16 April 2020

ASX ANNOUNCEMENT

APPENDIX 4C – Quarter Ended 31 March 2020 (Q3 FY'20)

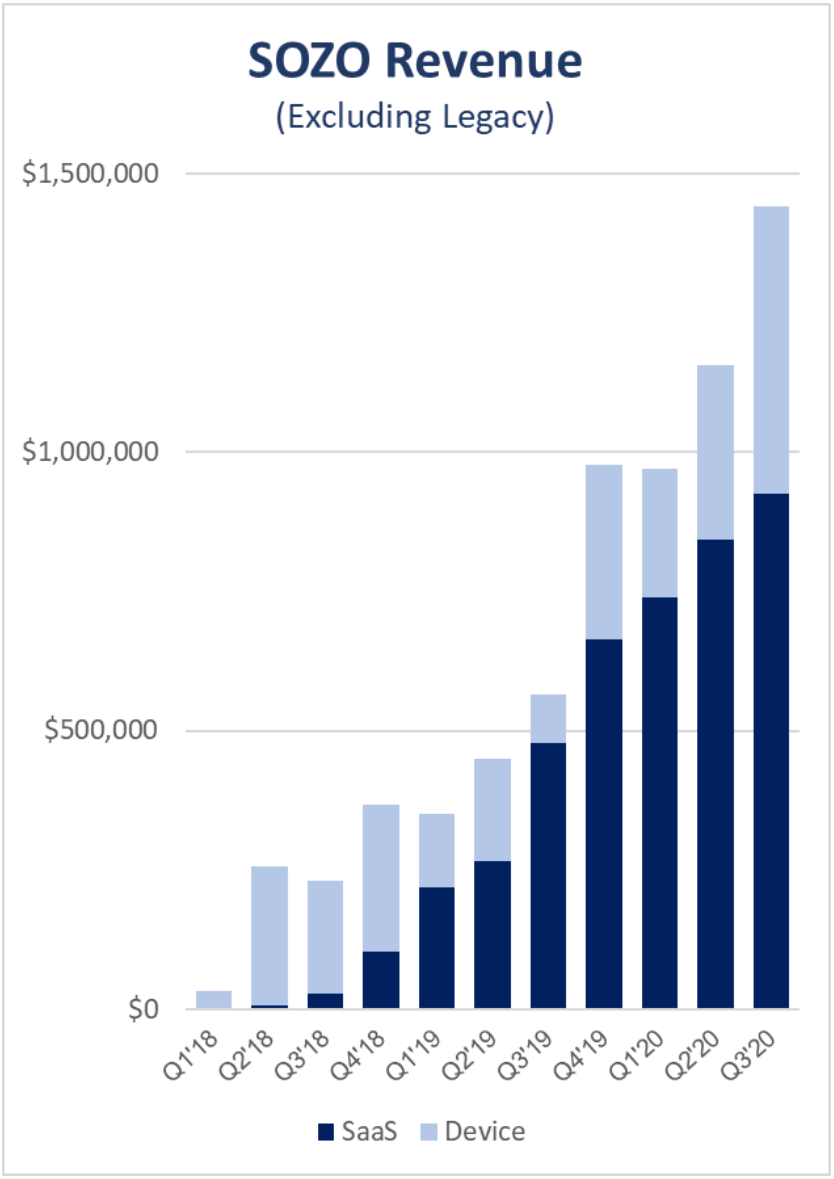
Brisbane, Australia – ImpediMed Limited (ASX.IPD), a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS), today released its Appendix 4C – Quarterly Cash Flow report for the period ended 31 March 2020.

Highlights:

- Record quarter for SOZO® Revenue ($1.4 million), +158% from the previous corresponding period (pcp) and +25% quarter over quarter.
- Record quarter for SOZO SaaS Revenue ($0.9 million), +94% from the pcp and +10% quarter over quarter, driven by the strength of the recurring revenue from existing SOZO accounts.
- Annual Recurring Revenue has achieved a record level of $5.5 million, +98% from the pcp and +30% quarter over quarter.
- Record quarter for SOZO Total Contract Value[i] ($3.0 million), +58% on pcp and +27% quarter over quarter, led by signing of the two largest contracts in Company history: (1) expanded partnership with Baylor Scott & White Institute for Rehabilitation to 25 units and (2) the first order of 16 units under the recently announced national purchasing agreement with McKesson Specialty Health and U.S. Oncology.

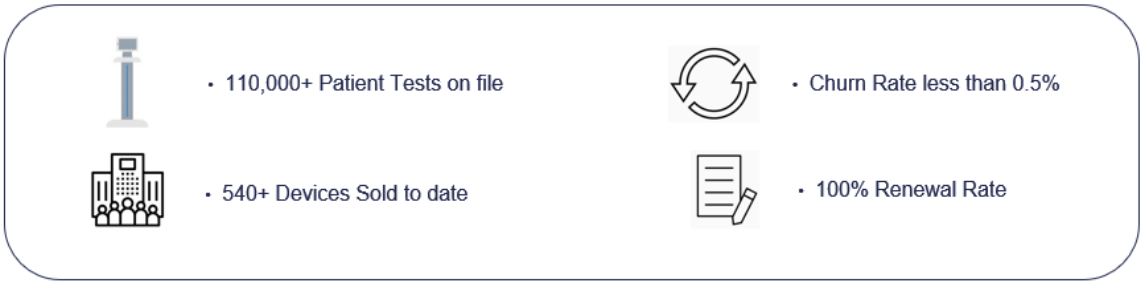
"Staying on the leading edge of technology is part of our commitment to provide the best care for our patients," said Michael V. Seiden, MD, PhD, President of The US Oncology Network. "With SOZO, we will enhance our survivorship program by offering lymphoedema prevention as part of our comprehensive cancer care. This adds tremendous value to our patients as well as the clinicians in our network."

- 63% of units sold in Q3 came from existing accounts. This included expansion at two of the largest existing customer sites, the University of Kansas and Sharp Healthcare, under the Company's Land and Expand strategy.
- Announced a new software release that includes the HF-Dex™ heart failure assessment for the SOZO® Digital Health Platform. The new software also includes an assessment for patients with end stage renal disease (ESRD) as well as usability and data management improvements.
- Announced a non-renounceable accelerated entitlement offer of 13 new shares for every 10 shares at a price of $0.0375 per share with an attaching free option. $9.3M has been received to date under the institutional component of the Entitlement Offer (with a further $0.7M expected to settle shortly). The retail component is open now on the same terms as the institutional offering.



Comment on Effects of COVID-19:

- The Company has been monitoring the global COVID-19 situation and taking advice in relation to the outbreak to ensure the health and safety of the Company's people, customers and stakeholders and to mitigate any potential impacts on the business.
- The Company has taken cost reduction measures and has a phased plan in place to respond in the event of any prolonged potential impacts of the COVID-19 situation on the United States healthcare market.
- The Company has previously advised that it believes it is prudent to note that it is unable to confirm FY'20 Guidance at this time, however any deviation from Guidance previously provided is expected to be modest.
- The Company's SaaS model produced $0.9 million in Q3 and will continue to grow with a total of $5.5 million of Annual Recurring Revenue now contracted.
- The Company has secured its supply chain and doubled the distribution points.
- The Company has developed video training modules to leverage its digital infrastructure in order to now complete installations and trainings remotely.
- The Company is also in a unique position to monitor customer data real-time to assess the impact on hospital systems going through the "curve" of COVID-19 and as they start to recover.



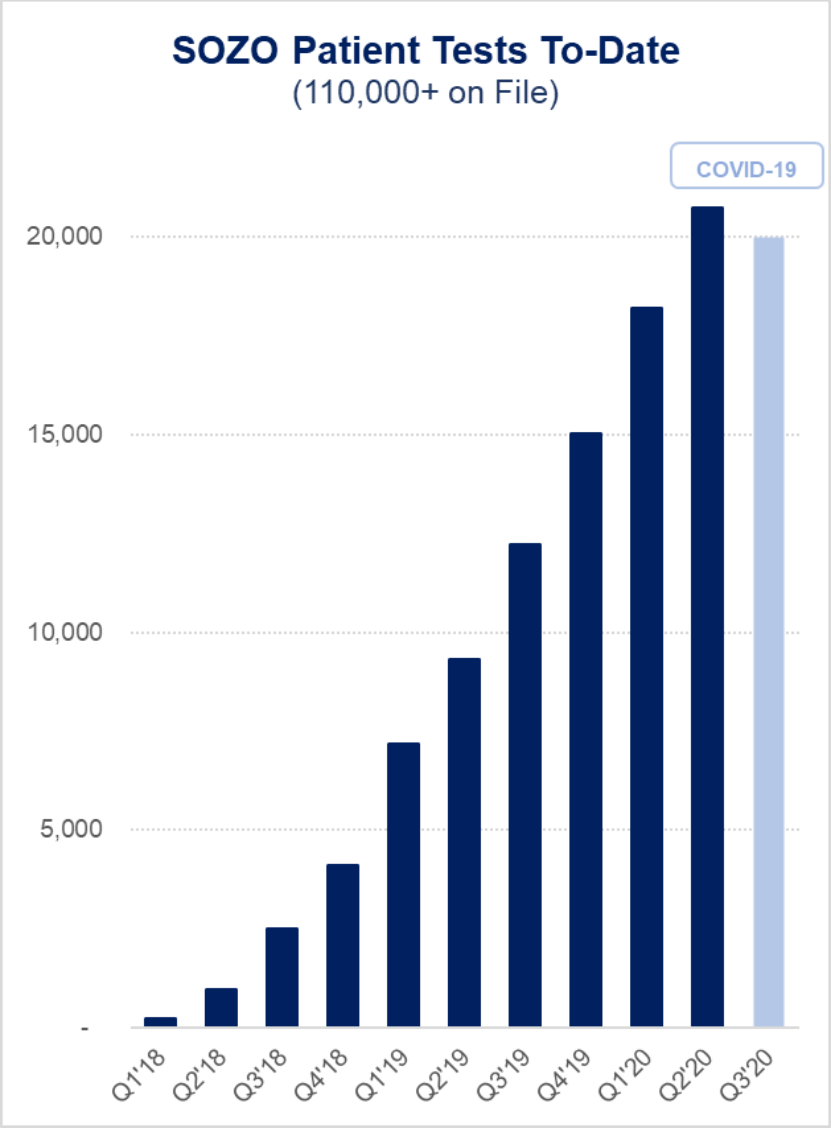
Key Financial and Operational Summary:

- Total Revenue for Q3 FY'20 of $1.7 million, up 73% pcp (Q3 FY'19: $1.0 million) and up 14% quarter over quarter.
- SOZO® Revenue for Q3 FY'20 of $1.4 million, up 158% pcp (Q3 FY'19: $0.6 million) and up 25% quarter over quarter.
- SOZO® SaaS Revenue for Q3 FY'20 of $0.9 million, up 94% pcp (Q3 FY'19: $0.5 million) and up 10% quarter over quarter.
- Contracted Revenue Pipeline[ii] up 58% from the pcp to $12.1 million (Q3 FY'19: $7.7 million) and 27% quarter over quarter.
- Annual Recurring Revenue[iii] up 98% from the pcp to $5.5 million (Q3 FY'19: $2.8 million) and up 30% quarter over quarter.
- 64 new SOZO devices sold, of which 40 came from the expansion of existing accounts and include the University of Kansas and Sharp Healthcare, under the Company's Land and Expand strategy implemented in recent preceding quarters.
- A total of more than 540 SOZO units have been sold since launch.
- 11 additional renewal agreements signed during the period.
- 100% renewal rate on expiring SOZO contracts.
- The customer churn rate remains negligible at less than 0.5%.
- Cash on hand as at 31 March 2020 of $6.9 million. An additional $9.3 million (before costs) has subsequently been received to date in April.
- Cash receipts from customers for the quarter of $1.3 million, below the forecasted range of $1.5 - $1.9 million due to the timing of sales in the quarter.
- Net operating cash outflow of $5.8 million, which is above the range of $4.8 - $5.2 million, primarily due to unrealised negative FX movements, the timing of cash receipts associated with sales in the quarter, and some additional clinical trial and statistical data analysis spend.

Detailed Operational Highlights:

- Announced an expansion of our partnership with Baylor Scott & White Institute for Rehabilitation (BS&W Rehab), adding 20 SOZO units to their Lymphoedema Prevention Program after ImpediMed's release of the iOS version software. BS&W Rehab now have a total of 25 total units under their program with an expectation of continued expansion across their 100-site network. BS&W Rehab offers a network of inpatient and outpatient facilities to serve patients across the state of Texas.
- Announced the first order of 16 units under the recently announced national purchasing agreement with McKesson's U.S. Oncology. The national purchasing agreement allows 1,200 physicians at 470 cancer treatment locations across the U.S. access to SOZO and ImpediMed's BIS (L-Dex®) lymphoedema assessment. Together, these physicians treat over 1 million patients annually.

- Approximately 20,000 patient tests were conducted in the quarter, a small decline from the prior quarter due to reduced frequency of cancer patients visiting hospitals during the COVID-19 situation**. It is important to note, although there is a reduction in patient tests in the quarter,** and an expectation that they will drop further in Q4, **this does not impact the Company's revenue** under its SaaS model (monthly subscription fee per SOZO unit), with further SaaS revenue growth expected in the coming quarter from existing and new customers. To date, total patient tests on file are over 110,000, as hospitals continue to test at-risk patients during COVID-19, demonstrating the adoption of SOZO in the patient care pathway within large hospital systems.



- Announced a new software release that includes the HF-Dex™ heart failure assessment for the SOZO® Digital Health Platform. The new software also includes an assessment for patients with end stage renal disease (ESRD) as well as usability and data management improvements.
    - HF-Dex is a novel tool for the assessment of fluid overload in heart failure patients which provide physicians valuable information to risk-stratify patients as well as to monitor patient condition and response to therapy.
    - Approximately 26 million people are living with heart failure, costing the global healthcare system about $31 billion every year. After a single heart failure hospitalization, nearly 25% of patients are readmitted within 30 days, and nearly 50% are readmitted in six months. The early detection of fluid build-up is critical to reducing hospital readmissions.

- In addition to HF-Dex, the new software contains an assessment for patients with ESRD who are undergoing dialysis. Nearly 750,000 patients per year in the U.S. and an estimated 2 million patients worldwide are affected by ESRD. Those who live with ESRD are 1% of the U.S. Medicare population but account for 7% of the Medicare budget, or approximately US$35 billion.
- While it is widely accepted that better fluid management could reduce mortality and morbidity in dialysis patients, current devices and techniques, including monitoring and tracking tools for improving fluid management are either inadequate or unproven, leaving no practical way to consistently maintain optimal volume status. SOZO provides an accurate, noninvasive, objective way to determine and monitor fluid levels in these patients.

Regulatory and Clinical Highlights:

- Announced the NCCN Clinical Practice Guidelines for Breast Cancer (NCCN Guidelines®) were updated with new recommendations for early detection and diagnosis of lymphoedema to achieve optimal management. Additionally, healthcare providers are now encouraged to consider pre-treatment baseline measurements for patients with lymphoedema risk factors.
- The PREVENT Trial Paper evaluating the 2-year trajectory 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 is pending review and publication.
- Heart Failure (HF) manuscript using bioimpedance as a tool in the clinical assessment and treatment of HF patients has been submitted and is pending review.
- 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.

“The successful institutional entitlement offer raise allows the Company to invest in the critical areas required as we expand our commercialisation and move toward profitability,” said Richard Carreon, Managing Director and CEO of ImpediMed. “While we continue to evaluate the COVID-19 situation and any impact it may have on our cost structure, we still managed to have a record-breaking quarter in a number of key areas for both revenue and SaaS metrics. Our SaaS model insulates us from the falloff in revenue that others in the MedTech sector are currently experiencing. Our platform technology and expanding indications place the Company in a great position to continue our growth moving forward.”

“I want to thank the clinicians and front-line personnel working to overcome COVID-19. The health and safety of the patients, clinicians and our staff continue to be our primary concern during these unprecedented times,” he continued.

Approved for release by the Managing Director and CEO, Mr Richard Carreon.

Investor Conference Call

An investor conference call will be held on Thursday 16th April 2020 at 9.15am AEST. If you have pre-registered, it is recommended you use the dial-ins, passcode and PIN provided in the confirmation notice.

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

Conference ID: 10005712

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
LOS ANGELES:	19092354020
NEW YORK:	19142023258
BELGIUM:	080072111
CHINA:	4001200659
FRANCE:	0800981498
GERMANY:	08001827617
HONG KONG:	800966806
INDIA:	0008001008443
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
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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.

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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[i] **Total Contract Value (TCV):** Total value of customer contracts including one-time and recurring revenue.
[ii] **Contracted Revenue Pipeline (CRP):** Future period revenue amounts related to TCV that are yet to be reported as recognised revenue.
[iii] **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.

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.*

+Rule 4.7B

Appendix 4C

Quarterly cash flow 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	**Quarter ended ("current quarter")**
65 089 705 144	31 March 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,284	3,978
1.2	Payments for		
	(a) research and development	(1,111)	(2,753)
	(b) product manufacturing and operating costs	(100)	(574)
	(c) advertising and marketing	(327)	(857)
	(d) leased assets	-	-
	(e) staff costs	(3,606)	(12,949)
	(f) administration and corporate costs	(1,967)	(5,171)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	33	110
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(5,794)**	**(15,566)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	(91)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (intangibles)	(718)	(1,758)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment		
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(718)**	**(1,849)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	13,921
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(1,098)
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)	(103)	(311)
3.10	**Net cash from / (used in) financing activities**	**(106)**	**12,512**

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

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	12,971	11,330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,794)	(15,566)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(718)	(1,849)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(106)	12,512
4.5	Effect of movement in exchange rates on cash held	572	498
4.6	**Cash and cash equivalents at end of period**	**6,925**	**6,925**

5.	**Reconciliation of cash and cash equivalents** 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	5,121	3,799
5.2	Call deposits	1,804	9,172
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,925**	**12,971**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Item 6.1: Payments to directors consist of Non-Executive Directors' superannuation. At 31 March 2020, there were $156,000 in Directors' fees accrued or unpaid, related to equity-based remuneration and superannuation.

7.	Financing facilities	Current quarter $A'000
7.1	Loan facilities	-
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	-
7.5	Unused financing facilities available at quarter end	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date, and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Items 1.9)	(5,794)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	6,925
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	6,925
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.2

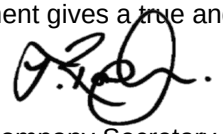
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer:	Yes, the Company expects that it will continue to have negative but improving operating cash flows over the medium term while it pursues the commercialisation and reimbursement of lymphoedema application in the U.S. market, the commercialisation of heart failure application, and the development and commercialisation of renal failure application.
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	Yes, the Company announced on 2 April 2020 a non-renounceable accelerated entitlement offer at $0.0375 per share to raise up to approximately $24.9 million. $9.3 million (before costs) has been received to date in April from the institutional component of the entitlement offer. The retail component, to raise a maximum of $14.9 million, is currently open and expected to close on 22 April 2020.
3.	Does the entity expect to be able to continue its operations and meet its business objectives and, if so, on what basis?
Answer:	Yes, Management expects to be able to continue company operations and to meet its business objectives subject to the reasonable achievement of its business plan, including anticipated growth in sales and/or identification of new strategic opportunities.

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:  Date: 16 April 2020

Company Secretary

Print name: Leanne Ralph

Notes

1. The quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed, and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board", if it has been authorised for release to market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eq Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you had insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4. 2 of the ASX Corporate Governance Council 's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.