28 July 2020

ASX ANNOUNCEMENT

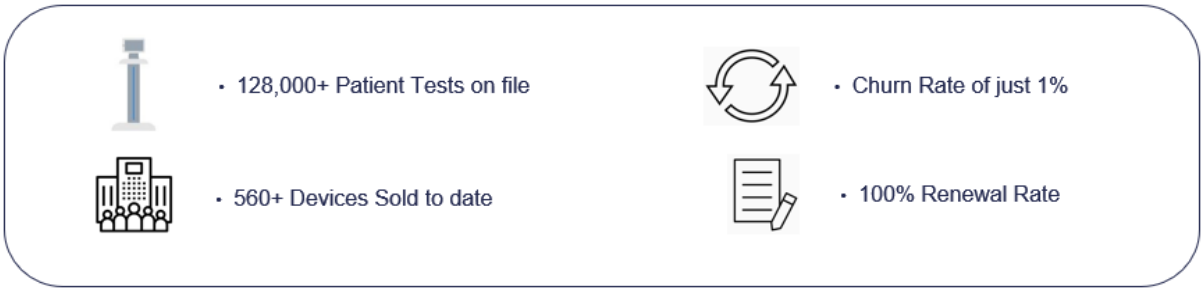
APPENDIX 4C – Quarter Ended 30 June 2020 (Q4 FY'20)

Brisbane, Australia – ImpediMed Limited (ASX.IPD), a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS), today released its Appendix 4C – Quarterly Cash Flow report for the period ended 30 June 2020.

Highlights:

- As anticipated, the SaaS model remained strong with continued recurring revenue. There were limited new device sales and reduced patient testing during the months of April and May whilst the US endured a broad COVID-19 related shutdown. Pleasingly, a strong rebound was seen in June as the shutdown restrictions were eased. This strong rebound has continued into July.
- SOZO® SaaS Revenue of $0.9 million, +36% from the previous corresponding period (pcp) and in line with the previous record quarter, demonstrating the strength of the recurring revenue from SOZO accounts.
- SOZO Revenue of $1.1 million, +11% from the pcp. This represented a decrease of 25% quarter over quarter following the Company's record quarter in Q3 FY'20 and with expected lower new device sales as capital budgets were frozen or delayed due to COVID-19.
- For FY'20, SOZO Revenue grew by 99% and SOZO ARR grew by 53%.
- SOZO SaaS Gross Margin steadily increased over FY'20, with 86% Gross Margin in June 2020. SOZO SaaS Gross Margin is expected to increase to over 90% in FY'21.
- Significantly strengthened balance sheet with closing cash balance at 30 June 2020 of $19.7m.

- Strongest quarter for FY'20 for the installation of SOZO devices in the US, with a total of 32 units installed, including all 16 units purchased under the recently announced national purchasing agreement with McKesson Specialty Health and U.S. Oncology. The majority of the installations were completed late in Q4 FY'20, as the COVID-19 shutdown restrictions eased. This will lead to a strong acceleration of SOZO SaaS Revenue in Q1 FY'21.



Key SaaS Metrics and Operational Highlights:

- Renewal Rate of 100% on all 14 contracts up for renegotiation in the quarter. These contracts included several US institutions that renewed for 36 months at an average license fee increase of 6%.
- Churn Rate remains low at just 1%. This represents 2 small independent therapists that cancelled their contracts during the period, due to financial reasons or closure of their business due to COVID-19.
- Annual Recurring Revenue[i] of $5.2 million, +53% from the pcp. Quarter over quarter ARR was down 5% as result of a stronger AUD/USD spot currency translation at quarter end.
- Announced a new software release that includes the HF-Dex™ heart failure assessment for the SOZO Digital Health Platform. The new software also includes an assessment for patients with end stage renal disease (ESRD) as well as usability and data management improvements.
- Announced the appointment of David W. Anderson as a Non-Executive Director. David is President and CEO of HealthNow Systems Inc (operating as Blue Cross Blue Shield New York State), one of the largest Health Care Services companies in the US. He brings a deep understanding of health insurance providers and is already providing an invaluable contribution.

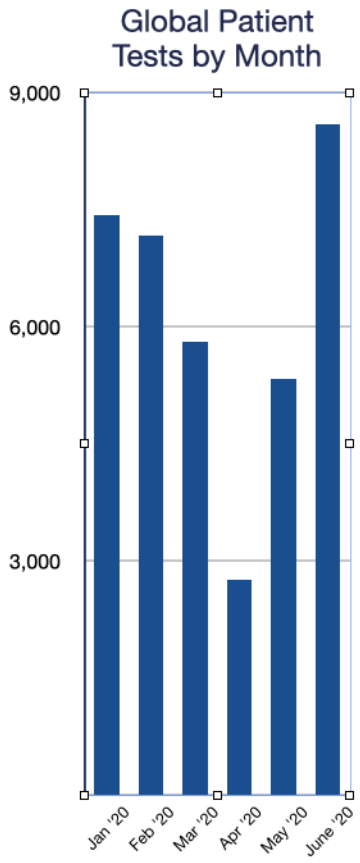
Financial and Operational Summary:

- Total Revenue for Q4 FY'20 of $1.2 million, down 11% pcp (Q4 FY'19: $1.4 million) and down 27% quarter over quarter due to the impact of COVID-19 on both new device and legacy sales for the quarter.
- SOZO Revenue of $1.1 million, +11% from the pcp (Q4 FY'19: $1.0 million). This represented a decrease of 25% quarter over quarter following the Company's record quarter in Q3 FY'20 and with expected lower new device sales as capital budgets were frozen or delayed due to COVID-19.
- SOZO SaaS Revenue of $0.9 million, +36% from pcp (Q4 FY'19: $0.7 million) and in line with the previous record quarter, demonstrating the strength of the recurring revenue from SOZO accounts.
- Contracted Revenue Pipeline[ii] up 25% from the pcp to $10.9 million (Q4 FY'19: $8.7 million) and down 10% quarter over quarter, predominantly due to a stronger AUD/USD spot currency translation at quarter end.
- 21 new SOZO devices sold, totaling more than 560 SOZO units sold since launch.
- Related Parties: During the quarter, the Company issued shares to Directors as equity-based remuneration in lieu of cash, as described in Item 6 of the Appendix 4C.

- Successful completion of a non-renounceable accelerated entitlement offer, raising $18.2 million before costs. As of 30 June 2020, the Company has received a further $1.1million from the exercise of options issued to subscribers in the entitlement offer (with potential for up to a further $17.1m to be raised by 31 March 2021, from remaining options issued in the offer).
- Received US$1.1 million through a forgivable loan, pursuant to the Paycheck Protection Program (PPP) under the U.S. Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”).
- Cash receipts from customers for the quarter of $1.4 million.
- Cash on hand as at 30 June 2020 of $19.7 million.
- Net operating cash outflow of $3.7 million.
- The Company expects Net Operating Cash Outflows to remain below $4.0 million for the remainder of the calendar year, based on the recent reductions in operating expenditures and the expected increases in recurring revenue.

Patient Tests:

- As anticipated, patient testing during the quarter was down 18% versus the previous quarter due to reduced frequency of cancer patients visiting hospitals during COVID-19 shutdowns. However, a record number of tests were conducted in June as cancer centres began bringing patients back in for treatment. This strong recovery has continued into July.
- The reduction to testing during the quarter had no impact on the Company’s recurring revenue under its SaaS model, which is based on a monthly subscription fee per SOZO unit.
- Total patient tests on file are over 128,000, as hospitals continue to test at-risk patients during COVID-19, demonstrating SOZO is becoming standard of care.
- The Company is also in a unique position to monitor customer testing patterns in real-time to assess the impact on hospital systems going through the "curve" of COVID-19 and as they start to recover. This allows the Company to better manage and reallocate resources.



Regulatory and Clinical Highlights:

- The PREVENT Trial Paper evaluating the 2-year trajectory data was published in *Cancer Medicine*, further demonstrating the clear clinical benefit of BIS. The analysis showed that BIS detection of lymphoedema was statistically significantly associated with patient symptoms through 2-years, whereas tape measure detection of lymphoedema was not. The paper concluded "statistically significant convergence of symptom cluster scores with L-Dex® unit change support BIS as beneficial in early identification of subclinical lymphoedema." It provides further evidence supporting BIS as the primary detection tool for subclinical lymphoedema.
- New results were announced from a Reach, Effectiveness, Adoption, Implementation, and Maintenance (RE-AIM) analysis of its BIS technology and lymphoedema prevention model-of-care were accepted as an abstract at the annual scientific meeting of the American Society of Clinical Oncology (ASCO).
- Meta-Analysis manuscript evaluating bioimpedance spectroscopy, combining data across multiple studies, is under review. Although the timing is not in the Company's control, we are expecting publication this quarter.
- Heart Failure (HF) manuscript using bioimpedance as a tool in the clinical assessment and treatment of HF patients is pending review.
- Fluid analysis for Heart Failure software launched after collaboration with Scripps Health.

Focus areas over the upcoming quarter:

- **Lymphoedema**
  - The Company expects the Meta-Analysis paper to be published this quarter.
  - In addition, the Company expects the publication of another paper utilising the data from the PREVENT Trial. The paper focuses on the risk of subclinical lymphoedema by the extent of surgery and irradiation. In conjunction with the Meta-Analysis, the Company believes it will have a strong case to persuade Private Payors to reimburse for SOZO testing in the detection of lymphoedema.
  - The Company has made solid progress over the past quarter in aligning policy coverage across all 10 Medicare Administrative Contractors.
  - In anticipation of the publication of the Meta-Analysis, MCRA has organised several Private Payor meetings for the coming quarter.

- **Heart Failure**
  - After releasing the HF software during the quarter, the Company sought feedback on the product from various Key Opinion Leaders.
  - The feedback was both overwhelmingly positive and constructive.
  - After collating the feedback, the Company collaborated with Scripps Health in reviewing and implementing improvements to the software enhancing both usability and data visualisation aspects.
  - The enhanced HF software has been launched this quarter.
  - MCRA has completed a series of reimbursement reviews with positive findings.
  - The Company has initiated discussions with potential customers and although this is initially a very targeted approach, we expect first commercial sales over the balance of the calendar year.

- **Renal Failure**
  - The Company is formulating its clinical, regulatory and commercial strategies. This is an ongoing process and significant progress has been made over the past quarter. It remains a focus of the Company and we would expect to finalise and announce aspects of the strategy over the coming quarter and the balance of the calendar year.

"The adoption of our SaaS model sees the Company well placed in an environment where customers' capital budgets are being restrained," said Richard Carreon, Managing Director and CEO of ImpediMed. "We are seeing an extraordinary interest in the SOZO platform technology after enhancements to the lymphoedema software and with the release of our heart failure and renal software. This rapid transformation, along with the release of important clinical data, places the Company in a strong position to accelerate growth in the coming quarters," he continued.

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

Investor Conference Call
An investor conference call will be held on Tuesday 28th July 2020 at 9.15am AEST. If you have pre-registered, it is recommended you use the dial-ins, passcode and PIN provided in the confirmation notice.

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

Conference ID: 10008809
Dial in numbers

AUSTRALIA:	1800558698
ALT. AUSTRALIA:	1800809971
OTHER INTERNATIONAL (METERED):	+61731454010
SYDNEY:	0290073187
NEW ZEALAND:	0800453055
AUCKLAND:	099291687
CHRISTCHURCH:	039742632
WELLINGTON:	049747738
UK:	08000518245
USA/CANADA:	18558811339
CHICAGO:	18153732080
LOS ANGELES:	19092354020
NEW YORK:	19142023258
SINGAPORE:	8001012785
HONG KONG:	800966806
JAPAN:	00531161281

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

ImpediMed produces a family of FDA cleared and CE Marked medical devices, including SOZO® for multiple indications including heart failure, protein calorie malnutrition and lymphoedema, sold in select markets globally.

For more information, visit www.impedimed.com.

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

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

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

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[i] **Annual Recurring Revenue (ARR):** The amount of revenue reasonably expected to be booked for the next 12-month period based on existing signed contracts, and assuming installation upon sale.
[ii] **Contracted Revenue Pipeline (CRP):** Future period revenue amounts related to TCV[iii] that are yet to be reported as recognised revenue.
[iii] **Total Contract Value (TCV):** Total value of customer contracts including one-time and recurring revenue.

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

+Rule 4.7B

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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

Name of entity

ImpediMed Limited

ABN	**Quarter ended ("current quarter")**
65 089 705 144	30 June 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,378	5,385
1.2	Payments for		
	(a) research and development	(858)	(3,613)
	(b) product manufacturing and operating costs	(230)	(804)
	(c) advertising and marketing	(199)	(1,057)
	(d) leased assets	-	-
	(e) staff costs	(4,473)	(17,440)
	(f) administration and corporate costs	(1,132)	(6,292)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	131
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,822	4,472
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(3,671)**	**(19,218)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	(91)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (intangibles)	(312)	(2,070)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment		
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(312)**	**(2,161)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	19,322	33,251
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,574)	(2,679)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(102)	(413)
3.10	**Net cash from / (used in) financing activities**	**17,646**	**30,159**

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

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,925	11,330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,671)	(19,218)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(312)	(2,161)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,646	30,159
4.5	Effect of movement in exchange rates on cash held	(925)	(447)
4.6	**Cash and cash equivalents at end of period**	**19,663**	**19,663**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	10,886	5,121
5.2	Call deposits	8,777	1,804
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**19,663**	**6,925**

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

Item 6.1: Payments to directors consist of Non-Executive Directors' superannuation. At 30 June 2020, there were $113,000 in Directors' fees accrued or unpaid, related to equity-based remuneration and superannuation.

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

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Items 1.9)	(3,671)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	19,663
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	19,663
8.5	Estimated quartes of funding available (Item 8.4 divided by Item 8.1)	5.4

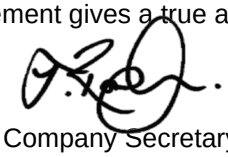
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer:	--
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	--
3.	Does the entity expect to be able to continue its operations and meet ots business objectives and, if so, on what basis?
Answer:	--

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 28 July 2020

Company Secretary

Print name: Leanne Ralph

Notes

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

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4. 2 of t he ASX Cor por at e Gover nance Council 's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.