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8 April 2020

Dear Shareholder

ImpediMed Accelerated Non-Renounceable Entitlement Offer – notification to ineligible shareholders

On 2 April 2020, ImpediMed Limited (ABN 65 089 705 144) (ASX: IPD) (**ImpediMed** or the **Company**) announced a pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 13 new shares in ImpediMed (**New Shares**) for every 10 shares held as at 7.00pm (Sydney time) on Monday, 6 April 2020 (**Record Date**), at an issue price of \$0.0375 per New Share. Participants in the Entitlement Offer will also receive 1 free unquoted option exercisable at a price of \$0.0375 and expiring on 31 March 2021 (**New Option**) for every 1 New Share issued.

The Entitlement Offer is comprised of an institutional component of approximately \$10.0 million which is underwritten to approximately \$8.0 million with additional pre-commitments of approximately \$2.0 million (**Institutional Entitlement Offer**) and a non-underwritten offer to retail shareholders (**Retail Entitlement Offer**). The Institutional Entitlement Offer has already closed and the results were announced to the ASX on Friday, 3 April 2020.

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

The Entitlement Offer is being made by the Company in accordance with section 713 of the *Corporations Act 2001* (Cth). The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC and ASX on Thursday, 2 April 2020 and the Prospectus will be dispatched to Eligible Retail Shareholders on Thursday, 9 April 2020.

This letter has been sent to you to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares and New Options under the Entitlement Offer. This letter is not an offer to issue New Shares and New Options to you, nor an invitation for you to apply for New Shares and New Options. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Eligibility Criteria

Eligible Institutional Shareholders are those persons who:

- were identified as an Institutional Shareholder (as defined in the Prospectus) by ImpediMed;
- are not in the United States;
- are eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- have successfully received an offer under the Institutional Entitlement Offer.

Eligible Retail Shareholders are those persons who:

- are registered as holders of shares as at 7.00 pm (Sydney time) 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.

Institutional Shareholders who do not qualify as an Eligible Institutional Shareholder are ineligible institutional shareholders and are unable to participate in the Institutional Entitlement Offer.

Shareholders who do not qualify as an Eligible Retail Shareholder are ineligible retail shareholders and are unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Entitlement Offer arise because of:

- the legal and regulatory requirements in countries other than Australia or New Zealand (in connection with the Retail Entitlement Offer) or certain other jurisdictions in which ImpediMed decided to extend the Institutional Entitlement Offer;
- the potential costs to ImpediMed of complying with these legal and regulatory requirements compared with the relatively small number of ImpediMed shareholders in those countries;
- the relatively small number of existing ImpediMed shares the shareholders in those countries hold; and
- the relatively low value of New Shares and New Options to which those shareholders would otherwise be entitled under the Institutional Entitlement Offer or the Retail Entitlement Offer (as applicable).

ImpediMed has determined, pursuant to ASX Listing Rule 7.7.1(a), that it is unreasonable to extend offers to shareholders in certain countries under the Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Institutional Shareholder or Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), ImpediMed wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares and New Options under the Entitlement Offer. You will not be sent the documents relating to the Institutional Entitlement Offer or the Retail Entitlement Offer and, as the Entitlement Offer is non-renounceable, you will not receive any payment or value for the entitlements in respect of any New Shares and New Options that would have been offered to you if had been eligible.

If you have any questions in relation to the above matters, 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 (excluding public holidays) during the offer period for the Entitlement Offer.

Thank you for your ongoing support of ImpediMed.

Yours faithfully



Leanne Ralph
Company Secretary
ImpediMed Limited