22 February 2018

ASX ANNOUNCEMENT

APPENDIX 4D – Half-Year Results Ended 31 December 2017

Brisbane, Australia - ImpediMed Limited (ASX: IPD) a global provider of medical technology to non-invasively measure, monitor and manage tissue composition and fluid status, today released its Appendix 4D and reviewed financial results for the half-year ended 31 December 2017.

Financial highlights for the half-year ended 31 December 2017 include:

- Total revenue for the period was $2.1 million, including medical revenue of $1.6 million, and $0.3 million in recognised SOZO™ revenue.
- Total SOZO™ contract value signed for the period under new subscription model was $1.5 million, with $1.2 million in contracted revenue pipeline to be recognised in future periods.
- Net cash flows used in operating activities were $11.7 million, compared to $11.4 million for the previous corresponding period.
- Total loss from continuing operations after income tax was $14.4 million, compared to $13.8 million for the previous corresponding period.
- Cash balance at 31 December 2017 was $42.4 million, compared to $54.9 million at 30 June 2017.

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

- Announced the issuance by the US Food and Drug Administration (FDA) of a 510(k) clearance to market SOZO™ for fluid management of patients living with chronic heart failure (CHF);
- PREVENT trial reached enrolment of 1,100 patients. The first manuscript generated from the study has been submitted for editorial review and is expected to be published upon completion of the review;
- Commenced sales of SOZO™ with L-Dex under new subscription model;
- Trained 20 new L-Dex® accounts during the period, totaling 130 targeted L-Dex® accounts trained since commercial launch;
- Publication of major study by Dr. Whitworth in The Breast Journal;
- Strong presence at the San Antonio Breast Cancer Symposium, with four abstracts published and presented;
- Completed initial enrollment of first cohort of patients in initial CHF study at Scripps Health;
- Announced the issuance by the FDA of a 510(k) clearance to market SOZO™ to aid in the clinical assessment of unilateral lymphoedema;
- Submitted FDA 510(k) application to market SOZO™ for bilateral lymphoedema;
- Announced publication of a 206-patient independent clinical study using L-Dex® for early detection of subclinical lymphoedema, which reported superior clinical outcomes utilizing L-Dex®;

- Announced commencement of enrollment in SOZO™ CHF Trial at Scripps Health;
- CHF trial commenced with the Mayo Clinic, Lancaster General and Atlantic Health;
- L-Dex® recommended in American Physical Therapy Association Guidelines;
- Announced the appointment of Scott Ward the role of Chair; and
- Announced the appointment of Professor Robert Graham of the Victor Chang Institute to the Board.

"This half-year was marked by a number of significant accomplishments for the company. I am very pleased with our regulatory achievements during the period, having obtained FDA clearance to market SOZO™ for both chronic heart failure and lymphoedema in the US. We are also very excited by the large body of clinical evidence for lymphoedema being generated by numerous independent studies, as we await publication of the data from the PREVENT trial. This expanding body of clinical evidence will assist in driving private payor coverage and broad market adoption," said Richard Carreon, Managing Director and CEO of ImpediMed.

"Our financial and operational highlights reflect the growing momentum and success achieved across the business over the past six-months. I'm very proud of the team's achievements as we have continued to execute on our strategy, including introducing SOZO™ under a new subscription model and already converting a number of top-tier cancer centres to SOZO™," added Richard Carreon, Managing Director and CEO of ImpediMed.

Richard Carreon
Managing Director & CEO

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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 2017**
(previous corresponding period : half-year ended 31 December 2016)

The information contained in this document should be read in conjunction with the financial statements for the year ended 30 June 2017 and any public announcements made by ImpediMed Limited and its controlled entities 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	Previous corresponding period	
		$000	$000	$000
2.1	Revenue from ordinary activities	**2,287**	3,053	
	Increase in revenue:			(766)
	Percentage increase:			(25%)
2.2	Loss from ordinary activities after tax attributable to members	**(14,417)**	(13,793)	
	Increase in loss from ordinary activities after tax attributable to members			(624)
	Percentage change:			(5%)
2.3	Net loss for the period attributable to members	**(14,417)**	(13,793)	
	Increase in net loss for the period attributable to members:			(624)
	Percentage change:			(5%)
2.4	Dividends	**NIL**	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 Financial Report for the current reporting period.

3 Net tangible assets per ordinary security

	Current period	Previous corresponding period
Net tangible assets ($000)	**$ 42,829**	$ 72,432
Issued share capital at reporting date ($000)	**$ 219,620**	$ 219,335
Number of shares on issue at reporting date	**378,083,437**	375,092,752
Net tangible assets per ordinary security	**$ 0.11**	$ 0.19

4 Acquisitions and divestments

4.1 There were no entities over which control has been gained or lost during the current reporting period.

4.2 Not applicable

4.3 Not applicable

5 Details of dividends

There were no dividends paid during the period, or payable at 31 December 2017.

6 Dividend Reinvestment Plans

The Company 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 statements.

impedimed®

ImpediMed Limited

Financial REPORT

FOR THE HALF-YEAR
ENDED 31 DECEMBER 2017

ABN 65 089 705 144

CORPORATE INFORMATION

ABN: 65 089 705 144

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 $). 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 R. 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 M. Graham, AO, FAA, 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
Company Secretary

CORPORATE INFORMATION

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

US Regional Office
2901 Metro Drive, Suite 225
Bloomington MN 55425 USA
Phone: +1 760 585 2011

AU Headquarters
Unit 1, 50 Parker Court
Pinkenba QLD 4008
Phone: +61 7 3860 7000

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".

Websites & Social Media

www.impedimed.com
www.hellosozo.com

Solicitors

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

Sheppard Mullin Richter & Hampton LLP
12275 El Camino Real, Suite 200
San Diego CA 92130-2006 USA

Bankers

Commonwealth Bank of Australia
240 Queen Street
Brisbane QLD 4000

Bank of America
450 B Street, Suite 1500
San Diego CA 92101-8001 USA

Auditors

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

Remuneration Advisor to the Board of Directors

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

DIRECTORS' REPORT

Your Directors submit their report together with the consolidated interim financial report for ImpediMed Limited for the half-year ended 31 December 2017.

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 R. Ward, MS, BSc Chairman (i) Non-executive Director	Judith Downes, BA(Hons), DipEd, GradDipBus(Acct), FAICD, FCPA, FCA Non-Executive Director	Gary Goetzke, Juris Doctorate Non-executive Director	Robert M. Graham, AO, FAA, FAHMS, MBBS, MD, FRACP, FACP, FAHA Non-Executive Director (Appointed 15 November 2017)
Cherrell Hirst, AO, FTSE, MBBS, BEdSt, DUniv, FAICD Former Chairman Non-executive Director (Retired 15 November 2017)	Amit Patel, MBA, BEng Non-Executive Director	Donald Williams, CPA Non-Executive Director	Richard Carreon Managing Director and Chief Executive Officer

(i) Scott Ward was appointed Chairman of the Board following the 2017 Annual General Meeting on 15 November 2017

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

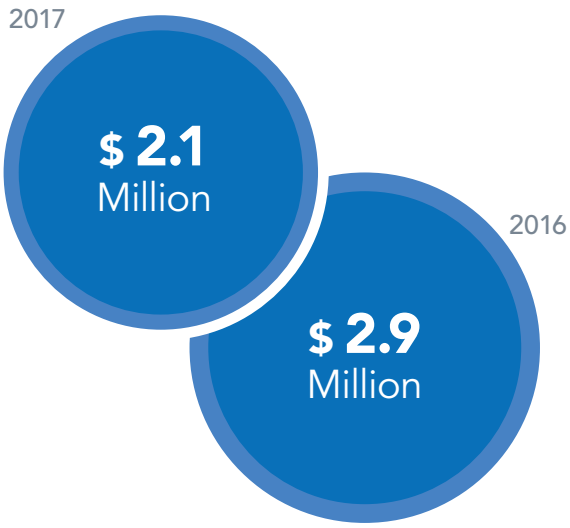
ImpediMed Limited was founded in Brisbane, Australia in October 1999, and was listed on the ASX on 24 October 2007. The Group consists of four entities:

- **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.
- **XiTRON Technologies**, **Incorporated**, a California corporation operating in power test and measurement markets globally. XiTRON Technologies, Inc was acquired by ImpediMed Limited on 1 October 2007.

Operating and Financial Review (Continued)

Revenue related to Goods and Services

(For the Half-Year Ended 31 December)



SOZO™ Revenue (i)

(For the Half-Year Ended 31 December)

Operating Results for the Period

The loss from continuing operations after income tax for the period was $14.4 million (31 December 2016: $13.8 million). The increased loss, when compared with the prior period is primarily attributed to a decrease in gross profit as the Group began to transition existing customers from its legacy BIS products to SOZO™. This increased loss was offset slightly by a decrease in research & development related expenses as the initial hardware and software designs for SOZO™ were completed during the financial period.

Revenue related to goods and services for the current period was $2.1 million (31 December 2016: $2.9 million), a decrease of $0.8 million, or 28%, over the previous corresponding period. The change by operating segment was marked by a $0.8 million decrease in the Medical CGU.

The decrease in revenue occurred as the Group transitioned from sales of its legacy BIS products to SOZO™. During the second quarter of the current period, the Group signed a total SOZO™ contract value of $1.5 million, of which $0.3 million was recognised during the current period. SOZO™ revenue in the current period included initial sales of SOZO™ devices in the U.S. under new subscription revenue agreements for the lymphoedema market. These agreements range from one to three years in length.

Cost of goods sold for the current period were $0.6 million (31 December 2016: $0.8 million). The decrease in cost of goods sold is largely consistent with the decrease in revenue during the period.

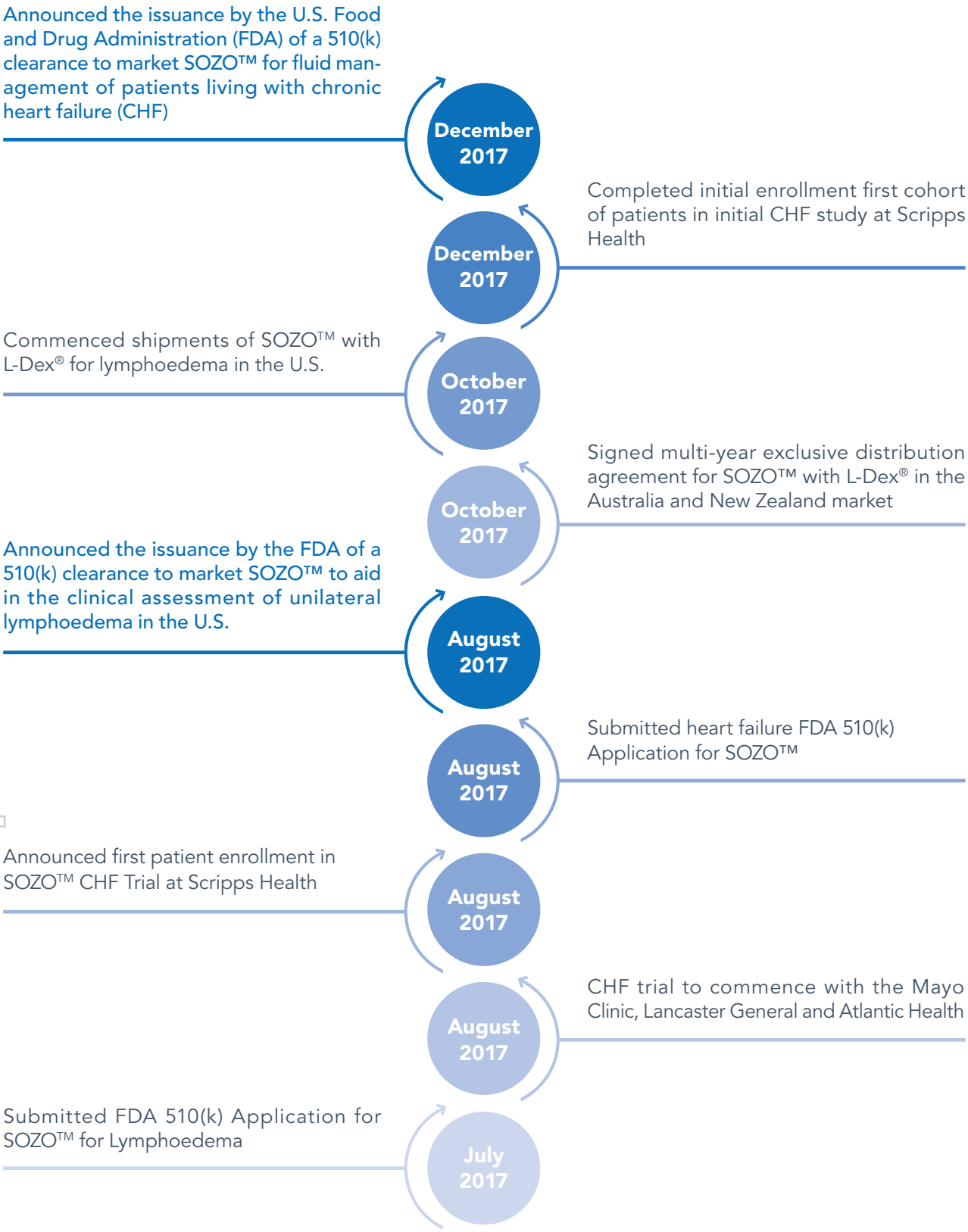
During the period, the Group sold its products through a mix of employed sales reps and independent distributors. In the U.S. lymphoedema market, the Group has an employed, direct sales force that now focuses on the sale of SOZO™ with L-Dex® and its associated subscription revenue agreements for patient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

(i) SOZO™ Revenue is a component of Revenue related to Goods and Services

DIRECTORS' REPORT

Operating and Financial Review (Continued)

SOZO™ MILESTONES



Operating Results for the Period

Operating expenses for the period, net of other income, were $16.1 million (31 December 2016: $16.1 million). While operating expenses, as a whole, remained consistent from the prior period, the major movements within expense categories between the periods are noted below.

Clinical trial and Research and development expenses decreased to $1.7 million (31 December 2016: $3.2 million), a decrease of 47%. During the current financial period the Group completed the initial hardware and software designs for SOZO™, eliminating the need for the majority of the pre-production run and mechanical and electrical design costs incurred in the prior period. This was offset by an increase to clinical trial expenses, as the Group ramped up its enrolment in the initial CHF study at Scripps Health and the randomised lymphoedema post-approval PREVENT trial.

As of the end of December 2017, the Group had completed initial enrolment of the first cohort of patients in the initial CHF study at Scripps Health and had completed enrolment of the targeted 1,100 patients in the PREVENT trial. The initial CHF study at Scripps Health is designed to monitor Class III CHF patients in a clinical setting for 30 days using SOZO™. The PREVENT trial is the largest international multicentre randomised controlled trial (RCT) undertaken in the prevention of breast cancer related lymphoedema (BCRL).

Administrative and governance fees increased to $1.9 million (31 December 2016: $1.1 million), an increase of 73%. The increase was primarily related to non-cash inventory impairment expenses of $0.6 million (31 December 2016: $0.2 million) related to the Group's legacy BIS devices and componentry.

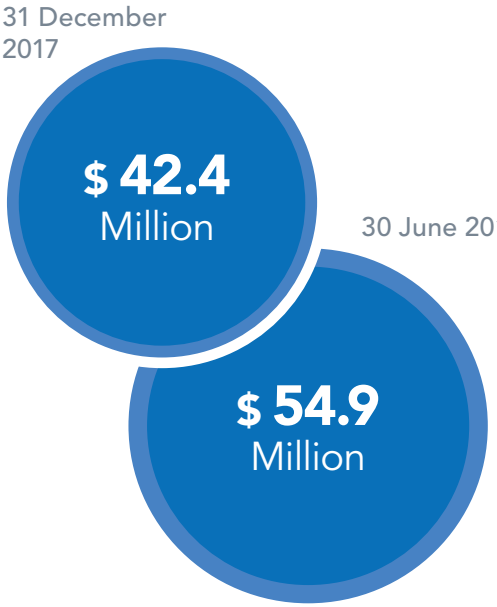
In addition, the non-cash expense of share-based payments increased to $1.5 million (31 December 2016: $0.9 million), an increase of 67%. The increase was primarily related to additional grants to employees during the period and other changes in assumptions.

The average exchange rate for the reporting period was U.S. dollar (USD) $0.78 to Australian dollar (AUD) $1.00. For the six-month period ending 31 December 2016 it was USD $0.75 to AUD $1.00. During the period, the Group incurred an unrealised mark-to-market foreign currency translation loss of $30,000 (31 December 2016: $39,000 gain).

DIRECTORS' REPORT

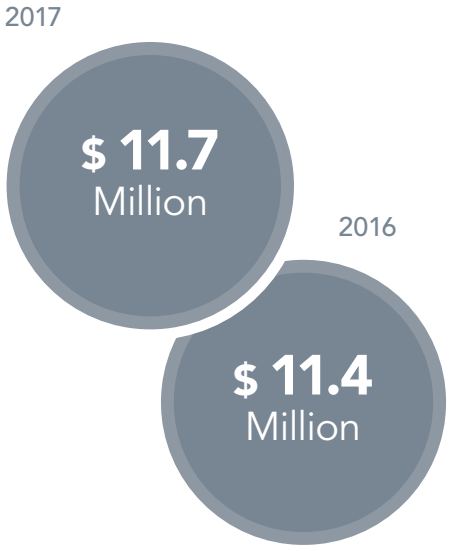
Operating and Financial Review (Continued)

Cash and Cash Equivalents



Net Cash Used in Operation Activities

(For the Half-Year Ended 31 December)



Review of Financial Condition - Liquidity and Capital Resources

Cash and cash equivalents were $42.4 million at 31 December 2017 (30 June 2017: $54.9 million). Net cash used in operating activities for the period was $11.7 million compared to $11.4 million for the six months ending 31 December 2016. The spend was broadly consistent over the corresponding periods, as the Group began to shift expenses from being heavily focused on research and development to the commercialisation of SOZO™.

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 reporting period was AUD $1.00 to USD $0.77 and USD $0.78, respectively. The spot exchange rate for the beginning and end of the comparative period ending 31 December 2016 was AUD $1.00 to USD $0.74 and USD $0.72, respectively. This fluctuation of the exchange rate led to a favourable outcomes in reporting operating expenditure, but led to unfavourable outcomes in reporting cash and cash equivalents when compared to the prior period.

LYMPHOEDEMA IN THE NEWS

December 2017 — PREVENT trial reached enrolment of 1,100 patients, with the first manuscript submitted for editorial review

December 2017 — Strong presence at the San Antonio Breast Cancer Symposium, with four abstracts published and presented, further supporting the value of prospective surveillance using L-Dex for the early detection of lymphoedema and subsequent reduction in chronic breast cancer related lymphoedema (BCRL) rates

November 2017 — 2018 Reimbursement Amounts Published by CMS, noting an increase in the reimbursement amount for CPT code 93702 when billed by a hospital outpatient facility to U.S.D $136

October 2017 — Publication of the largest study to date in a peer-reviewed medical journal on the effectiveness of L-Dex® for the screening, intervention and prevention of disease progression to irreversible stages, adding to the mounting peer-reviewed evidence supporting the positive clinical impact of prospective surveillance using L-Dex®

August 2017 — Announced publication of a 206-patient independent clinical study using L-Dex® for early detection of subclinical lymphoedema, which reported superior clinical outcomes utilizing L-Dex®

July 2017 — L-Dex® recommended in the oncology section of the American Physical Therapy Association Guidelines

Significant Events After the Balance Sheet Date

No significant events have occurred subsequent to the balance sheet date.

DIRECTORS' REPORT

Corporate Governance

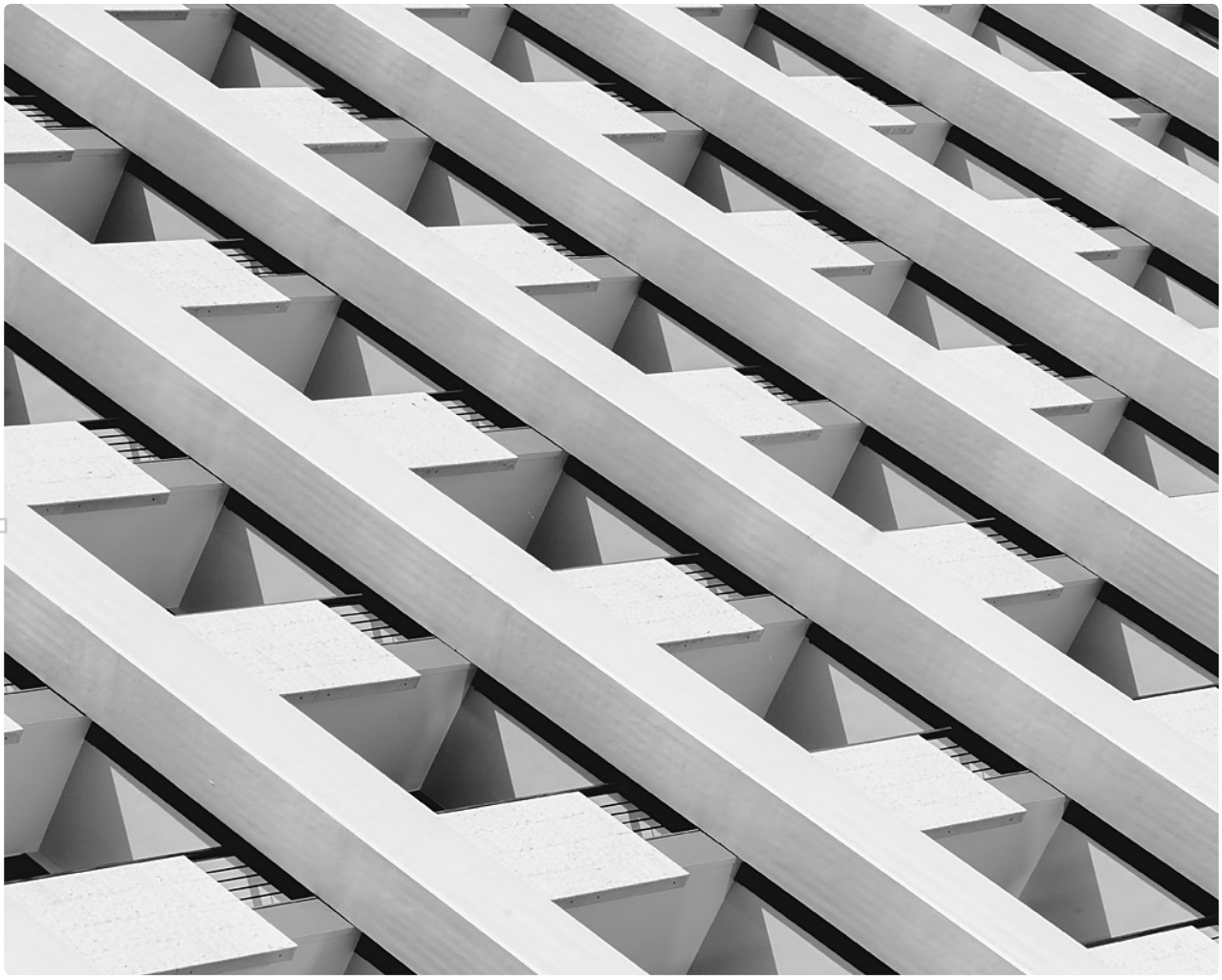
On 27 March 2014, the ASX Corporate Governance Council (CGC) released the third edition of their corporate governance principles and recommendations, including ASX listing rule 4.10.3.

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:

http://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.



Auditors' 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

22 February 2018

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 2017, 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

Kellie McKenzie
Partner
22 February 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2017

	NOTES	31 DEC 2017 $000	31 DEC 2016 $000
Continuing Operations			
Sale of Goods	4	1,986	2,746
Rendering of Services		97	128
Finance Income		204	179
Revenue		**2,287**	3,053
Cost of Goods Sold		(636)	(761)
Gross Profit		**1,651**	2,292
Other Income / (Expense)	5	1,181	1,481
Salaries and Benefits		(8,763)	(8,766)
Consultants and Professional Fees		(1,536)	(1,568)
Advertising and Promotion		(242)	(588)
Clinical Trials and Research & Development	6	(1,660)	(3,191)
Travel Expenses		(827)	(785)
Rent and Property Expenses		(300)	(241)
IT and Other Expenses		(282)	(305)
Administrative and Governance	6	(1,939)	(1,075)
Depreciation and Amortisation	6	(193)	(122)
Share-based Payments	11	(1,492)	(925)
Loss from Continuing Operations before Income Tax		**(14,402)**	(13,793)
Income Tax		(15)	-
Loss from Continuing Operations after Income Tax		**(14,417)**	(13,793)
Net Loss for the Period		**(14,417)**	(13,793)
Other Comprehensive Income or Loss *Items that may be reclassified to profit or loss:*			
Foreign currency translations		(784)	2,072
Other Comprehensive (Loss) / Gain for the Period, Net of Tax		(784)	2,072
Total Comprehensive Loss for the Period		**(15,201)**	(11,721)
		$	$
Basic and Diluted Loss Per Share	1	(0.04)	(0.04)

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

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

	NOTES	AS AT 31 DEC 2017 $000	AS AT 30 JUNE 2017 $000
Assets			
Current Assets			
Cash and Cash Equivalents	7	42,406	54,884
Trade and Other Receivables		2,055	3,804
Inventories		1,861	1,465
Other Current Assets		643	1,102
Total Current Assets		**46,965**	61,255
Non Current Assets			
Other Financial Assets		94	158
Property and Equipment	8	456	518
Intangible Assets	9	64	54
Goodwill	9	2,322	2,358
Total Non-Current Assets		**2,936**	3,088
Total Assets		**49,901**	64,343
Liabilities			
Current Liabilities			
Trade and Other Payables		2,550	2,577
Provisions		2,040	2,892
Total Current Liabilities		**4,590**	5,469
Non-Current Liabilities			
Provisions		96	77
Total Non-Current Liabilities		**96**	77
Total Liabilities		**4,686**	5,546
Net Assets		**45,215**	58,797
Equity			
Issued Capital	10	219,620	219,493
Reserves		17,234	16,526
Accumulated losses		(191,639)	(177,222)
Total Equity		**45,215**	58,797

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

CONSOLIDATED CASH FLOW STATEMENT

For the Half-Year Ended 31 December 2017

	NOTES	31 DEC 2017 $000	31 DEC 2016 $000
Cash Flows from Operating Activities			
Receipts from Customers (Inclusive of GST and US Sales tTax)		2,359	3,001
Payments to Suppliers and Employees (Inclusive of GST and US Sales Tax)		(16,698)	(17,385)
Interest Received		205	179
Other Receipts		2,463	2,803
Net Cash Flows Used in Operating Activities		**(11,671)**	(11,402)
Cash Flows from Investing Activities			
Purchase of Property and Equipment		(51)	(220)
Purchase of Intangible		(32)	-
Net Cash Flows Used in Investing Activities		**(83)**	(220)
Cash Flows from Financing Activities			
Proceeds from Issue of Ordinary Shares		144	585
Transaction Costs from Capital Raising		(7)	(21)
Net Cash Flows from Financing Activities		**137**	564
Net Decrease in Cash and Cash Equivalents		(11,617)	(11,058)
Net Foreign Exchange Differences		(861)	2,040
Cash and Cash Equivalents at Beginning of Period		54,884	82,254
Cash and Cash Equivalents at the end of the Period	7	**42,406**	73,236

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2017

	NOTES	ISSUED CAPITAL $000	SHARE RESERVES $000	FOREIGN CURRENCY RESERVES $000	TOTAL RESERVES $000	ACCUMU-LATED LOSSES $000	TOTAL $000
At 1 July 2016		218,807	10,182	5,916	16,098	(149,651)	85,254
Loss for the Period						(13,793)	(13,793)
Other Comprehensive Gain				2,072	2,072		2,072
Total Comprehensive Loss for the Period		–	–	2,072	2,072	(13,793)	(11,721)
Equity Transactions:							
• Share-based Payments			925		925		925
• Allotment of Ordinary Shares		547					547
• Costs of Capital Raising		(19)					(19)
At 31 December 2016		219,335	11,107	7,988	19,095	(163,444)	74,986
At 1 July 2017		219,493	12,767	3,759	16,526	(177,222)	58,797
Loss for the Period						(14,417)	(14,417)
Other Comprehensive Loss				(784)	(784)		(784)
Total Comprehensive Loss for the Period		–	–	(784)	(784)	(14,417)	15,201
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		**219,620**	**14,259**	**2,975**	**17,234**	**(191,639)**	**45,215**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONTENTS

1. Earnings Per Share	**18**
2. Dividends Paid and Proposed	**18**
3. Segment Reporting	**19**
4. Revenue	**21**
5. Other Income	**21**
6. Expenses	**21**
7. Cash and Cash Equivalents	**23**
8. Non-Current Assets - Property and Equipment	**23**
9. Intangible Assets and Goodwill	**23**
10. Issued Capital	**24**
11. Share-based Payment Plans	**24**
12. Related Party Disclosure	**25**
13. Commitments and Contingencies	**26**
14. Events After the Balance Sheet Date	**26**
15. Basis of Preparation and Changes to the Group's Accounting Policies	**27**

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

1. EARNINGS PER SHARE (EPS)

The following reflects the net loss attributable to ordinary equity holders and the weighted average number of ordinary shares used in the calculations of basic earnings per share (in thousands except for share data):

	31 DEC 2017 $000	31 DEC 2016 $000
Net loss used in calculating basic and diluted earnings per share	**(14,417)**	(13,793)
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**375,614,079**	374,281,958
	$	$
Basic and diluted loss per share	**(0.04)**	(0.04)

During the current period, all issuances of new shares related to the exercise of options and vesting of performance rights by employees and consultants.

Diluted EPS is calculated by taking the net loss attributable to ordinary equity holders and dividing it by the sum of the weighted average number of ordinary shares and the weighted average number of convertible instruments. For the current period ended 31 December 2017, diluted EPS is equal to basic EPS as the Group is currently in a loss position and any conversion of instruments to ordinary shares would have an antidilutive effect on earnings per share.

As of the end of current period there were 34,855,626 (30 June 2017: 29,023,827) options and 4,401,500 (30 June 2017: 3,638,000) performance rights on issue.

2. DIVIDENDS PAID AND PROPOSED

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

For the Half-Year Ended 31 December 2017

3. SEGMENT REPORTING

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2017 and 31 December 2016.

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 Medical and Test & Measurement product lines:

This reporting is consistent with the previous annual report.

Medical

The Medical segment is a supplier of non-invasive medical equipment 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.

Test & Measurement

The Test & Measurement segment is a supplier of power precision testing and measuring equipment.

HALF-YEAR ENDED 31 DECEMBER 2017	MEDICAL			T&M $000	TOTAL $000
	ONCOLOGY (INCLUDING SOZO™) $000	OTHER $000	TOTAL MEDICAL $000		
Revenue					
Consumable and Operating Lease Revenue	990	52	1,042	30	1,072
Device Revenue	431	79	510	404	914
Rendering of Services	19	10	29	68	97
Total Segment Revenue	**1,440**	**141**	**1,581**	**502**	**2,083**
Unallocated Revenue - Finance Income					204
Total Consolidated Revenue					**2,287**

HALF-YEAR ENDED 31 DECEMBER 2016	MEDICAL			T&M $000	TOTAL $000
	ONCOLOGY $000	OTHER $000	TOTAL MEDICAL $000		
Revenue					
Consumable and Operating Lease Revenue	1,324	88	1,412	7	1,419
Device Revenue	645	322	967	360	1,327
Rendering of Services	17	17	34	94	128
Total Segment Revenue	**1,986**	**427**	**2,413**	**461**	**2,874**
Unallocated Revenue - Finance Income					179
Total Consolidated Revenue					**3,053**

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

3. SEGMENT REPORTING (Continued)

Segment Assets

The following table presents segment assets of the Group's operating segments as at 31 December 2017 and 30 June 2017.

AS AT 31 DECEMBER 2017	MEDICAL $000	T & M $000	TOTAL $000
Segment Assets	48,848	1,053	49,901

AS AT 30 JUNE 2017	MEDICAL $000	T & M $000	TOTAL $000
Segment Assets	63,224	1,119	64,343

Adjustments and Eliminations

Finance income and finance costs are not allocated to individual segments as the underlying instruments are managed on an overall Group basis. These are included in adjustments and eliminations in the segment disclosures:

HALF-YEAR ENDED 31 DECEMBER 2017	MEDICAL $000	T & M $000	TOTAL $000
Results			
Segment Results	(14,381)	(32)	(14,413)
Income Tax Expenses	(15)	-	(15)
Net Allocated Loss For The Period	**(14,396)**	**(32)**	**(14,428)**
Unallocated Results (Finance Income Less Cost)			204
Depreciation and Amortisation			(193)
Net Loss For the Period			**(14,417)**

HALF-YEAR ENDED 31 DECEMBER 2016	MEDICAL $000	T & M $000	TOTAL $000
Results			
Segment Results	(13,394)	(456)	(13,850)
Income Tax Expenses	-	-	-
Net Allocated Loss For The Period	**(13,394)**	**(456)**	**(13,850)**
Unallocated Results (Finance Income Less Cost)			179
Depreciation and Amortisation			(122)
Net Loss For the Period			**(13,793)**

For the Half-Year Ended 31 December 2017

4. REVENUE

	31 DEC 2017 $000	31 DEC 2016 $000
Sale of Goods		
Consumables and Rental Revenue (i)	**1,072**	1,419
Device Revenue (i)	**914**	1,327
Revenue from Sale of Goods	**1,986**	2,746

(i) The decrease in revenue occurred as the Group transitioned from sales of its legacy BIS products to SOZO™. The focus of the prior period was on building the Group's customer base across top tier cancer centres in the U.S. In August 2017, the Group obtained a 510(k) clearance from the U.S. FDA for SOZO™ with L-Dex®, leading to a shift in focus to upgrading key existing customers from the legacy product to SOZO™.

During the second quarter of the current period, the Group was able to sign a total SOZO™ contract value of $1.5 million, of which $0.3 million was recognised during the current period. SOZO™ revenue in the current period included initial sales of SOZO™ devices in the U.S. under new subscription revenue agreements for the lymphoedema market. The Group ended the current period with a total contracted SOZO™ revenue pipeline of $1.2 million, which is likely to be recognised in future periods.

5. OTHER INCOME

	31 DEC 2017 $000	31 DEC 2016 $000
R&D Tax Incentive (i)	**1,058**	1,478
Other Tax Refunds and Credits (ii)	**123**	3
Other Income	**1,181**	1,481

(i) The Group receives payments for research & development (R&D) tax credits under the AusIndustry R&D Tax Incentive program. This program is a broad-based entitlement program that aims to promote innovation within Australia for eligible R&D activities. The income in the current period relates to an accrual of $1.1 million related to the expected refund for eligible activities conducted in the first half of the current financial year. The income in the prior period related to an accrual of $1.1 million related to eligible activities in the 2017 financial year, as well as $0.4 million related to an additional refund for the 2016 financial year in excess of what was accrued at 30 June 2016.

(ii) The Group receives refunds from various tax agencies for operational expenses. As of the end of the period, the Group was entitled to $0.1 million in GST and VAT refunds.

6. EXPENSES

CLINICAL TRIALS AND RESEARCH & DEVELOPMENT	31 DEC 2017 $000	31 DEC 2016 $000
R&D Design Documentation and Validation (i)	**401**	2,007
R&D Preproduction Run (i)	**22**	578
Clinical Trials and Registries (ii)	**1,237**	606
Total Clinical Trials and Research & Development	**1,660**	3,191

(i) During the current financial period, the Group completed the initial hardware and software designs for SOZO™, eliminating the need for the majority of the pre-production run and mechanical and electrical design costs incurred in the prior period.

(ii) During the current financial period, the Group ramped up its enrolment in the initial CHF study at Scripps Health and the randomised lymphoedema post-approval PREVENT trial. As of the end of December 2017, the Group had completed initial enrolment of the first cohort of patients in the initial CHF study at Scripps Health and had completed enrolment of the targeted 1,100 patients in the PREVENT trial. The initial CHF study at Scripps Health is designed to monitor Class III CHF patients in a clinical setting for 30 days using SOZO™. The PREVENT trial is the largest international multicentre randomised controlled trial (RCT) undertaken in the prevention of BCRL.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

6. EXPENSES (Continued)

ADMINISTRATIVE AND GOVERNANCE FEES	31 DEC 2017 $000	31 DEC 2016 $000
Directors Fees (i)	**315**	234
Governance and Regulatory Fees (ii)	**448**	376
Insurance	**206**	164
Impairment of Inventory and Bad Debt Expenses (iii)	**761**	181
Administrative Expenses	**155**	146
Foreign Currency (Gains) and Loss (iv)	**54**	(26)
Total Adminstrative and Governance Fees	**1,939**	1,075

(i) During the current financial period, the Group completed the planned renewal and succession planning process for the Board of Directors that has been underway in recent years to ensure the Board has the appropriate skills and leadership as the Group enters its next phase of growth. Scott Ward was appointed to the role of Chairman at the 2017 Annual General Meeting, upon the retirement of Dr Cherrell Hirst AO. In addition, the Group announced the appointment of Professor Robert Graham AO to the Board as a Non-Executive Director.

(ii) During the current financial period, the Group submitted numerous FDA 510(k) Applications for SOZO™, increasing the expense for regulatory related work. In addition, the growing complexity of the Group's financials led to an increase in accounting related fees.

(iii) During the current financial period, the Group recorded a provision of $0.6 million on excess inventory (31 December 2016: $0.2 million). The Group holds a large quantity of finished goods and certain end-of-life parts related to its legacy BIS products. A provision was recorded on all parts held in excess of current sales forecasts and builds. In addition, the increase in expense compared to the prior period related to a provision on open receivables of $0.1 million (31 December 2016: nil) and foreign currency related expense.

(iv) During the period, the Group incurred an unrealised mark-to-market foreign currency translation loss of $30,000 (31 December 2016: $39,000 gain).

DEPRECIATION AND AMORTISATION INCLUDED IN CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 DEC 2017 $000	31 DEC 2016 $000
Depreciation of Property and Equipment	**115**	72
Depreciation of Demo and Loan Devices	**45**	34
Amortisation of Leasehold Improvements	**5**	9
Amortisation of Software and Other Intangibles	**28**	7
Sub-total Depreciation and Amortisation	**193**	122
Depreciation of Operating Lease Devices (i)	**8**	8
Total Depreciation and Amortisation	**201**	130

(i) This depreciation relates to devices on operating leases that were included in Cost of Goods Sold.

7. CASH AND CASH EQUIVALENTS

	AS AT 31 DEC 2017 $000	AS AT 30 JUN 2017 $000
Cash at Bank and in Hand	**5,526**	7,668
Short Term Deposits	**36,880**	47,216
Cash and Cash Equivalents	**42,406**	54,884

8. NON-CURRENT ASSETS - PROPERTY AND EQUIPMENT

During the six months ended 31 December 2017, the Group acquired assets with a cost of $31,000 (six months ended 31 December 2016: $129,000) in relation to computer equipment. In addition, the Group acquired assets with a cost of $28,000 (six months ended 31 December 2016: $99,000) in relation to leasehold improvements and additional equipment and fixtures.

9. INTANGIBLE ASSETS AND GOODWILL

During the six months ended 31 December 2017, the Group generated intangible assets with a cost of $40,000 (six months ended 31 December 2016: nil) related to the development of SOZO™. In accordance with AASB 138 *Intangible Assets*, intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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

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

Goodwill tests for impairment are conducted bi-annually (as at 31 December and 30 June) and when circumstances indicate 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 2017.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

10. ISSUED CAPITAL

Ordinary shares

	NUMBER OF SHARES	$000
At 31 December 2016	375,092,752	219,335
Issued During the Period as a Result of:		
Employee Exercise of Options	433,284	166
Transaction Costs	-	(8)
At 30 June 2017	375,526,036	219,493
Issued During the Period as a Result of:		
Vesting of Employee Performance Rights	**2,080,000**	**-**
Employee Exercise of Options	**477,401**	**142**
Transaction Costs	**-**	**(15)**
At 31 December 2017	**378,083,437**	**219,620**

11. SHARE-BASED PAYMENT PLANS

For the six-months ended 31 December 2017, the Group had $1.5 million (31 December 2016: $0.9 million) of share-based payment transactions in the Consolidated Statement of Comprehensive Income.

During the period, the Group granted awards under the Employee Incentive Plan ("EIP"). The EIP was originally approved at the Group's Annual General Meeting held on 30 October 2014 ("2014 AGM"). At the Group's Annual General Meeting held on 15 November 2017 ("2017 AGM"), shareholders approved amending the EIP, which resulted in refreshing the pool and increasing the maximum number of shares that may be issued under the EIP (and the U.S.Sub-Plan).

Awards granted during the current financial year prior to the 2017 AGM were granted under the terms of the original EIP. Awards granted on or after the 2017 AGM were granted under the terms of the renewed EIP.

The weighted average fair value of the options granted during the six-month period was $0.49 (31 December 2016: $0.89).

During the current period, 7,080,200 share options (31 December 2016: 4,025,500) and 3,203,000 performance rights (31 December 2016: 1,419,000) were granted under the EIP. The awards granted included 3,417,000 share options (31 December 2016: 2,575,000) and 2,396,000 performance rights (31 December 2016: 1,187,000) 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.

For the Half-Year Ended 31 December 2017

11. SHARE-BASED PAYMENT PLANS (Continued)

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 Rate of Return (%)	**1.93**	1.93
Dividend Yield (%)	**-**	-
Average Expected Life (years)	**4.75**	3.00
Strike Price ($)	**0.65 - 0.815**	-

Share Options

For option grants during the period, one-fourth of the options vest one year from the respective dates of grant. The remaining options vest evenly on an annual basis over the next three years if the participant is still employed on such dates. All outstanding unvested options shall fully vest on an accelerated basis immediately before a Change of Control Event. 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

For performance rights grants during the period, the rights were granted for nil consideration and fully vest on the third anniversary of the respective dates of grant, subject to the participant's continuous employment with the Company or other Group entity and to the extent that performance hurdles are satisfied. The extent to which a performance condition is satisfied will be determined by the Remuneration Committee, whose decision is final and binding on the participant. The Remuneration Committee may determine that a performance condition has been satisfied at or between "minimum" and "maximum", in which case the percentage of performance rights that vest will be determined by the Remuneration Committee. If any performance rights do not vest (as determined by the Remuneration Committee), those performance rights will lapse. The Board may declare that some, none or all outstanding unvested performance rights are free of performance conditions and may vest on an accelerated basis immediately before a Change of Control Event.

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 Board may, in its discretion, determine the performance rights will fully vest on the third anniversary of the Date of Grant on the same basis as if the Participant was still employed by the Group.

12. RELATED PARTY DISCLOSURE

For the current period, no transactions with Directors occurred that would be considered related party transactions. Directors' fees accrued and not paid were nil at 31 December 2017 (30 June 2017: nil).

Transactions with all related parties are made at arm's length both at normal market prices and on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

13. COMMITMENTS AND CONTINGENCIES

Operating Commitments

At 31 December 2017, the Group had operating commitments of $1.2 million (30 June 2017: $1.5 million) primarily relating to the office leases for one Australian facility, three U.S.-based facilities, and one Greek facility, with a range of one year to five years remaining on the leases.

Expenditure Commitments

At 31 December 2017, the Group had expenditure commitments of $1.9 million (30 June 2017: $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 of the SOZO™ device with L-Dex® technology in the U.S. marketplace, as well as the Group's continued of research and development of the SOZO™ device and the PREVENT and CHF clinical trials.

Litigation

At 31 December 2017, the Group had no known open formal claims or lawsuits against it.

14. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred subsequent to the balance sheet date.

For the Half-Year Ended 31 December 2017

15. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Corporate Information

The consolidated financial statements of ImpediMed Limited for the six-months ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2018.

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 2017 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 2017 and considered together with any public announcements made by the Group during the half-year ended 31 December 2017 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

15. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

Going Concern

The going concern basis of accounting contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities. This report adopts the going concern basis.

The Group has realised a loss after income tax of $14.4 million for the half-year ended 31 December 2017 (31 December 2016: $13.8 million) and net operating cash outflow of $11.7 million for the half-year ended 31 December 2017 (31 December 2016: $11.4 million).

The Directors believe that the Group continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period in excess of 12 months from the date of signing this report due to the following:

(i) As at 31 December 2017, the Group had net assets of $45.2 million (30 June 2017: $58.8 million). At the same date, the market capitalisation of ImpediMed Limited was $383.8 million (30 June 2017: $281.6 million) and current assets of the Group exceeded current liabilities by a ratio of 10:1 (30 June 2017: 11:1).

(ii) The Group had cash at its disposal of $42.4 million at 31 December 2017 (30 June 2017: $54.9 million) and had no borrowings from banks or other financial institutions at 31 December 2017 (30 June 2017: nil).

(iii) The Group has the ability to vary certain expenditures, therefore cash outflows can be adjusted.

(iv) The operating plans have been set such that cash on hand at the date of signing is expected to last in excess of 12 months from the date of issue of the financial report.

On this basis the Directors believe that the going concern basis of presentation is appropriate. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

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 2017 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 2017 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

22 February 2018

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To the members of ImpediMed Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ImpediMed Limited which comprises the interim consolidated balance sheet as at 31 December 2017, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ImpediMed Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

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

Directors' Responsibility for the Half-Year Financial Report

The directors of the 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 controls as the directors determine are 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

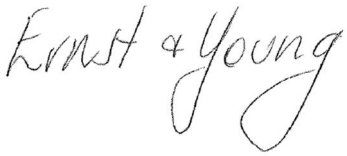
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Building a better working world

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Ernst & Young

Kellie McKenzie
Partner
Brisbane
22 February 2018