

## ImpediMed Limited – Annual General Meeting

14<sup>th</sup> November 2016

### Chairman's Address

Good Morning – I am Cherrell Hirst, Chairman of ImpediMed Limited. I am very pleased to welcome you to our Annual General Meeting for 2016. Thank you for making the effort to be here. I hope you find the meeting useful and certainly from my perspective it is an excellent opportunity for shareholders to get to know Directors and Executives better.

2016 has been another year of significant achievement for ImpediMed. As you will know from our regular flow of information and as you will hear in a few minutes when Rick presents his operational review, many important milestones, critical to our continuing success, have been achieved.

At the time of our last AGM, we were poised to commence the full commercial launch of L-Dex in oncology in the US. Armed with the learnings and experience from the pilot program in six cancer centers, we set a target of signing up 50 leading cancer centers during the 2016 calendar year.

This is tracking ahead of target and ahead of schedule. Today more than 55 of the leading cancer centers have been signed up, trained, and are using L-Dex on their high risk Breast cancer patients. One of the most important but also most difficult aspects of this take up is the integration of our clinical data into the relevant medical record systems and despite the challenges this too is being achieved. Revenues from oncology were up 60% on the previous year, most but importantly the foundations laid in these early years pave the way for future revenue growth as the compounding impact of year on year return visits comes into effect.

The success of this commercial launch to date personifies the method and work ethic of our team lead by Rick Carreon. Together they set their sights on a goal, develop a clear strategy, take advice from the experts in the field, and gather the data to enable them to validate and/or refine the approach, and then most importantly execute with precision. I call it the RCW – the Rick Carreon Way.

The progress we have seen this year takes ImpediMed beyond the realms of the key market opportunity we have in lymphoedema. It has enabled us to expand our sights to the establishment of BIS technology as the gold standard for measuring fluid balance, body composition and hydration which have key applicability to a wide range of acute and chronic clinical conditions and also into general health and wellness – an enormous strategic transformation.

This does not mean that we are leaving Lymphoedema behind: no to the contrary, we are progressing steadily on our goals in that area. We are much further advanced than we were even a year ago - and we will continue to advance - but the significant growth in this market will come only when our interim clinical trial results are known (next year) and made public: and private payers begin to recognise the implications of that data through cost /benefit analyses. This is not an overnight process; it will take a little while but it will happen and should be well advanced as we move into 2018.

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Returning to our achievements in this last twelve months; as I mentioned previously this has truly been a transformational year. Symbolically, this is perhaps best reflected in the launch of SOZO™, our next generation device. This sleek, patient centered design, marks the advancement of our platform technology not only into the digital health arena but is the device which we take to market for our future clinical applications – now in CHF and lymphoedema - and in the future into other indications. Its modular design allows enormous flexibility. I am excited and I am sure you will be when you see SOZO in action and learn more about its capability. Only a little over a year ago we thought we were developing one device for lymphoedema and one for CHF but no – SOZO can do them both and much beyond. We refer to SOZO as our next generation device but really we have jumped a few generations - about five in my estimation - in the development of this device. Rick and his team deserve our most heartfelt congratulations on this achievement and in so short a time. Well done Rick.

As you know we have determined that Class III chronic heart failure (CHF) is the next area for the clinical application of our technology; a potential US\$1 billion market opportunity. We are already making strong inroads in this space. We have assembled a highly renowned medical advisory board with a number of the leading physicians from this field of medicine and with a speed indicative of the medical and health system need, and the potential of our technology to address this need, we are working in close collaboration with two of the leading cardiovascular services in the US – the Mayo Clinic and Scripps Health – where we are using SOZO in two separate feasibility studies in chronic heart failure. These small studies will provide us with the information we need to follow on with the design and delivery of the essential pivotal study.

Our team led by Rick Carreon has done an incredible job in establishing critical clinical partnerships with leading centers which are enabling our rapid advancement in CHF. It is unusual and truly amazing that entities like Scripps Health and the Mayo Clinic are prepared and eager - to work with a company of the size of IPD. It is an impressive tribute to the quality of our people, their strategic thinking and their ability to deliver. Another factor which has been important in the establishment of these partnerships is our very strong balance sheet – also unusual in a company of our size and stage – and for that I want to thank you our shareholders for your participation in our \$75m raise earlier this year. And in addition our strong balance sheet has enabled us – or at least our management team – to achieve what we have achieved this year in the CHF space and with SOZO without having the shadow of needing additional capital hanging over our heads. Thank you to every one of our shareholders for the confidence and trust you have placed in us to deliver on our strategy in this way. It is a far cry from the drip feeding capital environment in which many other companies of our size and stage exist.

I have talked at length about our strategic developments but let's not forget that financially, too, this has been a very solid year for the company building the base, and steadily and surely forming a basis for ongoing growth. You will have seen this from our Annual Report and Rick will elaborate further in detail.

I know you're all eager to "say hello to SOZO", but before I hand over to Rick to give a more detailed review of the year, I have a few additional points.

Firstly, in response to concerns raised by our shareholders in our first strike last year, we have made a number of changes to our remuneration framework and these are described in detail in our Remuneration Report on which we will be voting later in this meeting. In that

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report we have taken considerable effort to clearly articulate our remuneration practices and why they differ in some ways from typical Australian remuneration practices. Our management team – the team which has delivered so much value to shareholders over the last three years through its capability, dedication, effort and team work - almost all (95%) live and work in the USA and have built their careers there. To attract and retain high calibre individuals into ImpediMed from this competitive environment, we must acknowledge and pay attention to US remuneration norms. I trust we are now articulating these challenges more effectively so that you our shareholders understand what we are doing and why. I can assure you that the Board pays great attention to this matter and is driven by a commitment to fair, responsible and competitive remuneration policy and practice. There will be adequate opportunity for you to ask questions regarding our remuneration practices when we consider the resolution to approve the Remuneration Report – Item 2 on our formal agenda.

On behalf of my fellow board members, I am very pleased to welcome Directors Ms Elizabeth Gaines and Mr Gary Goetzke to our Board of Directors. Their respective appointments are evidence of the appropriate ongoing evolution and skills alignment of the board as the company grows and matures and their selection is based on assessments using our board skills matrix which is detailed in our Annual Report. At the same time I wish to extend very significant thanks to retiring directors James Hazel and Michael Panaccio who have each made a very significant contribution to ImpediMed over a number of years and who were key players in guiding the company through the dark days of a few years ago.

And although we were sad to lose the services of David Adams from the board in August, we are all delighted that he is/was willing to fill a much needed role in the executive team as Senior Vice President Ventures, Licencing and Corporate Development. David brings a huge experience and significant capability to this role and so IPD is this overall winner from this move.

As always, I extend my congratulations and thanks to Rick. His leadership since he joined us in July 2012 has been the key factor in bringing us to where we are today. And thank you too, to each member of our strong and now expanded executive team. They, working with Rick and all our other people constitute an enviable force for excellent delivery of our strategy year on year. Thank you to each and every one of you.

And finally, a thank you to our shareholders for your ongoing support. As in previous years, we look forward to sharing the next steps of our journey with you, and you have our assurance that we will continue to forge ahead with the same commitment to delivering strong results, for the benefit of our investors, and all the people around the world whose lives can be improved with the applications of our technology.

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