



PROSPECTUS

ImpediMed Limited

ACN 089 705 144

Prospectus for a 13 for 10 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares at an offer price of \$0.0375 per New Share, together with 1 free New Option for every 1 New Share issued, to raise up to approximately \$24.9 million (before costs and expenses).

The Retail Entitlement Offer closes at 5:00pm (Sydney time) on Wednesday, 22 April 2020 (unless extended)

This is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

SECURITIES OFFERED UNDER THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Information

About this document

This Prospectus contains information relating to a proposed Entitlement Offer to be undertaken by ImpediMed Limited ACN 089 705 144 (**ImpediMed**). This Prospectus is important and requires your immediate attention. This Prospectus is dated 2 April 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (Sydney time) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No securities will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a 'transaction-specific' prospectus to which the special content rules under Section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) apply. This allows the issue of a concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by the Australian Securities Exchange (**ASX**) in the three months prior to the date of the prospectus. This Prospectus does not include all of the information that would be included for an initial public offering of securities. ASX maintains a database of publicly available information issued by ImpediMed as a disclosing entity. None of ASIC, ASX or their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Offer

The offer contained in this Prospectus is an invitation to Eligible Shareholders to participate in a 13 for 10 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in ImpediMed (**New Shares**) at an offer price of \$0.0375 per New Share (**Offer Price**), together with 1 free New Option for every 1 New Share issued. The offer is comprised of an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**) (together the **Entitlement Offer**).

Each New Option issued pursuant to this Prospectus is exercisable in whole or part on 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021 (the date of their expiry) (**New Option Exercise Dates**) at a price of \$0.0375 (3.75 cents) each, but not thereafter.

The Institutional Entitlement Offer is underwritten to the amount of approximately \$8.0 million by Canaccord Genuity (Australia) Limited and Wilsons Corporate Finance Limited on the terms set out in the Underwriting Agreement (**Underwritten Component**). In addition, signed pre-commitment letters to subscribe for New Shares and New Options under the Institutional Entitlement Offer and institutional bookbuild have been received from Eligible Institutional Shareholders and Institutional Investors for the amount of \$2.0 million (**Committed Component**). The Retail Entitlement Offer is not underwritten. Please see section 10.8 of this Prospectus for further details.

No exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

Obtaining a Prospectus and Entitlement and Acceptance Form

Applications by Eligible Retail Shareholders for New Shares and New Options (collectively, **New Securities**) offered pursuant to this Prospectus will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus. Paper copies of this Prospectus and an Entitlement and Acceptance Form can be obtained free of charge during the Retail Entitlement Offer Period by calling ImpediMed's Share Registry, Link Market Services Limited (**Share Registry**), from 8.30AM to 5.30PM, Monday to Friday (Sydney time) on 1300 554 474.

Electronic prospectus

This Prospectus is also available electronically at www.asx.com.au or <https://www.impedimed.com/about/investors/>. The Entitlement and Acceptance Form accompanying the electronic version of this Prospectus must only be used within Australia. An Entitlement and Acceptance Form cannot be downloaded without also downloading this Prospectus. Electronic versions of this Prospectus should be downloaded and read in their entirety.

Investor warning

The Entitlement Offer contained in this Prospectus does not take into account the investment objectives, financial position and particular needs of individual investors. It is important that you read this Prospectus carefully and in full before deciding to apply for New Securities. In particular, you should consider the risk factors that could affect the financial performance of ImpediMed in light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding to invest.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by ImpediMed in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither ImpediMed nor any other person warrants or guarantees the future performance of ImpediMed or any return on any investment made pursuant to this Prospectus, or on the exercise of the New Options issued under this Prospectus.

Risk Factors

Potential investors should be aware that subscribing for the New Securities and exercising any New Options involves a number of risks. The key risk factors which investors should be aware are set out in Section 8 of this Prospectus. These risks, together with other general risks applicable to all investments in listed and unlisted securities, which are not specifically referred to, may affect the value of the New Securities in the future.

Forward-looking statements

This Prospectus contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to the financial condition, results of operations, projects and business of ImpediMed, certain plans and objectives of the management of ImpediMed, projected earnings, revenue, growth, outlook, plans and strategies, the timing and outcome of the Entitlement Offer and the use of proceeds as well as guidance regarding future financial results for ImpediMed's business.

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

Foreign jurisdictions

The Entitlement Offer is not being extended to Shareholders in jurisdictions outside Australia and New Zealand, other than to Eligible Institutional Shareholders and certain other institutional investors as part of the Institutional Entitlement Offer and the institutional shortfall bookbuild. New Zealand investors should refer to section 10.5.1 for additional information for New Zealand investors. No action has been taken to register, or otherwise permit, the offer of New Securities to be made under the laws of any jurisdiction outside of Australia and New Zealand. In particular, the New Securities offered under the Entitlement Offer have not been, and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. It is your responsibility to ensure that you comply with any laws of your jurisdiction which are applicable to you and which are relevant to your applying for New Securities under the Entitlement Offer.

The distribution by you of this Prospectus (including an electronic copy) outside Australia and New Zealand may be restricted by law. 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.

This Prospectus has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and until so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Hedging transactions involving any securities described in this Prospectus may not be conducted unless in compliance with the U.S. Securities Act.

No recommendation

The Entitlement Offer is not a recommendation to acquire New Securities. This Prospectus 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 Securities under the Entitlement Offer.

No financial product advice

This Prospectus 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 Securities 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 Prospectus, 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 Prospectus have the meanings given in Section 11.

A reference to time in this Prospectus is to Sydney time, unless otherwise stated.

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

Photographs and diagrams

Any photographs used in this Prospectus without descriptions are only for illustration. Any diagrams used in this Prospectus may not be drawn to scale. Any assets depicted in photographs in this Prospectus are not assets of ImpediMed unless otherwise stated.

Privacy

If you apply for New Securities, you will provide personal information to ImpediMed and the Share Registry. ImpediMed and the Share Registry collect, hold and use your personal information in order to assess your application, service your needs as a holder of the Shares and Options (**Securityholder**), provide facilities and services that you request and carry out appropriate administration. Company and tax laws require some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Each of ImpediMed and the Share Registry may disclose your personal information for purposes related to your Share and Option holding to each other and to their respective agents and services providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- in the case of ImpediMed, to the Share Registry for ongoing administration of the Share and Option registers; and
- in the case of ImpediMed and the Share Registry, to printers and mailing houses for the purposes of preparation and distribution of Securityholder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) ImpediMed or the Share Registry. You can request access to your personal information by emailing or writing to ImpediMed through the Share Registry as follows:

ImpediMed Medical, Inc.
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
Email: registrars@linkmarketservices.com.au

Date of this document

This Prospectus is dated 2 April 2020.

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Chairman's Letter

2 April 2020

Dear Shareholder

ImpediMed is pleased to invite you to participate in a 13 for 10 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in ImpediMed (**New Shares**) at an offer price of \$0.0375 per New Share (**Offer Price**). Subscribers will be further issued with 1 free unquoted Option for every 1 New Share subscribed for (**New Options**). The offer is comprised of an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**) (together the **Entitlement Offer**).

On behalf of the directors of ImpediMed, I invite you to participate in the Entitlement Offer.

Details of the Entitlement Offer

Canaccord Genuity (Australia) Limited (**Canaccord**) and Wilsons Corporate Finance Limited (**Wilsons**) have been appointed as joint lead managers for the Entitlement Offer pursuant to a joint lead manager mandate dated 17 March 2020. Morgans Financial Limited (**Morgans**) is acting as a co-manager.

The Institutional Entitlement Offer is underwritten to the amount of approximately \$8.0 million by Canaccord and Wilsons on the terms set out in the Underwriting Agreement. In addition, signed pre-commitment letters to subscribe for New Shares and New Options under the Institutional Entitlement Offer and institutional bookbuild have been received from Eligible Institutional Shareholders and Institutional Investors for an aggregate amount of approximately \$2.0 million (**Committed Component**). A maximum of approximately a further \$14.9 million may be raised through the Retail Entitlement Offer (if fully subscribed). The Retail Entitlement Offer is not underwritten.

The Company acknowledges that the Entitlement Offer involves a relatively large offer ratio. Nonetheless, the Company believes, in all the circumstances, the structure of the Entitlement Offer is necessary to secure the underwriting and maximise the prospect of the success of the Entitlement Offer and is in the interest of Shareholders.

The proceeds from the Entitlement Offer will be used towards:

- (a) the commercialisation and reimbursement of lymphoedema application in the U.S. market;
- (b) the commercialisation of heart failure application;
- (c) the development and commercialisation of renal failure application;
- (d) data and software enhancements;
- (e) clinical trials; and
- (f) general working capital purposes.

The Offer Price represents:

- (g) a 23.7% discount to the 10-day volume weighted average price (**VWAP**); and
- (h) a 54.4% discount to the 30-day VWAP.

Each of the Australian-resident Directors (Judith Downes and Robert Graham) have committed to take up all of their pro rata entitlement under the Retail 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.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. Shareholders that do not take up their Entitlements in full will not receive any value in respect of those Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares and New Options.

Other information

This Prospectus contains important information regarding the Entitlement Offer, and I encourage you to read it carefully before making any investment decision, having particular regard to the “Risk Factors” outlined in Section 8 of this Prospectus.

This Prospectus is a “transaction-specific” prospectus to which the special content rules under section 713 of the Corporations Act apply. This allows the issue of a concise prospectus in relation to an offer of securities, or options to acquire securities, that are in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. This Prospectus does not include all of the information that would be included for an initial public offering of securities. Accordingly, you should have regard to ImpediMed’s recent announcements on ASX (available at www.asx.com.au).

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional advisor to evaluate whether or not to participate in the Entitlement Offer.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you are an Eligible Retail Shareholder and decide to take this opportunity to increase your investment in ImpediMed please ensure that, before 5.00pm (Sydney time) on Wednesday, 22 April 2020, you have paid your Application Monies, preferably via BPAY® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Prospectus when it is dispatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry.

For further information on the Entitlement Offer you can call the Entitlement Offer Information Line on 1300 912 776 (within Australia) or +61 1300 912 776 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

On behalf of the board of ImpediMed, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of ImpediMed.

Yours sincerely

Scott R. Ward
Non-executive Chairman

Key Dates

Event	Date
Announcement of Entitlement Offer, lodgement of Prospectus with ASIC and ASX; opening of Institutional Entitlement Offer	Thursday, 2 April 2020
Institutional Entitlement Offer closes	Thursday, 2 April 2020
Announcement of results of Institutional Entitlement Offer	Friday, 3 April 2020
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 3 April 2020
Record Date to determine entitlement to participate in the Entitlement Offer	7:00pm, Monday, 6 April 2020
Dispatch Prospectus and personalised entitlement and acceptance forms; Retail Entitlement Offer opens	Thursday, 9 April 2020
Settlement of Institutional Entitlement Offer	Thursday, 9 April 2020
Issue of Shares under Institutional Entitlement Offer	Tuesday, 14 April 2020
Retail Entitlement Offer closes (Retail Closing Date) (unless extended)	5:00pm, Wednesday, 22 April 2020
Advise ASX of results of Retail Entitlement Offer	Monday, 27 April 2020
Issue of Shares under Retail Entitlement Offer	Wednesday, 29 April 2020
Shares under Retail Entitlement Offer commence trading on ASX on a normal basis	Thursday, 30 April 2020
Dispatch of holding statements	Friday, 1 May 2020

Dates and times in this Prospectus are indicative only and subject to change. All dates and times are references to Sydney time.

ImpediMed, with the consent of the Joint Lead Managers, 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 Retail 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 Retail Closing Date may have a consequential impact on the date that New Shares and New Options 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 Retail 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 and New Options. In that event, Application Monies (without interest) would be returned to Applicants.

1 Investment Overview

1.1 Overview of the Entitlement Offer

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
What is the Entitlement Offer?	<p>Under the Entitlement Offer, the Company is offering Eligible Shareholders the opportunity to subscribe for 13 New Shares for every 10 Existing Shares held at 7.00pm (Sydney time) on Monday, 6 April 2020, at the Offer Price of \$0.0375 per New Share. For every 1 New Share issued, Eligible Shareholders will be issued 1 free New Option, exercisable at a price of \$0.0375 (3.75 cents) each.</p> <p>The Entitlement Offer is comprised of two parts:</p> <ul style="list-style-type: none">• The Institutional Entitlement Offer – under which Eligible Institutional Shareholders are invited to take up all or part of their Entitlement and a bookbuild process to sell New Shares and New Options in respect of Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares and New Options in respect of Entitlements of Ineligible Institutional Shareholders to certain Eligible Institutional Shareholders and Institutional Investors at the Offer Price.• The Retail Entitlement Offer – under which Eligible Retail Shareholders are invited to take up all or part of their Entitlement. <p>The Institutional Entitlement Offer is underwritten to the amount of \$8.0 million by Canaccord and Wilsons on the terms set out in the Underwriting Agreement. Approximately a further \$2.0 million (before costs and expenses) is expected to be raised under the Committed Component of the Institutional Entitlement Offer. A maximum of approximately a further \$14.9 million (before costs and expenses) under the Retail Entitlement Offer may also be raised.</p>	Section 5.1
What is the purpose of the Entitlement Offer?	<p>The funds raised from the Entitlement Offer will be used towards:</p> <ul style="list-style-type: none">• Commercialisation and reimbursement of lymphoedema application in the U.S. market;• Commercialisation of heart failure application;• Development and commercialisation of renal failure application;• Data and software enhancements;	Section 7.1

Question	Response	Where to find more information
	<ul style="list-style-type: none"> • Clinical trials; and • General working capital purposes. 	
Am I an Eligible Shareholder?	<p>An Eligible Institutional Shareholder is a Shareholder on the Record Date who is an Institutional Investor and who:</p> <ul style="list-style-type: none"> • is not in the United States; • is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and • has successfully received an offer under the Institutional Entitlement Offer. <p>Eligible Retail Shareholders are Shareholders who:</p> <ul style="list-style-type: none"> • are registered as holders of Existing Shares on the Record Date; • have a registered address on ImpediMed's share register in Australia or New Zealand; • are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States; • were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and • are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer. 	Sections 5.2 and 5.4
Is the Entitlement Offer underwritten?	<p>The Institutional Entitlement Offer is underwritten to the amount of \$8.0 million by Canaccord and Wilsons on the terms set out in the Underwriting Agreement.</p> <p>In addition, signed pre-commitment letters to subscribe for New Shares and New Options under the Institutional Entitlement Offer and institutional bookbuild have been received from Eligible Institutional Shareholders and Institutional Investors for the aggregate amount of \$2.0 million.</p> <p>The Retail Entitlement Offer is not underwritten.</p>	Section 10.8
What will be the effect of the Entitlement Offer on control of the Company?	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.	Section 7.6
How do I apply for New Shares and New Options under the Entitlement Offer?	If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (Sydney time) on Monday, 6 April 2020.	Section 6

Question	Response	Where to find more information
Can I sell my Entitlements under the Entitlement Offer?	No. The Entitlement Offer is non-renounceable, meaning that Entitlements are not able to be traded or transferred, and any Entitlements not taken up will lapse and no value will be received for them.	Section 5.3
How can I obtain further information?	For further information on the Entitlement Offer you can call the Entitlement Offer Information Line on 1300 912 776 (within Australia) or +61 1300 912 776 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.	

1.2 Key Risks

Investors should be aware that subscribing for New Shares and New Options in the Company involves a number of risks. The below and other risks set out in Section 8 may affect the value of the New Shares and New Options in the future, and investing in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares and New Options under this Prospectus.

Key Risk	Description	Where to find more information
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 2020 financial year while it focuses on the U.S. commercialisation of L-Dex and the rollout of SOZO for lymphoedema, along with the continuing clinical trials.	Section 8.1.1
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.	Section 8.1.2
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.	Section 8.1.3
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. 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.	Section 8.1.4
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. 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.	Section 8.1.5

Sales and marketing	ImpediMed sells its products by using a mix of employed sales representatives and independent distributors. 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. ImpediMed's future success also depends in part on its ability to hire and retain a qualified sales force. In addition, ImpediMed's sales and marketing efforts often require physical access to customer sites, which are predominantly within large hospital systems.	Section 8.1.6
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). 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.	Section 8.1.9
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. 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.	Section 8.1.10
Subscription model	ImpediMed has transitioned to a Software as a Service subscription business model, which presents a number of potential risks.	Section 8.1.12

Outbreak of health pandemic	ImpediMed's target customers and independent distributors are beginning to implement heightened security policies which may inhibit ImpediMed's ability to access hospitals or clinics for the purposes of selling products and may cause delays of orders for products and negatively affect revenues. Furthermore, there is a risk that the diagnosis and treatment of other health conditions, such as lymphedema, could be reduced and hospital staffing reallocated in response to the spread of COVID-19. At this point in time, there is uncertainty relating to the potential effect of COVID-19 on ImpediMed's business. Infections may become more widespread and should that limit ImpediMed's ability to sell products or cause supply disruptions, it would have a negative impact on ImpediMed's business, financial condition and operating results.	Section 8.2.4
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2 Important Notes

This Prospectus is dated 2 April 2020 and was lodged with ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by ImpediMed in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares and the New Options the subject of this Prospectus should be considered speculative.

Applications by Eligible Retail Shareholders for New Shares and the New Options offered pursuant to this Prospectus will only be accepted following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that ImpediMed is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3 Company Update

3.1 COVID-19

The Company has been monitoring the COVID-19 situation and taking advice in relation to the outbreak to ensure the health and safety of the Company's people, customers and other stakeholders and to mitigate the potential impacts on the business.

The Company has not to date experienced any material adverse impact from COVID-19, and in particular, the Company has not experienced delays in placement of new devices with customers. Nonetheless, the Company has been closely monitoring the situation, having regard to any uncertainty relating to the future potential effect of COVID-19 on business.

In the short term, the restrictions in the United States in response to the spread of the COVID-19 virus is likely to impact the Company, including its ability to access hospitals or clinics for the purposes of selling its products and to supply its products from its primary distribution facilities. The related financial impact of the coronavirus, however, cannot be reasonably estimated at this time.

3.2 Company guidance

ImpediMed's operating performance in the third quarter of FY2020 has been broadly in line with Company expectations. The Company anticipates:

- Total revenue is expected to be within a range of A\$1.5 - 1.8 million;
- Contracted Revenue Pipeline is expected to be up ~20%+ from the December 2019 quarter to within a range of A\$11.5 – 12.0 million;
- Annual Recurring Revenue is expected to be up ~29%+ from the December 2019 quarter to within a range of A\$5.4 – 5.6 million; and
- Net Operating Cash outflow for the third quarter of FY2020 is expected to be within a range of A\$5.6 – 5.8 million, which is above the range of A\$4.8 – 5.2 million, primarily due to unrealised negative FX movements, cash receipts being at the low end of the range and some additional clinical trial and statistical data analysis spend.

Net Operating Cash outflow for the fourth quarter of FY2020 is expected to be within a range of A\$4.8 – 5.2 million, driven by higher cash receipts, cost reduction measures and decreased clinical trial spend.

The Company notes that with reduced frequency of cancer patients visiting hospitals during the COVID-19 situation, the actual number of tests performed is expected to decline. However this will not impact revenues as the Company's business is primarily delivered by subscription based Software as a Service model, which provides a level of surety with respect to monthly recurring revenues.

While any deviation from guidance previously provided is expected to be modest if at all, as a result of the escalation of measures taken by governments around the world, as well as the Company's customers, to prevent further spread of the virus, and the corresponding slowdown in economic activity, the Company believes it is prudent to note that it is unable to confirm FY2020 guidance at this time.

Consistent with many other companies during this time, ImpediMed has, and will continue to take, significant cost reduction measures, including:

- CEO cash salary temporarily reduced by an additional 30% (that is, in addition to the current program where CEO cash compensation has been reduced by 20% stock in lieu of cash, a total cash reduction of 50%).
- Executives' cash salaries temporarily reduced by an additional 10% (that is, in addition to the current program where cash compensation has been reduced by 20% stock in lieu of cash, a total cash reduction of 30%).
- Non-Executive Directors' fees will be reduced by 25%. As the Non-Executive Directors are currently paid in stock, the base fee used to calculate the number of Shares issued each quarter will be reduced in each case by 25%.
- Further staged reductions, if necessary, may also be made based on management's review of deteriorating business conditions during the COVID-19 situation.
- The restoration of compensation would be subject to Board approval, but these actions will remain in place while the COVID-19 situation continues to impact the United States healthcare market.

3.3 Additional disclosure

The Company has received a letter from the U.S. Securities Exchange Commission (**Commission**) advising that it had concluded its non-public, fact-finding inquiry in relation to a revenue recognition impairment in FY2018 (as previously announced to the ASX on 27 June 2019). The Commission does not intend to recommend an enforcement action by the Commission against the Company based on the information the Commission had as of the date of the letter.

The Company is in early discussions with a variety of counterparties to explore different opportunities. These vary from a joint development agreement, a licence agreement and a sales and marketing agreement.

Separately, from time to time, the Company is also approached by parties seeking some access to information to conduct due diligence on the Company.

At this stage, all such discussions are preliminary only and there is no assurance that any transaction with any counterparty will eventuate.

4 Investment Summary

Entitlement Offer	
Ratio	13 New Shares for every 10 Existing Shares held on the Record Date and 1 New Option for every 1 New Share subscribed for.
Offer Price	\$0.0375 per New Share
New Options	Exercisable in whole or part on 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021 at a price of \$0.0375.

As the Retail Entitlement Offer is not underwritten, the total amount which ImpediMed may raise under the Entitlement Offer is not known. The table below sets out the range of potential outcomes under the Entitlement Offer:

	Number of New Shares	Number of New Options	A\$*
Underwritten Component of the Institutional Entitlement Offer	212,010,077	212,010,077	\$7,950,378
Committed Component of the Institutional Entitlement Offer	54,221,177	54,221,177	\$2,033,294
Retail Entitlement Offer	0 – 398,132,845	0 – 398,132,845	0 - \$14,929,982
Total	266,231,254 – 664,364,099	266,231,254 – 664,364,099	\$9,983,672 – \$24,913,654

* Excludes the amounts which may be raised on exercise of the New Options.

Summary of options available to Eligible Retail Shareholders

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an **“Ineligible Retail Shareholder”**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
Take up all of your Entitlement	You may elect to purchase New Shares at the Offer Price and New Options (see Section 6.1.2 for instructions on how to take up your Entitlement).
Take up part of your Entitlement	<p>If you only take up part of your Entitlement, the part not taken up will lapse.</p> <p>If you do not take up your Entitlement in full:</p> <ul style="list-style-type: none"> • you will not receive any payment or value for those Entitlements not taken up. • you will have your percentage holding in ImpediMed reduced as a result of dilution by the New Shares issued under the Entitlement Offer. <p>You may also be further diluted by the exercise of New Options.</p>
Do nothing, in which case your Entitlement will lapse and you will receive no value for the lapsed Entitlement	If you do not take up your Entitlement, you will not be allocated New Shares and New Options and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can the Entitlement be privately transferred.

5 Overview of the Entitlement Offer

5.1 Overview

Under the Entitlement Offer, ImpediMed is offering Eligible Shareholders the opportunity to subscribe for 13 New Shares for every 10 Existing Shares held at 7.00pm (Sydney time) on Monday, 6 April 2020, at the Offer Price of \$0.0375 per New Share. For every 1 New Share issued, Eligible Shareholders will be issued 1 free New Option, exercisable at a price of \$0.0375 (3.75 cents) each.

The Offer Price of \$0.0375 per New Share represents:

- (a) a 23.7% discount to the 10-day volume weighted average price (**VWAP**); and
- (b) a 54.4% discount to the 30-day VWAP.

The Company acknowledges that the Entitlement Offer involves a relatively large offer ratio. Nonetheless, the Company believes, in all the circumstances, the structure of the Entitlement Offer is necessary to secure the underwriting and maximise the prospect of the success of the Entitlement Offer and is in the interest of the Company's Shareholders.

The Entitlement Offer is comprised of two parts:

- (c) **The Institutional Entitlement Offer** – under which Eligible Institutional Shareholders are invited to take up all or part of their Entitlement and a bookbuild process to sell New Shares and New Options in respect of Entitlements not taken up by Eligible Institutional Shareholders.
- (d) **The Retail Entitlement Offer** – under which Eligible Retail Shareholders are invited to take up all or part of their Entitlement.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

The Institutional Entitlement Offer is underwritten by the Underwriters on the terms and conditions of the Underwriting Agreement (see Section 10.8 for more details). The Retail Entitlement Offer is not underwritten.

5.2 Institutional Entitlement Offer

The Institutional Entitlement Offer will be conducted pursuant to this Prospectus and will close on Thursday, 2 April. Settlement of the Institutional Entitlement Offer is expected to occur on Thursday, 9 April 2020.

The Institutional Entitlement Offer is underwritten to the amount of \$8.0 million by Canaccord and Wilsons on the terms set out in the Underwriting Agreement. Approximately a further \$2.0 million (before costs and expenses) is expected to be raised under the Committed Component of the Institutional Entitlement Offer.

The Underwriters will separately provide Eligible Institutional Shareholders the details of their Entitlements and how to apply under the Institutional Entitlement Offer.

An **Eligible Institutional Shareholder** is a Shareholder on the Record Date who is an Institutional Investor and who:

- (a) is not in the United States;
- (b) is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- (c) has successfully received an offer under the Institutional Entitlement Offer.

5.3 Retail Entitlement Offer

The Retail Entitlement Offer opens on Thursday, 9 April 2020. The Prospectus will be dispatched on Thursday, 9 April 2020, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (Sydney time) on Wednesday, 22 April 2020.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 13 New Shares for every 10 Existing Shares held on the Record Date.

Subscribers will be issued with 1 free unquoted New Option for every 1 New Share subscribed for. The New Options are exercisable at 3.75 cents (\$0.0375) per New Share. The terms and conditions of the New Options are set out in Section 9.2.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

ImpediMed currently expects that New Shares will be issued by Wednesday, 29 April 2020 and that holding statements will also be posted by Friday, 1 May 2020.

No shortfall facility is being offered to Eligible Retail Shareholders.

5.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders who:

- (a) are registered as holders of Existing Shares as at 7.00 pm (Sydney time) on the Record Date;
- (b) have a registered address on ImpediMed's share register in Australia or New Zealand;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail Shareholders who do not satisfy the above criteria are Ineligible Retail Shareholders.

ImpediMed has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such

Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

5.5 Entitlements of Eligible Retail Shareholders

A personalised Entitlement and Acceptance Form setting out the number of New Shares for which you are entitled to subscribe (calculated as 13 New Shares for every 10 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) will accompany this Prospectus when it is dispatched to Eligible Retail Shareholders. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent an Entitlement and Acceptance Form for each separate registered holding, and you will have separate Entitlements for each separate registered holding.

5.6 Ranking of New Shares

When issued, the New Shares will be fully paid and will rank equally with all other outstanding Shares.

5.7 Allotment

ImpediMed will apply for quotation of the New Shares on ASX in accordance with ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, ImpediMed will repay all Application Monies (without interest).

Trading of New Shares under the Retail Entitlement Offer will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Wednesday, 29 April 2020. Application Monies will be held by ImpediMed on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Thursday, 30 April 2020.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

5.8 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe they own more Shares than they actually do or are otherwise entitled to more New Shares and New Options than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that ImpediMed may need to issue a small quantity of additional New Shares and New Options to ensure all Eligible Shareholders receive their full Entitlement. The price at which these additional New Shares would be issued, if required, is the Offer Price.

ImpediMed also reserves the right to reduce the number of New Shares and New Options allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

6 How to participate

6.1 Options available to Eligible Retail Shareholders

Before taking any action you should carefully read this Prospectus and the other publicly available information about the Company and consider the risk factors in Section 8.

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form that will accompany this Prospectus when it is dispatched to you. There is no minimum subscription you are required to apply for.

Eligible Retail Shareholders may:

- (a) take up their Entitlement in full (refer to Section 6.1.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 6.1.3); or
- (c) allow their Entitlement to lapse (refer to Section 6.1.4).

ImpediMed reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Retail Closing Date.

The Retail Closing Date for acceptance of the Retail Entitlement Offer is 5.00pm (Sydney time) on Wednesday, 22 April 2020 (however, that date may be varied by ImpediMed, in accordance with ASX Listing Rules and the Underwriting Agreement).

6.1.2 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (Sydney time) on Wednesday, 22 April 2020.

Refund amounts, if any, (but only where the excess amount is \$2.00 or greater) will be paid in Australian dollars by cheque sent by ordinary post to your address as recorded on the share register or by direct credit to the nominated bank account as noted on the share register.

6.1.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, payment for the number of New Shares you wish to be allocated must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If ImpediMed receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your Application Monies will pay for in full and any excess will be refunded to you (without interest). Alternatively your Application may not be accepted.

If you do not take up your Entitlement in full, any part of your Entitlement which you do not take up will lapse and you will not receive any New Shares and New Options under the Retail Entitlement Offer in respect of that part of your Entitlement.

6.1.4 Allowing your full Entitlement to lapse

If you do not wish to accept any of your Entitlement, do not take any further action and your full Entitlement will lapse.

6.2 Consequences of not accepting all or part of Entitlement

By allowing part or all of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement in full and you will not receive any value for any part of your Entitlement which lapses. Your interest in ImpediMed will also be diluted.

6.3 Payments under Retail Entitlement Offer

Payment should be made using BPAY® if possible. New Zealand shareholders who do not have an Australian bank account will be able to pay by cheque, bank draft or money order (see below at Section 6.5).

Cash payments will not be accepted. Receipts for payment will not be issued.

ImpediMed will treat you as applying for as many New Shares and New Options as your payment will pay for in full up to your Entitlement.

Any refunds in respect of Application Monies will be made as soon as practicable after the close of the Retail Entitlement Offer (but only where the excess amount is \$2.00 or greater). No interest will be paid to applicants on any Application Monies received or refunded.

6.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on the front of your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares and New Options on the Entitlement to which the CRN applies.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 6.6; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of as many New Shares and New Options as your Application Monies will pay for in full.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 22 April 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

6.5 If you are unable to pay by BPAY®

ImpediMed encourages payments by BPAY® if possible.

To pay by cheque, bank draft or money order you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “ImpediMed Limited” and crossed “Not Negotiable”.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 22 April 2020. You must ensure cleared funds are held in your account as your cheque will be banked as soon as practicable after it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.0375 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian dollars drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed as soon as it is received. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application may not be accepted.

If you make payment via cheque, you should mail your completed personalised Entitlement and Acceptance Form together with the cheque to:

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

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at ImpediMed's registered or corporate offices or other offices of the Share Registry.

6.6 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares and New Options on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares and New Options. ImpediMed's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

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

- (a) you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus, and ImpediMed's Constitution;
- (c) you authorise ImpediMed to register you as the holder(s) of New Shares and New Options allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age (if you are a natural person) and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) once ImpediMed receives your personalised 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;
- (g) you agree to apply for and be issued up to the number of New Shares and New Options specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (h) you authorise ImpediMed, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
 - (A) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of ImpediMed; and
 - (B) ImpediMed and its affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (k) the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares and New Options are suitable for you given your investment objectives, financial situation or particular needs;

- (l) you have read and understand the statement of risks in Section 8 of this Prospectus, and that investments in ImpediMed are subject to risk;
- (m) neither ImpediMed, nor its related bodies corporate and affiliates and its directors, officers, partners, employees, representatives, agents, consultants or advisors, warrants or guarantees the future performance of ImpediMed, nor do they guarantee any return on any investment made pursuant to the Entitlement Offer;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise ImpediMed to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant (for the benefit of ImpediMed and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) you represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and New Options and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you represent and warrant (for the benefit of ImpediMed and its related bodies corporate and affiliates) that you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares and New Options under the Retail Entitlement Offer;
- (s) you acknowledge that the Entitlements and the New Shares and New Options have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly, the Entitlements may not be taken up or exercised by a person in the United States, and the New Shares and New Options may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- (t) you acknowledge that you are subscribing for the Entitlements and the New Shares and New Options in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (u) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States;
- (v) you agree that if in the future you decide to sell or otherwise transfer the New Shares and New Options, you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and

(w) you make all other representations and warranties set out in this Prospectus.

6.7 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable in any Australian State or Territory for subscribing for New Shares and New Options under the Retail Entitlement Offer.

6.8 Notice to Nominees and Custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from ImpediMed. Nominees and custodians should carefully consider the contents of that letter and note, in particular, that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

ImpediMed is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. ImpediMed is not able to advise on foreign laws.

6.9 Eligible Institutional Shareholders

The Underwriters will provide to Eligible Institutional Shareholders the details of their Entitlements and how to apply under the Institutional Entitlement.

6.10 Withdrawal of the Entitlement Offer

Subject to applicable law, ImpediMed reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares and New Options, in which case ImpediMed will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

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.

6.11 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Entitlement Offer Information Line on 1300 912 776 (within Australia) or +61 1300 912 776 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional advisor.

6.12 Overseas Securityholders

This Prospectus is only intended to be distributed and made available to existing Shareholders of ImpediMed and is personal to each Shareholder to whom it has been delivered. The Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for ImpediMed to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and securities will not be issued to Shareholders outside Australia and New Zealand, other than to Eligible Institutional Shareholders and certain other Institutional Investors as part of the Institutional Entitlement Offer and institutional shortfall bookbuild.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the securities the subject of this Prospectus or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand.

If you are outside Australia and New Zealand it is your responsibility to obtain all necessary approvals for the issue of securities pursuant to this Prospectus. The return of a completed Application and Entitlement and Acceptance Form will be taken by ImpediMed to constitute a representation and warranty by you that all relevant approvals have been obtained.

7 Effect of the Entitlement Offer on ImpediMed

7.1 Purpose and use of funds

The Institutional Entitlement Offer is underwritten to the amount of \$8.0 million by Canaccord and Wilsons on the terms set out in the Underwriting Agreement (**Underwritten Component**). Approximately a further \$2.0 million (before costs and expenses) is also expected to be raised under the Committed Component of the Institutional Entitlement Offer and a maximum of approximately a further \$14.9 million (before costs and expenses) may be raised under the Retail Entitlement Offer.

The funds raised from the Entitlement Offer will be used towards:

- (a) Commercialisation and reimbursement of lymphoedema application in the U.S. market;
- (b) Commercialisation of heart failure application;
- (c) Development and commercialisation of renal failure application;
- (d) Data and software enhancements;
- (e) Clinical trials; and
- (f) General working capital purposes.

As the Retail Entitlement Offer is not underwritten, the proceeds under the Retail Entitlement Offer may be a lesser amount or may be zero (depending on take up by Eligible Retail Shareholders). If both the Institutional Entitlement Offer and the Retail Entitlement Offer are fully subscribed, such that the maximum number of New Options are issued under the Entitlement Offer and all such New Options are exercised, a further \$14.7 million would be raised and will be directed towards the same uses as set out above.

7.2 Effect of the Entitlement Offer

The principal effect of the Entitlement Offer will be to:

- (a) increase the total number of Shares on issue by a maximum of 664,364,100 Shares, from 511,049,307 Shares, to a maximum of 1,175,413,407 Shares, assuming that all New Shares offered under the Institutional Entitlement Offer are issued, none of the New Options are exercised and all New Shares offered under the Retail Entitlement Offer are issued;
- (b) increase the number of Options on issue by a maximum of 664,364,100 Options, from 37,221,054 Options to a maximum of 701,585,54 Options, assuming that all New Options offered under the Institutional Entitlement Offer are issued and all New Options offered under the Retail Entitlement Offer are issued;
- (c) if the Institutional Entitlement Offer is fully subscribed, increase cash reserves by up to approximately \$10.0 million immediately after completion of the Institutional Entitlement Offer; and

- (d) if the Retail Entitlement Offer is fully subscribed, increase cash reserves by up to approximately \$14.9 million immediately after completion of the Retail Entitlement Offer.

Section 7.4 provides further details on the effect of the Entitlement Offer on the capital structure of ImpediMed.

7.3 Financial Impact

The reviewed consolidated balance sheet as at 31 December 2019 and the unaudited and reviewed pro forma consolidated balance sheet as at 31 December 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro forma consolidated balance sheet has been prepared, assuming:

- (a) the amount raised under the Institutional Entitlement Offer is equal to the aggregate of the Underwritten Component and the Committed Component, such that 266.2 million New Shares are issued under the Institutional Entitlement Offer at \$0.0375 per New Share to raise gross proceeds of approximately \$10.0 million;
- (b) no Options are exercised prior to the Record Date;
- (c) the estimated costs and expenses of the Entitlement Offer being approximately \$0.9 million (excluding GST); and
- (d) no New Options are exercised following completion of the Entitlement Offer.

In addition to the assumptions set out above, the column at the right of the pro forma consolidated balance sheet has been prepared assuming 25% and 100% take up of Entitlements under the Retail Entitlement Offer. As the Retail Entitlement Offer is not underwritten, it is unlikely that there will be 100% take up of Entitlements, however, a range of potential outcomes is shown.

The pro forma consolidated balance sheet has been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in abbreviated form and does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements prepared in accordance with the Corporations Act. It should be read in conjunction with the risk disclosures in Section 8.

Pro Forma Balance Sheet¹

(A\$'000)	Reviewed Actual 31-Dec- 19	Unaudited Institutional Entitlement Offer	Unaudited Costs	Unaudited Pro forma 31- Dec-19	Unaudited Pro forma 31-Dec-19 25%-100% ² take-up of Retail Entitlement Offer
Current Assets					
Cash and cash equivalents	\$12,971	\$10,000	\$(900)	\$22,071	\$25,804 – \$37,001
Other Current Assets	4,153			4,153	4,153
Total Current Assets	17,124	10,000	(900)	26,224	29,957 – 41,154
Total Non-Current Assets	7,512			7,512	7,512
Total Assets	24,636	10,000	(900)	33,736	37,469 – 48,666
Total Current Liabilities	6,082			6,082	6,082
Total Non-Current Liabilities	588			588	588
Total Liabilities	6,670			6,670	6,670
Net Assets	17,966	10,000	(900)	27,066	30,799 – 41,996
Total Equity	17,966	10,000	(900)	27,006	30,799 – 41,996

Notes:

1. The pro forma balance sheet is illustrative as of 31 December 2019 and reflects the actual balance of cash and cash equivalents of \$13.0 million as of that date. ImpediMed's cash balance declined to \$7.0 million as of 29 February 2020. On a pro forma basis as of 29 February 2020, the Company's cash balance subsequent to the transactions contemplated under this Prospectus would be \$17.4 million. Management anticipates this funding will be sufficient to fund the Company's growth for at least the next 6-9 months.
2. A 25% take up of Entitlements under the Retail Entitlement Offer will result in the issue of approximately 99.5 million New Shares at \$0.0375 per New Share to raise gross proceeds of approximately \$3.7 million, and a 100% take up of Entitlements under the Retail Entitlement Offer will result in the issue of approximately 398.1 million New Shares at \$0.0375 per New Share to raise gross proceeds of approximately \$14.9 million.

7.4 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. As the Retail Entitlement Offer is not underwritten, the total number of New Shares to be issued under the Entitlement Offer is not yet known.

The following table sets out the number of issued Shares on the date of the announcement, Thursday, 2 April 2020 (**Announcement Date**), and, subject to the rounding of fractional entitlements under the Entitlement Offer, the number of issued Shares that may be issued at the completion of the Entitlement Offer.¹

¹ Assumes that the amount raised under the Institutional Entitlement Offer is equal to the aggregate of the Underwritten Component and the Committed Component and there is 0% to 100% take up under the Retail Entitlement Offer.

Shares	Number
On issue at the Announcement	511,049,307
Underwritten Component of the Institutional Entitlement Offer	212,010,077
Committed Component of the Institutional Entitlement Offer	54,221,177
Retail Entitlement Offer	0 – 398,132,845
Total Shares on issue on completion of the Entitlement Offer	777,280,561 – 664,364,099

In addition, as at the Announcement Date, there are a total of 37,181,054 unquoted Options and 9,393,175 performance rights. The following table sets out the potential effect of the Entitlement Offer on the number of unquoted options.²

Options	Number
On issue at the Announcement Date	37,181,054
Underwritten Component of the Institutional Entitlement Offer	212,010,077
Committed Component of the Institutional Entitlement Offer	54,221,177
Retail Entitlement Offer	0 – 398,132,845
Total Options on issue on completion of the Entitlement Offer	303,412,208 – 664,364,099

7.5 Effect on Shareholders

As at the Announcement Date, ImpediMed has 511,049,307 Shares, 37,181,054 Options and 9,393,175 performance rights on issue.

The extent to which the Entitlement Offer has any further effect on the percentage holdings of Shareholders will be dependent on:

- the amount raised under the Entitlement Offer; and
- the extent to which Eligible Shareholders participate in the Entitlement Offer.

In particular:

- Shareholders who are not eligible to participate in the Entitlement Offer and Eligible Shareholders who do not take up their full pro rata entitlement under the Entitlement Offer will have their percentage holding in ImpediMed diluted relative to those Eligible Shareholders who subscribe for some or all of their pro rata entitlement. Such holders' interests may be further diluted through the exercise of New Options.
- If all Eligible Shareholders take up their full pro rata entitlement under the Entitlement Offer then the percentage holding of those Shareholders will be unchanged. If some holders do not exercise their New Options and others do however, then those holders will be diluted.

² See footnote 4.

7.6 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 arrangements in place for the Institutional Entitlement Offer, and the nature of the 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.

7.7 Details of Substantial Shareholders

Based on publicly available information, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Name	Number of Existing Shares held	% of Existing Shares
Allan Gray Australia Pty Limited and its related bodies corporate	68,550,246	13.41%
Paradice Investment Management	28,670,197	5.61%
National Nominees Limited ACF Australian Ethical Investment	27,759,024	5.43%

The above named persons have indicated that they intend to participate in the Entitlement Offer.

The effect on the control of the Company if the above named persons subscribe for their Entitlements is set out below:

Name	Voting power if Entitlements up to the aggregate amount of the Underwritten Component and the Committed Component are subscribed for	Voting power if the Entitlement Offer is 100% subscribed
Allan Gray Australia Pty Limited and its related bodies corporate	16.56%	10.95%
	Assumes subscription for 72,731,706 New Shares to raise \$2,727,439	Assumes subscription for 72,731,706 New Shares to raise \$2,727,439
National Nominees Limited ACF Australian Ethical Investment	7.71%	5.10%
	Assumes subscription for 26,666,667 New Shares to raise \$1,000,000	Assumes subscription for 26,666,667 New Shares to raise \$1,000,000
Paradice Investment Management	8.48%	5.61%
	Assumes subscription for 37,271,257 New Shares to raise \$1,397,672	Assumes subscription for 37,271,257 New Shares to raise \$1,397,672

Note: The above table assumes that no Shareholder exercises any Options (including any New Options)

8 Risk Factors

This section identifies what the Directors regard as major risks, which may materially and adversely affect the future operating and financial position of ImpediMed and the value of Shares. You should carefully consider the following risk factors, as well as the other information contained in this Prospectus before making an investment decision.

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

8.1 Company Specific Risks

In addition to the general risks noted in Section 8.2 of this Prospectus, investors should be aware of the specific risks of an investment in ImpediMed. These specific risks include, but are not limited to, those risks referred to below.

8.1.1 *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 2020 financial year while it focuses on the U.S. 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:

- the acceptance and rate of adoption by hospitals and clinicians of L-Dex and SOZO, particularly in the US;
- progress in completing clinical trials for SOZO for lymphoedema and expanding the use of SOZO technology to HF and other indications;
- acceptance by U.S. healthcare payers of the reimbursement of L-Dex, including private health insurers' payment of claims for L-Dex; and
- 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 U.S. 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.

8.1.2 *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 U.S. 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 93702 is currently priced at US\$140.75 for the 2020 National Physician Payment for each test. However, levels of reimbursement are subject to periodic review and payors, including U.S. Medicare, can, without notice, deny or reverse reimbursement coverage and payments.

Separately, institutions are 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 the inclusion of BIS in the NCCN Guidelines may assist in obtaining 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, there is no guarantee that this will occur.

8.1.3 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:

- regulatory clearances;
- the clinical trial outcomes;
- the level of support from target markets;
- the level of reimbursement coverage and payment;
- clinical profile of competitive products; and
- 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.

8.1.4 Adoption of SOZO for Heart Failure

The Company is relying on additional clinical data from 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.

8.1.5 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.

8.1.6 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 U.S. 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.

ImpediMed's future success also depends in part on its ability to hire and retain a qualified sales force. If ImpediMed is unsuccessful in adequately hiring and retaining a qualified sales force, sales may be lower than expected.

In addition, ImpediMed's sales and marketing efforts often require physical access to customer sites, which are predominantly within large hospital systems. Material adverse changes in public health and safety may cause delays or an inability of ImpediMed's employees to access customer sites, which may result in sales being lower than expected.

8.1.7 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:

- licensing and clearance requirements;
- regulations relating to clinical trials;
- manufacturing;
- product clearance; and
- pricing; including any tariffs and/or taxes,

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

8.1.8 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:

- issue warning letters;
- impose civil or criminal penalties;
- suspend ImpediMed's regulatory clearances or restrict or change the cleared indications for use or impose additional safety reporting requirements;
- suspend any of ImpediMed's ongoing clinical trials;
- refuse to approve pending applications or supplements to approved applications filed;
- 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
- 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.

8.1.9 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.

In addition, ImpediMed and its contract manufacturers may face changing macroeconomic conditions that could lead to an inability to source materials required in product builds or severe delays in the time required to manufacture product.

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.

8.1.10 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.

8.1.11 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.

8.1.12 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.

- 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.
- 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.

- 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.
- 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.
- 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.

8.1.13 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 bioimpedance products in the U.S. 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.

8.1.14 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:

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

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

- decreased demand for ImpediMed's products;
- injury to ImpediMed's reputation;

- withdrawal of clinical trial participants;
- costly litigation;
- substantial monetary awards to physicians or patients and others;
- loss of revenues; and
- 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.

8.1.15 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 and copyright 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.

8.1.16 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, which 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:

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

8.1.17 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.

8.1.18 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.

8.1.19 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 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.

8.1.20 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:

- delay;
- reduce the scope of; or
- eliminate,

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

ImpediMed is also potentially vulnerable to changes in investor sentiment pertaining to ImpediMed, overall sector or market volatility, or general macroeconomic conditions. Material adverse changes in investor sentiment could affect ImpediMed's ability to raise additional funds when required.

8.1.21 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.

8.1.22 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.

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.

8.1.23 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.

8.1.24 International operations

ImpediMed operates in Australia, the U.S. and Europe. Consequently, ImpediMed faces complex legal and regulatory requirements in multiple jurisdictions, which exposes ImpediMed to certain financial and other risks.

In some jurisdictions there can be high costs associated with compliance with the laws, rules and regulations, and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action.

8.2 General Risks

There are risks associated with any stock market investment. Some of these risks are listed below.

8.2.1 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 U.S. dollars. Future changes in the exchange rates in the jurisdictions in which ImpediMed operates may adversely impact ImpediMed's financial performance.

8.2.2 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 paragraphs 8.2.3 and 8.2.4 below, 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.

8.2.3 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, pandemics (including COVID-19), 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.

8.2.4 Outbreak of health pandemic

ImpediMed's business could be adversely impacted by the effects of COVID-19 (more commonly referred to as coronavirus) or other pandemics. ImpediMed's target customers and independent distributors are beginning to implement heightened security policies which may inhibit ImpediMed's ability to access hospitals or clinics for the purposes of selling products and may cause delays of orders for products and negatively affect revenues. Furthermore, there is a risk that the diagnosis and treatment of other health conditions, such as lymphedema, could be reduced and hospital staffing reallocated in response to the spread of COVID-19.

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

8.3 Other

Other risks include those normally found in conducting business, including litigation resulting from breach of agreements or in relation to employees or any other cause.

The above list of risk factors should not to be taken as exhaustive of the risks faced by ImpediMed or by investors in ImpediMed. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of ImpediMed and the value of the Shares.

Therefore, the Shares to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

9 Rights and liabilities attaching to securities

9.1 Rights and liabilities of Shareholders

The rights and liabilities attaching to securities issued by the Company, including Shares, are detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company or downloaded from the Company's website at www.impedimed.com. The following is a summary of the major provisions of the Constitution.

(a) Share issues

Subject to the Corporations Act, the Constitution and the ASX Listing Rules, the Board may issue securities in ImpediMed or grant options on such terms and conditions as the Board determines. The Board may determine that securities are to be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise.

(b) Transfer of securities

Subject to the Constitution, a Shareholder may transfer securities. The Directors may decline to register a transfer of securities where the Company is required to do so under the ASX Listing Rules or the Constitution.

(c) Lien and forfeiture

The Company has a lien on every Share for due and unpaid calls and instalments. The Company may forfeit or sell any Share on which the Company has a lien. The holder of the Share remains liable to pay to the Company all outstanding moneys, costs and interest.

(d) General meetings

General meetings of the Company may be called by the Board and held in the manner determined by the Board. Each Shareholder must be given notice of general meetings of ImpediMed.

(e) Voting rights

At a general meeting every Shareholder entitled to vote may vote in person or by proxy, attorney or representative. On a show of hands each Shareholder present has one vote. On a poll, each Shareholder present has one vote for each Share held and a fraction of a vote for each partly paid ordinary Share they hold. The Chairman does not have a casting vote.

(f) Variation of rights

If the share capital of the Company is divided into classes, the rights attaching to any class can only be altered by a special resolution passed at a separate meeting of the holders of the class of shares concerned, or with the written consent of the holders of at least 75% of the votes in that class of shares.

(g) Dividends

The Board may pay dividends to Shareholders, as determined by the Board, subject to the rights of, or any restrictions on, the holders of securities that have any special arrangement as to dividends. Interest is not payable on any

dividend. The Board may establish and maintain dividend plans. During a breach of the ASX Listing Rules, or of any escrow agreement entered into by the Company under the ASX Listing Rules in relation to restricted securities, the holder of those securities is not entitled to any dividend in respect of them.

(h) Proportional takeover provisions

The registration of any transfer of voting securities giving effect to an offer made under a proportional takeover scheme (i.e., an offer for some but not all of the holders' Shares in ImpediMed) is prohibited until the persons holding the securities in a class for which the offer is made under the takeover have passed an ordinary resolution approving the scheme.

To remain effective the proportional takeover provisions must be renewed by the Company in general meeting every three years.

(i) Directors

The Company must have at least three Directors and no more than seven. Questions arising at a meeting of Directors will be decided by majority vote. The Chairman has a casting vote.

(j) Indemnity

Subject to the law, the Company indemnifies each Director, company secretary and executive officer to the maximum extent permitted by law against any liability or legal costs incurred by them by virtue of their holding office as, and acting in the capacity of, Director, company secretary or executive officer of the Company. The Company may extend the indemnity to employees.

(k) Winding up

The liquidator may divide among all or any of the contributories as the liquidator thinks fit, in specie or in kind, any part of the assets and may vest any part of the assets of the Company in trustees upon any trusts for the benefit of all or any of the contributories as the liquidator thinks fit.

9.2 Terms and conditions of New Options

The New Options entitle the holder to subscribe for Shares on the following terms and conditions.

- (a) The New Options are exercisable in whole or in part on 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021 (the date of their expiry) (**New Option Exercise Dates**) at a price of \$0.0375 (3.75 cents) each, but not thereafter. New Options not exercised by 5pm (Sydney time) on 31 March 2021 will lapse.
- (b) Each New Option entitles the holder to subscribe for one Share. Any Shares issued as a result of exercising a New Option will be issued on the same terms and rank in all respects with existing Shares.
- (c) The New Options will be unlisted options.
- (d) The New Options will be registered in the name of a Securityholder in an option register maintained by the Share Registry. Instead of Option certificates, holders will be provided with a holding statement that sets out the number of

New Options allotted to them. The notice will also advise holders of their Security Holder Reference Number as well as:

- (i) the exercise price of the Options; and
 - (ii) the date of issue of the New Options and the New Option Exercise Dates.
- (e) When exercising New Options, a New Option holder must give the Company or the Share Registry a Notice of Exercise of Options form (the form of which will, on request, be provided by the Share Registry), together with payment of the exercise monies payable to the Company in connection with the Options being exercised (being \$0.0375 (3.75 cents) per New Option) on or prior to the relevant New Option Exercise Date.
- (f) If a New Option holder exercises less than the total number of its New Options, the Company must cancel the holding statement and issue the New Option holder a new holding statement for the remaining number of New Options held by the New Option holder.
- (g) The Company shall within five Business Days after the relevant New Option Exercise Date, subject to receipt of a Notice Exercise of Option Form and cleared funds, issue Shares in respect of the New Options exercised and dispatch a holding statement to the holder. An application for official quotation of the Shares allotted and issued as a result of the exercise of the New Options will be made within ten Business Days after the date of issue of the Shares.
- (h) Subject to the Corporations Act, the Constitution and the ASX Listing Rules, the New Options will be fully transferrable.
- (i) A New Option holder is not entitled to participate in any new issue of securities to existing Securityholders unless the New Option holder has exercised its New Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (j) If the Company makes a bonus issue to Shareholders and no Share has been issued in respect of a New Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the New Option is exercisable is increased by the number of Shares which the New Option holder would have received if the holder had exercised the New Option before the record date for determining entitlements to the bonus issue, in accordance with the ASX Listing Rules.
- (k) If the Company makes a pro rata issue of securities (except a bonus issue) to Shareholders and no Share has been issued in respect of a New Option before the record date for determining entitlements to the issue, the exercise price of each New Option is reduced in accordance with the ASX Listing Rules.
- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the New Option holder are to be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (m) Any calculations or adjustments which are required to be made under these terms and conditions will be made by the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the New Option holder.

- (n) The Company will give written notice to the New Option holder of any adjustment of the exercise price of the New Options and any increase or decrease in the number of New Options under these terms and conditions.
- (o) These terms and conditions and the rights and obligations of New Option holders are governed by the laws of Queensland. Each New Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Queensland.

10 Additional Information

10.1 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.

10.2 Information about ImpediMed

The information included in this Prospectus provides information about ImpediMed's activities current as at 1 April 2020. It is information in a summary form and does not purport to be complete. It should be read in conjunction with ImpediMed's other periodic and continuous disclosure announcements.

10.3 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 Prospectus 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.

10.4 Past performance

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

10.5 Foreign holders of Shares

This Prospectus does not constitute an offer of New Shares or New Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares and New Options may not be offered or sold, in any country outside Australia except to the extent permitted below.

10.5.1 New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

10.5.2 United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Securities described in this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be, offered or sold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. Accordingly, the New Shares and New Options to be offered and sold to Eligible Shareholders will be sold only in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

10.5.3 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the New Shares and the New Options have not been and will not be offered or sold in Hong Kong other than to

"professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares and the New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares and the New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted the New Shares and the New Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

10.5.4 Singapore

This Prospectus and any other materials relating to the New Shares and the New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares and the New Options may not be issued, circulated or distributed, nor may the New Shares and the New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's Shares (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not such a Shareholder, please return this Prospectus immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares and the New Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the New Shares and the New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.5.5 United Kingdom

Neither the information in this Prospectus nor any other document relating to the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares and the New Options.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares and New Options may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the

FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares and the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

10.6 Continuous Disclosure Obligations

ImpediMed is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all companies listed on the ASX, ImpediMed is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of ImpediMed securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on ImpediMed and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to ImpediMed which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. You should therefore have regard to the other publicly available information in relation to ImpediMed before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

ImpediMed, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to ImpediMed (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge to any person on request between the date of issue of this Prospectus and the Retail Closing Date:
 - (i) the annual financial report most recently lodged by ImpediMed with ASIC;

- (ii) any half-year financial report lodged with ASIC by ImpediMed after the lodgement of that annual financial report and before lodgement of the copy of this Prospectus with ASIC; and
- (iii) any continuous disclosure documents given by ImpediMed to ASX in accordance with the ASX Listing Rules after lodgement of the financial statements referred to in paragraph (i) and before lodgement of this Prospectus with ASIC.

All requests for copies of the above documents should be addressed to the Share Registry.

ASX maintains files containing publicly available information for all listed companies. ImpediMed's file is available for inspection at ASX during normal office hours.

Announcements are also available through ImpediMed's website: www.impedimed.com/about/investors/.

Details of the documents lodged by ImpediMed with ASX since the date of lodgement of ImpediMed's latest annual financial report and before lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
31/03/2020	ImpediMed Secures Order from Large US Oncology Care Network
23/03/2020	New National Purchasing Agreement for Lymphoedema Prevention
20/03/2020	Baylor Scott & White Expands SOZO Use with New iOS Software
20/03/2020	Executive Management Changes
13/03/2020	Final Director's Interest Notice
13/03/2020	Director Retirement
21/02/2020	Appendix 3G
20/02/2020	Appendix 4D and Interim Financial Report (Signed)
20/02/2020	Appendix 4D and Interim Financial Report
12/02/2020	Change in substantial holding
11/02/2020	Ceasing to be a substantial holder
10/02/2020	NCCN Guidelines for Breast Cancer Updated for Lymphoedema
22/01/2020	Becoming a substantial holder from AEF
22/01/2020	Becoming a substantial holder for IPD
22/01/2020	Appendix 4C - Quarter ended 31 December 2019
17/01/2020	ImpediMed Quarterly Results and Investor Conference Call
7/01/2020	Change of Director's Interest Notice - Don Williams

Date	Description of Announcement
7/01/2020	Change of Director's Interest Notice - Scott Ward
7/01/2020	Change of Director's Interest Notice - Amit Patel
7/01/2020	Change of Director's Interest Notice - Dr Robert Graham
7/01/2020	Change of Director's Interest Notice - Gary Goetzke
7/01/2020	Change of Director's Interest Notice - Judith Downes
7/01/2020	Change of Director's Interest Notice - Richard Carreon
7/01/2020	Appendix 3B
3/01/2020	Appendix 3B
28/11/2019	FDA 510(k) Clearance-Protein Calorie Malnutrition Assessment
19/11/2019	Change of Director's Interest Notice - Don Williams
19/11/2019	Change of Director's Interest Notice - Scott Ward
18/11/2019	Change of Director's Interest Notice - Amit Patel
18/11/2019	Change of Director's Interest Notice - Gary Goetzke
18/11/2019	Change of Director's Interest Notice - Dr Robert Graham
18/11/2019	Change of Director's Interest Notice - Judith Downes
18/11/2019	Change of Director's Interest Notice - Richard Carreon
14/11/2019	Notice under Section 708A(5)(e) of the Corporations Act
14/11/2019	Appendix 3B
14/11/2019	Appendix 3B
13/11/2019	Appendix 3B
12/11/2019	Amendment to Constitution
12/11/2019	Results of Meeting
12/11/2019	Chairman's Address - 2019 AGM
11/11/2019	Investor Presentation - Annual General Meeting
4/11/2019	Notice under Section 708A(5)(e) of the Corporations Act
4/11/2019	Appendix 3B
4/11/2019	TYPOGRAPHICAL ERROR IN NOTICE OF ANNUAL GENERAL MEETING

Date	Description of Announcement
30/10/2019	Appendix 4C - Quarter ended 30 September 2019
24/10/2019	ImpediMed Quarterly Results and Investor Conference Call
23/10/2019	Lymphoedema Prevention Program Announced
11/10/2019	Notice of Annual General Meeting & Proxy Form
16/09/2019	Ceasing to be a substantial holder from MQG
16/09/2019	Ceasing to be a substantial holder for IPD
10/09/2019	Becoming a substantial holder
30/08/2019	Change in substantial holding

10.7 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under this Prospectus and the continuous disclosure requirements of the ASX Listing Rules and which the Board considers an investor would reasonably require in order to assess ImpediMed's assets and liabilities, financial position and prospects and the rights and liabilities attaching the securities of ImpediMed.

10.8 Underwriting Agreement

ImpediMed has entered into an underwriting agreement with the Underwriters (Canaccord and Wilsons) (**Underwriting Agreement**) who have agreed to underwrite the Institutional Entitlement Offer on the terms set out in the Underwriting Agreement. The Underwriters have agreed to severally underwrite the Institutional Entitlement Offer to the amount of approximately \$8.0 million (**Underwritten Component**). Morgans have agreed to act as co-manager to the Entitlement Offer (**Co-Manager**).

Signed pre-commitment letters to subscribe for New Shares and New Options under the Institutional Entitlement Offer and institutional bookbuild have been received from Eligible Institutional Shareholders and Institutional Investors for the amount of approximately \$2.0 million (**Committed Component**). The Committed Component and the Retail Entitlement Offer are not underwritten.

ImpediMed has agreed to pay the Underwriters and the Co-Manager a fee (with each Underwriter's respective proportion being 40% and the Co-Manager's respective proportion being 20%) equal to 5.5% of the gross proceeds raised under both the Institutional Entitlement Offer (including proceeds received under the institutional bookbuild) and the Retail Entitlement Offer.

ImpediMed must also pay each Underwriter's reasonable out of pocket costs incurred in connection with or incidental to the Entitlement Offer.

The obligations of the Underwriters are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement including (but not limited to) ImpediMed delivering certain certificates and due diligence documentation.

Furthermore, in accordance with the Underwriting Agreement, as is customary with these types of arrangements:

- (a) ImpediMed has (subject to certain exclusions and limitations) agreed to indemnify the Underwriters, their respective affiliates and related bodies corporate and each of their respective officers, directors, partners or employees and the Co-Manager (each an **Indemnified Party**) against losses or claims made against an Indemnified Party, arising out of or in connection with the Entitlement Offer; and
- (b) ImpediMed has given certain representations, warranties and undertakings to the Underwriters in connection with (among other things) the conduct of the Entitlement Offer.

The Underwriters may terminate the Underwriting Agreement prior to settlement of the Institutional Entitlement Offer, and be released from their obligations under the Underwriting Agreement on the occurrence of certain events (in some cases, subject to the materiality of the relevant event)³, including (but not limited to) where:

- (a) ImpediMed ceases to be admitted to the official list of ASX or its Shares are delisted or suspended from quotation.
- (b) ImpediMed is or becomes insolvent.
- (c) ImpediMed indicates an intention to withdraw all or any part of the Entitlement Offer.
- (d) There is a change in the CEO, CFO or Chairman of ImpediMed.
- (e) A Director CEO or CFO of ImpediMed is charged with an indictable offence, any Director is disqualified from managing a corporation under the Corporations Act or a regulatory body commences, or announces an intention to commence, any public action against ImpediMed or any of ImpediMed's CEO, CFO or Directors
- (f) ImpediMed is prevented from issuing any New Shares or New Options in accordance with the ASX Listing Rules or applicable laws.
- (g) The S&P/ASX Small Ordinaries Index closes for two consecutive business days during the Institutional Entitlement Offer, or, closes on the business day prior to settlement of the Institutional Entitlement Offer, at a level that is 10.0% or more below its level as at the close of trading on the business day before the date of the Underwriting Agreement.
- (h) ASIC issues a stop order, makes an application for an order, or holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Entitlement Offer.
- (i) A certificate which is required to be furnished by ImpediMed under the Underwriting Agreement is not furnished when required.
- (j) ASX approval for the official quotation of the New Shares is refused, not granted by the time required to conduct the Entitlement Offer modified or withdrawn.
- (k) ImpediMed fails to issue the ASX Announcement to ASX.

³ Items denoted with an (*) are qualified termination events subject to a materiality threshold.

- (l) Any event specified in the timetable for the Entitlement Offer is delayed by more than 1 business day (for events prior to settlement of the Institutional Entitlement Offer) or by more than 2 business days (for events following settlement of the Institutional Entitlement Offer).
- (m) This Prospectus becomes defective or a supplementary or replacement prospectus is required.
- (n) A statement in any market announcements made in connection with the Entitlement Offer (excluding this Prospectus) is false or misleading or does not contain all information required to comply with applicable laws.
- (o) *The Underwriting Agreement is breached by ImpediMed.
- (p) *There is a change in the ImpediMed Board or senior management personnel of ImpediMed, other than the CEO, CFO or Chairman, other than one which has already been disclosed to ASX, in this Prospectus or to the Underwriters.
- (q) *Any of the documents required to be provided under the due diligence process outline are withdrawn, or varied without the Underwriters prior written consent.
- (r) *The information provided by or on behalf of ImpediMed to the Underwriters in relation to the Entitlement Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission).
- (s) *A representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of ImpediMed is breached, becomes untrue or incorrect or misleading or deceptive.
- (t) *A new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in this Prospectus had the new circumstance arisen before this Prospectus was given to ASX.
- (u) *An adverse change or an event that is likely to give rise to an adverse change occurs in respect of the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of ImpediMed.
- (v) *Any expression of belief or statement relating to future matters in this Prospectus is or becomes incapable of being met or, in the reasonable opinion of the Underwriters, unlikely to be met in the projected timeframe.
- (w) *A statement in a certificate provided by ImpediMed for the purposes of the Underwriting Agreement is misleading, inaccurate or untrue or incorrect.
- (x) *ImpediMed issues or varies this Prospectus or the ASX announcement without the approval of the Underwriters.
- (y) *There is a change in law or of there is an official announcement regarding a proposed change in law that prohibits or restricts or is likely to prohibit or restrict the Entitlement Offer.
- (z) *There is a general moratorium on commercial banking activities in Australia, New Zealand, the United Kingdom, the United States, Hong Kong, Germany or China.

- (aa) *Trading in all securities quoted or listed on ASX, NZX, New York Stock Exchange, Hong Kong Stock Exchange or London Stock Exchange is suspended or limited in a material respect.
- (bb) *There is an adverse change or disruption to the financial, political or economic conditions, currency exchange rates or controls or financial markets of Australia, New Zealand, the United Kingdom, the United States, Hong Kong, Germany or China or any change or development involving a prospective adverse change in any of those conditions or markets.
- (cc) *There is an outbreak or major escalation of hostilities involving any of Australia, the United Kingdom, the United States, the People's Republic of China, Hong Kong, Singapore, South Korea, Japan or any member state of the European Union or a national emergency is declared by any of those countries, the declaration of a new pandemic by the World Health Organisation involving a disease other than COVID-19, or a major terrorist act is perpetrated anywhere in the world.
- (dd) *An event specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act (as if references to 'the target' were replaced by references to 'ImpediMed') occurs during the Entitlement Offer period, other than as contemplated by the Underwriting Agreement, or as permitted by the Underwriters.

The Underwriters have given, and at the time of lodgement of this Prospectus, have not withdrawn their consents to be named as the Underwriters under the terms of the Underwriting Agreement to the offer of New Shares and New Options under this Prospectus, in the form and context to which they are named. The Underwriters were not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. The Underwriters make no express or implied representation or warranty in relation to ImpediMed, this Prospectus or the Entitlement Offer and do not make any statement in this Prospectus, 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 Prospectus other than the reference to their names.

10.9 Market price of Shares

ImpediMed is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	A\$	Date
Highest	0.1750	14 January 2020
Lowest	0.0380	20 March 2020
Last	0.0400	27 March 2020

10.10 Director's Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director, nor any firm in which such a Director is a partner or director, has or had within the 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of ImpediMed;
- (b) property acquired or proposed to be acquired by ImpediMed in connection with:
 - (A) its formation or promotion; or
 - (B) the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) and no other benefit has been given or agreed to be given to any Director, proposed Director or to any entity in which a Director is a partner or a director, either to induce him or her to become, or to qualify him or her as, a Director for services rendered by him, her or the entity in connection with the formation or promotion of ImpediMed or the Entitlement Offer.

Directors' relevant interests in securities of ImpediMed as at the date of this Prospectus, together with their respective Entitlements, are as follows:

Director	Shares	Options	Entitlement to New Shares
Mr Richard Carreon	1,601,598	15,648,484	N/A**
Mr Scott Ward	760,071	0	N/A**
Ms Judith Downes	340,632	0	442,822
Dr Robert Graham	207,449	0	269,684
Mr Amit Patel	387,555	0	N/A**
Mr Donald Williams	496,000	0	N/A**

** Each of the Australian-resident Directors (Judith Downes and Robert Graham) have committed to take up all of their pro rata entitlement under the Retail 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.

10.11 Remuneration of Directors

Refer to:

- (a) the Remuneration Report, which is contained in pages 34 to 59 of the Company's Annual Report for the financial year ended 30 June 2019, for full details of the remuneration of the Company's executive and non-executive Directors,

- (b) the Company's Notice of Annual General Meeting released to ASX on 11 October 2019, which sets out details of the Company's Executive Share Plan that was adopted by Shareholders on 12 November 2019 and the Non-Executive Director Share Plan; and
- (c) the Company's ASX announcement released on the date of this Prospectus (and included in Section 3.2), which details various cost reduction measures to be taken by the Company in respect of CEO and executive remuneration.

The Annual Report was lodged with ASX on 21 August 2019 and is available on the Company's financial reports page at www.impedimed.com/about/investors/financial-reports/ and the announcements are available at www.impedimed.com/about/investors/. A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address using the details in the Corporate Directory at the end of this Prospectus.

10.12 Related Party Transactions

From time to time ImpediMed may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

ImpediMed believes that it has made appropriate disclosures of past related party transactions, and other than specifically set out in this Prospectus, does not intend to make any further disclosure of such transactions which transactions have either proceeded on an arm's length basis, reasonable remuneration basis or have been approved by Shareholders.

10.13 Interests of Experts and Advisers

Except as set out in this Prospectus, no person named as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last 2 years, in
 - (A) the formation or promotion of ImpediMed, or
 - (B) property acquired or proposed to be acquired by ImpediMed in connection with:
 - (1) its formation or promotion; or
 - (2) the Entitlement Offer; or
 - (C) the Entitlement Offer; and
- (b) no amount has been paid, or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided in connection with the formation or promotion of ImpediMed or the Entitlement Offer.

Johnson Winter & Slattery have acted as the Australian legal advisers for ImpediMed in relation to the Entitlement Offer. ImpediMed has paid, or agreed to pay,

approximately A\$120,000. Further charges may be payable to Johnson Winter & Slattery in accordance with its normal time-based charges.

Canaccord Genuity (Australia) Limited, which has acted as joint lead manager and underwriter of the Institutional Entitlement Offer. ImpediMed has paid, or agreed to pay, the fees described in Section 10.8.

Wilsons Corporate Finance Limited, which has acted as joint lead manager and underwriter of the Institutional Entitlement Offer. ImpediMed has paid, or agreed to pay, the fees described in Section 10.8.

10.14 Consents

Each of the parties named below:

- (a) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus has been based, other than set out at the end of this section;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than a reference to its name and/or any statement or report included in this report with its consent, as specified at the end of this section.

Each of the parties has given, and not withdrawn before the lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus in the capacity described below:

- Johnson Winter & Slattery, which has acted as Australia legal adviser to ImpediMed in relation to the Entitlement Offer. In doing so, Johnson Winter & Slattery have placed reasonable reliance upon the information provided to them by ImpediMed. Johnson Winter & Slattery does not make any statement in this Prospectus.
- Canaccord Genuity (Australia) Limited, which has acted as joint lead manager and underwriter of the Institutional Entitlement Offer on the terms set out in the Underwriting Agreement.
- Wilsons Corporate Finance Limited, which has acted as joint lead manager and underwriter of the Institutional Entitlement Offer on the terms set out in the Underwriting Agreement.
- Morgans Financial Limited, which has acted as a co-manager to the Entitlement Offer.
- Link Market Services Limited which acts as the Share Registry. It has no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to ImpediMed.

10.15 Litigation

As at the date of this Prospectus, ImpediMed is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against ImpediMed.

10.16 Expenses of Entitlement Offer

The total expenses of the Entitlement Offer is estimated to be approximately A\$850,000 (excluding GST), and are expected to be applied towards the items set out in the table below:

Expenses	\$
Underwriting, joint lead manager and co-manager fees	\$550,000
Legal fees	\$170,000
ASIC lodgement fees	\$100,000
Other	\$50,000
Total	\$870,000

10.17 ASIC waivers and ASX relief

ImpediMed has not obtained any ASIC relief in connection with the Entitlement Offer. ImpediMed is relying on ASX's class waiver decision dated 31 March 2020 from ASX Listing Rule 7.11.3 permitting the ratio of Shares offered under the Entitlement Offer to be greater than one share offered for one share held.

10.18 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 holding in ImpediMed and to provide related services to you. ImpediMed may disclose your personal information for purposes related to your holding 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.

10.19 Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in New South Wales, Australia.

10.20 Authority of Directors

The Directors have made all reasonable enquiries in the preparation of this Prospectus and on that basis have reasonable grounds to believe that any statements made by Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors and their professional advisers.

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

Each of the Directors has consented to the lodgement of the Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Dated Thursday, 2 April 2020

A handwritten signature in black ink, appearing to read 'R. Carreon', followed by a long horizontal line extending to the right.

Richard Carreon
Managing Director and Chief Executive Officer

For and on behalf of the Board of ImpediMed Limited.

11 Glossary and Interpretation

11.1 Definitions

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

Term	Meaning
\$ or A\$ or AUD or dollars	Australian dollars (unless otherwise specified).
Announcement Date	Thursday, 2 April 2020.
Applicant	an Eligible Retail Shareholder who has submitted a valid Application.
Application	an application to subscribe for New Shares and New Options under the Retail Entitlement Offer.
Application Monies	monies received from applicants in respect of their Applications.
ASIC	the Australian Securities and Investments Commission.
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	a day which is not a Saturday, Sunday or a public holiday in New South Wales.
Canaccord	Canaccord Genuity (Australia) Limited ACN 075 071 466.
Co-Manager	means Morgans.
Commission	U.S. Securities Exchange Commission
Committed Component	means, in respect of the Institutional Entitlement Offer, the amount of approximately \$2.0 million, being the amount for which signed pre-commitment letters to subscribe for New Shares and New Options under the Institutional Entitlement Offer and institutional bookbuild have been received from Eligible Institutional Shareholders and Institutional Investors.

Term	Meaning
Constitution	the constitution of ImpediMed, as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CRN	customer reference number.
Directors	the directors of ImpediMed.
Eligible Institutional Shareholder	<p>a person who:</p> <ul style="list-style-type: none"> (a) was identified as an Institutional Shareholder by ImpediMed; (b) is not in the United States; (c) is eligible under all applicable securities laws to receive an Offer under the Institutional Entitlement Offer; and (d) who has successfully received an offer under the Institutional Entitlement Offer.
Eligible Retail Shareholder	is defined in Section 5.4.
Eligible Shareholder	a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.
Entitlement	the entitlement to subscribe for 13 New Shares for every 10 Existing Shares held on the Record Date by Eligible Shareholders and 1 free attaching New Option for every 1 New Share issued.
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Prospectus upon which an Application can be made.
Entitlement Offer	the Institutional Entitlement Offer and the Retail Entitlement Offer.
Existing Share	a Share on issue before the Record Date.
Expiry Date	5.00pm (Sydney time) on the date that is 13 months after the date of this Prospectus
GST	Australian Goods and Services Tax (currently 10%).
HF	means heart failure
ImpediMed or Company	ImpediMed Limited ACN 089 705 144.
Ineligible Institutional Shareholder	an Institutional Shareholder who is not an Eligible Institutional Shareholder.

Term	Meaning
Ineligible Retail Shareholder	a Shareholder who is neither an Institutional Shareholder nor an Eligible Retail Shareholder.
Institutional Entitlement Offer	the accelerated non-renounceable pro rata entitlement offer to Eligible Institutional Shareholders.
Institutional Investor	<p>a person:</p> <p>(a) in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an “exempt investor” as defined section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or</p> <p>(b) in selected jurisdictions outside Australia to whom an offer of New Shares and New Options may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which ImpediMed, at its absolute discretion, is willing to comply with such requirements).</p>
Institutional Shareholder	a Shareholder on the Record Date who is an Institutional Investor.
Joint Lead Managers	means Canaccord and Wilsons.
Morgans	Morgans Financial Limited ACN 010 669 726.
New Option	means an Option on the terms set out in Section 9.2, and offered under this Prospectus.
New Option Exercise Dates	are set out in section 9.2(a).
New Securities	means New Shares and New Options.
New Shares	the Shares to be allotted and issued under the Entitlement Offer.
Offer Price	\$0.0375 per New Share
Option	an option to subscribe for Shares.
Privacy Act	<i>Privacy Act 1988 (Cth).</i>
Prospectus	this Prospectus dated Thursday, 2 April 2020, and includes the electronic prospectus.

Term	Meaning
Record Date	the time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7.00pm (Sydney time) on Monday, 6 April 2020.
Retail Closing Date	5.00pm (Sydney time) on Wednesday, 22 April 2020. This is the final date that Eligible Retail Shareholders can take up some or all of their Entitlement.
Retail Entitlement Offer	the non-renounceable pro rata offer to Eligible Retail Shareholders to subscribe for 13 New Shares for every 10 Existing Shares of which the Shareholder is the registered holder on the Record Date, at the Offer Price pursuant to this Prospectus, together with 1 free New Option for every 1 New Share issued.
Retail Entitlement Offer Period	the period commencing on the opening date of the Retail Entitlement Offer, as specified in the “Key Dates for the Entitlement Offer” and ending on the Retail Closing Date.
Securityholder	The registered holder of a Share or an Option.
Share	a fully paid ordinary ImpediMed share.
Shareholder	the registered holder of an Existing Share.
Share Registry	Link Market Services Limited ACN 083 214 537 or any other person appointed as registry by ImpediMed from time to time.
U.S. or United States	has the meaning given to that term in Rule 902(l) under the U.S. Securities Act.
U.S. Securities Act	<i>U.S. Securities Act of 1933.</i>
Underwriters	Canaccord and Wilsons, the joint lead managers to the Entitlement Offer and underwriters to the Institutional Entitlement Offer in accordance with the terms of the Underwriting Agreement.
Underwriting Agreement	the underwriting agreement between ImpediMed and the Underwriters, as described in Section 10.8.
Underwritten Component	has the meaning given in Section 10.8.
VWAP	volume weighted average price
Wilsons	Wilsons Corporate Finance Limited ACN 057 547 323.

11.2 Interpretation

In this Prospectus, unless the context otherwise requires:

- (a) where fractions arise in the calculations, they will be rounded up to the nearest whole number of 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 Prospectus have corresponding meanings;
- (e) terms used in this Prospectus 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 Prospectus have a corresponding meaning; and
- (g) a reference to a Section is a reference to a Section of this Prospectus.

Corporate Directory

DIRECTORS

Richard Carreon – Managing Director and Chief Executive Officer
Scott Ward - Chairman (Non-Executive)
Judith Downes - Non-Executive Director
Robert Graham - Non-Executive Director
Amit Patel - Non-Executive Director
Donald Williams - Non-Executive Director

COMPANY SECRETARY

Leanne Ralph

HEADQUARTERS

5900 Pasteur Court
Suite 125
Carlsbad CA 92008
United States of America

Unit 1, 50 Parker Court
Pinkenba Qld 4008
Australia

SHARE REGISTRY

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

JOINT LEAD MANAGERS AND UNDERWRITERS OF THE INSTITUTIONAL ENTITLEMENT OFFER

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

Wilsons Corporate Finance Limited
Level 32, Governor Macquarie Tower, 1
Farrer Place, Sydney NSW 2000

AUSTRALIAN LEGAL ADVISERS

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

ENTITLEMENT OFFER INFORMATION LINE

Phone (within Australia): 1300 912 776
Phone (outside Australia): +61 1300 912 776
Open 8.30am to 5.00pm (Sydney time) Monday
to Friday during the Retail Entitlement Offer Period.