

IMPEDIMED

ASX:IPD

Q2 FY'21 HIGHLIGHTS

**APPENDIX 4C –
Quarter Ended 31 December 2020**

28 January 2021



FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to expand sales and market acceptance in the US and Australia including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialise new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position.

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

Q2 FY'21 OVERALL BUSINESS RESULTS

RECORD TOTAL REVENUE



\$2.1m
TOTAL REVENUE

+40%
YOY[^]

\$19.0m
CASH ON HAND

\$2.0m **\$(2.0)m**
CASH RECEIPTS OPER. CASH OUTFLOW

[^] YOY denotes Year-over-Year change in metric.
^{^^} QOQ denotes Quarter-over-Quarter change in metric.

All FY'21 revenue and cash flow numbers are unaudited.
All figures are stated in Australian dollars (AUD) unless otherwise notated.

Q2 FY'21 SOZO® BUSINESS PERFORMANCE

\$1.9m

SOZO REVENUE

+58%

YOY[^]

\$7.8m

ARRⁱ

+86%

YOY

\$14.8m

CRPⁱⁱ

+54%

YOY

28,000+

PATIENT TESTS

+33%

YOY

90%+

SaaS GROSS MARGINS

1%

CHURN RATE

[^] YOY denotes Year-over-Year change in metric.

ⁱ Annual Recurring Revenue (ARR): The amount of revenue reasonably expected to be booked for the next 12-month period based on existing signed contracts, and assuming installation upon sale.

ⁱⁱ Contracted Revenue Pipeline (CRP): Future period revenue amounts related to TCVⁱⁱⁱ that are yet to be reported as recognised revenue.

ⁱⁱⁱ Total Contract Value (TCV): Total value of customer contracts including one-time and recurring revenue.

All FY'21 revenue and cash flow numbers are unaudited.

ARR, CRP and TCV are unaudited, non-AASB financial metrics that do not represent revenue in accordance with Australian Accounting Standards. The values shown for total ARR and CRP across all lines of business, including the Core Business and Clinical Business.

All figures are stated in Australian dollars (AUD) unless otherwise notated.

Q2 FY'21 SOZO REVENUE AND PATIENT TESTS

\$1.9m

SOZO Revenue
+58% YOY

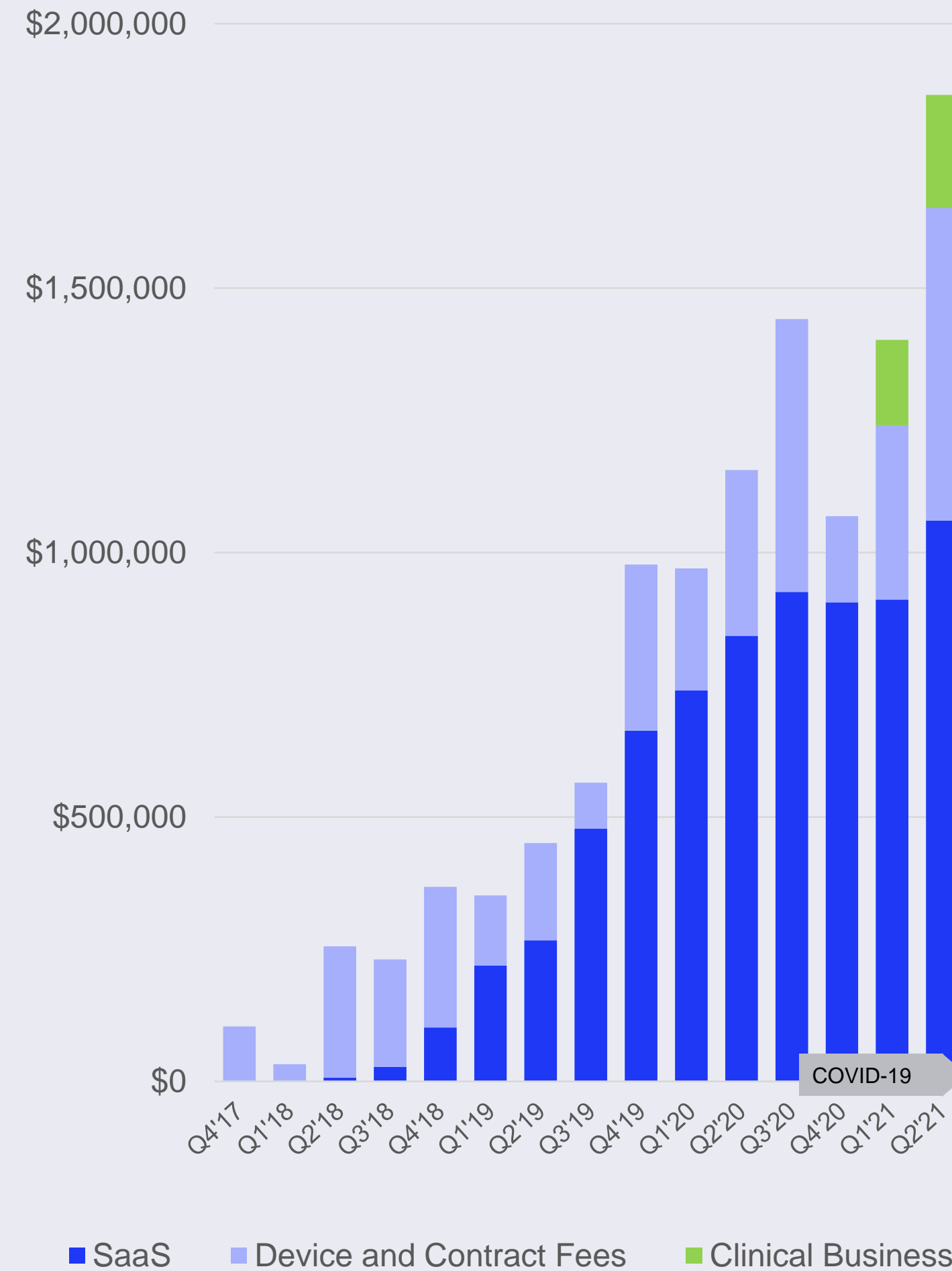
✓ RECORD QUARTER

28,000+

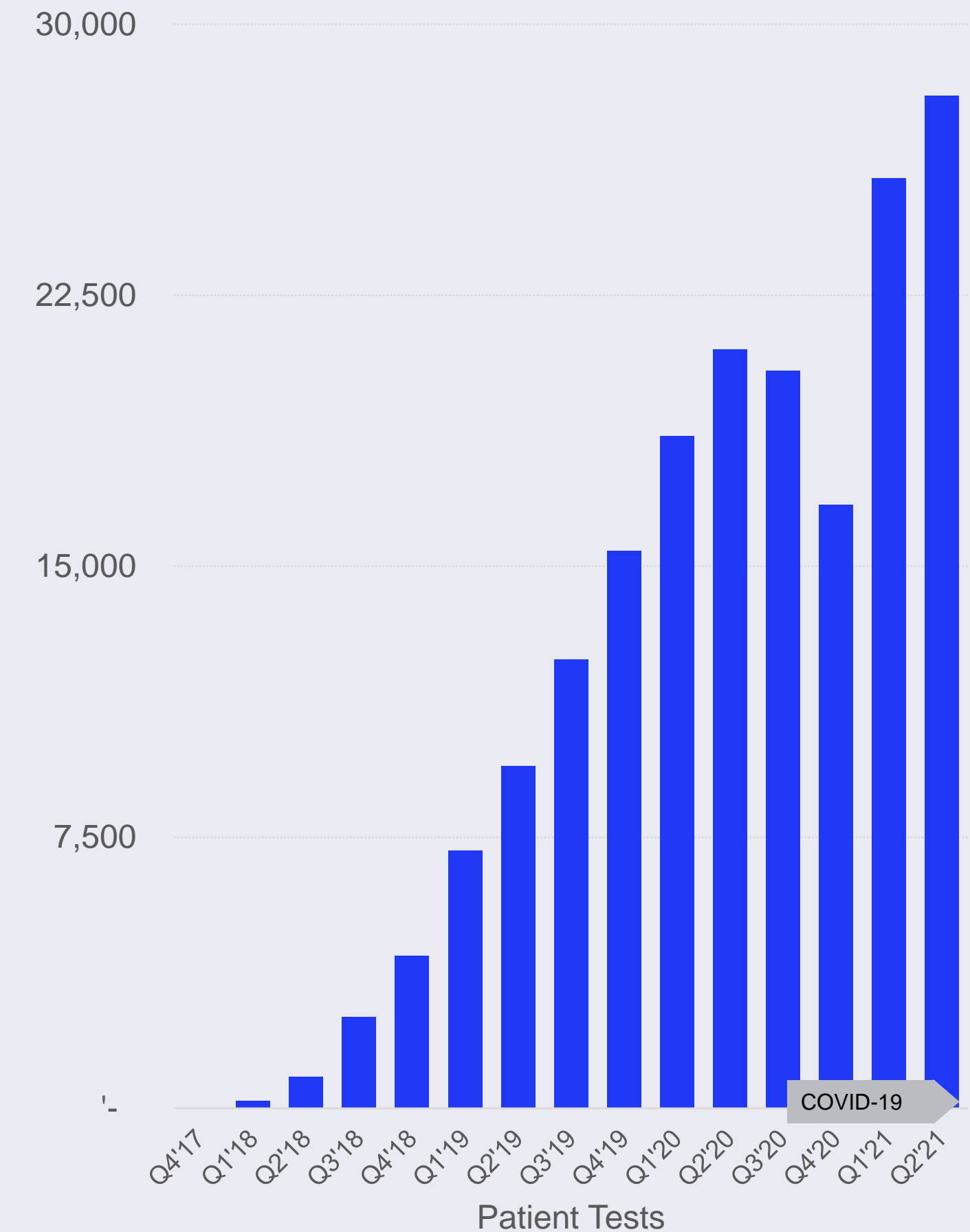
Patient Tests
+33% YOY

✓ RECORD QUARTER

SOZO Revenue
(Excluding Legacy)

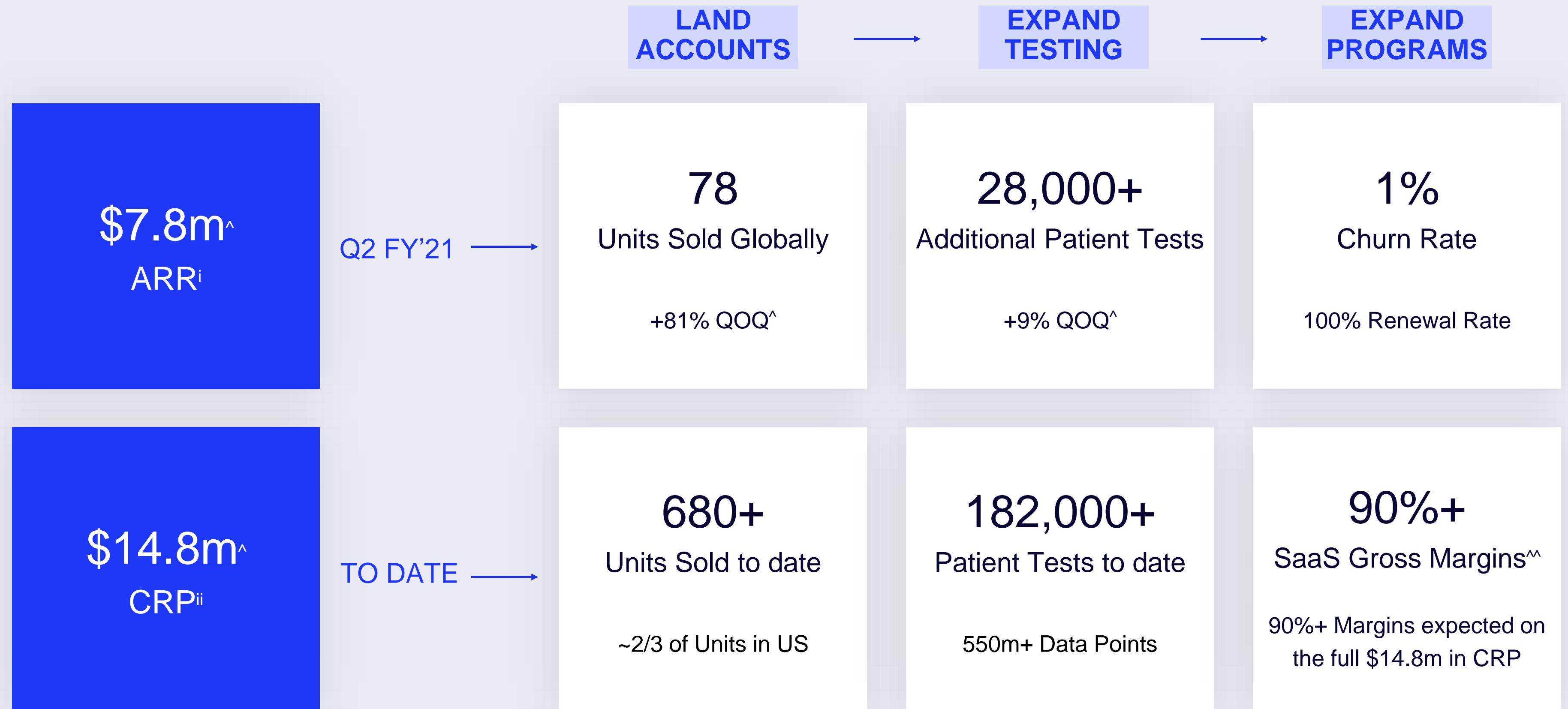


Patient Tests To-Date
(182,000+ on File)



Q2 FY'21 ARR AND CRP

The Land and Expand Strategy is accelerating Company growth



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ⁱⁱⁱ Total Contract Value (TCV): Total value of customer contracts including one-time and recurring revenue.

[^] QOQ denotes Quarter-over-Quarter change in metric.

^{^^} Gross Margins are based on the year-to-date value for the six-months ended 31 December 2020.

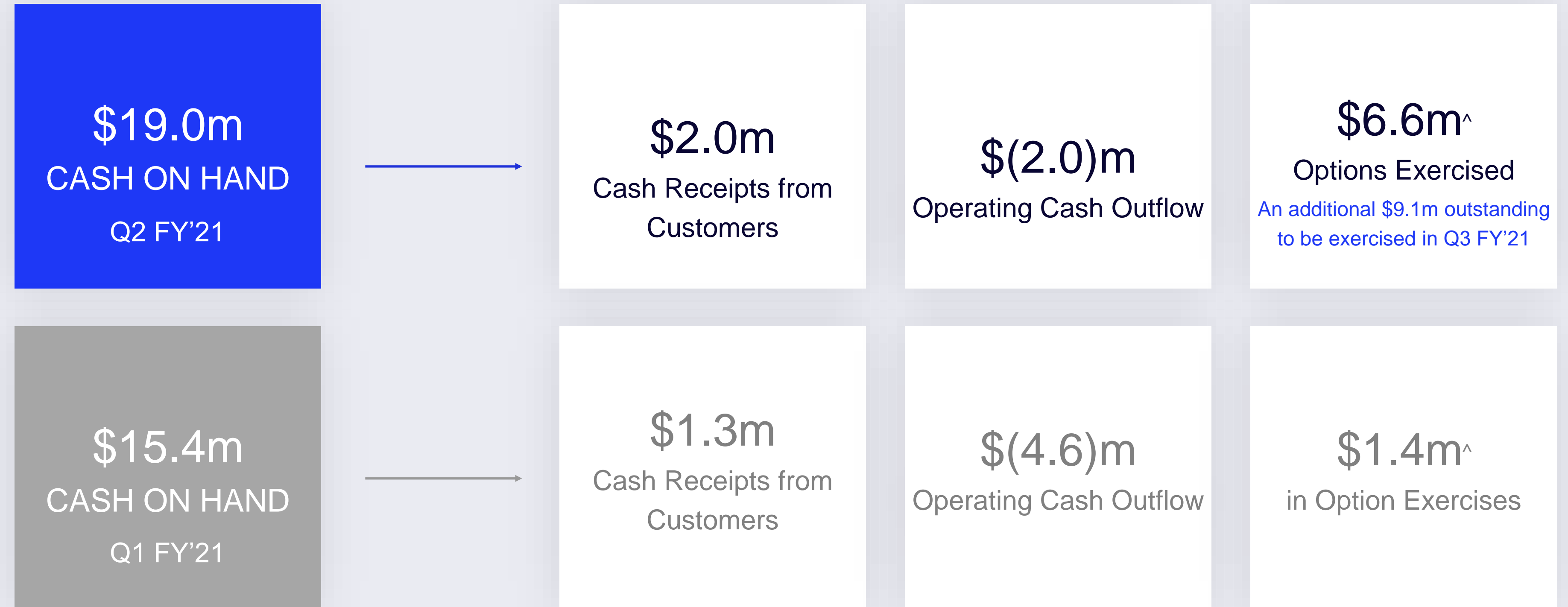
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Q2 FY'21 CASH FLOW

Strengthened
Balance Sheet



[^] \$6.6 million in Option exercise funds were received during the quarter ended 31 December 2020 related to the 2 April 2020 Entitlement Offer. In total, \$9.1 million in Option exercise funds have been received to date, with an additional \$9.1 million in outstanding in-the-money Options due this quarter. The final exercise date for the unlisted Options is 31 March 2021.

All FY'21 revenue and cash flow numbers are unaudited.
All figures are stated in Australian dollars (AUD) unless otherwise notated.

KEY MILESTONES: ACHIEVEMENTS IN Q2 FY'21

ONCOLOGY

- ✓ PREVENT Trial completed – All patients have finished their follow-up visits. Manuscript on schedule for late February submission
- ✓ Meta-analysis published – BIS L-Dex statistically significant reduction in lymphoedema
- ✓ ImpediMed achieves HITRUST security certification
- ✓ NSW Health further expanded lymphoedema prevention program with purchase of 25 additional SOZO units
- ✓ Landmark radiation manuscript published supporting L-Dex use

HEART FAILURE

- ✓ ImpediMed secured first commercial heart failure sales with an initial five SOZO units sold to Phoenix Healthcare Network
- ✓ AstraZeneca selected SOZO for a large Phase II trial in Q1 FY'21 to measure fluid volume in patients with heart failure and chronic kidney disease. 175 SOZO device will be leased across 20 countries. First SOZO devices delivered under this contract
- ✓ The study will use SOZO to evaluate the efficacy, safety, and tolerability of a combination of two AstraZeneca drugs in heart failure patients with chronic kidney disease

RENAL FAILURE

- ✓ AstraZeneca selected SOZO for a second large Phase II trial
- ✓ SOZO will be used in this study to track fluid volume in patients with chronic kidney disease
- ✓ An additional 200 SOZO devices will be leased across 24 countries
- ✓ The two AstraZeneca contracts are valued at over \$4.5 million

KEY MILESTONES: FOCUS AREAS FOR Q3 FY'21

ONCOLOGY

- ☐ Submission of the PREVENT Trial manuscript by the Principal Investigators by end of February 2021
- ☐ Continue to advance private payor coverage/payment for L-Dex testing
- ☐ L-Dex to be added to the NCCN guidelines

HEART FAILURE

- ☐ Expand commercial sales of heart failure
- ☐ Establish pilot programs in key heart failure centres
- ☐ Obtain FDA clearance on removal of SOZO contraindications for implantable pacing and cardioverter defibrillators devices

RENAL FAILURE

- ☐ Continued deployment of devices for the AstraZeneca trials both in the US and internationally. Cardiologists and nephrologists at key centres globally will be experiencing SOZO for the first time in the coming months
- ☐ Gather feedback from the early experience of cardiologists and nephrologists in the US and internationally
- ☐ Continue to progress, regulatory and commercial strategies for Renal Failure

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About ImpediMed

Founded and headquartered in Brisbane, Australia with US and European operations, ImpediMed is a medical software technology company that non-invasively measures, monitors and manages fluid status and tissue composition using bioimpedance spectroscopy (BIS).

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

For more information, visit www.impedimed.com.



28 January 2021

ASX ANNOUNCEMENT

APPENDIX 4C – Quarter Ended 31 December 2020 (Q2 FY'21)

Brisbane, Australia – ImpediMed Limited (ASX:IPD), a medical technology company that uses bioimpedance spectroscopy (BIS) technology to generate powerful data to maximise patient health, today released its Appendix 4C – Quarterly Cash Flow report for the period ended 31 December 2020.

Revenue Summary:

- Record quarter for Total Revenue for Q2 FY'21 of \$2.1 million, +40% the previous corresponding period (pcp) (Q2 FY'20: \$1.5 million) and +40% quarter over quarter.
- Record quarter for SOZO[®] Revenue for Q2 FY'21 of \$1.9 million, +58% pcp (Q2 FY'20: \$1.2 million) and +36% quarter over quarter.
- Record quarter for SOZO SaaS Revenue for Q2 FY'21 of \$1.3 million, +63% pcp and +18% quarter over quarter.
 - SOZO SaaS Revenue of \$1.1 million from Core Businessⁱ, +17% pcp and +4% quarter over quarter.
 - The appreciating AUD is underrepresenting the strength of the SaaS Revenue from the Core Business in the translated results. When reported in USD, SOZO SaaS Revenue from the Core Business was +34% pcp and +19% quarter over quarter.
 - SOZO SaaS Revenue of \$0.2 million from Clinical Businessⁱⁱ.

Cash Flow Summary:

- Cash on hand as at 31 December 2020 of \$19.0 million.
- Cash receipts from customers for the quarter of \$2.0 million.
- Receipt of an additional \$6.6 million from the exercise of options issued to subscribers in the entitlement offer (with potential for up to a further \$9.1 million to be raised by 31 March 2021, from remaining options issued in the offer).
- Net operating cash outflows of \$2.0 million.
 - Net operating cash outflows of \$6.6 million for the six-months ending 31 December 2020, significantly better than the forecasted \$8.0 million net operating cash outflow announced to the market on 27 October 2020.
- Effective 1 January 2021, the temporary reductions to the CEO and Executives' cash salaries were removed.
- The Company expects net operating cash outflows to remain below \$4.0 million for Q3 FY'21, which includes some additional spend on product improvement for heart and renal failure.
- Related Parties: During the quarter, the Company issued shares to Directors as equity-based remuneration in lieu of cash, as described in Item 6 of the Appendix 4C.

Operational Summary and Key SaaS Metrics:

- Record quarter for Patient Tests, with over 28,000 recorded in Q2 FY'21, +33% pcp and +9% quarter over quarter.
- Annual Recurring Revenueⁱⁱⁱ of \$7.8 million, +86% pcp and +30% quarter over quarter.
 - ARR of \$4.9 million from Core Business, +17% pcp and +4% quarter over quarter.
 - ARR of \$2.9 million from Clinical Business.

- Contracted Revenue Pipeline^{iv} of \$14.8 million, +54% pcp and +13% quarter over quarter.
- Churn Rate remains low at just 1%.
 - Renewal Rate of 100% on contracts up for renewal during the quarter.
- 78 new SOZO devices sold, totaling more than 680 SOZO units sold since launch.
 - 81% increase in units sold quarter over quarter.
 - 5 units sold to Phoenix Healthcare Network, representing the first commercial heart failure sales.
 - 5 units sold under Master Agreements, including additional devices to US Oncology and Ascension Health.
 - This does not include any units supplied for the AstraZeneca trials.
- AstraZeneca selected SOZO for 2nd large renal trial.
 - A combined 375 SOZO devices will be leased across 31 countries for the two trials, with the contracts valued at over \$4.5 million.

“We are extremely pleased with these results, which were achieved despite the impact of COVID-19. Even in the face of these challenges, we have significant momentum in the business and are looking forward to what should be a seminal year for ImpediMed. In the coming quarters, we expect to see the conclusion of the PREVENT trial; further progress with reimbursement, which will drive continued sales growth in Oncology; and the realisation of the opportunities in both Heart and Renal Failure,” said Richard Carreon, Managing Director and CEO of ImpediMed.

Approved for release by the Managing Director and CEO, Mr Richard Carreon.

Investor Conference Call

An investor conference call will be held on Thursday 28th January 2021 at 9.15am AEDT. If you have pre-registered, it is recommended you use the dial-ins, passcode and PIN provided in the confirmation notice.

If you have not pre-registered for the call you can access using the dial in details below:

Conference ID: 10011853

Dial in numbers

AUSTRALIA:	1800558698
ALT. AUSTRALIA:	1800809971
OTHER INTERNATIONAL (METERED):	+61731454010
SYDNEY:	0290073187
NEW ZEALAND:	0800453055
AUCKLAND:	099291687
CHRISTCHURCH:	039742632
WELLINGTON:	049747738
UK:	08000518245
USA/CANADA:	18558811339
CHICAGO:	18153732080
LOS ANGELES:	19092354020
NEW YORK:	19142023258
SINGAPORE:	8001012785
HONG KONG:	800966806
JAPAN:	00531161281

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ⁱ The **Core Business** refers to the commercialisation efforts from the Company's core strategic focus areas. To date, this primarily includes revenue from SOZO contracts in the Oncology market.

ⁱⁱ The **Clinical Business** refers to revenue generating contracts related to clinical trials. These contracts are often finite in nature, as they relate to clinical trials with specific end dates.

ⁱⁱⁱ **Annual Recurring Revenue (ARR)**: The amount of revenue reasonably expected to be booked for the next 12-month period based on existing signed contracts, and assuming installation upon sale.

^{iv} **Contracted Revenue Pipeline (CRP)**: Future period revenue amounts related to TCV^v that are yet to be reported as recognised revenue.

^v **Total Contract Value (TCV)**: Total value of customer contracts including one-time and recurring revenue.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ImpediMed Limited

ABN

65 089 705 144

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,038	3,320
1.2 Payments for			
(a) research and development		(562)	(1,109)
(b) product manufacturing and operating costs		(942)	(1,114)
(c) advertising and marketing		(185)	(300)
(d) leased assets		-	-
(e) staff costs		(3,669)	(7,057)
(f) administration and corporate costs		(1,492)	(3,291)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		6	15
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		2,815	2,902
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(1,991)	(6,634)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant, and equipment		(40)	(40)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (intangibles)	(475)	(934)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment		
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(515)	(974)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	6,611	8,011
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(30)	(72)
3.5	Proceeds from borrowings	170	170
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(121)	(224)
3.10	Net cash from / (used in) financing activities	6,630	7,885

Item 3.9: Cash outflows relate to the implementation of AASB 16 Leases for the Group's premises leases.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,426	19,663
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,991)	(6,634)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(515)	(974)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,630	7,885
4.5	Effect of movement in exchange rates on cash held	(529)	(919)
4.6	Cash and cash equivalents at end of period	19,021	19,021

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,974	6,483
5.2	Call deposits	6,047	8,943
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	19,021	15,426

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Item 6.1: Payments to directors consist of Non-Executive Directors' superannuation. At 31 December 2020, there were \$112,000 in Directors' fees accrued or unpaid, related to equity-based remuneration and superannuation.

7. Financing facilities	Current quarter \$A'000
7.1 Loan facilities	-
7.2 Credit standby arrangements	-
7.3 Other (please specify)	-
7.4 Total financing facilities	-
7.5 Unused financing facilities available at quarter end	-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date, and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Items 1.9)	(1,991)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	19,021
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	19,021
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	10
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
<div>1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</div> <div>Answer: --</div>	
<div>2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</div> <div>Answer: --</div>	
<div>3. Does the entity expect to be able to continue its operations and meet its business objectives and, if so, on what basis?</div> <div>Answer: --</div>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


Company Secretary

Date: 28 January 2021

Print name: Leanne Ralph

Notes

1. The quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed, and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board", if it has been authorised for release to market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you had insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.