

22 October 2024

Companies Announcements Office
Australian Securities Exchange

Quarterly Activity and Cash Flow Report

Key Highlights for the First Quarter

- Dr Parmjot Bains appointed Chief Executive Officer and Managing Director and Mr McGregor Grant appointed Executive Director and Chief Financial and Operator Officer on an ongoing basis.
- Covered lives increased by 6.6 million with 3 additional payors reimbursing SOZO® testing.
- Additional clinical standards including BIS as a recognised objective measurement of lymphoedema.
- Lead pipeline continues to grow and convert into sales.
- SOZO Core Business TCV of A\$4.8 million (vs. A\$3.4 million in Q4 FY24).
- Unaudited revenue of A\$2.7 million for the quarter (vs. A\$2.9 million in Q4 FY24).
- Net operating cash outflows of A\$4.8 million for the quarter (vs A\$4.7 million in Q4 FY24).
- Cash balance at 30 September 2024 of A\$18.6 million.

ImpediMed Limited (ASX: IPD) (**ImpediMed** or the **Company**) announces the release of the Quarterly Activities Report and Appendix 4C Cash Flow Report for the quarter ending 30 September 2024 (Q1 FY25).

Senior management appointments

As announced in November 2023, Dr Parmjot Bains, CEO and Managing Director and Mr McGregor Grant, CFO and Executive Director commenced in their roles in an interim capacity. During the quarter the Board confirmed the appointment of Dr Bains as Managing Director and Chief Executive Officer and Mr Grant as Executive Director and Chief Financial & Operating Officer on an ongoing basis.

Reimbursement

Reimbursement coverage continues to improve with payor coverage increasing by 6.6 million lives. Coverage was increased with two additional payors providing positive coverage and one

additional payor providing silent coverage. In addition, a national payer moved from silent coverage to a BIS specific medical necessity policy (i.e. positive coverage). Covered lives increased to 146.6 million with 16 states now at critical mass (>80% coverage), 19 private payors providing positive published coverage and 39 payors providing silent coverage. Coverage improved in New York, New Jersey, Connecticut, and New Mexico.

In the quarter, the U.S. National Accreditation Program for Breast Centres (NABPC) released an update of their Clinical Standards. The standards recommend the use of evidence-based guidelines to manage survivorship and, for the first time, included lymphoedema prevention programs utilising bioimpedance spectroscopy (BIS) as an example.

Key sales metrics and financial update

Implementing the new go to market strategy is on track. Increased earned media activity and conference attendance continues to drive awareness, lead generation and supports clinical adoption. The opportunity pipeline, comprising validated leads for SOZO units, continues to grow, increasing to 585 units, up 34% from last quarter and up 100% over the year. In addition to the growing pipeline, actual sales momentum is also building with 28 units sold in the US for the quarter vs 23 units in the prior quarter and 13 units in the quarter before that.

ImpediMed recorded unaudited total revenue of A\$2.7 million for the quarter ending 30 September 2024 compared with A\$2.9 million in the preceding quarter ending 30 June 2024 (Q4 FY24). The decrease was largely a result of two factors. Firstly, the timing of distributor inventory restocking which is reported as ROW sales. Actual ROW sales continue at anticipated levels but distributors didn't reorder inventory in the quarter. Subsequent to quarter end distributor orders have been received. The second factor was the strengthening of AUD vs USD. On a constant currency basis, U.S. revenue was slightly up on the previous quarter.

The Core Business Total Contracted Value (TCV) signed during the quarter was A\$4.8 million, a 40% increase compared with A\$3.4 million for Q4 FY24 and A\$2.2 million in Q3 FY24.

Contracts in place at the end of Q1 FY25 are expected to generate Core Business Annual Recurring Revenue (ARR) of A\$11.6 million for the 12 months to 30 September 2025. This compares with ARR at the end of Q4 FY24 of \$11.0 million.

Summary of cash receipts and outflows

During Q1 FY25 the Company had net cash outflows from operating activities of A\$4.8 million, which is net of cash receipts from customers of A\$2.7 million. The majority of cash outflows for the quarter related to staff costs which totalled A\$4.9 million.

FY25 cash expenditure is forecast to be 10% lower compared with FY24 mainly as a result of adjustments to headcount and salaries, net of investment in customer facing roles to drive growth. The Company is forecasting net operating cash outflow for Q2 FY25 to decrease to below A\$3.5 million.

At September 2024, ImpediMed has a total cash balance of A\$18.6 million comprising of A\$2.8 million cash in bank and A\$15.8 million in term deposits.

Payments to related parties and their associates during the quarter disclosed in Section 6 of the Appendix 4C totalled A\$93,000 and comprised payments to Non-Executive Directors.



Approved for release by the Board of ImpediMed Limited

Investor Conference Call

Investors are invited to join a conference call hosted by Managing Director and CEO Dr Parmjot Bains and Executive Director and CF&OO McGregor Grant at 11.00am AEDT on Tuesday 22 October 2024.

To pre-register please follow this link <https://s1.c-conf.com/diamondpass/10042807-m3i8q1.html>

For more information, contact Dr Parmjot Bains or McGregor Grant on +61 7 3860 3700



About ImpediMed

Founded and headquartered in Brisbane, Australia with US and European operations, ImpediMed is a medical technology company that uses bioimpedance spectroscopy (BIS) technology to generate powerful data to maximise patient health. ImpediMed produces the SOZO® Digital Health Platform, which is FDA-cleared, CE-marked, and ARTG-listed for multiple indications, including lymphoedema, heart failure, and protein calorie malnutrition and sold in select markets globally.

In March 2024, the NCCN Clinical Practice Guidelines In Oncology (NCCN Guidelines®) for Survivorship continue to reference bioimpedance spectroscopy as the recommended objective tool to screen at-risk cancer patients for early signs of lymphoedema. With the SOZO Digital Health Platform and L-Dex®, ImpediMed is the only company to offer FDA-cleared technology that uses bioimpedance spectroscopy for the clinical assessment of lymphoedema. The connected digital health platform and large, attractive cancer-related lymphoedema market present an opportunity for continued strong growth through ImpediMed's SaaS subscription-based business.

For more information, visit www.impedimed.com.

Forward Looking Statements

This announcement contains or may contain forward-looking statements that are based on ImpediMed Limited (ImpediMed) 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. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

While management has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause actual results to differ from projections. You should not place undue reliance on forward-looking statements which speak only as of the date when made. Except as required by law, 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 and no representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including ImpediMed Limited).

Appendix 4C

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

Name of entity
ImpediMed Limited
ABN

65 089 705 144

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,718	2,718
1.2 Payments for		
(a) research and development	(88)	(88)
(b) product manufacturing and operating costs	(314)	(314)
(c) advertising and marketing	(301)	(301)
(d) leased assets	-	-
(e) staff costs	(4,899)	(4,899)
(f) administration and corporate costs	(2,199)	(2,199)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	279	279
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,804)	(4,804)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(447)	(447)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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	(447)	(447)

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 options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
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)	(107)	(107)
3.10	Net cash from / (used in) financing activities	(107)	(107)

Item 3.9: Cash inflows during the period relate to a temporary timing difference in relation to GST on capital raising costs, offset slightly by the recognition of costs under 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	24,632	24,632
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,804)	(4,804)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(447)	(447)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(107)	(107)
4.5	Effect of movement in exchange rates on cash held	(626)	(626)
4.6	Cash and cash equivalents at end of period	18,648	18,648

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	2,817	6,244
5.2	Call deposits	15,831	18,388
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)	18,648	24,632

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	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$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 (item 1.9)	(4,804)
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,648
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,648
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	<div style="border: 1px solid black; padding: 5px; width: 50px; margin: 0 auto;">4</div>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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 style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: </div>	
8.6.2	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 style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: </div>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: </div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

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.

Date: 22 October 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This 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 the 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 can 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.