for Announcement to the Market

| | \$'000 | Percentage increase /(decrease) over previous corresponding period |
|--|---------------|---|
| Revenue from continuing operations | \$13 | 261% |
| Loss from continuing activities after tax attributable to members | \$2,266 | 329% |
| Net loss attributable to members | \$2,266 | 329% |

| 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:

The Company completed a capital raising of \$10,000,000 and listed on ASX in August 2016. The funds raised have enabled further development of the Company's lead i-body candidate, AD-114, for the treatment of idiopathic pulmonary fibrosis (IPF) and other human fibrotic diseases.

Part 3 – Contents of ASX Appendix 4D

| Section | Contents |
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| Part 1 | Details of entity, reporting period |
| Part 2 | Results for announcement to the market |
| Part 3 | Contents of ASX Appendix 4D |
| Part 4 | Commentary on results |
| Part 5 | Details relating to dividends |
| Part 6 | Net tangible assets per security |
| Part 7 | Details of entities over which control has been gained or lost |
| Part 8 | Details of associates and joint venture entities |
| Part 9 | Information on audit or review |

Part 4 – Commentary on Results

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – 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 6 – Net Tangible Assets per Security

| | 2016 | 2015 |
|--|-----------|------------|
| Net tangible asset backing per ordinary security | 8.2 cents | 25.6 cents |

Part 7 – Details of Entities Over Which Control has been Gained or Lost

| | |
|--|-----|
| Name of entity (or group of entities) | N/A |
| Date control gained or lost | N/A |
| 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 | N/A |
| Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period | N/A |
| Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control | N/A |

Part 8 – Details of Associates and Joint Venture Entities

| Name of entity | Ownership Interest | | Contribution to net profit/(loss) | |
|---------------------------|--------------------|--------|-----------------------------------|--------------|
| | 2015 % | 2014 % | 2015 \$A'000 | 2014 \$A'000 |
| | N/A | N/A | N/A | N/A |
| Associates | | | | |
| Joint Venture Entities | | | | |
| Aggregate Share of Losses | | | | |

Part 9 – Audit/Review Status

| This report is based on accounts to which one of the following applies: (Tick one) | | | |
|---|--|--|---|
| The accounts have been audited | | The accounts have been subject to review | ✓ |
| The accounts are in the process of being audited or subject to review | | The accounts have not yet been audited or reviewed | |

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:

Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

Attachments Forming Part of Appendix 4D

| Attachment No. | Details |
|----------------|--------------------------|
| 1 | Interim Financial Report |

Signed by Company Secretary

Ian Hobson

Dated: 13 February 2017



AdAlta Limited

ABN 92 120 332 925

**Half year report for the half-year ended
31 December 2016**

Corporate directory

Board of Directors

| | |
|---------------------|-------------------------|
| Dr Paul MacLeman | Non- Executive Chairman |
| Ms Samantha Cobb | Managing Director |
| Dr James Williams | Non-Executive Director |
| Ms Elizabeth McCall | Non-Executive Director |
| Dr John Chiplin | Non-Executive Director |
| Dr Robert Peach | Non-Executive Director |

Company Secretary

Mr Ian Hobson

Registered Office

Suite 15 / 2 Park Drive
Bundoora, Victoria 3083

Website

Website: www.adalta.com.au

Auditors

Butler Settineri Pty Ltd
Unit 16, First Floor,
100 Railway Road
Subiaco, Western Australia 6008

Share Registry

Automic Registry Services
Level 3
50 Holt Street
Surrey Hills, NSW 2010
Tel: +61 2 9698 5414

Stock Exchange

Australian Securities Exchange Ltd

ASX Code

1AD

Half year report for the half-year ended 31 December 2016

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Directors' report

The Directors of AdAlta Limited ("AdAlta" or "the Company") submit herewith the financial report of the Company for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the Directors of the Company during or since the end of the half-year are noted below. Directors were in office for the entire period unless otherwise stated:

Dr Paul MacLeman
Ms Samantha Cobb
Dr James Williams
Ms Elizabeth McCall
Dr John Chiplin
Dr Robert Peach (appointed 14 November 2016)

Operating results

The loss of the Company for the half-year ended 31 December 2016, after accounting for income tax benefit, amounted to \$2,265,692. The loss after tax for the Company was \$688,415 for the half-year ended 31 December 2015. The half-year ended 31 December 2016 operating results are attributed to the following:

- Research and development expenditure of \$1,710,130 (31 December 2015: \$448,674); and
- Corporate and administration expenses of \$588,028 (31 December 2015: \$244,547).

Review of operations

On 8 July 2016, the Company lodged a prospectus with ASIC for the offer of 32,000,000 and up to 40,000,000 ordinary fully paid shares at a price of \$0.25 per share to raise a minimum of \$8,000,000 and a maximum of \$10,000,000. On 17 August 2016, the Prospectus closed over-subscribed with the maximum of \$10,000,000 raised. The Company was admitted to the official list of the ASX on 22 August 2016.

On 11 August 2016, the Company's convertible notes and preference shares converted to ordinary shares.

On 22 August 2016, the Company received a research and development tax incentive refund of \$738,045 for the 2015/2016 financial year.

During the period, 1,110,874 unlisted options were exercised into ordinary shares and 64,122 unlisted options expired.

The increase in cash and cash equivalents, net assets, contributed equity and accumulated losses was largely the result of funding by way of the capital raising of \$10,000,000 and the Research and Development tax incentive.

On 14 November 2016, Mr Robert Peach was appointed as a Non-Executive Director.

Overview of Company Strategy

AdAlta's strategy is to develop its lead candidate, AD-114, to demonstrate safety and advance the lead to the clinic for treatment of fibrosis related diseases. Demonstration of the lead i-body drug candidate in the clinic is also expected to increase interest in wider applications of the i-body platform and its unique features of safety and efficacy.

AdAlta currently intends to licence the lead candidate to a pharmaceutical or biotechnology company to generate up-front, milestone payments and licensing revenues.

The i-body platform provides an opportunity for the expansion of the pipeline of i-body drug candidates in multiple therapeutic areas.

The Company plans to maximise the benefits of its i-body platform and i-body libraries through partnerships, while retaining the ability to resource and focus on its own in-house discovery and development activities. Development of additional i-body drug candidates provides potential for additional revenue, including up-front milestone payments and licensing payments.

Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-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

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors



Paul MacLeman
Chairman

13 February 2017

Melbourne, Victoria, Australia

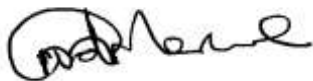
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of AdAlta Limited for the half year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect to AdAlta Limited during the half year ended 31 December 2016.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
Date: 13 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ADALTA LIMITED

Report on the half year financial report

We have reviewed the accompanying half year financial report of AdAlta Limited ("the Company") which comprises the condensed statement of profit and loss and other comprehensive income, condensed statement of financial position as at 31 December 2016, the condensed statement of changes in equity and the condensed statement of cash flows for the half year ended on that date, notes comprising a statement of significant accounting policies and other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half year financial report

The directors 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 control as the directors determine is necessary to enable the preparation of the half year financial report that 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 the 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 financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2016 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 AdAlta Limited, 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 the 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

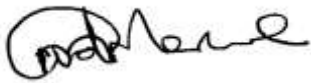
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 AdAlta Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2016 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*.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth

Date: 13 February 2017

Directors' declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position at 31 December 2016 and performance of the Company for the period ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A large, stylized handwritten signature in black ink, appearing to read 'Paul MacLeman', is written over the printed name and title.

Paul MacLeman
Chairman

13 February 2017
Melbourne, Victoria, Australia

Condensed statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

| | | Half year ended | |
|---|------|----------------------|----------------------|
| | Note | 31 Dec 2016 \$ | 31 Dec 2015 \$ |
| Continuing operations | | | |
| Revenue | 3 | 12,580 | 4,807 |
| Other income | 3 | 19,886 | - |
| Research and development expenses | | (1,710,130) | (448,674) |
| Corporate administration expenses | | (588,028) | (244,548) |
| Loss before income tax | | (2,265,692) | (688,415) |
| Income tax benefit | | - | - |
| Loss for the period attributable to Owners of AdAlta Limited | | (2,265,692) | (688,415) |
| Other comprehensive income, net of income tax | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items that may be reclassified subsequently to profit or loss | | - | - |
| Other comprehensive income for the period, net of income tax | | - | - |
| Total comprehensive loss for the period | | (2,265,692) | (688,415) |
| Loss and total comprehensive loss attributable to: | | | |
| Owners of AdAlta Limited | | (2,265,692) | (688,415) |
| Loss per share: | | | |
| Basic and diluted (cents per share) | 4 | (0.028) | (0.33) |

Condensed notes to the financial statements are included on pages 11 to 14.

Condensed statement of financial position as at 31 December 2016

| | Note | 31 Dec 2016 \$ | 30 Jun 2016 \$ |
|----------------------------------|------|----------------------|----------------------|
| Current assets | | | |
| Cash and cash equivalents | | 8,777,365 | 485,558 |
| Trade and other receivables | | 129,635 | 897,247 |
| Total current assets | | 8,907,000 | 1,382,805 |
| Non-current assets | | | |
| Property, plant and equipment | | 1,785 | 282 |
| Total assets | | 8,908,785 | 1,383,087 |
| Current liabilities | | | |
| Trade and other payables | | 543,456 | 178,797 |
| Provisions | | 53,125 | 36,402 |
| Total current liabilities | | 596,581 | 215,199 |
| Total liabilities | | 596,581 | 215,199 |
| Net assets | | 8,312,204 | 1,167,888 |
| Equity | | | |
| Issued capital | 5 | 17,560,338 | 8,150,331 |
| Reserves | 6 | 3,908 | 3,908 |
| Accumulated losses | | (9,252,042) | (6,986,351) |
| Total equity | | 8,312,204 | 1,167,888 |

Condensed notes to the financial statements are included on pages 11 to 14.

Condensed statement of changes in equity for the half-year ended 31 December 2016

| | Issued capital | Share capital Series A Preference Shares | Convertible Notes | Retained Earnings | Share based payment reserve | Total |
|---|-------------------|--|-------------------|--------------------|-----------------------------|--------------------|
| | \$ | \$ | | \$ | \$ | \$ |
| Balance at 1 July 2015 | 2,490,279 | 2,999,998 | 1,035,000 | (5,823,295) | 3,908 | 705,890 |
| Loss for the period | - | | | (688,145) | - | (688,145) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (688,145) | - | (688,145) |
| Issue of convertible notes | - | | 525,000 | - | - | 525,000 |
| Conversion of options to shares | 54 | - | - | - | - | 54 |
| Balance at 31 December 2015 | 2,490,333 | 2,999,998 | 1,560,000 | (6,511,440) | 3,908 | 542,799 |
| Balance at 1 July 2016 | 2,490,333 | 2,999,998 | 2,660,000 | (6,986,350) | 3,908 | 1,167,888 |
| Loss for the period | - | - | - | (2,265,692) | - | (2,265,692) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (2,265,692) | - | (2,265,692) |
| Issue of ordinary shares (refer to note 5) | 10,000,000 | - | - | - | - | 10,000,000 |
| Conversion of options to shares (refer to note 5) | 58,984 | - | - | - | - | 58,984 |
| Share issue costs (refer to note 5) | (648,977) | - | - | - | - | (648,977) |
| Conversion of Preference Shares | 2,999,998 | (2,998,998) | - | - | - | - |
| Conversion of convertible notes | 2,660,000 | - | (2,660,000) | - | - | - |
| Balance at 31 December 2016 | 17,560,338 | - | - | (9,252,042) | 3,908 | 8,312,204 |

Condensed notes to the financial statements are included on pages 11 to 14.

Condensed statement of cash flows for the half-year ended 31 December 2016

| | | Half-year ended | |
|---|------|--------------------|----------------|
| | | 31 Dec 2016 | 31 Dec 2015 |
| | Note | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | - | - |
| Payments to suppliers and employees | | (1,951,095) | (751,512) |
| Interest received | | 12,580 | 4,807 |
| Research and development tax incentive | | 738,208 | 878,394 |
| Grants received | | 19,724 | - |
| Net cash used in operating activities | | (1,180,583) | 131,689 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (1,837) | - |
| Net cash used in investing activities | | (1,837) | - |
| Cash flows from financing activities | | | |
| Proceeds from share capital | 5 | 10,000,000 | - |
| Proceeds from issue of convertible notes | | - | 525,000 |
| Proceeds from option conversions | | 58,985 | 54 |
| Payment of share issue costs | 5 | (584,757) | - |
| Net cash provided by financing activities | | 9,474,227 | 525,054 |
| Net increase in cash and cash equivalents | | 8,291,807 | 656,742 |
| Cash and cash equivalents at the beginning of the period | | 485,558 | 34,864 |
| Cash and cash equivalents at the end of the period | | 8,777,365 | 691,607 |

Condensed notes to the financial statements are included on pages 11 to 14

Condensed notes to the financial statements for the half-year ended 31 December 2016

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2016 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the Directors on 13 February 2017.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 30 June 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgements and key estimates

The preparation of interim financial statements requires management to make judgements, 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.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

There were no new standards issued since 30 June 2016 that have been applied by the Company. The 30 June 2016 annual report disclosed that the Company anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

2. Segment information

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

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that the Company has only operated in one segment.

Corporate costs, finance costs, and interest revenue are not considered a separate segment. The Company is domiciled and conducts its operations in Australia.

Revenues were not derived from a single external customer.

3. Revenue

| | 31 Dec 2016 | 31 Dec 2015 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| Interest income | 12,580 | 4,807 |
| Grant income | 19,724 | - |
| Research & development tax incentive | 162 | - |
| | 32,466 | 4,807 |

4. Loss per share

| | 31 Dec 2016 | 31 Dec 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| Basic and diluted loss per share (cents per share) | 0.0285 | 0.33 |

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

| | 31 Dec 2016 | 31 Dec 2015 |
|---|------------------|----------------|
| | \$ | \$ |
| Loss for the half-year attributable to the owners of the Company | 2,265,692 | 688,415 |

| | 31 Dec 2016 | 31 Dec 2015 |
|--|-------------------|------------------|
| | | |
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share | 79,573,389 | 2,083,872 |

5. Issued Capital

| | 31 Dec 16 | | 30 Jun 16 | |
|---------------------------------------|--------------------|-------------------|-------------------|------------------|
| | No. | \$ | No. | \$ |
| Fully paid ordinary shares | 101,110,890 | 17,560,338 | 12,418,223 | 2,490,333 |
| Fully paid Series A Preference shares | - | - | 2,999,998 | 2,999,998 |
| Fully paid convertible notes | - | - | 2,660,000 | 2,660,000 |
| Balance at end of period | 101,110,890 | 17,560,338 | 18,078,221 | 8,150,331 |

Ordinary Shares

| | 31 Dec 16 | | 30 Jun 16 | |
|--|--------------------|-------------------|-------------------|------------------|
| | No. | \$ | No. | \$ |
| Balance at beginning of the reporting period | 12,418,223 | 2,490,333 | 2,065,000 | 2,490,333 |
| Issued on exercise of options | 1,110,874 | 58,984 | 53,500 | - |
| Issued as part of share split | - | - | 10,299,723 | - |
| Conversion of preference shares | 21,594,477 | 2,999,998 | - | - |
| Conversion of convertible notes | 25,987,316 | 2,660,000 | - | - |
| Issued pursuant to capital raising | 40,000,000 | 10,000,000 | - | - |
| Capital raising costs | - | (648,977) | - | - |
| Balance at end of period | 101,110,890 | 17,560,338 | 12,418,223 | 2,490,333 |

Series A Preference Shares

| | 31 Dec 16 | | 30 Jun 16 | |
|--|-------------|-------------|------------------|------------------|
| | No. | \$ | No. | \$ |
| Balance at beginning of the reporting period | 2,999,998 | 2,999,998 | 2,999,998 | 2,999,998 |
| Conversion to ordinary shares | (2,999,998) | (2,999,998) | - | - |
| Balance at end of period | - | - | 2,999,998 | 2,999,998 |

Convertible Notes

| | 31 Dec 16 | | 30 Jun 16 | |
|--|-------------|-------------|------------------|------------------|
| | No. | \$ | No. | \$ |
| Balance at beginning of the reporting period | 2,660,000 | 2,660,000 | 2,660,000 | 2,660,000 |
| Conversion to ordinary shares | (2,660,000) | (2,660,000) | - | - |
| Balance at end of period | - | - | 2,660,000 | 2,660,000 |

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Options on issue

| Expiry Date | Balance as at 30 June 2016 | Exercised in the period | Expired in the period | Balance as at 31 December 2016 |
|--------------------|-----------------------------------|--------------------------------|------------------------------|---------------------------------------|
| 27 September 2016 | 252,057 | (222,061) | (29,996) | - |
| 1 July 2018 | 145,976 | - | - | 145,976 |
| 21 September 2018 | 20,569 | - | - | 20,569 |
| 1 November 2018 | 381,018 | (307,746) | - | 73,272 |
| 1 July 2019 | 291,953 | (127,914) | (34,126) | 129,913 |
| 1 November 2019 | 818,378 | (453,153) | - | 365,225 |
| 1 November 2020 | 234,472 | - | - | 234,472 |
| Total | 2,144,423 | (1,110,874) | (64,122) | 969,427 |

6. Reserves

| | 31 Dec 2016 \$ | 30 June 2016 \$ |
|---------------------------------|----------------------|-----------------------|
| Share based payment reserve | 3,908 | 3,908 |
| Total reserves at end of period | 3,908 | 3,908 |

7. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report at 30 June 2016. During the period under review there was one change to key management personnel.

On 14 November 2016 Dr Robert Peach was appointed as Non-Executive Director and the terms of the appointment was formalised in a letter of appointment with the following key terms and conditions:

- Term of agreement – monthly until termination by the Company or until the next AGM in 2017.
- No entitlement to any compensation or damage or payment of any further director's fees for any period after termination.
- Remuneration will be \$45,000 per annum inclusive of superannuation.

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits and share-based payments.

8. Dividends

No dividends were paid or declared for the half-year ended 31 December 2016 and the Directors have not recommended the payment of a dividend.

9. Commitments and contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report. As at 31 December 2016, the Company has no significant commitments.

10. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-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.