

22 January 2020

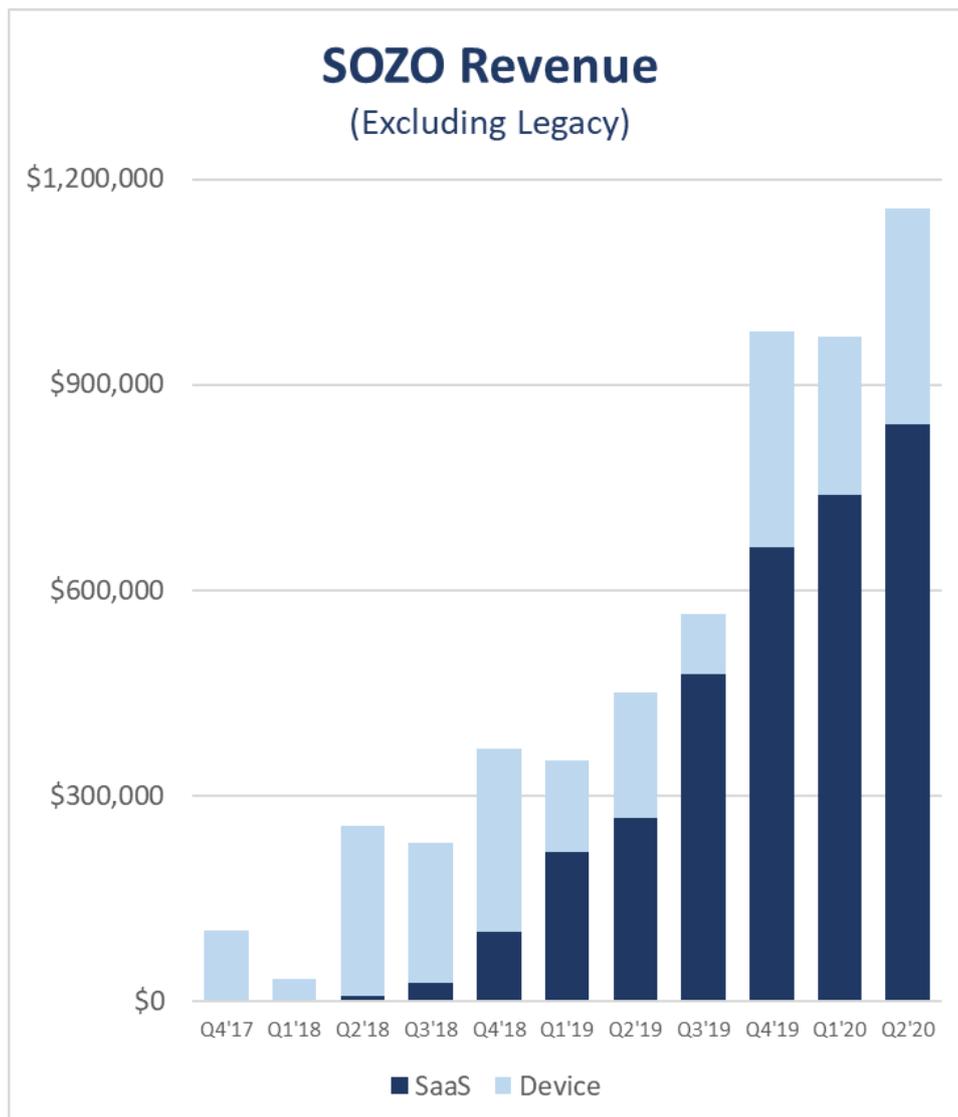
## ASX ANNOUNCEMENT

### APPENDIX 4C – Quarter Ended 31 December 2019 (Q2 FY'20)

**Brisbane, Australia** – ImpediMed Limited (ASX:IPD), a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS), today released its Appendix 4C – Quarterly Cash Flow report for the period ended 31 December 2019.

#### Key Financial and Operational Summary:

- ImpediMed on track to achieve its FY'20 Low to Midrange Guidance of \$7.0M - \$8.5M Revenue.
- Total Revenue for Q2 FY'20 of \$1.5 million, up 63% from the previous corresponding period (Q2 FY'19: \$0.9 million) and up 7% quarter over quarter.
- SOZO® SaaS Revenue for Q2 FY'20 of \$0.8 million, up 216% from the previous corresponding period (Q2 FY'19: \$0.3 million) and up 14% quarter over quarter.

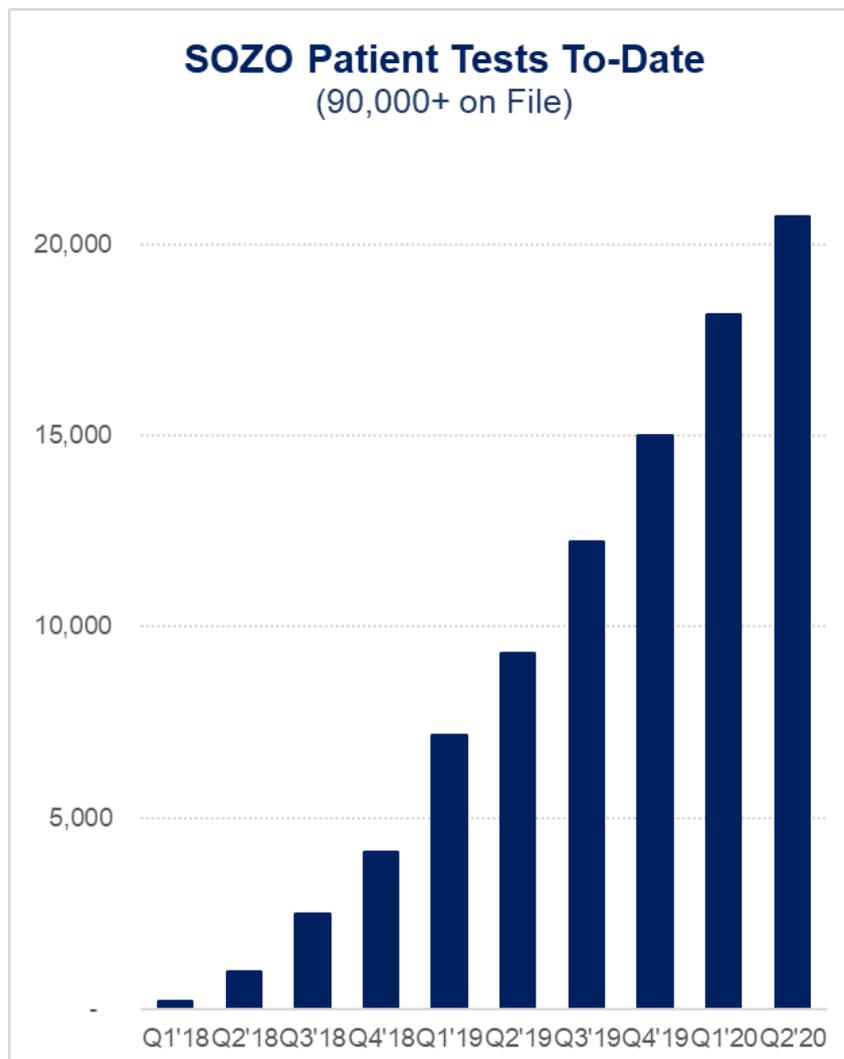


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- Contracted Revenue Pipeline<sup>i</sup> up 36% from the previous corresponding period to \$9.6 million (Q2 FY'19: \$7.0 million) and 4% quarter over quarter.
- Annual Recurring Revenue<sup>ii</sup> up 70% from the previous corresponding period to \$4.2 million (Q2 FY'19: \$2.5 million) and up 7% quarter over quarter.
- 37 new contracted SOZO devices, of which 16 came from the expansion of existing accounts.
- 8 additional renewal agreements signed during the period.
- A total of more than 480 SOZO units have been sold since launch.
- The customer churn rate remains negligible at less than 0.5%.
- 100% renewal rate on expiring SOZO contracts.
- Cash on hand as at 31 December 2020 of \$13.0 million.
- Cash receipts from customer for the quarter of \$1.4 million, within last quarter's estimated cash receipts.
- Net operating cash outflow of \$4.4 million, just \$0.2 million above last quarter's estimated cash outflows.
- Q3 FY'20 cash receipts from customers estimated in the range of \$1.5-\$1.9 and estimated net operating cash outflow of \$4.8 - \$5.2 million in Q3 FY'20.

**Detailed Operational Highlights:**

- More than 20,000 patient tests were conducted in the quarter, again increasing quarter over quarter by more than 15% and bringing the total patient tests on file to over 90,000, demonstrating the growing awareness of the importance of lymphoedema prevention and adoption of SOZO.



- ImpediMed on track to achieve its FY'20 Low to Midrange Guidance of \$7.0M - \$8.5M Revenue: The High range was predicated on the timing of a number of expected growth accelerators, including incorporation into the NCCN Guidelines® and private payors beginning reimbursement for testing. We remain positive the Company has made good progress in both areas; however, it is unlikely we will see material revenue from these initiatives this financial year. Accordingly, the Low to Midrange guidance range is more applicable.
- The Company continues to take positive steps forward, however the ambitious agenda undertaken in the first half of the Fiscal Year, including the launch of the Lymphoedema Prevention Program, caused some disruption to the Q2 FY'20 results. The Company launched the Lymphoedema Prevention Program, a program aimed at ending cancer-related lymphoedema. This comprehensive initiative utilises ImpediMed's Test, Trigger, Treat™ protocol for early detection and intervention of cancer-related lymphoedema. Although early into its launch, the Company is already seeing promising signs of success. Device sales into existing accounts are up dramatically and the trends for patient testing are moving higher and at a faster pace than our original expectations.

	• 90,000+ Patient Tests on file		• Churn Rate less than 0.5%
	• 480+ Devices Sold to date		• 100% Renewal Rate

- In addition to the new sales approach associated with the Lymphoedema Prevention Program, the company is also focusing on several larger scale opportunities. Whilst confident these will result in a step change in revenue over time, these opportunities are longer in gestation and have absorbed significant resources over the period. Although the steps we have taken in Q2 FY'20 will be critical to our future, we are endeavoring to strike the right balance between short and long-term goals for the remainder of the year.
- The Company is currently utilising the results from the recent Heart Failure trial to finalise the development of the SOZO Heart Failure application. The Company is very encouraged by the development of the application and the opportunity it presents. We expect to initiate Stage 1 of the commercialisation launch later this calendar year.

**Regulatory and Clinical Highlights:**

- Announced US FDA 510(k) Clearance for Protein Calorie Malnutrition Assessment. The new clearance enables ImpediMed to market SOZO for assessing patients at risk of protein calorie malnutrition (PCM).
- In addition, the clearance included the ability to track clinically relevant body composition parameters over time in healthy and unhealthy patient populations.
- The PREVENT Trial Paper evaluating the 2-year trial data for bioimpedance spectroscopy verses tape measure was submitted and is currently in the peer review process ahead of acceptance and publication.
- Meta-analysis manuscript evaluating bioimpedance spectroscopy, combining data across multiple studies, was submitted and awaits review and publication.

- Heart Failure (HF) manuscript using bioimpedance as a tool in the clinical assessment and treatment of HF patients is being finalised and is expected to be submitted for peer review and publication in the coming months.
- The submission to remove the contra-indication for the use of bioimpedance spectroscopy in Heart Failure patients with pacemakers has been finalised and is currently being evaluated by the US FDA.
- Independent studies continue to be submitted and published. One of the latest studies published in *Cancers*, *A Preoperative Assessment of Upper Extremity Secondary Lymphoedema*, submitted by The Department of Surgery, Memorial Sloan Kettering Cancer Center, evaluated the most commonly used preoperative assessment tools for patients undergoing surgical treatment for secondary upper extremity lymphoedema. The report stated that the “L-Dex<sup>®</sup> score was found to be the most rapid and reliable non-invasive method for detecting early-stage lymphedema in this study”.

“The achievements in Q2, with the launch of the Lymphoedema Prevention Program and release of the initial Heart Failure data, will be pivotal to the future of ImpediMed. Although the Q2 unit volumes were slightly less than anticipated, they were higher value sales, as illustrated in the SOZO Revenue graph, and are reflective of the larger, higher volume institutions we are successfully targeting with the Lymphoedema Prevention Program”, said Richard Carreon, Managing Director and CEO of ImpediMed.

“We are excited about the year to come with the release of several important publications, the commercial launch of our Heart Failure application and the repositioned sales offering in lymphoedema providing the rejuvenated sales team the tools to drive further commercial expansion and adoption of the SOZO platform. There is still work to be done, but the groundwork has been laid and the 2020 calendar year is shaping up to be a seminal year for the Company,” he continued.

### **Investor Conference Call**

An investor conference call will be held on Wednesday 22<sup>nd</sup> January 2020 at 9.15am AEDT.

If you have not already pre-registered for the call you can access using the dial in details below:

**Conference ID:** 10003666

### **Dial in numbers**

AUSTRALIA:	1800558698
ALT. AUSTRALIA:	1800809971
OTHER INTERNATIONAL (METERED):	+61731454010
SYDNEY:	0290073187
NEW ZEALAND:	0800453055
AUCKLAND:	099291687
CHRISTCHURCH:	039742632
WELLINGTON:	049747738
UK:	08000518245
USA/CANADA:	18558811339
CHICAGO:	18153732080
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INDONESIA:	18030193275
IRELAND:	1800948625
ITALY:	800793500
JAPAN:	00531161281
MALAYSIA:	1800816294
NORWAY:	80069950
PHILIPPINES:	180011101462
SINGAPORE:	8001012785
SOUTH AFRICA:	0800999976
SOUTH KOREA:	00798142063275
SWEDEN:	020791959
SWITZERLAND:	0800820030
TAIWAN:	00801127397
THAILAND:	0018001562063275
UAE:	800035702705

#### **Contact Details**

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**Managing Director & CEO**

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#### **About ImpediMed**

Founded and headquartered in Brisbane, Australia with US and European operations, ImpediMed is a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS).

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](http://www.impedimed.com).

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## Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to expand sales and market acceptance in the US and Australia including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialise new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position.

Management believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. ImpediMed does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. ImpediMed may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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<sup>i</sup> **Contracted Revenue Pipeline (CRP):** Future period revenue amounts related to TCV<sup>iii</sup> that are yet to be reported as recognised revenue.

<sup>ii</sup> **Annual Recurring Revenue (ARR):** The amount of revenue reasonably expected to be booked for the next 12-month period based on existing signed contracts, and assuming installation upon sale.

<sup>iii</sup> **Total Contract Value (TCV):** Total value of customer contracts including one-time and recurring revenue.

*All FY'20 revenue and cash flow numbers are unaudited. CRP, ARR and TCV are non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards.*

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

ImpediMed Limited

**ABN**

65 089 705 144

**Quarter ended ("current quarter")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,385	2,694
1.2 Payments for		
(a) research and development	(699)	(1,642)
(b) product manufacturing and operating costs	(68)	(474)
(c) advertising and marketing	(230)	(530)
(d) leased assets	-	-
(e) staff costs	(3,493)	(9,343)
(f) administration and corporate costs	(1,374)	(3,204)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,650
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,445)</b>	<b>(9,772)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(24)	(91)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets (intangibles)	(737)	(1,040)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(761)</b>	<b>(1,131)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	(5)	13,921
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(56)	(1,095)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(87)	(208)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(148)</b>	<b>12,618</b>

Item 3.9: Cash outflows relate to the implementation of AASB 16 Leases for the Group's premises leases.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	18,666	11,330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,445)	(9,772)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(761)	(1,131)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(148)	12,618
4.5	Effect of movement in exchange rates on cash held	(341)	(74)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>12,971</b>	<b>12,971</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,799	13,843
5.2 Call deposits	9,172	4,823
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,971</b>	<b>18,666</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	5
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1: Payments to directors consist of Non-Executive Directors' superannuation. At 31 December 2019, there were \$157,000 in Directors' fees accrued or unpaid, related to equity-based remuneration and superannuation.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(800)
9.2 Product manufacturing and operating costs	(200)
9.3 Advertising and marketing	(300)
9.4 Leased assets	-
9.5 Staff costs	(3,500)
9.6 Administration and corporate costs	(1,900)
9.7 Other (provide details)	-
<b>9.8 Total estimated cash outflows</b>	<b>(6,700)</b>

Item 9.8: Estimated cash outflows are expected to be offset by cash inflows (cash receipts from customers and interest received) in the range of \$1.5 - \$1.9 million, which would result in an estimated net operating cash outflow of \$4.8 - \$5.2 million in Q3 FY'20.

Estimated cash outflows for Q3 FY'20 are based on an exchange rate of \$1AUD=\$0.69USD.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals (Year to date)
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

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### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
Company Secretary

Date: 22 January 2020

Print name: Leanne Ralph

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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