21 February 2019

ASX ANNOUNCEMENT

APPENDIX 4D – Half-Year Results Ended 31 December 2018

Brisbane, Australia – ImpediMed Limited (ASX.IPD), a global provider of medical technology to non-invasively measure, monitor and manage tissue composition and fluid status using bioimpedance spectroscopy (BIS), today released its Appendix 4D and reviewed financial results for the half-year ended 31 December 2018.

Financial highlights for the half-year ended 31 December 2018 include:

- Contracted Revenue Pipeline[1] increased to $7.0 million, up 483% from $1.2 million as of 31 December 2017;
- $4.1 million in Total Contract Value[2] for SOZO® signed during the half-year, up 156% from $1.6 million during the previous corresponding period (pcp);
- $2.5 million in Annual Recurring Revenue[3] for SOZO® contracts as of 31 December 2018, up 257% from $0.7 million as of 31 December 2017;
- 317 contracted SOZO® devices since launch, compared to 103 as of 31 December 2017;
- Total revenue for the period was $1.8 million, including $0.8 million in recognised SOZO® revenue;
- Net cash flows used in operating activities were $9.4 million, compared to $11.7 million for the pcp;
- Total loss from continuing operations after income tax was $12.1 million, compared to $14.4 million for the pcp; and
- Cash balance at 31 December 2018 was $22.6 million, compared to $31.3 million at 30 June 2018.

Operational highlights for the half-year and through the reporting date include:

- PREVENT Trial accepted for publication and presentation at the 2019 annual meeting of the American Society of Breast Surgeons (ASBrS). The prespecified, interim detailed results of the PREVENT trial will be presented during the scientific session of the 2019 Annual Meeting of the American Society of Breast Surgeons (ASBrS) in Dallas, Texas, from 30 April to 5 May 2019. The full PREVENT manuscript has been accepted for publication by the Annals of Surgical Oncology and will be released immediately following the presentation by the PREVENT trial principal investigator.

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[1] **Contracted Revenue Pipeline (CRP):** Future period revenue amounts related to TCV that are yet to be reported as recognised revenue.
[2] **Total Contract Value (TCV):** Total value of customer contracts including one-time and recurring revenue.
[3] **Annual Recurring Revenue (ARR):** The amount of revenue reasonably expected to be booked for the next 12-month period based on existing signed contracts, and assuming installation upon sale.

- The full manuscript of the previously announced abstract “Correlation of Limb Bioimpedance to Echocardiographic Indicators of Congestion in Patients with NYHA Class II/III Heart Failure” has been published in the Cardiology and Vascular Research journal.
- Announced receipt of a multi-year national purchasing agreement for the SOZO® Digital Health Platform from Ascension Health Resources;
- Commenced enrollment of 200 Patient Heart Failure Trial;
- Sale of the assets of XiTRON Technologies, Inc.;
- First health plan adopted SOZO® for CHF monitoring;
- Bioimpedance and L-Dex Recommended in Leading Journals
    - “Lymphedema after Breast Cancer Treatment” was published in the New England Journal of Medicine (NEJM) on 15 November 2018 by Dr. Stanley Rockson, Allan and Tina Neill Professor of Lymphatic Research and Medicine at Stanford University;
    - “Correlation of L-Dex Bioimpedance Spectroscopy with Limb Volume and Lymphatic Function in Lymphedema” was published by MD Anderson, and it concluded that L-Dex correlates most closely with all measures and is the recommended metric when using BIS;
    - Dr. Stanley T. Rockson in Lymphatic Research and Biology (LRB), focused his editorial piece on a single article, the first paper published on the first 12 months of the PREVENT trial, which recommended a strict protocol using BIS in surveillance of cancer survivors for early detection of lymphoedema.
- Publication of “Early Surveillance Is Associated With Less Incidence and Severity of Breast Cancer-Related Lymphedema Compared With a Traditional Referral Model of Care” in Cancer by Louise Koelmeyer from Macquarie University. The study found that the use of BIS as part of an early prospective surveillance model of care results in significantly earlier detection of lymphoedema over time and that earlier detection of lymphoedema will lead to lower health care costs;
- SOZO® Abstract Presentations at Key Scientific Cardiology Meetings; and
- Strong Initial Data from PREVENT Trial
    - Bioimpedance spectroscopy (BIS) and L-Dex® suggested as the new standard of care for cancer survivors at risk of developing lymphoedema at the first educational seminar presented by the Principal Investigator of the PREVENT trial – “Removing the Mystery Around Bioimpedance – Moving Towards a New Standard of Care”. The presentation was the first in a series of seminars to take place across the US and Australia and included top-line results from the interim analysis of the PREVENT trial.
    - PREVENT trial results published with outstanding initial data. The authors from the PREVENT trial concluded that L-Dex® is very sensitive in the assessment of sub-clinical lymphoedema in patients with a history of breast cancer. The paper also supports the recommendation for an aggressive measurement protocol consisting of an L-Dex® assessment every three months, especially during the first 6 to 12 months post-surgery to facilitate identification of sub-clinical lymphoedema.

“We made significant progress building our SOZO® business this half-year, with signed contracts in excess of $4.0 million and $7.0 million in Contracted Revenue Pipeline still to be recognized as revenue as of 31 December. With the PREVENT interim results manuscript now accepted for publication, we have turned our focus to meeting with Private Payors and preparing applications for the NCCN Guideline inclusion and technical review by a major

payor. We look forward to continue reporting on the progress of our commercial expansion, our clinical programs, and our private payor reimbursement progress in the coming quarters," said Richard Carreon, Managing Director and CEO of ImpediMed.

Richard Carreon
Managing Director & CEO

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E: kwilliamson@buchanwe.com.au

About ImpediMed
Founded and headquartered in Brisbane, Australia with US and European operations, ImpediMed is the world leader in the design and manufacture of medical devices employing bioimpedance spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of tissue composition and fluid status.

ImpediMed produces a family of FDA cleared and CE Marked medical devices, including SOZO® for multiple indications including heart failure and lymphoedema, sold in select markets globally.

For more information, visit www.impedimed.com.

ImpediMed Limited

ABN 65 089 705 144

Appendix 4D

1 **for the half-year ended 31 December 2018**
(previous corresponding period : half-year ended 31 December 2017)

The information contained in this document should be read in conjunction with the financial statements for the year ended 30 June 2018 and any public announcements made by ImpediMed Limited and its controlled entities (the "Group") during the interim reporting period in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

2 **Results for announcement to the market**

		Current period	Increase / Decrease	Movement %
		$000		
2.1	Revenue from ordinary activities	**1,801**	Increase	19%
2.2	Loss from ordinary activities after tax attributable to members	**(12,144)**	Decrease	16%
2.3	Net loss for the period attributable to members	**(12,271)**	Decrease	15%
2.4	Dividends	**NIL**		

There were no dividends declared and paid during the half year on ordinary shares.
There were no dividends proposed and not yet recognised as a liability during the half year.

2.5	Dividend Record Date	**Not applicable**

2.6 Explanation of operating performance

Refer to the operating and financial review in the Directors' Report of the half-year Financial Report for the current reporting period.

During the current reporting period, the Group applied AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* as part of accounting for the divesture of XiTRON Technologies, Inc. and the T&M operating segment. Refer to Note 16 for additional information.

During the current reporting period, the Group applied AASB 15 *Revenue from Contracts with Customers* for the first time. Refer to Note 17 for additional information.

3 Net tangible assets per ordinary security

	Current period	Previous corresponding period
Net tangible assets ($000)	**$ 22,271**	$ 42,765
Issued share capital at reporting date ($000)	**$ 219,744**	$ 219,620
Number of shares on issue at reporting date	**378,993,655**	378,083,437
Net tangible assets per ordinary security	**$ 0.06**	$ 0.11

4 Acquisitions and divestments

In October 2018, the Group divested XiTRON Technologies, Inc., a wholly owned subsidiary of ImpediMed.

This resulted in an operating loss from ordinary activities of $94,000 for the current period (31 December 2017: $48,000) attributable to the test and measurement operating segment of XiTRON Technologies, Inc. The total loss from discontinued operations for the current period was $127,000 (31 December 2017: $48,000).

5 Details of dividends

There were no dividends paid during the period or payable at 31 December 2018.

6 Dividend Reinvestment Plans

The Group has no dividend reinvestment plan.

7 Associates and joint ventures

There are no equity accounted associates and joint venture entities.

8 Accounting standards

The Financial Report for the group has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards.

9 Auditors' review report

The review report prepared by the independent auditor Ernst & Young is not subject to any dispute or qualification, and is provided with the half-year Financial Report.

impedimed®

ImpediMed Limited

Financial Report

For the Half-Year
Ended 31 December
2018

ABN 65 089 705 144

-IMPEDIMED MISSION-

Our mission is to improve patients’ lives by providing solutions that will allow a deeper understanding of the human body and the importance of fluid status and tissue analysis.

CONTENTS

CHAPTER 1

CORPORATE INFORMATION

CORPORATE INFORMATION

This financial report covers the consolidated entity comprising ImpediMed Limited (the "Parent" or "Company") with its wholly-owned subsidiaries (the "Group"). The Parent's functional and presentation currency and the Group's presentation currency is the Australian dollar (AUD or $). The Group conducts a significant portion of its transactions in US dollars (USD), which may have an impact on the amounts presented in AUD. A description of the Group's operations and of its principal activities is included in the operating and financial review in the Directors' Report. The Directors' Report is not part of the financial report.

DIRECTORS

Non-Executive Directors

Scott Ward, MS, BSc
Chairman
Non-executive Director

Judith Downes, BA(Hons), DipEd, GradDipBus(Acct), FAICD, FCPA, FCA
Non-executive Director

Gary Goetzke, Juris Doctorate
Non-executive Director

Robert Graham, AO, FAHMS, MBBS, MD, FRACP, FACP, FAHA
Non-executive Director

Amit Patel, MBA, BEng
Non-executive Director

Donald Williams, CPA
Non-executive Director

Managing Director

Richard Carreon,
Managing Director
and Chief Executive Officer

COMPANY SECRETARY

Leanne Ralph

CORPORATE INFORMATION

DIRECTORS' REPORT

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

REGISTERED OFFICE

Unit 1, 50 Parker Court
Pinkenba QLD 4008

PRINCIPAL PLACES OF BUSINESS

US Headquarters
5900 Pasteur Court, Suite 125
Carlsbad CA 92008 USA
Phone: +1 760 585 2100

AU Headquarters
Unit 1, 50 Parker Court
Pinkenba QLD 4008
Phone: +61 7 3860 3700

SHARE REGISTER

Link Market Services
Level 21
10 Eagle Street
Brisbane QLD 4000
Phone: +61 7 3320 2200

ImpediMed Limited shares are listed on the Australian Securities Exchange (ASX): ASX code "IPD".

WEBSITE AND SOCIAL MEDIA

www.impedimed.com

SOLICITORS

Johnson Winter & Slattery
Level 25, 20 Bond Street
Sydney NSW 2000

Sheppard Mullin Richter & Hampton LLP
12275 El Camino Real Suite 200
San Diego CA 92130 USA

BANKERS

Commonwealth Bank of Australia
240 Queen Street
Brisbane QLD 4000

Bank of America
450 B Street, Suite 1500
San Diego CA 92101 USA

AUDITORS

Ernst & Young
Level 51, 111 Eagle Street
Brisbane QLD 4000

REMUNERATION ADVISORS TO THE BOARD OF DIRECTORS

Willis Towers Watson
300 S. Grand Avenue
Los Angeles CA 90071 USA

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IMPEDIMED'S SOZO®

SMARTER MEDICAL TECHNOLOGY

Medical technology today continues to evolve at an unprecedented pace. New advances are coming to the forefront to improve the lives of patients through smart technology. Cancer survivors today should not have to worry about sequelae such as lymphoedema. Lymphoedema continues to debilitate millions of cancer survivors. Early detection of lymphoedema is critical and may well prevent this horrible disease.

Patients living with heart failure should be able to easily and effectively monitor and manage their fluid status at home, yet millions end up back in the hospital shortly after they have been sent home. It is time to get smart and join the growing movement towards better, individualised healthcare. No patient should go untested who could benefit from our technology;

SOZO is the proactive solution.

CHAPTER 2

DIRECTORS' REPORT

Your Directors submit their report together with the consolidated interim financial report for ImpediMed Limited for the half-year ended 31 December 2018.

DIRECTORS

The names and details of the Parent's Directors (the "Board") in office during the half-year and until the date of this report are outlined below. Directors were in office for this entire period unless otherwise stated.

Scott Ward, MS, BSc
Chairman
Non-executive Director

Judith Downes, BA(Hons), DipEd, GradDipBus(Acct), FAICD, FCPA, FCA
Non-executive Director

Gary Goetzke, Juris Doctorate
Non-executive Director

Robert Graham, AO, FAHMS, MBBS, MD, FRACP, FACP, FAHA
Non-executive Director

Amit Patel, MBA, BEng
Non-executive Director

Donald Williams, CPA
Non-executive Director

MANAGING DIRECTOR

Richard Carreon
Managing Director and Chief Executive Officer

PRINCIPAL ACTIVITIES

ImpediMed is the world leader in the design and manufacture of medical devices employing bioimpedance spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of tissue composition and fluid status.

ImpediMed was the first company to receive U.S. Food and Drug Administration ("FDA") clearance in the U.S. to aid healthcare professionals to clinically assess unilateral lymphoedema of the arm and leg in women and the leg in men, for its L-Dex® device. In addition, ImpediMed produces a family of FDA cleared and CE Marked medical devices, including SOZO®, sold in select markets globally.

OPERATING AND FINANCIAL REVIEW

GROUP OVERVIEW

ImpediMed Limited was founded in Brisbane, Australia in October 1999, and was listed on the ASX on 24 October 2007. The Group consists of four entities:

- **ImpediMed Limited**, the Parent company operating in medical markets in regions outside North America; incorporated in 1999 and listed on the ASX on 24 October 2007.
- **ImpediMed Incorporated**, a Delaware corporation operating in medical markets in North America.
- **ImpediMed Hellas**, a Kalamaria, Greece corporation operating in a research & development and marketing capacity in Europe.
- **ImpediMed TM Incorporated (formally XiTRON Technologies, Incorporated)**, a California corporation formerly operating in power test and measurement markets globally. ImpediMed TM Incorporated was acquired by ImpediMed Limited on 1 October 2007.

MILESTONES

11 SEPTEMBER 2018

SOZO ABSTRACT PRESENTATIONS AT KEY SCIENTIFIC CARDIOLOGY MEETINGS

Two abstracts demonstrating utilisation of its SOZO device were presented during poster presentations by A.J. Accardi, M.D. at the American Heart Congress – CVD, October 5-6, 2018, Los Angeles: Utilisation of Bioimpedance Spectroscopy in Lieu of Invasive Monitoring Fluid Overload and Correlation of Limb Bioimpedance to Echocardiographic Indicators of Congestion in patients with heart Failure.

24 SEPTEMBER 2018

L-DEX SUGGESTED AS NEW STANDARD OF CARE

The Completion of the first in a series of educational seminars were presented by the Principal Investigator of the PREVENT trial - "Removing the Mystery Around Bioimpedance - Moving Towards a New Standard of Care". The presentation included top-line results from the interim analysis of the PREVENT trial and demonstrated that L-DEX technology was seamlessly integrated into some of the busiest breast cancer clinics in the world.

16 OCTOBER 2018

HEALTH PLAN ADOPTS SOZO® FOR MONITORING CHF PATIENTS

Golden State Medicare Health Plan has made an initial purchase of ten (10) SOZO digital health platforms, as well as ongoing monthly subscription service fees for the management of heart failure patients in the home. Golden State Medicare Health Plan is a Health Maintenance Organization (HMO) that specializes in the care of seniors. An HMO is an organization that provides health coverage for a monthly or annual fee.

10 DECEMBER 2018

EARLY SURVEILLANCE WITH L-DEX® REDUCES INCIDENCE, SEVERITY AND COST

A landmark study out of Macquarie University was published in Cancer. Cancer is an international journal of the American Cancer Society. The study conducted by Louise Koelmeyer, Lymphedema Program Manager, ALERT – Australian Lymphoedema Education, Research & Treatment, found that the use of BIS as part of an early prospective surveillance model of care results in significantly earlier detection of lymphoedema over time and that earlier detection of lymphoedema will lead to lower health care costs.

23 SEPTEMBER 2018

PREVENT TRIAL RESULTS PUBLISHED - OUTSTANDING INITIAL DATA

Early results demonstrate a 67% relative improvement in progression to persistent lymphoedema in the L-Dex arm compared to tape measure arm.

The Authors from the PREVENT trial concluded that L-DEX is very sensitive in the assessment of sub-clinical lymphoedema in patients with a history of breast cancer. The paper also supports the recommendation for an aggressive measurement protocol consisting of an L-DEX assessment every three months, especially during the first 6 to 12 months post-surgery to facilitate identification of sub-clinical lymphoedema.

10 OCTOBER 2018

FIRST PATIENT ENROLLED IN 200 PATIENT HEART FAILURE ("HF") TRIAL

With the first patient in this at-home HF trial now enrolled, the study will follow patients at home for 45 days post discharge from a HF-related hospital admission. The study is designed to demonstrate the extent to which changes in SOZO BIS measurements preempt patient - reported symptoms of acute HF that lead to hospital readmissions.

19 NOVEMBER 2018

BIOIMPEDANCE AND L-DEX RECOMMENDATION PUBLISHED IN LEADING JOURNALS

Dr. Stanley Rockson, Allan and Tina Neill, Professors of Lymphatic Research and Medicine at Stanford University, authored a case vignette, titled "Lymphedema after Breast Cancer Treatment" which was published in the New England Journal of Medicine (NEJM) on 15 November 2018. Dr. Rockson recommended placing the patient in a surveillance program, including quarterly assessment using bioimpedance during the first year after treatment.

OPERATING RESULTS FOR THE PERIOD FROM CONTINUING OPERATIONS

Revenue related to subscriptions and consumables for the current period was $1.3 million (31 December 2017: $1.0 million), an increase of 30% over the previous corresponding period. This increase in revenue was attributable to an increase in SOZO assessment fees, offset by a decrease in legacy consumables revenue as the existing customer base transitions to SOZO. Revenue related to SOZO for the current period was $0.8 million (31 December 2017: $0.2 million), an increase of 300% from the previous corresponding period. Of the SOZO revenue, $0.5 million related to recurring subscription revenue streams (31 December 2017: $8,000).

At 31 December 2018 and 2017, SOZO units in the market totaled 317 and 103, respectively, representing a 208% increase in the number of units in the market since the initial launch of the product. The majority of the revenue associated with these SOZO units will be recognised over the lives of the respective contracts.

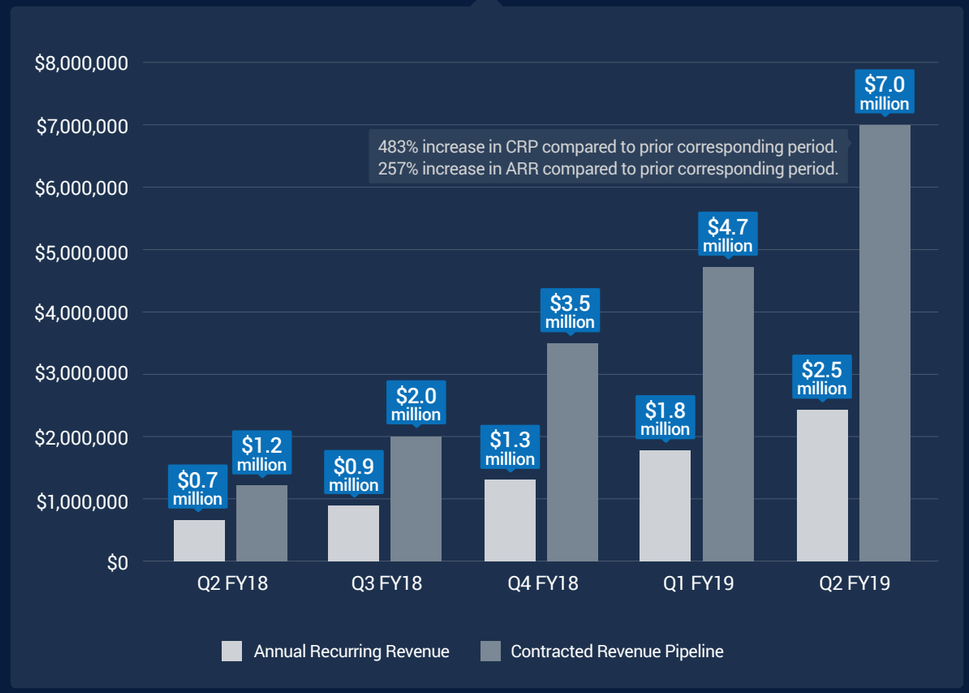
In addition to revenue recognised during the current period, Contracted Revenue Pipeline (CRP) at 31 December 2018 totaled $7.0 million (31 December 2017: $1.2 million), an increase of 483%. Annual Recurring Revenue (ARR) at 31 December 2018 totaled $2.5 million (31 December 2017: $0.7 million), an increase of 257%.

TCV, CRP and ARR are unaudited, non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards. Refer to page 19 of this report for a glossary of terms used by ImpediMed under the subscription revenue model.

Cost of goods sold for the current period were $0.7 million (31 December 2017: $0.4 million). The increase is primarily attributable to an increase in the number of SOZO device sales in the current period compared to the prior period.

During the period, the Group sold its products through a mix of employed sales reps and independent distributors. In the U.S. lymphoedema market, the Group has an employed, direct sales force that focuses on the sale of SOZO with L-Dex for both the unilateral and bilateral indications, as well as the associated subscription revenue agreements for patient assessments in the lymphoedema market for both of these indications.

SUBSCRIPTION BUSINESS MODEL



GLOSSARY OF TERMS USED BY IPD

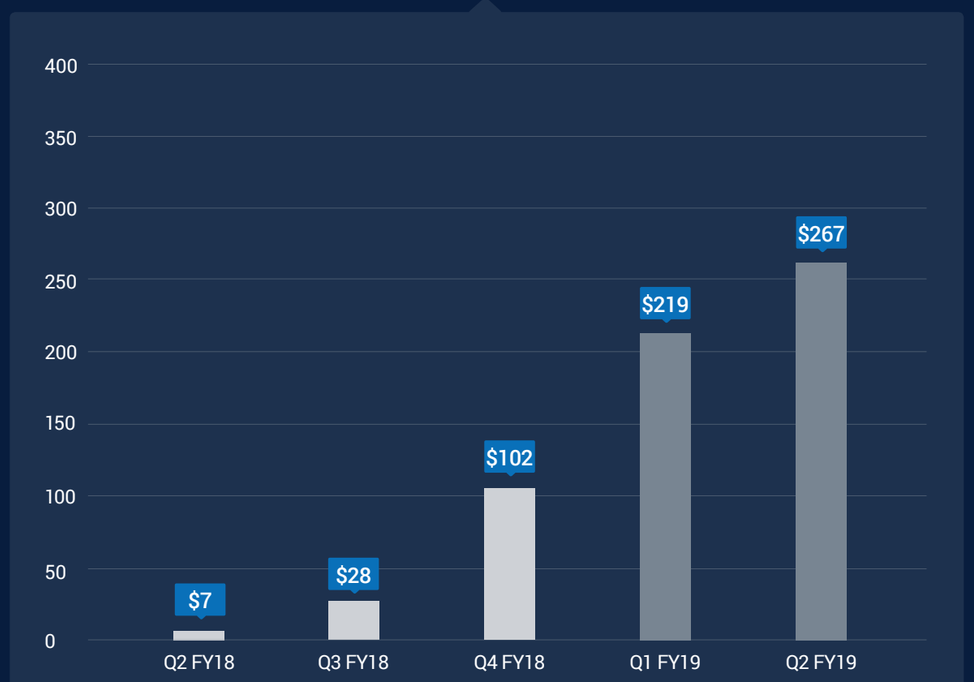
Total Contract Value (TCV) (i):	The total value of customer contracts including one-time and recurring revenue.
Contracted Revenue Pipeline (CRP) (i):	The future period revenue amounts related to TCV that are yet to be reported as recognised revenue. Certain customer contracts that make up the Group's CRP contain cancelation clauses related to services yet to be performed. The Contracted Revenue Pipeline assumes no churn, highlighting the importance of customer experience and satisfaction.
Annual Recurring Revenue (ARR) (i):	The amount of revenue reasonably expected to be booked for the next 12-month period based on existing contracts signed, and assuming installation upon sale.

(i) TCV, CRP and ARR are unaudited, non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards.

REVENUE

SOZO REVENUE

SOZO RECURRING SUBSCRIPTION REVENUE BY QUARTER (IN $000s)



SOZO recurring subscription revenue as a percent of total revenue totaled 30% for Q2 FY19 (Q2 FY18: 2%).

The loss from continuing operations after income tax for the period was $12.1 million (31 December 2017: $14.4 million). The decreased loss, when compared with the prior period is primarily attributed to an increase in total revenue of $0.3 million, increased capitalised software development costs of $0.9 million, decreased impairment expenses of $0.7 million, and overall financial discipline across all departments.

Salaries and benefits for the six-months ended 31 December 2018 totaled $7.7 million (31 December 2017 $8.5 million), a decrease of 9%. The decrease was primarily attributable to certain employee costs capitalised as software development costs related to the next generation SOZO software (SOZO 3.0). This intangible asset will begin amortising after the completion of the project.

Administration and governance costs for the six-months ended 31 December 2018 totaled $1.1 million (31 December 2017 $1.9 million), a decrease of 42%. This decrease is attributable to significant provisions on inventory and accounts receivable in the prior period.

Consultants and professional fees for the six-months ended 31 December 2018 totaled $1.0 million (31 December 2017 $1.5 million), a decrease of 33%. The decrease is primarily attributable to reduced sales and marketing consulting expenses for regions outside of the United States.

Share based payments for the six-months ended 31 December 2018 totaled $1.9 million (31 December 2017 $1.5 million), an increase of 27%. This increase is due to the continued expenditure of options and performance rights issued in the prior period.

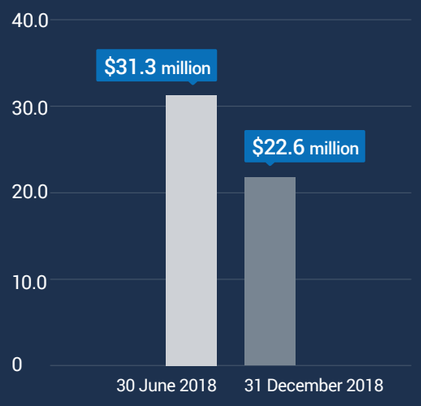
The average exchange rate for the reporting period was U.S. dollar (USD) $0.72 to Australian dollar (AUD) $1.00 (31 December 2017 $0.78). During the period, the Group incurred an unrealised mark-to-market foreign currency translation loss of $6,000 (31 December 2017: $30,000 loss).

REVIEW OF FINANCIAL CONDITION - LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were $22.6 at 31 December 2018 (30 June 2018: $31.3 million). Net cash used in operating activities for the six-months ended 31 December 2018 was $9.4 million (31 December 2017 $11.7 million). The decrease in cash outflow was attributable to reduced employee costs and reduced research and development costs related to SOZO, as well as increased cash receipts from government grants and incentives and cash proceeds from the divestiture of XiTRON Technologies, Inc.

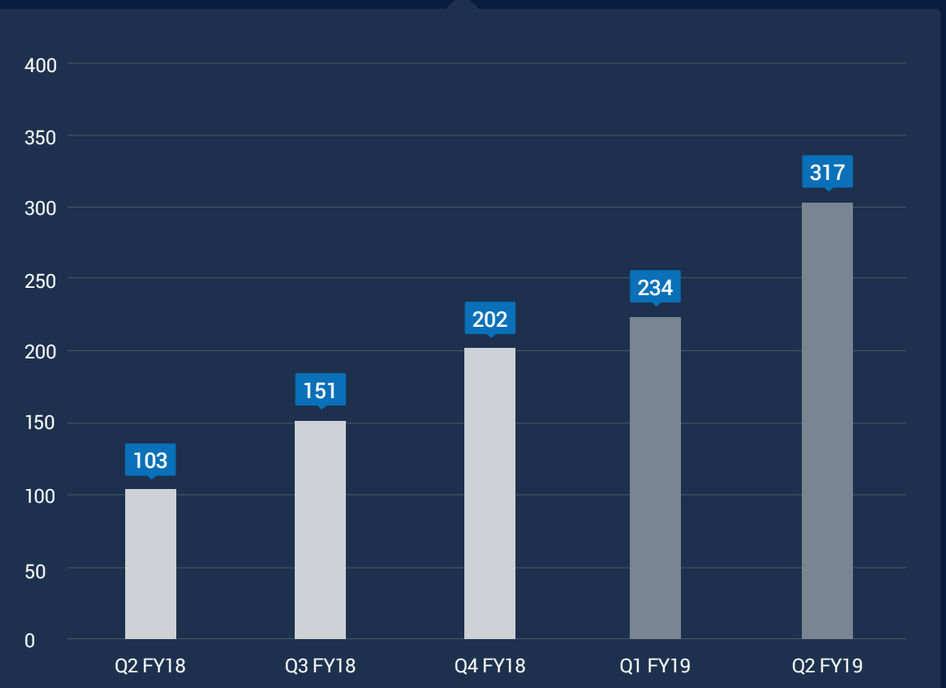
The Group maintains a significant portion of available funds in U.S. dollars to match U.S. dollar expenditure needs. The loss from continuing operations for the period before income tax includes a realised foreign exchange loss arising from the operating expenses in the U.S. The spot exchange rate for the beginning and end of the current reporting period was AUD $1.00 to USD $0.74 and USD $0.71, respectively. The spot exchange rate for the beginning and end of the prior reporting period was AUD $1.00 to USD $0.80 and USD $0.78, respectively. This fluctuation of the exchange rate led to a unfavourable outcomes in reporting operating expenditure, but led to favourable outcomes in reporting cash and cash equivalents when compared to the prior period.

CASH AND CASH EQUIVALENTS

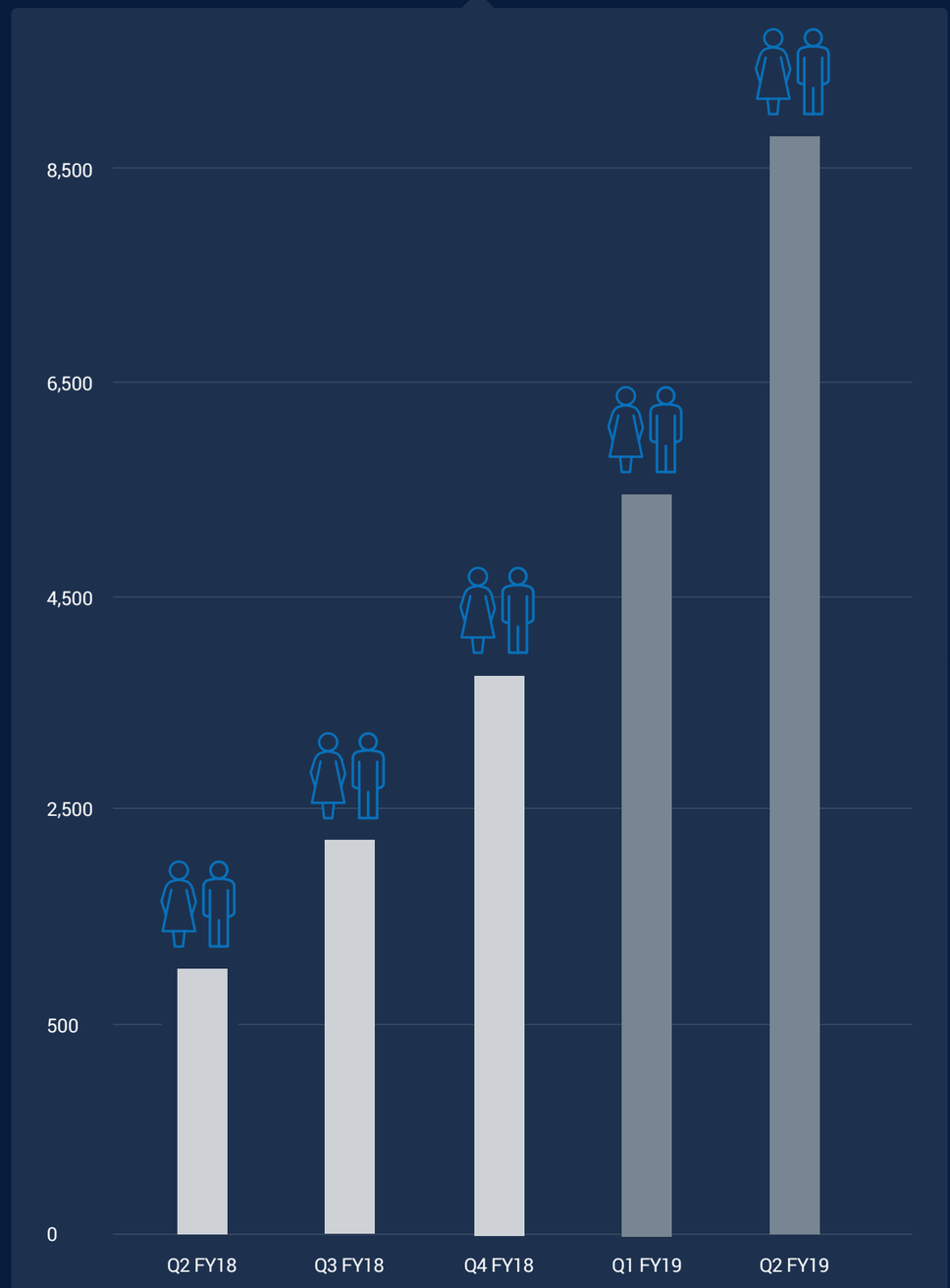


NET CASH FLOW USED IN OPERATING ACTIVITIES

CUMULATIVE NUMBER OF SOZO DEVICES IN THE MARKET



NUMBER OF PATIENTS TESTED BY QUARTER



SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

13 FEBRUARY 2019

The Group announced that the full manuscript of the previously announced abstract Correlation of Limb Bioimpedance to Echocardiographic Indicators of Congestion in Patients with NYHA Class II/III Heart Failure has been published in the Cardiology and Vascular Research journal.

The manuscript's conclusions state "Preliminary findings demonstrated excellent correlations with BIS measurements and [inferior vena cava] IVC size, right atrial pressure and pulmonary artery systolic pressure measurements which suggest a possible alternative method to detect fluid overload despite the small sample size. Trending a patient's impedance using the SOZO device at home or the practitioner's office may assist clinicians in providing more accurate, individualized [heart failure] HF care."

29 JANUARY 2019

The Group announced that the prespecified, interim detailed results of the PREVENT trial will be presented during the scientific session of the 2019 Annual Meeting of the American Society of Breast Surgeons (ASBrS) in Dallas, Texas, from 30 April to 5 May 2019. ASBrS is the primary leadership organisation for general surgeons who treat patients with breast disease. The results of the PREVENT trial are subject to the embargo policy of the ASBrS 20th Annual Meeting until 12:30 p.m. Eastern time on 2 May 2019.

The full PREVENT manuscript has been accepted for publication in the Annals of Surgical Oncology and will be released immediately following the presentation by the PREVENT trial principal investigator. Annals of Surgical Oncology is one of the leading journals in Oncology and Surgery and features original articles on the latest advances in oncology for surgeons from all specialties. The full manuscript will provide detailed analysis of the top line results previously announced to the market.

16 JANUARY 2019

The Group announced that it received a multi-year national purchasing agreement for its SOZO Digital Health Platform from Ascension Health Resources. This agreement allows the 151 Ascension hospitals to take advantage of pre-negotiated pricing and streamlined IT integration of the SOZO platform. Ascension is the largest non-profit health system in the US and the largest Catholic health system in the world.

CORPORATE GOVERNANCE

On 27 March 2014, the ASX Corporate Governance Council (CGC) released the third edition of their corporate governance principles and recommendations, including ASX listing rule 4.10.3.

Details of ImpediMed's corporate governance policies and procedures, including information about Board Committees and Corporate Charters, can be found on the Group's website under the Investors section:

investors.impedimed.com/about/corporate-governance/

ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($000) under the option available to ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191. The Group is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION AND NON-AUDIT SERVICES

The directors append to the directors' report the following declaration from our auditors, Ernst & Young.

Signed in accordance with a resolution of the directors.

Scott Ward
Chairman

Judith Downes
Director

21 February 2019

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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Fax: +61 7 3011 3100
ey.com/au

Building a better working world

Auditor's Independence Declaration to the Directors of ImpediMed Limited

As lead auditor for the review of ImpediMed Limited for the half-year ended 31 December 2018, I declare 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 of ImpediMed Limited and the entities it controlled during the financial period.

Ernst & Young

Jennifer Barker
Partner
21 February 2019

CHAPTER 3

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-Year Ended 31 December

	Notes	2018 $000	2017 $000 (Restated)
CONTINUING OPERATIONS			
Revenue from Subscriptions and Consumables	5	1,332	1,042
Revenue from Devices	5	440	446
Other Revenues	5	29	29
Total Revenue		**1,801**	1,517
Cost of Revenue		(670)	(430)
Gross Margin		**1,131**	1,087
Finance Income		220	204
Other Income and Finance Costs	6	1,371	1,181
Salaries and Benefits	7	(7,664)	(8,544)
Research and Development	7	(1,454)	(1,658)
Administrative and Governance	7	(1,120)	(1,934)
Consultants and Professional Fees	7	(1,008)	(1,536)
Depreciation and Amortization	7	(299)	(176)
Advertising and Promotion		(268)	(202)
Rent and Property Expenses		(204)	(263)
Travel Expenses		(707)	(823)
Share Based Payments	12	(1,861)	(1,492)
IT and Other Expenses		(275)	(262)
Loss from Continuing Operations Before Income Tax		(12,138)	(14,418)
Income Tax		(6)	(15)
Loss from Continuing Operations After Income Tax		(12,144)	(14,433)
Net Loss from Continuing Operations		**(12,144)**	(14,433)
Discontinued Operations	16	(127)	(48)
Net Loss		**(12,271)**	(14,481)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that may be reclassified to profit or (loss):			
Foreign Currency Translation Gain / (Loss)		1,292	(784)
Other Comprehensive Gain / (Loss) for the Period, Net of Tax		1,292	(784)
Total Comprehensive Loss		**(10,979)**	(15,265)
		$	$
Basic and Diluted Loss Per Share	2	(0.03)	(0.04)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 Dec 2018 $000	As at 30 Jun 2018 $000 (Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	8	22,638	31,345
Trade and Other Receivables, net	9	2,185	4,100
Contract Assets		50	8
Inventories, net		1,639	1,811
Prepayments		325	338
Total Current Assets		**26,837**	37,602
Non Current Assets			
Other Financial Assets		75	95
Property and Equipment		251	368
Intangible Assets	10	1,843	1,055
Goodwill	10	2,570	2,449
Total Non-Current Assets		**4,739**	3,967
Total Assets		**31,576**	41,569
LIABILITIES			
Current Liabilities			
Trade and Other Payables		2,286	2,286
Contract Liabilities		291	230
Provisions		2,206	3,147
Total Current Liabilities		**4,783**	5,663
Non-Current Liabilities			
Provisions		109	102
Total Non-Current Liabilities		**109**	102
Total Liabilities		**4,892**	5,765
Net Assets		**26,684**	35,804
EQUITY			
Issued Capital	11	219,744	219,746
Reserves		23,805	20,652
Accumulated Losses		(216,865)	(204,594)
Total Equity		**26,684**	35,804

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December

	Notes	2018 $000	2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers (Inclusive of GST and US Sales Tax)		2,295	2,359
Payments to Suppliers (Inclusive of GST and US Sales Tax)		(5,993)	(7,219)
Payments to Employees		(8,858)	(9,479)
Interest Received		227	205
Other Receipts		2,949	2,463
Net Cash Flows Used in Operating Activities		**(9,380)**	(11,671)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the Disposal of a Business, net of Disposal Costs	16	467	-
Purchase of Property and Equipment		(21)	(51)
Development Expenditures and Purchase of Intangibles		(974)	(32)
Net Cash Flows Used in Investing Activities		**(528)**	(83)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Ordinary Shares		16	144
Transaction Costs from Capital Raising		(2)	(7)
Net Cash Flows From Financing Activities		**14**	137
Net Decrease in Cash and Cash Equivalents		(9,894)	(11,617)
Net Foreign Exchange Differences		1,187	(861)
Cash and Cash Equivalents at Beginning of Period		31,345	54,884
Cash and Cash Equivalents at the End of the Period	8	**22,638**	42,406

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Issued Capital	Share Reserves	Foreign Currency Reserves	Reserves	Accumulated Losses (Restated)	Total
		$000	$000	$000	$000	$000	$000
At 30 June 2017		219,493	12,767	3,759	16,526	(177,222)	58,797
Change in Accounting Policies		-	-	-	-	-	-
Loss for the Period from Continuing Operations		-	-	-	-	(14,433)	(14,433)
Loss for the Period from Discontinued Operations		-	-	-	-	(48)	(48)
Other Comprehensive Loss from Continuing Operations		-	-	(858)	(858)	-	(858)
Other Comprehensive Gain from Discontinued Operations		-	-	74	74	-	74
Total Comprehensive Loss for the Period		-	-	(784)	(784)	(14,481)	(15,265)
Equity Transactions:							
• Share-based Payments		-	1,492	-	1,492	-	1,492
• Allotment of Ordinary Shares		142	-	-	-	-	142
• Costs of Capital Raising		(15)	-	-	-	-	(15)
At 31 December 2017 (Restated)		219,620	14,259	2,975	17,234	(191,703)	45,151
At 30 June 2018 (Restated)		**219,746**	**16,022**	**4,630**	**20,652**	**(204,594)**	**35,804**
Loss for the Period from Continuing Operations		-	-	-	-	(12,144)	(12,144)
Loss for the Period from Discontinued Operations		-	-	-	-	(127)	(127)
Other Comprehensive Gain from Continuing Operations		-	-	1,506	1,506	-	1,506
Other Comprehensive Loss from Discontinued Operations		-	-	(214)	(214)	-	(214)
Total Comprehensive Gain for the Period		-	-	1,292	1,292	(12,127)	(10,979)
Equity Transactions:							
• Share-based Payments		-	1,861	-	1,861	-	1,861
• Costs of Capital Raising		(2)	-	-	-	-	(2)
At 31 December 2018		**219,744**	**17,883**	**5,922**	**23,805**	**(216,865)**	**26,684**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CHAPTER 4

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2018

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NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

CORPORATE INFORMATION

The consolidated financial statements of ImpediMed Limited for the six-months ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 21 February 2019.

ImpediMed Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

BASIS OF PREPARATION

The interim consolidated financial statements ("financial report") for the half-year ended 31 December 2018 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by the Group during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report with the exception of the impact of the adoption of new standards (refer to Note 17).

RECLASSIFICATION

Certain prior period amounts have been reclassified for financial statement presentation purposes. These reclassifications have no impact to previously reported net loss and other comprehensive income.

GOING CONCERN

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group had cash at its disposal of $22.6 million at 31 December 2018 (30 June 2018: $31.3 million) and had no borrowing from banks or other financial institutions at that date.

Whilst the Group continues to generate operating losses and net cash outflows from operations, the Board approved operating plan and cash flow projections demonstrate that the Group will be able to pay its debts as and when they fall due for a period in excess of 12-months from the date the financial report has been signed. The Board approved operating plan includes assumptions around the continued growth in sales, and in the event that the Group does not achieve the sales forecasts, the Group has the ability to reduce discretionary operating expenditure to enable the Group to continue to be able to pay its debts as and when they fall due for a period in excess of 12-months from the date the financial report has been signed. On that basis, the going concern assumption has been used.

2. EARNINGS PER SHARE (EPS)

	2018 $000	2017 $000 (Restated)
Net Loss used in Calculating Basic and Diluted Earnings		
Continuing Operations	(12,144)	(14,433)
Discontinuing Operations	(127)	(48)
Net Loss Attributable to Ordinary Equity Holders of the Parent for Basic and Diluted Earnings per Share	**(12,271)**	(14,481)
	No.	No.
Weighted Average Number of Ordinary Shares Used in Calculating Basic and Diluted Earnings per Share	**378,993,655**	375,614,079
	$	$
Basic and Diluted Loss per Share	**(0.03)**	(0.04)
Basic and Diluted Loss per Share from Continuing Operations	**(0.03)**	(0.04)

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares outstanding between the reporting date and the date of authorization of these financial statements.

Basic earnings per share (EPS) is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. There were no preference share dividends during the period. Diluted earnings per share, which is currently not applicable to the Group due to the net loss, would be calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

No difference resulted in calculating the basic and diluted EPS for discontinued operations for the current reporting period and the prior corresponding period.

During the current period, there were no new issuances of shares. For the prior period, all issuances of new shares related to the exercise of options and vesting of performance rights by employees and consultants.

As of the end of current period there were 32,830,038 (30 June 2018: 32,226,038) options and 4,741,500 (30 June 2018: 4,431,500) performance rights on issue.

3. DIVIDENDS PAID AND PROPOSED

There were no dividends paid or proposed during the current reporting period or in the prior corresponding period.

4. SEGMENT REPORTING

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2018 and 2017.

During the half-year, the Chief Executive Officer, who is the Chief Operating Decision Maker, reviewed the business revenue information categorised by the Group's SOZO and Legacy product lines which make up Medical segment, consistent with the previous annual report. The Group is no longer including the Test and Measurement segment (refer to Note 16 Discontinued Operations). As a result of the discontinued operations in the current period, all items from Net Loss are now allocated to the Medical segment.

MEDICAL

The Medical segment is a supplier of non-invasive medical equipment of software employing bioimpedance spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of tissue composition and fluid status. The Medical cash generating unit is the core business of the Group and is the main strategic operating segment. On a monthly basis, the Chief Executive Officer assesses the performance of the Medical segment by analyzing the segment's revenue based on the SOZO product line and legacy product lines. The primary focus during the current period for the Medical segment was continuing the launch of SOZO and the introduction of the subscription revenue model, focused on building a high margin contracted revenue pipeline for strong recurring revenue growth. Refer to the 2018 Annual Report for additional information on the Group's segment reporting.

Half-Year Ended 31 Dec 2018	**Medical**		**Total $000**
	SOZO® $000	**Legacy $000**	**Total $000**
Revenue			
Revenue from Subscriptions and Consumables	**486**	**846**	**1,332**
Revenue from Devices	**317**	**123**	**440**
Other Revenues	**12**	**17**	**29**
Total Revenue by Segment	**815**	**986**	**1,801**

Half-Year Ended 31 Dec 2017	**Medical**		**Total $000 (Restated)**
	SOZO® $000	**Legacy $000**	**Total $000**
Revenue			
Revenue from Subscriptions and Consumables	8	1,034	1,042
Revenue from Devices	219	227	446
Other Revenues	-	29	29
Total Revenue by Segment	227	1,290	1,517

GEOGRAPHICAL INFORMATION

The following information presents revenue and loss information for the six-months ended 31 December 2018 and 2017 and non-current assets information regarding geographical segments as at 31 December 2018 and 30 June 2018. Revenue data is based on the location of the customer for geographical reporting purposes.

Australia / Rest of World (ROW)

Australia is the corporate home office of the Group and the main domicile of its research and product development activities, contract manufacturing of devices and corporate services. The Australia / ROW geographical segment primarily sells and ships Medical segment products to customers and distributors located in Australia, Europe and the rest of the world excluding the US.

North America

The Group's North American office in Carlsbad, California serves as the operational hub for the Medical segment and the domicile of its main assets and executive personnel. This office sells and ships Medical segment products to customers located in the US.

Geographic Segment Revenue

Geographic segment revenue for Australia and Rest of World for the six-months ended 31 December 2018 totaled $0.3 million, while North America was $1.5 million. Geographic segment revenue for Australia and Rest of World for the six-months ended 31 December 2017 totaled $0.4 million, while North America was $1.1 million.

Geographic non-current segment assets for Australia and Rest of World as at 31 December 2018 totaled $1.9 million, while North America was $2.8 million. Geographic non-current segment assets for Australia and Rest of World as at 30 June 2018 totaled $1.1 million, while North America was $2.8 million.

SEGMENT ASSETS

The following table presents segment assets of the Group's operating segments as at 31 December 2018 and 30 June 2018.

As at 31 December 2018	**Medical $000**	**T&M $000**	**Total $000**
Segment Assets	**31,576**	**-**	**31,576**

As at 30 June 2018	**Medical $000**	**T&M $000**	**Total $000**
Segment Assets (Restated)	40,532	1,037	**41,569**

ADJUSTMENTS AND ELIMINATIONS

As a result of the discontinued operations in the current period, all finance income, finance costs, and depreciation and amortization expenses have been allocated to the Medical operating segment.

5. REVENUE

	2018 $000	2017 $000 (Restated)
Sale of Goods and Subscription Services		
Revenue from Subscriptions (i)	486	8
Revenue from Consumables (i)	846	1,034
Total Revenue from Subscriptions and Consumables	1,332	1,042
Revenue from Devices	440	446
Other Revenues	29	29
Total Revenue	**1,801**	1,517

(i) The increase in Revenue from Subscriptions and decrease in Revenue from Consumables occurred as the Group transitions from sales of its legacy products to SOZO. The group continues to transition the existing L-Dex customer base responsible for consumable sales from the legacy product line to SOZO.

6. OTHER INCOME

	31 Dec 2018 $000	31 Dec 2017 $000
R&D Tax Incentive (i)	1,345	1,058
Proceeds from Tax Refunds, Grants and Other (ii)	26	123
Other Income and Finance Costs	**1,371**	1,181

(i) The Group receives payments for research & development (R&D) tax credits under the AusIndustry R&D Tax Incentive program. The Group accrues for amounts when there is reasonable assurance of receipt. Whilst there is a judgment involved in when there is reasonable assurance, the Group has a history of successful lodgings and receipts with the Australian Tax Office.

(ii) Proceeds from Tax Refunds and Grants includes amounts received for an Export Market Development Grant (EMDG) and other rebate programs.

7. EXPENSES

Salaries and Benefits	2018 $000	2017 $000
Wages and Salaries (i)	4,523	5,619
Performance & Sales Bonus	2,086	1,731
Superannuation	233	225
Annual Leave & Long Service Leave	(35)	70
Employee Benefits	459	446
Other Employee Costs	398	453
Sub-total Salaries and Benefits	7,664	8,544
Share -based Payments to Employees	1,861	1,492
Total Salaries and Benefits	**9,525**	10,036

(i) Certain wages and salaries relating to SOZO software development have been recognised as Intangible Assets in accordance with AASB 138 *Intangible Assets* in both the current and prior corresponding periods. In addition, certain wages and salaries directly related to SOZO customer installations and trainings are allocated to cost of revenue for the current period.

Clinical Trials Research and Development	2018 $000	2017 $000
Product Development (i)	43	420
Other Research and Development	36	1
Sub-total Research and Development	**79**	421
Oncology Clinical Trials (ii)	597	665
Cardiology Clinical Trials (iii)	778	572
Sub-total Clinical Trials	**1,375**	1,237
Total Research and Development	**1,454**	1,658

(i) During the financial period, and as a result of the initial launch of SOZO, the Group reduced third-party product development and software development costs related to SOZO.

(ii) With enrolment completed in the 1,100 patient PREVENT Trial, the largest international multicentre randomised controlled trial undertaken in the prevention of breast cancer-related lymphoedema, costs related to oncology clinical trials decreased in the current financial period. The Group expects that expenditure on the PREVENT Trial will continue as follow up screening continues for existing patients within the trial.

(iii) The Group continues enrolment in the 200-patient at-home heart failure trial. The study is designed to demonstrate the extent to which changes in SOZO BIS measurements preempt patient-reported symptoms of acute HF that lead to hospital readmissions. Data has shown 25 percent of patients admitted for HF will be readmitted in less than 30 days. Earlier identification of fluid overload allows for treatment changes which have resulted in significant reduction of cost re-hospitalization. The Group expects that expenditure on the HF study will continue as enrolment in the trial increases.

Administrative and Governance Fees	2018 $000	2017 $000
Directors Fees	377	364
Governance and Regulatory Fees	333	391
Insurance	281	203
Administrative Expenses (i)	118	910
Foreign Currency Loss/(Gains) on Transactions	11	66
Total Administrative and Governance Fees	1,120	1,934

(i) In the previous corresponding period, the Group raised provisions totaling $761,000 related to inventory and bad debt expenses, compared to $22,000 in the current reporting period.

Consulting and Professional Fees	2018 $000	2017 $000
Professional Fees	110	147
Consulting Fees (i)	527	1,170
Patent and Trademark Fees	371	219
Total Consulting and Professional Fees	1,008	1,536

(i) The decrease in consulting fees for the current financial period was primarily attributable to reduced sales and marketing consulting expenses for regions outside of the United States, in addition to overall financial discipline across all departments.

Depreciation and Amortisation included in Consolidated Statement of Comprehensive Income	**2018 $000**	**2017 $000**
Depreciation of Property and Equipment	115	115
Depreciation of Demo and Loan Devices	21	28
Amortisation of Leasehold Improvements	2	5
Amortisation of Patents and Licenses	1	1
Amortisation of Software License Costs	37	27
Amortisation of Software Development (i)	123	-
	299	**176**
Depreciation of Operating Lease Devices (ii)	6	8
Total Depreciation and Amortisation	**305**	**184**

(i) Certain costs relating to SOZO software development have been recognised as Intangible Assets in accordance with AASB 138 *Intangible Assets* and amortised over their useful lives in the current financial period. Refer to Note 10 Intangible Assets and Goodwill for details on assets related to software development.

(ii) Under certain contracts with customers, the Group maintains ownership of devices until title of the devices transfer to the customers under the contract. The amortization expense related to these devices is included in cost of revenue.

8. CASH AND CASH EQUIVALENTS

	As at 31 Dec 2018 $000	**As at 30 Jun 2018 $000**
Cash at Bank and in Hand	4,047	3,046
Short Term Deposits	18,591	28,299
Cash and Cash Equivalents	**22,638**	31,345

9. TRADE AND OTHER RECEIVABLES

Depreciation and Amortisation included in Statement of Comprehensive Income	**As at 31 Dec 2018 $000**	**As at 30 Jun 2018 $000 (Restated)**
Trade Receivables (i)	783	1,247
Allowance from Credit Loss	(92)	(396)
Interest Receivable	36	41
Tax and Other Receivables	1,458	3,208
Total Trade and Other Receivables	**2,185**	4,100

(i) Refer to Note 17 Changes to the Group's Accounting Policies for additional information related to the impact of AASB 15 Revenue from Contracts with Customers on contract assets.

10. INTANGIBLE ASSETS AND GOODWILL

INTANGIBLE ASSETS

During the six-months ended 31 December 2018, the Group generated intangible assets with a cost of $946,000 (31 December 2017: $40,000) related to the development of SOZO software. In accordance with AASB 138 *Intangible Assets*, the Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and expected period of benefits.

Other intangible assets decreased in the current period due to the amortisation of SOZO software, computer software and licenses. This decrease was partially offset by foreign currency exchange movements.

GOODWILL

Goodwill increased in the current period due to foreign currency exchange movements.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group uses a value in use, discounted cash flow methodology. All assumptions used in the calculation are based on budgets and forecasts and consider the size of markets available to the Group. The key inputs used in impairment testing were disclosed in the annual consolidated financial statements for the year ended 30 June 2018.

The Group found no evidence of indicators of impairment of goodwill or other assets, and as a result, no impairment loss has been recognised at the reporting date.

11. ISSUED CAPITAL

ORDINARY SHARES

	Members of Shares	**$000**
At 31 December 2017	378,083,437	219,620
Issued During the Period as a Result of: Employee Exercise of Options	910,218	130
Transactions Costs	-	(4)
At 30 June 2018	**378,993,655**	**219,746**
Issued During the Period as a Result of: Transactions Costs	-	(2)
At 31 December 2018	**378,993,655**	**219,744**

12. SHARE-BASED PAYMENT PLANS

For the six-months ended 31 December 2018, the Group had $1.9 million (31 December 2017: $1.5 million) of share-based payment transactions in the Consolidated Statement of Comprehensive Income.

The weighted average fair value of the options granted during the six-month period was $0.23 (31 December 2017: $0.49).

During the current period, 604,000 share options (31 December 2017: 7,080,200) and 310,000 performance rights (31 December 2017: 3,203,000) were granted under the Employee Incentive Plan (EIP). The awards granted included 515,000 share options (31 December 2017: 3,417,000) and 310,000 performance rights (31 December 2017: 2,396,000) granted to key management personnel ("KMP") during the period. The exercise price of the options was valued at the share price on the date of issue using the five-day weighted average share price.

The fair value of awards granted, as mentioned above, were estimated on the date of grant using the following assumptions:

Depreciation and Amortisation included in Statement of Comprehensive Income	Options	Performance Rights
Expected Volatility (%)	75.90	75.90
Risk Free Interest Rate (%)	1.93	1.93
Dividend Yield (%)	-	-
Average Expected Life (years)	4.75	3.00
Strike Price ($)	0.52	-

SHARE OPTIONS

Share options are issued to eligible participants under the EIP. Share options issued during the period vest on the one-year anniversary of the date of grant in an amount equal to the product of one-fourth multiplied by the number of total options granted. The remaining options vest evenly on an annual basis over the next three years if the participant is still employed on such dates. In a situation where there is likely to be a change of control of the Group, the Board may have the discretion to determine whether some, none or all of the LTI instruments will vest. The fair value of the options granted is estimated at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

PERFORMANCE RIGHTS

Performance shares (or Performance Rights) are issued to eligible participants under the EIP in recognition of their contribution to the performance of the Group and are often subject to meeting individual performance hurdles.

All performance rights are issued at the discretion of the Board of Directors and are issued for nil consideration. The performance rights granted during the year vest in full on the third anniversary of the grant date. In the event of a change of control, all outstanding unvested performance rights may vest on an accelerated basis immediately.

If the participant ceases employment with the Group where such cessation of employment is due to the participant's death, permanent illness or permanent physical or permanent mental incapacity (as certified by a medical practitioner who is approved in writing by the Board), the performance rights will fully vest on the third anniversary of the date of grant.

Performance rights which have not vested shall automatically lapse and be forfeited without consideration upon cessation of the participant's employment with the Group.

The fair value of performance shares is measured by using the stock price for ImpediMed Limited as of the close of business on the day prior to the grant date multiplied by the number of eligible shares. The number of eligible shares is measured using a combination of the probability of future service and the achievement of specific goals.

13.RELATED PARTY DISCLOSURE

ULTIMATE PARENT

ImpediMed Limited is the ultimate Australian parent entity.

SUBSIDIARIES

The consolidated financial statements include the financial statements of ImpediMed Limited and the subsidiaries listed in the following table as of 31 December:

Name	Country of Incorporation	% Equity Interest	
		2018	2017
ImpediMed Incorporated	United States	100	100
ImpediMed Hellas	Greece	100	100
ImpediMed TM Incorporated (i)	United States	100	100

(i) In October 2018, ImpediMed Limited agreed to the divestiture of XiTRON Technologies, Incorporated to an unrelated party. Under the terms of the agreement, ImpediMed sold the majority of its net assets in the wholly-owned subsidiary that were related to the test and measurement operating segment. As a result of the transaction, ImpediMed Limited considers the Group to have exited the test and measurement operating segment and subsequently changed the name of the entity to ImpediMed TM, Incorporated.

RELATED PARTIES

For the current period, no transactions with Directors or Key Management Personnel occurred that would be considered related party transactions. Directors' fees accrued and not paid were nil at 31 December 2018 (30 June 2018: nil).

Terms and Conditions of Transactions with Related Parties:

Transactions with all related parties, including sales to and purchases from related parties, are made at arm's length both at normal market prices and on normal commercial terms.

14. COMMITMENTS AND CONTINGENCIES

OPERATING COMMITMENTS

At 31 December 2018, the Group had operating commitments of $1.3 million (30 June 2018: $1.2 million) primarily relating to the office leases for one Australian-based facility, one U.S.-based facility, and one European-based facility, with a range of one year to four years remaining on the leases.

EXPENDITURE COMMITMENTS

At 31 December 2018, the Group had expenditure commitments of $1.5 million (30 June 2018: $2.2 million) relating to the funding of clinical trials, research & development endeavours, future product builds, advertising and promotional activities, and other activities. The expenditure commitments primarily relate to the commercialisation and manufacturing of SOZO® devices, as well as the Group's growing body of clinical evidence related to clinical trials.

LITIGATION

At 31 December 2018, the Group had no known open formal claims or lawsuits against it.

15. EVENTS AFTER THE BALANCE SHEET DATE

13 FEBRUARY 2019

The Group announced that the full manuscript of the previously announced abstract *Correlation of Limb Bioimpedance to Echocardiographic Indicators of Congestion in Patients with NYHA Class II/III Heart Failure* has been published in the Cardiology and Vascular Research journal.

29 JANUARY 2019

The Group announced that the prespecified, interim detailed results of the PREVENT trial will be presented during the scientific session of the 2019 Annual Meeting of the American Society of Breast Surgeons (ASBrS) in Dallas, Texas, from 30 April to 5 May 2019.

16 JANUARY 2019

The Group announced that it received a multi-year national purchasing agreement for its SOZO Digital Health Platform from Ascension Health Resources.

Refer to the Directors' Report for additional information related to these announcements.

16. DISCONTINUED OPERATIONS

In October 2018, the Group announced that it agreed to the divestiture of XiTRON Technologies, Inc. ("XiTRON"), a wholly owned subsidiary of the Parent. Under the terms of the agreement, the Group agreed to sell the majority of the net assets of the test and measurement ("T&M") business. The T&M business of XiTRON represented the entirety of the Group's T&M operating segment through its closure in October 2018.

During the current financial period, the Group applied AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* as part of accounting for the divestiture of XiTRON Technologies, Inc. and the T&M operating segment. The entirety of the transaction occurred during the current financial period. AASB 5 prohibits the retrospective classification as a discontinued operation, when the discontinued criteria are met after the end of the reporting period.
With the T&M business of XiTRON being classified as a discontinued operation, the T&M operating segment is no longer presented as a distinct operating segment. Refer to Note 4 Segment Reporting for additional information on segment reporting.

The results of the test and measurement operating segment for the half-year ended 31 December are presented as follows:

	2018 $000	2017 $000
Revenue from Contracts with Customers	292	503
Expenses	(386)	(551)
Operating Loss	(94)	(48)
Impairment Loss Recognised on the Remeasurement to Fair Value Less Costs to Sell	(33)	-
Loss for the Year from Discontinued Operations	(127)	(48)
Proceeds from the Disposal of a Business, Net of Disposal Costs	467	-
Net Assets Associated with Discontinued Operations	594	-
Loss for the Year from Discontinued Operations	(127)	-

The net cash flows incurred by the test and measurement operating segment for the half-year ended 31 December are presented as follows:

	2018 $000	2017 $000
Operating	8	(3)
Investing	-	-
Financing	-	-
Net Cash Flow	8	(3)

17. CHANGES TO THE GROUP'S ACCOUNTING POLICIES

IMPACT OF AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group applied AASB 15 R*evenue from Contracts with Customers* for the first time during the current financial period. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

AASB 15 REVENUE RECOGNITION POLICY

(a) Sale of Goods - Device and Consumable Revenue

Revenue from the stand-alone sale of devices and consumables is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the devices or consumables, and when there is persuasive evidence, usually in the form of a purchase order or an executed sales agreement with a customer at the time of delivery of the goods to the customer that no further work or processing is required to satisfy the performance obligation, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed (for shipped goods this is the bill of lading date). The normal credit term is 30 to 90 days upon delivery.

In determining the transaction price for the sale of devices and consumables, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(b) Subscription Services

Revenue from the subscription services related to ongoing provision of access to assessment and testing for SOZO are accounted for over time on a straight-line basis over the life of the enforceable contract based on the quoted price in the form of a purchase order or an executed sales agreement with a customer.

In determining the transaction price for the subscription services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(c) Rendering of Services

Revenue from the repair of instruments is recognised at the point in time upon completion of the performance obligation, which is typically when the repair has been performed and the obligation is due from the customer. When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

KEY CONSIDERATIONS IN THE REVENUE POLICY

(i) Multi-Element Arrangements

The Group enters into contracts with customers for bundled sales of SOZO devices and subscription services for ongoing assessment. The Group has determined that these bundles sales contracts are comprised of two performance obligations because the promises to transfer the SOZO device and provide subscription services for ongoing assessment are capable of being distinct and separately identified. Accordingly, the Group allocates the transaction price, which may include a discount, based on the relative stand-alone selling prices of the equipment and subscription services.

The transaction price allocated to the SOZO device is recognised in accordance with sale of goods, and the transaction price allocated to the subscription services is recognised in accordance with the subscription services revenue.

(ii) Significant Financing Component

The Group may receive short-term advances from its customers in the form of up-front payment of devices, consumables or advance payment of subscription services. Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. There was no adjustment made in respect of this in the current or prior periods.

(iii) Warranty Obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

(iv) Incremental Costs of Obtaining a Contract

The Group pays sales commission to its employees for each contract that they obtain for bundled sales of Sozo devices and subscription services. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(v) Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract asset is recognised for the earned consideration that is conditional, where the Group completes the performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

(vi) Judgements

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a bundled sale of equipment and subscription services. The Group provides devices that are either sold separately or bundled together with subscription services to a customer. The subscription services are a promise to provide ongoing access to assessment and testing services in the future and are part of the negotiated exchange between the Group and the customer. The Group determined that both the device and subscription services are capable of being distinct. The Group also determined that the promises to transfer the device and to provide services are distinct with in the context of the contract. The device and subscription services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the device and subscription services together in this contract do not result in any additional or combined functionality and neither the device nor the subscription services modify or customise the other. Consequently, the Group allocated a portion of the transaction price to the device and the subscription services based on relative stand-alone selling prices.

IMPACT OF ADOPTING THE NEW STANDARD - RESTATEMENT OF PRIOR PERIOD BALANCES

The Group adopted AASB 15 using the full retrospective method of adoption. There was no opening retained earnings adjustment as at 1 July 2017 due to the fact that there were no SOZO bundled contracts in existence at this date. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The effect of adopting AASB 15 on the comparative period is, as follows:

(i) Impact on Statement of Profit or Loss (Increase/(Decrease) in Profit)

	Adjustments	31 December 2017
Revenue from Devices	(a)	(64)
Total Revenue	(a)	(64)
Loss from Continuing Operations Before Income Tax	(a)	(64)
Net Loss from Continuing Operations	(a)	(64)

(ii) Impact on Basic and Diluted Earnings Per Share (EPS) (Increase/(Decrease) in EPS)

	Adjustments	31 December 2017
Basic and Diluted Earnings per Share	(a)	-

(ii) Impact on the Consolidated Balance Sheet at 30 June 2018

	Adjustments	30 June 2018
Contract Assets	(a)	(198)
Accumulated Losses	(a)	(198)

The change did not have a material impact on OCI or the consolidated statement of cash flows for the period.

(a) Sale of SOZO Bundled Contracts (SOZO Device & Subscription Services)

Before the adoption of AASB 15, the Group accounted for the device and subscription service as separate deliverables within bundled sales and allocated consideration to each deliverable using the relative fair value approach resulting in an amount which was comparable to historical legacy device pricing. Under AASB 15, the Group assessed that there were two performance obligations in a contract for bundled sales of devices and subscriptions services and performed a re-allocation of the transaction price based on their relative stand-alone selling prices, which decreased the amount allocated to the devices and the contract assets in the comparative period.

IMPACT OF AASB 9 FINANCIAL INSTRUMENTS

The Group applied AASB 9 *Financial Instruments* for the first time during the current financial period. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB 9 requires that financial assets be measured at amortised cost, fair value through Other Comprehensive Income, or fair value through the Consolidated Statement of Comprehensive Income. The majority of the Group's tangible assets are cash, short term deposits, accounts receivables, and inventory.

IMPACT OF ADOPTING THE NEW STANDARD – FINANCIAL ASSETS & FINANCIAL LIABILITIES ACCOUNTING POLICY

i) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

At reporting date, the Group has the following financial assets:

- Trade and other receivables; and
- Short-term cash deposits.

As the trade receivables do not contain a significant financing component they are initially measured at the transaction price determined under AASB 15.

Short-term cash deposits are initially measured at the face value of the initial deposit.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial Assets at Amortised Cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii) Financial liabilities

Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

At reporting date, the Group's financial liabilities include trade and other payables.

Subsequent Measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value Through Profit or Loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

IMPACT OF ADOPTING THE NEW STANDARD - RESTATEMENT OF PRIOR PERIOD BALANCES
On adoption of the new standard at 1 July 2018, the Group reviewed on transition the effect that any credit loss impact had on trade receivables at 30 June 2018 and determined that AASB 9 did not have a material effect on the Group's consolidated financial statements compared to the Group's existing policies on provisioning for doubtful debts on trade receivables.

IMPACT OF AASB 2016-5 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS -CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS
The AASB issued amendments to AASB 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The Group has no share-based payment transactions with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transactions. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2018

In accordance with a resolution of the Directors of ImpediMed Limited, we state that:
In the opinion of the Directors:

(a) The financial statements and notes of the consolidated entity for the half-year ended 31 December 2018 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Scott Ward
Chairman

Judith Downes
Director

21 February 2019

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Independent Auditor's Review Report to the Members of ImpediMed Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ImpediMed Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we 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*.

Ernst & Young

Jennifer Barker
Partner
Perth
21 February 2019

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FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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