

# impedimed

26 October 2016

## ASX ANNOUNCEMENT

### APPENDIX 4C – Quarter Ended 30 September 2016

**Brisbane, Australia** - ImpediMed Limited (ASX: IPD) a global provider of medical technology to measure, monitor and manage fluid status and body composition, today released its Appendix 4C – Quarterly cash flow report for the period ended 30 September 2016.

Total revenue for the period was \$1.7 million, including lymphoedema sales of \$1.2 million. Net operating cash outflow for the quarter was \$6.9 million. Cash receipts from customers for the quarter were \$1.5 million and cash on hand as of 30 September 2016 was \$73.4 million.

Highlights for the past quarter include:

- Trained 22 new L-Dex accounts in Q3 and have now signed and trained 55 L-Dex® accounts for CY2016, surpassing the 50 targeted L-Dex accounts for CY2016 in the first nine-months since commercial launch;
- The Centers for Medicare and Medicaid Services (CMS) published the proposed outpatient payment rates for calendar year 2017, which includes an increased payment rate for code 93702 when billed by a hospital outpatient facility to \$US 127.42, an increase of 13.1%;
- Study on efficacy of L-Dex in routine clinical practice published, which demonstrates the impact L-Dex can have on patients at-risk for breast cancer related lymphoedema;
- Announced SOZO™, the first product on the company's new population health platform that allows patients and clinicians to measure and track their fluid status and body composition;
- Entered into a three-year joint development agreement with the Mayo Clinic to advance new solutions for ImpediMed's fluid status and body composition monitoring technology;
- Partnered with Redox to expand the capabilities of electronic health record (EHR) integration for ImpediMed's next generation device, SOZO;
- Partnered with Vanderbilt University for a series of patient and clinician human factors testing using SOZO;
- Scripps Health, the operator of one of the top cardiovascular hospitals in the US, will use SOZO in a validation study for monitoring patients with heart failure who are currently being tracked using pulmonary artery pressure monitoring;
- The US Food and Drug Administration (FDA) issued new guidance surrounding digital health, which allows manufacturers of medical devices to use Real-World Evidence to support their application for submission to FDA for clearance and/or approval;
- The FDA released their guidance document "General Wellness: Policy for Low Risk Devices", which states that the agency does not intend to examine low

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risk, general wellness products. Devices and apps marketed to promote healthy behaviors have been exempted by the FDA;

- Appointed Mr Gary Goetzke to the Board of Directors and Mr David Adams to the position of Senior VP of Ventures, Licensing and Corporate Development;
- Receipt of \$0.8 million tax refund for the 2015 financial year, as part of AusIndustry's R&D Tax Incentive program.

Highlights subsequent to the quarter end include:

- Mayo Clinic, together with the Atlantic Health System, will use the SOZO device in a feasibility study for monitoring patients with heart failure, to provide real-world data necessary for the final design of the pivotal trial;
- Receipt of \$2.0 million tax refund for the 2016 financial year, as part of AusIndustry's R&D Tax Incentive program.

"It was a very productive quarter as we announced the pre-launch of SOZO and several key partnerships. Partnering with institutions such as the Mayo Clinic, Scripps Health and Vanderbilt University for studies using SOZO will allow us to gather important patient and clinical data from our digital health technology platform."

"In addition, I am very pleased with the progress of L-Dex during the quarter, as we have now surpassed the 50 initial targeted L-Dex accounts for the calendar year, laying the foundation for future revenue growth," said Richard Carreon, Managing Director and CEO of ImpediMed.

**Richard Carreon**  
**Managing Director & CEO**

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**About ImpediMed**

Founded and headquartered in Brisbane, Australia with U.S. offices in Carlsbad, Calif. and Bloomington, Minn., ImpediMed is the world leader in the development and distribution of medical devices employing bioimpedance spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of fluid status and body composition in patients. For more information, visit [www.impedimed.com](http://www.impedimed.com).

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## Appendix 4C

### Quarterly 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")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,457	1,457
1.2 Payments for		
(a) research and development	(1,019)	(1,019)
(b) product manufacturing and operating costs	(440)	(440)
(c) advertising and marketing	(425)	(425)
(d) leased assets	(1)	(1)
(e) staff costs	(5,372)	(5,372)
(f) administration and corporate costs	(1,963)	(1,963)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	91	91
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	750	750
1.8 Other (provide details if material)	16	16
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(6,906)</b>	<b>(6,906)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:

(a) property, plant and equipment	(136)	(136)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(136)</b>	<b>(136)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	173	173
3.4 Transaction costs related to issues of shares, convertible notes or options	(9)	(9)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>164</b>	<b>164</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	82,254	82,254
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(6,906)	(6,906)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(136)	(136)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	164	164
4.5 Effect of movement in exchange rates on cash held	(1,937)	(1,937)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>73,439</b>	<b>73,439</b>

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<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,495	2,586
5.2 Call deposits	69,944	79,668
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>73,439</b>	<b>82,254</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	110
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1: Payments to directors consist of Directors' salaries and superannuation and Directors' fees for the quarter and year-to-date. These figures include only Non-Executive.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(1,900)
9.2 Product manufacturing and operating costs	(1,350)
9.3 Advertising and marketing	(300)
9.4 Leased assets	-
9.5 Staff costs	(3,850)
9.6 Administration and corporate costs	(1,400)
9.7 Other (provide details if material)	(100)
<b>9.8 Total estimated cash outflows</b>	<b>(8,900)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

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**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: 26/10/2016

Print name: LEANNE RALPH

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

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