Registered Office:
Suite 8, 7 The Esplanade
Mt Pleasant, WA 6153, Australia

OPENDNA™

23 February 2017

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam,

Release of OpenDNA Limited's financial results for the half-year ended 31 December 2016

In accordance with the ASX Listing Rules, I enclose the following for release:

1. Appendix 4D – half yearly report;
2. Half year financial report for the half year ended 31 December 2016 including the Directors' Report.

Yours faithfully
On behalf of the Board of OpenDNA Limited

Kevin Hart
Company Secretary

OpenDNA Limited

Appendix 4D

Half-year report

for the half-year ended 31 December 2016

Name of entity:	**OpenDNA Limited**
ACN:	**613 410 398**
Current Reporting Period	**Half Year ended 31 December 2016**
Previous Reporting period	**Not Applicable**

Results for announcement to the market.

Item 1

	6 months ending
Operating Performance	**31 Dec 2016**
	$
Revenue from continuing activities	13,169
Loss from continuing activities after income tax	(2,605,155)
Net loss for the half year attributable to members	(2,605,155)

Item 2

Dividends
It is not proposed to pay dividends. There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half year ended 31 December 2016.

Item 3 – Brief Explanation

During the period, the Company undertook an Initial Public Offering ('IPO'), successfully raising $8m, and listed on the Australian Securities Exchange ('ASX') on 16 November 2016. Consequently, there is no comparative reporting period information to report. Further details are set out in the Review of Operations section of the Directors' Report and half yearly accounts attached to this Appendix 4D.

Item 4

	6 months ending
Net Tangible Assets	**31 Dec 2016 $**
Net tangible assets per security	$0.064

Item 5

Control gained or lost over Entities during the period
On 5 August 2016, the Company entered into individual Share Sale Deeds with each of the shareholders of OpenDNA (UK) Limited, a UK registered company, to acquire 100% of the issued share capital of that company. As a result, OpenDNA (UK) Limited became a wholly-owned subsidiary of the Company at that date. OpenDNA (Singapore) Pte Ltd was incorporated on 17 September 2016 as a private company limited by shares. OpenDNA (Singapore) Pte Ltd was a wholly-owned subsidiary of the Company from the date of incorporation.

Item 6

	Ownership interest as at
Controlled Entities and joint ventures	**31 December 2016 %**
Parent Entity: OpenDNA Limited	
Controlled entities:	
OpenDNA (UK) Limited	100
OpenDNA (Singapore) Pte Ltd	100

Item 7

Accounting Standards
The half-year consolidated 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'.

Item 8

Auditor's review report
The half-year report is based on the interim financial report of OpenDNA Limited for the half-year ended 31 December 2016, which has been reviewed by HLB Mann Judd. Refer to the 31 December 2016 half-year financial report for the independent auditor's review report provided to the members of OpenDNA Limited.

Appendix 4D Requirements	**Reference**
1. Reporting period and the previous corresponding period.	Refer to page 1 of this report.
2. Results for announcement to the market.	Refer to page 1 of this report "Results for announcement to the market" and Items 1, 2 and 3 of this report.
3. Net tangible assets per security.	Refer to Item 4 of this report.
4. Details of entities where control has been gained or lost during the period.	Refer to Item 5 of this report.
5. Details of individual and total dividends or distributions and dividend or distribution payments.	Refer to Item 2 of this report.
6. Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in a dividend or distribution reinvestment plan.	Refer to Item 2 of this report.
7. Details of joint venture and associated entities.	Refer to Item 6 of this report.
8. For foreign entities, accounting standards used in compiling reports.	Not applicable.
9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.	Refer to Item 8 of this report.

OpenDNA Limited
ABN 14 613 410 398

Interim Financial Report
31 December 2016

Contents

Directors’ report

Your Directors present their report on the consolidated entity (referred to hereafter as the ‘Group’), consisting of OpenDNA Limited (‘OpenDNA’ or the ‘Company’) and entities it controlled at the end of, or during, the half-year ended 31 December 2016. 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 interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

G Pestell	Non-Executive Chairman
J Shah	Managing Director and Chief Executive Officer
E Cross	Non-Executive Director
L Sciambi	Non-Executive Director

Review of Operations

Key focuses: Completion of oversubscribed A$8m Initial Public Offering; global expansion of customer base and leveraging of key partnerships; appointment of key sales personnel; strengthening of business development pipeline

Key developments

The half-year to 31 December 2016 was a transformational period for OpenDNA, highlighted by the successful completion of the Company’s A$8m Initial Public Offering (‘IPO’) and listing on the Australian Securities Exchange (‘ASX’) on 16 November 2016.

Upon listing, an immediate focus for the Company was the monetisation of all OpenDNA-powered platforms through the integration of a personalised advertising framework. A key step towards implementing this framework was the signing of a binding Memorandum of Understanding (‘MOU’) with US-based advertising technology company MediaFuse in December 2016.

Under the MOU, MediaFuse will provide OpenDNA with the technology required to generate near-term advertising revenue from a number of its digital platforms. In addition, MediaFuse will also partner with OpenDNA to further drive revenue growth through the integration of a personalised advertising management system to better target and engage end-users.

Another key focus for OpenDNA was on adding further depth to its international sales team, who will focus on growing the business in a number of key geographical locations, including Australia, Asia, the USA and the UK.

Technology platform overview

OpenDNA’s technology has the capacity to revolutionise the way in which brands and organisations interact with targeted individuals on a global scale.

The Company’s patent pending artificial intelligence and machine-learning platform enables the real-time tracking and profiling of individuals to gauge their interests, opinions and propensity to engage. This psychographic profile of an individual drives much deeper, informed relationships between businesses and their customers, delivering in turn better business outcomes by reducing churn, increasing page views and session time while delivering detailed customer segmentation.

OpenDNA’s technology is highly scalable and can deliver significant benefits to any organisation, brand or movement that demands next-generation end-user engagement.

Furthermore, the market opportunity for OpenDNA in the near-term is significant, with the global digital advertising industry, one of the Company’s key target markets, expected to reach US$285 billion by 2020 (according to Juniper Research).

Directors' report *(continued)*

Review of Operations *(continued)*

Near-term catalysts

Subsequent to the reporting date, the Company's customer base was expanded, following the signing of an agreement with leading UK travel brand, Family Traveller, to power its digital platforms, enabling the real-time psychographic profiling of Family Traveller's 250k+ customers. In addition, OpenDNA launched the highly-personalised app for foundation customer SportsBlog LLC ('SportsBlog'). OpenDNA will power SportsBlog's app and provide personalised advertising content delivered through OpenDNA's strategic partnership with MediaFuse.

OpenDNA is focused on rapidly scaling up its global customer base and on establishing multiple near-term revenue streams, an expansion strategy that is supported by a robust cash position of A$6.8m as at 31 December 2016. Importantly, this enables OpenDNA to enter its next phase of growth with confidence and financial flexibility. The Company's strong financial position is a reflection of management's ability to conservatively deploy funds and closely monitor its cash burn.

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 3 and forms part of this Directors' report for the half-year ended 31 December 2016.

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

Jay Shah
Director
23 February 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of OpenDNA Limited for the half-year ended 31 December 2016, 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.

Perth, Western Australia	**L Di Giallonardo**
23 February 2017	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au | Website: http://www.hlb.com.au

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

	Notes	6-months to 31 December 2016 $
Continuing operations		
Revenue		13,169
Interest income		6,614
Depreciation and amortisation expense		(6,418)
Share based payments expense	12(c)	(580,660)
Other expenses		
Consulting fees		(609,697)
Employee costs		(689,555)
Legal fees		(151,664)
Travel and accommodation costs		(239,970)
Other expenses		(340,791)
Loss before income tax		**(2,598,972)**
Income tax expense		(6,183)
Net loss for the period		**(2,605,155)**
Other comprehensive loss, net of income tax		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		(63,026)
Other comprehensive loss for the period, net of income tax		**(63,026)**
Total comprehensive loss for the period		**(2,668,181)**
Basic loss per share (cents per share)	11	(4.42)
Diluted loss per share (cents per share)	11	(4.42)

The accompanying notes form part of these financial statements

Condensed consolidated statement of financial position
As at 31 December 2016

	Notes	31 December 2016 $
Assets		
Current assets		
Cash and cash equivalents		6,809,551
Trade and other receivables		105,531
Other		125,286
Total current assets		7,040,368
Non-current assets		
Property, plant and equipment		59,503
Intangible assets	3	4,714,114
Total non-current assets		4,773,617
Total assets		11,813,985
Liabilities		
Current liabilities		
Trade and other payables	4	333,785
Total current liabilities		333,785
Non-current liabilities		
Deferred tax liabilities		8,601
Total non-current liabilities		8,601
Total liabilities		342,386
Net assets		**11,471,599**
Equity		
Issued capital	5	13,646,581
Reserves	6	430,173
Accumulated losses		(2,605,155)
Total equity		**11,471,599**

The accompanying notes form part of these financial statements

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

	Notes	Issued capital $	Share-based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	**Total equity $**
Issue of incorporation shares	5	10	-	-	-	**10**
Balance at 1 July 2016		10	-	-	-	**10**
Loss for the period		-	-	-	(2,605,155)	**(2,605,155)**
Other comprehensive loss for the period, net of income tax		-	-	(63,026)	-	**(63,026)**
Total comprehensive loss for the period		-	-	(63,026)	(2,605,155)	**(2,668,181)**
Shares issued	5	14,608,354	-	-	-	**14,608,354**
Share issue costs	5	(961,783)	-	-	-	**(961,783)**
Share-based payments	12(c)	-	493,199	-	-	**493,199**
Balance at 31 December 2016		**13,646,581**	**493,199**	**(63,026)**	**(2,605,155)**	**11,471,599**

The accompanying notes form part of these financial statements

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

		6-months to 31 December 2016 $
Cash flows from operating activities		
Receipts from customers		13,169
Payments to suppliers and employees		(1,942,022)
Interest received		6,614
Other – Research and Development cash rebate received		76,254
Net cash outflow from operating activities		(1,845,985)
Cash flows from investing activities		
Payments for property, plant and equipment		(38,418)
Cash assumed on acquisition of subsidiary	8(b)	266,635
Net cash inflow from investing activities		228,217
Cash flows from financing activities		
Proceeds from the issue of shares	5	9,340,000
Payments for share issue costs		(903,882)
Net cash inflow from financing activities		8,436,118
Net increase in cash held		6,818,350
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate fluctuations on cash held		(8,799)
Cash and cash equivalents at the end of the period		6,809,551

The accompanying notes form part of these financial statements

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies

(a) Statement of compliance

Statement of compliance

These half-year consolidated 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'.

The 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 a full financial report.

As the Company was only incorporated on 1 July 2016 and this is the first set of financial statements it has prepared there is no comparative information presented. Therefore, it is recommended that this half-year financial report be read in conjunction with any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial 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 half-year financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2016
In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2016.

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 material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2016
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 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.

(b) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(c) Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(d) Impairment of financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(e) Intangible assets other than goodwill

Intangible assets acquired separately
Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

(f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(f) Property, plant and equipment *(continued)*

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(g) Trade payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (‘GST’), except where the amount of GST incurred is not recoverable from the Australian Tax Office (‘ATO’). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the taxation authorities are classified as operating cash flows.

(i) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Performance shares are classified as equity and are convertible into fully paid ordinary shares of the Company on successful achievement of certain predetermined performance milestones. Refer to Note 5 for details of these performance milestones applying to performance shares currently on issue.

(j) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods
Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(j) Revenue recognition *(continued)*

Rendering of services
Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Contract income is recognised by reference to the total actual costs incurred at the end of the reporting period relative to the proportion of the total costs expected to be incurred over the life of the contract;
- Servicing fees are recognised by reference to the proportion of the total cost of providing the service for the product sold; and
- Revenue from time and material contracts are recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(k) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(k) Income tax *(continued)*

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries (the ‘Group’). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights are sufficient to give it power, including,

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group’s ownership interest in existing subsidiaries

Changes in the Group’s ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of OpenDNA Limited.

(n) Foreign currency translation

The functional and presentation currency of OpenDNA Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of OpenDNA Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to the partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences are recognised in other comprehensive income.

(o) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(o) Business combinations *(continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(p) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or Groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 1: Statement of significant accounting policies *(continued)*

(p) Goodwill *(continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(q) Share based payment transactions

Equity settled transactions
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black & Scholes Option Pricing Model, further details of which are given in Note 12.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of OpenDNA Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(r) Critical accounting estimates and judgements

The preparation of financial reports 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.

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

Share-based payment transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black & Scholes Option Pricing Model, using the assumptions detailed in Note 12.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 2: Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board of Directors for the half-year ended 31 December 2016.

	Australia	United Kingdom	Singapore	Consolidation eliminations	Total
31 December 2016	$	$	$	$	$
Segment revenue	13,169	-	-	-	13,169
Intersegment revenue	-	-	-	-	-
Revenue from external customers	13,169	-	-	-	13,169
Segment result	(1,301,050)	(880,227)	(478,614)	54,736	(2,605,155)
Segment assets	12,945,320	97,076	96,863	(1,325,274)	11,813,985
Segment liabilities	106,590	832,571	573,141	(1,169,916)	(342,386)

Note 3: Intangible assets

	31 December 2016
	$
Acquisition through business combination (Note 8)	4,714,114
	4,714,114

Note 4: Trade and other payables

	$
Trade payables	242,138
Accruals	70,108
Other payables	21,539
	333,785

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 5: Issued capital

(a) Share capital

	31 December 2016 Number of shares	31 December 2016 $
Ordinary shares	105,083,540	14,608,364

(b) Movement in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2016	Opening balance	-	-	-
1 July 2016	Issue of incorporation shares	10	$1.00	10
9 September 2016	Shares issued on acquisition of OpenDNA (UK) Limited	48,483,530	$0.10	4,848,354
9 September 2016	Shares issued to seed capital investors	15,600,000	$0.10	1,560,000
20 September 2016	Shares issued to Chief Operating Officer	1,000,000	$0.20	200,000
16 November 2016	Shares issued on Initial Public Offering	40,000,000	$0.20	8,000,000
		105,083,540		14,608,364
	Less: Transaction costs arising on share issue	-	-	(961,783)
		105,083,540		13,646,581

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(d) Performance shares

	31 December 2016 Number of shares	31 December 2016 $[1]
Performance shares	35,000,000	-

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 5: Issued capital *(continued)*

(d) Performance shares *(continued)*

Performance shares comprise the following:

	31 December 2016 Number of shares	31 December 2016 $[1]
Class A Performance Shares, will convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding $3.5m (measured over any three-consecutive month period) or achieving 20m users (at least half of which are directly revenue generative).	12,400,000	-
Class B Performance Shares, will convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding $7.5m (measured over any three-consecutive month period) or achieving 30m users (at least half of which are directly revenue generative).	12,400,000	-
Class C Performance Shares, will convert to ordinary shares upon the Company achieving within five years of issue annualised gross revenue exceeding $12m (measured over any three-consecutive month period) or achieving 50m users (at least half of which are directly revenue generative).	10,200,000	-
	35,000,000	-

[1] The Performance Shares have been valued at $0.20 each, based on the issue price of the Offer. The Company will be required to record the value of these shares in its accounting records over the vesting period however this will only commence when the Directors believe it is probable that any of the performance milestones will be achieved.

At the date of this report, the Directors cannot resolve with any certainty whether it would be considered probable that any of the performance milestones will be achieved. As a result, no value has been attributed to these shares and thus no share based payment recognised as at the reporting date.

The Performance Shares have been issued to the following Executives:

	Class A	Class B	Class C	Total
Executives				
J Shah	10,000,000	10,000,000	8,000,000	28,000,000
G Irwin	1,200,000	1,200,000	1,100,000	3,500,000
K Fell	1,200,000	1,200,000	1,100,000	3,500,000
	12,400,000	12,400,000	10,200,000	35,000,000

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 6: Reserves

(a) Reserves

	As at 31 December 2016 $
Share based payments	493,199
Foreign currency translation	(63,026)
	430,173

Movements

Share-based payments	6-months to 31 December 2016 $
Balance 1 July 2016	-
Option expense (Note 12(c))	493,199
Balance 31 December 2016	493,199

Foreign currency translation	$
Balance 1 July 2016	-
Currency translation differences arising during the period	(63,026)
Balance 31 December 2016	(63,026)

(b) Nature and purpose of reserves

(i) Share-based payments
The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

(ii) Foreign currency translation
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 7: Dividends

There were no dividends paid or declared to equity holders during the six months ended 31 December 2016.

Note 8: Business combination

(a) Summary of acquisition

On 5 August 2016, the Company entered into individual Share Sale Deeds with each of the shareholders of OpenDNA (UK) Limited, a UK registered company, to acquire 100% of the issued share capital of that company. As a result, OpenDNA (UK) Limited became a wholly-owned subsidiary of the Company at that date.

Details of the purchase acquisition and net assets acquired are as follows:

	$
40,656,903 fully paid shares in the capital of the Company issued to the shareholders of OpenDNA (UK) Limited, valued at 10 cents per share	4,065,690
7,826,627 fully paid shares in the capital of the Company issued to advisors of OpenDNA (UK) Limited, valued at 10 cents per share	782,663
Treasury shares	17,163
	4,865,516

The assets and liabilities recognised as a result of the acquisition are as follows:

	As at 5 August 2016 $
Cash	266,635
Other receivables	11,088
Tax receivable (R&D rebate receivable)	78,886
Property, plant and equipment	8,043
Website development	4,373
Other creditors and accruals	(215,141)
Deferred tax liability	(2,482)
	151,402
Excess consideration paid over net assets acquired [1]	4,714,114
	4,865,516

[1] At balance date, the initial accounting for the business combination is incomplete as the Company is currently finalising the allocation of the initial excess consideration noted above. This allocation will be finalised when the 30 June 2017 annual financial report is produced and the provisional amounts noted above will be adjusted accordingly.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 8: Business combination *(continued)*

(b) Purchase consideration – cash inflow

	$
Inflow / (outflow) of cash to acquire subsidiary:	
Cash consideration	-
Less: balance acquired	
Cash	266,635
Inflow of cash – investing activities	266,635

Impact of acquisition on the results of the Group

If the combination had taken place at the beginning of the half-year, the loss and revenue of the Group would not have been materially different to the reported loss and revenue for the half-year.

Note 9: Related party transactions

(a) Parent entity

The parent entity within the Group is OpenDNA Limited. The ultimate Australian parent entity is also OpenDNA Limited.

(b) Subsidiaries

Interest in subsidiaries are set out in note 10 below.

(c) Transactions with related parties

The following transactions occurred with related parties during the period:

	6-months to 31 December 2016 $
The following payments were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell:	
- provision of legal services in relation to the company listing on the ASX	277,979
- provision of general legal services	104,419
- rent for the provision of serviced office space	4,719
The following payment was paid to Artemis Corporate Limited, a company related to Mr. Grant Pestell:	
- provision of business development and advisory services	70,000
The following payments were paid to The Small Business Force, LLC, a company related to Mr. Lonnie Sciambi:	
- provision of business development and general advisory services	57,153
The following payments were paid to Sante Holdings Pty Ltd, a company related to Mr. Evan Cross:	
- provision of financial and corporate advisory services	22,000

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 10: Subsidiaries

Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Class of shares	Equity holding
OpenDNA (UK) Limited [1]	United Kingdom	Ordinary	100%
OpenDNA (Singapore) Pte Ltd [2]	Singapore	Ordinary	100%

[1] Refer to note 8. On 5 August 2016, the Company entered into individual Share Sale Deeds with each of the shareholders of OpenDNA (UK) Limited, a UK registered company, to acquire 100% of the issued share capital of that company. As a result, OpenDNA (UK) Limited became a wholly-owned subsidiary of the Company at that date.

[2] OpenDNA (Singapore) Pte Ltd was incorporated on 17 September 2016 as a private company limited by shares.

Note 11: Loss per share

(a) Basic and diluted loss per share

	6-months to 31 December 2016 $
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	(4.42)

(b) Reconciliation of loss used in calculating loss per share

	$
Loss attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted loss per share	(2,605,155)

(c) Weighted average number of shares used as the denominator

	Number
Weighted average number of ordinary shares used in the denominator in calculating loss per share	58,991,070

(d) Information concerning classification of securities

Options granted are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive (the options are not considered to be dilutive). The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 12.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 12: Share-based payments

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

(a) Options

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
				$	$	
Tranche 1	5,450,000	9 Sept 2016	9 Sept 2019	0.30	243,289	9 Sept 2016
Tranche 2	4,150,000	9 Sept 2016	30 June 2021	0.35	232,776	30 June 2017
Tranche 3	4,150,000	9 Sept 2016	30 June 2023	0.40	279,363	30 June 2018
Tranche 4	2,000,000	11 Nov 2016	11 Nov 2020	0.30	112,351	11 Nov 2016
	15,750,000				867,779	

No share options were exercised during the half-year.

The fair value of share options granted was estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted. The model inputs for options granted during the period are detailed in the below table:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected volatility (%)	50	50	50	50
Risk-free interest rate (%)	1.53	1.53	1.53	1.53
Expected life of option (years)	3	4.8	6.8	4
Exercise price (cents)	0.30	0.35	0.40	0.30
Grant date share price	0.20	0.20	0.20	0.20

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.

Tranche 1 - 3 options were granted to Directors and Executives of the Company, whilst Tranche 4 options were granted to Corporate Advisors relating to the IPO capital raising, as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Directors				
G Pestell	2,000,000	1,500,000	1,500,000	-
E Cross	1,200,000	900,000	900,000	-
L Sciambi	1,200,000	900,000	900,000	-
Executives				
K Fell	250,000	250,000	250,000	-
G Irwin	800,000	600,000	600,000	-
Corporate Advisors	-	-	-	2,000,000
	5,450,000	4,150,000	4,150,000	2,000,000

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2016

Note 12: Share-based payments *(continued)*

(b) Shares

During the period 1,000,000 fully paid ordinary shares were issued to the Chief Operating Officer, Mr K Fell. These shares were valued at the IPO issue price of $0.20 each.

(c) Value of share based payments

	6-months to 31 December 2016 $
Recorded in the statement of profit or loss	
Options granted to Directors and Executives	380,660
Shares issued to the Chief Operating Officer	200,000
	580,660
Recorded in the share based payment reserve	
Options granted to Directors and Executives	380,660
Options granted to Corporate Advisors	112,539
	493,199

Note 13: Financial instruments

The fair value of the Group's financial assets and liabilities, comprising cash, trade receivables and trade payables, are equivalent to their carrying values at balance date.

Note 14: Contingent liabilities

There Group has no contingent liabilities as at the reporting date.

Note 15: Events subsequent to reporting date

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

Directors' declaration

In the opinion of the Directors of OpenDNA 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 Group's financial position as at 31 December 2016 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.

Jay Shah
Director

23 February 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of OpenDNA Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OpenDNA Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, 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 Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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* including: giving a true and fair view of the Group'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 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

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

(a) giving a true and fair view of the Group'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*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
23 February 2017