

ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 30 JUNE 2018

1. DETAILS OF REPORTING PERIOD				
Name of Entity	G Medical Innovations Holdings Ltd (“the Company”)			
ARBN	617 204 743			
Reporting Period	30 June 2018			
Previous Corresponding Period	30 June 2017			
2. RESULTS FOR ANNOUNCEMENT TO THE MARKET				
	30 June 2018 US\$'000	30 June 2017 US\$'000	Increase/ (decrease) %	Amount change US\$
Revenues from ordinary activities	1,001	-	100%	1,001
Profit/(Loss) after tax from ordinary activities attributable to members	(8,509)	(21,740)	(61)%	13,231
Profit/(Loss) after tax attributable to members	(8,509)	(21,740)	(61)%	13,231
			Amount Per Security	Franked Amount Per Security
Final Dividend			Nil	Nil
Interim Dividend			Nil	Nil
Previous Corresponding Period			Nil	Nil
Record Date for Determining Entitlements	Not Applicable			

Commentary on results:

G Medical Innovations Holdings Ltd (the Company) reports on half year results as of 30 June 2018. The Company had a net loss of US\$ 8.509 million versus US\$ 21.740 million in the comparable period of 2017.

The Company generated first revenues of US\$ 1.001 million, which were offset by the following operating expenses:

R&D, S&M and G&A expenses went up from US\$ 3.136 million in H1 2017 to US\$ 9.067 million. That includes:

- Expenses of US\$ 0.970 million attributed to the amortization of intangible assets while acquiring CardioStaff (renamed G Medical Diagnostic Services).
- From the balance of approximately \$5.000 million, about US\$ 3.200 million is attributed to CardioStaff activities in the US which was purchased close to the end of 2017. The rest is attributed to other operational expenses incurred to meet the Company's development (including FDA and CFDA regulatory requirements) and business goals.

3. NET TANGIBLE ASSETS PER SHARE		
	30 June 2018	30 June 2017
Net tangible asset backing per ordinary security	0.002 cents	0.035 cents

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities		
Name of entity (or group of entities)		N/A
Date control gained		N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		N/A
Loss of control over entities		
Name of entity (or group of entities)		N/A
Date control lost		N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)		N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		N/A

5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 30 June 2018.

6. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

Not Applicable

8. FOREIGN ENTITIES

The interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

9. AUDIT

The interim financial information for the six-month period ended 30 June 2018 presented has been reviewed and are not subject to any audit dispute or qualification.

Dr Yacov Geva
 President and Chief Executive Officer
 August 30, 2018





INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2018

**G MEDICAL INNOVATIONS
HOLDINGS LTD ARBN 617 204 743**
(A company incorporated in the
Cayman Islands) and its subsidiaries

CORPORATE DIRECTORY

Registered Office

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Telephone 1300 288 664 (within Australia) +61 2 9698 5414 (overseas)

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Securities Exchange Listing

Australian Securities Exchange Limited (ASX)

ASX Code: GMV

Solicitors

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Auditor

BDO Ziv Haft
Head Office: Amot Bituach House Building B, 48
Menachem Begin Road, Tel Aviv 66180
ISRAEL

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DIRECTOR'S REPORT

The Directors of G Medical Innovations Holdings Limited (the Company) and controlled entities (the Group or Consolidated Entity) submit the following report for the half year ended 30 June 2018 (Financial Period).

DIRECTORS

The names and particulars of the Directors of the Company during the half year and to the date of this report are:

NAME	STATUS	APPOINTED/RESIGNED
Dr Yacov Geva	President and Chief Executive Officer	Appointed 3 October 2014
Dr Kenneth R Melani	Non-Executive Chairman	Appointed 21 August 2014
Mr Louis Antoniou	Executive Director	Appointed 24 February 2017
Dr Shuki Gleitman	Non-Executive Director	Appointed 24 February 2017
Dr Brendan de Kauwe	Non-Executive Director	Appointed 3 May 2018
Mr Urs Wettstein	Non-Executive Director	Appointed 24 February 2017
Mr Sam Skontos	Non-Executive Director	Appointed 3 May 2018
Mr Ashley Krongold	Non-Executive Director	Resigned 23 April 2018

COMPANY SECRETARY

Mr Stephen Buckley - Resigned 2 July 2018

Mr Steven Wood - Appointed 2 July 2018

REVIEW AND RESULTS OF OPERATIONS

G Medical Innovations Holdings Ltd (The Company) reports on half year results as of 30 June 2018. The Company had a net loss of US\$ 8.509 million versus US\$ 21.740 million in the comparable period of 2017.

The Company generated first revenues of US\$ 1.001 million, which were offset by the following operating expenses:

- R&D, S&M and G&A expenses went up from US\$ 3.136 million in H1 2017 to US\$ 9.067 million. That includes:
 - Expenses of US\$ 0.970 million attributed to the amortization of intangible assets while acquiring CardioStaff (renamed G Medical Diagnostic Services).
 - From the balance of approximately US\$5.000 million, about US\$ 3.200 million is attributed to CardioStaff activities in the US which was purchased close to the end of 2017. The rest is attributed to other operational expenses incurred to meet the Company's development (including FDA and CFDA regulatory requirements) and business goals.

The revenues were mainly generated from G Medical Diagnostic Services (GMedDx). The IDTF offers extended Holter (AECG) monitoring services and recently launched a service utilizing Mobile Cardiac Telemetry (MCT) monitors. We have experienced 50-60% month over month growth in enrolments. Significant resources were invested to bring an excellent clinical reporting portfolio with comprehensive reporting capabilities. GMedDx is also pursuing more payor contracts, including several key strategic agreements.

In February, our subsidiary Guangzhou Yimei Innovative Medical S&T Co. Ltd, was granted acceptance to the Green Channel expedited Guangdong Provincial CFDA (China Food and Drug Administration) regulatory approval process for the Prizma medical smartphone case. The special review and approval procedures for innovative medical devices ensures the safety and effectiveness of products for the Chinese market. It is a significant milestone for G Medical and its planned rollout. It also delivers additional benefits, including expedited future CFDA applications and a reduction in local enterprise income tax from 25% to 15%.

Prizma Update

- We received a conditional purchase order for Prizma medical smartphones, valued at USD \$3 million, from Zingmobile, a leading Singapore and Asia-Pacific mobile platform enabler (refer announcement 3 May 2018).
- The G Medical online store launched in May for direct to consumer purchase of Prizma medical smartphones in countries where certifications have been granted, including Europe and Australia.
- The arrhythmia algorithms within the Prizma platform received CE certification, reinforcing its' capability of performing as a practical diagnostic monitoring tool that can empower patients and provide caregivers with actionable data.

G Medical Patch

The G Medical Patch received CE Mark to function as an extended Ambulatory ECG for up to 14 days of continuous ECG recording. We expect to launch this unique offering in early 2019. We are also preparing regulatory approval submissions with the FDA and the CFDA.

Channel and Trade Marketing Activities

The Group exhibited at three important tradeshows in the USA and South America during the first half of 2018, where we experienced strong interest for both the Prizma and the G Medical Patch. Our multi-channel ECG solutions were very well received by many clinicians from the cardiology and electrophysiology fields.

SUBSEQUENT EVENTS

On 8 August 2018, G Medical announced its plan to list its Chinese subsidiary, Guangzhou Yimei Innovative Medical Science and Technology Co. Ltd, on the main board of The Stock Exchange of Hong Kong Limited ("HKSE"). Under the proposed listing, Guangzhou Yimei Innovative Medical Science and Technology Co., Ltd ("GYIMSTC Ltd") would spin off from G Medical, with G Medical to retain not less than a 50% ownership stake in the proposed HKSE listed GYIMSTC Ltd (G Medical Parent Co currently owns 70% of GYIMSTC Ltd.)

Global Investment Bank, UOB Kay Hian (Hong Kong) Limited ("UOB") will act as the financial adviser and will commit to the proposed IPO in accordance with all minimum listing requirements of HKSE and will work towards a listing within the next 6 to 9 months. G Medical cautions investors that there can be no certainty that the proposed IPO will be proceed, and that the listing is subject to satisfaction of all legal and regulatory requirements in Australia and Hong Kong, including any shareholder approval that may be required under the ASX Listing Rules. Shareholders will be updated throughout the process as appropriate. Funds raised from this listing will provide substantial working capital and fuel the research and development of innovative mobile health solutions and enable continued investment into state-of-the-art manufacturing facilities.

Under the terms of the Agreement, UOB will obtain an in-principle approval from the Hong Kong Stock Exchange to proceed with the listing application, with the initial market capitalisation of GYIMSTC Ltd to be at least HK\$1,500,000,000 (~A\$260 million), as required under the HKSE Listing Rules for biotech companies (Chapter 18A provisions). G Medical will also provide a submission to the ASX to determine the requirements to proceed with the proposed IPO of GYIMSTC Ltd. G Medical advises that it previously disclosed this potential IPO in its ASX announcement dated 22 May 2017 in respect of the joint venture agreement in China.


There have been no other matters or circumstances that have arisen since 30 June 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Shareholders' of G Medical Innovations Holdings Ltd and its subsidiaries on page 20 forms part of the Directors' Report for the half year ended 30 June 2018.

This report is signed in accordance with a resolution of the Board of Directors.

Dr Yacov Geva
President and Chief Executive Officer
August 30, 2018





REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS' OF G MEDICAL INNOVATIONS HOLDINGS LTD.

Introduction

We have reviewed the accompanying consolidated statements of financial position of G MEDICAL INNOVATIONS HOLDINGS LTD. and its subsidiaries (the "Company") as of June 30, 2018 and the related statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Review of Interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the Company as of June 30, 2018, and of its consolidated financial performance and its cash flows for the six month period then ended in accordance with International Accounting Standard IAS 34.

Tel-Aviv, Israel
August 30, 2018

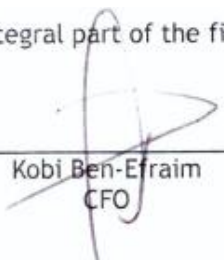
Ziv Haft
Certified Public Accountants (Isr.)
BDO Member Firm

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	June 30, 2018 Unaudited US\$ in thousands	Dec 31, 2017 US\$ in thousands
CURRENT ASSETS			
Cash and cash equivalents		3,204	14,158
Restricted cash		715	57
Inventories		1,284	231
Trade receivables, net		547	140
Other accounts receivable		889	525
Intangible assets, net		809	1,779
Total current assets		7,448	16,890
NON-CURRENT ASSETS			
Other assets		94	60
Goodwill		2,950	2,950
Property, plant and equipment, net		3,354	1,602
Total non-current assets		6,398	4,612
TOTAL ASSETS		13,846	21,502
CURRENT LIABILITIES			
Short term bank credit and current portion of long term bank loans		1,453	1,669
Trade payables		2,260	1,377
Loan from shareholder		2,011	492
Other accounts payable		1,084	998
Total current liabilities		6,808	4,536
NON-CURRENT LIABILITIES			
Derivative liability - warrants		241	778
Deferred taxes, net		170	374
Long term bank loans		2,052	2,606
Total non-current liabilities		2,463	3,758
SHAREHOLDERS' EQUITY			
	4		
Share capital		340	340
Other reserve		1,500	1,500
Additional paid in capital		38,861	38,723
Accumulated losses		(40,574)	(32,065)
<i>G Medical Innovations Holdings Ltd. Shareholder's equity</i>		127	8,498
Non-controlling interest		4,448	4,710
Total Equity		4,575	13,208
TOTAL LIABILITIES AND EQUITY		13,846	21,502

The accompanying notes are an integral part of the financial statements.

August 30, 2018
Date of approval


Kobi Ben-Efraim
CFO


Dr. Yacov Geva
President and Chief Executive Officer

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Six months period ended June 30, 2018 Unaudited US\$ in thousands	Six months period ended June 30, 2017 Unaudited US\$ in thousands
REVENUES		
Services	985	-
Products	16	-
Total sales	1,001	-
COST OF REVENUES		
Cost of services	1,018	-
Cost of sales of products	86	-
Total cost of revenues	1,104	-
Gross loss	103	-
Share based compensation	138	18,150
Research and development expenses	2,379	1,517
Selling, general and administrative expenses	6,688	1,619
Operating Loss	9,308	21,286
Finance income	(537)	(112)
Finance expenses	155	240
Loss before taxes on income	8,926	21,414
Taxes on income	(155)	329
Net comprehensive loss	8,771	21,743
Net comprehensive loss for the six months period attributed to:		
Non-controlling interest	262	3
G Medical Innovations Holdings Ltd. Shareholders'	8,509	21,740
Basic loss per share attributable to G Medical innovations holdings ltd. shareholders'	US\$(0.025)	US\$(0.122)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2018

US\$ in thousands	Share capital	Other reserve	Additional paid in capital	Accumulated deficit	Total	Non-controlling Interest	Total Shareholders' Equity
Unaudited, US\$ in thousands							
Balance at January 1, 2018	340	1,500	38,723	(32,065)	8,498	4,710	13,208
Changes during the period:							
Options exercise into shares	(*)	-	(*)	-	-	-	-
Share based compensation	-	-	138	-	138	-	138
Total comprehensive loss	-	-	-	(8,509)	(8,509)	(262)	(8,771)
Balance at June 30, 2018 (Unaudited)	340	1,500	38,861	(40,574)	127	4,448	4,575

For the six months ended 30 June 2017

US\$ in thousands	Share capital	Other reserve	Additional paid in capital	Accumulated deficit	Total	Non-controlling Interest	Total Shareholders' Equity
Balance at January 1, 2017 (Audited)	10	1,500	-	(5,008)	(3,498)	-	(3,498)
Changes during the period:							
Issuance of shares, net	60	-	8,550	-	8,610	-	8,610
Issuance of benefit shares	125	-	(125)	-	-	-	-
Options exercise into shares	14	-	(14)	-	*	-	*
Share based compensation	15	-	18,135	-	18,150	-	18,150
Conversion of convertible loan to shares and warrants	11	-	1,749	-	1,760	-	1,760
Issuance of shares to non-controlling interest	-	-	-	-	-	4,900	4,900
Total comprehensive loss	-	-	-	(21,740)	(21,740)	(3)	(21,743)
Balance at June 30, 2017 (Unaudited)	235	1,500	28,295	(26,748)	3,282	4,897	8,179

(*) Represents an amount lower than US\$ 1 thousand

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period ended	
	June 30, 2018	June 30, 2017
	Unaudited	
	US\$ in thousands	US\$ in thousands
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(8,771)	(21,743)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,131	25
Share based compensation	138	18,150
Change in fair value of derivative	(537)	-
Accrued interest of long term loans	(30)	-
Changes in deferred taxes	(204)	-
Change in fair value of convertible loan	-	62
Capital loss from sale of fixed assets	5	-
Increase in trade receivable	(407)	-
Increase in other accounts receivable	(407)	(23)
Increase in inventories	(1,053)	-
Increase in trade payables	948	251
Increase in other accounts payable	61	318
Accrued interest loan from controlling shareholder	52	-
Exchange rate differences	(33)	-
Change in restricted cash	2	(3)
Net cash used in operating activities	(9,105)	(2,963)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,073)	(174)
Proceeds from sale of fixed assets	91	-
Restricted cash	(660)	-
Net cash used in investing activities	(2,642)	(174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net	-	8,625
Options exercise into shares	*	*
Receipts of short term loan, net	-	500
Share issuance in subsidiary	-	5,000
Loan from shareholder	1,500	-
Receipts of long term loans from bank	59	115
Receipts of convertible loan	-	179
Repayment of loans from shareholder	-	(10)
Repayment of long-term loans	(613)	(31)
Repayment of short-term loans	(186)	-
Net cash provided by financing activities	760	14,378
Increase in cash and cash equivalents	(10,987)	11,241
Effects of exchange rate changes on cash and cash equivalents	33	-
Cash and cash equivalents at beginning of the period	14,158	752
Cash and cash equivalents at the end of the period	3,204	11,993

* Represents an amount lower than US\$ 1 thousand

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(cont.)

Appendix A - Amount paid during the period for

	Six months period ended	
	June 30, 2018	June 30, 2017
	Unaudited	
	US\$ in thousands	US\$ in thousands
Amount paid for the period for:		
Interest	131	41
Tax	26	48

Appendix B -Non-Cash Activities

	Six months period ended	
	June 30, 2018	June 30, 2017
	Unaudited	
	US\$ in thousands	US\$ in thousands
Non-cash activities:		
Conversion of convertible loan into shares and warrants	-	1,760
Purchase of property, plant and equipment	64	-
Issuance costs from non-controlling interest transaction	-	100

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(US\$ in thousands)

NOTE 1 - DESCRIPTION OF BUSINESS:

A. Overview

G Medical Innovations Holdings Ltd. was incorporated in October 2014 under the Cayman Island law. The Company is ushering a new era of healthcare and wellness by utilizing its patented wireless technologies, and proprietary information technology and service platforms, to empower a new generation of consumers, patients and providers to improve quality of life.

The Company develops the next generation of mobile technologies that will empower consumers and providers to better monitor, manage, and improve clinical and personal health outcomes.

The Company offers a suite of both consumer and clinical grade products and platforms which are positioned to reduce inefficiencies in healthcare delivery, improve access, reduce costs, increase quality of care, and make healthcare more personalized and precise.

The Company has incurred negative cash from operation and net losses for current and recent years. The company financed its operation up to date by using bank credit line, issuance of shares, and loan from its major shareholder. The company's major shareholder committed to continue and support the company's ongoing operation for the foreseeable future.

B. Subsidiary in USA

On October 30, 2017, the Company announced that its wholly owned subsidiary, G Medical Innovations USA Inc, had entered into an agreement to acquire 100% of the issue capital of Cardiostaff Diagnostic Services Inc ("Cardiostaff"), a United States based Independent Diagnostic Testing Facility.

In return the Company will assume up to a maximum of US\$3.22 million in debt and issue US\$1 million in the Company shares. On December 6, 2017, the Company completed the acquisition.

Upon the closing of the acquisition, the company issued 3,254,859 ordinary shares to the former Cardiostaff shareholders.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(US\$ in thousands)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the financial statements, on a consistent basis, are:

Basis of preparation

These interim consolidated financial statements of the company are for the six months ended June 30, 2018 and are represented in US dollar, which is the presentation and functional currency of the Company.

The general purpose interim consolidated financial statements have been prepared in accordance with the requirements of International Accounting Standard IAS 34 "Interim Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2017.

The interim consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the last annual consolidated financial statements of the company for the year ended December 31, 2017.

New standards, interpretations and amendments effective from 1 January 2018

IFRS 9 Financial Instruments:

The Company applies IFRS 9, "Financial Instruments" ("IFRS 9") as of 1 January 2018. IFRS 9 replaces IAS 39, "Financial Instruments: Recognition and Measurement". The adoption of IFRS 9 had no material impact on the Company's financial statements

IFRS 15 - "Revenue from Contracts with Customers" (hereafter - IFRS 15)

The Company applies IFRS 15 ('The Standard') as of 1 January 2018. The standard supersedes other IFRS provisions relating to revenue recognition. The adoption of IFRS 15 had no impact on the Company's financial statements. The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

IFRS 16- "Leases" (hereafter - IFRS 16)

Adoption of IFRS 16 will result in the Company recognizing right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognize related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognizing an operating expense for its operating lease payments, the Company will instead recognize interest on its lease liabilities and amortization on its right-of-use assets.

The amendments are effective for reporting periods (interim and annual) beginning after January 1, 2019.

The Company leases its office facilities and motor vehicles under various operating leases.

The Company applying IFRS 16 at the date of initial application.

Present value of future lease liabilities under operating leases as of June 30, 2018 are: 980.

The leases payments discounted using the interest rate of 10% per annum.

Right of use assets as of June 30, 2018 are: 1,114.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(US\$ in thousands)

NOTE 3 - FAIR VALUE MEASUREMENT:

The following table sets out the Company's liabilities that are measured and recognized at fair value in the financial statements:

	Fair value measurements using input type			
	June 30, 2018 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Derivative liability - warrants	-	(241)	-	(241)

	Fair value measurements using input type			
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Derivative liability - warrants	-	(778)	-	(778)

The fair value measurement of the warrants in the table above, using the Black-Scholes model. The key inputs that were used in measuring the fair value of the warrants were: risk free interest rate- 2.43%, expected volatility-60% and contractual life- 1.838 year.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(US\$ in thousands)

NOTE 4 - SHAREHOLDERS' EQUITY:

- A. The ordinary shares in the Company confer upon their holders the right to receive notice to participate and vote in general meetings of the Company, and the right to receive dividends, if and when declared.

	Number of shares					
	June 30, 2018		June 30, 2017		December 31, 2017	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Ordinary shares of \$0.001 par value	1,000,000,000	339,762,777	1,000,000,000	235,009,112	1,000,000,000	339,659,320

B. Options and shares granted to employees and service providers:

1. In January 2017, the Board of Directors approved a Global Equity Incentive Plan (the "Plan"). Under the Plan, 14,760,000 options for ordinary shares with US\$ 0.00001 exercise price per share, were granted to employees, directors, consultants and sub-contractors of the Company. During February 2017, 13,658,001 fully vested options were converted into shares of the Company on 1:1 basis.

Upon IPO, the Company granted 15,000,000 shares and 20,000,000 fully vested options with AUD 0.3 exercise price per share to its service provider, the options will be expired upon 3 years from issuance. In 2017, the company recorded an expense at the amount of 2,299. For six months ended on June 30, 2017 and on June 30, 2018, the company recorded an expense in the amount of 2,262 and 138 respectively.

2. On March 3, 2018 and May 14, 2018, under the Plan, 3,051,470 and 514,707 options for ordinary shares with US\$ 0.242 and US\$ 0.219 exercise price per share, were granted to employees of the Company, respectively. The fair value of the options which were measured according to Black-Scholes model were 372 and 52, respectively.
3. During January and May 2018, 103,457 fully vested options were converted into shares of the Company on 1:1 basis.

C. Performance rights:

Upon IPO, three classes of Performance Rights ("Rights") were approved by shareholders at an Extraordinary General Meeting. The Rights convert to ordinary shares on 1:1 basis, when the attaching milestone is met: 70,000,000 Class A Performance Right milestone requires an FDA approval within 12 months from grant date, the Rights will be expired in one year. In September 2017, the Company received clearance from the FDA and met the first milestone, following this 70,000,000 Class A Performance Rights were converted into shares of the Company on 1:1 basis.

60,000,000 Class B Performance Right milestone requires rolling 12 months revenues of at least 30,000, the Rights will be expired in 2 years.

60,000,000 Class C Performance Rights require cumulative EBITDA of at least 25,000, the Rights will be expired in 3 years.

The total fair value of performance shares at the amount of 15,888 thousand was expensed in 2017 through profit and loss.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(US\$ in thousands)

NOTE 5 - LOSS PER SHARE:

	Period of six months ended June 30 2018	Period of six months ended June 30 2017
	Unaudited	Unaudited
Loss for the period attributable to share-holders	(8,509)	(21,740)
Weighted average number of ordinary shares	339,713,315	178,473,760
Basic loss per share in one USD	(0.025)	(0.122)

* Restated due to issuance of benefit shares.

NOTE 6 - RELATED PARTIES AND SHAREHOLDERS:

The following transactions arose with related parties:

	Period of six months ended June 30 2018	Period of six months ended June 30 2017
Transaction	Unaudited	Unaudited
Key Management personnel	704	312
Financial expenses	62	–

Liabilities to related parties:

	June 30, 2018 Unaudited	December 31, 2017
Key Management personnel	56	70
Loans from a shareholder	2,058	507

A. In May 2018, the Company signed an agreement to receive a short-term loan up to US\$ 3 million from its major shareholder. As of June 30, 2018, the total amount of this loan is 1,511.

The loan bears an interest of 10% per annum with a repayment date of April 30, 2019 and is unsecured.

The Company has the option to fully repay the loan at its own discretion during the 12 months period.

As of August, 2018, the Company received additional funds from its major shareholder

NOTE 7 - COMMITMENTS AND CONTINGENCIES:

The Company recorded a lien in the amount of 620 (NIS 2,263), as part of a guarantee for loans taken from an Israeli bank.

DIRECTORS' DECLARATION

In the opinion of the directors of G Medical Innovations Holdings Ltd (the "Company"):

1. The financial statements and notes, as set out on pages 8 to 17 are in accordance with the International Financial Reporting Standards:
 - a. comply with International Accounting Standard IAS 34 "Interim Financial Reporting" and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Company and its controlled entities financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and.
2. There are reasonable grounds to believe that G Medical Innovations Holdings Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



Dr Yacov Geva
President and Chief Executive Officer
August 30, 2018

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TOTHE SHAREHOLDERS' OF
GMEDICAL INNOVATIONS HOLDINGS LTD.

Introduction

We have reviewed the accompanying consolidated statements of financial position of G MEDICAL INNOVATIONS HOLDINGS LTD. and its subsidiaries (the "Company") as of June 30, 2018 and the related statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Review of Interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the Company as of June 30, 2018, and of its consolidated financial performance and its cash flows for the six month period then ended in accordance with International Accounting Standard IAS 34.

Tel-Aviv, Israel
August 30, 2018


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Certified Public Accountants (Isr.)
BDO Member Firm



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**DECLARATION OF INDEPENDENCE BY BDO ZIV HAFT TO THE DIRECTORS G
MEDICAL INNOVATIONS HOLDINGS LTD.**

As lead auditor for the review of G Medical Innovations Holdings Ltd. for the half- year ended 30 June, 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of G Medical Innovations Holdings Ltd. and the entities it controlled during the period.

Tel-Aviv, Israel

August 30, 2018

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