



29 November 2022

ASX ANNOUNCEMENT

ImpediMed Announces Appointment of Managing Director and Chief Executive Officer

ImpediMed Limited (“ImpediMed” or “the Company”) is pleased to announce the appointment of Richard Valencia as Managing Director and Chief Executive Officer (MD & CEO) of the Company, effective 1 December 2022.

Mr Valencia brings 30 years of leadership in the healthcare and technology industry sectors. He has focused on building cohesive management teams to implement change in the delivery of services to a broad customer base in the areas of connectivity of medical monitoring devices and solutions to improve electronic health record applications via digital health and cloud-based SaaS platforms.

Previously, Mr Valencia was interim Chairman & CEO of WaveForm Diabetes, a US\$60 million glucose monitoring technology manufacturer. Prior to this, Mr Valencia was a Board member at Tandem Diabetes Care (Nasdaq:TNDM) which experienced an increase in market capitalisation from US\$250 million to US\$5 billion during Mr Valencia’s tenure. Prior to Tandem, Mr Valencia was Senior Vice President at Qualcomm Incorporated (Nasdaq:QCOM) and President of Qualcomm Life, where he led a team focused on client relationships at over 2,500 hospitals globally and numerous top pharmaceutical, medical device and health insurance companies. He also founded and provided oversight to Qualcomm’s digital health venture fund and the digital therapeutics venture fund in partnership with Novartis. He has successfully led the launch of FDA listed cloud-based SaaS platforms for remote care and vital sign monitoring in ambulatory care settings. Mr Valencia has also played an active role in founding, financing and growing numerous other businesses.

ImpediMed Chairman, Don Williams, commented, “The Board is very pleased to appoint Mr Valencia as MD & CEO. His diverse background with growing organisations, building teams and executing on innovative strategies in the digital health space, brings a range of skills necessary to enable ImpediMed in its next stages of development and commercialisation. I am confident that Rick is the leader that will propel the Company to future success.”

Mr Valencia added: “It is a privilege to take on the role of MD & CEO for a business with such a compelling purpose and exciting future. With the majority of breast cancer patients at risk of developing lymphoedema and the need to improve standard-of-care for both heart and renal failure patients, accessibility to the SOZO® Digital Health Platform is more important than ever. The future opportunity to monetise the patient testing data will eventually create an entirely new market segment for the Company. I take pride in my history of developing exceptional talent and building a strong, mission-driven corporate culture. I look forward to leading ImpediMed’s highly capable team to capture the great opportunity ahead for our business.”

Current Interim CEO and Board member, David Anderson, will continue to support ImpediMed upon Mr Valencia’s appointment. Mr Anderson’s history in the healthcare and insurance industries and expertise working with insurance reimbursement programs has provided, and will continue to provide, strength for ImpediMed’s reimbursement strategy and long-term success. The Board thanks Mr Anderson for supporting the Company during the leadership transition period, in the role of interim CEO. Mr Williams commented on behalf of the board, “We were fortunate to have someone of Dave’s

calibre to lead the Company while we conducted our extensive CEO search. Dave's commitment to continue assisting with a hands-on transition and involvement in future payor coverage discussions is most welcome."

Mr Anderson commented, "I enthusiastically welcome Mr Valencia to his MD & CEO role. He brings a background with demonstrated results in corporate strategy, leadership, execution and value creation in high growth businesses. The expertise he brings at this juncture of ImpediMed's development will be invaluable. I have appreciated my time as Interim CEO and will continue to lend my support, especially in reimbursement, to Mr Valencia and the Company in an executive consultancy role and continuing as an Executive Director.

Mr Valencia holds Bachelor of Science in Finance from California State University. He is the Chairman of CareAlign, a privately held software company which provides a patient management tool for clinicians, a board member of Luminia, a privately held company providing financing and technology focused platforms for sustainability improvements in commercial property and Co-Vice Chair of CONNECT, a non-profit organisation providing entrepreneurial mentorship in San Diego.

Summary of material terms of Richard Valencia's executive employment agreement

For the purposes of ASX Listing Rule 3.16.4, a summary of the material terms of Mr Valencia's Executive Employment Agreement is included in Appendix A.

Approved for release by the Chair of ImpediMed Limited, Mr Donald Williams.

Contact Details

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Appendix A —

Summary of Material Terms of the Executive Employment Agreement of Richard Valencia

| Item | Term |
|----------------------------|---|
| 1. Position | Managing Director and Chief Executive Officer |
| 2. Commencement Date | 1 December 2022 |
| 3. Term | No fixed term, ongoing until terminated by either party in accordance with the Employment Agreement. |
| 4. Fixed Remuneration | Mr. Valencia is entitled to fixed remuneration of US\$450,000 per annum. Fixed remuneration will be subject to annual review. |
| 5. Short-Term Incentive | <p>Mr. Valencia may participate in any Short-Term Incentive (STI) plans established by ImpediMed in which executives of the Group are eligible to participate.</p> <p>In respect of FY23, there will be an opportunity for Mr Valencia to participate pro rata from the commencement date in the STI plan and receive a maximum of 110% of fixed remuneration (pro-rated). Payment of any STI will be subject to Mr Valencia's performance against performance targets and priorities set by the Board in consultation with Mr. Valencia and the applicable rules of the STI plan.</p> <p>STI awards for FY23 will be delivered as follows:</p> <ul style="list-style-type: none">* one-third (1/3) paid in cash following the completion of the audited annual accounts for FY23* one-third (1/3) deferred and paid in cash in two equal installments following the completion of the audited annual accounts for FY24 and FY25, respectively* one-third (1/3) delivered in restricted shares (subject to shareholder approval), vesting in two equal tranches subject to continuing employment for a one-year and two-year period <p>Unless the Board determines otherwise, Mr Valencia will forfeit any deferred STI award if his employment ceases due to voluntary resignation (other than for good reason), termination for cause, or a termination in circumstances where the Group is implementing a reduction in workforce; or if any clawback provision under the Executive Share Plan or clawback policy of the Group applies.</p> |
| 6. Initial Long-Term Grant | Subject to shareholder approval, Mr Valencia will be entitled to an initial grant of 10 million options and 20 million performance rights under ImpediMed's Equity Incentive Plan. |

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| | <p>The options will have time-based service conditions — vesting over 4 years in four equal annual installments on each of the first four anniversaries of Mr Valencia’s commencement of employment, subject to employment with ImpediMed on the relevant vesting date(s). The options will be granted as soon as possible following shareholder approval at an extraordinary general meeting. The exercise price (in AUD) of the options will be the 5 day VWAP at the close of trading on the day prior to the date of grant.</p> <p>The performance rights (PRs) will be granted on the sooner of (i) an announcement related to the NCCN Survivorship submission or (ii) 1 April 2023, whichever comes first. The PRs will be eligible to vest in five tranches of 4 million shares each and have cumulative absolute total shareholder return (TSR) thresholds of 80%, 80%, 50%, 50% and 50% in years 1 through 5, respectively. In the event that cumulative TSR is not achieved in any given year, Mr. Valencia will have the opportunity to vest in future periods if thresholds are achieved subsequently, or in respect of a particular year, if the annual TSR threshold is achieved. Vesting is also dependent on continued employment. Any unvested shares at the Year-5 anniversary will be forfeited.</p> <p>If shareholder approval of Mr. Valencia’s initial equity grant is not obtained, he will be entitled to receive a cash payment in lieu of such grant, which is equivalent in value to the long-term incentive that would have been granted had shareholder approval been obtained, subject to the same performance hurdles and timing for vesting.</p> |
| <p>7. Termination</p> | <p>Mr. Valencia will be an “at will” employee meaning that ImpediMed may terminate his employment at any time, with or without cause. In the event Mr Valencia is terminated without cause or resigns for good reason he will be eligible to receive a severance package consisting of nine months of continued payments of applicable base salary. Mr. Valencia’s employment may also be terminated by ImpediMed in circumstances of his misconduct or long-term illness.</p> <p>Mr Valencia may resign at any time upon giving 90 days advance written notice.</p> |
| <p>8. Other</p> | <p>The Executive Employment Agreement contains other standard terms and conditions for agreements of this nature, including restrictive covenants.</p> |

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, lymphoedema, and protein calorie malnutrition, sold in select markets globally.

For more information, visit www.impedimed.com.

About SOZO Digital Health Platform

SOZO, the world's most advanced, noninvasive bioimpedance spectroscopy (BIS) device, delivers a precise snapshot of fluid status and tissue composition in less than 30 seconds. Using ImpediMed's BIS technology, SOZO measures 256 unique data points over a wide spectrum of frequencies from 3 kHz to 1000 kHz. Results are available immediately online for easy data access and sharing across an entire Healthcare system. The FDA-cleared, CE-marked and ARTG-listed digital health platform aids in the early detection of secondary lymphedema, provides fluid status for patients living with heart failure, and can be used to monitor and maintain overall health – all on a single device.

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.