



IMPEDIMED LIMITED

ACN 089 705 144

OFFER BOOKLET

**1 FOR 3 NON-RENOUNCEABLE
PRO RATA ENTITLEMENT OFFER OF NEW SHARES
AT AN ISSUE PRICE OF \$0.11 PER NEW SHARE**

The Entitlement Offer closes at 5.00pm (Australian Eastern Standard time) on
16 July 2019 unless extended

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE AN ELIGIBLE SHAREHOLDER YOU SHOULD READ THIS OFFER BOOKLET IN ITS
ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR NEW SHARES.

IF YOU DO NOT UNDERSTAND ANY PART OF THIS OFFER BOOKLET, OR ARE IN ANY DOUBT AS TO
HOW TO DEAL WITH IT OR YOUR ENTITLEMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR
OTHER PROFESSIONAL ADVISER.

Important Information

About this Offer Booklet

This Offer Booklet contains information relating to a proposed entitlement offer to be undertaken by ImpediMed Limited ACN 089 705 144 (**ImpediMed** or the **Company**). This Offer Booklet is important and requires your immediate attention.

The Entitlement Offer is being made in accordance with Section 708AA of the Corporations Act. A reference to Section 708AA in this Offer Booklet means Section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, this Offer Booklet is not a prospectus and does not contain all information which an investor may require to make an informed investment decision.

Forward-looking statements

This Offer Booklet contains or may contain forward-looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward-looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of ImpediMed, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Offer Booklet speak only at the date of this Offer Booklet. Subject to any continuing obligations under applicable law or the ASX Listing Rules, ImpediMed does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward-looking statements contained in this Offer Booklet.

Foreign jurisdictions

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities law.

No action has been taken to permit any offering of New Shares in any jurisdiction outside Australia and New Zealand.

This Offer Booklet and any accompanying Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction other than Australia and New Zealand. In particular, this booklet does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any securities in the United States.

The New Shares offered under the Entitlement Offer have not been, and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States.

Entitlements under the Entitlement Offer may not be taken up by US Persons, persons in the United States or by nominees or custodians who are acting for the account or benefit of a US Person or a person in the United States and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States or US Persons except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

No recommendation

The Entitlement Offer is not a recommendation to acquire New Shares. This Offer Booklet does not constitute financial product advice and does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Eligible Shareholders wanting to participate in the Entitlement Offer should obtain independent advice in relation to the taxation and other consequences of an investment under the Entitlement Offer before making a decision as to whether to participate in the Entitlement Offer. A cooling-off regime does not apply in relation to the acquisition of New Shares under the Entitlement Offer.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet or the Associated Offer Announcements. Any information or representation that is not contained in this Offer Booklet or the Associated Offer Announcements may not be relied on as having been authorised by ImpediMed in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of ImpediMed, or any other person, warrants or guarantees the future performance of ImpediMed or any return on any investment made pursuant to the Entitlement Offer.

No financial product advice

This Offer Booklet is not financial product advice, does not purport to contain all the information that you may require to make an investment decision, and has been prepared without taking into account your personal investment objectives, financial situation or needs.

Before deciding whether to apply for New Shares under the Entitlement Offer, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If after reading this booklet, you have any questions about the Entitlement Offer, you should contact your financial or other professional adviser.

Definitions and references to time

Capitalised words and expressions in this Offer Booklet have the meanings given in Section 6.

A reference to time in this Offer Booklet is to Australian Eastern Standard time, unless otherwise stated.

All financial amounts in this Offer Booklet are references to Australian currency, unless otherwise stated.

Date of this Offer Booklet

This Offer Booklet is dated 27 June 2019.

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Chairman's Letter

27 June 2019

Dear Shareholder,

On behalf of the Board, I am pleased to invite you to participate in a fully underwritten pro rata, non-renounceable entitlement offer of new fully paid ordinary shares in ImpediMed (**New Shares**) at an issue price of \$0.11 per New Share (**Issue Price**), to raise up to approximately \$13,900,000 before costs and expenses (**Entitlement Offer**).

On 27 June 2019 (**Announcement Date**), ImpediMed announced the Entitlement Offer. The Entitlement Offer will raise a maximum of approximately \$13,900,000 before costs and expenses.

The proceeds from the Entitlement Offer will be used towards:

- expanding reimbursement in the US market;
- expanding sales and marketing efforts in the US market;
- software enhancements;
- heart failure clinical trials; and
- general working capital purposes.

Overview of Entitlement Offer

The Shareholders who will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are described in Section 1.2 of this Offer Booklet.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for 1 New Share for every 3 Shares of which they are the registered holder as at the Record Date, at the Issue Price. Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. The Entitlement Offer is non-renounceable.

The Issue Price represents:

- a 4.3% discount to the closing price of ImpediMed's Shares on 24 June 2019, the trading day immediately prior to ImpediMed entering into a trading halt in connection with the Entitlement Offer; and
- a 9.2% discount to the 15 trading day volume weighted average price of ImpediMed's Shares ending on 24 June 2019.

As the only Australia-resident Director who holds Shares, Judith Downes has committed to take up all of her pro rata entitlement under the Entitlement Offer. The other Directors who hold Shares will not be eligible to participate in the Entitlement Offer because they are not resident in Australia or New Zealand.

Underwriting Arrangements

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited and Wilsons Corporate Finance Limited (**Joint Lead Managers** or **Underwriters**) on a several basis pursuant to an Underwriting Agreement.

If Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the shortfall will be allocated to the Underwriters and sub-underwriters subject to the terms of the Underwriting Agreement. Details regarding the underwriting arrangements are set out in Section 1.5 of this Offer Booklet.

Action you should take

The Entitlement Offer is currently scheduled to close at 5.00pm (Australian Eastern Standard time) on Tuesday, 16 July 2019. If you wish to subscribe for New Shares, you must ensure that your application and payment is received by this time in accordance with the instructions set out in Section 3.2.

This Offer Booklet contains important information regarding the Entitlement Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

For further information regarding the Entitlement Offer, please call the Entitlement Offer Information Line on 1300 131 543 (within Australia) and +61 1300 131 543 (from outside Australia) between 8.30am and 5.30pm (Australian Eastern Standard time) on Business Days during the offer period for the Entitlement Offer.

On behalf of the Board, I thank you for your continued support as an ImpediMed Shareholder and I invite you to consider this investment opportunity.

Yours faithfully

A handwritten signature in black ink, appearing to read 'SRW', with a large, stylized loop at the end.

Scott R. Ward
Chairman

Key Dates

Event	Date
Announcement of Entitlement Offer	Thursday, 27 June 2019
Ex-date	Monday, 1 July 2019
Record Date to determine entitlement to participate in the Entitlement Offer	7.00pm on Tuesday, 2 July 2019
Dispatch Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Friday, 5 July 2019
Entitlement Offer opens	9.00am on Friday, 5 July 2019
Entitlement Offer closes	5.00pm on Tuesday, 16 July 2019
Shortfall announced to ASX	Friday, 19 July 2019
Issue of New Shares under Entitlement Offer	Wednesday, 24 July 2019
New Shares under Entitlement Offer commence trading on ASX on a normal basis	Thursday, 25 July 2019
Dispatch of holding statements	Friday, 26 July 2019

Dates and times in this Offer Booklet are indicative only and subject to change. All dates and times are references to Australian Eastern Standard time.

ImpediMed, with the consent of the Underwriters, reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations. In particular, ImpediMed reserves the right to extend the Closing Date, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens.

ImpediMed also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time prior to the issue of the New Shares. In that event, application monies (without interest) would be returned to applicants.

1 Overview of the Entitlement Offer

1.1 Summary

The Entitlement Offer is a pro rata offer of up to approximately 126.6 million New Shares at \$0.11 per New Share to raise up to approximately \$13,900,000 before costs and expenses.

Eligible Shareholders are entitled to subscribe for 1 New Share for every 3 Shares held by them as at the Record Date.

The Entitlement Offer is non-renounceable, which means that to the extent that any entitlement under the Entitlement Offer is not taken up by any Eligible Shareholder prior to the Closing Date, the entitlement will lapse.

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 3.

The Entitlement Offer opens at 9.00am (Australian Eastern Standard time) on Friday, 5 July 2019 and is currently scheduled to close at 5.00pm (Australian Eastern Standard time) on Tuesday, 16 July 2019.

1.2 Eligible Shareholders

The Entitlement Offer is being made to those Shareholders who are:

- (a) registered as a holder of ImpediMed's Shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) not in the United States, are not a US Person, and are not acting for the account or benefit of any person in the United States or any US Person; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer as determined by the Company and the Underwriters.

Shareholders who do not meet the criteria set out above are considered ineligible shareholders (**Ineligible Shareholders**) and cannot participate in the Entitlement Offer.

1.3 What is the entitlement of an Eligible Shareholder?

The number of New Shares to which you are entitled under the Entitlement Offer is shown in the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet. In calculating each Eligible Shareholder's entitlement, fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. Eligible Shareholders can subscribe for all, or part, of their pro rata entitlement under the Entitlement Offer. Detailed instructions on how to accept all, or part of, your pro rata entitlement are set out in Section 3.

Please note that if you choose not to take up your pro rata entitlement, your percentage shareholding in ImpediMed will be diluted to the extent that the Entitlement Offer is taken up by other persons.

ImpediMed reserves the right to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims as to the extent of their entitlements, prove to be overstated or they fail to provide information to substantiate their claims.

1.4 No trading of entitlements

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of that part of the entitlement that they do not take up.

1.5 Underwriting of the Entitlement Offer

The Entitlement Offer is managed and fully underwritten by the Underwriters on a several basis. The Underwriters have agreed to subscribe or procure subscriptions for any New Shares for which valid applications are not received from Eligible Shareholders plus any New Shares which would have been offered to Ineligible Shareholders had such Shareholders been Eligible Shareholders, on the terms and, subject to the conditions, of the Underwriting Agreement.

The Underwriters have given, and at the time of lodgement of this Offer Booklet, have not withdrawn their consents to be named as the Underwriters to the offer of New Shares under this Offer Booklet, in the form and context to which they are named. The Underwriters were not involved in the preparation of any part of this Offer Booklet and did not authorise or cause the issue of this Offer Booklet. The Underwriters make no express or implied representation or warranty in relation to ImpediMed, this Offer Booklet or the Entitlement Offer and do not make any statement in this Offer Booklet, nor is any statement in it based on any statement made by the Underwriters. To the maximum extent permitted by law, the Underwriters expressly disclaim and take no responsibility for any material in, or omission from, this Offer Booklet other than the reference to their names.

A summary of the Underwriting Agreement, including fees payable to the Underwriters and the material events whereby the Underwriters may terminate their obligations under the Underwriting Agreement, is set out below.

(a) Termination events

The Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:

- (i) a statement in any of the offer documents (including this Offer Booklet and all market announcements made in connection with the Entitlement Offer) does not comply with the Corporations Act or is, or becomes, misleading or deceptive, or likely to mislead or deceive;
- (ii) a corrective statement is issued, or required to be issued, to correct the initial cleansing statement;
- (iii) the offer timetable is delayed for more than two Business Days without the consent of the Joint Lead Managers;
- (iv) there is 7.5% or more fall in the S&P/ASX Small Ordinaries Index
- (v) there are material disruptions in certain financial markets or political conditions in key markets, or hostilities commence or escalate in certain key countries;
- (vi) there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of ImpediMed; or
- (vii) ImpediMed is removed from the official list of the ASX, or its Shares are delisted or suspended from quotation by ASX.

(b) Fees

In consideration for the Underwriters services in connection with the Entitlement Offer, ImpediMed will pay the Underwriters the following fees (in their respective proportions):

- (i) a management fee equal to 2% of the gross proceeds raised under the Entitlement Offer (plus GST); and
- (ii) an underwriting fee equal to 3.5% of the aggregate gross proceeds (except in respect of any proceeds from Allan Gray, where the underwriting fee will be reduced to 1%) (plus GST).

(c) Other provisions

As is customary with underwriting arrangements, ImpediMed has also (subject to certain limitations) agreed to indemnify the Joint Lead Managers, their affiliates and related bodies corporate, and their respective directors, officers, employees, advisers and representatives against losses they may suffer in connection with the Entitlement Offer.

1.6 Sub-underwriting arrangements

The Underwriting Agreement gives the Underwriters the right to appoint sub-underwriters at their discretion. Fees payable to any sub-underwriters appointed by the Underwriters will be paid out of the underwriting fees paid by the Company to the Underwriters.

1.7 Allocation of any shortfall

As a result of the arrangements described above in Section 1.5, if Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the resulting shortfall will be allocated to the Underwriters and, to the extent applicable, sub-underwriters, under the terms of the Underwriting Agreement.

1.8 Issue of New Shares

ImpediMed currently expects that New Shares will be issued by Wednesday, 24 July 2019 and that holding statements will be posted by Friday, 26 July 2019. The issue of New Shares will only be made after permission for their quotation on ASX has been obtained.

1.9 Ranking of New Shares

When issued, the New Shares will be fully paid and will rank equally with existing Shares.

1.10 Withdrawal of the Entitlement Offer

ImpediMed reserves the right to withdraw all or part of the Entitlement Offer, and this Offer Booklet, at any time, subject to applicable laws. In that case, ImpediMed will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to ImpediMed will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to ImpediMed.

2 Effect of the Entitlement Offer on ImpediMed

2.1 Purpose and use of funds

ImpediMed expects to raise up to approximately \$13,900,000 from the Entitlement Offer after costs and expenses. ImpediMed intends to apply proceeds from the Entitlement Offer towards:

- (a) expanding reimbursement in the US market;
- (b) expanding sales and marketing efforts in the US market;
- (c) software enhancements;
- (d) heart failure clinical trials; and
- (e) general working capital purposes.

2.2 Financial impact

The Entitlement Offer will increase ImpediMed's net assets by an amount equal to the net proceeds of the Entitlement Offer.

The table below shows on a pro forma basis ImpediMed's financial position following completion of the Entitlement Offer. This information is pro forma in nature and provides an illustrative indication of the effect of the Entitlement Offer had it occurred as at 31 December 2018. It is presented in abbreviated form and does not include all the disclosures that are ordinarily provided in financial statements prepared in accordance with the Corporations Act. It should be read in conjunction with the other disclosures in this Offer Booklet, including in Section 4.

(A\$'000)	Actual 31-Dec-18	Entitlement Offer	Costs	Proforma 31-Dec-18
CURRENT ASSETS				
Cash and cash equivalents	\$ 22,638	\$ 13,900	\$ (900)	\$ 35,638
Other Current Assets	4,199			4,199
<i>Total Current Assets</i>	26,837	13,900	(900)	39,837
<i>Total Non-Current Assets</i>	4,739			4,739
Total Assets	31,576	13,900	(900)	44,576
<i>Total Current Liabilities</i>	4,783			4,783
<i>Total Non-Current Liabilities</i>	108			108
Total Liabilities	4,891	-	-	4,891
Net Assets	\$ 26,685	\$ 13,900	\$ (900)	\$ 39,685
Total Equity	\$ 26,685	\$ 13,900	\$ (900)	\$ 39,685

Notes:

- For the purpose of this pro forma balance sheet, it has been assumed that the full amount of the Entitlement Offer (i.e. \$13.9 million) will be subscribed and issued.
- Assumed that the costs and expenses of the Entitlement Offer will amount to approximately \$900,000.
- The pro forma balance sheet is illustrative as of 31 December 2018 and reflects the actual balance of cash and cash equivalents of \$22.6 million as of that date. ImpediMed's cash balance as at 31 May 2019 was \$12.9 million. On a pro forma basis as of 31 May 2019, the Company's cash balance subsequent to the transactions would be \$25.9 million. Management anticipates this funding will be sufficient to fund the Company's growth for at least the next 12 – 18 months.

2.3 Effect on capital structure

The principal effect of the Entitlement Offer on ImpediMed's issued share capital will be to increase the total number of issued Shares. The following table sets out the number of issued Shares on the Announcement Date and, subject to the rounding of fractional entitlements under the Entitlement Offer, the total number of issued Shares at the completion of the Entitlement Offer:

Shares	Number
Shares on issue at the Announcement	379,803,987
Shares offered under the Entitlement Offer	126,601,329*
Total Shares on issue on completion of the Entitlement Offer	506,405,316*

In addition, as at the Announcement Date, there are a total of 30,842,088 unquoted options and 4,741,500 performance rights. Each option, if exercised, will entitle the holder to be issued one Share. Similarly, each performance right, if vested, will entitle the holder to be issued one Share.

The exercise price of certain of ImpediMed's unquoted options will be adjusted at the closing of the Entitlement Offer in accordance with the terms of those options. The effect of these adjustments will be to put the optionholders in a position in terms of exercise price equivalent to the position they would have been in had the Entitlement Offer not taken place.

2.4 Dividends

ImpediMed has never paid a dividend and does not intend to pay dividends in the foreseeable future, which means that holders of Shares may not receive any return on their investment from dividends in the short to medium term.

2.5 Effect on shareholdings of Shareholders

The extent to which the Entitlement Offer has any effect on the percentage shareholding of a Shareholder will be dependent on the extent (if any) to which the Shareholder participates in the Entitlement Offer. In particular:

- (a) Eligible Shareholders who do not take up their full pro-rata entitlement under the Entitlement Offer and Ineligible Shareholders will have their percentage holding in ImpediMed further diluted relative to those Eligible Shareholders who subscribe for some or all of their pro-rata entitlement.
- (b) If all Eligible Shareholders take up their full pro-rata entitlement under the Entitlement Offer then the percentage holding of Eligible Shareholders will be unchanged.

* The maximum number of New Shares to be issued under the Entitlement Offer (and therefore the maximum number of Shares following completion of the Entitlement Offer) is subject to the rounding of fractional entitlements to New Shares.

2.6 Effect of the Entitlement Offer on the control of ImpediMed

Having regard to:

- (a) the composition of ImpediMed's share register; and
- (b) the terms of the Entitlement Offer, the underwriting and sub-underwriting arrangements in place for the Entitlement Offer, and the nature of the Joint Lead Managers and Underwriters and sub-underwriters,

ImpediMed does not believe that any person will increase their percentage shareholding in ImpediMed pursuant to the Entitlement Offer in a way that will have any material impact on the control of ImpediMed.

3 Choices available to Eligible Shareholders

3.1 Your choices

Before taking any action, you should read this Offer Booklet in its entirety and, if you have any questions, consult your financial or other professional adviser.

If you are an Eligible Shareholder, the following choices are available to you:

Option	See Section
Participate in the Entitlement Offer	3.2
Take no action	3.7

3.2 How to participate in the Entitlement Offer

(a) **Taking up some or all of your pro rata allocation**

To subscribe for New Shares offered to you under your pro rata allocation, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your pro rata entitlement you wish to subscribe for.

(b) **Payment**

The Issue Price of \$0.11 per New Share is payable in full on application.

Payments must be received by 5.00pm (Australian Eastern Standard time) on the Closing Date and must be in Australian currency and made by:

- (i) cheque drawn on and payable at any Australian bank;
- (ii) bank draft or money order drawn on and payable at any Australian bank; or
- (iii) BPAY®.

ImpediMed will treat you as applying for as many New Shares as your payment will pay for in full, subject to Section 3.6 below.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00pm (Australian Eastern Standard time) on the Closing Date.

If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the holding referred to on that form.

Cheques, bank drafts and money orders must be made payable to 'ImpediMed Limited' and crossed 'Not Negotiable'. Cash payments will not be accepted. Receipts for payment will not be provided.

ImpediMed will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment.

Application monies will be held in trust in a subscription account until New Shares are issued. Any interest earned on application monies will be for the benefit of ImpediMed and will be retained by ImpediMed irrespective of whether any issue of New Shares takes place.

(c) Return completed Entitlement and Acceptance Form and payment

Unless you are paying by BPAY®, completed Entitlement and Acceptance Forms and payment of application monies should be forwarded to the Share Registry by mail in the enclosed prepaid envelope or, if you are outside of Australia or do not use the prepaid envelope, by mail addressed to:

ImpediMed Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

If you wish to deliver your Entitlement and Acceptance Form and application monies by hand, you should deliver them to:

ImpediMed Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

Completed Entitlement and Acceptance Forms and payments must be received by 5.00pm (Australian Eastern Standard time) on the Closing Date.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. Please see Section 3.2(b) above for details.

Please note that all acceptances, once received, are irrevocable.

3.3 Representations you will be taken to make by acceptance

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY® in accordance with Section 3.2(b), you will be deemed to have:

- (a) represented and warranted that you are an Eligible Shareholder and that you have fully read and understood this Offer Booklet and the Entitlement and Acceptance Form in their entirety, and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- (b) agreed to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and ImpediMed's constitution;
- (c) authorised ImpediMed to register you as the holder of the New Shares allotted to you;

- (d) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (e) acknowledged that once ImpediMed receives your Entitlement and Acceptance Form or any payment of application monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- (f) agreed to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY®, at the Issue Price per New Share;
- (g) authorised ImpediMed, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you;
- (h) declared that you were the registered holder at the Record Date of the Shares indicated in the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledged that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (j) acknowledged that this Offer Booklet is not a prospectus under Chapter 6D of the Corporations Act, it does not contain all of the information that you may require in order to assess an investment in ImpediMed and is given in the context of ImpediMed's past and ongoing continuous disclosure announcements to the ASX;
- (k) acknowledged the statement of risks in Section 4 of this Offer Booklet and that investments in ImpediMed are subject to risk;
- (l) acknowledged that none of ImpediMed or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of ImpediMed, nor do they guarantee the repayment of capital;
- (m) agreed to provide any requested substantiation of your eligibility to participate in the Entitlement Offer and your holding of Shares on the Record Date; and
- (n) authorised ImpediMed to correct any errors in your Entitlement and Acceptance Form.

By completing and returning your Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (o) you are not in the United States and are not a US Person and are not acting for the account or benefit of, a person in the United States or a US Person, and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (p) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, your pro rata entitlement may not

be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and

- (q) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States, a US Person, or a person acting for the account or benefit of a person in the United States or a US Person.

3.4 No minimum subscription

There is no minimum subscription for the Entitlement Offer.

3.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

3.6 Refunds of excess application monies

Any application monies received for more than the number of New Shares issued to you (but only where the excess amount is \$2.00 or greater) will be refunded as soon as reasonably practicable following the close of the Entitlement Offer. No interest will be paid on any application monies.

Payment of any refund will be made either by:

- cheque mailed to your address as last recorded in ImpediMed's register of members; or
- direct credit, but only where you have previously nominated to receive payment of dividends by direct credit and have not withdrawn that nomination.

In all cases, the payment method will be at ImpediMed's discretion.

3.7 If you do nothing

If you do not apply for Shares pursuant to the Entitlement Offer, your entitlement under the Entitlement Offer will lapse.

If you do not apply for Shares pursuant to the Entitlement Offer, your percentage ownership in ImpediMed will be diluted because the issue of New Shares under the Entitlement Offer will increase the total number of Shares on issue.

4 Risk Factors

4.1 Introduction

Investors should be aware that there are risks associated with an investment in ImpediMed. Some of the principal factors that may, either individually or in combination, materially affect the future operating and financial performance and position of ImpediMed and the value of Shares are set out in this Section 4.

Some of these risks are specific to an investment in ImpediMed and others are of a more general nature. The summary of risks is not exhaustive and this Offer Booklet does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties of which ImpediMed is unaware or that ImpediMed currently considers to be immaterial may also become important factors that adversely affect future performance. It is important therefore for investors to consider these (and any other) risks and uncertainties carefully before investing in New Shares.

Investors should have regard to their own investment objectives and financial circumstances and should seek advice from their professional adviser before deciding whether or not to invest.

The Directors assessment of risks was based on the knowledge as at the date of this Offer Booklet and there is no assurance that the relative importance of the various risks will not change.

4.2 Early stage company with limited revenue

ImpediMed is at an early stage in the commercialisation of L-Dex and SOZO. To date, it has operated at a loss and has a history of operating losses. ImpediMed expects to continue to generate a net loss in the 2019 financial year while it focuses on the US commercialisation of L-Dex and the rollout of SOZO for lymphoedema. ImpediMed's ability to generate sufficient revenue in the future depends on a number of factors, including:

- (a) the acceptance and rate of adoption by hospitals and clinicians of L-Dex and SOZO, particularly in the US;
- (b) progress in completing clinical trials for SOZO for lymphoedema and expanding the use of SOZO technology to Heart Failure (HF) and other indications;
- (c) acceptance by US healthcare payers of the reimbursement of L-Dex, including private health insurers' payment of claims for L-Dex; and
- (d) the ability to manufacture sufficient quantities of SOZO devices to the required standard and at acceptable cost levels.

There is a risk that ImpediMed will continue to incur losses from its operations and may not achieve or maintain profitability. ImpediMed expects to operate at a loss in the short term as it focuses on the US commercialisation of L-Dex and the rollout of SOZO, along with the continuing clinical trials.

Other factors that will determine ImpediMed's profitability are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profitability, if any, and the time

required to achieve sustained profitability are uncertain. Moreover, the sustainability of any profitability cannot be predicted.

4.3 Pricing and reimbursement

The commercial success of ImpediMed's products is 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.

A Category I CPT code for L-Dex has been in effect in the US market since 1 January 2015. A CPT Code is assigned by the American Medical Association and is a prerequisite for reimbursement in the United States. The CPT Code is currently priced at US\$146 per test. However, levels of reimbursement are subject to periodic review and payors, including US Medicare, can, without notice, deny or reverse reimbursement coverage and payments.

Separately, ImpediMed is requesting inclusion of a formalised testing protocol and BIS technology for lymphoedema prevention in the NCCN Guidelines. The NCCN is the US National Comprehensive Cancer Network®, a not-for-profit alliance of 28 leading cancer centres devoted to patient care, research, and education. The NCCN Guidelines are widely recognised and used as the standard for clinical policy in oncology by clinicians and payors. The Company believes that inclusion in the NCCN Guidelines is likely to result in third-party payments and reimbursement levels from government bodies, private health insurers and other third-parties.

Whilst ImpediMed believes there is a compelling case for the inclusion of a formalised testing protocol and BIS technology for lymphoedema prevention in the NCCN Guidelines and for private health insurers to make payments on claims in the 2020 financial year, there is no guarantee that this will occur.

4.4 Market acceptance of products and patient population

There is a risk that L-Dex, or other indications and/or uses for SOZO and future products may not gain adequate market acceptance. The degree of market acceptance will depend on a variety of factors, including:

- (a) regulatory clearances;
- (b) the clinical trial outcomes;
- (c) the level of support from target markets;
- (d) the level of reimbursement coverage and payment;
- (e) clinical profile of conventional competitive products; and
- (f) the success of marketing and sales efforts in existing and new accounts.

Additionally, there is a risk that market estimates do not accurately reflect the number of patients in the target markets.

4.5 Adoption of SOZO for Heart Failure

The Company is relying on additional clinical data from heart failure (HF) studies utilising SOZO to drive the commercial expansion and market adoption of SOZO. Although early results from the studies have been promising, the outcome of these

studies is uncertain and there is a risk that they may not demonstrate the effectiveness of SOZO in HF patient management.

If the results from the current HF studies do not support the adoption of SOZO for HF, this may limit the market for SOZO and adversely affect the Company's potential revenues. Even if the studies support the use of SOZO in HF monitoring, there is no assurance that the commercial rollout of SOZO for HF will succeed or that SOZO will replace current monitoring methods in HF.

The commercialisation effort for HF will likely require additional capital (in addition to the funds raised in the Entitlement Offer), which the Company may be unable to raise in a timely manner.

4.6 Product development

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.

4.7 Sales and marketing

There is a risk that ImpediMed's sales and marketing efforts may not be successful. ImpediMed sells its products by using a mix of employed sales representatives and independent distributors. In the US market, ImpediMed employs a sales force that focuses on the sale of the SOZO and its associated subscription services.

ImpediMed's future success depends in part on its ability to sell an increasing number of subscriptions for SOZO covering further medical indications (as and when regulatory clearances for additional indications are obtained) and additional features and services. If ImpediMed's sales force fails to adequately promote, market and sell SOZO and its associated subscription services to new customers and fails to adequately promote and expand its product and service offerings within existing customer accounts, sales may be lower than expected.

4.8 Change in laws and healthcare policy

ImpediMed's business and the business of the third parties with which it operates are subject to the laws and regulations in a number of jurisdictions. Unforeseen changes in laws and government policy in the US, the EU, Australia and elsewhere, including in relation to material and unforeseen changes to:

- (a) licensing and clearance requirements;
- (b) regulations relating to clinical trials;
- (c) manufacturing;
- (d) product clearance; and
- (e) pricing; including any tariffs and/or taxes,

could materially impact ImpediMed's operations, assets, contracts and profitability.

4.9 Ongoing regulatory issues

Although ImpediMed's current products have received key regulatory clearances, ImpediMed may still face developmental and ongoing regulatory compliance difficulties, or challenges on future regulatory clearances.

Regulatory agencies subject a marketed device, its manufacturer and the manufacturer's facilities to continual review and periodic inspections. Potentially costly follow-ups or post-marketing clinical studies may be required and previously unknown problems may result in restrictions on the marketing of the device and could include product withdrawal.

If ImpediMed fails to comply with applicable regulatory requirements, a regulatory agency may:

- (a) issue warning letters;
- (b) impose civil or criminal penalties;
- (c) suspend ImpediMed's regulatory clearances or restrict or change the cleared indications for use or impose additional safety reporting requirements;
- (d) suspend any of ImpediMed's ongoing clinical trials;
- (e) refuse to approve pending applications or supplements to approved applications filed;
- (f) impose restrictions on ImpediMed's operations, including closing ImpediMed's or its contract manufacturers' facilities or terminating its licenses to manufacture 'Good Manufacturing Practice'; or
- (g) seize or detain devices or require a product recall.

In addition, the law or regulatory policies governing medical devices may change. New regulatory requirements or additional regulations may be enacted that could prevent or delay regulatory clearances of ImpediMed's products or that may otherwise impact ImpediMed's ability to market, distribute and sell devices and or consumables. ImpediMed cannot predict the likelihood, nature or extent of adverse government regulation that may arise.

4.10 Manufacturing

ImpediMed, or its contract manufacturers and suppliers, may fail to achieve and maintain required manufacturing standards which could result in device recalls or withdrawals, product shortages, delays or failures in product testing or delivery or other problems that could seriously harm ImpediMed's business.

ImpediMed may be affected by industrial action. Operating equipment and facilities may not operate as intended or be available as a result of unanticipated failures or other events outside of ImpediMed's control (e.g. fires, catastrophic breakdowns or deliberate acts of destruction).

ImpediMed and its contract manufacturers may not be able to obtain and maintain all licenses and approvals required to maintain manufacturing operations. Any interruption to ImpediMed's manufacturing capability could result in the cancellation of shipments and loss of product, resulting in delays, decrease in revenues and additional costs.

4.11 Software, Data and Cloud Management

ImpediMed, or its contracted software developers, may fail 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.

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.

4.12 Privacy laws

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.

Additionally, ImpediMed's business model is heavily dependent on hosting and accessing protected health information (**PHI**) and electronic protected health information (**ePHI**). In the US, the Health Insurance Portability and Accountability Act of 1996 (**HIPAA**) establishes national standards for the protection of certain PHI and ePHI. ImpediMed's customer base often requires ImpediMed to enter in to a Business Associate Agreement (**BAA**), primarily to ensure that as a third-party service provider, ImpediMed is subject to the same obligations relating to the security of PHI/ePHI as those that apply directly to covered entities under HIPAA. While ImpediMed seeks to mitigate the risk of an inadvertent disclosure of PHI and ePHI or a breach of privacy relating to PHI/ePHI by its employees or contractors by putting in place appropriate internal security measures, training and taking out insurance cover, if a breach were to arise and ImpediMed is found to be liable and subject to a payment of damages, this could adversely affect ImpediMed's operating results, financial condition, reputation and brand.

4.13 Subscription model

ImpediMed has transitioned to a Software as a Service subscription business model, which presents a number of potential risks. The key risks are described below.

- (a) ImpediMed must devote significant resources to developing and deploying the subscription model and this may create working capital challenges for ImpediMed in the short to medium term.
- (b) Adopting a new sales model requires existing customers to change how they have previously purchased ImpediMed's products, including now being required to pay a monthly subscription/licence fee per indication for a cloud-based software, and there can be no assurance that this will continue to be favourably received by customers.
- (c) Once a subscription is generated, there is no guarantee that the customer will renew its subscription after the expiration of the initial subscription period, which is typically for a period of three (3) years, with one (1) year of that

initial subscription period typically guaranteed under the contract. Even if customers do renew subscriptions, it is possible that customers may try to renegotiate contract terms for more favourable price discounts, or such renewals will be for fewer subscriptions or shorter contract lengths. If this were to occur, recurring revenue from subscriptions may be lower than expected.

- (d) ImpediMed does not currently incorporate any annual price increase clauses into its contracts, except at the end of the contract period, such as a price increase based on the level of a consumer price index. As a result, ImpediMed is currently unable to pass any potential cost increases it may face in its business onto its customers.
- (e) Under the subscription model, ImpediMed recognises the majority of revenue from contracts with customers over the life of the contract. This may make it difficult for ImpediMed to rapidly increase revenue through additional sales in any period, as the majority of revenue from contracts with new customers is typically recognised over the applicable contract term.

4.14 Competition

The medical technology industry is highly competitive, and there are a number of well established companies that could develop products and services that compete with ImpediMed's devices and technologies. ImpediMed's success depends, in part, upon its ability to maintain a competitive position in the assessment and monitoring of lymphoedema as well as other applications. Although there are no cleared competitive products in the US lymphoedema clinical assessment market, there can be no assurances that this will continue, or that ImpediMed will be able to compete with new competing products.

4.15 Product liability claims and insurance

ImpediMed faces product liability exposure with respect to its products. This exposure is likely to increase as commercial sales increase.

ImpediMed conducts extensive safety testing of new and current technology and regularly reviews customer complaints. However, the risk is present that ImpediMed's products could:

- (a) cause harm or injury to users;
- (b) be used off label;
- (c) require a recall; or
- (d) result in a breach of digital assets such as cyber security data.

Regardless of the merits or eventual outcome, liability claims may result in:

- (a) decreased demand for ImpediMed's products;
- (b) injury to ImpediMed's reputation;
- (c) withdrawal of clinical trial participants;
- (d) costly litigation;
- (e) substantial monetary awards to physicians or patients and others;

- (f) loss of revenues; and
- (g) an inability to sell ImpediMed's products.

ImpediMed may not be able to maintain insurance coverage at a reasonable cost or obtain suitable or reasonable insurance coverage in respect of any liability that may arise. Any claim for damages could be substantial.

4.16 Patents and trade marks

The value of ImpediMed's products is partly dependent on ImpediMed's ability to protect its intellectual property. ImpediMed uses patents, trademarks, copyright and moral rights to protect its technology and applications from unauthorised use by third parties.

There is a risk that ImpediMed may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions that ImpediMed takes to protect its intellectual property may not be adequate or enforceable and thus may not prevent the misappropriation of, or copying or circumvention of, ImpediMed's intellectual property and proprietary information. For example, the term of patents may expire or may be challenged, invalidated or circumvented.

4.17 Enforcement and infringement of intellectual property

Third parties may own or control patents or patent applications that ImpediMed may be required to license in order to commercialise its product, that ImpediMed may infringe, or that could result in litigation that would be costly and time consuming.

As a result of intellectual property infringement claims, or to avoid potential claims, ImpediMed might be:

- (a) prohibited from selling or licensing a product;
- (b) required to expend considerable amounts of money in defending the claim;
- (c) required to pay substantial royalties or licence fees;
- (d) required to pay substantial monetary damages; or
- (e) required to redesign a product so it does not infringe, which may not be possible or could require substantial funds and time.

4.18 Brand and reputation

The reputation and brand of ImpediMed and its products are important in attracting hospitals, medical clinics, large companies and healthcare professionals to use ImpediMed's products. Any reputation damage or negative publicity around ImpediMed or its products could adversely affect ImpediMed's customer relationships, general business and ultimately its financial performance. The action of ImpediMed's employees, including any breaches of any regulations to which ImpediMed is subject, or any negligence in the provision of data, may damage ImpediMed's brand.

4.19 Litigation

There has been substantial litigation and other proceedings in the biotechnology and medical technology industries.

If ImpediMed was forced to defend litigation or other third party claims, it could be costly, time consuming and divert management's attention from the business. This could lead to delays in ImpediMed's development or commercialisation efforts.

If third parties are successful in their claims, ImpediMed might have to pay substantial damages or take other actions that are adverse to the ImpediMed business.

4.20 Resources

ImpediMed's ability to successfully transform into a high growth medical technology company relies on being able to retain and attract specialised talents, including skilled information technology personnel and US-based executive talent. ImpediMed faces intense competition for key personnel, especially in the information technology sector, and may not be able to attract, retain and motivate such individuals. The loss of services of one or more of members of key personnel or the inability to recruit and retain high calibre staff could delay or compromise the successful commercialisation of ImpediMed's products.

To achieve its commercialisation goals, ImpediMed may need to increase the number of employees and consultants, and it may experience difficulties in managing growth.

4.21 Capital requirements

ImpediMed may require substantial additional funds which may be dilutive or that may not be available to ImpediMed on favourable terms, or at all.

If ImpediMed is unable to obtain additional funds when required, ImpediMed may be forced to:

- (a) delay;
- (b) reduce the scope of; or
- (c) eliminate,

one or more clinical trials, product and software development or commercialisation efforts.

4.22 Clinical trials and clinical development

If ImpediMed brings new products to market for new clinical applications, it will require regulatory clearances for the commercial sale of such products. ImpediMed must complete pre-clinical development and clinical trials to demonstrate safety and efficacy of the device on humans. Clinical trials are expensive, time consuming, subject to delay and their outcome uncertain. There are numerous factors that could affect the timing of the commencement, continuation and completion of clinical trials that may delay the clinical trials or prevent ImpediMed from completing these trials successfully.

Due to ImpediMed's reliance on contract research organisations, hospitals and investigators to conduct clinical trials, it is unable to directly control the timing, conduct and expense of clinical trials. Ongoing and future clinical trials may not show sufficient safety or efficacy to obtain regulatory and reimbursement acceptance.

Success in pre-clinical and early clinical trials is not a guarantee of future results nor does it ensure that later large-scale trials will be successful. The outcome of these trials is uncertain and there is a risk that they may not be successful and may not demonstrate sufficient safety or efficacy to obtain regulatory clearance.

4.23 Future regulatory clearances

New products for new clinical applications will also require clinical development, testing, manufacturing, sales and marketing all of which are subject to extensive regulation by regulatory authorities in the US, the EU, Australia and elsewhere.

The process of obtaining regulatory clearance is expensive, complex, lengthy and the outcomes uncertain. ImpediMed may not be able to obtain marketing authorisations for all its targeted claims, including any necessary clearances of next generation devices for bilateral legs or venous insufficiency.

Another possibility is that the targeted claims may be delayed or subject to significant limitations (narrower claims), warnings, precautions or contra-indications with respect to conditions of use.

4.24 Foreign exchange

ImpediMed's financial statements are presented in Australian dollars. A substantial portion of current sales revenue and costs are denominated in currencies other than Australian dollars, particularly US dollars. Future changes in the exchange rates in the jurisdictions in which ImpediMed operates may adversely impact ImpediMed's financial performance.

4.25 General economic factors

Material adverse changes in the general domestic and international economic climate may have an adverse effect on ImpediMed's performance. These factors may include fluctuations in inflation, interest rates, rate of economic growth, taxation laws (and the application of existing laws by the courts or taxation authorities), consumer spending, unemployment rates, government fiscal, monetary and regulatory policies and consumer and business sentiment. Other factors include acts of terrorism, cyber hostilities, outbreaks of international hostilities, fire, floods, earthquakes, labour strikes, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that may have an adverse demand for ImpediMed's products or ImpediMed's ability to conduct business. Any of these factors have the potential to cause costs to increase or revenues to decline.

4.26 Dividends

ImpediMed has never paid a dividend and does not intend on paying dividends in the foreseeable future, which means that holders of Shares may not receive any return on their investment from dividends in the short to medium term.

4.27 Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors, including recommendations by brokers and analysts, the general economic climate and other factors described in paragraph 4.25 above, and investor perceptions. Furthermore, the share market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the companies listed on the market. These factors may materially adversely affect the market price of Shares regardless of ImpediMed's operational performance.

In addition, there is a risk that inadequate trading liquidity of ImpediMed's Shares may adversely affect your ability to realise your investment in ImpediMed.

Neither ImpediMed nor the Directors warrant the future performance of ImpediMed, or any return of an investment in ImpediMed.

5 Further Information

5.1 Taxation

Taxation implications of participating in the Entitlement Offer will vary depending on the particular circumstances of individual Eligible Shareholders. Eligible Shareholders are advised to obtain their own professional taxation advice before making a decision in relation to the Entitlement Offer.

5.2 This Offer Booklet is not a prospectus

The Entitlement Offer is being conducted in accordance with Section 708AA of the Corporations Act. In general terms, Section 708AA relates to rights issues by certain companies that do not require the preparation of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is considerably less than the level of disclosure required in a prospectus.

As a result, in deciding whether or not to accept the Entitlement Offer, you should rely on your own knowledge of ImpediMed and own assessment of your best interests, refer to disclosures made by ImpediMed to the ASX (which are available for inspection on the ASX website at www.asx.com.au and on ImpediMed's website at <https://investors.impedimed.com/>) and seek the advice of your professional adviser.

5.3 Information about ImpediMed

The information included in this Offer Booklet provides information about ImpediMed's activities current as at 27 June 2019. It is information in summary form and does not purport to be complete. It should be read in conjunction with ImpediMed's other periodic and continuous disclosure announcements.

5.4 Future performance

The words "anticipate", "believe", "expect", "project", "estimate", "likely", "intend", "should", "could", "may", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in ImpediMed is subject to investment and other known and unknown risks, some of which are beyond the control of ImpediMed. ImpediMed does not guarantee any particular rate of return or the performance of ImpediMed nor does it guarantee the repayment of capital from ImpediMed or any particular tax treatment.

5.5 Past performance

Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

5.6 Foreign Shareholders

(a) General restrictions

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares or to otherwise permit an offering of New Shares outside Australia and New Zealand.

Return of the Entitlement and Acceptance Form or your BPAY® payment will be taken by ImpediMed as a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

(b) New Zealand

The Shares are not being offered to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(c) United States

This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. New Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons in the absence of registration or an exemption from registration.

The New Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Shares may only be offered and sold: (i) within the United States or to, or for the account or benefit of, any US Person, to a limited number of approved institutional investors that are “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act), in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; or (ii) outside the United States, to persons that are not US Persons and are not acting for the account or benefit of US Persons in offshore transactions in compliance with Regulation S under the US Securities Act.

The distribution of this Offer Booklet outside Australia and New Zealand may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any US Person. Persons who come into possession of this Offer Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

5.7 Privacy

By submitting an Entitlement and Acceptance Form, you will be providing personal information to ImpediMed (directly or through the Share Registry). ImpediMed collects, holds and will use that information to assess and process your application, administer your shareholding in ImpediMed and to provide related services to you. ImpediMed may disclose your personal information for purposes related to your shareholding in ImpediMed, including to the Share Registry, ImpediMed's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

You can obtain access to personal information that ImpediMed holds about you. To make a request for access to your personal information held by (or on behalf of) ImpediMed, please contact ImpediMed through the Share Registry.

5.8 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

6 Glossary and Interpretation

6.1 Definitions

In this Offer Booklet, the following words have the following meanings unless the context requires otherwise:

Term	Meaning
\$	Australian dollars.
Allan Gray	Allan Gray Australia Pty Ltd ACN 112 316 168 and its related bodies corporate and any entity referred to in its most recent Form 604 (Notice of change of interests of substantial holder) lodged in respect of ImpediMed.
Announcement Date	27 June 2019.
ASIC	the Australian Securities and Investments Commission.
Associated Offer Announcements	the announcement and presentation released to the ASX by ImpediMed on 19 June 2019.
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
ASX Listing Rules	the official listing rules of the ASX as amended or replaced from time to time.
Board	the board of directors of ImpediMed.
BPAY®	the electronic payment facility by that name.
Business Day	means a day which is not a Saturday, Sunday or a public holiday in New South Wales.
Closing Date	the deadline for accepting the Entitlement Offer, being 5.00pm on Tuesday, 16 July 2019 (subject to change).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the directors of ImpediMed.
Eligible Shareholder	has the meaning given in Section 1.2.
Entitlement and Acceptance Form	the personalised form accompanying this Offer Booklet which may be used to make an application for New Shares under the Entitlement Offer.
Entitlement Offer	the pro rata non-renounceable entitlement offer to Eligible Shareholders outlined in this Offer Booklet.
ImpediMed or Company	ImpediMed Limited ACN 089 705 144.
Ineligible Shareholder	has the meaning given in Section 1.2.

Issue Price	the price payable for each New Share under the Entitlement Offer, being \$0.11.
Joint Lead Managers or Underwriters	Canaccord Genuity (Australia) Limited ACN 075 071 466 and Wilsons Corporate Finance Limited ACN 057 547 323.
New Shares	the Shares offered pursuant to the Entitlement Offer.
Offer Booklet	this offer booklet dated 27 June 2019.
Record Date	7.00pm (Australian Eastern Standard time) on Tuesday, 2 July 2019.
Relevant Interest	has the meaning given in the Corporations Act.
Share	a fully paid ordinary share in the capital of ImpediMed.
Shareholder	a registered holder of Shares.
Share Registry	Link Market Services Limited ACN 083 214 537.
Underwriting Agreement	means the underwriting agreement between ImpediMed and the Underwriters dated on or about the date of this Offer Booklet.
United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Person	The meaning given in Regulation S under the US Securities Act
US Securities Act	The United States Securities Act of 1933, as amended.

6.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

- (a) where fractions arise in the calculations, they will be rounded up to the nearest whole number of New Shares;
- (b) the singular includes the plural, and vice versa;
- (c) words importing one gender include other genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Offer Booklet have corresponding meanings;
- (e) terms used in this Offer Booklet and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (f) other grammatical forms of a word or phrase defined in this Offer Booklet have a corresponding meaning; and
- (g) a reference to a Section is a reference to a Section of this Offer Booklet.

Corporate Directory

REGISTERED OFFICE

Unit 1
50 Parker Court
Pinkenba Qld 4008
Australia

UNDERWRITERS

Canaccord Genuity (Australia) Limited
Level 26, 9 Castlereagh Street
Sydney NSW 2000
Australia

Wilson's Corporate Finance Limited
Level 32, Governor Macquarie Tower, 1 Farrer Place,
Sydney NSW 2000

SOLICITORS

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

SHARE REGISTRY

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane Qld 4000
Australia

Entitlement Offer Information Line:

Phone (within Australia): 1300 131 543
Phone (outside Australia): +61 1300 131 543
Open between 8.30am and 5.30pm (Australian Eastern Standard time) on Business Days
during the offer period for the Entitlement Offer.

SRN/HIN:**Entitlement Number:**

**Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 2 July 2019:**

**Entitlement to New Shares
(on a 1 New Share for 3 basis):**

**Amount payable on full acceptance
at A\$0.11 per Share:**

**Entitlement Offer Closes
5:00pm (AEST): Tuesday 16 July 2019**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 3 Shares that you hold on the Record Date, at an Issue Price of A\$0.11 per New Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Entitlement Offer is being made under the Offer Booklet dated 27 June 2019. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

If you do not have a paper copy of the Offer Booklet, you can obtain a paper copy at no charge, by calling the ImpediMed Limited Entitlement Offer Information Line on 1300 131 543 (within Australia) or +61 1300 131 543 (from outside Australia) on Business Days during the offer period for the Entitlement Offer.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on Tuesday, 16 July 2019. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Entitlement and Acceptance Form for the number of New Shares the subject of your payment.



Biller Code: 115006
Ref:

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your payment. No signature is required on the acceptance slip. The acceptance slip with your payment must be received by the Registry before 5:00pm (AEST) on Tuesday, 16 July 2019.

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



ACN 089 705 144

SRN/HIN:**Entitlement Number:**

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Payment amount
(Multiply the number in section A by A\$0.11)

A\$

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “ImpediMed Limited” and crossed “Not Negotiable”.

Drawer**Cheque Number****BSB Number****Account Number****Amount of Cheque****A\$****D CONTACT DETAILS – Telephone number****Telephone number – after hours****Contact name**

IMPEDIMED LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of ImpediMed Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.11.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in section A by A\$0.11.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "ImpediMed Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, ImpediMed Limited may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the Entitlement Offer.

Mailing Address

ImpediMed Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

ImpediMed Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your acceptance slip and payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on Tuesday, 16 July 2019. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. ImpediMed Limited reserves the right not to process any acceptance slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the ImpediMed Limited Entitlement Offer Information Line on 1300 131 543 (within Australia) or +61 1300 131 543 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday during the offer period for the Entitlement Offer.