ADMEDUS LIMITED
ABN 35 088 221 078

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2019

ADMEDUS LIMITED
ABN 35 088 221 078

REGISTERED OFFICE:
Level 3, 9 Sherwood Road
Toowong, Queensland, 4066

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DIRECTORS' REPORT

DIRECTORS

The Directors of the Company in office during the whole of the half-year and until the date of this report are as follows:

- John Seaberg
- Wayne Paterson
- Stephen Denaro
- Dr Wenyi Gu
- Dr Yanheng Wu

Lishan Zhang was a director from the beginning of the financial year until her resignation on 31 May 2019.

PRINCIPAL ACTIVITIES

During the period, the principal activities of the Group consisted of:

- The sale, distribution, maintenance and implementation of infusion solutions to major hospitals and health facilities in Australia and New Zealand;
- The manufacturing, sale and distribution of proprietary ADAPT® regenerative tissue products globally; and
- Continued research and development of regenerative medicine.

OPERATING RESULT

The operating result for the period:

	CONSOLIDATED	
	30-Jun 2019 $	30-Jun 2018 $
Loss before Income Tax	**(11,916,566)**	(11,542,095)
Income Tax (Expense)/Benefit	**-**	-
Loss for the Year	**(11,916,566)**	(11,542,095)

DIVIDENDS

No dividend was paid during the period and the Board has not recommended the payment of a dividend.

SHARE CAPITAL

589,942,803 ordinary shares, 237,050,764 listed options, 15,348,047 unlisted options and 10,568,799 unlisted warrants were on issue as at 30 June 2019.

OPERATING AND FINANCIAL REVIEW

Group Overview

Admedus Limited is a structural heart company delivering clinically superior solutions helping healthcare professionals create life-changing outcomes for patients. Our focus is on investing in and developing next-generation technologies with world-class partners, acquiring strategic assets to grow product and service offerings and expanding revenues from our existing medical sales and distribution business. The Company has assets from research and development through clinical development and sales, marketing and distribution.

Review of Operations

- *Profit and loss review*

Revenue from ordinary activities for the six months ended 30 June 2019 was $10,702,248 (six months ended 30 June 2018 was $12,799,223).

ADAPT® achieved revenues of $5,713,811 for the six months ended 30 June 2019 compared to $4,896,556 for the six months to 30 June 2018. The overall growth was largely driven by ADAPT® sales in North America and included higher contract manufacturing sales under the 4C Technology Partnership Agreement. This performance is despite a reduction in the North American sales force over the prior corresponding period.

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (continued)
Review of Operations (continued)

- *Profit and loss review (continued)*

The Infusion business delivered sales of $4,988,437 for the six months to 30 June 2019 compared to $7,902,667 for the six months to 30 June 2018. The performance in the prior period included $2,632,353 of revenue from the relationship with GO Medical Industries Pty Ltd (GO Medical) which concluded in June 2018. The performance also reflects the part sale of the Infusion business in May 2019. On a like for like comparison removing the impact of GO Medical and the part sale, the business achieved stable growth.

Gross profit for the Group for the 6 months to 30 June 2019 was $4,745,331 representing a gross profit margin of 44%, compared to a margin of 47% for the comparative 6 month period. The small reduction in margin reflects higher direct production costs with ADAPT® sales compared to the comparative period.

Selling, general and administrative expenses were $21,834,535 for the 6 months to 30 June 2019 ($17,645,967) for the 6 months to 30 June 2018) primarily driven by the impairment of the Admedus Vaccines intangibles, a higher share based payments expense and higher consultancy costs related to corporate strategy work, partly offset by lower employee costs associated with a reduction in global headcount. Research & Development continued to be a key focus area during this period primarily related to the Transcatheter Aortic Valve Replacement (TAVR) project.

The loss for the Group after providing for income tax for the half year ended 30 June 2019 was $11,916,566 compared to the prior period loss for the 6 months to 30 June 2018 of $11,542,095.

- *Infusion part divestment*

On 13 May 2019 Admedus announced to the ASX that it had entered into an agreement to sell part of its Infusion business to BTC Speciality Health Pty Ltd, a wholly owned subsidiary of BTC Health Limited (ASX: BTC) for $6,300,000. The sale was completed on 31 May 2019. The gain on sale of $4,626,403 reflects the proceeds less the net assets and liabilities transferred to BTC. Assets and liabilities transferred included inventory, IT equipment and employee entitlements.

- *Deconsolidation of Admedus Vaccines*

Following the termination of the share sale agreement for Admedus Vaccines in April 2019, and with no other immediate source of funding available for ongoing operations, the Admedus Vaccines Pty Limited board of directors appointed an administrator pursuant to section 436A of the Corporations Act 2001. Admedus Vaccines was subsequently placed into liquidation in June 2019. Admedus Limited is deemed to have lost control of Admedus Vaccines at the time the administrator was appointed, and consequently it was deconsolidated. The Admedus Vaccines intangibles were impaired (profit and loss impact of $3,442,134) and the remaining assets and liabilities derecognised from the Group's balance sheet.

- *ADAPT® business positive data and TAVR clinical trial*

In June, the prestigious peer-reviewed journal, *The Annals of Thoracic Surgery* published an independent study assessing the performance of CardioCel® which demonstrated that it had superior durability in paediatric patients. It was the largest independent study of data to date. The study was important for the Company as it moves toward first-in-human studies for its TAVR device, which also delivered positive data from an animal study earlier in 2019. The ADAPT® portfolio remains key to the Company's growth strategy as it expands from the paediatric space into the higher volume adult space.

Financial Position

The closing cash position for the period was $4,886,541, down from $12,036,301 at 31 December 2018. Net working capital (current assets less current liabilities) decreased by $7,112,342 compared to 31 December 2018 largely driven by operational and research and development expenditures for the ADAPT® business.

In May 2019, the Company entered into a $1,000,000 facility agreement with Sio Partners, LP (Sio) to fund general working capital and operational costs. The loan is for an 18-month term and forms part of the Company's overall recapitalisation plan. If shareholder approval is obtained, the outstanding balance may at Sio's election by notice provided to the Company no later than 3 months prior to maturity be converted to ordinary shares in the Company.

Cash Flow

The net cash outflow during the period was $7,008,919 reflecting:

- Operating cash out flows of $13,093,156 including $1,639,736 for research and development expenditure for ADAPT®, primarily related to the TAVR project which includes ongoing trials.
- Investing cash inflows of $5,862,719 reflecting proceeds from the part Infusion sale (including related debtor receipts) partly offset by a deferred settlement payment in relation to the Regen acquisition.
- Financing cash inflows of $221,518 reflecting the proceeds from Sio borrowings of $1,000,000, partly offset by transaction costs related to the renounceable rights issue of shares in December 2018 and lease payments primarily related to property leases.

DIRECTORS' REPORT (continued)

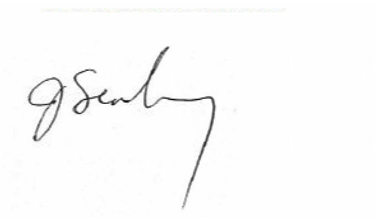
EVENTS OCCURRING AFTER THE REPORTING PERIOD

Post 30 June 2019 the company received notice from arcomed ag (arcomed), a supplier for the Infusion business, of its intention to terminate the distribution agreement with Admedus for the supply of arcomed branded products in Australia and New Zealand. The financial impact of this decision is not known at the time of this report. Apart from this event, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the Group, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

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



John Seaberg
Chairman

Dated 23 August 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Admedus Limited for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
23 August 2019

M R Ohm
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
	Note	**30 JUNE 2019 $**	30 JUNE 2018 $
Revenue from continuing operations	7	**10,702,248**	12,799,223
Cost of sales		**(5,956,917)**	(6,772,136)
Gross profit		**4,745,331**	6,027,087
Other income	7	**5,172,638**	76,785
Employee benefits	8	**(11,425,469)**	(12,194,639)
Consultancy and legal fees		**(1,570,939)**	(1,114,545)
Travel and conference expenses		**(1,108,331)**	(1,194,839)
Research and development costs		**(1,639,736)**	(1,576,706)
Share based payments	17	**(452,004)**	409,533
Depreciation and amortisation expense	8	**(841,790)**	(660,123)
Financing costs	8	**(225,860)**	(476,088)
Impairment of intangibles	12	**(3,442,134)**	-
Other expenses		**(1,128,272)**	(838,560)
Loss before income tax from continuing operations		**(11,916,566)**	(11,542,095)
Income tax (expense)/benefit	9	**-**	-
Loss after income tax for the period		**(11,916,566)**	(11,542,095)
Total loss is attributable to:			
Equity holders of Admedus Limited		**(11,554,857)**	(11,287,584)
Non-controlling interest		**(361,709)**	(254,511)
		(11,916,566)	(11,542,095)
Loss per share from continuing operations attributable to ordinary equity holders of the Company (cents per share)		**Cents**	Cents
Basic loss per share		**(1.96)**	(3.97)
Diluted loss per share		**n/a**	n/a

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
	Note	**30 JUNE 2019 $**	30 JUNE 2018 $
Loss for the period		**(11,916,566)**	(11,542,095)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(26,387)**	(100,810)
Other comprehensive income for the period, net of tax		**(26,387)**	(100,810)
Total comprehensive loss		**(11,942,953)**	(11,642,905)
Total comprehensive loss is attributable to:			
Equity holders of Admedus Limited		**(11,581,244)**	(11,388,394)
Non-controlling interest		**(361,709)**	(254,511)
		(11,942,953)	(11,642,905)

The above Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		CONSOLIDATED	
	Note	**30 JUNE 2019 $**	31 DECEMBER 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents		**4,886,541**	12,036,301
Trade and other receivables		**3,685,716**	4,191,545
Inventories		**4,246,588**	6,691,857
Total Current Assets		**12,818,845**	22,919,703
Non-Current Assets			
Property, plant & equipment	10	**3,006,211**	3,474,732
Right-of-use assets	11	**1,583,729**	-
Intangibles	12	**1,841,016**	5,465,674
Total Non-Current Assets		**6,430,956**	8,940,406
TOTAL ASSETS		**19,249,801**	31,860,109
LIABILITIES			
Current Liabilities			
Trade and other payables		**3,503,724**	6,782,664
Employee benefit provisions		**1,562,726**	1,586,998
Lease liabilities	13	**314,696**	-
Deferred consideration		**400,000**	400,000
Total Current Liabilities		**5,781,146**	8,769,662
Non-Current Liabilities			
Lease liabilities	13	**1,317,547**	-
Borrowings	14	**979,903**	-
Financial liability - warrant		**832,725**	832,879
Deferred consideration		**394,123**	778,409
Total Non-Current Liabilities		**3,524,298**	1,611,288
TOTAL LIABILITIES		**9,305,444**	10,380,950
NET ASSETS		**9,944,357**	21,479,159

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2019

		CONSOLIDATED	
	Note	**30 JUNE 2019 $**	31 DECEMBER 2018 $
EQUITY			
Contributed equity	18	**137,693,358**	137,737,211
Reserves		**(2,515,771)**	(2,941,388)
Accumulated losses		**(125,233,230)**	(113,678,373)
Capital and reserves attributable to equity holders of Admedus		**9,944,357**	21,117,450
Non-controlling interest		**-**	361,709
TOTAL EQUITY		**9,944,357**	21,479,159

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2019

	Share Capital	Share-based payments reserve	Other Reserves	Foreign currency translation reserve	Accumulated Losses	Total	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$	$
Balance at 1 January 2018	106,025,631	4,967,408	(7,243,027)	(205,611)	(89,461,204)	14,083,197	843,218	14,926,415
Loss for the period	-	-	-	-	(11,287,584)	(11,287,584)	(254,511)	(11,542,095)
Exchange translation differences	-	-	-	(100,810)	-	(100,810)	-	(100,810)
Total comprehensive loss	-	-	-	(100,810)	(11,287,584)	(11,388,394)	(254,511)	(11,642,905)
Transactions with owners in their capacity as owners								
Shares issued during the period	8,761,072	-	-	-	-	8,761,072	-	8,761,072
Capital raising costs	(685,179)	-	-	-	-	(685,179)	-	(685,179)
Share-based payments expenses	-	(409,533)	-	-	-	(409,533)	-	(409,533)
Balance at 30 June 2018	114,101,524	4,557,875	(7,243,027)	(306,421)	(100,748,788)	10,361,163	588,707	10,949,870
Balance at 1 January 2019	**137,737,211**	**4,976,365**	**(7,243,027)**	**(674,726)**	**(113,678,373)**	**21,117,450**	**361,709**	**21,479,159**
Loss for the period	**-**	**-**	**-**	**-**	**(11,554,857)**	**(11,554,857)**	**(361,709)**	**(11,916,566)**
Exchange translation differences	**-**	**-**	**-**	**(26,387)**	**-**	**(26,387)**	**-**	**(26,387)**
Total comprehensive loss	**-**	**-**	**-**	**(26,387)**	**(11,554,857)**	**(11,581,244)**	**(361,709)**	**(11,942,953)**
Transactions with owners in their capacity as owners								
Shares issued during the period	**137**	**-**	**-**	**-**	**-**	**137**	**-**	**137**
Capital raising costs	**(43,990)**	**-**	**-**	**-**	**-**	**(43 ,990)**	**-**	**(43,990)**
Share-based payments expenses	**-**	**452,004**	**-**	**-**	**-**	**452,004**	**-**	**452,004**
Balance at 30 June 2019	**137,693,358**	**5,428,369**	**(7,243,027)**	**(701,113)**	**(125,233,230)**	**9,944,357**	**-**	**9,944,357**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2019

	Note	CONSOLIDATED	
		30 JUNE 2019 $	30 JUNE 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**10,105,419**	14,169,585
Payments to suppliers		**(23,098,793)**	(24,838,070)
Interest paid		**(140,251)**	(244,737)
Interest received		**40,469**	34,098
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		**(13,093,156)**	(10,879,124)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		**(14,860)**	(419,959)
Payments to acquire investments		**(400,000)**	(400,000)
Proceeds from partial sale of Infusion business including working capital receipts		**6,274,179**	-
Proceeds from sale of property, plant and equipment		**3,400**	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**5,862,719**	(819,959)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share or options issues		**137**	8,761,072
Share issue transaction costs		**(640,562)**	(459,211)
Proceeds from borrowings		**1,000,000**	-
Repayment of borrowings		**-**	(333,333)
Payment of lease liabilities		**(138,057)**	-
Term facility transaction costs		**-**	(28,321)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**221,518**	7,940,207
NET DECREASE IN CASH HELD		**(7,008,919)**	(3,758,876)
CASH AT BEGINNING OF THE PERIOD		**12,036,301**	8,254,823
Exchange rate adjustments		**(140,841)**	(70,086)
CASH AT END OF THE PERIOD		**4,886,541**	4,425,861

The above half year Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2019

1. REPORTING ENTITY

Admedus Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial statements as at and for the half year ended 30 June 2019 comprise the Company and its controlled entities (the "Group"). For the purpose of preparing the interim financial statements, the Company is a for-profit entity.

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial liabilities which have been measured at fair value through profit or loss.

The consolidated financial statements of the Group as at and for the period ended 31 December 2018 are available upon request from the Company's registered office at Level 3, 9 Sherwood Rd Toowong Qld 4066 or at www.admedus.com.

2. STATEMENT OF COMPLIANCE

The condensed consolidated interim financial report is a general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed consolidated interim financial report does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2018 and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated interim financial statements were approved by the Board of Directors on 23 August 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted and disclosed in the Group's financial statements for the year ended 31 December 2018, apart from the adoption of AASB 16 *Leases*. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The group has adopted AASB 16 *Leases* from 1 January 2019 which has resulted in changes to classification, measurement and recognition of Admedus' leases. The changes result in almost all leases where Admedus is the lessee being recognised on the balance sheet and removes the former distinction between operating and finance leases. The new standard requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals. The exceptions are short-term leases (being those leases which have a term of 12 months or less or had a remaining term of less than 12 months at the adoption date) and low value leases (being those leases with a value of less than $5,000). AASB 16 supersedes AASB 117 *Leases*. The Group has adopted AASB 16 using the modified retrospective approach, under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening balance sheet on 1 January 2019. There is no initial impact on accumulated losses under this approach. The Group has not restated comparatives for the 2018 reporting period.

As at 31 December 2018, the Group had operating lease commitments of $1.526 million. Refer note 16 in the Annual Report for the year ended 31 December 2018.

(a) Adjustments recognised on adoption of AASB 16 *Leases*

The group leases various premises and IT equipment. Until the 2018 financial year, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases where Admedus is the lessee are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Extension options are included in a number of property leases across the group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that required an adjustment to the right-of-use assets of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of AASB 16 *Leases* (continued)

On adoption of AASB 16 *Leases*, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 January 2019 was 14.75%.

In the statement of cash flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

Extension and termination options are included in a number of property leases across the group and are an area of judgement. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). As at 1 January 2019 the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of $934,470.

	2019 **$**
Operating lease commitments disclosed as at 31 December 2018	1,526,391
Discounted using the lessee's incremental borrowing rate at the date of initial application	1,140,321
(Less): short-term leases recognised on a straight-line basis as expense	(56,294)
(Less): low-value leases recognised on a straight-line basis as expense	(6,790)
(Less): contracts reassessed as service agreements	(233,061)
Add: adjustments as a result of a different treatment of extension and termination options	934,470
Lease liability recognised as at 1 January 2019	1,778,646
Of which are:	
Current lease liabilities	290,459
Non-current lease liabilities	1,488,187
	1,778,646

The recognised right-of-use assets relate to the following types of assets:

Property leases	1,681,606
IT equipment	97,040
Total right-of-use assets	**1,778,646**

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by $1,778,646
- Lease liabilities – increase by $1,778,646

The net impact on retained earnings on 1 January 2019 was $nil.

Practical expedients applied

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases, with no right of use asset nor lease liability recognised;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of AASB 16 *Leases* (continued)

Standards and Interpretations in issue not yet adopted

The Directors have reviewed all Standards and Interpretations in issue not yet adopted for the period ended 30 June 2019. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Company, and therefore, no change is necessary to Group accounting policies.

4. ESTIMATES AND JUDGEMENTS

In preparing these consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2018 apart from the additional judgement to exclude options to extend rental lease agreements where it is not certain that the options will be exercised.

Intangibles
The Group performed an impairment assessment at reporting date for the ADAPT® cash generating unit, with no impairment arising as at 30 June 2019.

5. GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharges of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss of $11,916,566 and had net cash outflows from operating activities of $13,093,156 for the six-months ended 30 June 2019. As at that date, the Group had cash balances of $4,886,541 and net working capital of $7,037,699.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The group has positive net working capital and cash balances
- The Company is exploring new partnerships and alliances for ADAPT® and TAVR products
- Recently introduced product lines are anticipated to continue to grow such as CardioCel® Neo, VascuCel®, and CardioCel® 3D that are at varying stages of penetration in our existing markets
- New product lines that are at various stages of development are anticipated to be launched over the coming year further expanding our revenue base.
- The Group is expanding into new markets including Belgium, Norway, Indonesia, The Philippines and Taiwan
- Recent internal restructuring activities have been completed to contain operational costs as well as capital expenditure.

The ability of the Company and the Group to continue as a going concern and fund the path to profitability is dependent upon securing additional funds in the coming months from amongst a range of sources/opportunities including new partnerships and alliances for ADAPT®, and/or the raising of additional capital through new equity and debt. The Directors believe that the Company and Group has the ability to raise equity and debt finance.

Notwithstanding the above factors, as a company moving towards profitability is dependent upon continuing support from current shareholders and financiers, should the Company and the Group not receive the forecast cash inflows and additional funding referred to above there are material uncertainties as to whether the Company and the Group will be able to continue as a going concern and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company and Group not continue as going concerns.

6. SEGMENT REPORTING

(a) Description of segments

Segment information is presented using a management approach, i.e. segment information is provided on the same basis as information as used for internal reporting purposes by the chief operating decision maker ("CODM", being the CEO that makes key strategic decisions). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Management has determined that there are three identifiable reportable segments as follows:

- Infusion Business - disposable medical product and medical devices distribution;
- ADAPT® Business - Bio implant operations; inclusive of sales, distribution and manufacturing;
- Regenerative medicine R&D – ADAPT® technology.

Segment information

	Infusion Business $	ADAPT® Business $	Regenerative medicine R&D $	Total $
HALF YEAR 2019				
Total segment revenue[1]	**4,988,437**	**5,713,811**	**-**	**10,702,248**
Segment profit/(loss)	**2,839,490**	**(6,213,053)**	**(3,421,116)**	**(6,794,679)**
Segment assets	**3,165,407**	**9,194,089**	**2,003,764**	**14,363,260**
Segment liabilities	**464,901**	**5,998,633**	**1,029,282**	**7,492,816**
Depreciation & amortisation	**69,829**	**564,578**	**166,020**	**800,427**
HALF YEAR 2018[2]				
Total segment revenue	7,902,667	4,896,556	-	12,799,223
Segment profit/(loss)	710,337	(6,369,388)	(2,832,575)	(8,491,626)
Segment assets	5,134,737	9,036,271	2,167,588	16,338,596
Segment liabilities	1,412,874	5,406,976	1,512,842	8,332,692
Depreciation & amortisation	21,914	390,447	164,798	577,159

(1) ADAPT® segment revenue was earned in the following regions, North America: $4,057,888 (2018: $3,171,641), Europe: $1,187,711 (2018: $1,011,280) and Emerging Markets: $468,212 (2018: $713,635)

(2) Segment revenue, profit/(loss) and depreciation & amortisation comparatives are for the period to 30 June 2018; segment assets and segment liabilities comparatives are as at 31 December 2018.

The company has previously reported the Immunotherapies business (Admedus Vaccines) as a separate segment. Following the termination of the share sale agreement for Admedus Vaccines in April 2019, and with no other immediate source of funding available for ongoing operations, the Admedus Vaccines P/L board of directors appointed an administrator pursuant to section 436A of the Corporations Act 2001. Admedus Vaccines was subsequently placed into liquidation in June 2019. Consequently, it is deemed Immunotherapies no longer meets the definition of a reportable segment. The amounts reported for Immunotherapies in the current and prior period have been included in the reconciliations below.

FOR THE HALF YEAR ENDED 30 JUNE 2019

6. SEGMENT REPORTING (CONTINUED)

(b) Other segment information

(i) Segment result

The reconciliation of segment information to loss before income tax is as follows:

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Segment loss	**(6,794,679)**	(8,491,626)
Unallocated:		
Corporate and administration expenses	**(2,201,253)**	(2,110,302)
Immunotherapies	**(2,920,634)**	(940,167)
Loss before income tax from continuing operations	**(11,916,566)**	(11,542,095)

Sales between segments are carried out at arm's length and are eliminated on consolidation.

(ii) Segment assets and liabilities

Segment assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by the segment and consist primarily of trade and other receivables, property, plant and equipment and intangible assets. Segment liabilities consist primarily of trade and other creditors and provisions.

Reportable segment assets reconciled to total assets as follows:

	CONSOLIDATED	
	30 JUNE 2019 $	31 DECEMBER 2018 $
Segment assets	**14,363,260**	16,338,596
Intersegment eliminations		
Unallocated:		
Cash and cash equivalents	**4,886,541**	12,036,301
Immunotherapies	**-**	3,485,212
Total assets per the statement of financial position	**19,249,801**	31,860,109

Reportable segment liabilities reconciled to total liabilities as follows:

	CONSOLIDATED	
	30 JUNE 2019 $	31 DECEMBER 2018 $
Segment liabilities	**7,492,816**	8,332,692
Intersegment eliminations		
Unallocated:		
Borrowings	**979,903**	-
Financial liability - warrant	**832,725**	832,879
Immunotherapies	**-**	1,215,379
Total liabilities per the statement of financial position	**9,305,444**	10,380,950

6. SEGMENT REPORTING (CONTINUED)

(b) Other segment information (continued)

(iii) Depreciation and amortisation

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Segment loss	**800,427**	577,159
Unallocated:		
Immunotherapies	**41,363**	82,964
Loss before income tax from continuing operations	**841,790**	660,123

7. REVENUE AND OTHER INCOME

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Revenue from continuing operations		
Sale of goods		
At a point in time		
Infusion Business	**4,988,437**	7,902,667
ADAPT® Business	**5,713,811**	4,896,556
	10,702,248	12,799,223
Other income		
Gain on sale of part of Infusion business*	**4,626,403**	-
Investment fee	**500,000**	-
Interest income	**40,470**	25,646
Sundry income	**5,611**	7,719
Fair value movement of warrant	**154**	43,420
Total other income	**5,172,638**	76,785

*On 13 May 2019 Admedus announced to the ASX that it had entered into an agreement to sell part of its Infusion business to BTC Speciality Health Pty Ltd, a wholly owned subsidiary of BTC Health Limited (ASX: BTC) for $6.3 million including working capital proceeds. The sale was completed on 31 May 2019. The gain on sale reflects the proceeds less the net assets and liabilities transferred to BTC. Assets and liabilities transferred included inventory, IT equipment and employee entitlements.

8. EXPENSES

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Depreciation and amortisation		
Depreciation of Property, Plant and Equipment	**473,944**	436,423
Depreciation of Right-of-use Assets	**185,322**	-
Amortisation	**182,524**	223,700
	841,790	660,123
Employment expenses		
Remuneration and on-costs	**10,684,832**	11,185,860
Superannuation expense	**508,498**	539,575
Other employee benefits	**232,139**	469,204
	11,425,469	12,194,639
Share based payments	**452,004**	(409,533)
Operating lease rental expense[1]	**105,635**	416,318
Finance costs		
Interest and finance charges paid/payable	**60,220**	313,425
Interest expense on lease liabilities	**125,250**	-
Amortisation of loan transactions costs	**20,691**	44,231
Difference between consideration paid for warrant and inception day fair value	**-**	99,677
Unwind discount on non-current liabilities	**19,699**	18,755
	225,860	476,088

(1) Under AASB 16 *Leases* amounts that were previously reported as payments under operating leases have been capitalised as Right-of-Use Assets and a corresponding Lease Liability created. The rental expense of $105,635 represents payments made in the period on low value or short-term leases that do not meet the criteria for creation of Right-Of-Use assets under AASB 16 *Leases*. Refer note 3 for details.

9. INCOME TAX

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
(a) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	**(11,916,566)**	(11,542,095)
Tax expense/(benefit) at the Australian tax rate of 27.5% (30 June 2018: 27.5%)	**(3,277,056)**	(3,174,076)
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Share based payments	**124,301**	(112,621)
Write off of Vaccines intangibles	**946,587**	
Sundry items – net (non-assessable)/non-deductible	**(35,378)**	439,818
Recognition of previously unrecognised losses	**(1,272,261)**	-
Subtotal	**(3,513,807)**	(2,846,879)
Adjustment for difference in foreign tax rates	**454,288**	355,348
Total tax expense/(benefit)	**(3,059,519)**	(2,491,531)
Deferred tax – current period benefits not recognised	**(3,059,519)**	(2,491,531)
Deferred tax – reversal of prior period temporary differences	**-**	-
Income tax expense/(benefit)	**-**	-

10. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		
	Plant and equipment $	**Software $**	**Total $**
At 31 December 2018			
Cost	5,379,366	1,754,014	7,133,380
Accumulated depreciation	(3,199,393)	(459,255)	(3,658,648)
Net book amount	2,179,973	1,294,759	3,474,732
Half-year ended 30 June 2019			
Opening net book amount	**2,179,973**	**1,294,759**	**3,474,732**
Additions	**14,860**	**-**	**14,860**
Disposals	**(13,585)**	**-**	**(13,585)**
Depreciation charge	**(258,858)**	**(215,086)**	**(473,944)**
Exchange rate differences	**509**	**3,639**	**4,148**
Closing net book amount	**1,922,899**	**1,083,312**	**3,006,211**
At 30 June 2019			
Cost	**5,354,508**	**1,759,653**	**7,114,161**
Accumulated depreciation	**(3,431,609)**	**(676,341)**	**(4,107,950)**
Net book amount	**1,922,899**	**1,083,312**	**3,006,211**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Detailed accounting policies for property, plant and equipment are disclosed in the consolidated financial statements for the year ended 31 December 2018.

11. RIGHT OF USE ASSETS

	CONSOLIDATED		
		30 JUNE 2019	
	Property $	IT equipment $	Total $
Right-of-use Assets			
Cost	**1,680,821**	**88,230**	**1,769,051**
Accumulated depreciation	**(163,442)**	**(21,880)**	**(185,322)**
Net book amount	**1,517,379**	**66,350**	**1,583,729**
Reconciliation			
Opening net value at 1 Jan 2019	**1,681,606**	**97,040**	**1,778,646**
Disposals	**-**	**(6,977)**	**(6,977)**
Depreciation charge	**(163,442)**	**(21,880)**	**(185,322)**
Exchange rate differences	**(785)**	**(1,833)**	**(2,618)**
Closing net book amount	**1,517,379**	**66,350**	**1,583,729**

AASB 16 Leases has been adopted during the period. Refer note 3 for details.

12. INTANGIBLE ASSETS

	CONSOLIDATED				
	Patents $	Intellectual property $	Technology licence $	Goodwill $	Total $
At 31 December 2018					
Cost	671,817	3,500,000	2,799,859	1,589,293	8,560,969
Accumulated amortisation	(343,092)	(1,846,360)	(905,843)	-	(3,095,295)
Net book amount	328,725	1,653,640	1,894,016	1,589,293	5,465,674
Half-year ended 30 June 2019					
Opening net book amount	**328,725**	**1,653,640**	**1,894,016**	**1,589,293**	**5,465,674**
Amortisation	**(16,657)**	**(124,692)**	**(41,175)**	**-**	**(182,524)**
Impairment	**-**	**-**	**(1,852,841)**	**(1,589,293)**	**(3,442,134)**
Closing net book amount	**312,068**	**1,528,948**	**-**	**-**	**1,841,016**
At 30 June 2019					
Cost	**671,817**	**3,500,000**	**2,799,859**	**1,589,293**	**8,560,969**
Accumulated amortisation (includes impairment)	**(359,749)**	**(1,971,052)**	**(2,799,859)**	**(1,589,293)**	**(6,719,953)**
Net book amount	**312,068**	**1,528,948**	**-**	**-**	**1,841,016**

(1) The technology licence and goodwill related to the subsidiary Admedus Vaccines Pty Limited. Following the termination of the share sale agreement for Admedus Vaccines in April 2019 (refer note 6 for further details) it has been determined that these assets were impaired and they have been written down to $nil (impairment expense of $3,442,134).

Detailed accounting policies for intangible assets are disclosed in the consolidated financial statements for the year ended 31 December 2018.

13. LEASE LIABILITIES

	CONSOLIDATED		
	30 JUNE 2019		
	Property $	**IT equipment $**	**Total $**
Current lease liabilities	**271,113**	**43,583**	**314,696**
Non-current lease liabilities	**1,292,476**	**25,071**	**1,317,547**
Total	**1,563,589**	**68,654**	**1,632,243**
Reconciliation			
Opening net value at 1 Jan 2019	**1,681,606**	**97,040**	**1,778,646**
Disposals	**-**	**(7,179)**	**(7,179)**
Principal repaid	**(117,987)**	**(19,575)**	**(137,562)**
Exchange rate differences	**(30)**	**(1,632)**	**(1,662)**
Closing net book amount	**1,563,589**	**68,654**	**1,632,243**

The lease liabilities have been recognised on first time implementation of AASB 16 Leases. Further details are included in note 3.

14. BORROWINGS

Financial liabilities - borrowings

	CONSOLIDATED	
	30 JUNE 2019 $	31 DECEMBER 2018 $
Borrowings – non-current	**1,145,434**	-
Capitalised borrowing costs	**(165,531)**	-
	979,903	-

On 8 May the Company entered into a facility agreement with Sio Partners, LP (Sio) for a secured debt facility of AUD$ 1 million. The facility runs for a term of 18 months and is charged an interest rate of 12% per annum, compounded on a monthly basis and added to the loan balance. The facility incurred a one-off fee of AUD$ 125,000 which has been capitalised to the loan. The principal interest and facility fee are all repayable on maturity of the loan. If shareholder approval is obtained, the outstanding balance may at Sio's election by notice provided to the Company no later than 3 months prior to maturity be converted to ordinary shares in the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2019

15. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities and their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The definition of the fair value levels are the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2018.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Consolidated – 30 June 2019				
Liabilities				
Borrowings	**-**	**979,903**	**-**	**979,903**
Warrant	**-**	**832,725**	**-**	**832,725**
Total liabilities	**-**	**1,812,628**	**-**	**1,812,628**
Consolidated – 31 December 2018				
Liabilities				
Warrant	-	832,879	-	832,879
Total liabilities	-	832,879	-	832,879

The warrant is valued by determining the combined value of the call option and put option. These are valued using a Black-Scholes model and a discounted cashflow methodology respectively.

16. CONTINGENT LIABILITIES

There were no contingent liabilities in relation to the current reporting period.

17. SHARE BASED PAYMENTS

(a) Employee Share Option Plan

The Admedus Employee Share Option Plan (ESOP) was approved by shareholders at the 2017 Annual General Meeting. Eligible employees can participate in the Plan. The previous ESOP in place for the Company was approved by shareholders at the 2015 Annual General Meeting. The terms and conditions of the ESOP's are disclosed in the consolidated financial statements for the year ended 31 December 2018.

The Company granted 4,783,831 staff options over ordinary shares in the Company during the six months to 30 June 2019 (six months to 30 June 2018: 6,521,130). These were split as follows:

- On 28 February 2019, the Company granted 775,000 options under the ESOP at an exercise price of $0.036 (Tranche I through to Tranche Q).
- On 14 May 2019, the Company granted 3,188,831 options to the CEO under the ESOP (relating to the Long Term Incentive Scheme) at an exercise price of $0.059 (Tranche R).
- On 14 June 2019, the Company granted 820,000 options under the ESOP at an exercise price of $0.036 (Tranche S).

1,749,999 options were cancelled or lapsed during the period due to termination of employment or expiry of options. 1,715 options were exercised at a value of $0.08 per option on 18 January 2019.

(b) Recognised in Profit or Loss

During the half year ended 30 June 2019 a charge of $452,004 (2018: credit of $409,533) was recognised by the Group.

(c) Fair Value of Options Granted

The fair value at grant date is determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Other than the options granted to the CEO on 15 May 2019 all tranches of options are granted for no consideration and vest in three equal tranches on the anniversary date of either the grant date or the employment start date based on the holder still being employed by Admedus Limited over a three-year period. Vested options are exercisable for a period up to the expiry date. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2019

18. CONTRIBUTED EQUITY

	SHARES		$	
	30-Jun 2019	31-Dec 2018	**30-Jun 2019**	31-Dec 2018
(a) Share Capital				
Ordinary shares				
Fully paid	**589,942,803**	589,941,088	**137,693,358**	137,737,211

	Date	Notes	No. shares	Issue Price	$
(a) Movements in Ordinary Share Capital					
Details					
Balance	**30-06-18**		**283,999,107**		**114,101,524**
Share Placement – Star Bright			42,599,866	0.10	4,259,987
Share Placement – Star Bright			26,289,636	0.1303	3,425,540
Rights Issue			237,052,479	0.08	18,964,197
Transaction costs					(3,014,037)
Balance	**31-12-18**		**589,941,088**		**137,737,211**
Exercise of options under rights issue			1,715	0.08	137
Transaction Costs					(43,990)
Balance	**30-06-19**		**589,942,803**		**137,693,358**

19. DIVIDENDS

No dividends have been declared or paid during the period.

20. RELATED PARTY TRANSACTIONS

There were no new significant transactions with related parties during the period.

21. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Post 30 June 2019 the company received notice from arcomed ag (arcomed), a supplier for the Infusion business, of its intention to terminate the distribution agreement with Admedus for the supply of arcomed branded products in Australia and New Zealand. The financial impact of this decision is not known at the time of this report. Apart from this event, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the Group, in future financial years.

22. DECONSOLIDATION OF ADMEDUS VACCINES

Following the termination of the share sale agreement for Admedus Vaccines in April 2019, and with no other immediate source of funding available for ongoing operations, the Admedus Vaccines P/L board of directors appointed an administrator pursuant to section 436A of the Corporations Act 2001. The administration event constituted a loss of control and the subsidiary's net assets and non-controlling interest were deconsolidated at this point. The subsidiary was subsequently placed into liquidation in June 2019. On deconsolidation, $386,588 of net liabilities and $361,709 of non-controlling interest in equity was derecognised through the Statement of Profit or loss.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The interim financial statements, comprising the consolidated income statement, consolidated statement of consolidated statement of profit or loss, consolidated statement of financial position, consolidated statement of cash flow, consolidated statements of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, the *Corporations Regulations 2001,* other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the half-year ended on that date of the consolidated entity;

   (c) comply with International Financial Reporting Standards.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, made pursuant to s303 (5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:

John Seaberg
Chairman

Dated 23 August 2019

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

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Admedus Limited ("the company") which comprises the condensed consolidated statement of financial position as at 30 June 2019, the condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Admedus 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 30 June 2019 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*.

Material uncertainty related to going concern

We draw attention to Note 5 in the interim financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim 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 interim 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 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
23 August 2019