



Investor Presentation  
(ASX:IPD)  
August | 2013

*L-Dex<sup>®</sup> becoming the standard of care for all cancer patients  
at risk of developing lymphoedema*

# Disclaimer

- This presentation has been produced by ImpediMed Limited (“ImpediMed”) only and may contain forward-looking statements that are based on management’s current expectations, beliefs and assumptions and are subject to a number of risks and uncertainties. The forward-looking statements contained in this presentation (which may include words such as “expects”, “anticipates”, “plans”, “believes”, “scheduled” or “estimates”) include statements about future financial and operating results, status of our regulatory submissions, coverage, possible or assumed future growth opportunities and risks and uncertainties that could affect ImpediMed’s product and products under development. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from those described. In any forward-looking statement in which ImpediMed expresses an expectation or belief, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. We are not under any duty to update forward-looking statements unless required by law.
- This investor presentation update is not an offer of securities.
- ImpediMed and its directors, employees, associates, affiliates and agents, make no:
  - (a) representations or warranties, expressed or implied, in relation to this presentation or the accuracy, reliability or completeness of any information in it or the performance of ImpediMed; and
  - This presentation is intended to provide background information only and does not constitute or form part of an offer of securities or a solicitation or invitation to buy or apply for securities, nor may it or any part of it form the basis of, or be relied on in any connection with any contract or commitment whatsoever. The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice. This presentation does not, and does not purport to, contain all the information prospective investors in ImpediMed would desire or require in reaching an investment decision.
  - (b) accept no responsibility for the accuracy or completeness of this presentation and the information contained in it.
- To the maximum extent permitted by law, none of ImpediMed, its officers, directors, employees, associates, affiliates or agents, nor any other person accepts any liability for any loss, claim, damages, costs or expenses of any nature (whether or not foreseeable), including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it or any errors or omissions in it.
- The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. This presentation has not been filed, lodged, registered or approved in any jurisdiction and recipients of this presentation should keep themselves informed of and comply with and observe all applicable legal and regulatory requirements. In Australia, this presentation is made only to sophisticated or professional investors under the Corporations Act.
- Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended.
- Please review financial releases on ImpediMed’s website ([www.impedimed.com.au](http://www.impedimed.com.au)) for a complete listing of risk factors.

# Company Snapshot



For personal use only

## Corporate

Australian listed company:

- ASX: IPD

Operations:

- Brisbane (AUS)
- San Diego (USA)

Listing date:

- October 2007

Shares issued:

- 181.2 million

Options issued:

- 18.9 million

Share Price at 16 Aug 2013

- \$0.14

Market cap at 16 Aug 2013

- \$25.4 million

## Financials (at 30 June 2013)

Cash and cash equivalents:

- \$7.4 million

Cash burn:

- \$4.9 million 1<sup>st</sup> half FY13
- \$2.3 million 2<sup>nd</sup> half FY13

## ImpediMed - three businesses

- *Lymphoedema* - Core Business
- Body Composition
- Test & Measurement

## Substantial Shareholders (as reported)

	19.9%
	13.4%
Board & Management	7.7%
Top 20	63.5%

# New Executive Team

## Proven Record of Success



**Richard Carreon**  
President & CEO

Rick joined ImpediMed in July 2013 with an impressive thirty year record for building world-class organisations for global corporations in the medical technology and consumer goods industries, including a twelve year executive career at Medtronic commercialising six cutting edge therapies. He is renowned for building start-up and high-growth ventures, turning around strategic business units, penetrating new markets and delivering strong and sustainable bottom line results. Rick's expertise includes conceiving and leading innovative strategic partnership initiatives that profitably grow business in a shifting economy. Rick is driven by a personal mission to make a difference in people's lives through the delivery of superior healthcare products.

**Morten Vigeland**  
VP Global Finance

Morten joined ImpediMed in April 2011 and was promoted to Vice President of Global Finance in March 2013. His track record covers over 15 years in financial management with medical technology start-ups and emerging growth companies, both private and public. Previous roles include Chief Financial Officer of Access Scientific, Inc., where he completed multiple rounds of financing and corporate deals with C.R. Bard, Inc. and Teleflex, Inc., and Corporate Controller for both private and public medical device companies. His experience includes IPO, M&A and financial reporting for companies in the US. Morten holds an MBA from California State University, and a Bachelor of Science, Business Administration, Finance from the University of Colorado.

**Dennis Schlaht**  
VP Product Development, Quality & Marketing

Dennis joined ImpediMed in October 2007 as part of the company's acquisition of XiTRON Technologies, Inc. He has over 30 years' experience in product development and technical marketing leadership, with 10 years' expertise in bioimpedance technology. At XiTRON, he was Vice President of Marketing and Product Development, then President, responsible for the execution of all key strategies for XiTRON's Test and Measurement Business. Prior to joining XiTRON, Dennis held positions as Director of Technical Business Development and Director of Technical Marketing for Insight Electronics. Previously, Dennis held positions at Lockheed Martin in RF and laser communications design, proof-of-concept development, and program management. Dennis earned a BS in electrical engineering from Colorado State University and completed post graduate work at UCLA and UCSD.

**Catherine Kingsford**  
VP Clinical & Regulatory

Catherine joined ImpediMed in 2007 bringing with her over 20 years of global clinical experience with medical devices. Prior to joining ImpediMed, Catherine worked as a Cardiac Scientist at several world-class medical institutions including St. Andrew's War Memorial Hospital, The Prince Charles Hospital, and Royal Brompton Hospital. She has international experience with regulatory bodies in Australia, USA, and Europe. She has been instrumental in obtaining regulatory clearances for medical devices. Catherine has been involved with many international device trials, including implantable devices. She is co-author on a number of scientific publications, many of which she has presented at international conferences. Catherine has studied at Queensland University of Technology (Australia) and the University of London (UK).

**Mike Schreiber**  
VP Global Commercialisation

Mike joined ImpediMed in July 2013. He contributes many years of experience in a wide variety of leadership and management roles for varying medical device organisations including Minnetronix, Medtronic, and Boston Scientific. Mike has extensive experience bringing new technologies from concept to commercialisation in the healthcare market.. He also has expertise in entrepreneurship. He was the Founder of President of VendorClear, a web-enabled vendor access program for healthcare systems which acquired more than 1000 hospital customers in less than four years. Mike earned an MBA from Southern Methodist University in Dallas, Texas, and a BS in Business Administration and Marketing from Marist College in New York.

# FY13 - Transforming the Business



For personal use only

## **New Direction**

New CEO

New executive team

New strategy

## **New Focus**

Building the core lymphoedema business

Clinical requirements

Regulatory pathway

Clear reimbursement plan of action

Strong financial discipline

## **Positioning the Company for the Future**

3M exclusive agency agreement

VP of Global Commercialisation

New U.S. Board Member

# Significant Progress and Milestones Achieved in FY13



For personal use only

## Q1

- New CEO starts
- Phase I of company restructuring executed
- Strong financial controls implemented
- Focus shifted to core lymphoedema business
- New strategy developed and execution begins in both US and international markets (expand beyond solo practices and move towards consumable model internationally)

### Results (lymphoedema revenue YOY)

Operational Cash Burn	\$3.0M
US	+9.4%
International	+56.0%

## Q2

- Discussions begin with 3M Australia
- Kaiser Permanente begins using L-Dex at their new Survivorship Institute and two hospitals
- Australasian Lymphology Association (ALA) releases new guidelines supporting the use of our device for monitoring
- Discussions begin with ALA regarding educational programs
- Plans to refresh the Board of Directors announced

### Results (lymphoedema revenue YOY)

Operational Cash Burn	\$1.7M
US	+51.6%
International	-37.5%

## Q3

- 3M becomes exclusive sales agent for Australia and New Zealand
- Meeting held with the Food and Drug Administration (FDA)
- Payor advisory panel convened to review current data and assist developing new reimbursement strategy
- Submit 510(k) application to the FDA
- Launch ALA education program and promotion
- Phase II of company restructuring executed

### Results (lymphoedema revenue YOY)

Operational Cash Burn	\$1.4M
US	+33.9%
International	+74.8%

## Q4

- FDA 510(k) clearance received
- New highly regarded US Board Member Scott Ward announced
- Second US board member to be appointed at AGM
- Initiated phase III clinical trial design discussions with global Key Opinion Leaders
- New VP of Global Commercialisation hired
- Moved US headquarters to further reduce costs

### Results (lymphoedema revenue YOY)

Operational Cash Burn	\$1.1M*
US	+72.6%
International	+28.3%

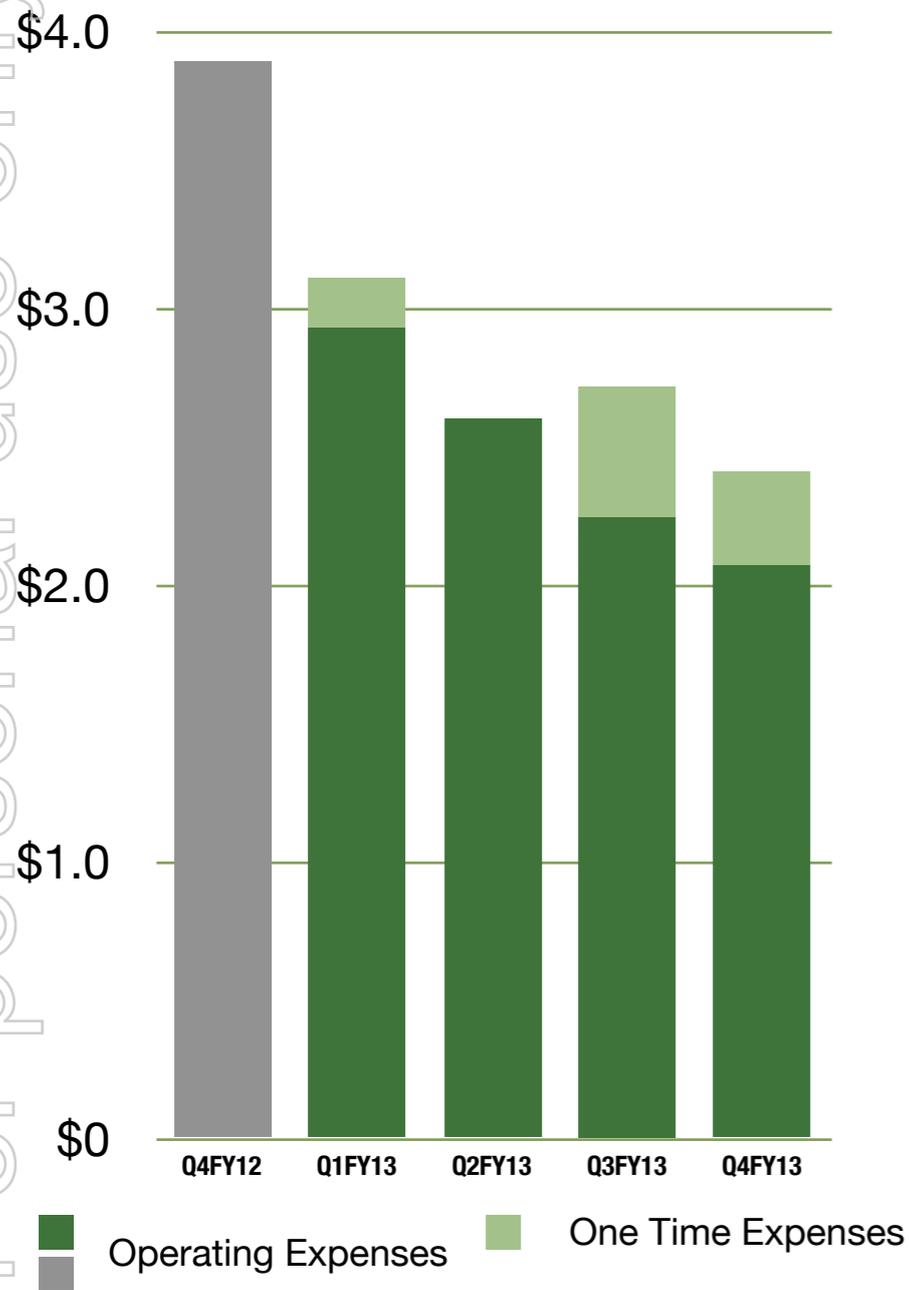
\* Excluding R&D tax credit and certain one-time payments

# Dramatically Improving Financial Position

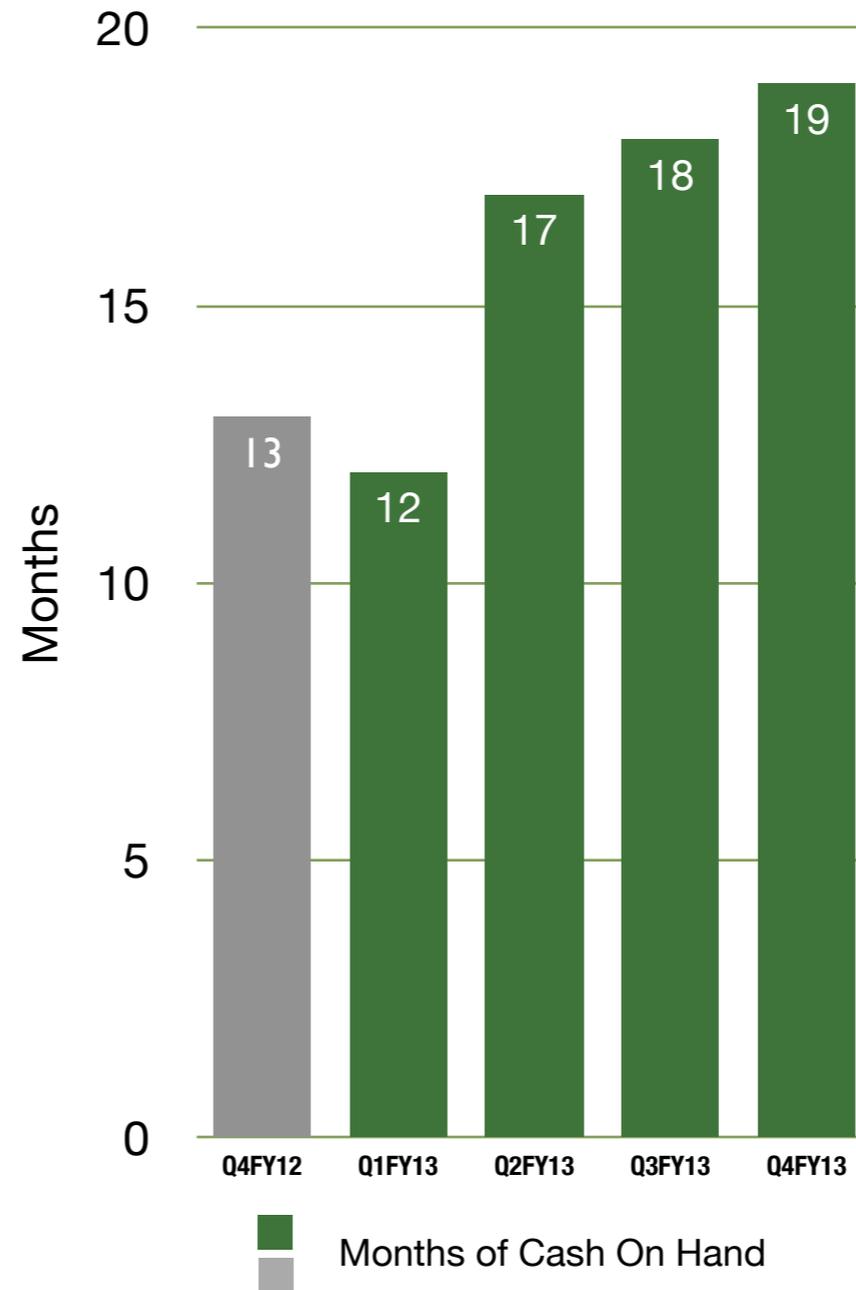


For personal use only

### Expenses



### Months of Cash On Hand



- Focusing on the growth of the core lymphoedema business
- Carefully scrutinising all expenditures has allowed us to reduce expenses by \$4.7 million
- These strong financial controls have allowed us to extend our cash on hand

	Q4FY12	Q1FY13	Q2FY13	Q3FY13	Q4FY13
<b>Cash On Hand</b>	\$14.5	\$11.4	\$9.6	\$8.2	\$7.3
<b>Operating Cash Burn per Quarter</b>	\$3.4*	\$3.0	\$1.7	\$1.4	\$1.1*

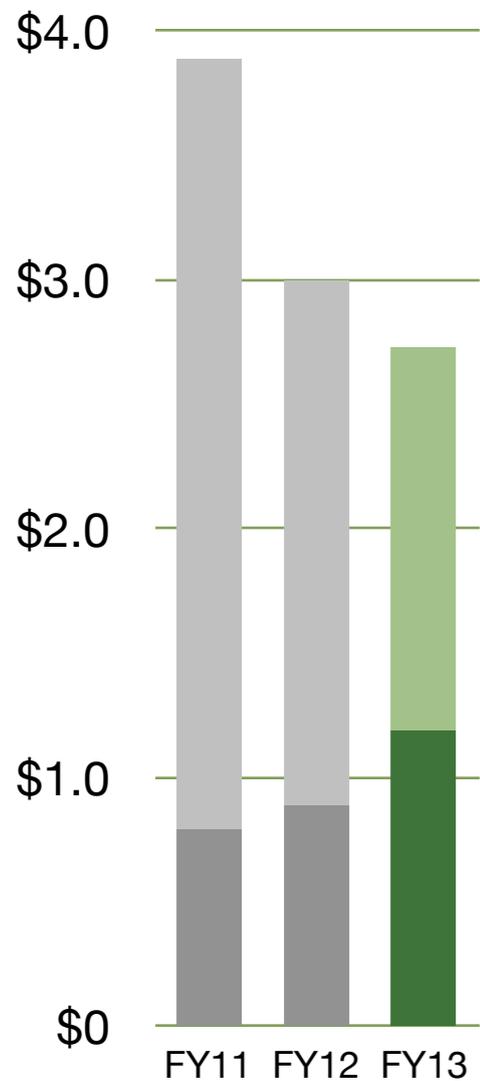
\* Excluding R&D tax credit and certain one-time payments

# New Executive Team's Strategy of Focusing on Lymphoedema Revenue Growth is Paying Off



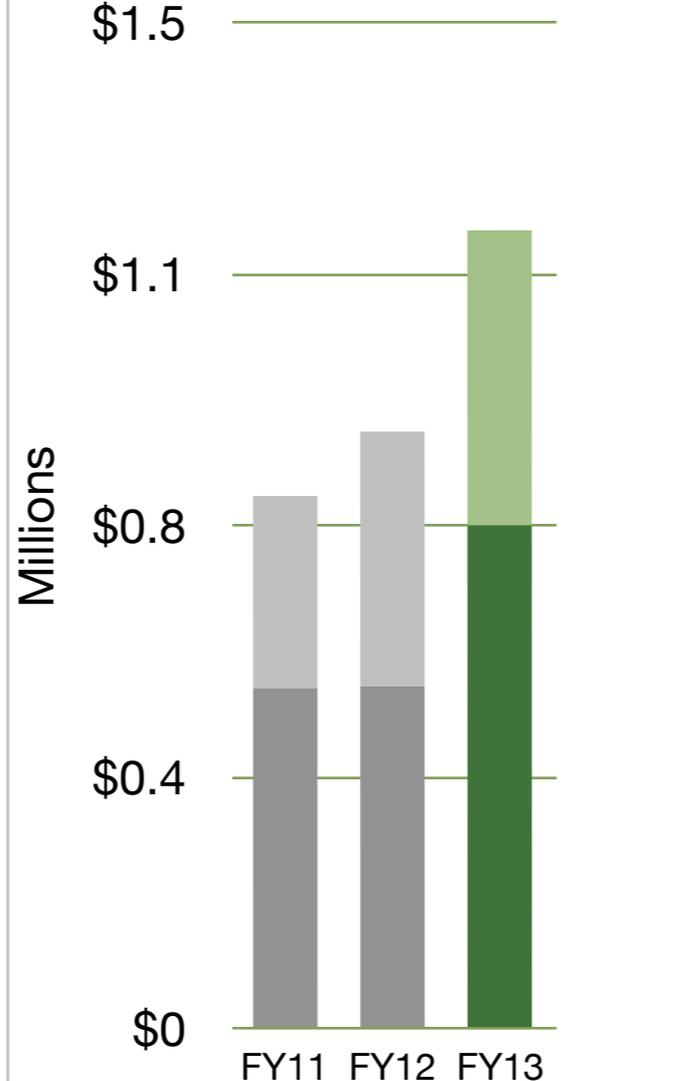
For personal use only

Total Revenue



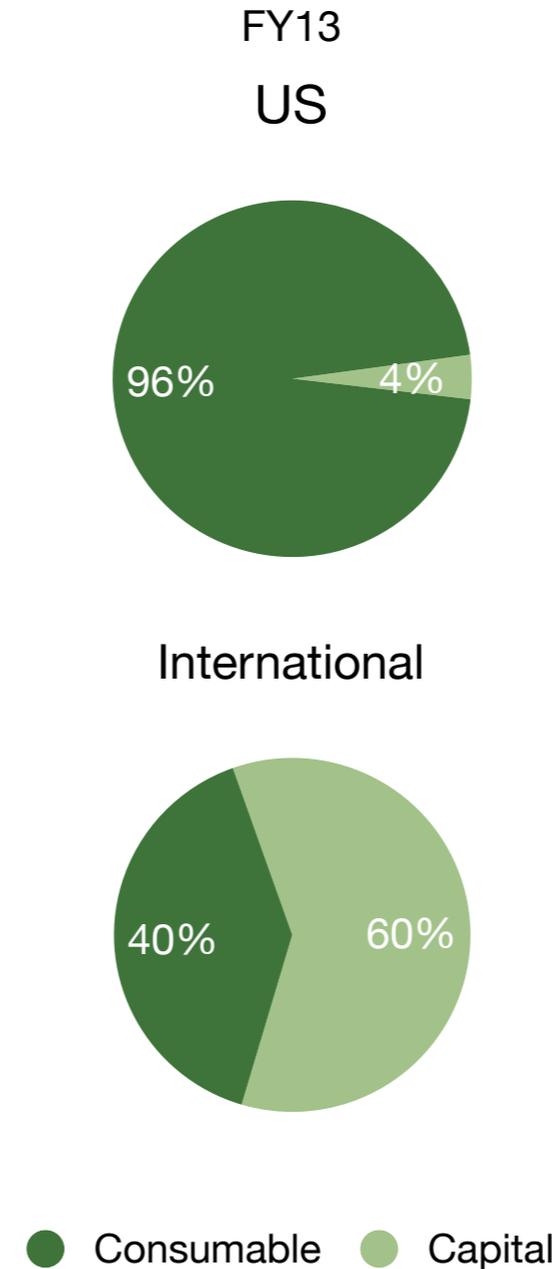
■ Lymphoedema ■ Non-Core

Lymphoedema Revenue



■ US ■ International

Lymphoedema Mix (\$)



- Global lymphoedema business grows 35% in FY13
- Short-term actions taken to begin shifting the international business to a consumable model long-term
- Traded \$270k of revenue for \$4.7 million in expense reductions (excluding share based compensation)

# Lymphoedema is a Significant Unmet Medical Need



For personal use only

An estimated 3 million people develop secondary lymphoedema each year due to cancer

One out of every three survivors of breast, pelvic (including gynaecological and prostate), or melanoma cancer will develop lymphoedema

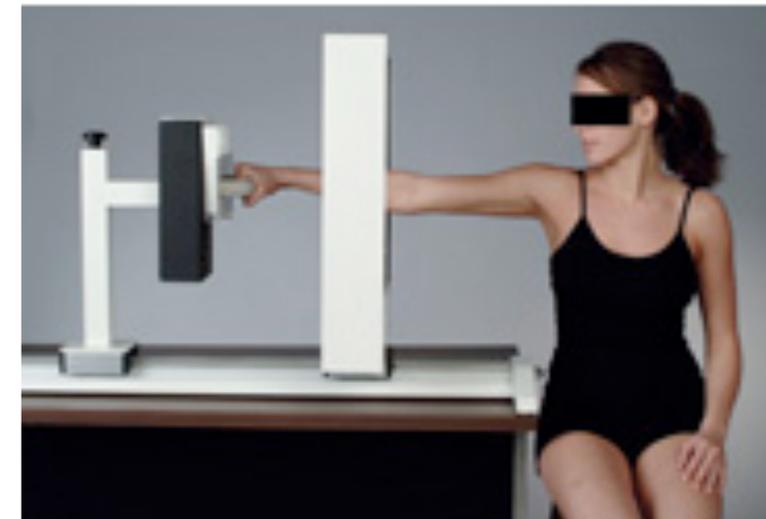
Current detection methods are subjective and have changed very little over the years



Tape Measure



Water Displacement



Perometry

# L-Dex: The only FDA Cleared Technology for the Assessment of Lymphoedema



For personal use only



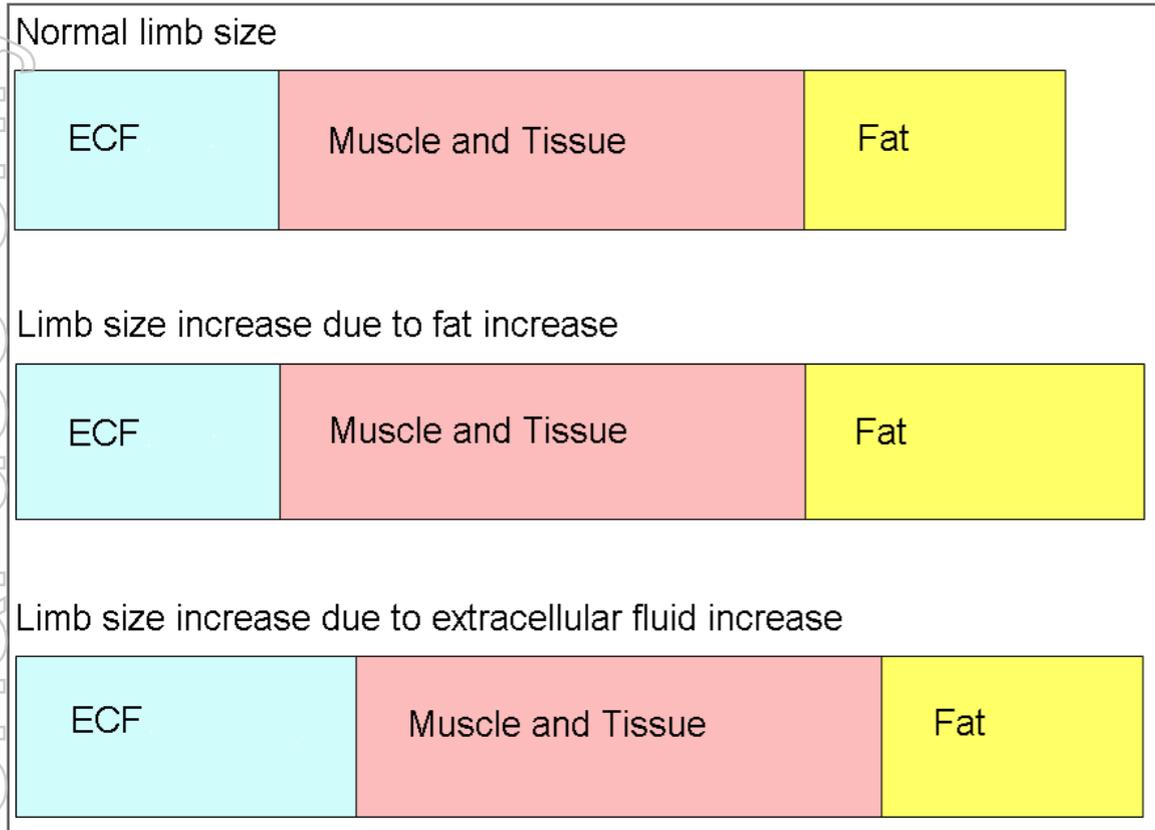
**L-Dex**<sup>®</sup>

- Bioimpedance Spectroscopy (BIS), Class 2 Medical Device
- FDA cleared, ARTG listed, CE marked
- L-Dex<sup>®</sup> is a registered trademark of ImpediMed
- A hand held device designed specifically to assist in clinical assessment and monitoring of lymphoedema

# L-Dex: Key to Early Detection of Lymphoedema

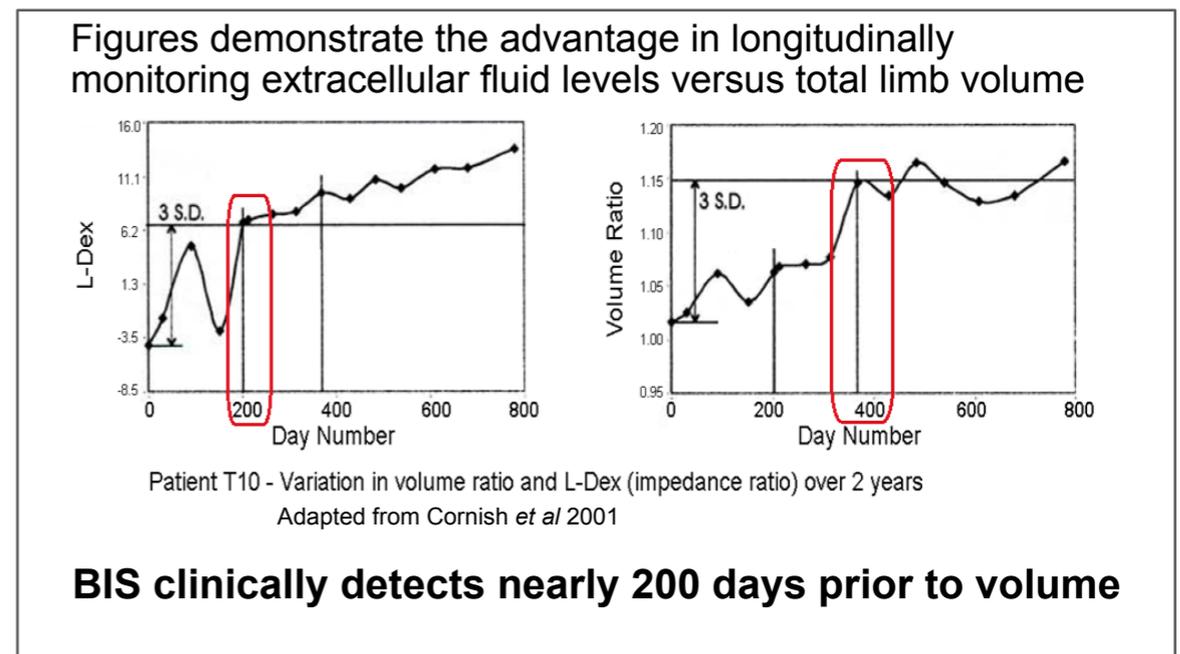


For personal use only



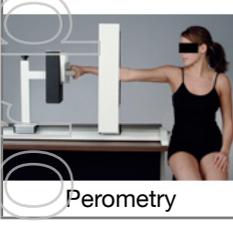
The direct measurement of extracellular fluid is key to early detection of lymphoedema

Bioimpedance spectroscopy detects lymphoedema up to 200 days prior to volume measurements such as a tape measure



# L-Dex Provides Significant Advantages



Method	Direct Measure of Extra-cellular Fluid	Detects Sub-Clinical (Stage 0)	Volume Change Required for Detection	Standardised Detection Criteria	Easily Reproducible	Regulatory Clearance	Ease for Patients, Non-Evasive	Time Required to Test	Portable	Standard of Care
 L-Dex	✓	✓	35 mls	✓	✓	FDA, CE Mark, TGA	✓	<10 min	✓	
 Tape Measure			200 - 300 mls					+20 min	✓	✓
 Water Displacement			200 mls					+30 min		
 Perometry		?	200 mls					+15 min		

*“BIS is a significant leap in technology. It is able to detect lymphoedema at the earliest possible stage of development (stage 0) where treatment is the most effective, and can potentially stabilise or even reverse the early stage lymphoedema.”*

*-Dr. Stanley Rockson,  
Stanford University Medical Center, 2013*

# Market Potential



For personal use only

Current Clinical Practice for L-Dex Readings	
Time and Protocol	Total Number of L-Dex Readings
<u>Year 1</u> Base line plus quarterly readings	5
<u>Years 2-4</u> Annual or quarterly readings**	3 to 12
Total L-Dex Readings	8 to 17

Cleared Markets	Incidence Rates	
	Cancer*	Lymphoedema
	8,245	2,720
	46,723	15,419
	582,200	192,126
	1,104,776	364,576
<b>Total</b>	<b>1,741,944</b>	<b>574,841</b>

At Standard of Care the total annual market potential in the geographies we have regulatory clearance in is from \$416 million to \$884 Million

\*\*Annually, unless L-Dex increases by 10 points

\*Breast, pelvic (including gynaecological and prostate), and melanoma

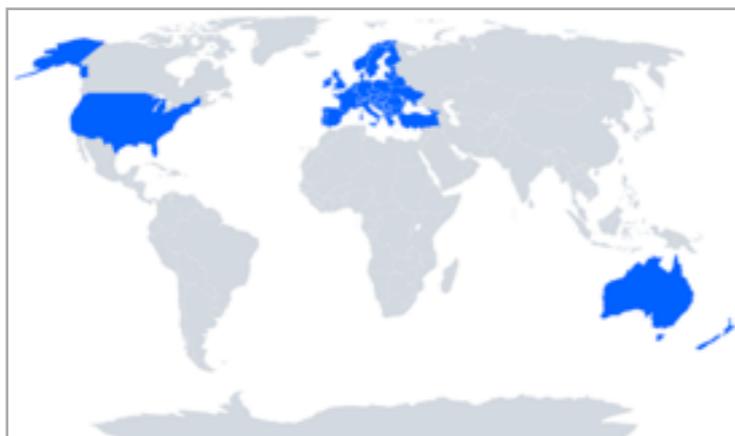
# Significant Growth Opportunities



For personal use only



Regulatory Cleared Markets



\$1  
Billion

**Phase III** - Expand into High Potential Geographies

\$312  
Million

**Phase II** - Lower Limb and Melanoma Cancers

\$104  
Million

**Phase I** - Breast Cancer (underway)

# Value Proposition



## Early Detection

- Enables early treatment
- Enhances treatment options

## Because...

- Emerging data shows a 97% reduction in lymphoedema progressing beyond stage 0 if detected early and treated effectively

## Which...

- Improves patient outcomes
- Improves quality of life for cancer survivors
- Dramatically reduces healthcare costs

# Competitive Landscape



## Short Term

- Tape Measure
- Declining Reimbursement
- No single physician is responsible for the patient over the cancer care continuum

## Perceived Threats

- Pharmacological - requires detection and monitoring
- Surgical techniques - requires detection and monitoring

# Key Objectives and Milestones



- Add U.S. Healthcare experienced board members
- Phase III Clinical Trial - first enrolment 2014
- Develop new and / or expand existing strategic partnerships
- Expand use of our devices for drug and / or therapeutic clinical trials
- CPT Category 1 Code - January 2016

For personal use only

# Investment Case



- Highly experienced executive team
- First mover advantage
- Substantial IP portfolio
- Proven technology
- Regulatory clearances in AU, US, and EU
- L-Dex is the assessment tool, the metric, and ImpediMed's registered trademark
- Low valuation with significant potential

For personal use only

# Appendix



# Board of Directors

## Experienced and Influential

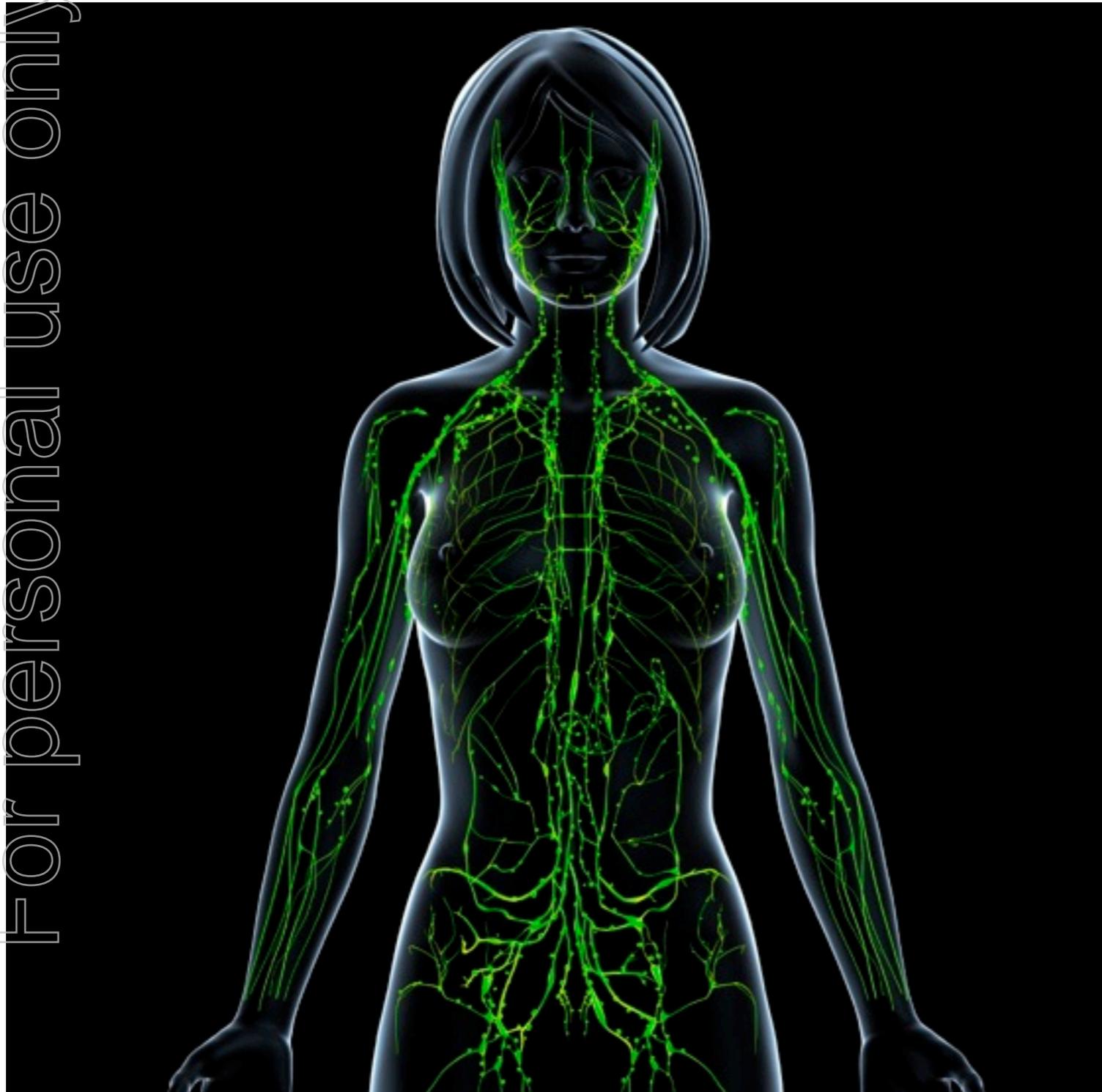


<p><b>Cherrell Hirst, AO FTSE MBBS BEdSt DUniv FAICD Non-executive Chairman</b></p>	<p>Cherrell Hirst is a medical doctor and was a leading practitioner in the area of breast cancer screening and diagnosis. Cherrell serves as the Chairman of the Board. Cherrell was appointed Deputy Chairman on 12 July 2011 and Chairman on 8 November 2011. Presently, she is also the Chair of ImpediMed Limited's Nomination Committee and serves on the Remuneration Committee and the Audit and Risk Committee. She is a Non-executive Director of Tissue Therapies Limited, Avant Insurance Ltd, Medibank Private Ltd and Telesso Ltd. Cherrell is the (part-time) Chief Executive Officer of QIC BioVentures.</p> <p>Cherrell's areas of experience include medical practice, with extensive experience as a breast cancer clinician, the medical/biotechnology industry and corporate governance.</p>
<p><b>Mel Bridges, B.Sc; Doctorate; FAICD Non-executive Director</b></p>	<p>Mel Bridges is a shareholder and co-founder of ImpediMed Limited. Through his founding shareholding and subsequent investments in ImpediMed Limited, he holds approximately 3.2% of the ordinary shares on issue. Mel has over 30 years of international business experience in the healthcare industry. Mel stepped down as ImpediMed's Chairman on 8 November 2011. Presently, Mel serves on the Audit and Risk Committee, Remuneration Committee and the Nomination Committee. He is a Non-executive Director of Benitec Limited, Tissue Therapies Limited, and ALS Limited.</p> <p>Mel's areas of experience include the medical/biotechnology industry, ASX listed companies, investor relations, mergers and acquisitions and corporate governance and he is a former CEO of several companies.</p>
<p><b>James Hazel, B.Ec, F Fin, FAICD Non-executive Director</b></p>	<p>Jim Hazel chairs the Audit and Risk Committee and serves on the Remuneration Committee and Nomination Committee. Jim had an extensive career in retail and investment banking and was formerly Chief General Manager of Adelaide Bank Limited. Jim is a Director of Bendigo &amp; Adelaide Bank Limited, Rural Bank Limited, Centrex Metals Limited, Coopers Brewery Limited and Motor Accident Commission. Jim is the Chairman of the Board of Ingenia Communities Group.</p> <p>Jim's areas of experience include finance and accounting, ASX listed companies, former CEO, chairman of audit committees and corporate governance.</p>
<p><b>Michael Panaccio, PhD, MBA, B.Sc (Hons), FAICD Non-executive Director</b></p>	<p>Michael Panaccio was appointed Chairman of the Remuneration Committee in July 2013, and serves on the Audit and Risk Committee and the Nomination Committee. Michael is an investment principal and founder of leading Australian venture capital firm Starfish Ventures, a venture capital manager focusing on investments in medical devices, therapeutics and IT companies. Michael and entities he is associated with including funds managed by Starfish Ventures hold approximately 13.6% of ImpediMed Limited's ordinary shares.</p> <p>Michael's experience includes more than five years with Singapore based venture capital firm Nomura/JAFCO investment (Asia) Limited and 12 years at Starfish Ventures. Michael has experience in capital raising, ASX listed companies, medical/biotechnology industry, mergers and acquisitions and corporate governance.</p>
<p><b>Scott R. Ward, MS, B.Sc Non-executive Director</b></p>	<p>Scott R. Ward is a Managing Director at SightLine Partners, a venture capital firm focused on direct, secondary investments in later stage medical device companies. He is also President of Raymond Holdings, a firm founded in 2011, with activities in venture capital, strategy and transactional advisory services. Mr. Ward has over 30 years of experience in the healthcare industry, including 15 years as an operating business leader. He was most recently Senior Vice President and President of the CardioVascular business of Medtronic Inc., responsible for all worldwide operations of the CardioVascular Business including the Coronary, Peripheral, Endovascular, Structural Heart Disease and Revascularization and Surgical Therapies Businesses. Previously, Mr. Ward served as Senior Vice President and President of Medtronic Neurological and Diabetes, with responsibility for the global Neurological, Neurologic Technologies, Diabetes, Gastroenterology and Urology businesses; Vice President and General Manager of the Medtronic Drug Delivery Business; and Director of Medtronic NeuroVentures.</p> <p>Mr. Ward is Chairman of the Board of Creganna-Tactx Medical Devices and Gillette Children's Specialty Healthcare. He also serves on the Board of Surmodics, Inc.</p>
<p><b>Greg Brown, B.Sc MBA Executive Director</b></p>	<p>Greg Brown has over 20 years of business experience in the healthcare industry in Australia, Japan, the U.S. and in Europe. He joined ImpediMed Limited in April 2004 as Managing Director and Chief Executive Officer and through investments in ImpediMed Limited holds approximately 2.7% of the ordinary shares on issue. On 10 July 2012, Greg resigned as Managing Director and Chief Executive Officer and was appointed Executive Director.</p> <p>Greg's areas of experience include the medical/biotechnology industry, U.S. and European medical markets, product commercialisation and sales and marketing.</p>

# Lymphoedema



For personal use only



**Lymphoedema is the build-up of fluid in soft body tissues when the lymph system is damaged or blocked.**

Lymphoedema occurs when the lymph system is damaged or blocked. Fluid builds up in soft body tissues and causes swelling. It is a common problem that may be caused by cancer and cancer treatment.

Lymphoedema usually affects an arm or leg, but it can also affect other parts of the body. Lymphoedema can cause long-term physical, psychological, and social problems for patients.



# Stages of Lymphoedema



**Stage 0** (or Ia) which refers to a latent or sub-clinical condition where swelling is not evident despite impaired lymph transport. It may exist months or years before overt oedema occurs (Stages I-III).

**Stage I** represents an early accumulation of fluid relatively high in protein content (e.g., in comparison with “venous” oedema) which subsides with limb elevation. Pitting may occur. An increase in proliferating cells may also be seen.

**Stage II** signifies that limb elevation alone rarely reduces tissue swelling and pitting is manifest. Late in Stage II, the limb may or may not pit as excess fat and fibrosis supervenes.

**Stage III** encompasses lymphostatic elephantiasis where pitting can be absent and trophic skin changes such as acanthosis, further deposition of fat and fibrosis, and warty overgrowths have developed.

International Society of Lymphology., The diagnosis and treatment of peripheral lymphedema. 2009 Consensus Document of the International Society of Lymphology. Lymphology, 2009. 42(2): p. 51-60

For personal use only