29 August 2022

ASX ANNOUNCEMENT

2022 Annual Report and Annual General Meeting Date

ImpediMed Limited (ASX: IPD, **ImpediMed** or **Company**) is pleased to release its Annual Report for the year ended 30 June 2022.

ImpediMed advises that its 2022 Annual General Meeting will be held on Wednesday 26 October 2022 commencing at 9.00am AEDT. Further details will be provided in the Notice of Meeting which will be released to the ASX in September 2022. When released, the notice of meeting will also be available on ImpediMed's website at https://www.impedimed.com/about/investors/.

ImpediMed further advises that nominations from persons seeking to be considered for election as a director of the Company are required to be received at the registered office of the Company by 5.00pm (AEST) on 7 September 2022.

Approved for release by the Board of ImpediMed Limited.

Contact Details

Investor relations Contact:
Mike Bassett, ImpediMed
T: +61 407 431 432
E: mbassett@impedimed.com

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.

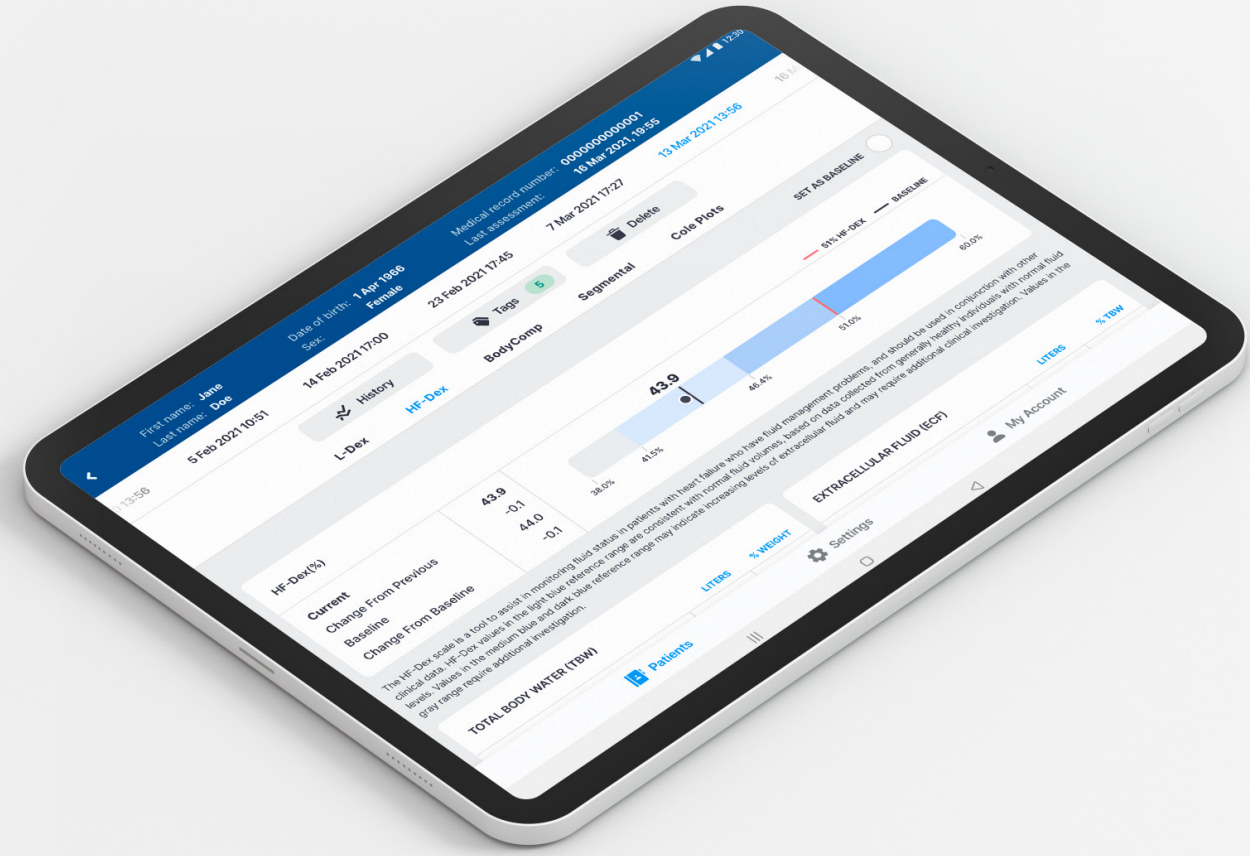
Forward-Looking Statements

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.

impedimed.com



Annual Report

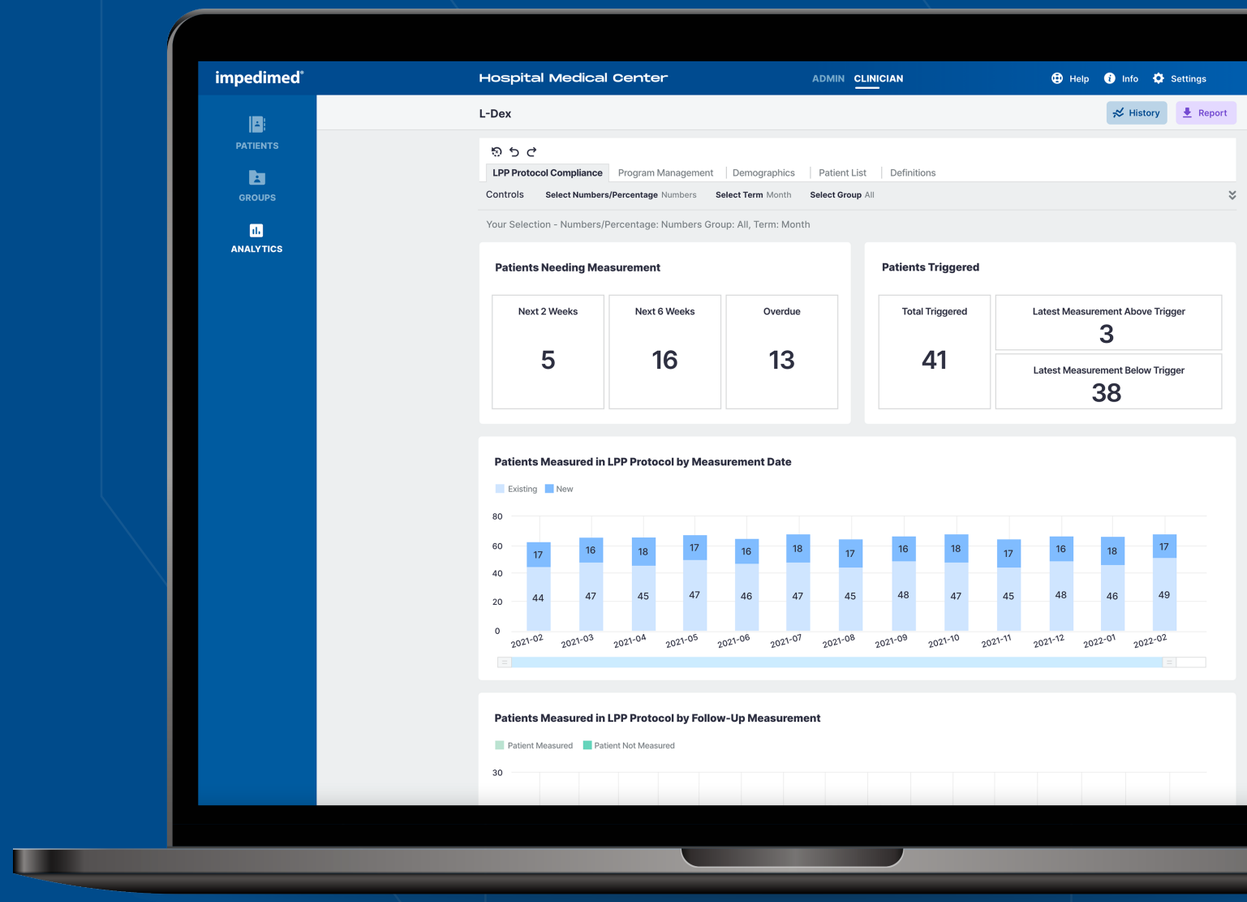
For the Year Ended **30 June 2022**

Platform Technology.
Transforming Care.

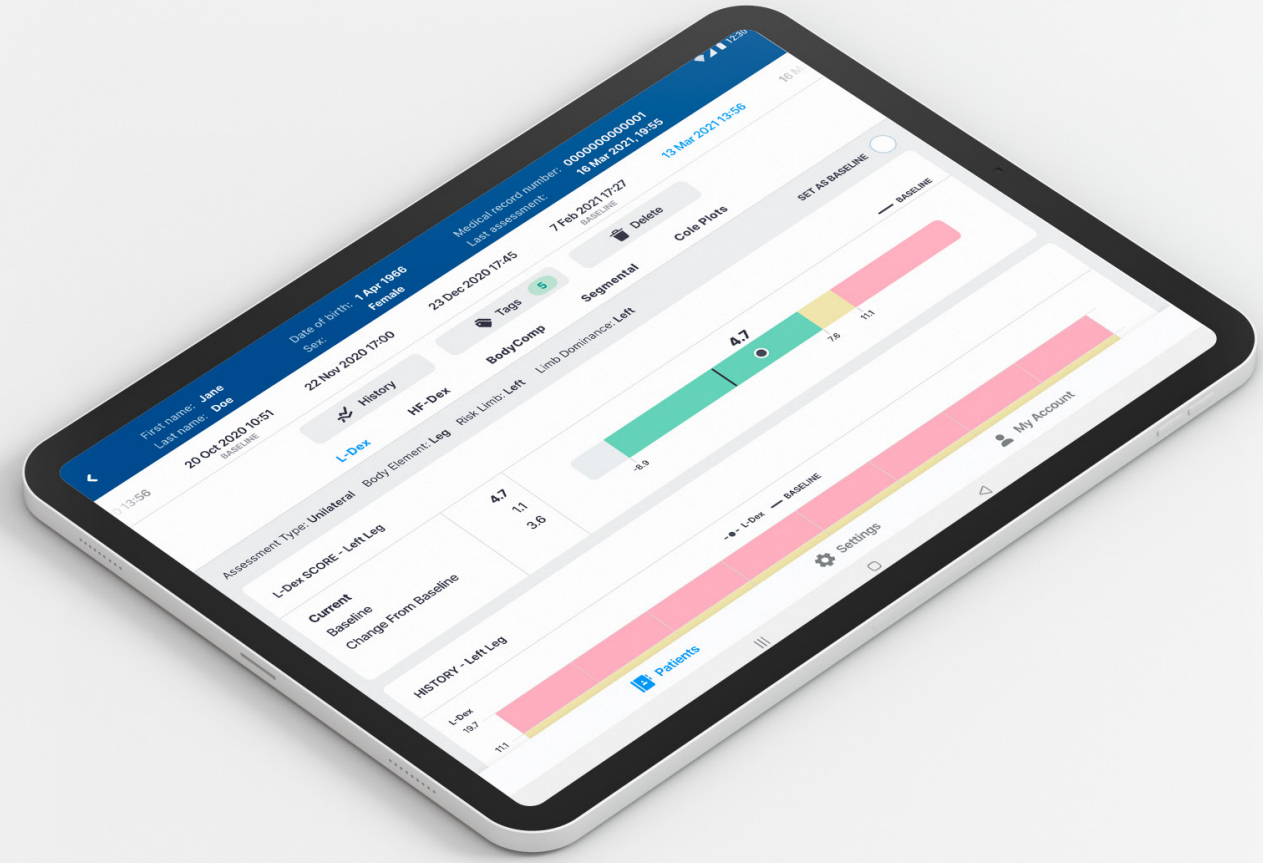
impedimed®

ABN: 65 089 705 144

Table of Contents



Platform Technology.
Transforming Care.



Corporate Information

CHAPTER 1

Platform Technology.
Transforming Care.

Corporate Information

This financial report covers the consolidated entity comprising ImpediMed Limited (the "Parent" or "Company") with its wholly owned subsidiaries (the "Group"). The Parent's functional and presentation currency and the Group's presentation currency is the Australian dollar (AUD or $). Certain prior year amounts have been reclassified for consistency with the current year's presentation.

A description of the Group's operations and of its principal activities is included in the operating and financial review in the Directors' Report. The Directors' Report is not part of the financial report.

Directors

Non-Executive Directors (NED)

D Williams, Chairman
(Appointed Chairman 10 November 2021)

S Ward, former Chairman
(Retired 10 November 2021)

J Downes

R Graham

A Patel

Executive Director

D Anderson, Interim CEO
(Appointed Interim CEO and transitioned from NED to Executive Director 27 July 2022 US time)

R Carreon, former Managing Director and CEO
(Stepped down 26 July 2022 US time)

Company Secretary

L Ralph

Company Offices

Registered Office

Unit 1, 50 Parker Court
Pinkenba QLD 4008

Principal Places of Business

US Headquarters
5900 Pasteur Court, Suite 125
Carlsbad CA 92008 US
Phone: +1 760 585 2100

AU Headquarters
Unit 1, 50 Parker Court
Pinkenba QLD 4008
Phone: +61 7 3860 3700

Additional Company Details

Websites

www.impedimed.com
www.preventlymphedema.com

Share Register

Link Market Services
Level 21
10 Eagle Street
Brisbane QLD 4000
Phone: +61 7 3320 2200

ImpediMed Limited shares are listed on the Australian Securities Exchange (ASX): ASX code "IPD".

Solicitors

Johnson Winter & Slattery
Level 25, 20 Bond Street
Sydney NSW 2000

Sheppard Mullin Richter & Hampton LLP 12275
El Camino Real Suite 200
San Diego CA 92130 US

Bankers

Commonwealth Bank of Australia
240 Queen Street
Brisbane QLD 4000

Bank of America
701 B Street Suite 2300
San Diego CA 92101 US

Auditors

Ernst & Young
Level 51, 111 Eagle Street
Brisbane QLD 4000

Remuneration Advisors to the Board of Directors

Aon – Rewards Solution
425 Market Street, Suite 2800
San Francisco CA 92105 US

Chairman's Report

Donald Williams,
Chairman of the Board

"With the success of the PREVENT Trial, the significant momentum building with reimbursement, and two applications under review with the NCCN®, the Company is very optimistic that FY'23 will be a transformative year."

On behalf of the Board of Directors and Management, I am pleased to present the Annual Report for ImpediMed Limited for the 2022 financial year.

Welcome to Interim CEO, David Anderson

It is my pleasure to introduce David Anderson as the Company's Interim CEO. While new to this leadership role, Dave has been a member of the board of directors since April 2020. For over 30 years, he has held leadership positions in the health care and insurance industries and is a subject matter expert on reimbursement strategy. Dave recently retired from his position as CEO and President of HealthNow New York, the parent company of Blue Cross Blue Shield of Western and Northeastern New York, a $3.2 billion health care organisation. He brings a deep understanding of working with medical practices and hospital organisations to develop preferred standards of patient care and third-party insurance reimbursement programs.

Dave, stepping into his role as interim CEO, will be far more encompassing than simply maintaining the status quo while we search for our new CEO. This will be an opportunity for him to accelerate the path to reimbursement, continue to build out the team and develop a strategic plan to capitalise on our current momentum and achieve accelerated growth and cash flow break-even.

It is important to note that Dave has agreed to mirror the remuneration structure of the board of directors by accepting a pay structure of 60% equity and only 40% cash. This will align him directly with you, our investors.

Continuous Improvement

ImpediMed has transitioned from a pure R&D company to a medical technology company to now commercialisation of the SOZO Digital Health Platform. Much of the current commercial success is based on the largest ever clinical trial conducted in the lymphoedema space. The outcome of the PREVENT Trial demonstrated that intervention in patients with early detection of cancer-related lymphoedema using ImpediMed's L-Dex® technology resulted in a lower rate of progression to chronic disease than patients with early detection from volume measurement using a tape measure, a result that is statistically significant. This Level I evidence is key to reimbursement and establishing L-Dex as a standard of care.

The SOZO Digital Health Platform, addresses significant health care needs across patients' continuum of care, as well as multiple global regulatory clearances for indications which include heart failure, lymphoedema and body composition, among others. To date, over 880 SOZO units have been placed globally and over 450,000 patient tests have been conducted. The increasing level of acceptance by the medical community speaks to the improvement in patient care and the necessity of the SOZO platform.

In addition to the Oncology/Lymphoedema market, the Company is also focused on advancing in the Heart Failure and Renal Failure markets.

In Heart Failure, the Company will be expanding commercial sales of the heart failure application through additional pilot programs in key cardiology centres.

In Renal Failure, the Company will be completing the initial Observational Study and will be using that data to partner with the FDA and Principal Investigators of the study in breakthrough sprint sessions on a clinical evidence plan and trial design.

The Company is making good progress with SOZO II development, the next generation of SOZO hardware. The launch of SOZO II in the coming year will be significant for these markets.

We are excited to make progress in these key focus areas over the coming year, but remain focused on revenue growth and achieving cash-flow break-even with our available resources.

Corporate Governance and Board Composition

We have a strong Board of Directors at ImpediMed with the experience and skills necessary to assure sound governance, while also providing effective support and guidance for Management.

The Board and management team maintain high standards of corporate governance as part of our commitment to create value for our shareholders through effective strategic planning, risk management, transparency and corporate responsibility.

Please refer to our accompanying 2022 Corporate Governance Statement for more details on the important role of governance within the Company, as well as further background on the extensive experience and skills of our board.

Looking Ahead

FY'22 was highlighted by strong growth in revenue and SaaS Metrics, as the Company exceeded $10 million in annual revenue for the first time. With the success of the PREVENT Trial, the significant momentum building with reimbursement, and two applications under review with the National Comprehensive Cancer Network (NCCN®), the Company is very optimistic that FY'23 will be a transformative year for the SOZO informed data platform.

The Company continued to make strong advancements in the SOZO software platform, SOZO hardware and SOZO data throughout FY'22. We are excited to be completing the development of our next generation SOZO hardware during FY'23.

Dave will expand more on reimbursement in his letter, but the Company is in a very strong position to accelerate growth in FY'23 and we look forward to providing you updates along the way.

Thank you

I would also like to extend our gratitude to our customers, who continued to serve patients throughout so much uncertainty over this past year. While much of the world begins to move on from the major impacts of this global pandemic, our customers are still working through lingering challenges, such as continued COVID-19 cases, significant staffing shortages, and general disruption to the daily life in hospitals and physician practice locations.

We are immensely proud to be able to work with a customer base as esteemed as ours and the opportunity to help them improve patient care remains very large.

Thank you as well to our shareholders for your continued commitment to our mission, as we continue to make bioimpedance spectroscopy, delivered via the SOZO informed patient data platform, the standard of care for patients.

We look forward to engaging with you at the upcoming Annual General Meeting later this year.

Sincerely,

Donald Williams
Chairman

Chief Executive Officer's Letter

David Anderson,
Interim CEO

""In my experience it's not a question of if we get reimbursement, but just a question of when. There is work to be done, but I'm very impressed with the appeals win rate. From my experience, this is a higher rate than what was required to achieve reimbursement in other verticals of care."

Dear Shareholders,

I am very excited to be expanding my role with the Company. I've been a Non-executive Director for a touch over 2 years now and I've had the opportunity to see the business progress and de-risk over this time.

Initial Impressions

What I see is a business with tremendous opportunities in front of it. The Company has a strong management team that has built a great product and platform and I'm excited to get involved and lend my experience to assist in unlocking that potential and assist in reaching our goals.

My focus will be utilising my experience to help obtain reimbursement. This is the key to accelerating sales. We expect initial acceleration before reimbursement as hospitals open up, but long-term growth will require us to be successful in obtaining reimbursement.

The Company is in a sound financial position with enough capital to reach breakeven. But we need to accelerate sales. Incremental growth through the global health pandemic has been a fantastic result but now we need to accelerate growth and I believe we are well positioned to achieve that.

Reimbursement

Central to our focus on accelerating growth is reimbursement. Our internal reimbursement team has made great progress and I believe are on track to achieving reimbursement.

The Case Assistance Program numbers are impressive, with over 3,600 case wins at a rate of 99%, and importantly 300+ external appeal wins.

In my experience it's not a question of if we get reimbursement, but just a question of when. There is work to be done, but I have to say I'm very impressed with the appeals win rate. From my experience, this is a higher win rate than what was required to achieve reimbursement in other verticals of care.

We already have a number of important payor meetings scheduled this quarter, and I will be looking to utilise my experience and contacts to ensure we have everything we need to be successful in that process.

Additionally, the NCCN submissions provide us a dual track process to reimbursement. Both paths lead to the same outcome – reimbursement. Most companies only have the traditional path available to them. We are fortunate to have the NCCN pathway also potentially available to us. A positive result with the NCCN submissions would be a fantastic outcome, as it would accelerate private payor reimbursement. While it is definitely no certainty, we believe we have compelling submissions. We would expect to know the outcome before the end of the calendar year.

Engaging our Stakeholders

It is paramount that we focus our attention on engaging our stakeholders.

Staff – We have a strong and dedicated team at ImpediMed. We will continue to focus on their development and providing them the support they need to maximise their potential.

Patients and customers – Our mission and vision statement both have the patient at the core. We can never forget our core mission – Improving patient outcomes.

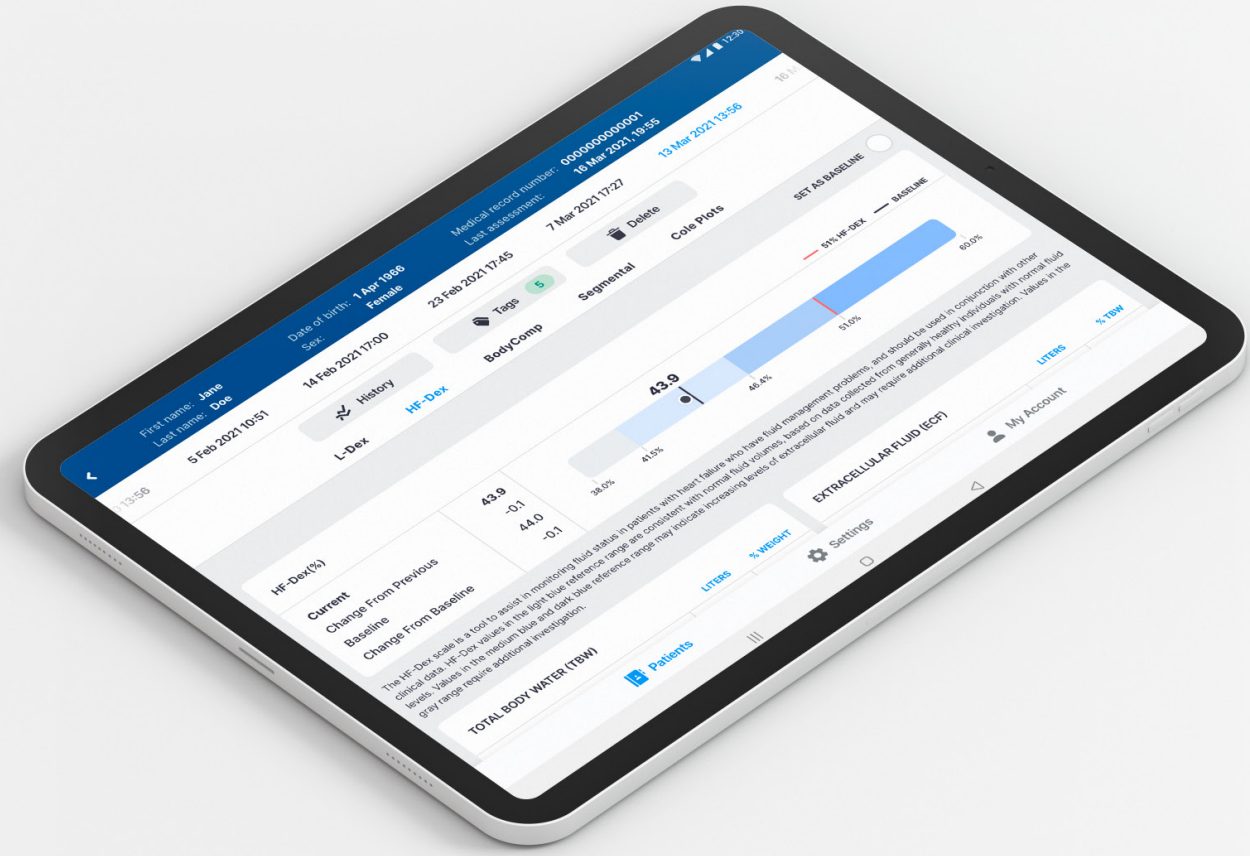
Shareholders – We have longstanding shareholders that have stood by us that would like to see the business fulfil it's potential. The Board has listened to your concerns and we are, at all times, looking to act in the best interests of shareholders. We understand your concerns over cash and more dilutive raises and we are focused on ensuring this won't happen. The Board is committed to better two-way communication with shareholders, especially now with regular travel to and from Australia opening up. We want to see the share price a lot higher and we will achieve that by delivering on outcomes. And that really is my number one focus – delivering on outcomes.

Thank you

I want to thank you for your support and I look forward to meeting many of you in the near future.

Yours sincerely,

David Anderson
Interim Chief Executive Officer



Directors' Report

CHAPTER 2

Platform Technology.
Transforming Care.

Directors

Non-executive Directors

Listed company directorships held since 1 July 2019:

Company Name	Appointed	Retired / Resigned
ImpediMed Limited	March-17	-
Adhera Therapeutics, Inc. (i)	September-14	December-19
Akari Therapeutics (i)	June-16	-
Alphatec Holdings Inc (i)	May-15	August-21
Forte Biosciences (i)	Jun-20	-
Palisade Bio, Inc (i)	Apr-21	-

(i) US-based publicly traded company.

Donald Williams

BAcy, CPA
Non-Executive Director

Donald Williams was appointed to the Board in March 2017 and appointed to Chair of the Board in November 2021. Additionally, Mr Williams serves on the Audit and Risk Management, Remuneration and Nomination Committees and during the 2022 financial year also served as Chair of the Remuneration Committee.

Don has more than 40 years in leadership roles as a Certified Public Accountant (CPA) and an accredited public company director, serving the life science, biotech, and medical device industries. Don has significant experience assisting companies and management teams with initial public offerings, complex business challenges and analysis of financial reporting matters. His breadth of experience includes a diverse set of growing domestic and international companies including venture financings, public equity offerings, public debt offerings, mergers and acquisitions, and interaction with the US Securities and Exchange Commission and Public Company Accounting Oversight Board.

While at both Ernst & Young and Grant Thornton, Don was focused on the Life Sciences Industry. For over 15 years, he directed Ernst & Young's Venture Capital and Emerging Growth Markets in the Southeast Market and in the Pacific Southwest Market. During his seven years at Grant Thornton, he was the National Leader of the United States Life Sciences Industry. His oversight of the National Life Sciences Industry included setting strategy, establishing the sales and marketing plan and oversight of industry operations.

Don completed his Board of Director Certification at UCLA Anderson School of Business.

Listed company directorships held since 1 July 2019:

Company Name	Appointed	Retired / Resigned
ImpediMed Limited	April-17	-
CleanTeQ Holdings Limited	October-18	June-21

Judith Downes

BA(Hons), DipEd, GradDipBus(Acct), FAICD, FCPA, FCA
Non-Executive Director

Judith Downes was appointed to the Board in April 2017, chairs the Audit and Risk Management Committee and serves on the Nomination Committee.

Judith brings over 25 years of accounting and senior management expertise to the Board with a strong focus on financial management and audit and risk management, with large ASX listed companies. During her executive career,

she held the roles of CFO at Alumina Limited (ASX: AWC) and as CFO/COO of Institutional Division, ANZ Banking Group Limited (ASX: ANZ).

Judith currently serves as Board Chair of Bank Australia Limited, is a Non-Executive Director of the Victorian Academy of Teaching and Leadership.

Judith is a Fellow of the CPA, Chartered Accountants Australia and New Zealand, and Australian Institute of Company Directors. Judith is also a past member of the University of Melbourne's finance committee.

Judith has significant experience in corporate governance, debt and equity raisings, financial reporting and Australian listing rules.

Listed company directorships held since 1 July 2019:

Company Name	Appointed	Retired / Resigned
ImpediMed Limited	November-17	-

Robert Graham

AO, FAA, FAHMS, MBBS, MD, FRACP, FACP, FAHA, GAICD
Non-Executive Director

Dr Graham was appointed to the board in November 2017 and serves on the Remuneration and Nomination Committees.

Bob received his medical training at the University of New South Wales, Australia, where he is now the Des Renford Professor of Medicine, (UNSW). He was the inaugural Executive Director, Victor Chang Cardiac Research Institute (VCCRI), Sydney, Australia, from 1994 – 2020, and continues there as Head, Molecular Cardiology and Biophysics Division, VCCRI, and Des Renford Professor of Medicine, University of NSW.

Bob returned to Australia in 1994 after 17 years working in the US at the University of Texas Southwestern Medical School, Dallas; the Massachusetts General Hospital, Harvard Medical School; the Massachusetts Institute of Technology, and the Cleveland Clinic Foundation and Case Western Reserve University School of Medicine.

Listed company directorships held since 1 July 2019:

Company Name	Appointed	Retired / Resigned
ImpediMed Limited	March-17	-

Amit Patel

MBA, BME
Non-Executive Director

Amit Patel was appointed to the Board in March 2017 and serves as the Chair of the Remuneration Committee and as a member of the Audit and Risk Management and Nomination Committees.

Amit is a Co-Founder and CEO of Murata Vios (formerly Vios Medical), which has created an FDA-cleared patient management platform that integrates IoT-based monitoring, remote care services, and big data analytics to alleviate gaps in patient vigilance across in-hospital and home environments. Vios is currently commercialising its monitoring and services solution across major hospital systems in the US and India. Vios Medical was acquired by Murata Manufacturing in October of 2017.

Prior to founding Vios, Amit was with HeartFlow where he created a joint go-to-market strategy with GE Healthcare's imaging division, managed the DeFACTO clinical study across multiple UK sites, and developed a health economic story for the NHS. Prior to HeartFlow, Amit was with Medtronic's Corporate Development group and was responsible for acquisitions, minority investments, and joint ventures spanning existing businesses and strategic whitespace areas. Amit has an MBA from Stanford University and a Bachelors of Biomedical Engineering from the University of Minnesota.

Executive Director

Listed company directorships held since 1 July 2019:

Company Name	Appointed	Retired / Resigned
ImpediMed Limited	May-20	-

David Anderson

BSc
Executive Director

David Anderson was appointed to the Board in May 2020 and is serving as the Interim CEO of ImpediMed. Prior to his role as Interim CEO, Mr. Anderson was a Non-Executive Director, served as the Remuneration Committee Chair and was a member of the Nomination Committee.

Prior to being appointed to his role as Interim CEO, David served as President and CEO of HealthNow Systems Inc, operating as Blue Cross Blue Shield (BCBS) health plans in New York State.

HealthNow operates as a licensee of the Blue Cross Blue Shield Association, which in total, provides health care services to 1 in every 3 Americans across all 50 states and US territories and is accepted at over 90% of US doctors, hospitals and other health care providers.

David is a US health care industry executive who serves on the board of the National Institute of Healthcare Management, Blue Cross Blue Shield Association board of Directors, the board of the New York State Business Council and the New York State Insurance Advisory Committee as appointed by the Commissioner of the Department of Financial Services.

Additionally, David serves as an advisor and speaker for Modern Healthcare's CEO Power Panel and the Aspen Institute. Prior to his role at BCBS, Mr. Anderson was CEO of United Healthcare's Southern California Health Plan. Mr. Anderson is a native of Fort Wayne, Indiana, and a graduate of Indiana University's Kelly School of Business, with a B.S. in Finance.

Interest in the Shares and Options of the Group and Related Body Corporate

As at the date of this report, the interests of the current Directors in ImpediMed Limited were:

Director	Title	Ordinary Shares
D Williams	Non-Executive Director	3,201,311
J Downes	Non-Executive Director	2,874,535
R Graham	Non-Executive Director	2,193,399
A Patel	Non-Executive Director	2,458,251
D Anderson	Executive Director	1,471,409

Company Secretary

Leanne Ralph

Company Secretary

Leanne Ralph was appointed to the position of Company Secretary in January 2015. Leanne has over 15 years of experience in company secretarial roles and holds this position for a number of ASX-listed entities. Leanne is a Fellow of the Governance Institute of Australia and a Graduate Member of the Australian Institute of Company Directors.

Executives

Frank Vicini, M.D.
Chief Medical Officer

Timothy Cruickshank
Chief Financial Officer

Shashi Tripathi
Chief Technology and Chief Customer Officer

David Adams
Senior Vice President
Operations and Strategic Planning

Catherine Kingsford
Senior Vice President
Medical Affairs

Dennis Schlaht
Senior Vice President
R&D and Technology

Michael Bassett
Senior Vice President
Corporate and Strategic Development

Nancy Deisinger
Senior Vice President
Human Resources

Certain Executives are not considered Key Management Personnel for purposes of the Remuneration Report.

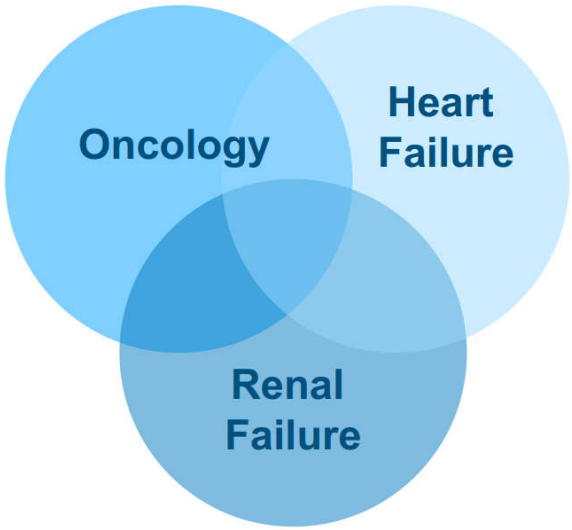
Principal Activities

ImpediMed is a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS).

The principal activities of the Group during the year were the development, manufacture and sale of BIS devices and software services with a focus on the early detection of lymphoedema and heart failure.

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. ImpediMed's devices are sold in select markets globally.

The Group is initially focused on three large and growing markets: Oncology, Heart Failure, and Renal Failure.



These markets overlap significantly and represent an annual addressable market of over $2.0 billion.

	Oncology Lymphoedema Protein Calorie Malnutrition Dehydration	Heart Failure Fluid Overload	Renal Failure Fluid Overload Protein Calorie Malnutrition
Chronic disease	✓	✓	✓
Long-term patient management	✓	✓	✓
High cost of care	✓	✓	✓
Large unmet need	✓	✓	✓

In Renal Failure, the terms Protein Calorie Malnutrition (PCM) and Protein Energy Wasting are often used interchangeably. ImpediMed most commonly refers to this disease state as PCM.

Dividends

No dividends were paid or proposed to be paid to shareholders for the year ended 30 June 2022.

Group Overview

ImpediMed Limited was founded in Brisbane, Australia in September 1999, and was listed on the ASX on 24 October 2007. The Group consists of four entities:

ImpediMed Limited, the Parent company operating in medical markets in regions outside North America; incorporated in 1999 and listed on the ASX on 24 October 2007.

ImpediMed Incorporated, a Delaware corporation in medical markets in North America.

ImpediMed Hellas, a Kalamaria, Greece corporation in a research & development and marketing capacity in Europe.

ImpediMed TM Incorporated (formerly XiTRON Technologies, Incorporated), a California corporation formerly operating in power test and measurement markets globally. ImpediMed TM Incorporated discontinued operations during the year ended 30 June 2019.

Key Corporate Data

Share price^	$0.07
Shares on issue^	1,780 million
Market Capitalisation^	$124 million
Cash (30 June 2022)	$40.7 million
Share Register Breakdown (30 June 2022)	Institutional 51% Private 46% Board/Employee 3%

^Data as of 25 August 2022

For more information, visit: https://www.impedimed.com/.

Connected 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. Results are available immediately online for easy data access and sharing across an entire healthcare system. The FDA-cleared, CE-marked and ARTG-listed(i) digital health platform aids in the early detection of secondary lymphoedema, provides fluid status for patients living with heart failure, and can be used to monitor and maintain overall health – all on a single device.

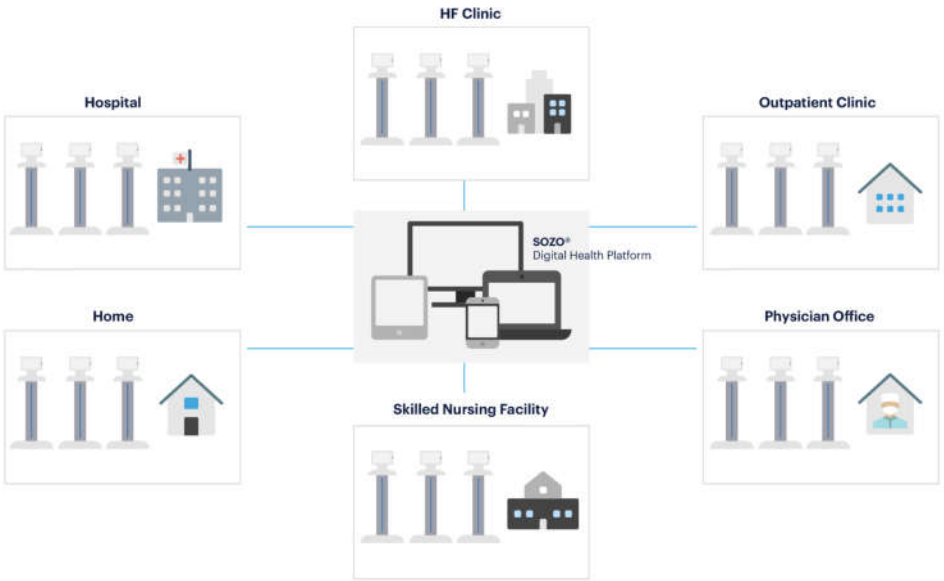
(i) Australian Register of Therapeutic Goods

Access Test patients at any location and immediately review results online.

Trends Track trends in patient data for actionable results.

Scalable Add and move test locations without any additional software setup.

Secure Control who accesses the HITRUST certified SOZO network and establish unique security settings.



Strong Adoption, Validated Technology

Dynamics of the Business

The Parent and its wholly owned subsidiary, ImpediMed, Inc., are a global provider of medical technology to measure, monitor and manage tissue composition and fluid status using bioimpedance spectroscopy (BIS). These entities generate the BIS revenue for the Group through the sale of medical devices (such as SOZO), subscription services associated with the license fees on SOZO devices, and consumables.

Using BIS, ImpediMed's proprietary technology sends 256 unique frequencies through the body to assess both intra and extracellular fluid. By detecting small amounts of fluid changes, it can help healthcare providers better detect and manage chronic disease in patients and give individuals medically meaningful information to better manage their health. BIS is able to provide highly accurate and informative metrics to routinely monitor and manage the health of patients.

In the U.S. market, the Group has an employed, direct sales force that focuses on the sale of SOZO contracts, which primarily includes SOZO devices, license fees related to its cleared indications (such as the unilateral and bilateral lymphoedema indications) and other subscription services. Outside of the U.S. market, the Group has a mix of employed sales representatives and independent distributors.

880+ SOZO UNITS PLACED GLOBALLY

CLINICAL PRACTICE GUIDELINES

NCCN Guidelines® recommend patient education and regular monitoring for the early detection of lymphoedema. Additional guidelines support early detection and intervention:

Platform Technology.
Transforming Care.

SOZO® Digital Health Platform

SOZO, the world's most advanced, noninvasive bioimpedance spectroscopy (BIS) device, incorporates L-Dex® technology to aid in the assessment of secondary lymphoedema and fluid status to monitor patients living with heart failure. SOZO delivers a precise snapshot of L-Dex, fluid status, and tissue composition in less than 30 seconds allowing clinicians across multiple specialties to provide individualized, proactive care that can help improve patient outcomes.

Milestones

For the year ended 30 June 2022, the Group achieved a number of key milestones across all three strategic focus areas: Oncology (including Lymphoedema), Heart Failure and Renal Failure; as well as technological advancements in support of these key focus areas.

ONCOLOGY

1 February 2022

PREVENT Trial Peer Reviewed and Published

The Group announced that the PREVENT Trial results have been peer-reviewed and published in *Lymphatic Research and Biology*, a journal dedicated to research on lymphatic biology and pathology from the world's leading biomedical investigators. The study demonstrated that intervention in patients with early detection of cancer-related lymphoedema using ImpediMed's L-Dex technology resulted in a lower rate of progression to chronic disease than patients with early detection from volume measurements using a tape measure, a result that is statistically significant.

The results were as follows:

- The trial met its primary endpoint.
- In patients with early detection using L-Dex, intervention resulted in a 7.9% rate of chronic lymphoedema compared to a 19.2% rate of chronic lymphoedema in patients with early detection using tape measure (p=0.016).
- This represents an absolute reduction of 11.3% and relative reduction of 59%.
- 92% of patients with early detection of cancer-related lymphoedema using L-Dex and intervention did not progress to chronic lymphoedema.
- A risk-adjusted analysis showed a significantly consistent benefit of L-Dex monitoring in a large group of patients with key risk factors for BCRL including body weight, stage of cancer, type of cancer surgery, lymph node dissection, chemotherapy, and radiation (odds ratios: 0.23-0.39).

The paper concluded the following:

- **These statistically significant results demonstrate that bioimpedance spectroscopy (BIS) screening should be a standard approach for prospective breast cancer-related lymphoedema surveillance.**
- BIS is more specific for lymphoedema detection than tape measure (TM), as it had fewer triggers and longer times to intervention trigger.
- While the BIS protocol can be easily replicated in clinical settings, the rigor of the TM protocol for this study exceeded what is practical in most clinics. Thus, BIS may offer even more benefit across clinical settings than what was demonstrated in this study.
- BIS, as compared to TM, provides a more precise identification of patients likely to benefit from an early compression intervention.

The PREVENT Trial is a seminal study, the largest randomised controlled trial to be conducted on patients at-risk of lymphoedema. The study enrolled >1200 patients across 10 trial sites in the US and Australia, involving 13 hospitals. Of these, 3 of the 9 US sites are National Comprehensive Cancer Network® (NCCN) Member Institutions. The trial was conducted over six and a half years and patients were followed for up to three (3) years, with primary aim to determine if subclinical detection of extracellular fluid accumulation via bioimpedance spectroscopy, and subsequent early intervention, reduces the rate of lymphoedema progression relative to the rate when using tape measurements.

In addition, in July 2022, the Group announced the publication of a paper on the risk factors for breast cancer related lymphoedema, further supporting the use of a prospective surveillance model of care. In addition, the paper identified patients who may benefit from more frequent follow-up. The paper was published in Cancer, an international, interdisciplinary journal of the American Cancer Society, which publishes high-impact, peer-reviewed original articles and solicited content on the latest clinical research findings.

CASE ASSISTANCE PROGRAM

28 July 2022

Significant Momentum Building with ImpediMed's Case Assistance Program

ImpediMed's Case Assistance Program is available to all SOZO customers. The program handles all processes required for reimbursement, facilitates patient access to testing, and is fully compliant with HIPAA and guidance from the Office of the Inspector General. The Group gave an update as part of its Appendix 4C Quarterly Investor Conference Call on the progress made with the Case Assistance Program as of 28 July 2022:

- 3,600+ cases won against commercial payors
- 99% of all cases won
- Cases have been won against all major payors
- 300+ external appeal wins to date
- Up from 9 in December 2021
- 10 Private Payor meetings scheduled from August 2022

30 September 2021

New Corporate Oncology Account with Icon Group

The Group announced an agreement with Icon Group for the rollout of the initial 13 SOZO units to establish lymphoedema screening services for breast cancer patients across Australia and New Zealand.

Icon Group is Australia's largest dedicated cancer care provider with 31 cancer centres in Australia and a global footprint in New Zealand, Singapore, Hong Kong and mainland China. This footprint includes day oncology hospitals, radiation oncology facilities and comprehensive centres that bring both oncology disciplines together.

With a commitment to delivering the best care possible, closer to home for cancer patients through the use of innovative technology-based solutions, Icon offers the latest in cancer treatment including Australia's largest private cancer clinical trials program to improve health outcomes for men and women both in Australia and across the world.

7 March 2022

New Bone Data Showing Strong Correlation between ImpediMed's SOZO and DXA in Cancer Patients Presented at 39th Annual Miami Breast Cancer Conference

The Group announced that a poster showing strong correlation between ImpediMed's SOZO Digital Health Platform and dual x-ray absorptiometry (DXA) for assessing bone mineral content in cancer patients was presented at the 39th Annual Miami Breast Cancer Conference.

The poster, titled "The Routine Use of Bioimpedance Spectroscopy Measurements in the Clinic as a Surrogate for Bone Mineral Content in Oncology Patients: Practical Application of the SOZO Device", demonstrated strong correlation between skeletal muscle mass (SMM) collected using SOZO and bone mineral content (BMC) collected using DXA in three groups.

HEART FAILURE

15 July 2022

New Heart Failure Data Evaluating ImpediMed's SOZO® in Heart Failure Patients to be Presented at Heart Failure Society of America Annual Scientific Meeting 2022

The Group announced two abstracts evaluating use of ImpediMed's SOZO® Digital Health Platform in heart failure patients were accepted for poster presentation at the Heart Failure Society of America (HFSA) Annual Scientific Meeting 2022 on 30 September to 3 October in Washington D.C., USA.

The abstracts are titled:

• Bioimpedance Spectroscopy Distinguishes between Fluid Status in Individuals with and without Heart Failure

• Bioimpedance Spectroscopy Derived Arm-to-Leg R0_ratio as a Predictor of Increased Intravascular Volume and Need for Up-Dosing

The HFSA Annual Meeting draws experts on heart failure care with the goal of reducing the burden of heart failure through education, innovation, and research. It is a highly specialised scientific conference and one of the leading forums to present research in heart failure.

27 September 2021

SOZO Heart Failure Program Initiated at AdvocateAuroraHealth

The Group announced the inaugural SOZO Heart Failure Program has been established at Advocate Health Care's Heart Institute, Chicago, Illinois. The introduction of SOZO is being championed by Dr Ali Valika, MD, an interventional cardiology specialist board certified in Advanced Heart Failure and Transplant Cardiology, with the aim of optimising fluid levels in Heart Failure Patients both in clinic and after discharge.

The Group was able to leverage its existing footprint within the Advocate Aurora Health system to move forward with an initial Heart Failure Program. The Advocate Aurora Health system currently has 10 SOZO devices under a Lymphoedema Prevention Program.

AdvocateAuroraHealth consists of 26 hospitals and over 500 sites of care. Advocate Health Care in Illinois and Aurora Health Care in Wisconsin together form one of the premier, not-for-profit health systems in the United States. Advocate Aurora Health is nationally recognised for clinical expertise across the care continuum while leading health care transformation to drive value and reimagine the consumer experience.

Within Advocate Health Care is the Advocate Heart Institute with over 100 sites, where 350 specialists perform more than 20,000 heart procedures each year, the most in Illinois. They are a national leader in heart outcomes and pride themselves on pioneering the most advanced programs and technology.

13 September 2021

HFSA Abstracts Demonstrate the Utility of SOZO for HF Patients

The Group announced two abstracts were presented in the poster session of the prestigious Heart Failure Society of America (HFSA) Annual Scientific Meeting September 10 – 13, 2021. The abstracts were from studies conducted at Scripps Memorial Hospital campuses and were accepted in the Clinical Care category.

The abstracts were as follows:

Time to decongestion following heart failure hospitalization as measured by extracellular fluid nadir using bioimpedance spectroscopy (BIS)

This was a multi-centre observational study evaluating volume status of heart failure patients recently discharged from hospital and undergoing a diuretic regimen, with reducing extracellular fluid (ECF) being the main objective of therapy. The study undertook daily SOZO BIS measurements to track fluid status and compared them to corresponding weight measurements. It took an average of 16.9 days for patients to reach their lowest extracellular fluid volume following a heart failure-related hospital stay. During this time, patients experienced more than a two-fold ECF loss as compared to weight loss on a percentage basis, demonstrating the sensitivity of BIS as diuretic decongestion reduces ECF.

The abstract concluded: Frequent monitoring of ECF using BIS Measurements, is a more sensitive method than weight to monitor fluid status in patients with heart failure and may help guide diuretic therapy after hospitalisations.

Bioimpedance spectroscopy offers an objective measure of heart failure stability during a viral pandemic

The abstract addressed a concern that patients with heart failure related congestion were potentially being misclassified and diuretic therapy delayed when presenting with shortness of breath during the COVID-19 pandemic. The study assessed 56 heart failure patients during the COVID-19 pandemic. SOZO HF-Dex measurements were obtained upon visitation. The paper observed patients with HF-Dex measurements of ≥51% required higher rates of medication and diuretic changes. These patients also felt worse which may limit misclassification of congestion when shortness of breath is the main complaint.

The abstract poster concluded: The ability to quantify congestion using BIS measures, may assist in triage of patients presenting with shortness of breath, as increasingly (has) been the case during the COVID-19 pandemic, in clinic and acute care settings.

RENAL FAILURE

18 March 2022

AstraZeneca selected SOZO for Second Large Renal Trial

AstraZeneca extended its second contract for a Phase IIb trial by an additional three (3) months. The trial is utilising SOZO to measure fluid volume in patients with chronic kidney disease. In addition to extending the contract, AstraZeneca increased the number of SOZO devices required by 23, taking the total number in this trial to 223.

The extension and expansion of this trial is generating an estimated value of over $500,000 in additional revenue. In total, over $5.5 million in contract value has been signed under the various AstraZeneca trial agreements, the majority of which has been recognised in FY21 and FY22.

11 February 2022

ImpediMed Announces a Clinical Trial Agreement for its SOZO Platform in Patients with End Stage Renal Disease

The Group announced it entered into an agreement with balboa RESEARCH SMO+ and Frenova Renal Research, a Fresenius Medical Care company, to conduct an initial Observational Trial. The trial will be used to support an application for FDA clearance for use of the device for patients with End Stage Renal Disease (ESRD).

The primary goal of the Observational Trial is to assess the applicability of the SOZO platform in an in-center dialysis setting and collect data that can be used to refine the protocol for an Interventional Trial.

23 August 2021

FDA Grants Breakthrough Device Designation for Renal Failure

The Group announced SOZO has received FDA Breakthrough Device Designation for a proposed indication in a renal patient population.

The Group intends to use its well-established SOZO bioimpedance spectroscopy (BIS) platform to provide an exact measure of fluid volume to remove during a dialysis session. The current process, utilising weight scales to determine accumulation of fluid, has significant deficiencies. The scales cannot account for changes in body composition, with muscle loss being prevalent in end-stage renal disease patients. The potential for SOZO to address this deficiency was paramount in meeting the criteria for Breakthrough Designation.

The US Breakthrough Device Designation is granted when a device is shown to meet the following criteria:

- The device provides for more effective treatment or diagnosis of life-threatening or irreversibly debilitating human disease or conditions
- The device must also meet one or more of the following criteria:
    - Represents breakthrough technology
    - No approved or cleared alternatives exist
    - Offers significant advantages over existing approved or cleared alternatives
    - Device availability is in the best interest of patients

There are many benefits associated with acceptance into the Breakthrough Program, with the FDA allocating specific resources throughout the development process to maximise the impact of the program. The benefits include:

- Interactive and timely communication
    - FDA provides interactive and timely communication during device development and throughout the review process.
- Efficient and Flexible Clinical Study Design
    - FDA collaborates to ensure the design of clinical trials is efficient and flexible.
    - This can include prespecified endpoints, the use of surrogate endpoints and adaptive study designs.
    - Importantly, the Breakthrough Program includes a provision for obtaining a binding agreement on clinical protocols.
- Priority Review
    - Breakthrough Devices receive priority review and
    - Receive additional review resources, as needed.

A breakthrough designation positions ImpediMed to successfully expand its SOZO platform into the renal space. ImpediMed will partner with the FDA to expedite the development and clearance of SOZO. The breakthrough sprint sessions are the perfect forum to develop the clinical evidence plan, including trial design, to obtain data that will result in a successful clearance to market.

TECHNOLOGY

2 June 2022

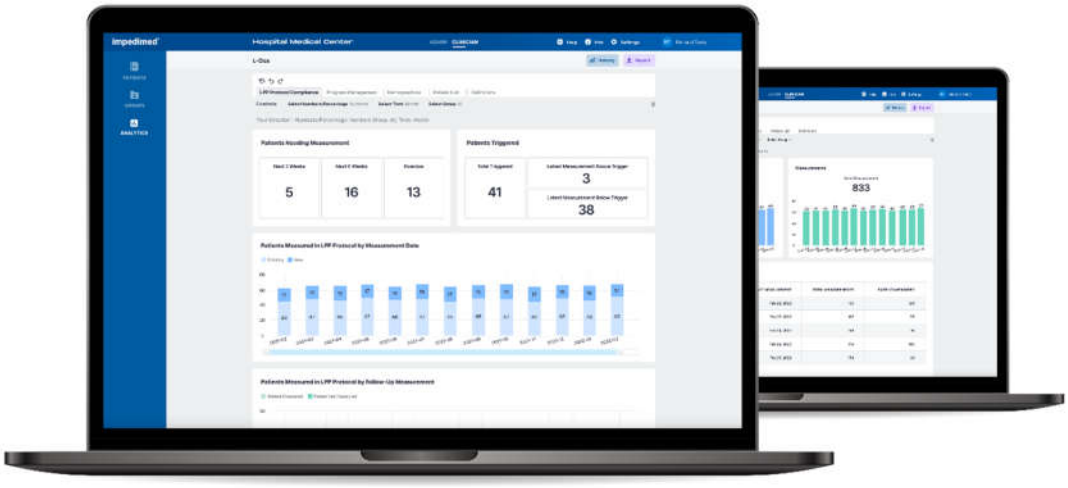
Release of SOZO Version 4.1 Software

New SOZO 4.1 Software Delivers Analytics and EHR Integration

The Group released the new version 4.1 software for the SOZO Digital Health Platform, which delivered new features to further improve the customer experience and extend SOZO's competitive advantage in the healthcare marketplace.

SOZO Software Version 4.1 is expected to contribute to growth and increasing competitive advantage through two key features:

- **L-Dex Analytics** – Identifying patients in need of their next L-Dex test by tracking compliance to the Lymphoedema Prevention Program (LPP) protocol.
- **EHR Interface** – Customers will have the ability to automatically transfer SOZO measurement data directly into their electronic health record (EHR) system immediately after every SOZO test.



L-Dex Analytics

Through the various dashboards, healthcare providers can benchmark their programs across their organisation and against the LPP protocol to ensure compliance and improve patient outcomes.

Key Features include:

- L-Dex Analytics generates reporting and insights directly from each customer's unique SOZO dataset.
- An LPP Protocol Compliance Dashboard helps customers optimise workflows and patient outcomes by identifying patients in need of their next L-Dex test, highlighting patients above the L-Dex trigger for subclinical lymphoedema, and tracking patient compliance to LPP testing.
- A Demographics Dashboard illustrates the L-Dex patient population to confirm all patients who can benefit from L-Dex testing are receiving optimal care.
- A Program Management Dashboard tracks L-Dex utilisation to evaluate SOZO locations for maximum patient access and to ensure care goals are met.

EHR Interface

SOZO's cloud-based infrastructure is the ideal platform to allow for EHR integration and it has been a highly requested function across ImpediMed's client base. It is especially relevant for the larger corporate clients with multiple sites and vital for ImpediMed's planned expansion into Renal Care.

Key Features include:

- SOZO customers will save time and gain workflow efficiency by automatically transferring SOZO measurement data directly into their EHR immediately after every SOZO test. Workflow efficiency is critical to accelerating adoption.
- Customers can eliminate manual data entry to ensure reporting accuracy and integrity of the medical record. Proper documentation of SOZO's L-Dex measurements is crucial to secure reimbursement for L-Dex testing.
- Integration of SOZO data into the EHR helps establish SOZO as standard care for practices and further embeds SOZO into the healthcare ecosystem.

Technology Adoption

SOZO Patient Tests

To date, the Group has conducted more than 450,000 patient tests(i) since the initial launch of SOZO, including over 160,000 patient tests conducted in FY22 alone, a 23% increase year over year.

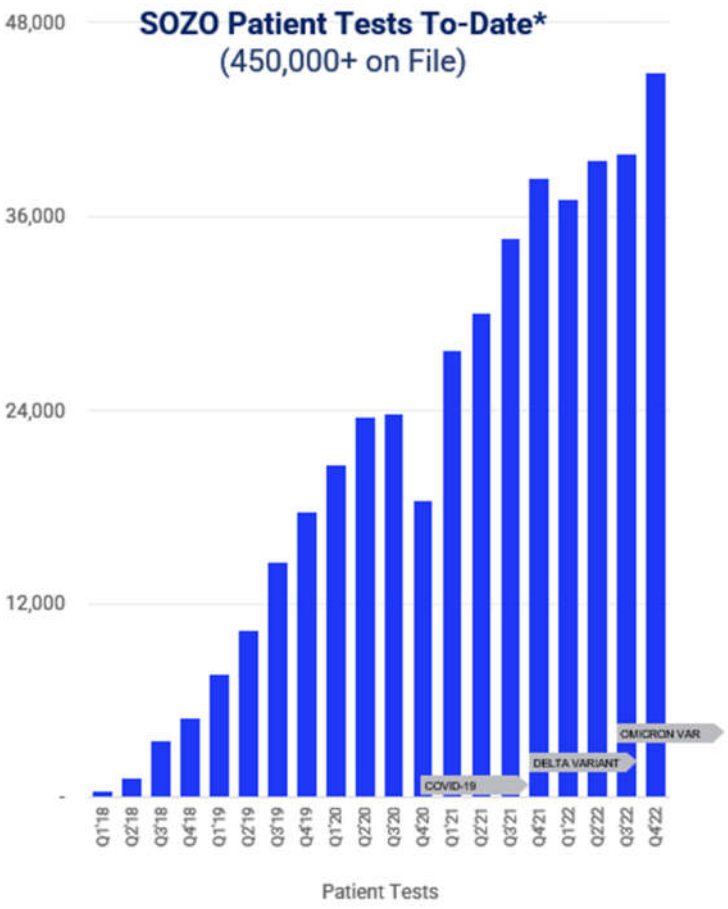
The Group recorded a record result in Q4 FY22 for patient testing, with over 44,000 tests conducted, a 15% increase when compared to the same quarter prior year.

Growth in Patient Tests is a leading indicator of the health of the business, and the growth in Q4 FY22 is an important indicator that hospitals and health systems in the US are returning to a more normalised operation following the height of the global health pandemic. The Group expects further growth in Patient Tests in FY23.

To date, our growing patient database now has more than 1.3 billion individual data points that have allowed us to:

- Increase the accuracy of SOZO
- Automate key protocols
- Improve our current algorithms
- Create new algorithms
- Provide real-world data to the FDA for regulatory clearances

(i) Includes measurements conducted in July 2022. At 30 June 2022, the Group had over 435,000 patient tests conducted.



Operating and Financial Review

Operating Results for the Year

Revenue

Total Revenue for the current period was $10.6 million, an increase of 26% from the previous corresponding period (30 June 2021: $8.4 million). The increase in revenue was attributable to continued growth of the SOZO platform.

SOZO Revenue for the current period was $9.9 million, an increase of 29% over the previous corresponding period (30 June 2021: $7.6 million). This increase in revenue was attributable to SOZO commercialisation efforts in (1) landing accounts through the sale of new SOZO devices, (2) the expansion of existing SOZO customers, and (3) the additional revenue stream from the Clinical Business.

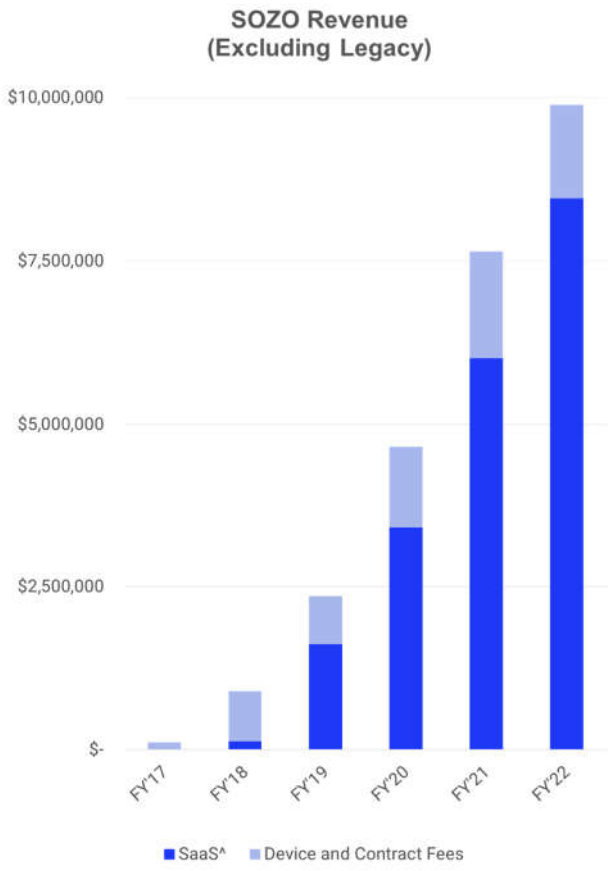
CORE BUSINESS (Device and Contract Fees): As of 30 June 2022, there were more than 880 SOZO units in the market (30 June 2021: 770 SOZO units). To date, the majority of these units are in the Oncology/Lymphoedema market.

As part of the Group's Land and Expand Strategy for commercialising SOZO, the Group has targeted Integrated Delivery Networks (IDNs) and key medical oncology groups. The Group is now in 16 of the top 25 IDNs. In total, approximately a quarter of US SOZO devices are already with IDNs or other key corporate accounts.

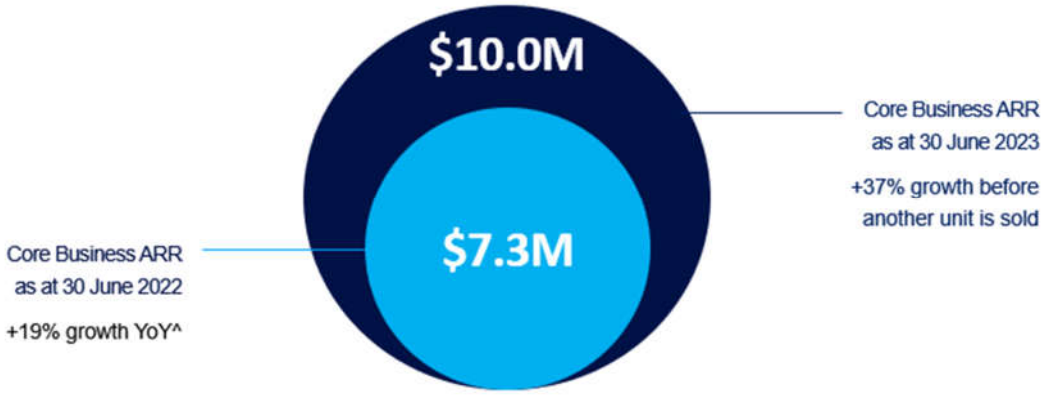
The agreements in place with these top centers will allow for rapid acceleration post reimbursement. The Top 25 IDNs alone represent over 1,700 hospitals and 24,000 facilities.

CORE BUSINESS [Software-as-a-Service (SaaS)]: Of the SOZO revenue, $8.8 million related to SaaS and recurring revenue (30 June 2021: $6.0 million), a 48% increase over the previous corresponding period. Of the $8.8 million in SaaS and recurring revenue, $5.5 million was generated by the Core Business and the remainder was generated by the Clinical Business.

CLINICAL BUSINESS: During the period, the Group expanded and extended a number of existing contracts within the Clinical Business, with the largest contracts being AstraZeneca studies. Over 400 SOZO devices were leased across 28 countries for their various studies, with the contracts valued at over $5.5 million. Clinical Business Revenue for the current period was $3.3 million.



^The values shown are for SaaS Revenue across all lines of business, including the Core Business and Clinical Business. Refer to Note 4 *Segment Reporting* of the financial statements for a detailed breakdown of revenue between these lines business within the Medical Segment.



SaaS Financial Metrics – Leveraging the power of our business model

In addition to revenue recognised during the current period, the Annual Recurring Revenue (ARR) on SOZO contracts signed at 30 June 2022 totaled $7.8 million (30 June 2021: $8.7 million). ARR from the Core Business totaled $7.3 (30 June 2021: $6.2 million), an increase of 19% over the previous corresponding period.

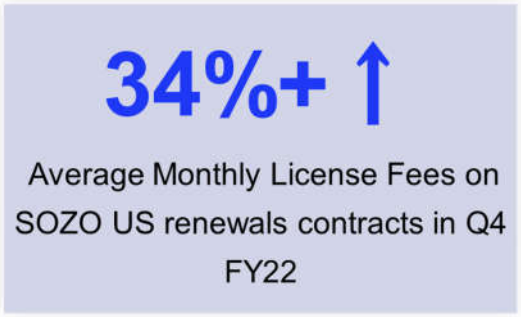
Under the Group's pricing model, monthly license fees often increase on an annual basis. As contracts move into years 2 and 3 of billing, these monthly license fee increases result in growing ARR. To put this into perspective, the $7.3 million in ARR at 30 June 2022 from contracts signed to date in the Core Business have a projected value of approximately $10.0 million in ARR at 30 June 2023. That is a 37% increase year-over-year prior to placing any additional SOZO systems.

Additional Key SaaS Metrics:

- Contracted Revenue Pipeline (CRP) at 30 June 2022 was $16.5 million (30 June 2021: $14.5 million), an increase of 14% over the previous corresponding period.
- Gross Margins exceeded 90% on SaaS revenue for the period and the Group expects to maintain these margins on the entire CRP of $16.5 million.
- The Churn Rate remained negligible at 2% globally.

The final quarter of FY22 resulted in strong growth for the business, putting the Group in a very solid position heading into the 2023 financial year.

- Total Contract Value (TCV) signed in Q4 FY22 of $3.5 million, of which $3.4 million related to the Core Business, a 50% increase over the previous corresponding period.
- 34% increase in the average monthly license fees on SOZO US renewal contracts in Q4 FY22.



Glossary of Terms used by ImpediMed	
Annual Recurring Revenue (ARR) (i)	The amount of revenue reasonably expected to be booked for the next 12-month period based on existing contracts, and assuming installation upon sale.
Contracted Revenue Pipeline (CRP) (i)	The future period revenue amounts related to TCV that are yet to be reported as recognised revenue. Certain customer contracts that make up the Group's CRP contain cancelation clauses related to services yet to be performed. The Contracted Revenue Pipeline assumes minimal to no churn, highlighting the importance of customer experience and satisfaction.
Total Contract Value (TCV) (i)	The total value of customer contacts including one-time and recurring revenue.
Churn (i)	The total devices placed with end-user customer(s) who either (i) canceled while under their contracted period or (ii) elected not to renew their contract at the end of the contracted period.
Churn Rate (i)	[Churn] / [(Total device placements at beginning of period + Total device placements at end of period) / 2]
Renewal Rate (i)	[Total number of end-user customer contracts with expiration dates during the period that were retained] / [Total number of customer contracts with expiration dates during the period]
Core Business	The Core Business refers to the commercialisation efforts from the Company's core strategic focus areas. To date, this primarily includes revenue from SOZO contracts in the Oncology/Lymphoedema market.
Clinical Business	The Clinical Business refers to revenue generating contracts related to clinical trials. These contracts are often finite in nature, as they relate to clinical trials with specific end dates.

(i) Certain terms used by ImpediMed are unaudited, non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards. The values shown for total ARR and CRP are across all lines of business, including the Core Business and Clinical Business.

Operating Results – Investing in Large, Growing Markets

Net loss from continuing operations for the period was $19.9 million (2021: $20.7 million). The decreased loss from continuing operations, when compared with the prior year, is primarily attributed to increased revenue from the Group's high margin SaaS revenue and a decrease in clinical trial costs, slightly offset by a decrease to proceeds from tax incentives and government grants and an increase in staff costs.

Cost of goods sold for the current period were $1.7 million (30 June 2021: $1.6 million). Gross margins on recurring subscription revenue remained above 90% in both periods, which resulted in marginal increases in cost of goods sold period over period.

Salaries and benefits for the period ended 30 June 2022 totaled $16.4 million (30 June 2021 $17.3 million), a decrease of 5%. Wages and salaries increased during the period, which was offset by a decrease in short term incentives year over year. Refer to the Remuneration Report for additional information on NED and Executive remuneration.

Admin and Governance costs were $2.8 million (30 June 2021: $2.0 million). The increase in admin and governance costs primarily relate to insurance premium increases and NED cash remuneration (prior year was 100% equity remuneration, recorded in Share Based Payments).

Refer to Note 7 of the Financial Statements for additional information on all other significant movements in operating expenses and how they relate to our key initiatives.

Significant Changes in the State of Affairs

Review of Financial Condition – Liquidity and Capital Resources

Cash and cash equivalents were $40.7 million at 30 June 2022 (30 June 2021: $19.7 million). Net cash used in operating activities for the year ended 30 June 2022 was $15.7 million (30 June 2020 $13.3 million). The increase in net cash outflow was attributable to short term incentives paid to employees related to from FY21 and reduced government grant receipts, offset by increased receipts from customers and payments to suppliers.

Cash receipts for the period were $10.4 million (2021: $7.7 million), an increase of 40% over the previous corresponding period.

Cash outflow from investing activities was $5.2 million during the period (2021: $2.5 million). The increase in cash flows used in investing activities is primarily related to development costs (which are capitalised) associated with SOZO II hardware, in addition to continued software development costs.

Cash inflow from financing activities was $40.0 million during the period (2021: $16.5 million). During the period, the Group received $35.0 million before costs from a Placement, through an issuance of shares to new and existing investors. A further $7.5 million before costs was raised from the issuance of shares under a Share Purchase Plan (SPP). Both the Placement and SPP were heavily over-subscribed.

Foreign Currency – Effects on Operating Results

The Group maintains a significant portion of available funds in U.S. dollars to match U.S. dollar expenditure needs. The loss from continuing operations for the period before income tax includes a realised foreign exchange loss arising from operating expenses in the U.S and Europe.

The spot exchange rate for the beginning and end of the current reporting period was AUD $1.00 to USD $0.75 and USD $0.69, respectively. The spot exchange rate for the beginning and end of the prior reporting period was AUD $1.00 to USD $0.69 and USD $0.75, respectively. This fluctuation of the exchange rate led to an unfavourable outcome in reporting operating expenditure but led to a favorable outcome in reporting cash and cash equivalents when compared to the prior period.

The average exchange rate for the reporting period was $0.73 (Australian dollar (AUD) to US dollar (USD)) (2021: $0.75). During FY22, the Group incurred unrealised mark-to-market foreign currency translation losses of $0.2 million (2021: $0.1 million).

Significant Events after the Balance Sheet Date

Issuance of Ordinary Shares – Equity Share Plans

On 6 July 2022, the Group issued 2,017,124 shares to Non-Executive Directors and Executives as part of the Equity Share Plans, related to the Q4 FY22 performance period covering 1 April 2022 – 30 June 2022. These shares were issued in lieu of cash remuneration, which comprised up to 60% of Directors' fees and up to 20% of Executive's base salaries.

CEO Announced Departure, David Anderson Appointed Interim CEO

On 26 July 2022, the Managing Director and Chief Executive Officer (CEO) Richard Carreon stepped down from the Company effective close of business 26 July 2022. Current board member David Anderson assumed the role of Interim CEO upon Mr. Carreon's departure.

Likely Developments & Expected Results

The following are areas of focus for the Group, as well as likely developments expected to impact the Group's financial results in the near-term:

Patient Testing – Leading Indicator of Growth

Q4 FY22 saw a strong rebound in testing, with a record 44,000+ tests conducted in the period. Growth in Patient Tests is a leading indicator of the health of the business, and the grow in Q4 FY22 is an important indicator that hospitals and health systems in the US are returning to a more normalised operation following the height of the global health pandemic.

The Group expects further growth in Patient Tests in FY23 will be a strong indicator of a continuing robust sales pipeline, the landing of significant new customers and the expansion of existing customers in the Core Business during FY23.

Reimbursement – Key to an Acceleration of Growth

The 2023 financial year will be a pivotal year in the Company's path to reimbursement, as there are a number of key events upcoming within the dual path approach to reimbursement.

Private Payor Reimbursement:

The Group's Case Assistance Program (CAP) continues build significant momentum:

- 3,600+ cases won against commercial payors
- 99% of all cases won
- Cases have been won against all major payors
- 300+ external appeal wins

In addition, the Group has a number of important payor meetings scheduled between August – November 2022.

NCCN Guidelines®:

Being specified in the NCCN Guidelines is one of several routes the Company is pursuing to accelerate adoption of the Group's technology and achieve reimbursement. There are currently two applications under submission with the NCCN and they are scheduled to be heard at the 25-26 August 2022 Annual Meeting. Based on the historic cadence of NCCN meetings and processes, the Group is hopeful to hear the outcome before the end of the 2022 calendar year.

The PREVENT Trial results provide compelling Level 1 evidence to assist with enlisting further amendments to the NCCN Guidelines and with submissions to insurers for private pay coverage. The strength of the PREVENT Trial outcomes and the growing body of evidence produced by CAP, specifically the appeals win rate, give the Group continued confidence there is a path to reimbursement in FY23.

The Group's dual path approach to reimbursement gives it a number of options heading into FY23, with both paths leading to the same outcome – reimbursement.

Revenue Growth – Expanded Footprint

In the 2022 financial year, the Group recorded 29% growth in its SOZO Revenue compared to the prior year. With over 880 SOZO units placed worldwide in the Core Business and the additional SOZO units being utilised across the globe under clinical trials in the Clinical Business, the Group has a strong base-business from which SOZO license fee revenue will continue to be generated over the next three years. The Group ended the year with $7.8 million in Annual Recurring Revenue from existing SOZO contracts, with a Churn Rate of just 2%.

The Group continues to execute on its Land and Expand Strategy for SOZO commercialisation. During the year, the Group added a number of additional, key institutions to its SOZO customer list, including most recently Kaiser Permanente.

With the addition of Kaiser Permanente, the Group now has 16 of the top 25 Integrated Delivery Networks (IDNs) as SOZO customers. IDN's can take over a year to perform technical assessments, complete business associate agreements and finalize contract pricing agreements. Having agreements already in place with this critical customer segment will allow for rapid acceleration post reimbursement.

In FY23, the Group will look to land and expand other key cancer centres, medical oncology groups, key heart failure centres, and IDNs and corporate accounts.

In addition, in FY23, the Group will continue to build on the momentum of the past year and drive increased average monthly license fees for SOZO on both new contracts and renewal contracts.

Three Key Areas of Focus in FY23

In addition to expanding the existing opportunities within the Group's growing customer base through its SaaS model, the Group is focused on three key areas of growth in the medical segment in the 2023 financial year.

- Oncology, including Lymphoedema
- Heart Failure
- Renal Failure

Oncology

Cancer and its treatments have a huge impact on the body that often affects the quality of life after the disease. There are 1.8 million new cases of cancer each year and over 15.5 million living cancer survivors in the US. There are more than 5.5 million US patients suffering from persistent cancer-related lymphoedema as a result of their cancer treatment, making up an annual addressable market of over $2 billion.

Lymphoedema is a leading post-surgical complication for many cancer patients that greatly impacts quality of life and it is one of the most feared consequences of cancer survivorship. ImpediMed's L-Dex technology provides a simple and accurate measurement of fluid in limbs, which allows early detection and intervention. L-Dex is the only technology that can detect the onset of lymphoedema at a subclinical stage. If detected at this stage, the progression of lymphoedema can be prevented, and often reversed.

The release of the PREVENT Trial results in February 2022 provided statistically significant results that demonstrate bioimpedance spectroscopy (BIS) screening should be a standard approach for prospective breast cancer-related lymphoedema surveillance. The Group believes these results will provide compelling Level 1 evidence to assist with enlisting further amendments to the NCCN Guidelines and submissions to insurers for private pay coverage, all of which will accelerate commercialisation efforts within Oncology.

Heart Failure

Heart Failure (HF) is a chronic, progressive and debilitating condition and it is among the most expensive diseases for the US health care system. HF is a global pandemic affecting at least 26 million people worldwide. In the United States, it is expected that one in five people over the age of 40 will develop heart failure. It is the most common cause of hospitalisation of people over 65 years of age, and about half the people who develop HF die within five years of diagnosis. The estimated annual cost of heart failure in the US is USD $31 billion. Assessing and monitoring fluid status is critical to the management of HF patients, as a change in fluid status may signal the need to change patient management by appropriately altering medication levels and, as a result, the length of hospital stays and the number of readmissions may be significantly reduced.

The Group believes that SOZO can play a vital role in optimising outcomes for HF patient management, as the current methods are either inaccurate and rudimentary (weight scale) or invasive and/or expensive (implantable devices). SOZO is uniquely positioned to replace these current monitoring methods, as the device provides the precision and accuracy of implantables at a fraction of the cost of a scale.

Over the next twelve months, the Group expects to focus on (1) expanding commercial sales of heart failure through pilot programs in key heart failure centres, (2) utilising the pilot programs to demonstrate both the effectiveness of SOZO in Heart Failure and the economic model with reimbursement, (3) continuing to work with the FDA on obtaining clearance for removal of SOZO contraindications for implantable pacing and cardioverter defibrillators devices, and (4) the presentation of new Heart Failure data at key scientific meetings.

The Group believes that executing in these areas will provide a foundation for the adoption of SOZO in the heart failure space.

Renal Failure

Nearly 750,000 patients per year in the U.S. and an estimated 2 million patients worldwide are affected by End Stage Renal Disease (ESRD). Those who live with ESRD are 1% of the US 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, non-invasive, objective way to determine and monitor fluid levels in these patients.

The Observational Study is underway and expected to be completed in the coming months. As this Observational Study wraps up, the Group will partner with the FDA and Principal Investigators in breakthrough sprint sessions on a clinical evidence plan and trial design for a renal failure interventional study.

Significant Risks to the Business

The Group has a formal written Risk Management Policy that is published on ImpediMed's website.

Framework

The identification and proper management of risk within the Group is an important priority for the Board and Management. The Board monitors risk within the Group to ensure high standards of operational quality and compliance with the Group's approved strategies, policies and procedures. It ensures the Board is aware of any material risk issues and assesses the viability of the Group's operations.

The Group continues a proactive approach to risk management. Management, together with the Board and the Audit & Risk Management Committee, continually assess the key risks and their potential effect on the business. The Group undergoes, at minimum, an annual review of the risk management framework to determine whether there have been any changes in material business risks faced by the entity.

Significant Risks

During the financial year, the Group identified the following risks as major risks to the business in the foreseeable future:

- The availability of capital resources
- The retention and hiring of key personnel
- The strength of the Group's intellectual property (IP) portfolio
- The progress and/or outcome of clinical trials
- The adoption of the Group's technology
- The risk of not meeting continuous disclosure obligations
- The progress of new product and software development
- The risk related to product liability, privacy laws and cyber-security breaches
- The effective management of the Group's supply chain
- The effect of changes in laws, healthcare policy and other regulatory issues
- Brand and reputation risks
- Global economic risks: outbreak of a health pandemic

Assessment

These risks are not ranked in any order of importance or timeframe. The intention of the Group's risk management framework is to identify risks to allow the Group to plan, assess and execute its risk management strategies. Risk monitoring and assessment activities are designed to reduce, or otherwise manage, risk to levels that are acceptable to the Board and Management. The Board and Management must be kept fully informed in relation to all risk to ensure that the correct decisions in the best interests of the Group are made and that its strategic plans are realised.

The Availability of Capital Resources

In assessing the availability of capital resources, the Group is continuing to manage its cash position carefully under its operating plan and longer-term strategic plan. The Group may raise additional capital and/or find additional sources of financing, if needed. If ImpediMed is unable to obtain additional funds when required, the Group may be forced to delay, reduce the scope of, or eliminate one or more clinical trials, product and software development or commercialisation efforts.

The Retention and Hiring of Key Personnel

In assessing the retention and hiring of key personnel, the Group is continuing to consult with remuneration consultants to review the competitiveness of remuneration packages for current and future key management personnel. The Group may or may not be able to retain or hire key personnel based upon its remuneration structure. Details of retention and hiring policies of the Group are set out in the Remuneration Report.

The Strength of the Group's Intellectual Property (IP) Portfolio

In assessing the strength of the Group's Intellectual Property, the Group continues to consult with IP attorneys on the landscape of the Group's portfolio. The Group uses patents or trademarks to protect its technology and applications from unauthorised use by third parties. The term of patents may expire or may be challenged, invalidated or circumvented. The Group is relying on its patents for commercial protection for its devices.

The Progress and/or Outcome of Clinical Trials

In assessing the progress and/or outcomes of clinical trials, the Group continuously monitors key clinical trials which have been published and evaluates potential areas of further research. The outcomes of clinical trials may or may not be favourable.

The Adoption of the Group's Technology

In assessing the adoption of our technology, the Group is focused on developing a model for practice integration, in L-Dex, Heart Failure and future applications, for all existing and new accounts. This, together with acceptance of a Software as a Service (SaaS) subscription business model, evaluating the cost of the technology, fit of the technology, inclusion on guidelines, and reimbursement/payment levels for the technology, will all play a part in determining the future growth of the business.

In particular, ImpediMed is requesting inclusion of a formalised testing protocol and BIS technology for lymphoedema prevention in the NCCN Guidelines®. Whilst ImpediMed believes there is a compelling case for inclusion in the NCCN Guidelines and for private health insurers to make payments on future claims, there is no guarantee that this will occur.

The commercial success of ImpediMed's products is also substantially dependent on achieving acceptable payment levels to medical providers to support pricing strategies for L-Dex and additional indications and uses for SOZO. Whether acceptable third-party payments and reimbursement levels are available from government bodies, private health insurers and other third parties will be reliant on clinical data, industry guidelines and health economic arguments.

In addition to risks identified above, there is an additional risk that the impact of a global health pandemic will cause delays in the review and/or determination of coverage for ImpediMed's technology.

The Risk of Not Meeting Continuous Disclosure Obligations

In assessing continuous disclosure obligation risks, failure to disclose material information or to disclose incorrect information or correct information in an incorrect manner is a potential risk. The Group continuously monitors the business for material information required to be disclosed and conducts regular Management and Board meetings to discuss business progress and activities.

The Progress of New Product and Software Development

In assessing the progress of new product and software development, the Group must assess the impact that investing in product and software development has on the business.

Developing software and technology, particularly in the medical sector, is expensive and often involves an extended period of time to achieve a return on investment. An important aspect of ImpediMed's business is to continue to invest in innovation and related product development opportunities. ImpediMed believes that it must continue to dedicate resources to ImpediMed's innovation efforts to develop ImpediMed's product offering and to maintain ImpediMed's competitive position. ImpediMed may not however, receive benefits from these investments for several years or may not receive benefits from these investments at all.

The Group also runs the risk of not meeting timelines or not making the right product that addresses customer and market needs. The Group follows a defined design control process and monitors projects to ensure that they are staffed correctly, while also conducting usability studies to determine customer and patient needs.

The Group must also assess the risk related to failing to achieve and maintain software products, which could result in recalls or withdrawals, product shortages, delays or failures in software delivery or other problems that could seriously harm ImpediMed's business.

The Risk Related to Product Liability, Privacy Laws and Cyber-security Breaches

In assessing the risk related to product liability and cyber security, the Group conducts extensive safety and penetration testing of new and current technology and regularly reviews customer complaints through its quality procedures and system. The risk is present that ImpediMed's products could:

1) Cause harm or injury to users,
2) Be used off label,
3) Require a recall, or
4) Result in a breach to digital assets such as cyber security data.

ImpediMed relies on third party cloud computing and other information technology systems, especially for SOZO. Interruption, compromise to or failure of these systems may affect ImpediMed's ability to service its customers effectively. ImpediMed is vulnerable to data breaches by employees and others with both permitted and unauthorised access which poses a risk that sensitive data may be exposed to the public or be permanently lost. A breach in security of, or a significant disruption in, ImpediMed's information technology systems could adversely affect ImpediMed's operating results, financial condition, reputation and brand.

Privacy laws around the world continue to develop and impose greater burdens on businesses when dealing with personally identifiable information. The laws are designed to give greater protections to data owners, improve transparency and require businesses to develop better privacy practices and security processes. Failure to do so can result in pecuniary penalties, negative publicity, damage to brand and a requirement to improve processes and controls, each of which, if they were to happen, could adversely affect ImpediMed's operating results, financial condition, reputation and brand.

The Effective Management of the Group's Supply Chain

In assessing the effective management of the Group's supply chain, the Group must assess the risk of not having enough product to meet demand due to product shortages or supply chain issues.

The Group manages the supply chain through sales and operation planning and sustaining engineering, as well as through long-term strategic product pipeline planning.

The Effect of Changes in Laws, Healthcare Policy and Other Regulatory Issues

In assessing the effect of changes in laws, healthcare policy and other regulatory issues, the Group must assess the effect that unforeseen changes in laws and government policy could have in relation to material and unforeseen changes to:

1) Licensing and clearance requirements;
2) Regulations relating to clinical trials;
3) Manufacturing;
4) Product clearance; or
5) Pricing, including any tariffs and/or taxes.

Changes in laws healthcare policy and other regulatory issues could materially impact ImpediMed's operations, assets, contracts and profitability.

Brand and Reputation Risks

In assessing brand and reputation risks, the Group must assess the adverse effect that reputation damage or negative publicity could have on ImpediMed or its products as it relates to the Group's customer relationships, general business and ultimately its financial performance.

As part of reviewing the brand and reputation risks for ImpediMed, the Group also considers the responsibility it has to ensure a work environment that has considered the impacts of environmental and social sustainability risks on the Group.

Global Economic Risks:

Outbreak of Health Pandemic

ImpediMed's business could be adversely impacted by the effects of COVID-19 (more commonly referred to as coronavirus) or other pandemics, as there is uncertainty relating to the potential effect of a pandemic on ImpediMed's business. Infections may become more widespread and should that limit ImpediMed's ability to sell products or cause supply disruptions it would have a negative impact on ImpediMed's business, financial condition and operating results. In addition, a significant health pandemic could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for ImpediMed's products which may then have an adverse effect on ImpediMed's business, operating results and financial condition.

ImpediMed's target customers and independent distributors may continue to implement heightened security policies which may inhibit ImpediMed's ability to access hospitals or clinics for the purposes of selling products and may cause delays of orders for products and negatively affect revenues.

There is an added risk that the diagnosis and treatment of other health conditions, such as lymphoedema, could be reduced and hospital staffing reallocated in response to a global health pandemic. There is uncertainty relating to the potential effect of a pandemic on ImpediMed's business and ImpediMed's ability to sell products if there are supply disruptions, which may have a negative impact on ImpediMed's business, operating results and financial condition.

Risk Management

The Board, in conjunction with Management, has established and implemented a system for identifying, assessing, monitoring and managing material risk throughout the organisation. The Board has identified what are believed to be the highest perceived risks to the business and will continue to monitor these risks to make decisions in the best interest of the Group.

Please refer to the Capital Raise Presentation posted to the ASX on 27 October 2021 for further disclosures on the key risks to the business.

Indemnification and Insurance of Directors and Officers

The Group insured its Directors, Secretary and Executive Officers for the financial year ended 30 June 2022. Under the Group's Directors' and Officers' Liability Insurance Policy, the Group cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

To the extent permitted by law and subject to the restrictions in section 199A and 199B of the Corporations Act 2001, the Group indemnifies every person who is or has been an officer of the Group against any liability (other than for legal costs) incurred by that person as an officer of the Group where the Group requested the officer to accept appointment as Director or Executive.

To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Group indemnifies every person who is or has been an officer of the Group against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Group.

Indemnification of Auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Share Options and Performance Rights

Details of movements during the year related to options and performance rights for key management personnel are set out in the Remuneration Report.

Unissued Shares

As at the date of this report and the reporting date, there were unissued ordinary shares under options and performance rights as outlined below:

Unissued Ordinary Shares	26 Aug 2022	30 Jun 2022
EIP (Employee Incentive Plan) Options	56,684,547	75,801,612
ESOP (Employee Share Option Plan) Options	-	7,252,561
Total Options	**56,684,547**	**83,054,173**
EIP Performance Rights	25,357,000	40,157,000
Total Performance Rights	**25,357,000**	**40,157,000**
Total Unissued Ordinary Shares	**82,041,547**	**123,211,173**

Refer to Note 18 of the financial statements for further details of options and performance rights outstanding and the value of the share-based payments.

Option holders and performance right holders do not have the right, by virtue of the option or performance right, to participate in any share issue of the Group or any related body corporate or in the interest issue of any other registered scheme.

During the financial year, nil ESOP options (2021: nil) and 22,500 EIP options (2021: nil) were exercised. In addition, 187,500 performance rights (2021: 1,402,750) vested and were exercised under the EIP plan. Refer to Note 18 of the financial statements for further details of options exercised during the year.

During the financial year, nil ESOP options (2021: nil) and 5,294,250 EIP options (2021: 1,410,500) were forfeited; 100,000 ESOP options (2021: 1,067,078) and 4,234,000 EIP options (2021: nil) expired. In addition, 6,186,345 performance rights (2021: 242,500) under the EIP plan were forfeited during the period. Refer to Note 18 of the financial statements for further details of options forfeited or expired during the year.

Shares Issued to KMP as a Result of the Exercise of LTI Awards

During the financial year, KMP exercised nil options (2021: nil) and were issued 155,000 (2021: 1,008,250) fully paid ordinary shares in ImpediMed Limited at a weighted average exercise price of nil per share (2021: nil), in relation to Performance Rights that vested during the period.

Environmental, Social and Governance (ESG) Reporting

ImpediMed's initiatives to incorporate environmental, social, and governance criteria into our operating framework reflect our commitment to our customers, patients, partners, shareholders, and employees and the communities in which we operate. At ImpediMed, we believe that a focus on ESG is a continuous process of aligning our operations and controls with our company values.

At the core of this framework is strong governance and a robust risk and compliance framework. This framework is supported by procedures and systems to ensure that we apply, at all times, high levels of personal and professional integrity.

Environmental Regulations and Performance

The Group's activities are subject to licenses and regulations under environmental laws that apply in the jurisdictions of its operations. These licenses specify limits for and regulate the management of moving to components free of hazardous substances.

The Group is supporting the global move towards components free of hazardous substances in its device electronics and is working with its contract manufacturers to identify replacement parts, where necessary, to substitute into its device designs.

There have been no significant known breaches of the license conditions or other environmental regulations. ImpediMed has an environmental health and safety management system, which includes regular monitoring, periodic auditing and reporting within the Group.

The system is designed to continually improve ImpediMed's performance and systems with training, regular review, improvement plans and corrective action as priorities.

Diversity and Inclusion

The Group has a formal written Diversity Policy that is published on ImpediMed's website.

The Board has the role of reviewing and updating this policy, overseeing its implementation, and assessing progress in achieving its objectives.

Diversity refers to characteristics that make individuals different from each other. Diversity encompasses differences in backgrounds and experiences, and differences in approach and viewpoints. It includes factors such as gender, age, ethnicity, cultural background, language, disability and other areas of potential difference.

The diversity policy defines the initiatives that assist the Group in maintaining and improving the diversity of its workforce. To the extent practicable, the Group will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

At ImpediMed, we have created an inclusive workplace that promotes and values diversity in age, gender identity, race, sexual orientation, physical or mental ability, ethnicity, and perspective. ImpediMed strives for excellence and our team can do its best work when our environment is inclusive, diverse and values all regardless of who they are and where they've been.

At ImpediMed, our policies are in place to prevent discrimination against our people regardless of gender identity or expression, sexual orientation, religion, ethnicity, age, race, disability status, citizenship, or any other aspect which makes them unique. ImpediMed wants all employees to feel valued, appreciated, and free to be who they are at work.

ImpediMed's Commitment to Workplace Diversity

The Group is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of ImpediMed. The Board and Management of ImpediMed believe that ImpediMed's commitment to this policy contributes to achieving corporate objectives and embeds the importance and value of diversity within the culture of the Group.

Employees

As at 30 June 2022, ImpediMed and its subsidiaries had a total of 73 full and part-time employees (30 June 2021: 73 employees).

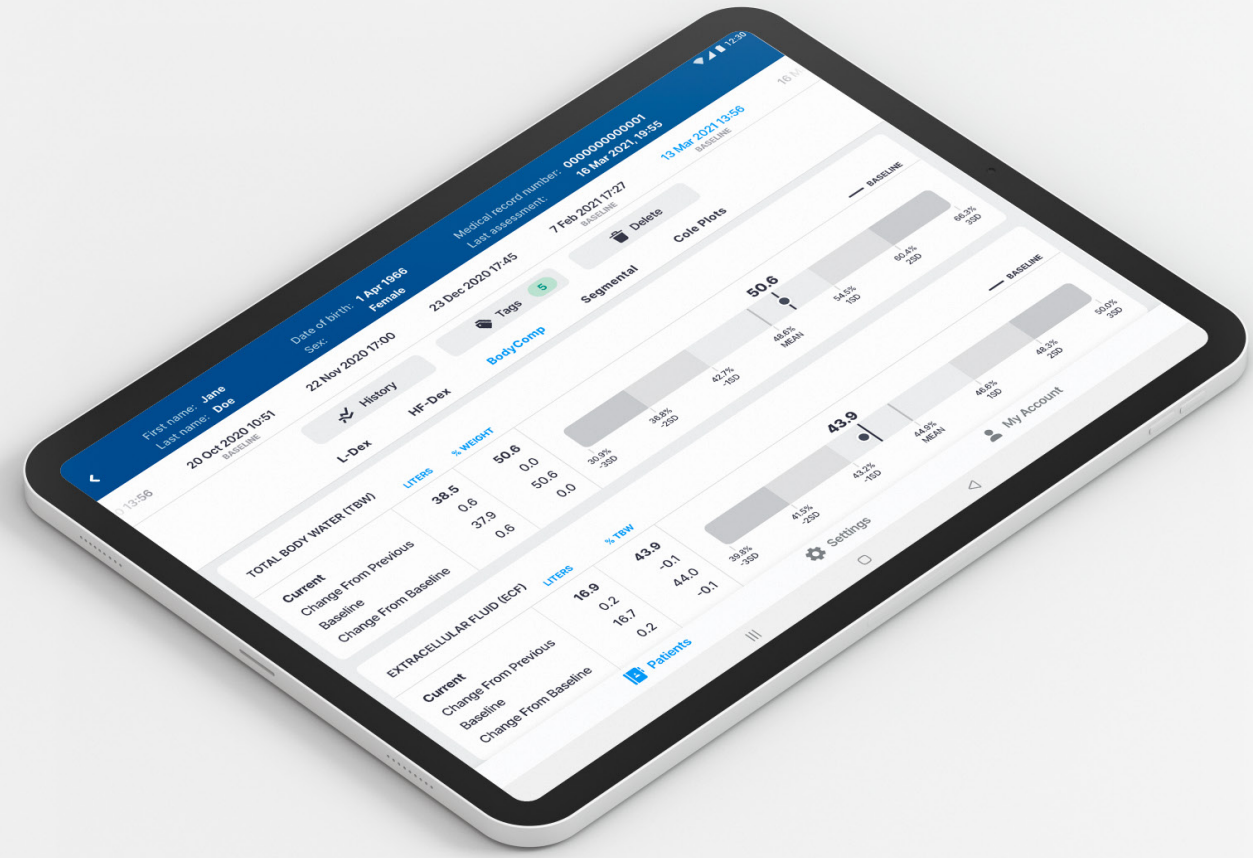
Details of the number of management level females of the Group as of:

Level	30 June 22		30 June 21	
	Female	Total	Female	Total
Board of Directors	1	6	1	7
Executives	2	9	2	9
All Employees	39	73	33	74

Corporate Governance

ImpediMed's Corporate Governance Statement (Statement) was approved by the Board on 26 August 2022 and can be found at https://investors.impedimed.com/about/corporate-governance/.

Our governance policies and practices have been largely consistent with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations throughout the year, with exceptions outlined in our Statement. Our governance policies and practices are reflected in this Statement as well as our Appendix 4G.



Remuneration Report

CHAPTER 3

Platform Technology.
Transforming Care.

Remuneration Report (Audited)

This Remuneration Report outlines the remuneration arrangements for the Key Management Personnel (KMP) of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its Regulations.
The report is structured into the following sections:

CONTENTS

Definitions	
Key Management Personnel (KMP)	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Group. KMP of the Group consists of **Non-Executive Directors** (**NEDs**), **Executive Directors** (**EDs**), and certain **Executives**.
Non-Executive Directors (NED)	Directors of the Group that are not acting in an executive capacity.
Executive Director	Is a Director of the Group that is also acting in an executive capacity. The **Managing Director and CEO** (**MD/CEO**) of the Group is considered an Officer of the Group and an Executive Director. The **Interim CEO** is also considered an Executive Director.
Executive KMP or Executives	Individuals defined as KMP that are Officers of the Group and not Non-Executive Directors of the Group.

Key Management Personnel

For the purposes of this report, the KMP of the Group are those persons defined as having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group. This information has been audited as required by section 308(3C) of the Act.

Directors	
Donald Williams	Chairman and Non-executive Director (appointed Chairman December 2021)
Scott Ward	Chairman and Non-executive Director (retired November 2021)
Judith Downes	Non-executive Director
Robert Graham	Non-executive Director
Amit Patel	Non-executive Director
David Anderson	Executive Director and Interim CEO (transitioned from Non-executive Director July 2022)
Richard Carreon	Managing Director and Chief Executive Officer (stepped down July 2022)
Executive KMP (i)	
Timothy Cruickshank	Chief Financial Officer
Shashi Tripathi	Chief Technology Officer and Customer Care Officer
David Adams (ii)	Senior Vice President Operations and Strategic Planning
Catherine Kingsford (ii)	Senior Vice President Medical Affairs
Dennis Schlaht (ii)	Senior Vice President R&D and Technology

(i) Frank Vicini, Nancy Deisinger and Michael Bassett are also Executives of the Group but are not considered KMP for the purposes of this report.
(ii) Executive was considered KMP in the 2022 financial year but is not considered KMP for the purposes of this report for the 2023 financial year.

SECTION 1
Introduction

The Board, supported by the Committee, is committed to good governance in remuneration and to ensuring that the Group's policies and practices are fair, competitive and responsible. The Committee continuously works to balance Australian corporate governance and remuneration best practices with the business's need to provide remuneration that will attract, retain and motivate key US-based executive talent in a highly competitive market.

The Board is committed to open dialogue with shareholders and ensuring transparent communication of remuneration arrangements.

Cash-based Considerations and Equity Share Plans

During the 2022 financial year, the Remuneration Committee continued to monitor potential impacts of the global pandemic on the business. While these measures, at times, varied from the Group's standard remuneration practices, they served two key purposes:

Remuneration considerations in FY22		
Objective	**Measure Enacted**	**Period of Coverage during the Financial Year**
(1) To continue to align the interests of NEDs and Executives with shareholders and to reinforce the Group's pay-for-performance philosophy.	NEDs received up to 60% of their fees as equity in lieu of cash and Executives had the option to receive up to 20% of their base salary as equity in lieu of cash under the Equity Share Plans (i).	1 July 2021 - 30 June 2022
(2) To conserve cash during uncertain times caused by a global pandemic.		

(i) Equity earned under the Share Plans is at-risk compensation, as the calculation for the number of shares to be issued for a performance period is subject to fluctuations in the share price over the 20-days prior to the issuance of the shares.

Executive Remuneration

The Group will look to continue the Executive Share Plan ("ESP") in order to allow Executives to exchange up to 20% of cash base salary with equity grants, in the form of market value shares. The ESP equity remuneration would be treated as part of fixed remuneration. This program increases the alignment of Executives and shareholders, while also allowing the Group to manage its available cash resources. In addition, the program assists Executives in achieving their respective minimum shareholding requirements, as Executives are required to attain ownership over time equal to the value of their annual base salary after tax.

Board (NED) Remuneration

The Board will look to continue the use of the Non-Executive Director Share Plan to allow equity remuneration in lieu of cash with a mix of 60% equity and 40% cash for NEDs for financial year 2022. The use of equity remuneration increases the alignment of NEDs and shareholders, while also allowing the Group to manage its available cash resources. In addition, the use of equity remuneration will also help to retain and attract NEDs that have the specific background and experience required by the Group in the highly competitive US healthcare industry where remuneration structure typically includes a significantly weighted equity component for board members.

Remuneration Committee Chair

Effective August 2022, the Board is pleased to announce the appointment of Amit Patel, Non-Executive Director as ImpediMed Chair, Remuneration Committee.

SECTION 2

Remuneration Philosophy and Strategy

The Remuneration Committee reviews the Group's remuneration philosophy and strategy and makes recommendations to the Board regarding the remuneration arrangements for Executive KMP. ImpediMed's remuneration philosophy and strategy are designed to attract, motivate and retain executives of the required calibre by identifying and rewarding high performers and recognising the contribution of each Executive to the continued growth and success of the Group.

ImpediMed is a high-growth business founded on innovation, providing highly advanced technologies and delivering data-driven solutions that provide individualised, proactive care to help improve patient outcomes. Most of the Company's critical roles are based in the US, where there is a fiercely competitive medical technology market, including in cloud-based computing, software development and technical/clinical sales.

The remuneration philosophy at ImpediMed targets fixed remuneration at the median of external comparators and, for exceptional performance, targets variable remuneration above the median. To determine executive remuneration, the Remuneration Committee benchmarks against medical device and technology companies within a third-party global survey considering Australia and United States market data, to ensure that policy objectives are met and are in line with good corporate practices for a company of ImpediMed's size and industry. The committee obtained comprehensive analyses by third party consultants in 2022 to benchmark executive remuneration against companies of similar size, industry and complexity.

Other factors the Remuneration Committee may consider when setting remuneration include internal equity, individual performance, tenure, leadership skills and ability to impact Group performance. In addition, while recruiting and retaining key executive talent, remuneration decisions may be determined based on negotiations with such individuals and can reflect such factors as the amount of remuneration that the individual would forgo by joining or remaining with the Group.

To this end, key objectives of the Group's reward framework are to:

- Align remuneration with the Group's business strategy, remuneration philosophy and interests of shareholders
- Offer an attractive and competitive mix of remuneration benchmarked against applicable markets
- Provide strong linkage between individual and Group performance and rewards
- Offer remuneration based on internal comparison with other employees and matching the role requirements with the skills, experience and responsibilities of individual executives.
- Support the corporate mission statement, values and policies through recruiting, organising and managing high achieving individuals committed to the Group's success

While continuing to pursue this remuneration strategy, the Remuneration Committee and Board vary arrangements as needed to meet immediate priorities.

Performance-based Remuneration

The Remuneration Committee is committed to executive and shareholder alignment, and this is achieved via a remuneration philosophy with a significant performance-based orientation. As part of this process, the Remuneration Committee considers both internal and external factors that may impact the Company, namely the:

- Financial and operational performance for the reporting period,
- Stock price performance for the reporting period, and
- Potential impacts from external factors.

Adhering to its pay-for-performance philosophy, and commitment to executive and shareholder alignment, all incentive pay was tied to performance metrics during the reporting period.

SECTION 3

Company Performance and Remuneration Outcomes

ImpediMed's remuneration framework is aimed at rewarding Executives and employees for the achievement of growth in the business, the achievement of corporate milestones, and the creation of shareholder value in the short, medium and long-term.

The global pandemic continued to have significant effects on society, economy, business and healthcare in 2022. Despite the ongoing effects of the global pandemic and disruption to healthcare delivery, the Group delivered strong growth throughout the 2022 financial year. SOZO® Revenue grew by 29% Year-over-Year and Software-as-a-Service (SaaS) Revenue increased by 47%. In addition, the Group achieved a number of key milestones, including the publication of peer-reviewed PREVENT clinical trial results, showing statistical significance of BIS L-Dex®; FDA grant of Breakthrough Device Designation for Renal Failure and the introduction of SOZO software version 4.1, delivering L-Dex analytics and an Electronic Health Record (EHR) interface.

The table below provides quantitative performance indicators and non-quantitative milestones of the Company between 2021 and 2022, with comparative short-term and long-term incentive outcomes.

Performance History	2022	2021	$ Increase / (Decrease)	% Increase / (Decrease)	
Operational Metrics					
SOZO Revenue ($000)	9,883	7,639	2,244	29%	↑
Total Revenue ($000)	10,566	8,409	2,157	26%	↑
Gross Margin ($000)	8,857	6,807	2,050	30%	↑
SaaS Metrics					
SaaS and Recurring Revenue ($millions)	8.8	6.0	2.8	46%	↑
Annual Recurring Revenue (i) – Core Business ($millions)	7.3	6.2	1.1	19%	↑
Returns					
Share price as at 30 June ($)	0.061	0.105	(0.044)	(41.9)%	↓
Market Capitalisation ($millions)	108.5	156.6	(48.1)	(30.7)%	↓

Corporate Milestones

☑ PREVENT Trial Peer Reviewed and Published; the trial met its primary endpoint and was statistically significant
☑ Significant Momentum Built with ImpediMed's Case Assistance Program, including 99% win rate on over 3,600+ cases
☑ Launched SOZO Version 4.1 Software Delivering EHR Integration and Compliance and Analytics Module

☑ HFSA Abstracts Presented, Demonstrating the Utility of SOZO for HF Patients
☑ Two Additional Abstracts Evaluating SOZO in HF Patients Accepted for Presentation at HFSA 2022 Meeting

☑ AstraZeneca extended and increased HF & Renal Contract
☑ FDA Grants Breakthrough Device Designation for Renal Failure
☑ Progressed Clinical Trial for SOZO Platform in Patients with End Stage Renal Disease (ESRD)

Short-term Incentive (STI) Outcomes	2022 (ii)	2021 (ii)
MD/CEO	58.3%	178.2%
Other Executives	50.0%	137.6%

Long-term Incentive (LTI) Outcomes	2022 (iii)	2021 (iv)
MD/CEO	nil	N/A
Other Executives	nil	50.0%

(i) Annual Recurring Revenue (ARR) is an unaudited, non-AASB financial metric that does not represent revenue in accordance with Australian Accounting Standards.
(ii) The STI award potential in 2021 and 2022 was up to 200% for the MD/CEO and up to 150% for other Executives.
(iii) FY22 LTI Outcomes relate to the outcome of three-year Performance Hurdles for LTI awards granted in FY20.
(iv) FY21 LTI Outcomes relate to the outcome of three-year Performance Hurdles for LTI awards granted in FY19. In FY19, the MD/CEO and other Executives did not receive an LTI grant, as only new hires to the Group received an LTI grant in that financial year.

SECTION 4
Remuneration Governance

4.1 Role of the Remuneration Committee

The Remuneration Committee of the Board of Directors of the Group is responsible for making recommendations to the Board on the remuneration arrangements for the Non-Executive Directors (NED), Executive Directors (ED), the Managing Director and Chief Executive Officer (MD/CEO) and Executives reporting to the MD/CEO.

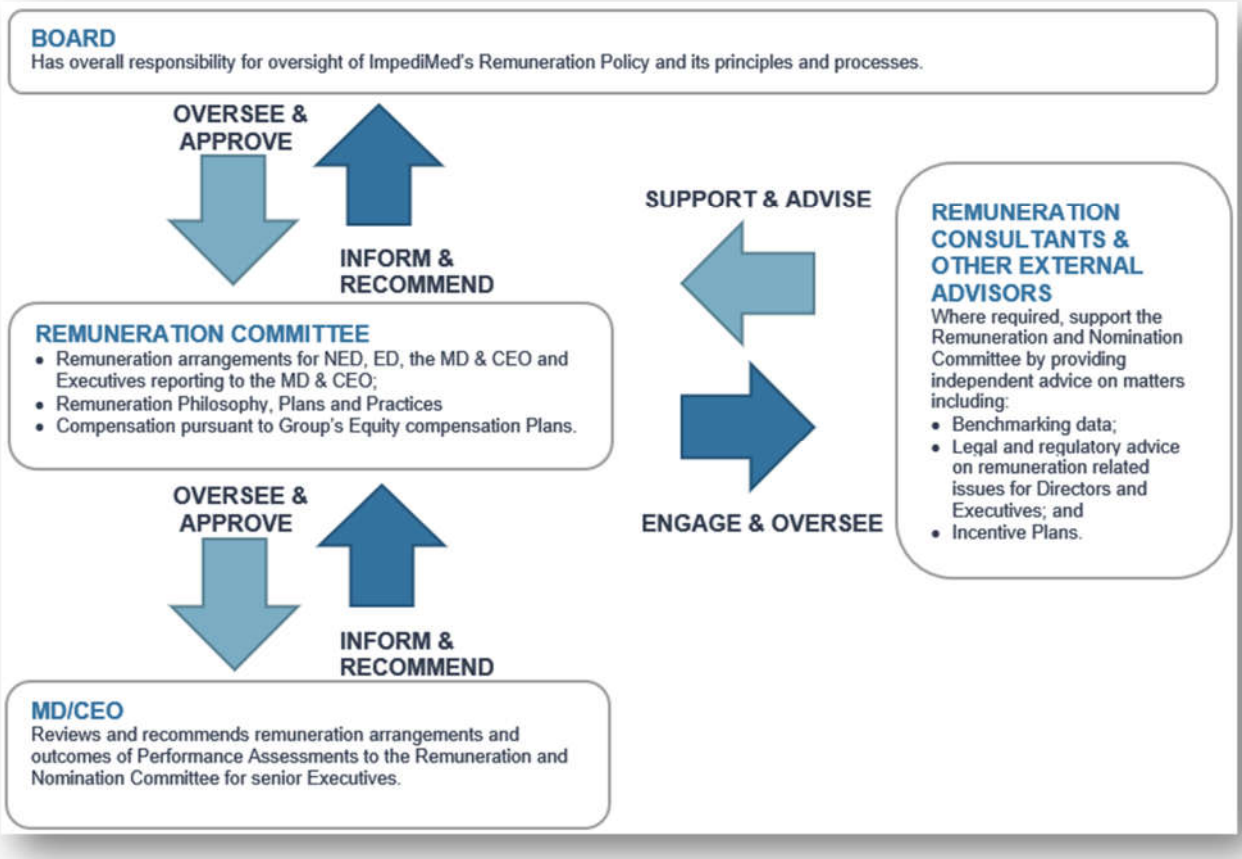
The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Executives and NEDs on a periodic basis by reference to relevant employment market conditions, with the overall objective of maximising shareholder benefit by attracting and retaining high-quality, high-performing Executives and NEDs. In determining the level and composition of Executive remuneration, the Remuneration Committee may also engage external consultants to provide independent advice.

As of the date of this report, the Remuneration Committee comprises the following Non-Executive Directors, all of whom are independent:

- Amit Patel (Chair)
- Donald Williams
- Robert Graham

4.2 Services from Remuneration Consultants

Under the provisions of the Committee's Charter, the Committee may engage the assistance and advice from external remuneration advisors. To ensure that any recommendations made by remuneration consultants are provided without undue influence being exerted by Executives, external remuneration consultants deliver their advice directly to members of the Committee. In the year ended 30 June 2022, Aon Radford ("Aon") remuneration consultants provided support and counsel to the Remuneration Committee of a nature relating to executive remuneration within Australia and US frameworks. The work undertaken by Aon in the year ended 30 June 2022 did not constitute a remuneration recommendation for the purposes of the Corporations Act 2001. The remuneration consultants were paid USD $41,000 for their work.



SECTION 5

Remuneration Framework and Additional Outcomes

For the year ended 30 June 2022, the remuneration structure for Executive KMP and other select employees consisted of the following elements:

Component	Performance Measure	Strategic Objectives and Link to Performance
FIXED REMUNERATION: Base salary, superannuation, employee health benefits and any salary sacrificed benefits.	The fixed remuneration (i) is generally not performance related. It is set having regard for: - Experience and qualifications of the individual - Responsibilities and criticality of role - Remuneration paid to similar roles as benchmarked against surveyed companies with regard to industry and size (i) During the reporting period, Executives received a portion of fixed remuneration as equity in lieu of cash pursuant to the Executive Share Plan.	- Offer an attractive mix of remuneration benchmarked against the applicable market-region and country practices
SHORT-TERM INCENTIVE (STI): Cash-based incentive(i) awarded for the achievement of ImpediMed's Operating Plan objectives measured over a one-year performance period. (i) During the reporting period, certain Executives received a portion of STIs as equity in lieu of cash pursuant to the Executive Share Plan.	Financial KPIs (100%): - Total Revenue - Annual Recurring Revenue (ARR) (ii) - Cash Flow	- Align remuneration with the Group's business strategy - Align the interests of executives and shareholders and share the success of the Group with the employees - Provide strong linkage between individual and Group performance and rewards - To attract and retain the key talent needed to deliver on our corporate objectives and strategic plan
LONG-TERM INCENTIVE (LTI): Equity-based incentive, comprising a mix of Options and Performance Rights for Group Performance over the long-term.	- Time-based (50%): Options vest subject to achieving hurdles over a three (3) year period: - Total Shareholder Return (TSR 3-Year) - Performance-based (50%): Performance Rights vest subject to achieving two (2) equally weighted hurdles over a three (3) year period: - Contracted Revenue Pipeline (CRP) (ii) at 30 June 2023 - Total Shareholder Return (TSR 3-Year) (ii) ARR and CRP are an unaudited, non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards. Refer to the Directors' Report for a glossary of non-AASB financial terms used by the Group.	

5.1 Total Fixed Remuneration

Total fixed remuneration ("TFR") consists of base salary, superannuation and other entitlement benefits that vary by state or country. TFR is typically not "at risk" as it does not vary with the performance of the Group.

TFR is not automatically increased but is typically reviewed annually, to ensure it remains competitive.

TFR for Executives takes into consideration benchmarking data from other companies with regard to industry and size. In addition to reviewing benchmarking survey data, when setting fixed remuneration for any given role, the Remuneration Committee has regard to the experience, qualifications and skill set of the individual, as well as the responsibilities and criticality of the role.

In year ended 30 June 2022, the MD/CEO and other Executives elected to receive a portion of base salary in equity in lieu of cash in order to (i) continue to align the interests of Executives with shareholders' interests and (ii) assist the Company in managing its available cash resources.

MD/CEO Remuneration

During the 2022 financial year, Richard Carreon was MD/CEO for the entire year.

For the period, Mr Carreon received a portion of his fixed base cash salary as shares in lieu of cash under the Executive Share Plan. This resulted in a fixed base cash salary of USD $483,289, reduced from Mr Carreon's USD $536,987 salary (2021: USD $335,617 reduced from USD $516,334), plus non-monetary health benefits.

Mr Carreon's Short-term Incentive (STI) performance conditions and outcomes have been detailed in SECTION 5.4 of this report.

During the year ended 30 June 2022, the Board issued 6,159,000 Options (2021: 6,159,000) at an exercise price of $0.177 per option and 7,400,000 Performance Rights (2021: 7,400,000) to Mr Carreon under the EIP. The Options and Performance Rights were approved by shareholders at the 2021 AGM and subsequently granted on 11 November 2021.

All options and performance rights which have not vested shall automatically lapse and be forfeited without consideration, upon cessation of Mr Carreon's employment with the Group, therefore all of the awards granted during the 2022 financial year to Mr Carreon have subsequently been forfeited upon his departure from the Company.

As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding. The impact of these subsequent forfeitures has been detailed in SECTION 6.1 of this report.

On 26 July 2022, board member David Anderson was appointed Interim CEO for the Group. The board is working to finalise a remuneration agreement with Mr Anderson.

In addition, the board engaged ZRG Partners to conduct a global search including both internal and external candidates for the role of long-term CEO.

Other Executive KMP Remuneration

The majority of the Group's Executive KMP are based in the US and are remunerated according to the laws and norms of that country, which differ in many important respects from Australian practice.

As described in SECTION 5, the framework for executive remuneration at ImpediMed is based upon a remuneration philosophy and strategy established by the Remuneration Committee and approved by the Board of Directors. The Remuneration Committee references benchmarking data from companies within a third-party global survey with regard to industry and size, as well as input from independent remuneration consultants.

Similar to the MD/CEO, other Executive KMP continued the program which was effective July 2019 where cash base salary was reduced by up to 20% stock in lieu of cash for the year ended 30 June 2022.

NED Remuneration

The Remuneration Committee considers the level of remuneration required to attract and retain highly qualified international Non-Executive Directors with the necessary skills and experience for the Group's Board. This remuneration is reviewed periodically with regard to market practice and NED duties, responsibilities and accountability. In addition, the Remuneration Committee works to ensure that NED remuneration is attractive in both Australia and the US.

NED fees are determined within an aggregate Directors' fee pool, approved by shareholders at the annual general meeting (AGM). The maximum aggregate remuneration approved in 2015 was $800,000. The sum of NED fees paid in the reporting year was $549,837 (2021: $523,417), which consisted of $224,383 in cash (2021: nil), $14,250 for superannuation (2021: $11,845) and $311,204 in shares issued in lieu of cash (2021: $511,572). Table 6.1 shows individual Director fees paid during the year ended 30 June 2022.

For the 2022 financial year, NEDs received 60% (2021: 100%) of fees as equity under the NED Share Plan. This continued to align the interests of NEDs with shareholders' interests, as well as assisted the Company in managing its available cash resources.

As a result of the NED Share Plan and additional share purchases by NEDs during the year, NEDs have approximately a 1% ownership interest in the Company.

5.2 Short-Term Incentives (STI)

The STI plan is a cash-based incentive that is awarded based on annual performance. In the year ended 30 June 2022, the STI Plan focused on both Group and Individual performance. The remuneration philosophy at ImpediMed targets variable remuneration above the median for exceptional performance and the STI aims to encourage performance over and above what is expected as part of the ordinary course of business. The key features of the STI plan for the year ended 30 June 2022 are outlined below:

<table>
<tr><td>Participants</td><td>Executive KMP and other selected employees</td></tr>
<tr><td>Award Type</td><td>Cash</td></tr>
<tr><td>Opportunity</td><td>The percentage of the target STI opportunity for the year ended 30 June 2022 has been expressed as a percentage of base salary in the table below:

<table><tr><th>KMP</th><th>Target STI %</th></tr><tr><td>MD/CEO</td><td>70%</td></tr><tr><td>CFO</td><td>40%</td></tr><tr><td>CTO & CCO</td><td>40%</td></tr><tr><td>SVP Operations and Strategic Planning</td><td>40%</td></tr><tr><td>SVP Medical Affairs</td><td>40%</td></tr><tr><td>SVP R&D and Technology</td><td>40%</td></tr></table>
Actual STI payments awarded depend on the extent to which specific key performance indicator (KPI) targets are achieved, as follows:
- Threshold performance – 50% of target opportunity
- At target performance – 100% of target opportunity
- Maximum performance – 150% of target opportunity for Executives; 200% of target opportunity for MD/CEO

Threshold performance is the minimum level of performance required to earn any STI.

Targets are set with a level of 'stretch' built-in, and therefore, maximum performance for any STI is only achieved in respect of exceptional performance.</td></tr>
<tr><td>Performance Period</td><td>The performance period is the 12-month financial year.</td></tr>
<tr><td>Performance Conditions</td><td>For the year ended 30 June 2022, the KPIs for KMP were 100% financial goals.

Additional detail is provided below.</td></tr>
</table>

5.3 STI Performance Conditions and Outcomes

The table below provides an overview of ImpediMed's performance against the financial and non-financial KPIs applicable to Executive KMP.

For the year ended 30 June 2022, all Executive KMP had common KPIs.

KPI	Key Achievements & KPI Outcomes
Financial Goals: 100% Key financial goals that are directly tied to performance results, leading indicators of long-term growth and management of a set operating plan.	Achieved 50.0% of the 100.0% target performance **(MD/CEO: 58.3% achievement)** for the various objectives.
Revenue: Revenue growth reflects increased marketplace adoption that has already occurred. Annual Recurring Revenue (ARR): ARR is a leading indicator of revenue growth. Cash Flow: Operating within a set operating plan that takes into account key areas of focus and growth for the business.	Revenue increased 26% to $10.6M (2021: $8.4M); SOZO SaaS and Recurring Revenue increased 47% to $8.8M (2021: $6.0M). ARR at 30 June 2022 was $7.8M (2021: $8.7M). ARR for the Core Business increased 19% to $7.3M (2021: $6.2M). Net Operating Cash Outflows for the period were $(15.7)M [2021: $(13.3)M].

5.4 STI Outcomes

US-based Executives are paid in USD. Listed below are their AUD equivalents.

KMP	STI Outcomes AUD (i)	Target STI Opportunity AUD (ii)	% Achieved (iii)
R Carreon MD/CEO	302,155	518,142	58.3%
T Cruickshank CFO	88,246	176,440	50.0%
S Tripathi CTO & CCO	91,936	185,001	50.0%
D Adams SVP Operations and Strategic Planning	89,315	178,869	50.0%
C Kingsford SVP Medical Affairs	69,962	129,762	50.0%
D Schlaht SVP R&D and Technology	85,502	171,370	50.0%

(i) The STI Outcomes stated are accrued for as at 30 June 2022 and will be paid to KMP subsequent to the financial year-end. Certain Executive KMP may elect to receive 20% of their STI award as shares in lieu of cash under the Equity Share Plan, which would reduce the cash portion of these outcomes.
(ii) The Target STI Opportunity displayed in the above table is calculated based on the average exchange rate for the year for US-based KMP.
(iii) The MD/CEO outcome is based on 200% maximum performance; remaining KMP are based on 150% maximum performance.

5.5 Long-Term Incentive (LTI)

The Board offers LTIs to reward the performance of Executives in alignment with shareholders' interests and the long-term benefit of the Group. The key features of the LTI plan are outlined below:

<table>
<tr><td>Participants</td><td>Executives, and other selected employees and consultants, at the discretion of the Board.</td></tr>
<tr><td>Award Type</td><td>In order to balance the objectives of US and Australian remuneration practices, IPD's LTI grant policy balances the objectives and marketplace practices in the US and Australia. To align with Australian practices, over time IPD has increased the weighting on performance-based rights in the LTI portfolio and for the 2022 financial year 100% of awards for Executives were tied to performance metrics.

For Executives, in the year ended 30 June 2022, awards issued under the Employee Incentive Plan (EIP) were issued as follows:

• 100% of awards are tied to performance;
• Options and Performance Rights are subject to achieving LTI performance hurdles;
• a mix of 50% Options and 50% Performance Rights.

Each Option entitles the holder to one fully paid ordinary share of ImpediMed Limited at an exercise price based on the five (5) day Volume Weighted Average Price (VWAP) at close-of-business when granted.</td></tr>
<tr><td>Opportunity</td><td>The value of the LTI awards made for the years ended 30 June 2022 and 2021 have been expressed as a percentage of TFR in the table below:

<table>
<tr><th>KMP</th><th>2022 LTI Opportunity</th><th>2021 LTI Opportunity</th></tr>
<tr><td>MD/CEO (i)</td><td>56%</td><td>49%</td></tr>
<tr><td>CFO</td><td>21%</td><td>19%</td></tr>
<tr><td>CTO & CCO</td><td>22%</td><td>16%</td></tr>
<tr><td>SVP Operations and Strategic Planning</td><td>21%</td><td>17%</td></tr>
<tr><td>SVP Medical Affairs</td><td>21%</td><td>17%</td></tr>
<tr><td>SVP R&D and Technology</td><td>20%</td><td>16%</td></tr>
</table>
(i) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration.

Performance conditions are typically equally weighted with:
• Minimum Threshold - 50% of "Plan"
• Plan - 100% of "Plan"
• Maximum - 150% of "Plan" / MD/CEO 200% of "Plan"</td></tr>
<tr><td>Performance Period</td><td>For LTI awarded in the year ended 30 June 2022:
• Options and Performance Rights vest based on performance over three (3) years.</td></tr>
<tr><td>Performance Conditions</td><td>For LTI awards granted to KMP in the year ended 30 June 2022, the Board assigned performance hurdles to increase the focus on supporting the Group's long-term business strategy and shareholder value. The performance hurdles include a minimum of three strategic measures and require the achievement of key milestone objectives.

Each Option awarded is subject to achieving a LTI Hurdle related to the following objective:
• Total Shareholder Return (TSR 3-Year)

Each Performance Right awarded is subject to achieving LTI Hurdles related to the following objectives:
• Total Shareholder Return (TSR 3-Year)
• Contracted Revenue Pipeline (CRP) at 30 June 2023

These performance conditions were selected because their achievement in the defined timeframe is critical to the company's success and drives long-term value-creation demonstrating the company's achievement for shareholders over the long term.</td></tr>
</table>

	Due to the commercially sensitive nature of the specific performance metrics within these KPI's, ImpediMed will provide further details in the annual report following the end of the performance period.
Treatment of Dividends on Unvested Awards	The LTI instruments do not carry dividend or voting rights prior to vesting.
Leaver Provisions	Where a participant ceases employment prior to vesting, the award is forfeited unless the Board applies its discretion to allow vesting at, or post, cessation of employment.
Clawback Provisions	Provides the Board discretion to clawback variable pay of LTI participants in the event of serious misconduct or fraud by the employee or other specific events.
Change of Control	In a situation where there is likely to be a change of control of the Group, the Board may have the discretion to determine whether some, none or all of the LTI instruments will vest.

The Remuneration Committee aims to prudently manage dilution and the accounting-cost of executive equity plans, while leveraging long-term incentives to maintain shareholder alignment and execution of the business strategy. Periodically the remuneration committee reviews capacity levels of LTI plans.

5.6 LTI Performance Conditions and Outcomes

For grants made in the year ended 30 June 2020, in addition to time-based requirements, performance rights also included specific challenging performance conditions that needed to be satisfied in order for the rights to vest. The table below provides an overview of ImpediMed's performance against the performance conditions applicable to performance rights granted to Executive KMP for the period of 1 July 2020 to 30 June 2022. Each performance condition was set with reference to minimum, at-plan or maximum achievement.

Performance Condition	Key Achievements & Performance Outcomes
Contracted Revenue Pipeline: 50%	**KPI Assessment: Not Achieved** Achieved 0% of the target performance for the objectives as detailed below.
Contracted Revenue Pipeline (CRP) consists of future period revenue amounts related to Total Contract Value (TCV) that are yet to be reported as revenue. CRP is calculated based on the total contracts signed as of 30 June 2022 less the revenue previously recognised on those contracts.	The 3-year KPIs established for this Performance Period were established prior to the onset of the global health pandemic. Amidst the impact of this pandemic on the business for the majority of the Performance Period, the Group's CRP grew by over 80% to A$16.0m as at 30 June 2022. Whilst this represented strong growth in CRP and the Group's SaaS model, the CRP metric was not achieved.
Total Shareholder Return: 50%	**KPI Assessment: Not Achieved** Achieved 0% of the target performance for the objectives as detailed below.
Total Shareholder Return (TSR) is determined by the increase in the Group's share price over the Performance Period from 1 July 2019 to 30 June 2022, calculated using a 20-day volume weighted average share price at the start and end of the Performance Period.	As noted at the time of grant for these long-term incentive awards, the TSR vesting hurdles set by the Group were extremely challenging. Whilst the Group achieved a number of critical milestones during the Performance Period, the TSR metric was not achieved.

5.7 Minimum Shareholding Requirement

Executives are prohibited from disposing of ImpediMed shares acquired from equity-based share schemes (other than to the extent necessary to satisfy statutory obligations, such as to fund the associated tax liability arising on the vesting of the equity, or with the consent of the Board), unless immediately after that disposal they continue to hold ImpediMed shares with a value equal to or greater than the minimum shareholding requirement. The minimum shareholding requirement for Executives is equal to the value of their annual base salary after tax.

The minimum shareholding requirement for NED's is equal to the value of one year's base fee (excluding committee fees) after tax. For the purposes of calculating whether the minimum shareholding has been met, the calculation is based on the share price at the time of purchase and/or vesting.

As at the date of this report, all NED's met their minimum shareholding requirement.

5.8 Executive Contractual Arrangements

Remuneration arrangements for the Executive KMP are formalised in employment contracts. Contracts are generally "at-will" and outline the remuneration and other key provisions. At-will employment is a term used in US labour law for contractual relationships where an employee can be dismissed by an employer without cause and warning. Certain Executive KMP have negotiated termination provisions as follows:

	Notice Period	Payment in Lieu of Notice	Treatment of STI and LTI on Termination
Managing Director			
R Carreon	12 months	12 months	Unvested awards forfeited
Executives			
T Cruickshank	9 months	9 months	Unvested awards forfeited
S Tripathi	9 months	9 months	Unvested awards forfeited
D Adams	9 months	9 months	Unvested awards forfeited
C Kingsford	9 months	9 months	Unvested awards forfeited
D Schlaht	9 months	9 months	Unvested awards forfeited

SECTION 6

Statutory Tables

6.1 Remuneration of KMP for the Year Ended 30 June 2022

30 June 2022	Short-Term Benefits			Post-Employment	Long-Term Benefits	Share-Based Payments			Subsequent Forfeitures or Cancelations		Performance Related	
$AUD	Base Salaries & Fees	STI Awards (vi)	Non-Monetary	Super-annuation	Long Service Leave	LTI Awards	Share Plans (vii)	Total	LTI Awards	Amended Total	STI as % of Total	LTI as % of Total
Directors												
S Ward (i)	33,484	-	-	-	-	-	24,022	57,506		57,506	0%	0%
D Williams (i) (ii)	57,087	-	-	-	-	-	85,898	142,985		142,985	0%	0%
D Anderson (i) (ii)	39,578	-	-	-	-	-	59,645	99,223		99,223	0%	0%
J Downes	30,000	-	-	7,500	-	-	45,000	82,500		82,500	0%	0%
R Graham	27,000	-	-	6,750	-	-	40,500	74,250		74,250	0%	0%
A Patel (i)	37,234	-	-	-	-	-	56,139	93,373		93,373	0%	0%
R Carreon (i) (iii) (iv) (v)	666,182	302,155	27,450	16,559	-	625,734	46,327	1,684,407	(981,398)	703,009	18%	37%
Executives												
T Cruickshank (i) (iii) (iv)	352,880	88,246	31,277	14,489	-	174,325	87,584	748,801		748,801	12%	23%
S Tripathi (i) (iii) (iv)	370,003	91,936	29,113	16,190	-	158,342	89,588	755,172		755,172	12%	21%
D Adams (i) (iii) (iv)	402,675	89,315	26,936	24,604	-	147,834	29,409	720,773		720,773	12%	21%
C Kingsford (iv)	350,565	69,962	-	33,782	11,096	133,229	45,774	644,408		644,408	11%	21%
D Schlaht (i) (iii) (iv)	342,740	85,502	35,445	14,939	-	141,714	83,863	704,203		704,203	12%	20%
Total	**2,709,428**	**727,116**	**150,221**	**134,813**	**11,096**	**1,381,178**	**693,749**	**5,807,601**	**(981,398)**	**4,826,203**		

The figures represent the amounts expensed in the relevant reporting period, unless otherwise specified.

(i) Certain Directors and Executives are based in the US and are paid in USD. The total compensation is therefore translated for financial reporting purposes to AUD on a monthly basis. Share-based compensation includes the expense during the financial year of all awards regardless of the financial year awarded.
(ii) Subsequent to the end of the 2022 financial year, D Anderson became an Executive Director and Interim CEO for the Group.
(iii) Non-monetary benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market.
(iv) The fair value of the equity-settled share options granted under the EIP and ESOP plans are estimated as at the date of grant using either the Black Scholes option valuation model or the Monte Carlo Simulation (if there is a restriction on the share price for exercisability of the option). The fair value of equity-settled performance rights granted under the EIP plan are calculated at the date of grant using the share price from the close of business on the day prior to the date of grant.
(v) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration. The Amended Total column in the above table shows the impact of these forfeitures in July 2022. As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding. Please refer to SECTION 5 of the remuneration report for additional details.
(vi) The amounts stated for STI Awards relate to amounts earned and accrued for the FY22 financial year. Executive KMP have the option to receive 20% of their STI awards as shares in lieu of cash under the Equity Share Plan.
(vii) During the year, NEDs received up to 60% of their fees as shares in lieu of cash and Executive KMP received up to 20% of their cash base salary as shares in lieu of cash. Refer to SECTION 5 of the Remuneration Report for further details.

Refer to the Directors' Report, details of KMP, for dates of new appointments and other changes.

6.1 Remuneration of KMP for the Year Ended 30 June 2021

30 June 2021	Short-Term Benefits			Post-Employment	Long-Term Benefits	Share-Based Payments			Performance Related	
$AUD	Base Salaries & Fees	STI Awards (vi)	Non-Monetary	Super-annuation	Long Service Leave	LTI Awards	Share Plans (vii)	Total	STI as % of Total	LTI as % of Total
Directors										
S Ward (i)	-	-	-	-	-	-	133,894	133,894	0%	0%
D Anderson (i)	-	-	-	-	-	-	78,309	78,309	0%	0%
J Downes	-	-	-	6,234	-	-	65,625	71,859	0%	0%
R Graham	-	-	-	5,611	-	-	59,063	64,674	0%	0%
A Patel (i)	-	-	-	-	-	-	78,607	78,607	0%	0%
D Williams (i)	-	-	-	-	-	-	96,075	96,075	0%	0%
R Carreon (i) (ii) (iii) (iv)	449,419	862,470	24,536	21,910	-	595,269	79,455	2,033,059	42%	29%
Executives										
T Cruickshank (i) (ii) (iii)	285,258	235,850	25,974	15,566	-	78,550	54,117	695,315	34%	11%
S Tripathi (i) (ii) (iii)	317,563	233,049	26,010	15,543	-	74,077	61,376	727,618	32%	10%
D Adams (i) (ii) (iii)	320,989	235,563	26,621	3,121	-	112,611	56,726	755,631	31%	15%
C Kingsford (iii)	257,138	188,705	-	33,782	20,901	96,904	38,937	636,367	30%	15%
D Schlaht (i) (ii) (iii) (v)	305,277	290,986	30,060	11,148	-	104,820	52,866	795,157	37%	13%
Total	**1,935,644**	**2,046,623**	**133,201**	**112,915**	**20,901**	**1,062,231**	**855,050**	**6,166,565**		

The figures represent the amounts expensed in the relevant reporting period.

(i) Certain Directors and Executives are based in the US and are paid in USD. The total compensation is therefore translated for financial reporting purposes to AUD on a monthly basis. Share-based compensation includes the expense during the financial year of all awards regardless of the financial year awarded.

(ii) Non-monetary benefits for US based employees include the payment of certain health and disability related insurance premiums as is customary in the US market.

(iii) The fair value of the equity-settled share options granted under the EIP plan are estimated as at the date of grant using the Black Scholes option valuation model, while share options granted under the ESOP schemes are estimated as at the date of grant using either the Black Scholes option valuation model or the Monte Carlo Simulation (if there is a restriction on the share price for exercisability of the option). The fair value of equity-settled performance rights granted under the EIP plan are calculated at the date of grant using the share price from the close of business on the day prior to the date of grant.

(iv) MD/CEO cash-based remuneration decreased by 51% year over year. In addition, MD/CEO targeted fixed cash remuneration was reduced by 35% during the financial year as a result of a 30% temporary reduction in salary for the first six months of the year and 20% salary taken as shares in lieu of cash for the entire year. Please refer to section 3 of the remuneration report for additional details.

(v) D Schlaht received an additional short-term incentive during the year related to sales activities of $67,000.

(vi) The amounts stated for STI Awards relate to amounts earned and accrued for the FY21 financial year. For Executive KMP, cash payments related to the STI Awards are being withheld until after the publication of the PREVENT Trial results. In addition, certain Executive KMP will receive 20% of their STI awards as shares in lieu of cash under the Equity Share Plan.

(vii) During the year, NEDs received 100% of their fees as shares in lieu of cash and Executive KMP received 20% of their cash base salary as shares in lieu of cash. Refer to Section 3 of the Remuneration Report for further details.

Refer to the Directors' Report, details of KMP, for dates of new appointments and other changes.

6.2 Remuneration Awards: Granted, Vested, and Lapsed During the Year

(A) OPTIONS

30 June 2022	Number Granted during Year	Grant Date	Value per Option at Grant Date	Exercise Price per Option ($)	Expiry Date for Option Vested	Vested Number of Options this Year (#)	Fair Value of Options Granted During Year ($)	Number of Options Lapsed During Year (#)	Number of Options Lapsed Subsequent to Year-End (#)
Directors and Executives									
R Carreon (i)	6,159,000	11-Nov-21	0.1050	0.18	11-Nov-28		646,695		6,159,000
R Carreon (i)		28-Oct-20	0.0604	0.08	28-Oct-27	1,539,750			6,159,000
R Carreon (i)		11-Nov-19	0.0902	0.15	11-Nov-26	498,153			1,992,612
R Carreon (i)		15-Nov-17	0.4963	0.82	15-Nov-24	388,250			1,553,000
R Carreon (i)		14-Nov-16	0.9458	1.46	14-Nov-23				872,000
R Carreon (i)		03-Nov-15	0.5906	1.00	03-Nov-22				512,500
R Carreon (i)		04-Dec-14	0.4128	0.69	04-Dec-21			2,048,000	
R Carreon (i)		09-Jul-12	0.2600	0.35	08-Jul-22				7,252,561
T Cruickshank	1,673,000	11-Nov-21	0.1050	0.18	11-Nov-28		175,665		
T Cruickshank		16-Apr-21	0.0985	0.14	16-Apr-28	125,000			
T Cruickshank		28-Oct-20	0.0604	0.08	28-Oct-27	398,250			
T Cruickshank		11-Nov-19	0.0902	0.15	11-Nov-26	82,000			
T Cruickshank		15-Nov-17	0.4963	0.82	15-Nov-24	57,500			
T Cruickshank		25-Oct-16	1.0269	1.66	25-Oct-23				
T Cruickshank		04-Dec-14	0.4128	0.69	04-Dec-21			179,000	
S Tripathi	1,900,000	11-Nov-21	0.1050	0.18	11-Nov-28		199,500		
S Tripathi		28-Oct-20	0.0604	0.08	28-Oct-27	418,250			
S Tripathi		11-Nov-19	0.0902	0.15	11-Nov-26	162,466			
S Tripathi		31-Jul-18	0.2258	0.52	31-Jul-25	128,750			
D Adams	1,673,000	11-Nov-21	0.1050	0.18	11-Nov-28		175,665		
D Adams		28-Oct-20	0.0604	0.08	28-Oct-27	418,250			
D Adams		11-Nov-19	0.0902	0.15	11-Nov-26	135,466			
D Adams		15-Nov-17	0.4963	0.82	15-Nov-24	119,000			
D Adams		14-Nov-16	0.9459	1.46	14-Nov-23				
C Kingsford	1,493,000	11-Nov-21	0.1050	0.18	11-Nov-28		156,765		
C Kingsford		28-Oct-20	0.0604	0.08	28-Oct-27	373,250			
C Kingsford		11-Nov-19	0.0902	0.15	11-Nov-26	116,619			
C Kingsford		15-Nov-17	0.4963	0.82	15-Nov-24	102,500			
C Kingsford		25-Oct-16	1.0269	1.66	25-Oct-23				
C Kingsford		04-Dec-14	0.4128	0.69	04-Dec-21			579,000	
C Kingsford		04-Dec-14	0.4128	0.69	04-Dec-21			256,000	
D Schlaht	1,593,000	11-Nov-21	0.1050	0.18	11-Nov-28		167,265		
D Schlaht		28-Oct-20	0.0604	0.08	28-Oct-27	398,250			
D Schlaht		11-Nov-19	0.0902	0.15	11-Nov-26	127,591			
D Schlaht		15-Nov-17	0.4963	0.82	15-Nov-24	112,000			
D Schlaht		25-Oct-16	1.0269	1.66	25-Oct-23				
D Schlaht		04-Dec-14	0.4128	0.69	04-Dec-21			579,000	
D Schlaht		04-Dec-14	0.4128	0.69	04-Dec-21			76,000	
Total	**14,491,000**					**5,701,295**	**1,521,555**	**3,717,000**	**24,500,673**

(i) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration. As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding.

(B) PERFORMANCE RIGHTS

Granted	Terms and Conditions of Each Grant						
30 June 2022	Number Granted during Year (i)	Grant Date	Value per Perf Right at Grant Date ($)	Expiry Date for Perf Right Vested During Year	Number of Perf Rights (#) vested during year	Number of Perf Rights Lapsed During Year	Number of Perf Rights Lapsed Subsequent to Year-End
Directors and Executives							
R Carreon (ii)	7,400,000	11-Nov-2021	0.175	11-Nov-2024			7,400,000
R Carreon (ii)		28-Oct-2020		28-Oct-2023			7,400,000
R Carreon (ii)		11-Nov-2019		26-May-2022		1,962,871	
T Cruickshank	1,515,000	11-Nov-2021	0.175	11-Nov-2024			
T Cruickshank		11-Nov-2019		26-May-2022		298,500	
T Cruickshank		08-Apr-2020		26-May-2022		150,000	
S Tripathi	1,650,000	11-Nov-2021	0.175	11-Nov-2024			
S Tripathi		11-Nov-2019		26-May-2022		479,832	
S Tripathi		31-Jul-2018		31-Jul-2021	155,000		
D Adams	1,500,000	11-Nov-2021		11-Nov-2024			
D Adams		11-Nov-2019		26-May-2022		400,332	
C Kingsford	1,350,000	11-Nov-2021		11-Nov-2024			
C Kingsford		20-Feb-2020		26-May-2022		344,636	
D Schlaht	1,440,000	11-Nov-2021	0.175	11-Nov-2024			
D Schlaht		31-Jul-2018		31-Jul-2021		377,060	
Total	**14,855,000**				**155,000**	**4,013,231**	**14,800,000**

(i) Performance rights granted in financial year 2022 have time and performance-based vesting criteria. Refer to Note 18 for additional information.
(ii) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration. As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding.

6.3 Remuneration Awards: Awards Held by Key Management Personnel

(A) OPTIONS

30 June 2022	Held at the Start of the Period	Granted During Period	Exercised During Period	Options from Other Changes (i)	Held at the End of the Period	Options Vested and Exercisable at the End of the Period	Held Subsequent to the End of the Period	Options Vested, Exercisable and in-the-money
	No.	No.	No.	No.	No.	No.	No.	No.
Directors								
R Carreon (ii)	20,389,673	6,159,000	-	(2,048,000)	24,500,673	12,726,117	-	-
Executives								
T Cruickshank	2,998,000	1,673,000	-	(179,000)	4,492,000	1,085,250	4,492,000	-
S Tripathi	2,837,863	1,900,000	-	-	4,737,863	1,129,432	4,737,863	-
D Adams	3,025,863	1,673,000	-	-	4,698,863	1,500,182	4,698,863	-
C Kingsford	3,651,976	1,493,000	-	(835,000)	4,309,976	1,463,988	4,309,976	-
D Schlaht	3,601,863	1,593,000	-	(655,000)	4,539,863	1,496,932	4,539,863	-
Total	**36,505,238**	**14,491,000**	**-**	**(3,717,000)**	**47,279,238**	**19,401,901**	**22,778,565**	**-**

(i) Options from other changes include expired or lapsed options.
(ii) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration. As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding.

(B) PERFORMANCE RIGHTS

30 June 2022	Held at the Start of the Period	Granted During Period	Vested During Period	Perf Rights from Other Changes (i)	Held at the End of the Period	Held Subsequent to the End of the Period
	No.	No.	No.	No.	No.	No.
Directors						
R Carreon (ii)	9,362,871	7,400,000	-	(1,962,871)	14,800,000	-
Executives						
T Cruickshank	2,138,500	1,515,000	-	(448,500)	3,205,000	3,205,000
S Tripathi	2,134,832	1,650,000	-	(634,832)	3,150,000	3,150,000
D Adams	1,900,332	1,500,000	-	(400,332)	3,000,000	3,000,000
C Kingsford	1,694,636	1,350,000	-	(344,636)	2,700,000	2,700,000
D Schlaht	1,817,060	1,440,000	-	(377,060)	2,880,000	2,880,000
Total	**19,048,231**	**14,855,000**	**-**	**(4,168,231)**	**29,735,000**	**14,935,000**

(i) Performance rights from other changes include vested and forfeited awards.
(ii) Upon cessation of employment with the Group, options and performance rights for the MD/CEO which had not vested automatically lapsed and were forfeited without consideration. As of the filing of this report, Mr Carreon has nil options and nil performance rights outstanding.

6.4 Shareholdings of Key Management Personnel

(A) SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL AND EXECUTIVES

30 June 2022	Held at the Start of Period	Granted as Remuneration	On exercise of Options & Vesting of Perf Rights	Net Change Other (iv)	Held at the End of Period	Held Nominally
	No.	No.	No.	No.	No.	No.
Directors						
D Williams	2,147,020	671,041	-	-	2,818,061	2,818,061
D Anderson	714,058	507,351	-	-	1,221,409	1,221,409
J Downes (i)	2,254,369	406,147	-	40,942	2,701,458	2,701,458
R Graham (i)	1,672,099	365,531	-	-	2,037,630	2,037,630
A Patel	1,738,289	494,962	-	-	2,233,251	2,233,251
R Carreon	3,571,154	533,158	-	-	4,104,312	4,104,312
Executives						
T Cruickshank	872,350	687,908	-	-	1,560,258	1,560,258
S Tripathi	714,099	690,424	155,000	-	1,559,523	1,559,523
D Adams	1,645,181	351,085	-	-	1,996,266	1,996,266
C Kingsford (ii)	6,425,682	439,228	-	-	6,864,910	6,864,910
D Schlaht	1,770,759	654,273	-	-	2,425,032	2,425,032
Subtotal	**23,525,060**	**5,801,108**	**155,000**	**40,942**	**29,522,110**	**29,522,110**
M Bassett (iii)	16,661,067	383,219	-	196,722	17,241,008	17,241,008
N Deisinger (iii)	1,028,395	484,497	-	-	1,512,892	1,512,892
Total	**41,214,522**	**6,668,824**	**155,000**	**237,664**	**48,276,010**	**48,276,010**

(i) The shareholding movements during the period for Directors relate to shares purchased through option exercises related to capital raisings during the year and not through compensation.
(ii) The shareholding movements during the period relate to shares purchased through option exercises related to capital raisings during the year and not through compensation, as well as a reclassification of shares held from indirect to held directly in the name of the KMP.
(iii) M Bassett, N Deisinger, and F Vicini are Executives of the Group but are not considered KMP for the purposes of this report. Their shareholdings are reflected here to show the ownership interests of the full Executive team. As of the reporting date, F Vicini did not have any shareholdings. As a result of the Executive Share Plan and additional share purchases by Executives during the year, NEDs and Executives now have approximately a 3% ownership interest in the Company.
(iv) Share movements relate to shares acquired as part of the October 2021 capital raise and Share Purchase Plan.

(B) SHARES ISSUED ON EXERCISE OF SHARE BASED PAYMENTS

During the year ended 30 June 2022, nil shares were issued on the exercise of options awards (2021: nil) and 155,000 shares were issued on the vesting of performance rights (2021: 1,107,250).

6.5 Other Transactions and Balances with KMP and their Related Parties

For the year ended 30 June 2022, the Group issued shares to Directors and Executives as equity-based remuneration in lieu of cash. There were no other transactions that occurred with Directors or Executives that would be considered related party transactions.

6.6 Consequences of Performance on Shareholder Value

ImpediMed Limited has operated as a listed public company since October 2007. The Group is building revenue in its core medical business and has yet to achieve profitability. The Remuneration Committee has linked certain items below as part of the review of KMP remuneration.

In addition, the Remuneration Committee considers other elements are necessary to create shareholder wealth through acceptance and use of the Group's products. While the Remuneration Committee has regard to the items shown in the following table, in respect of the current and prior financial years, KMPs' remuneration is not solely linked to these items, but rather to building the elements necessary to create shareholder wealth through acceptance and use of the Group's products.

Amount $	2022	2021	2020	2019	2018
SOZO Revenue (Millions)	$9.9	$7.6	$4.7	$2.3	$0.7
Change in SOZO Revenue	29%	64%	99%	229%	600%
Total Medical Revenue (Millions)	$10.6	$8.4	$5.7	$4.2	$3.3
Change in Medical Revenue	26%	47%	38%	27%	(31)%
Net Loss Attributable to Equity Holders of the Parent Entity (Millions)	($19.9)	($20.7)	($21.5)	($24.1)	($27.4)
Dividends Paid	nil	nil	nil	nil	nil
Share Price at 30 June	$0.061	$0.105	$0.062	$0.114	$0.395
Change in Share Price	(42)%	69%	(46)%	(71)%	(47)%
Market Cap (Millions)	$108.5	$156.6	$62.1	$43.3	$149.7

Directors' Meetings

The number of meetings of directors (including the meetings of committees of directors) held during the year and the number of meetings attended by each director are detailed in the table below:

	Board Meetings		Remuneration Committee		Audit & Risk Management Committee	
Directors (i)	**# Meetings Eligible to Attend**	**# Meetings Attended**	**# Meetings Eligible to Attend**	**# Meetings Attended**	**# Meetings Eligible to Attend**	**# Meetings Attended**
Total	**8**	**8**	**6**	**6**	**3**	**3**
D Williams	8	8	6	6	3	3
S Ward (ii)	4	4				
D Anderson (iii)	8	8	6	5		
J Downes	8	8			3	3
R Graham	8	8	6	6		
A Patel (iv)	8	8			3	3
R Carreon	8	8				

(i) A Director's attendance at a committee meeting is only included if the Director is a member of the committee or Chairman of the Board. The Nomination Committee did not have any meetings during the year.
(ii) S Ward resigned effective November 2021.
(iii) D Anderson was appointed Remuneration Committee Chair effective August 2020 and transitioned to Executive Director July 2022. As Interim CEO, Mr Anderson will not sit on any Committees during the 2023 financial year.
(iv) A Patel was appointed Remuneration Committee Chair effective August 2022.

Committee Membership

As of 26 August 2022:

Directors	Remuneration Committee	Audit & Risk Management Committee	Nomination Committee
D Williams	Member	Member	Member
D Anderson (i)	-	-	-
J Downes	-	Chair	Member
R Graham	Member	-	Member
A Patel (ii)	Chair	Member	Member

(i) D Anderson was appointed Remuneration Committee Chair effective August 2020 and transitioned to Executive Director July 2022. As Interim CEO, Mr Anderson will not sit on any Committees during the 2023 financial year.
(ii) A Patel was appointed Remuneration Committee Chair effective August 2022.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and where noted ($000)) under the option available to the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which the Class Order applies.

Auditor's Independence Declaration and Non-Audit Services

Auditor's Independence Declaration

The directors received the declaration on page 59 from the auditor of the Company and have resolved the auditor is independent.

Non-Audit Services

No non-audit services were provided.

Signed in according with a resolution of the Directors.

Don Williams
Chairman

Judith Downes
Director

26 August 2022

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Building a better working world

Auditor's independence declaration to the directors of ImpediMed Limited

As lead auditor for the audit of the financial report of ImpediMed Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

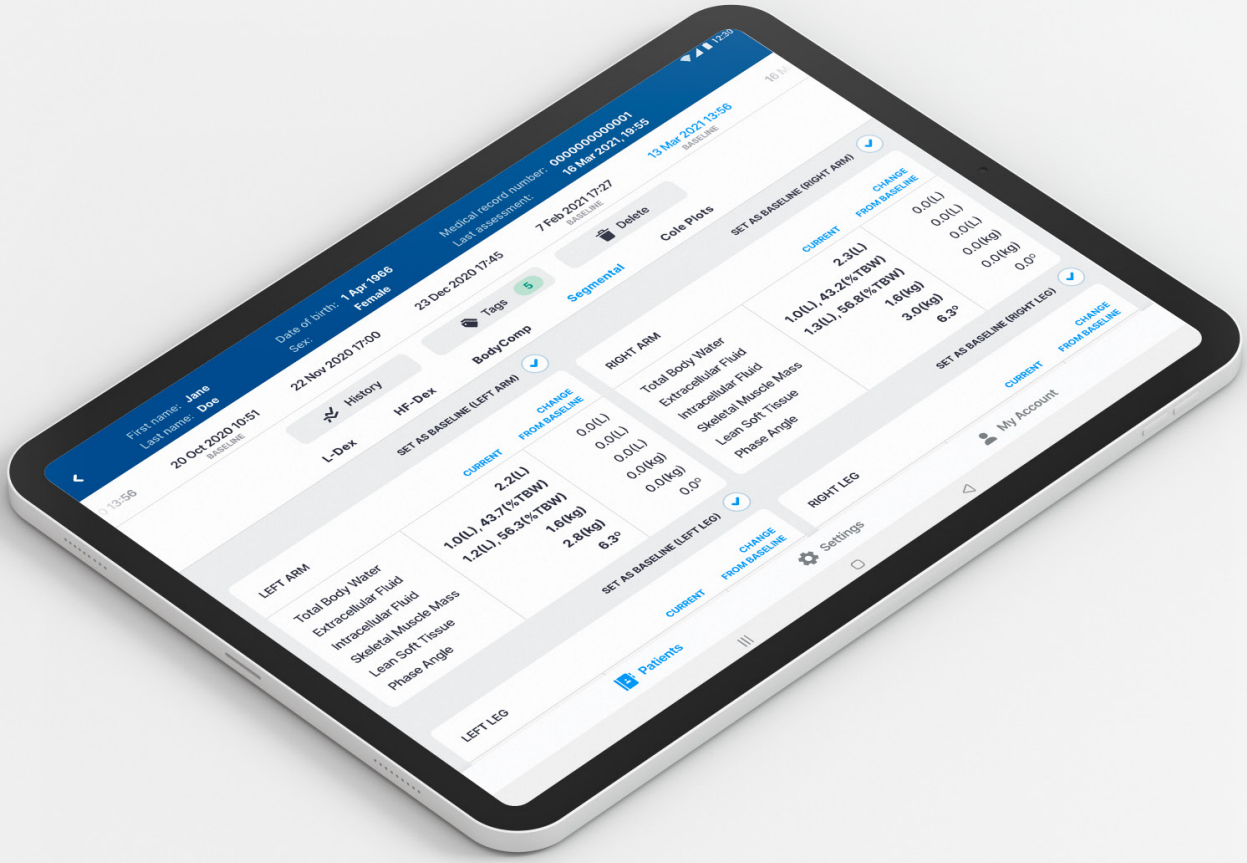
b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ImpediMed Limited and the entities it controlled during the financial year.

Ernst & Young

Jennifer Barker
Partner
26 August 2022



Financial Report

CHAPTER 4

Platform Technology.
Transforming Care.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	Notes	2022 $000	2021 $000
Continuing Operations			
SOZO Revenue	4	9,883	7,639
Legacy Revenue	4	612	714
Other Revenue	4	71	56
Total Revenue		**10,566**	**8,409**
Cost of Sales		(1,709)	(1,602)
Gross Profit		**8,857**	**6,807**
Finance Income/(Expense), Net	6	18	(31)
Other Income	6	1,620	2,381
Salaries and Benefits	7	(16,436)	(17,309)
Share-based Payments	7	(3,002)	(3,035)
Clinical Trials and Research & Development	7	(683)	(1,456)
Administrative and Governance	7	(2,830)	(1,981)
Depreciation and Amortisation		(2,769)	(1,700)
Consultants and Professional Fees	7	(2,020)	(2,884)
Other Expenses	7	(2,583)	(1,459)
Loss from Continuing Operations Before Income Tax		**(19,828)**	**(20,667)**
Income Tax	19	(46)	(39)
Net Loss from Continuing Operations		**(19,874)**	**(20,706)**
Other Comprehensive Income			
Items that may be reclassified as profit or loss:			
Foreign Currency Translation Gain / (Loss)	16	2,112	(881)
Other Comprehensive Gain / (Loss) for the Period, Net of Tax		2,112	(881)
Total Comprehensive Loss		**(17,762)**	**(21,587)**
		$	$
Basic and Diluted Loss per Share	2	(0.01)	(0.02)

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

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE

	Notes	2022 $000	2021 $000
Assets			
Current Assets			
Cash and Cash Equivalents	8	40,730	19,681
Trade and Other Receivables	9	3,414	3,705
Contract Assets	5	967	895
Inventories	10	926	372
Prepayments and Other		623	997
Total Current Assets		**46,660**	**25,650**
Non-Current Assets			
Other Financial Assets		75	73
Contract Assets	5	180	-
Right of use Asset		159	447
Property and Equipment	11	259	583
Intangible Assets	12	11,366	7,452
Total Non-Current Assets		**12,039**	**8,555**
Total Assets		**58,699**	**34,205**
Liabilities			
Current Liabilities			
Trade Payables and Other	13	3,224	1,748
Contract Liabilities	5	928	877
Provisions	14	2,920	5,194
Interest Bearing Lease Liabilities		170	315
Total Current Liabilities		**7,242**	**8,134**
Non-Current Liabilities			
Contract Liabilities	5	360	218
Interest Bearing Lease Liabilities		-	159
Provisions	14	53	180
Total Non-Current Liabilities		**413**	**557**
Total Liabilities		**7,655**	**8,691**
Net Assets		**51,044**	**25,514**
Equity			
Issued Capital	15	307,558	267,268
Reserves	16	34,127	29,013
Accumulated Losses		(290,641)	(270,767)
Total Equity		**51,044**	**25,514**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

	Notes	2022 $000	2021 $000
Cash Flows from Operating Activities			
Receipts from Customers (Inclusive of GST and US Sales Tax)		10,389	7,732
Payments to Suppliers (Inclusive of GST and US Sales Tax)		(9,017)	(10,187)
Payments to Employees	7	(18,871)	(13,799)
Interest Received		44	25
Government Grant Receipts		1,791	2,971
Net Cash Flows Used in Operating Activities	**8**	**(15,664)**	**(13,258)**
Cash Flow from Investing Activities			
Purchase of Property and Equipment	11	(60)	(66)
Development Expenditures and Purchase of Intangibles	12	(5,161)	(2,391)
Net Cash Flows Used in Investing Activities		**(5,221)**	**(2,457)**
Cash Flows from Financing Activities			
Proceeds from Issue of Ordinary Shares	15	42,503	16,839
Transaction Costs from Capital Raising		(2,213)	(133)
Proceeds from Borrowings		-	170
Other Payments including Lease Liabilities		(373)	(410)
Net Cash Flows from Financing Activities		**39,917**	**16,466**
Net Increase in Cash and Cash Equivalents		19,032	751
Net Foreign Exchange Differences		2,017	(733)
Cash and Cash Equivalents at Beginning of Year		19,681	19,663
Cash and Cash Equivalents at End of Year	**8**	**40,730**	**19,681**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

	Notes	Issued Capital $000	Share Reserves $000	Foreign Currency Reserves $000	Reserves $000	Accumulated Losses $000	Total $000
At 30 June 2020		**250,563**	**21,117**	**5,742**	**26,859**	**(250,061)**	**27,361**
Loss for the Period from Continuing Operations		-	-	-	-	(20,706)	(20,706)
Other Comprehensive Loss from Continuing Operations		-	-	(881)	(881)	-	(881)
Total Comprehensive Loss for the Period				(881)	(881)	(20,706)	(21,587)
Equity Transactions:							
Share-based Payments	18	-	3,035	-	3,035	-	3,035
Issue of Ordinary Shares	15	16,839	-	-	-	-	16,839
Costs of Capital Raising	15	(134)	-	-	-	-	(134)
At 30 June 2021		**267,268**	**24,152**	**4,861**	**29,013**	**(270,767)**	**25,514**
Loss for the Period from Continuing Operations		-	-	-	-	(19,874)	(19,874)
Other Comprehensive Gain from Continuing Operations		-	-	2,112	2,112	-	2,112
Total Comprehensive Income (Loss) for the Period				2,112	2,112	(19,874)	(17,762)
Equity Transactions:							
Share-based Payments	18	-	3,002	-	3,002	-	3,002
Issue of Ordinary Shares	15	42,503	-	-	-	-	42,503
Costs of Capital Raising	15	(2,213)	-	-	-	-	(2,213)
At 30 June 2022		**307,558**	**27,154**	**6,973**	**34,127**	**(290,641)**	**51,044**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS

1. Basis of Preparation

Corporate Information

The financial report of the Group for the year ended 30 June 2022 was authorized for issue in accordance with a resolution of the Board of Directors on 26 August 2022.

ImpediMed Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities, the realization of assets and the settlement of liabilities in the ordinary course of business. The Group had cash at its disposal of $40.7 million at 30 June 2022 (30 June 2021: $19.7 million) and had no borrowing from banks or other financial institutions at that date. The Group incurred a net loss of $19.9 million for the year ended 30 June 2022 (30 June 2021 $20.7 million) and had $15.7 million (30 June 2021: $13.3 million) of net cash outflows from operations.

During the year the Group successfully completed a capital raise of $42.5 million.

Whilst the Group continues to generate operating losses and net cash outflows from operations, the Group's future viability is dependent upon managing existing cash balances, and achieving increased cash inflows from cash receipts from customers.

The Directors are confident the Group will be able manage cashflows and continue to be able to pay its debts as and when they fall due for a period in excess of 12-months from the date the financial report has been signed and thus continue as a going concern. On this basis, the going concern basis of accounting has been used.

Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Accounting Standards and Interpretations Issued but not yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2022. The impact of these are still being assessed but are not expected to have a material impact on the Group.

Certain comparative amounts have been restated to conform to the current year's presentation.

2. Earnings per Share (EPS)

The following reflects the net loss attributable to ordinary equity holders and the weighted average number of ordinary shares used in the calculations of basic earnings per share:

	2022 $000	2021 $000
Net Loss Used in Calculating Basic and Diluted Earnings		
Continuing Operations	(19,874)	(20,706)
Net Loss Attributable to Ordinary Equity Holders of the Parent for Basic and Diluted Earnings per Share	**(19,874)**	**(20,706)**
	No.	**No.**
Weighted Average Number of Ordinary Shares Used in Calculating Basic and Diluted Earnings per Share	**1,678,954,154**	**1,202,320,326**
	$	**$**
Basic and Diluted Loss per Share	**(0.01)**	**(0.02)**
Basic and Diluted Loss per Share from Continuing Operations	**(0.01)**	**(0.02)**

Diluted EPS is calculated by taking the net loss attributable to ordinary equity holders and dividing it by the sum of the weighted average number of ordinary shares and the weighted average number of convertible instruments.

For the financial year ended 30 June 2022, diluted EPS is equal to basic EPS as the Group is currently in a loss position and any conversion of instruments to ordinary shares would have an antidilutive effect on earnings per share.

As of the end of financial year 2022 there were 83,054,173 (2021: 60,780,923) options and 40,157,000 (2021: 26,082,845) performance rights on issue. These unquoted awards were not considered as part of the EPS calculation because they would be anti-dilutive.

Basic earnings per share is calculated as net profit attributable to members of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share, which is currently not applicable to the Group due to the net loss, would be calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses;
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3. Dividends Paid and Proposed

There were no dividends paid or proposed during the current period or in the prior year.

4. Segment Reporting

(A) Operating Segment

Accounting Policies and Inter-Segment Transactions

The accounting policies used by the Group in reporting segments internally are consistent with the prior period.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision maker being the Chief Executive Officer. The Group aggregates two or more operating segments when they have similar economic characteristics and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the productions processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services, and if applicable;
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Identification of Reportable Segment

For the 2022 financial year, consistent with the prior year, the Group identified the Medical Segment as the sole operating segment. During the year, the Chief Executive Officer reviewed the business revenue information within the Medical Segment, consisting of the Group's SOZO and Legacy product lines, consistent with the previous financial year. The primary focus during the 2022 financial year for the Medical Segment was the continued commercialisation of SOZO and of the subscription revenue model, which yielded gross margins in excess of 90% and a contracted revenue pipeline of $16.5 million at 30 June 2022.

Due to having material contracts for the use of SOZO in AstraZeneca clinical trials, revenue from the Group's SOZO product line is presented separately as SOZO – Core Business and SOZO – Clinical Business.

SOZO – Core Business

The Core Business refers to the commercialization efforts from the Company's core strategic focus areas. To date, this primarily includes revenue from SOZO contracts in the Oncology market.

SOZO – Clinical Business

The Clinical Business refers to revenue generating contracts related to clinical trials. These contracts are often finite in nature, as they related to clinical trials with specific end dates.

Major Customers

The Group has several customers to which it provides both products and services. In the Medical segment, one (2021: one) customer accounted for more than 10% of the Group's revenues. However, the Group does not believe there is inherent risk for future financial years that would stem from reliance on revenue growth from any one customer.

Segment Revenues and Segment Results

On a monthly basis, the Chief Executive Officer assesses the performance of each segment by analysing the segment's revenues and net operating profit / (loss) before depreciation and amortisation, finance cost, and tax.

Gross Margins

The Group pays particular attention to its Gross Margins by product line, specifically the Gross Margins associated with its recurring revenue under the SOZO SaaS business model. These revenue streams are shown in the SOZO revenue for *Revenue from Subscriptions and Consumables*.

Year Ended 30 June 2022	**Medical**					
	SOZO – Core Business $000	SOZO – Clinical Business $000	Total SOZO $000	Legacy $000	Other $000	Total $000
Revenue						
Recurring Subscription and Consumable Revenue from Contracts with Customers	5,466	3,000	8,466	266	-	8,732
Recurring Device Revenue from Leases	-	333	333	-	-	333
Device Revenue from Contracts with Customers	1,084	-	1,084	346	-	1,430
Other Revenue		-	-	-	71	71
Total Revenue	**6,550**	**3,333**	**9,883**	**612**	**71**	**10,566**
Cost of Sales						
Cost of Recurring Subscription and Consumable Revenue from Contracts with Customers			(328)	(30)	-	(358)
Cost of Recurring Device Revenue from Leases			(276)	-	-	(276)
Cost of Device Revenue from Contracts with Customers			(448)	(152)	-	(600)
Other costs (i)	(456)		(456)	(9)	(10)	(475)
Total Cost of Sales (ii)	**(456)**		**(1,508)**	**(191)**	**(10)**	**(1,709)**
Gross Margin						
Gross Margin – Recurring Subscriptions and Consumables			8,138	236	-	8,374
Gross Margin – Recurring Devices			57	-	-	57
Gross Margin - Devices			636	194	-	830
Gross Margin - Other Revenue	(456)		(456)	(9)	61	(404)
Blended Margin	**(456)**		**8,375**	**421**	**61**	**8,857**
Gross Margin %						
Gross Margin – Recurring Subscriptions and Consumables			96%	89%	-	96%
Gross Margin – Recurring Devices			17%	-	-	17%
Gross Margin - Devices			59%	56%	-	58%
Blended Margin %			**85%**	**69%**	**58%**	**84%**

(i) Cost of Other Revenue includes items such as warranty expense, freight costs and inventory stock adjustments.
(ii) Included in Cost of Sales are hosting fees of $0.3 million (2021: $0.3 million), depreciation of leases assets of approximately $0.3 million (2021: $0.05 million).

Year Ended 30 June 2021	Medical					
	SOZO – Core Business $000	SOZO – Clinical Business $000	Total SOZO $000	Legacy $000	Other $000	Total $000
Revenue						
Recurring Subscription and Consumable Revenue from Contracts with Customers	4,163	1,680	5,843	392	-	6,235
Recurring Device Revenue from Leases	-	179	179	-	-	179
Device Revenue from Contracts with Customers	1,617	-	1,617	322	-	1,939
Other Revenue	-	-	-	-	56	56
Total Revenue	**5,780**	**1,859**	**7,639**	**714**	**56**	**8,409**
Cost of Sales						
Cost of Recurring Subscription and Consumable Revenue from Contracts with Customers			(326)	(31)	-	(357)
Cost of Recurring Device Revenue from Leases			(45)	-	-	(45)
Cost of Device Revenue from Contracts with Customers			(713)	(141)	-	(854)
Other costs	(312)		(312)	(2)	(32)	(346)
Total Cost of Sales			**(1,396)**	**(174)**	**(32)**	**(1,602)**
Gross Margin						
Gross Margin – Recurring Subscriptions and Consumables			5,517	361	-	5,878
Gross Margin – Recurring Devices			134	-	-	134
Gross Margin - Devices			904	181	-	1,085
Gross Margin - Other Revenue	(312)		(312)	(2)	24	(290)
Blended Margin			**6,243**	**540**	**24**	**6,807**
Gross Margin %						
Gross Margin – Recurring Subscriptions and Consumables			94%	92%	-	94%
Gross Margin – Recurring Devices			75%	-	-	75%
Gross Margin - Devices			56%	56%	-	56%
Blended Margin %			**82%**	**76%**		**81%**

(B) Geographical Segments

The following tables present revenue and profit/(loss) information and certain asset and liability information regarding geographical segments for the years ended 30 June 2022 and 2021. Revenue data is based on the location of the customer for geographical reporting purposes.

Australia / Rest of World (ROW)

Australia is the corporate home office of the Group and the main domicile of its research and product development activities, intellectual property and corporate services. The Australia / ROW geographical segment primarily sells and ships Medical segment products to customers and distributors located in Australia, Europe and the rest of the world excluding the US.

North America

The Group's North American office in Carlsbad, California serves as the operational hub for the Medical segment and the domicile of its main assets and executive personnel. This office sells and ships Medical segment products to customers located in the US.

Geographical Segment Revenue

Year Ended 30 June 2022	Australia/ROW $000	North America $000	Total $000
Revenue from Subscriptions and Consumables	430	5,301	5,731
Revenue from Devices	655	776	1,431
Other Revenue	40	27	67
Total Segment Revenue	**1,125**	**6,104**	**7,229**
Unallocated Revenue (i)			3,337
Total Consolidated Revenue			**10,566**

Year Ended 30 June 2021	Australia/ROW $000	North America $000	Total $000
Revenue from Subscriptions and Consumables	416	4,139	4,555
Revenue from Devices	864	1,075	1,939
Other Revenue	23	33	56
Total Segment Revenue	**1,303**	**5,247**	**6,550**
Unallocated Revenue (i)			1,859
Total Consolidated Revenue			**8,409**

(i) Unallocated revenue primarily consists of revenue derived from the Clinical Business, which is not allocated to a specific geography.

Sales of Goods – Device and Consumable Revenue

All segment assets and costs relating to the Group's operating segments as at 30 June 2022 are Medical.

5. Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

	2022 $000	2021 $000
Sales of Goods and Subscription Services		
Subscription and Consumable Revenue from Contracts with Customers	**8,732**	6,235
Device Revenue from Contracts with Customers	**1,430**	1,939
Device Revenue from Leases	**333**	179
Other Revenue	**71**	56
Total Revenue	**10,566**	8,409

Set out below are the amounts that relate to SOZO contracts that remain on the balance sheet at 30 June:

	2022 $000	2021 $000
Contract Balances		
Trade Receivables (Note 9)	**1,917**	1,964
Contract Assets, current	**967**	895
Contract Assets, non-current	**180**	-
Contract Liabilities, current	**(928)**	(877)
Contract Liabilities, non-current	**(360)**	(218)

Set out below is the amount of revenue recognised from:

	2022 $000	2021 $000
Amounts Included in Contract Liabilities at the Beginning of the Year	**1,095**	500

AASB 15 Revenue Recognition Policy

(a) Sale of Goods – Legacy Devices and Consumables

Revenue from the stand-alone sale of legacy devices and consumables is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the devices or consumables, and when there is persuasive evidence, usually in the form of a purchase order or an executed sales agreement with a customer at the time of delivery of the goods to the customer that no further work or processing is required to satisfy the performance obligation, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed (for shipped goods this is the bill of lading date).

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(b) SOZO 3.0–4.0 – Sale of Device and Subscription Services

The Group enters into contracts with customers for bundled sales of SOZO 3.0 - 4.0 devices and subscription services. The Group has determined that these bundled sales contracts are comprised of one performance obligation because the promises to transfer the SOZO device and subscription services for ongoing assessment are not capable of being distinct and separately identified.

Accordingly, the Group allocates the entire transaction price, which may include a discount, to the one performance obligation.

Revenue under these contracts is recognised using the input cost method based on the estimated cost of fulfilling the completion of the promises in accordance with the contractual terms, and when there is persuasive evidence, usually in the form of a purchase order or an executed sales agreement with a customer at the time of delivery of the goods to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

(c) Rendering of Other Services

Revenue from the repair of instruments is recognised at the point in time upon completion of the performance obligation, which is typically when the repair has been performed. When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

AASB 16 Revenue Recognition Policy

The Group enters into agreements with customers for a finite period of time that involve the leasing of SOZO devices with use of subscription services over that period of time. These agreements contain both a lease component, being the individual SOZO devices delivered to the Customer, and a non-lease component, being the software subscription service provided to the Customer.

The lease component (the device) meets the definition of an Operating Lease and is therefore accounted for in accordance with AASB 16 Leases and the income will be recognised on a straight-line basis over the life of the contract. When devices ship under the contract they will be derecognised as inventory and recognised as a fixed asset and depreciated over their useful life. Device depreciation expense will be recorded to cost of sales. The subscription service component meets the criteria for AASB 15 and will be recognised on a straight-line basis over the life of the contract.

Key Considerations in the Revenue Policy

In determining the transaction price for the subscription services, the Group considers the effect of the following:

(i) Judgements

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying the number of performance obligations in a bundled sale of equipment and subscription services under different contractual arrangement for SOZO 3.0 and 4.0. The Group provides devices that are bundled together with the subscription services to a customer. Under the contractual terms the subscription services are a promise to provide ongoing access to assessment and testing services in the future and are part of the negotiated exchange between the Group and the customer. The delivery of those services can vary under the contracts and impacts the determination of performance obligations.

(ii) Significant Financing Component

The Group may receive short-term advances from its customers in the form of up-front payment of devices, consumables or advance payment of subscription services. The Group has not identified any significant financing components within these advances. Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. There was no adjustment made in respect of this in the current or prior periods.

(iii) Warranty Obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

(iv) Incremental Costs of Obtaining a Contract

The Group pays sales commission to its employees for each contract that they obtain for bundled sales of SOZO devices and subscription services. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(v) Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group completes the performance obligations under the contract.

6. Finance and Other Income

	2022 $000	2021 $000
Finance Income		
Interest Income – term deposits	**46**	21
Interest Expense – lease liability	**(28)**	(52)
Finance Income / (Expense), Net	**18**	(31)

R&D Tax Incentive	**1,619**	1,788
Proceeds from Tax Refunds, Grants, and Other (i)	**1**	593
Other Income	**1,620**	2,381

(i) During the prior period, the Group applied for and received government grants and forgivable loans in relation to the global health pandemic. The Group recognised $0.3M of previously deferred grant income related to the Paycheck Protection Program (PPP) in the United States, and $0.2M in income related to the JobKeeper Program and pay as you go (PAYG) tax credits in Australia, and $0.1M related to other grants.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Tax Incentive Revenue and Grant Revenue

The Australian Taxation Office (ATO) provides certain Research and Development (R&D) tax incentives and concessions under the AusIndustry R&D Tax Incentive program. The program is a broad-based entitlement program that aims to promote innovation within Australia for eligible R&D activities.

The Group accrues for amounts when there is reasonable assurance of receipt and compliance with the stated conditions. Whilst there is a judgment involved in when reasonable assurance exists, the Group now has a history of successful lodgings and receipt with the ATO. The Group recognises income related to the R&D tax incentive in the period in which the expenses are recognised.

Under AASB 120, the Group recognises income from forgivable loans and grants on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the forgivable loans and grants are intended to compensate.

7. Expenses

Salaries and Benefits	**2022 $000**	2021 $000
Wages and Salaries (i)(ii)	**12,695**	10,854
Short-Term Incentives and Sales Commissions (iii)	**2,469**	5,142
Employee Benefits	**1,138**	1,054
Superannuation	**580**	482
Annual Leave & Long Service Leave	**113**	380
Taxes and Other	**1,284**	1,103
Capitalised Employee Costs (ii)	**(1,843)**	(1,706)
Sub-Total Salaries and Benefits	**16,436**	17,309
Share-Based Payments to Employees	**3,002**	3,035
Total Salaries and Benefits	**19,438**	20,344

Cash Flow Statement	**2022 $000**	2021 $000
Payments to Employees (iii) (iv)	(18,871)	(13,799)

(i) In the year ended 30 June 2021, MD/CEO and other executives took a temporary reduction in base salary and an additional portion of base salary in equity in lieu of cash as a result of the request of shareholders and in consideration of external market factors (global health pandemic) and cash conservation.
(ii) Certain wages and salaries relating to SOZO software development have been recognised as Intangible Assets in accordance with AASB 138 *Intangible Assets* in both the current and prior corresponding periods.
(iii) Short-Term Incentives and Sales Commissions for the 2022 financial year primarily consisted of $1.3 million (2021: $1.2 million) in sales related Commissions and $1.2 million (2021: $3.9 million) in Short-Term Incentives (including on-costs) resulting from 58% achievement for the MD/CEO (2021: 178.2%) and 50% achievement for employees (2021: 137.6%). See Remuneration Report for details.
(iv) The increase in Payments to Employees in 2022 primarily relates to the payout of the 2021 Short-Term Incentives. For 2022, the Group achieved a lower percentage on Short-Term Incentives, resulting in a decrease of approximately $2.3M in STI payments to employees year over year.

Clinical Trials and Research & Development	**2022 $000**	2021 $000
Cardiology and Other Clinical Trials	**367**	278
Oncology Clinical Trials (i)	**316**	1,166
Other	**-**	12
Total Clinical Trials and Research & Development	**683**	1,456

(i) Costs related to oncology clinical trials decreased in the current period with the completion of the >1,200 patient PREVENT Trial in the prior period, the largest international multicenter randomised controlled trial undertaken in the prevention of breast cancer-related lymphoedema.

Admin and Governance fees	**2022 $000**	2021 $000
Insurance (i)	**1,361**	1,035
Governance fees (ii)	**990**	645
Admin fees	**437**	272
Other	**42**	29
Total Admin and Governance fees	**2,830**	1,981

(i) Increased insurance costs primarily related to general market increases for insurance programs.
(ii) The increase in governance fees in the period primarily related to professional service fees such as auditor fees and tax advisor fees. In addition, in FY22, NEDs received a mix of cash and equity-based remuneration for board fees, whereas in the prior period they received 100% equity-based remuneration. NED Board fees did not increase in FY22. The increase in Admin and Governance fees is a result of reclassifying $238,000 of board fees from Share-based Payments to Admin and Governance fees.

Consultants and Professional Fees	2022 $000	2021 $000
Consulting Fees (i)	**1,309**	2,023
Patent and Trademark Fees	**484**	673
Professional Fees	**227**	188
Total Consultants and Professional Fees	**2,020**	2,884

(i) Consulting Fees decreased in the financial period due to continuing tightening of operating expenses, as well as the conversion of certain reimbursement consultants to employees as part of building out the internal Reimbursement and Case Assistance Program (CAP) teams.

Other Expenses	2022 $000	2021 $000
Advertising and Promotion (i)	**669**	447
Travel (ii)	**508**	139
IT and Property	**917**	673
Warranty, Bad Debt and Other (iii)	**489**	200
Total Other Expenses	**2,583**	1,459

(i) The Group increased Advertising and Promotion expenses due to branding and tradeshow costs.
(ii) Travel costs increased due to the lifted restrictions related to the global health pandemic.
(iii) These expenses relate to warranty replacement devices and estimates of expected credit losses in accounts receivables.

8. Cash and Cash Equivalents

	2022 $000	2021 $000
Cash at Bank and in Hand	**9,444**	8,182
Short Term Deposits	**31,286**	11,499
Cash and Cash Equivalents	**40,730**	19,681

RECONCILIATION FROM NET LOSS AFTER TAX TO NET CASH FLOW FROM OPERATIONS

	2022 $000	2021 $000
Net Loss After Tax	**(19,874)**	(20,706)
Adjustments For:		
Depreciation and Amortisation Expense	**3,046**	1,700
Share-based Payment Expense	**3,002**	3,035
(Reversals of) and Amounts Set Aside for Provisions	**(453)**	(302)
Unrealised Foreign Currency Loss	**397**	635
Changes in Net Assets and Liabilities:		
Decrease / (Increase) in Assets:		
Inventories	**(554)**	492
Property, Plant & Equipment and Intangible Assets	**(603)**	(428)
Receivables	**39**	(84)
Other Current and Non-current Assets	**374**	(589)
(Decrease) / Increase in Liabilities		
Current Payables	**1,527**	(283)
Other Current and Non-current Employee Provisions	**(2,302)**	3,349
Other Current and Non-current Liabilities	**(263)**	(77)
Net Cash Used in Operating Activities	**(15,664)**	(13,258)

9. Trade and Other Receivables

	2022 $000	2021 $000
Trade Receivables	**1,917**	1,964
Allowance for Expected Credit losses	**(136)**	(84)
Interest Receivable	**4**	1
R&D Tax and Other Receivables	**1,629**	1,824
Total Trade and Other Receivables	**3,414**	3,705

Impairment on Current Assets

AASB 9 requires the Group to recognise an allowance for expected credit loss (ECL) for all trade and other receivables and contract assets through profit or loss.

During the year, the Group recognised $250,000 (2021: $74,000) in expected credit losses in accordance with AASB 9, which primarily related to increased sales activity of which $102,000 related to contract assets and $148,000 to trade receivables.

Movements in the provision for impairment loss were as follows:

	2022 $000	2021 $000
At July 1	**84**	46
Charge for the Year	**250**	79
Amounts Reversed	**(5)**	(5)
Amounts Written Off	**(202)**	(33)
Foreign Exchange Translation	**9**	(3)
At June 30	**136**	84

The remaining receivables past due, but not considered impaired, are actively assessed by Management and viewed as recoverable. As at 30 June, the ageing analysis of trade receivables is as follows:

	Total	Neither Past Due nor Impaired	Past Due but Not Impaired		
			<30 Days	30-60 Days	>61 days (i)
2022	**1,781**	**1,379**	**140**	**155**	**107**
2021	1,880	1,388	103	43	346

Fair Value and Credit Risk

Due to the short-term nature of these receivables, the carrying value is assumed to approximate its fair value. The maximum exposure to credit risk is the fair value of the receivables.

Trade receivables, which generally have 30-90 day terms, are recognised at fair value less an expected credit loss for impairment.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted forward-looking factors specific to the debtors and the economic environment. Generally, the Group considers a debtor in default if debts are more than 90 days overdue and if there is evidence of financial difficulties of the debtor.

In addition, collectability of trade receivables is reviewed on an ongoing basis with individual debts that are known to be uncollectable written off when identified.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value or fair value of each class of receivables. No collateral is held as security.

When financial assets are recognised initially, they are measured at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

10. Current Assets – Inventories

	2022 $000	2021 $000
Raw Materials (at cost) (i)	**604**	289
Finished Goods (at cost) (i)	**909**	677
Provision for Obsolete Inventory (i)	**(587)**	(594)
Total Inventories at the Lower of Cost and Net Realisable Value	**926**	372

(i) The Group increased its inventory values during the period as it made advance inventory purchases to address growth, current global chip shortages, global health pandemic related supply chain issues and the future transition to SOZO II.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventory write-downs recognised as an expense in cost of sales were nil (2021: nil) for the Group.

Costs incurred in bringing each product to its present location and condition is accounted for as purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price including import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), if applicable. Volume discounts and rebates are included in determining the cost of purchase.

A provision for inventory obsolescence is recorded when it is determined the net realisable value of inventory is lower than its cost. Factors contemplated in determining net realisable value are expected future usage, sales volumes and price and the age and nature of the inventory held.

11. Non-Current Assets – Property and Equipment

Year Ended 30 June 2022	Leased, Demo & Loan Devices $000	Leasehold Improvements $000	Property & Machinery $000	Computer Equipment $000	Total $000
At 1 July 2021 Net of Accumulated Depreciation	456	16	17	94	583
Additions	-	3	36	45	84
Disposals	-	-	-	-	-
Transfers from Inventory	492	-	-	-	492
Depreciation Charge for the Year (i)	(837)	(9)	(17)	(59)	(922)
Effect of Foreign Exchange	19	-	(1)	4	22
At 30 June 2022 Net of Accumulated Depreciation	**130**	**10**	**35**	**84**	**259**
At 30 June 2022					
Cost	1,905	189	731	811	3,636
Accumulated Depreciation	(1,775)	(179)	(696)	(727)	(3,377)
Net Carrying Amount	**130**	**10**	**35**	**84**	**259**

Year Ended 30 June 2021	Leased, Demo & Loan Devices $000	Leasehold Improvements $000	Property & Machinery $000	Computer Equipment $000	Total $000
At 1 July 2020 Net of Accumulated Depreciation	49	26	46	71	192
Additions	-	-	-	71	71
Disposals	-	-	-	-	-
Transfers from Inventory	482	-	-	-	482
Depreciation Charge for the Year (i)	(68)	(10)	(27)	(44)	(149)
Effect of Foreign Exchange	(7)	-	(2)	(4)	(13)
At 30 June 2021 Net of Accumulated Depreciation	**456**	**16**	**17**	**94**	**583**
At 30 June 2021					
Cost	1,360	182	668	730	2,940
Accumulated Depreciation	(904)	(166)	(651)	(636)	(2,357)
Net Carrying Amount	**456**	**16**	**17**	**94**	**583**

(i) Depreciation increased in the financial period due to accelerating depreciation costs of leased assets in the Clinical Business of which $0.3 million (2021: $0.05 million) was included in cost of sales.

Equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight line or diminishing value basis over the estimated useful life of the specific assets as follows:

Plant, Machinery and Equipment	1 – 10 years
Devices Under Lease or Loan	3 years
Leasehold Improvements	2 – 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date. Certain assets classified as Plant, Machinery and Equipment during the year have been determined to have a one-year useful life based on the expected economic life of the assets and are amortised using the straight-line method. Certain Leasehold improvements capitalised by the Group were calculated to have useful lives that mirror their respective premise leases.

Derecognition

An item of property and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

12. Non-Current Assets – Intangible Assets and Goodwill

Year Ended 30 June 2022	Development Costs (i)(ii) $000	Other Software (iii) $000	Patents & Licenses $000	Goodwill $000	Total $000
At 1 July 2021 Net of Accumulated Amortisation & Impairment	5,021	7	9	2,415	7,452
Additions During the Year (i)	5,510	-	-	-	5,510
Amortisation	(1,803)	(7)	(1)	-	(1,811)
Effect of Foreign Exchange	-	-	-	215	215
At 30 June 2022 Net of Accumulated Amortisation & Impairment	**8,728**	**-**	**8**	**2,630**	**11,366**
At 30 June 2022					
Cost (Gross Carrying Amount)	13,204	487	36	2,630	16,357
Accumulated Amortisation & Impairment	(4,476)	(487)	(28)	-	(4,991)
Net Carrying Amount	**8,728**	**-**	**8**	**2,630**	**11,366**

Year Ended 30 June 2021	Development Costs (i) $000	Other Software (i) $000	Patents & Licenses $000	Goodwill $000	Total $000
At 1 July 2020 Net of Accumulated Amortisation & Impairment	3,856	17	13	2,636	6,522
Additions During the Year	2,451	-	-	-	2,451
Amortisation	(1,286)	(10)	(4)	-	(1,300)
Effect of Foreign Exchange	-	-	-	(221)	(221)
At 30 June 2021 Net of Accumulated Amortisation & Impairment	**5,021**	**7**	**9**	**2,415**	**7,452**
At 30 June 2021					
Cost (Gross Carrying Amount)	7,694	459	33	2,415	10,601
Accumulated Amortisation & Impairment	(2,673)	(452)	(24)	-	(3,149)
Net Carrying Amount	**5,021**	**7**	**9**	**2,415**	**7,452**

(i) Development costs relate to internally generated and developed SOZO software as well as the development of SOZO II hardware.
(ii) Amortisation increased in the financial period due to the increased capitalization of Software Development costs.
(iii) Other software relates to externally purchased software used in operations of the Group.

Description of the Group's Intangible Assets and Goodwill

Accounting Policies for Intangible Assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets related to software development have been capitalised in accordance with AASB 138 Intangible Assets. Other internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a

change in accounting estimate. The amortisation expense on intangible assets with useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level consistent with the methodology outlined for goodwill below. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	Software & Patents and Licenses	Development Costs
Useful Lives	Finite	Finite
Method Used	Amortised over the period of expected future benefit from the related project on a straight-line basis	Amortised over the period of expected future benefit from the related project on a straight-line basis
Internally Generated / Acquired	Acquired	Internally generated
Impairment Test / Recoverable Amount Test	When an indication of impairment exists	When an indication of impairment exists

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Expenditures on advertising and promotional expenses are recognised in the statement of comprehensive income when the Group has either the right to access the goods or has received the services.

Software

The Group's software intangible primarily includes the Group's investment in its Quality Management System (QMS), Enterprise Resource Planning (ERP) system and Customer Relationship Management (CRM) system.

Software costs are carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period of three or four years. The amortisation has been recognised in the statement of comprehensive income in the line item "depreciation and amortisation". If an impairment indication arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Development Costs

The Group capitalises certain costs related to the development of medical technology software in accordance with AASB 138 Intangible Assets.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the development.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised over the period of expected benefit from the related project.

Intangible assets related to development costs have been assessed as having a finite life and are amortised using the straight-line method over a period of three or five years, based on the expected economic life of the assets. The amortisation has been recognised in the statement of comprehensive income in the line item "depreciation and amortisation". If an impairment indication arises, impairment testing is undertaken.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

Patents and Licenses

The Group holds three licences and numerous patents. All patents and licences are carried at cost less accumulated amortisation and impairment losses. These intangible assets have been determined to have a finite life and are amortised using the straight-line method over a useful life of between five and twenty years. The amortisation has been recognised in the statement of comprehensive income in the line item “depreciation and amortisation”. Patents and licences are subject to impairment testing whenever there is an indication of impairment.

No impairment loss has been recognised for the years ended 30 June 2022 or 2021.

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group’s net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit and loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes and is not larger than an operating segment determined in accordance with AASB 8. The goodwill of the Group is allocated to the Medical cash generating unit which is the only unit under the Medical Segment.

Impairment is determined by assessing the recoverable amount of the cash generating unit or group of cash generating units to which the goodwill relates.

The Group performs its impairment testing as at 30 June each year and more frequently if indicators of impairment exist, using the value in use (VIU), discounted cash flow methodology.

When the recoverable amount of the cash-generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognised.

Impairment losses recognised for goodwill are not subsequently reversed. When goodwill forms part of a cash generating unit or group of cash generating units and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

The movements during the years ended 30 June 2022 and 2021 were solely due to movements in foreign exchange rates.

Impairment Tests for Goodwill and Intangible Assets with Indefinite Useful Lives

Description of the Group’s Cash Generating Units (CGUs)

At 30 June 2022, the Group has only one (2021: one) CGU, the Medical CGU, which relates to the Medical operating segment. During the current period, the key focus of the Medical CGU was the sale of devices for the subclinical assessment of lymphoedema in cancer survivors, though it also includes the sale of devices used in body composition, and other areas of fluid status measurement. The Medical CGU is the core business of the Group and the part of the business forecasting substantial growth. There was no impairment in financial years 2022 and 2021.

Details of Impairment Testing

Impairment testing has been performed by reviewing the carrying amounts of net assets and by calculating the value in use (VIU) of the CGU.

The VIU cash flow model is based on a five-year period which analyses the net present value (NPV) of cash flows using a 12.5% (2021: 12.5%) discount rate and a 3% (2021: 3%) long-term growth rate. The short-term cash flows used in the cash flow model are based on operating plans and forecasts approved by the Board, which consider the size of markets available to the Group. In order to calculate the discount rate for use in the VIU cash flow model, the Group used a weighted average cost of capital (WACC) method. The Group currently has no debt. Due to the inherent risk related to future cash flows, Management has assessed the breakeven discount rate at 30 June 2022 to be 20.5% (2021: 22.5%).

The group also considers the fair value with reference to the market capitalisation of the Group. The market capitalisation of the Group at 30 June 2022 was approximately $108 million (30 June 2021: $157 million), which exceeded the net assets recorded (including goodwill) by approximately $57 million (30 June 2021: $131 million).

13. Current Liabilities – Trade and Other Payables

	2022 $000	2021 $000
Trade Payables and Accruals (i)	**2,638**	1,296
Employee Related Accruals	**530**	405
Sales Tax Payable	**56**	47
Carrying Amount of Trade and Other Payables	**3,224**	1,748

(i) The Group paid down a significant amount of trade payables in June 2021; the increase in payables is a timing difference when compared year over year.

Trade payables and accruals are unsecured and non-interest bearing and normally settle on 30-90 days terms. Sales tax and other payables are non-interest bearing and normally have longer payment terms.

Trade payables and other payables are carried at amortised cost and, due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect to the purchase of these goods and services.

Fair Value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest Rate, Foreign Exchange and Liquidity Risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in Note 26.

14. Provisions

	2022 $000	2021 $000
Current		
Employee Entitlements (i)	**2,861**	5,111
Warranty Provision	**59**	83
Total Current Provisions	**2,920**	5,194
Non-Current		
Employee Entitlements	**27**	79
Office Lease – Make Good Provisions	**26**	25
Prepaid Service Contracts	**-**	76
Total Non-current Provisions	**53**	180

(i) The provision for current employee benefits primarily relates to the estimate for employee short-term incentives related to that financial year, as well as a provision for accrued employee annual leave and long service leave. The short-term incentive plan is a cash-based incentive which is awarded based on annual performance. For the financial year ended 30 June 2022, the incentive plan focused on both Group and individual performance.

Significant Movements in Provisions

For the year ended 30 June 2022, the Group has an accrual of $1.5 million (2021: $3.8 million) in short-term incentives, which is offset by the utilisation of approximately $3.8 million (2021: $0.6 million) in short-term incentives related to the prior year accrual, net of foreign exchange differences.

Nature and Timing of Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting is recognised in finance costs.

Employee Entitlements

Employee entitlements comprise accrued entitlements for annual leave, performance pay and superannuation contributions (all current) and for long service leave (non-current).

Employee entitlements expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Retirement Benefit Obligation

Contributions to superannuation plans are recognised as an expense when they become payable. The Group contributes to various defined contribution superannuation funds in respect to all employees and at various percentages of their salary, including contributions required by the Superannuation Guarantee Charge. These contributions are made to external superannuation funds and are not defined benefits programs. Consequently, the Group's legal or constructive obligation is limited to these contributions.

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian corporate bond market discount rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Warranty Provision

A provision for warranty is recognised for expected warranty claims on products sold during the last year, based on experience of the level of repairs and returns on a one-year warranty period that is generally given for products sold. It is expected that these costs will be incurred during the next financial year.

Make Good Provision

To comply with office lease agreements, the Group must restore leased premises to the original condition at the end of each premise's respective lease term. Because of the nature of the liability, the greatest uncertainty in estimating the provision is the cost that will ultimately be incurred. The provision for each premise has been calculated using pre-tax discount rates of up to 8%, depending on the location of the premise.

15. Contributed Equity

Ordinary Shares

	2022 $000	2021 $000
Ordinary Shares Fully Paid	**307,558**	267,268
Total Ordinary Shares	**307,558**	267,268

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares fully paid include transaction costs of $2.2M (2021: $0.1M) pertaining to the cost of capital raisings and the issuance of LTI awards in the current reporting period. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Number of Shares	$000
At 30 June 2020	**1,001,697,261**	**250,563**
Issued During the Period as a Result of:		
Issue of Ordinary Shares under the April 2020 Entitlement Offer	478,201,183	16,839
Issue of Ordinary Shares under the Equity Share Plans(i)	10,377,344	-
Issue of Ordinary Shares from the Exercise of Employee Awards	1,402,750	-
Transactions Costs		(134)
At 30 June 2021	1,491,678,538	267,268
Issued During the Period as a Result of:		
Issue of Ordinary Shares from Capital Raisings	278,688,274	42,503
Issue of Ordinary Shares under the Equity Share Plans(i)	7,235,423	-
Issue of Ordinary Shares from the Exercise of Employee Awards	365,000	-
Transactions Costs	-	(2,213)
At 30 June 2022	**1,777,967,235**	**307,558**

(i) Shares issued under the Equity Share Plans relate to remuneration paid to Non-Executive Directors and Executives in lieu of cash.

Capital Management

	2022 $000	2021 $000
Trade and Other Payables	**3,224**	1,748
Less Cash and Cash Equivalents	**(40,730)**	(19,681)
Net Debt	**(37,506)**	(17,933)
Total Equity	**51,044**	25,514
Total Capital	**13,358**	7,581
Net Debt to Equity Ratio	**N/A**	N/A

There are no externally imposed capital requirements on the Group. When managing capital, Management's objective is to ensure that the entity continues as a going concern, as well as to maintain optimal returns and benefits to shareholders and other stakeholders. The Group will, from time to time, evaluate the Group's capital structure with a view to optimising its cost of capital.

16. Reserves

Movements in Other Reserves

	Share Reserves $000	Equity Escrow Reserve $000	Foreign Currency Translation $000	Total $000
At 30 June 2020	**20,152**	**965**	**5,742**	**26,859**
Foreign Currency Translation	-	-	(881)	(881)
Share-based Payment	2,098	937	-	3,035
At 30 June 2021	**22,250**	**1,902**	**4,861**	**29,013**
Foreign Currency Translation	-	-	2,112	2,112
Share-based Payment	2,217	785	-	3,002
At 30 June 2022	**24,467**	**2,687**	**6,973**	**34,127**

The Group currently maintains two long-term incentive plans for share-based payments in relation to awards issued as options and performance rights. All options issued under the long-term incentive plans must be issued with an exercise price no less than fair market value. The actual exercise price will be determined by a committee of Directors, which is generally determined to be the Parent's volume weighted average stock price over the five days prior to the option grant. No options or performance rights provide dividend or voting rights to the holders.

Further details on share-based payments are provided in Note 18.

At 30 June 2022, there were 123,211,173 (30 June 2021: 86,863,768) unissued ordinary shares in respect of 83,054,173 (30 June 2021: 60,780,923) unlisted options, 40,157,000 (30June 2021: 26,082,845) performance shares and nil (30 June 2021: nil) listed options.

Nature and Purpose of Reserves

Share Option Reserve and Performance Share Reserve

The share option and performance share reserves are used to record the value of share-based payments provided to employees and participants, including KMP, as part of their remuneration. Refer to Note 18 for further details of these plans.

Equity Escrow Reserve

The Equity Escrow reserve is used to record the value of share-based payments to participants in the Equity Compensation Plan. The Plan went into effect 1 July 2020 after receiving shareholder approval at the 2020 AGM providing executives up to 20% base salary as equity in lieu of cash. In addition, during the year ended 30 June 2022, the Equity Share Plan allowed NEDs to receive equity remuneration in lieu of cash with a mix of 60% equity and 40% cash.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

17. Key Management Personnel (KMP)

	2022 $000	2021 $000
Employee Benefits (i)	**3,601**	4,115
Post-employment Benefits	**146**	134
Share-based Payments	**2,075**	1,917
Total Compensation (ii)	**5,822**	6,166

(i) Short-term employee benefits include salaries and wages, short-term incentives earned during the period, other one-time short-term incentives, and non-monetary benefits such as insurance benefits. Employee benefits decreased in 2022 primarily due to a reduction in STIs achieved compared to the prior period.

(ii) The majority of KMPs are based in the US and are paid in USD. The total compensation is therefore translated for financial reporting purposes to AUD monthly. Refer to the Remuneration Report for additional details in relation to KMP remuneration practices.

Interests Held by Key Management Personnel

Share options and performance rights held by KMP, under the EIP and ESOP to purchase ordinary shares, have the following expiry dates and exercise prices:

Grant Type	Expiry Date	Exercise Price	2022
Share Options	01-Jul-2022	$ 1.00	886,500
Share Options	08-Jul-2022	$ 0.35	7,252,561
Performance Rights	25-Aug-2022	$ -	14,800,000
Share Options	25-Oct-2023	$ 1.66	518,000
Performance Rights	28-Oct-2023	$ -	11,763,000
Share Options	04-Nov-2023	$ 1.47	119,000
Share Options	13-Nov-2023	$ 1.46	335,000
Share Options	14-Nov-2023	$ 1.46	872,000
Performance Rights	16-Apr-2024	$ -	250,000
Performance Rights	11-Nov-2024	$ -	12,969,000
Share Options	15-Nov-2024	$ 0.82	3,117,000
Share Options	31-Jul-2025	$ 0.51	515,000
Share Options	11-Nov-2026	$ 0.15	4,489,177
Share Options	20-Feb-2027	$ 0.11	450,000
Share Options	28-Oct-2027	$ 0.08	15,677,000
Share Options	16-Apr-2028	$ 0.14	500,000
Share Options	11-Nov-2028	$ 0.18	15,984,000
			90,497,238

18. Share-based Payment Plans

Recognised Share-based Payment Expenses

The expense recognised for share-based payments during the year is shown in the table below:

	2022 $000	2021 $000
Expense Arising from Equity-Settled Share-Based Payment Transactions – Employees and Consultants	2,217	2,098
Expense Arising from the Equity Compensation Plan – Directors and Employees	785	937
Total Expense Arising from Share-Based Payment Transactions	**3,002**	**3,035**

Executive and Non-Executive Share Plans

During FY20, the Group instituted an Executive Share Plan whereby up to 20% of an Executive's gross salary and short-term incentives and a Non-Executive Share Plan whereby 100% of Directors' fees were taken as shares in lieu of cash. The Group established these plans to (a) align the financial interests of Executives and Directors with those of the shareholders, (b) facilitate the acquisition of shares by the Executives and Directors, and (c) preserve cash reserves by remunerating the Executives and Directors with shares in lieu of cash. Refer to the 2020 AGM Notice for full details of the plans.

During the period, share-based payments under the Non-Executive Director and Executive Share Plans totaled approximately $785,000 (30 June 2021: $937,000), of which approximately $697,000 (30 June 2021: $855,000) was related to Key Management Personnel (KMP). These shares were issued in lieu of cash remuneration, which comprised 100% of Directors' fees and up to 20% of Executive salaries.

Equity-Settled Transactions

The Group provides benefits to employees (KMP) and certain consultants in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently three types of plans in place to provide these benefits:

- The Employee Incentive Plan (EIP), which provides benefits in the form of shares, options or performance shares to employees and consultants, including the CEO. This plan has a US Sub-Plan established as an appendix to EIP.
- The Employee Share Option Plans (ESOP), which provides benefits to employees and consultants, including the CEO if he or she is not a member of the Board of Directors. This Group has two (2) ESOPs – one for US based employees and one for Australian based employees.
- The CEO Option Plan.

Further details of the share-based payment plans are described below. During the current financial year, the Group continued to operate under the Employee Incentive Plan (EIP).

Stakeholders and industry participants expect that the Group's remuneration framework should provide competitive and appropriate remuneration so that the company can attract and retain skilled employees and motivate them to improve Group performance. For all financial year 2022, the Group operated under the Employee Incentive Plan for issuing and maintaining employee share option schemes.

Under the EIP, participants are eligible to receive shares, options or performance rights, which will help to align the interests of employees (participants) with those of the Group and its Members.

No share options schemes were issued under the ESOP during the year. Outstanding options that reside under the ESOPs remain under that plan, but any outstanding options under the ESOPs that are cancelled or forfeited do not become available under the EIP nor return to the available option pool.

(A) TYPES OF SHARE-BASED PAYMENTS PLANS

Employee Incentive Plan (EIP)

On 30 October 2014, the Board resolved to establish the Employee Incentive Plan and the corresponding US Sub-Plan as a means of providing incentives to employees, consultants and executive or non-executive directors of the Group.

Purpose of the EIP and the US Sub-Plan

The purpose of the EIP is to provide a long-term incentive for employees to work with commitment toward enhancing the value of the Group and the shares for the benefit of shareholders, as well as to retain and attract employees whose contributions are, or may be, beneficial to the growth and development of the Group.

Issue of Options Excluded from Group's 15% Limit Under ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, subject to certain exceptions, a company must not issue more than 15% of the company's total issued capital without shareholder approval. An exception is provided in ASX Listing Rule 7.2 (exception 9) where holders of ordinary securities approve the issue of securities under an employee incentive scheme as an exception to ASX Listing Rule 7.1.

EIP Plan Terms and Conditions

Incentives under the EIP include a Share, an Option, or a Performance Right. Incentives are granted to eligible employees of and collaborators with (collectively known as Participants) the Group at the discretion of the Board of Directors.

In granting the incentives, which are issued for nil consideration, the Directors evaluate potential participants with respect to their abilities, experience, responsibilities and their contribution to the Group.

Unless otherwise determined by the Board, an option incentive held by a Participant will lapse upon the first to occur of:

- Its expiry date;
- The Participant failing to meet the Incentive's vesting conditions with the prescribed period;
- If the Participant ceases to be employed by the Group due to resignation or retirement:
  - For vested options, 30 days after the date of cessation of employment (or such longer period as the Board determines);
  - For unvested Incentives, the date of cessation of employment (or such longer period as the Board determines);
- If the Participant ceases to be employed by the Group due to retrenchment, or the Participant's death, permanent illness or permanent physical or mental incapacity (as certified by a medical practitioner who is approved in writing by the Board):
  - For vested options, 12 months after the date of cessation of employment (or such longer period as the Board determines); and
  - For unvested Incentives, the date of cessation of employment (or such longer period as the Board determines)
- If the Participant ceases to be employed by the Group for any other reason:
  - For vested incentives, 30 days after the date of cessation of employment (or such longer period as the Board determines); and
  - For unvested incentives, the date of cessation of employment (or such longer period as the Board determines)
- A determination by the Board that the participant:
  - Has been dismissed or removed from office as an employee or Director of the Group for any reason which entitles the Group to dismiss the Participant without notice, or
  - Acted fraudulently, dishonestly or in breach of the participant's obligations to the Group.

If at any time or times prior to the exercise by the participant or vesting of any outstanding Incentives, there is any reconstruction (including a consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Group, the terms of Incentives and the rights of the participant will be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of the reconstruction.

An Incentive is personal to the Participant to whom it was granted, and the Participant may not sell, assign, transfer or otherwise dispose of, or make a declaration of trust in respect of, an Incentive except to an Associate of that Participant. This does not prevent the exercise of the Incentive by the estate of a deceased Participant.

The contractual life of each Incentive granted is specified by the participant's Incentive agreement. There are no cash settlement alternatives. The Incentive issued under the plan cannot be transferred and are not quoted as tradeable instruments on the ASX.

US Sub-Plan

The US Sub-Plan is effective for a period of ten years from the date of its adoption by the Board, unless terminated earlier by the Board.

The exercise price of an Option will not be less than the fair market value of a Share on the date of grant of the Option.

The Group's obligation to issue securities under the US Sub-Plan is subject to any restrictions in the Corporations Act or the ASX Listing Rules.

Share Options

Share options are issued to eligible participants under the EIP. The Group issued 31,924,000 (2021: 30,663,000) share options to participants under the EIP during the current year.

For new and existing employees and consultants, share options issued during the period generally vest on the one-year anniversary of the date of grant or of employment in an amount equal to the product of one-fourth multiplied by the number of total options granted.

In a situation where there is likely to be a change of control of the Group, the Board may have the discretion to determine whether some, none or all of the LTI instruments will vest.

Performance Shares

Performance shares (or Performance Rights) are issued to eligible participants under the EIP in recognition of their contribution to the performance of the Group and are often subject to meeting individual performance hurdles. The Group issued 20,603,000 (2021: 20,536,000) performance rights to employees under the EIP during the current year.

All performance rights are issued at the discretion of the Board of Directors and are issued for nil consideration. The performance rights granted during the year vest in full on the third anniversary of the grant date. In the event of a change of control, all outstanding unvested performance rights may vest on an accelerated basis immediately.

If the participant ceases employment with the Group where such cessation of employment is due to the participant's death, permanent illness or permanent physical or permanent mental incapacity (as certified by a medical practitioner who is approved in writing by the Board), the performance rights will fully vest on the third anniversary of the date of grant.

Performance rights which have not vested shall automatically lapse and be forfeited without con-sideration upon cessation of the participant's employment with the Group.

The fair value of performance shares is measured by using the stock price for ImpediMed Limited as of the close of business on the day prior to the grant date multiplied by the number of eligible shares. The number of eligible shares is measured using a combination of the probability of future service and the achievement of specific goals.

Employee Share Option Plan (ESOP)
The Group has two schemes under the ESOP it operated, one for eligible Australian participants and one for eligible US participants. The only outstanding grants for the ESOP were issued prior to 30 October 2014, as no additional awards were issued under the ESOP after the creation of the EIP.

ESOP Schemes Terms and Conditions
Share options were granted to participants of the Group at the discretion of the Board of Directors.

When a participant ceases to be eligible to continue participating in the plan prior to vesting their share options, the unvested share options are forfeited. The participant has 30 days to exercise vested options after cession of employment.

In the event of a change of control of the Group, at the discretion of the Board of Directors, all options vest immediately. The contractual life of each option granted is specified by the stock option agreement not to exceed ten years from the date of grant. There are no cash settlement alternatives. The options issued under the plan cannot be transferred and are not quoted as tradeable instruments on the ASX.

Chief Executive Option Plan
There were no options issued under the Chief Executive option plan during the current or prior year. All CEO option grants are subject to approval by the shareholders.

Options issued to the CEO were issued under the EIP or ESOP, except for the issuance of 7,252,561 options upon hiring. Those options were issued outside of any existing option schemes upon shareholder approval at the 2012 AGM. For additional information on option grants, refer to the Managing Director and CEO Remuneration section of the Remuneration Report.

(B) SUMMARY OF OPTIONS AND PERFORMANCE RIGHTS

Employee Incentive Plan (EIP)
The following table illustrates the number of shares (Number) and weighted average exercise price (WAEP) of share options under the EIP plans:

SHARE OPTIONS

	2022		2021	
	Number	**WAEP $**	**Number**	**WAEP $**
Balance at the Beginning of the Year	53,428,362	0.32	24,175,862	0.60
Granted During the Year	31,924,000	0.17	30,663,000	0.09
Exercised During the Year	(22,500)	0.13	-	-
Forfeited during the Year	(5,294,250)	0.22	(1,410,500)	0.16
Expired During the Year	(4,234,000)	0.69	-	-
Balance at the End of the Year	**75,801,612**	**0.24**	**53,428,362**	**0.32**
Exercisable at 30 June	**21,006,933**	**0.51**	**15,340,716**	**0.79**

PERFORMANCE RIGHTS

	2022		2021	
	Number	**WAEP $**	**Number**	**WAEP $**
Balance at the Beginning of the Year	26,082,845	-	7,372,095	-
Granted During the Year	20,603,000	-	20,536,000	-
Forfeited During the Year	(6,186,345)	-	(242,500)	-
Exercised During the Year	(342,500)	-	(1,402,750)	-
Expired During the Year	-	-	(180,000)	-
Balance at the End of the Year	**40,157,000**	**-**	**26,082,845**	**-**
Exercisable at 30 June	**-**	**-**	**-**	**-**

Employee Share Option Plan (ESOP)

The following table illustrates the number of shares (Number) and weighted average exercise price (WAEP) of share options under the ESOP schemes:

	2022		2021	
	Number	**WAEP $**	**Number**	**WAEP $**
Balance at the Beginning of the Year	7,352,561	0.35	8,419,639	0.34
Expired During the Year	(100,000)	0.44	(1,067,078)	0.24
Balance at the End of the Year	**7,252,561**	**0.35**	**7,352,561**	**0.35**
Exercisable at 30 June	**7,252,561**	**0.35**	**7,352,561**	**0.35**

Employee Incentive Plan (EIP)

The year-end balance is represented by:

SHARE OPTIONS

Number of Options	Exercise Price ($)	Expiry Date
1,184,500	0.87	01-Jul-2022
130,750	0.84	02-Jul-2022
119,000	0.93	15-Jul-2022
50,000	0.08	17-Jul-2022
342,000	0.08	19-Aug-2022
16,735,612	0.08 - 1.46	25-Aug-2022
140,000	0.14	28-Aug-2022
200,000	1.03	08-Dec-2022
325,000	0.93	18-May-2023
200,000	1.32	01-Aug-2023
518,000	1.66	25-Oct-2023
417,500	1.47	04-Nov-2023
335,000	1.46	13-Nov-2023
120,000	0.74	28-Apr-2024
53,500	0.63	13-Sep-2024
3,186,000	0.82	15-Nov-2024
11,000	0.67	27-Apr-2025
553,000	0.51	31-Jul-2025
100,000	0.23	01-Jan-2026
440,000	0.14	01-Apr-2026
40,000	0.15	01-Aug-2026
5,100,750	0.15	11-Nov-2026
190,000	0.17	02-Jan-2027
450,000	0.11	20-Feb-2027
155,000	0.04	08-Apr-2027
19,479,000	0.08	28-Oct-2027
480,000	0.13	01-Dec-2027
40,000	0.12	07-Apr-2028
500,000	0.14	16-Apr-2028
675,000	0.11	18-Jun-2028
21,721,000	0.18	11-Nov-2028
280,000	0.17	29-Dec-2028
610,000	0.14	04-Apr-2029
920,000	0.09	06-Jun-2029
75,801,612		

PERFORMANCE RIGHTS

Number of Rights	Exercise Price ($) (i)	Expiry Date
14,800,000	-	25-Aug-2022
100,000	-	01-Dec-2022
11,763,000	-	28-Oct-2023
12,969,000	-	11-Nov-2024
250,000	-	16-Apr-2024
275,000	-	18-Jun-2024
40,157,000		

(i) Exercise price is nil as performance rights are issued for nil consideration.

Employee Stock Option Plan (ESOP)

The year-end balance is represented by:

Number of Options	Exercise Price ($)	Expiry Date
7,252,561	0.35	08-Jul-2022
7,252,561		

Chief Executive Option Plan

There were no options issued under the Chief Executive Option Plan during the current year. Options issued to the Chief Executive Officer during the current year were issued under the Employee Incentive Plan and during prior years were issued under the Employee Incentive Plan and the Employee Share Option Plan.

(C) WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE

Employee Share Option Plan (ESOP)

The weighted average remaining contractual life for share options outstanding as at 30 June 2022 is 0.02 (2021: 1.02) years.

Employee Incentive Plan (EIP)

The weighted average remaining contractual life for share options outstanding as at 30 June 2022 is 4.05 (2021: 5.01) years. The weighted average remaining contractual life for performance rights outstanding as at 30 June 2022 is 2.13 (2021: 2.13) years.

(D) RANGE OF EXERCISE PRICES

Employee Share Option Plan (ESOP)

The range of exercise prices for options outstanding as at 30 June 2022 is $0.35 (2021: $0.35-0.44)

Employee Incentive Plan (EIP)

The range of exercise prices for options outstanding as at 30 June 2022 is $0.04-1.66 (2021: $0.04-1.66). The performance rights are issued at nil exercise price.

(E) WEIGHTED AVERAGE FAIR VALUE

Employee Incentive Plan (EIP)

The weighted average fair value of options granted during the year was $0.17 (2021: $0.09).

(F) OPTION PRICING MODEL

The fair value of the equity-settled share options granted under the EIP and ESOP schemes is estimated as at the date of grant using either the Black Scholes option valuation model or the Monte Carlo Simulation if there is a restriction on the share price for exercisability of the option – taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs in the models used for the financial years ended 30 June 2022 and 2021:

	EIP Issue 2022	EIP Issue 2021
Expected Volatility (%)	81.00%	75.00%
Risk Free Interest Rate (%)	0.83%	0.20%
Expected Life of Options (Years)	7	7
Option Exercise Price ($)	$0.085-0.177	$0.084 - $0.137
Stock Price at Grant Date ($)	$0.085 - $0.175	$0.084 - $0.137
Calculated Fair Value at Grant Date ($)	$0.05 - $0.12	$0.057 - $0.104

The fair value of performance shares is measured by using the stock price for ImpediMed Limited as of the close of business on the day prior to the grant date multiplied by the number of eligible shares.

The dividend yield for all tranches was nil. The weighted average share price for all tranches at grant date was $0.18 in financial year 2022 (2021: $0.09).

The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on management's expectation of exercise behavior, which is not necessarily indicative of exercise patterns that may occur in the future.

The expected volatility rate was determined using a sample of industry averages based on historical share prices. The resulting expected volatility therefore reflects the assumption that the industry averages are indicative of future trends, which may not necessarily be the actual outcome.

(G) ACCOUNTING POLICIES FOR EQUITY-SETTLED TRANSACTIONS

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date they are granted. The fair value is determined by a Black-Scholes model, details of which are given in Note 18.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of ImpediMed Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service condition are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the award
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by the Parent to employees of subsidiaries are recognised in the Parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by ImpediMed Limited in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

19. Income Tax

The major components of income tax are:

Income Tax Expense	**2022 $000**	2021 $000
Current Income Tax		
Current Income Tax Expense	**(27)**	(34)
Prior Year Over/Under Provision	**(19)**	(5)
Income Tax Reported in the Consolidated Statement of Comprehensive Income	**(46)**	(39)

Tax Losses

The Group has tax losses in Australia of approximately $90.7 million (2021: $84.9 million) and tax losses in the US of approximately USD $116.2 million (2021: USD $107 million) that are available for offset against future taxable profits of the companies in which the losses arose, subject to satisfying the relevant income tax loss carry forward rules. US tax losses of USD $68.2 million incurred prior to 2017 have a 20-year expiry period, with an expiry range of 2027 to 2037. No deferred tax asset has been recorded in relation to these tax losses.

Statement of Comprehensive Income Disclosure	2022 $000	2021 $000
A reconciliation between tax expense and the accounting profit before income tax multiplied by the Group's applicable tax rate is as follows:		
Group's Applicable Tax Rate is as Follows:		
Accounting Loss Before Tax from Continuing Operations and Discontinued Operations	**(19,828)**	(20,667)
Accounting Loss Before Income Tax	**(19,828)**	(20,667)
At Australia's Statutory Income Tax Rate of 25% (2021: 27.5%)	**(4,957)**	(5,683)
Adjustment for Current Income Tax of Previous Years		
Expenditure Not Allowable for Income Tax Purposes	**1,471**	1,686
Other Assessable Income	**55**	76
Non-Assessable Income	**(395)**	(514)
Other Temporary Differences Not Recognised	**(467)**	112
Foreign Tax Rate Adjustment	**392**	905
Tax Losses Not Recognised (i)	**3,928**	3,453
Prior Year Over/Under Provision	**19**	4
Income Tax Reported in the Consolidated Statement of Comprehensive Income	**46**	39

(i) Movement in the Tax Losses Not Recognised is primarily related to increased capitalised development costs.

Deferred Tax Disclosures	2022 $000	2021 $000
Deferred Tax Assets		
Doubtful Debts	**27**	20
Employee Entitlements	**504**	981
S40-880 Costs	**722**	462
Patents and License Costs	**359**	289
Sundry Creditors and Accruals	**47**	17
Losses Available for Offset Against Future Taxable Income	**56,365**	53,463
Revenue Received in Advance	**192**	149
Inventory and Other Provisions	**157**	184
Unrealised Foreign Exchange Losses	**(6,525)**	(3,192)
Deferred Tax Liabilities		
Income not Derived for Tax Purposes	**(1)**	-
Property Plan and Equipment	**3**	3
Subtotal	**(51,850)**	52,376
Deferred Tax Assets not Recognised	**(51,850)**	(52,376)
Net Deferred Tax Balance Per Accounts	**-**	-

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by local jurisdictions as of the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a buy in combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries and the timing of the reversal of the temporary difference can be controlled and it is probably that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax as-sets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other Taxes

Revenues, expenses, assets, and liabilities are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables in current assets, which, in general are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The Group is subject to sales taxation in the US in various state jurisdictions. Sales tax has several components:

- On revenue, the Group collects sales tax from customers and remits it to state governments.
- For expenses and assets, the Group pays sales tax on the purchase of goods that are used in the course of business. Sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

Receipts from customers are included in the Cash Flow Statement including sales tax amounts collected which are payable to the taxation authority. These amounts are offset by payments made to taxation authorities during each period in the Cash Flow Statement. Cash flows on expenses and as-sets are included in the Cash Flow Statement on a gross basis and are classified as operating, in-vesting or financing cash flows as appropriate.

20. Parent Entity Information

Information Relating to ImpediMed Limited:	2022 $000	2021 $000
Current Assets	**11,157**	11,050
Total Assets	**19,974**	16,207
Current Liabilities	**1,586**	1,427
Total Liabilities	**1,841**	1,801
Issued Capital	**307,558**	267,268
Accumulated Losses	**(337,499)**	(289,100)
Performance Share Reserve	**6,113**	5,237
Share Option Reserve	**21,042**	18,916
Total Shareholder's Equity (i)	**(2,787)**	2,320
Loss of the Parent Entity (ii)	**(48,399)**	(21,472)
Total Comprehensive Loss of the Parent Entity	**(48,399)**	(21,472)

(i) The Parent Entity invests capital into its wholly owned subsidiaries in anticipation the subsidiaries will create profits in future periods and therefore the Parent Entity will recoup these investments over time.

(ii) The increased Loss of the Parent Entity in the current period relates to working capital provided to the US subsidiary for the investment in growth opportunities.

The Parent has not entered into any guarantees in relation to the debts of its subsidiaries. The Parent has not entered into any contractual commitments for the acquisition of property, plant or equipment.

Details of any commitments and any operating leases of the Parent entity are described in Note 23 and any contingent liabilities of the Parent entity are described in Note 24.

21. Related Party Disclosures

Subsidiaries

The consolidated financial statements include the financial statements of ImpediMed Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity Interest	
		2022	2021
ImpediMed Incorporated	United States	100	100
ImpediMed Hellas	Greece	100	100
ImpediMed TM Incorporated	United States	100	100

Ultimate Parent

ImpediMed Limited is the ultimate Australian parent entity.

Details relating to Directors, including remuneration paid, are included in the Directors' Report.

For the year ended 30 June 2022, and for the prior year, no transactions with Directors occurred that would be considered related party transactions.

Terms and Conditions of Transactions with Related Parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Key Management Personnel (KMP)

Details relating to key management personnel, including remuneration paid, are including in Note 17.

For the year ended 30 June 2022, there were no other transactions with KMP that would be considered related party transactions.

22. Auditor's Remuneration

	2022 $000	2021 $000
Amounts Received or Due and Receivable by Ernst & Young Australia for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**225**	190
Total Fees	**225**	190

23. Commitments

Expenditure Commitments

At 30 June 2022, the Group has commitments of $2.7 million (2021: $1.8 million) relating to the funding of future product builds, advertising and promotional activities, and other activities. The expenditure commitments primarily relate to the development of SOZO II.

Accounting Policies for Onerous Contracts

An onerous contract provision is recognised for contracts that are deemed onerous. Contracts are deemed onerous if the unavoidable costs of meeting the obligations under the contract exceed the benefits expected to be received. The Group has no commitments deemed to be onerous.

24. Contingencies

Legal Claims

At 30 June 2022, the Group has no provisions provided in relation to legal claims.

Contingent Liabilities

The Group had no contingent liabilities as at 30 June 2022 or 2021.

Cross Guarantees

As a policy, the Group does not undertake any cross guarantees.

25. Events After the Balance Sheet Date

Issuance of Ordinary Shares – Equity Share Plans

On 6 July 2022, the Group issued 2,017,124 shares to Non-Executive Directors and Executives as part of the Equity Share Plans, related to the Q4 FY'22 performance period covering 1 April 2022 – 30 June 2022. These shares were issued in lieu of cash remuneration, which comprised 60% of Directors' fees and up to 20% of Executive's base salaries.

CEO Announced Departure, David Anderson Appointed Interim CEO

On 26 July 2022, the Managing Director and Chief Executive Officer (CEO) Richard Carreon stepped down from the Company effective close of business 26 July 2022. Current board member David Anderson assumed the role of Interim CEO upon Mr. Carreon's departure.

26. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

Risk Exposures and Responses

The Group has various financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The Group manages its exposure to risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The Board reviews and agrees to policies for managing these risks which are summarised below.

The main risks arising from the Group's financial instruments are credit risk, interest risk, foreign currency risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Interest Rate Risk

At balance date, the Group had the following mix of financial assets exposed to Australian and US interest rate risk:

	2022 $000	2021 $000
Financial Assets		
Cash and Cash Equivalents	**40,730**	19,681
Restricted Cash, Current and Non-current	**75**	73
Net Exposure	**40,805**	19,754

The Group does not enter into interest rate swaps, designated to hedge underlying assets or debt obligations, to manage the interest rate risk.

The Group consistently analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing, and the mix of fixed and variable interest rates.

At 30 June 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	Post Tax Loss Higher / (Lower)	
	2022 $000	**2021 $000**
+1.0% (100 Basis Points)	**408**	198
-0.5% (50 Basis Points)	**(204)**	(99)

The movements in loss are due to higher/lower interest income from variable rate cash balances. Reasonably possible movements in interest rates were determined based on the Group's current credit rating and relationships with financial institutions and economic forecaster's expectations.

Foreign Currency Risk

As a result of operations in the US and purchases of inventory denominated in United States dollars (USD), the Group's balance sheet can be affected by movements in the USD/AUD exchange rates. The Group has transactional currency exposure related to USD, EUR, and GBP resulting from sales activities into the US and Europe.

The Group holds the majority of its funds in the functional currency of the entity where the funds are expected to be spent. Only funds held in the currencies other than an entity's functional currency are considered at risk of foreign currency fluctuations.

The group does not enter into any forward contracts or any other instrument to hedge the currency exposure, as the Group maintains a significant portion of available funds in USD to match USD expected expenses.

Whilst the Group commenced operations in Europe during the prior year, the amounts that are sensitive to foreign currency risk are deemed immaterial, other than the financial assets denoted.

At 30 June 2022, the Group had the following exposure to foreign currency:

	2022 $000	**2021 $000**
Financial Assets		
Cash and Cash Equivalents – USD	**213**	64
Cash and Cash Equivalents – EUR (i)	**966**	62
Cash and Cash Equivalents – GBP (ii)	**39**	18
Trade and Other Receivables – USD	**-**	2
Trade and Other Receivables – EUR (i)	**47**	85
	1,265	231
Financial Liabilities		
Trade and Other Payables – USD	**(10)**	(2)
Net Exposure	**1,255**	229

(i) EUR is Euro
(ii) GBP is Great Britain Pound

At 30 June 2022, had the Australian dollar moved against the US dollar, as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	Post Tax Loss Higher / (Lower)	
	2022 $000	**2021 $000**
AUD to Foreign Currency + 15% (2021: +15%)	**(169)**	(30)
AUD to Foreign Currency – 15% (2021: –15%)	**287**	99

Significant assumptions used in the foreign currency exposure sensitivity analysis include the following:

- Reasonable possible movements in foreign exchange rates were determined based on review of the last two years' historical movements and economic forecasters' expectations.
- The reasonably possible movement was calculated by taking the USD spot rates at balance date, moving this spot rate by the reasonable possible movements and then re-converting the USD into AUD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.
- The sensitivity analysis does not include financial instruments that are non-monetary items as these are not considered to give rise to currency risk.

Sensitivities were only calculated on USD balances in instances where the functional currency is not the USD.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group seeks to trade only with recognised, creditworthy third parties, and as such collateral is typically not requested nor is it the Group's policy to securities its trade and other receivables. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts is not significant.

With respect to credit risk arising from other financial assets of the Group, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group and $1,500,000 in outstanding term deposits were held at the end of the financial year (2021: $1,500,000). The Group holds a large percentage of cash in Money Market accounts through Bank of America in the US. These accounts are not federally insured but are highly rated and highly regulated investment funds that carry low risk of default.

The Parent has a policy of lending to its wholly owned subsidiaries ensuring their continued operations. The subsidiaries are continually monitored and should there be any risk that they are unable to repay the debt appropriate steps will be taken to remedy this situation.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Group has no bank overdrafts or bank loans at 30 June 2022.

The table below reflects all contractually fixed payments and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2022.

Maturity Analysis of Financial Assets

The risk implied from the values shown in the table below, reflects a balance view of cash inflows and outflows. Trade payables, and other financial liabilities mainly originate from the financing of assets used in ongoing operations such as property, plant, equipment and investments in working capital e.g. inventories and trade receivables.

These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established comprehensive risk reporting covering their worldwide business unit that reflects expectations of management of expected settlement of financial assets and liabilities.

Liquid assets comprising cash and cash equivalents, restricted cash, trade and other receivables, and other financial assets are considered in the Group's overall liquidity risk. The Group monitors that sufficient liquid assets are available to meet all the required short-term cash payments.

Year Ended 30 June 2022	≤ 6 months $000	6 – 12 months $000	1 – 5 years $000	Total $000
Liquid Financial Assets				
Cash and Cash Equivalents	40,730	-	-	40,730
Trade and Other Receivables	3,414	-	-	3,414
Other Financial Assets	-	-	75	75
Subtotal	**44,144**	**-**	**75**	**44,219**
Financial Liabilities				
Trade and Other Payables	(3,168)	(56)	-	(3,224)
Interest Bearing Lease Liabilities (i)	(152)	(18)	-	(170)
Net Flow	**40,824**	**(74)**	**75**	**40,825**

Year Ended 30 June 2021	≤ 6 months $000	6 – 12 months $000	1 – 5 years $000	Total $000
Liquid Financial Assets				
Cash and Cash Equivalents	19,681	-	-	19,681
Trade and Other Receivables	3,705	-	-	3,705
Other Financial Assets	-	-	73	73
Subtotal	**23,386**	**-**	**73**	**23,459**
Financial Liabilities				
Trade and Other Payables	(1,701)	(47)	-	(1,748)
Interest Bearing Lease Liabilities (i)	(157)	(158)	(159)	(474)
Net Flow	**21,528**	**(205)**	**(86)**	**21,237**

(i) Interest bearing lease liabilities decreased from the prior period due to office leases approaching the end of the contract period.

The Group monitors rolling forecasts of liquidity on the basis of expected cash flow.

27. Financial Instruments

Fair Values

Fair values have been determined as follows:

Cash and Cash Equivalents:

The carrying amount approximates fair value because of the short-term maturity and/or because the interest rates applied are variable interest rates.

Restricted Cash:

The carrying amount approximates fair value because the interest rates applied are variable interest rates. Restricted cash relates to deposits on office leases.

Trade Receivables and Payables:

The carrying amount approximates fair value because of the short-term maturity.

Other Financial Assets:

By reference to the current market value of another instrument which is substantially the same or is calculated based on expected cash flows of the underlying net asset base of the financial asset.
Management have assessed that the carrying values of assets are consistent with their fair values.

28. Significant Accounting Policies

Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent assets and liabilities, commitments, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

AASB 15 Revenue from Contracts with Customers

The revenue recognition for the Group involves certain key judgements. Details of this these been included in Note 5 revenue from Contracts with Customers.

Impairment of Non-Financial Assets Other than Goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic and political environments and future sales expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

For assets other than inventory, the impairment triggers used by the Group did not show any indication of impairment as at 30 June 2022. As a result, no impairment loss has been recognised for these assets for this financial period. Refer to Note 12 for the complete details regarding impairment testing.

Impairment of Goodwill and Intangibles with Indefinite Useful Lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. Management determined that no impairment loss should be recognised for this financial reporting period. The assumptions used in this estimation of goodwill and intangibles with indefinite useful lives are discussed in Note 12.

Inventory Impairment

The Group reviews the value of inventories held to determine if inventories are being held at the lower of cost and net realisable value. This requires a determination by Management of the cost of inventories held and the subsequent recognition of these items as expenses, including any write-down to net realisable value. During the year ended 30 June 2022, there were nil write-downs (2021: $nil) to inventory.

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. Refer to Note 19 for the complete details regarding deferred tax assets and deferred tax liabilities.

Development Costs

Under AASB 138 Intangible Assets, Management must determine the degree to which items are recognised as intangible assets, whether those items are purchased or self-created (at cost). Items are capitalised, as opposed to expensed, if, and only if (1) it is probable that the future economic benefits that are attributable to the asset will flow to the entity and (2) the cost of the asset can be measured reliably and other criteria outlined in respect of development costs are met.

This requires Management to make judgements as to the probability of future economic benefits of development project costs incurred by the Group, as well as to determine when technical and commercial feasibility of the assets for sale of use have been established.

Research and Development Tax Incentive

The Group measures the amount of refund from the Australian Tax Office in relation to the research and development tax incentive on an annual basis. This requires an estimation and judgement by Management of the eligible expenses under the AusIndustry guidelines of self-assessment for the tax credit. Management works in conjunction with registered tax agents and AusIndustry to determine the eligibility of expenses and recognises a receivable and other income when there is reasonable assurance such amounts will be received.

Share-based Payment Transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by management. The Black Scholes model is used for option grants without conditions, while the Monte Carlo model is used for option grants with conditions. The assumptions are detailed in Note 18. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Directors' Declaration

For the year-ended 30 June 2022:

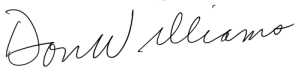
In accordance with a resolution of the Directors of ImpediMed Limited, we stated that:

In the opinion of the Directors:

(a) The financial statements and notes of the consolidated entity for the year-ended 30 June 2022 are in accordance with the Corporations Act 2001, including
    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance of the year-ended on that date; and
    (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
(b) the consolidated financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1.
(c) 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 determination has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2022.

On behalf of the Board



Don Williams
Chairman

Judith Downes
Director

26 August 2022

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Building a better working world

Independent auditor's report to the members of ImpediMed Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of ImpediMed Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Revenue recognition

Why significant	How our audit addressed the key audit matter
As outlined in Note 5 Revenue from Contracts with Customers, the Group recognised revenue totalling $10.566 million from the sale of devices, subscription services and revenue from leases of devices. The matter was considered a key audit matter for the following reasons: ▸ The Group has a number of different types of contracts with customers; and ▸ as outlined in the revenue recognition policy in Note 5, there is judgement involved in the determination of the performance obligations which impacts the amount and timing of the recognition of revenue from contracts with customers.	The audit procedures we performed included the following: ▸ Assessed the application of AASB 15 *Revenue from Contracts with Customers* including reviewing the contractual terms of the existing, new and modified customer contracts and the application of the requirements of AABS 15; ▸ Selected a sample of revenue contracts and assessed whether the different elements of revenue within each contract should have been recognised over a period of time or at a point in time, and when that should have occurred in accordance with AASB 15; ▸ For a sample of contracts we recalculated the revenue recognised during the year based on the contractual terms and conditions and the revenue recognition policy of the Group; and ▸ Assessed the adequacy of the disclosures included in Note 5 to the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

Building a better working world

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Building a better working world

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 39 to 56 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of ImpediMed Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Jennifer Barker
Partner
Brisbane
26 August 2022

Shareholder Information (Unaudited)

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. This information is current as at 31 July 2022.

(A) DISTRIBUTION OF SHAREHOLDERS

The distribution of Issued Capital is as follows:

Side of Holding	Number of Shareholders	Ordinary Shares	% of Issued Capital
100,001 and Over	1,252	1,686,412,239	94.74%
10,001 to 100,000	2,141	87,130,373	4.90%
5,001 to 10,000	548	4,395,808	0.25%
1,001 to 5,000	603	1,940,957	0.11%
1 to 1,000	378	104,982	0.01%
Total	**4,922**	**1,779,984,359**	**100.00%**

(B) DISTRIBUTION OF OPTIONS HOLDERS (excluding employee incentive options)

The distribution of unquoted options on issue to shareholders are: nil

(C) DISTRIBUTION OF PERFORMANCE RIGHTS HOLDERS

The distribution of unquoted Performance Rights on issue are:

Side of Holding	Number of Holders	Unlisted Performance Rights	% of Issued Capital
100,001 and Over	19	23,357,000	100.00%
1 to 100,000	-	-	-
Total	**19**	**23,357,000**	**100.00%**

(D) DISTRIBUTION OF EMPLOYEE OPTIONS

The distribution of unquoted options on issue are:

Side of Holding	Number of Holders	Unlisted Options	% of Issued Capital
100,001 and Over	51	61,603,306	99.14%
1 to 100,000	7	532,000	0.86%
Total	**58**	**62,135,306**	**100.00%**

(E) LESS THAN MARKETABLE PARCELS OF ORDINARY SHARES

There are 1,032 shareholders with unmarketable parcels totaling 2,244,564 shares.

(F) 20 LARGEST SHAREHOLDERS

	Shareholder	Number of Fully Paid Ordinary Shares	% of Issued Capital
1	NATIONAL NOMINEES LIMITED	230,551,776	12.95%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	114,344,425	6.42%
3	CITICORP NOMINEES PTY LIMITED	106,390,569	5.98%
4	BNP PARIBAS NOMINEES PTY LTD	51,890,478	2.92%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	50,592,719	2.84%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,617,507	2.73%
7	BNP PARIBAS NOMS PTY LTD	47,446,451	2.67%
8	MR GREGORY WAYNE BROWN	25,703,479	1.44%
9	MBA INVESTMENTS PTY LTD	22,990,990	1.29%
10	SUNLORA PTY LTD	21,615,010	1.21%
11	MR STEPHEN EDWARD MAHNKEN & MRS DIOR LEONE MAHNKEN	21,500,000	1.21%
12	MOORE FAMILY NOMINEE PTY LTD	20,196,722	1.13%
13	APEX INVESTMENT MANAGEMENT PTY LIMITED	17,241,008	0.97%
14	PAKASOLUTO PTY LIMITED	17,011,421	0.96%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	15,971,349	0.90%
16	MR HSIEN MICHAEL SOO	13,852,765	0.78%
17	MR GREGORY WAYNE BROWN & MRS STEFANIE BROWN	13,561,551	0.76%
18	BSD PTY LTD	13,000,000	0.73%
19	HME SOO HOLDINGS PTY LTD	11,913,999	0.67%
20	JONNOLA PTY LTD	10,201,934	0.57%
	Total	**874,594,153**	**49.13%**
	Total Quoted Equity Securities	**1,779,984,359**	

(G) UNQUOTED EQUITY SECURITIES

The Group had the following unquoted securities on issue as at 31 July 2022: nil shareholder options, 62,135,306 options and 25,357,000 performance rights issued as part of an incentive scheme.

(H) SUBSTANTIAL SHAREHOLDERS

The names of the Substantial Shareholders listed in the Group's Register as at 31 July 2022:

Shareholder	Number of Fully Paid Ordinary Shares	% of Issued Capital
Paradice Investment Management Pty Ltd	144,301,807	8.11%
National Nominees Ltd ACF Australian Ethical Investment Ltd	122,513,808	6.88%
Total	**266,815,615**	**14.99%**

(I) RESTRICTED SECURITIES

The company had no restricted securities on issue as at 31 July 2022.

(J) VOTING RIGHTS

In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or in duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll.
Performance rights have no voting rights.

(K) ON-MARKET BUY-BACKS

There is no current on-market buy-back in relation to the Company's securities.

impedimed.com

Annual Report

For the Year Ended **30 June 2022**