27 October 2020

ASX ANNOUNCEMENT

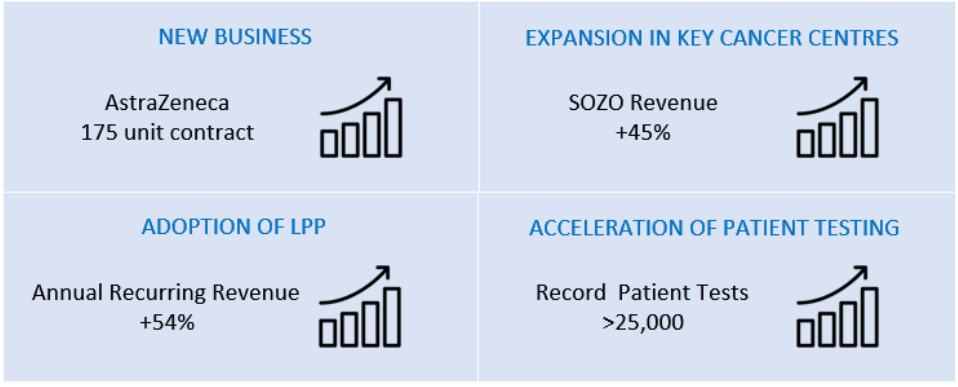
APPENDIX 4C – Quarter Ended 30 September 2020 (Q1 FY'21)

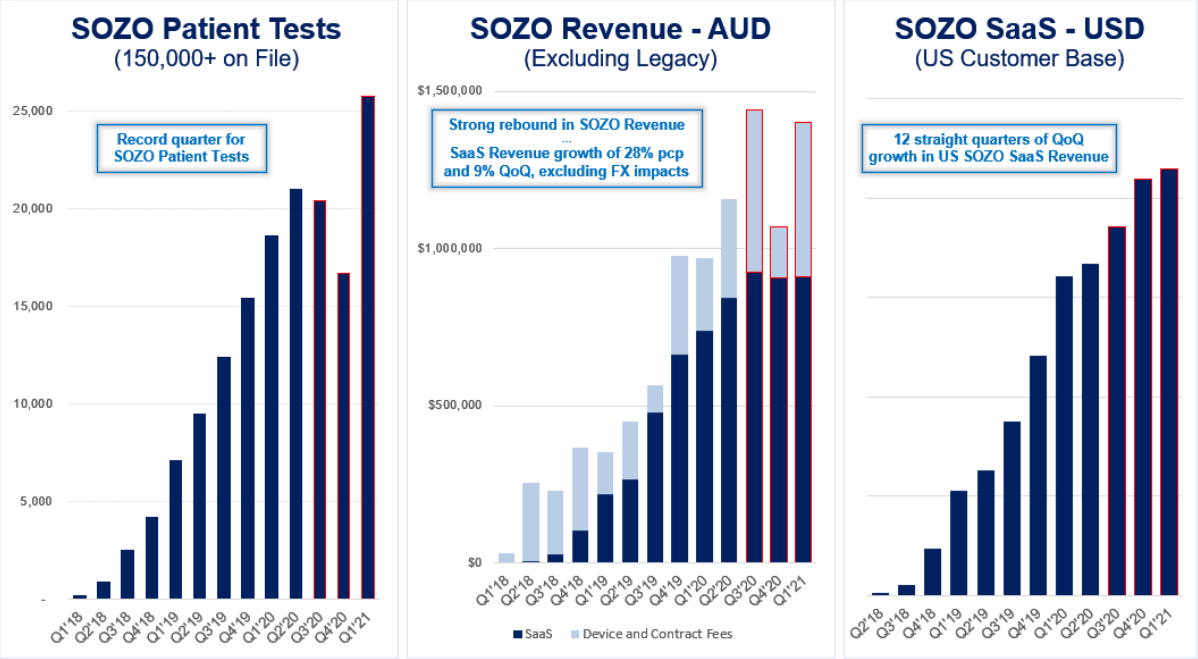
Brisbane, Australia – ImpediMed Limited (ASX.IPD), a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS), today released its Appendix 4C – Quarterly Cash Flow report for the period ended 30 September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

Highlights:

- Strong rebound across the entire business, despite COVID-19, driven principally by:
    - Adding new cancer centres
    - Expansion in key cancer centres, through increased SOZO devices and new indications
    - Adoption of the Lymphoedema Prevention Program
    - Acceleration of patient testing

  Resulting in:
- Record quarter for SOZO® Patient Tests, with over 25,000 recorded in Q1 FY'21, +42% from the previous corresponding period (pcp) and +54% quarter over quarter.
- SOZO Revenue for Q1 FY'21 of $1.4 million, +45% pcp and +29% quarter over quarter.
    - Revenue growth driven by the expansion of existing accounts, including 10 additional units to Baylor, Scott & White Institute for Rehabilitation.
- Annual Recurring Revenue[i] of $6.0 million, +54% pcp and +15% quarter over quarter.
- Contracted Revenue Pipeline[ii] of $13.1 million, +42% pcp and +20% quarter over quarter.
- AstraZeneca selected SOZO to be used in a Phase II trial to measure fluid volume in patients with heart failure and chronic kidney disease.
    - 175 SOZO devices will be leased across 20 countries over approximately 18 months, with the contract valued at over $2 million.
    - Recurring revenue to commence in late Q2 FY'21 and accelerate in Q3 FY'21.





*COVID-19

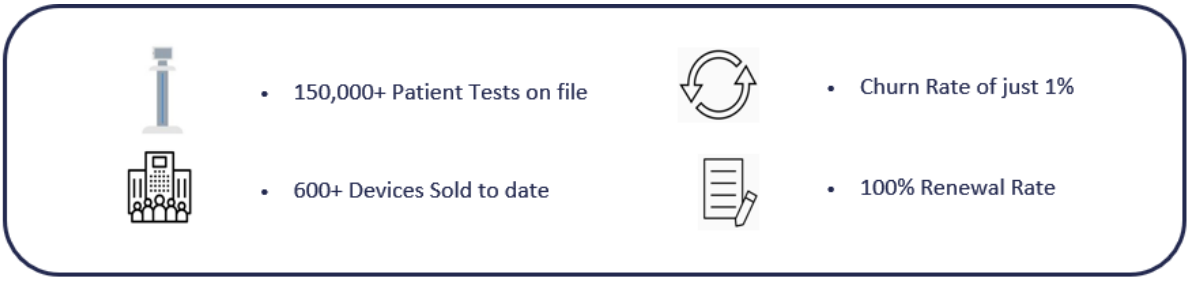
Financial Summary:

- Total Revenue for Q1 FY'21 of $1.5 million, +11% pcp (Q1 FY'20: $1.4 million) and +24% quarter over quarter.
- SOZO Revenue for Q1 FY'21 of $1.4 million, +45% pcp (Q1 FY'20: $1.0 million) and +29% quarter over quarter.
- SOZO SaaS Revenue for Q1 FY'21 of $0.9 million, +23% pcp (Q1 FY'20: $0.7 million) and +1% quarter over quarter. The appreciating AUD is underrepresenting the strength of the US SaaS business in the translated results. When reported in USD, SaaS Revenue was +28% pcp and +9% quarter over quarter.
- Receipt of an additional $1.4 million from the exercise of options issued to subscribers in the entitlement offer (with potential for up to a further $15.7m to be raised by 31 March 2021, from remaining options issued in the offer).
- Cash receipts from customers for the quarter of $1.3 million.
- Cash on hand as at 30 September 2020 of $15.4 million.
- Net operating cash outflow of $4.6 million.
- The Company confirms that it expects net operating cash outflows to be below $8.0 million for the half-year period ending 31 December 2020.
- 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.

Operational Summary and Key SaaS Metrics:

- Record quarter for SOZO Patient Tests, with over 25,000 recorded in Q1 FY'21.
- Total patient tests on file are over 150,000, as the Company saw a resurgence of patient tests following the onset of COVID-19 in the prior two quarters and as new SOZO units were deployed during the period.
- Key SaaS Metrics:
    - Annual Recurring Revenue up 54% from the pcp to $6.0 million (Q1 FY'20: $3.9 million) and up 15% quarter over quarter.
    - Contracted Revenue Pipeline up 42% from the pcp to $13.1 million (Q1 FY'20: $9.2 million) and up 20% quarter over quarter.
    - Renewal Rate of 100%, representing 17 contracts renewed during the quarter. Two of these renewals were significant contracts within large US hospital systems with an average monthly license fee increase of over 50%.
    - Churn Rate remains low at just 1%.

- 43 new SOZO devices sold, totaling more than 600 SOZO units sold since launch.
    - 105% increase in units sold quarter over quarter.
    - 10 additional devices sold to Baylor, Scott & White Institute for Rehabilitation, giving them 35 units under their program.
    - 6 additional units sold for a second study through AstraZeneca.
- Fluid analysis for Heart Failure software launched after collaboration with Scripps Health.



Regulatory and Clinical Highlights:

- The Meta-Analysis has been accepted and is currently pending publication in the coming weeks.
- Poster presentation at the prestigious Heart Failure Society of America (HFSA) Virtual Annual Scientific Meeting occurred 30 September – 6 October 2020.
    - The poster combined heart failure patient data from ImpediMed's Heart Failure at Home and IMPEL studies.
    - It demonstrates that a SOZO with HF-Dex™ assessment greater than 51% serves as a marker for heart failure hospital readmission.
      The findings showed a statistically significant ($p<0.05$) difference in median HF-Dex for patients readmitted for heart failure (52.1%) compared to patients not readmitted for heart failure (49.0%) and healthy subjects (44.8%).

Focus areas for Q2 FY'21:

- **Oncology**
    - The Meta-Analysis has been accepted and is currently pending publication in the coming weeks.
    - The PREVENT Trial finishes this December and will read out in Q3 FY'21.
    - Publication of a radiation paper is expected this quarter.
    - The Company continues to engage in meetings with Private Payors.
- **Heart Failure**
    - The Company anticipates first commercial sales for heart failure this quarter.
    - The Company is engaging in an initial targeted sales approach focused on key centres, in order determine optimum patient flow.
    - Ongoing discussions with the FDA on removing contraindications.
- **Renal Failure**
    - The Company delivered on the initial aspects of the Renal Failure strategy with the signing of the contract for the AstraZeneca study.
    - The AstraZeneca Phase II trial will measure fluid volume in patients with heart failure and chronic kidney disease. The study will use SOZO to evaluate the efficacy, safety, and tolerability of a combination of two AstraZeneca drugs in heart failure patients with chronic kidney disease.
    - The Company is focused this quarter on the deployment of SOZO devices to be used in the study.
    - Significant progress has been made on the clinical, regulatory and commercial strategies. It remains a focus of the Company and we look forward to updating the market at the appropriate time.

"I am extremely pleased with the progress the Company made this past quarter. While there are still likely to be headwinds in front of us related to COVID-19, the Company made significant progress in all three of our strategic focus areas," said Richard Carreon, Managing Director and CEO of ImpediMed.

"The lymphoedema business achieved a record quarter for patient testing and the acceptance of the Meta-Analysis puts us in a strong position for discussions with Private Payors and the NCCN. The release of the enhanced HF-Dex software during the quarter will lead to the first commercial sales for heart failure in the coming months. And AstraZeneca's selection of SOZO for a Phase II trial to measure fluid volume in patients with heart failure and chronic kidney disease is a tremendous endorsement of the applicability of our technology in these growth areas," 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 27th October 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: 10010419
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, lymphoedema, and protein calorie malnutrition, 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'21 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 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,282	1,282
1.2	Payments for		
	(a) research and development	(547)	(547)
	(b) product manufacturing and operating costs	(172)	(172)
	(c) advertising and marketing	(115)	(115)
	(d) leased assets	-	-
	(e) staff costs	(3,388)	(3,388)
	(f) administration and corporate costs	(1,799)	(1,799)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	87	87
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,643)**	**(4,643)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (intangibles)	(459)	(459)
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**	**(459)**	**(459)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	1,400	1,400
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(42)	(42)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(103)	(103)
3.10	**Net cash from / (used in) financing activities**	**1,255**	**1,255**

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	19,663	19,663
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,643)	(4,643)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(459)	(459)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,255	1,255
4.5	Effect of movement in exchange rates on cash held	(390)	(390)
4.6	**Cash and cash equivalents at end of period**	**15,426**	**15,426**

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	6,483	10,886
5.2	Call deposits	8,943	8,777
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)**	**15,426**	**19,663**

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 September 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)	(4,643)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	15,426
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	15,426
8.5	Estimated quartes of funding available (Item 8.4 divided by Item 8.1)	3

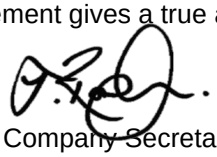
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: 27 October 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.