



30 August 2018

ASX ANNOUNCEMENT

Appendix 4E – Financial Year Ended 30 June 2018

Brisbane, Australia - ImpediMed Limited (ASX: IPD) a global provider of medical technology to non-invasively measure, monitor and manage tissue composition and fluid status using bioimpedance spectroscopy (BIS), today released its Appendix 4E – Preliminary Final Report for the financial year ended 30 June 2018.

Revenue and Financial Highlights:

- Company successfully building subscription-based SOZO® revenue pipeline, with \$4.4 million of SOZO® revenues contracted in first eight months since launch (\$0.9 million recognised in current period and \$3.5 million in Contracted Revenue Pipeline¹ (CRP) to be recognised over future periods (1-3 years);
- SOZO® revenue of \$0.9 million (2017: \$0.1 million) from SOZO® contracts in the first eight months of commercial rollout;
- Subscription based Annual Recurring Revenue² (ARR) for SOZO® contracts grown to \$1.3 million as of 30 June 2018;
- Medical Revenue for the year ending 30 June 2018 was \$3.5 million (2017: \$4.8 million), as the company commenced transition to a subscription revenue model;
- Total loss of \$26.3 million (2017: \$29.7 million), primarily due to decreased SOZO® development costs and foreign currency gains;
- Cash on hand as of 30 June 2018 was \$31.3 million (2017: \$54.9 million).

Operational Highlights for the financial year and through the reporting date:

- Outstanding Initial Data from PREVENT Trial
 - Bioimpedance spectroscopy (BIS) and L-Dex® suggested as the new standard of care for cancer survivors at risk of developing lymphoedema at the first educational seminar presented by the Principal Investigator of the PREVENT trial – “Removing the Mystery Around Bioimpedance – Moving Towards a New Standard of Care”. The presentation was the first in a series of seminars to take place across the US and Australia and included top-line results from the interim analysis of the PREVENT trial.
 - PREVENT trial results published with outstanding initial data. The authors from the PREVENT trial concluded that L-Dex® is very sensitive in the assessment of sub-clinical lymphoedema in patients with a history of breast cancer. The paper also supports the recommendation for an aggressive measurement protocol consisting of an L-Dex® assessment every three months, especially during the first 6 to 12 months post-surgery to facilitate identification of sub-clinical lymphoedema.

¹ **Contracted Revenue Pipeline:** Future period revenue amounts related to TCV³ that are yet to be reported as recognised revenue.

² **Annual Recurring Revenue:** 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.

³ **Total Contract Value:** Total value of customer contracts signed during the period including one-time and recurring revenue.

- Multiple presentations of independent clinical data for L-Dex® delivered leading conferences including four abstracts presented at the San Antonio Breast Cancer Symposium; oral presentation at the American Society for Breast Surgeons (ASBrS) meeting; and a presentation at the Australasian Lymphology Association conference;
- Independent clinical data demonstrating effectiveness of L-Dex® in the detection of lymphoedema published in leading peer review journals including Kaufman's retrospective analysis published in Breast Cancer Treatment and Research, and Whitworth study in a leading peer reviewed Medical Journal;
- Sharp Medical Center signed as the first centre of excellence for SOZO® with L-Dex for cancer, in a multi-year commercial agreement. Currently six SOZO® units deployed across three Sharp hospitals, with plans to deploy a further nine units in the coming months;
- The University of Kansas Cancer Center signed as the second centre of excellence for SOZO® with L-Dex® for cancer, in a multi-unit and multi-year commercial agreement;
- FDA 510(k) clearance received for SOZO® for bilateral lymphoedema and for fluid monitoring of patients with chronic heart disease;
- L-Dex® recommended in clinical practice guidelines developed by the American Physical Therapy Association (APTA) – an evidence-based, clinical practice guideline for lymphoedema diagnosis;
- Successful commencement of transition to subscription based SOZO® revenue model;
- Poster presentation from first patient data from Chronic Heart Failure studies "Heart Failure: Diagnosis and Management" at the IAC World Congress on Heart Disease, abstract published in the online journal of CARDIOLOGY;

"We have achieved a great deal in the 2018 financial year and these achievements have set the stage for the broad establishment of the use of SOZO® in both cancer care management and chronic heart failure," said Richard Carreon, Managing Director and CEO of ImpediMed.

"With the initial rollout of SOZO® now well underway, we are very pleased with the uptake as we continue to sign new customers and convert our more than 120 existing L-Dex® customers to the new platform and subscription-based model, enabling us to build a growing pipeline of revenue that will be recognised in both immediate and future periods."

"With a growing body of independent clinical evidence, several top-tier cancer centres and a number of established Centres of Excellence as customers, we feel confident that we are well on track in our goal to establish SOZO® as a broadly used platform throughout cancer care in the US and globally. We expect to continue to significantly grow our contracted revenue as we transition our existing, as well as add new customers, onto our SOZO® platform and subscription-based model. We enter the 2019 financial year focused on our execution of commercialisation, obtaining payments from payors, a continued disciplined approach to cost control, expanding our clinical data, and expanding the recognition of clinical utility of BIS in the guidelines," added Richard Carreon, Managing Director and CEO of ImpediMed.

Richard Carreon
Managing Director & CEO

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About ImpediMed

Founded and headquartered in Brisbane, Australia with US and European operations, ImpediMed is the world leader in the design and manufacture of medical devices employing bioimpedance spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of tissue composition and fluid status.

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

For more information, visit www.impedimed.com.

ImpediMed Limited - Appendix 4E			
ABN 65 089 705 144			
Preliminary final report			
1	Current Financial Period Ended:	30 June 2018	
	Previous Corresponding Reporting Period:	30 June 2017	
The information contained in this document should be read in conjunction with the ImpediMed Limited Annual Financial Report for the year ended 30 June 2018 ("2018 Annual Report") and any public announcements made by ImpediMed Limited and its controlled entities during the year in accordance with continuous disclosure obligations arising under the ASX Listing Rules.			
2	Results for announcement to the market		
		Current reporting period \$000	Previous corresponding period \$000
2.1	Revenue from ordinary activities	\$ 5,225	\$ 6,133
	Increase (decrease) in revenue (\$000):		\$ (908)
	Percentage increase (decrease):		-15%
Note: Revenue related to goods and services for the year ended 30 June 2018 were \$4.8 million (2017 \$5.8 million). On an operating segment basis, Medical Revenue was \$3.5 million (2017: \$4.8 million) and T&M Revenue was \$1.3 million (2017: \$1.0 million).			
2.2	Profit/(loss) from ordinary activities after tax attributable to members	(27,174)	(27,571)
	Increase/(decrease) in profit from ordinary activities after tax attributable to members (\$000):		\$ 397
	Percentage increase/(decrease):		1%
Note: Refer to the Directors' Report for a more extensive analysis; however, in summary, offsetting the decrease in revenue are the below offsetting movements from ordinary activities above:			
- salaries and benefits expense decreased by \$0.5 million			
- research and development expenses decreased by \$2.4 million			
- administrative and governance increased by \$0.7 million			
- share-based payments increased by \$0.7 million			
2.3	Net profit/(loss) for the period attributable to members	(27,174)	(27,571)
	Increase/(decrease) in net profit for the period attributable to members (\$000):		\$ 397
	Percentage increase/(decrease):		1%
Note: Refer to 2.2 above and to the Directors' Report in the 2018 Annual Report.			
3	Dividends		
3.1	Dividends	Nil	
There were no dividends declared and paid during the reporting period on ordinary shares.			
There were no dividends proposed and not yet recognised as a liability during the reporting period.			
3.2	Dividend Record Date	Not applicable	

4 Financial Statements		
4.1 Statement of comprehensive income Refer to the Consolidated Statement of Comprehensive Income in the 2018 Annual Report.		
4.2 Statement of financial position Refer to the Consolidated Balance Sheet in the 2018 Annual Report.		
4.3 Statement of cash flows Refer to the Consolidated Cash Flow Statement in the 2018 Annual Report.		
4.4 Statement of retained earnings Refer to the Consolidated Statement of Changes in Equity in the 2018 Annual Report for movements in retained earnings.		
5 Net tangible assets per security		
	Current reporting period	Previous corresponding period
5.1 Net tangible assets (\$000)	32,499	56,385
Issued share capital at reporting date (\$000)	219,746	219,493
	Current reporting period	Previous corresponding period
Number of shares on issue at reporting date	378,993,655	375,526,036
Net tangible assets per security	\$ 0.09	\$ 0.15
6 Earnings per security		
	Current reporting period	Previous corresponding period
6.1 Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share (EPS)	377,041,819	374,699,571
Loss per share from continued operations		
Basic EPS	\$ (0.07)	\$ (0.07)
Loss per share from profit attributable to ordinary shares		
Basic EPS	\$ (0.07)	\$ (0.07)
Diluted earnings per share has been determined to be the same as basic earnings per share as the actual calculation is anti-dilutive for both periods presented.		
Refer to Note 1 - Earnings per share in the Annual Report for the year ended 30 June 2018 for additional information pertaining to EPS for the current reporting period.		
7 Acquisitions and divestments There were no entities over which control has been gained or lost during the reporting period.		
8 Foreign entities Not applicable.		
9 Associates and joint ventures Not applicable.		
10 Commentary on results for the financial year Refer to the Annual Report for the year ended 30 June 2018.		
11 Results of segments Refer to Note 4 - Segment reporting in the Annual Report for the year ended 30 June 2018 for additional information pertaining to segment results for the current reporting period.		
12 Audited Report The report is based on audited accounts which are not subject to dispute, modification, or qualification.		