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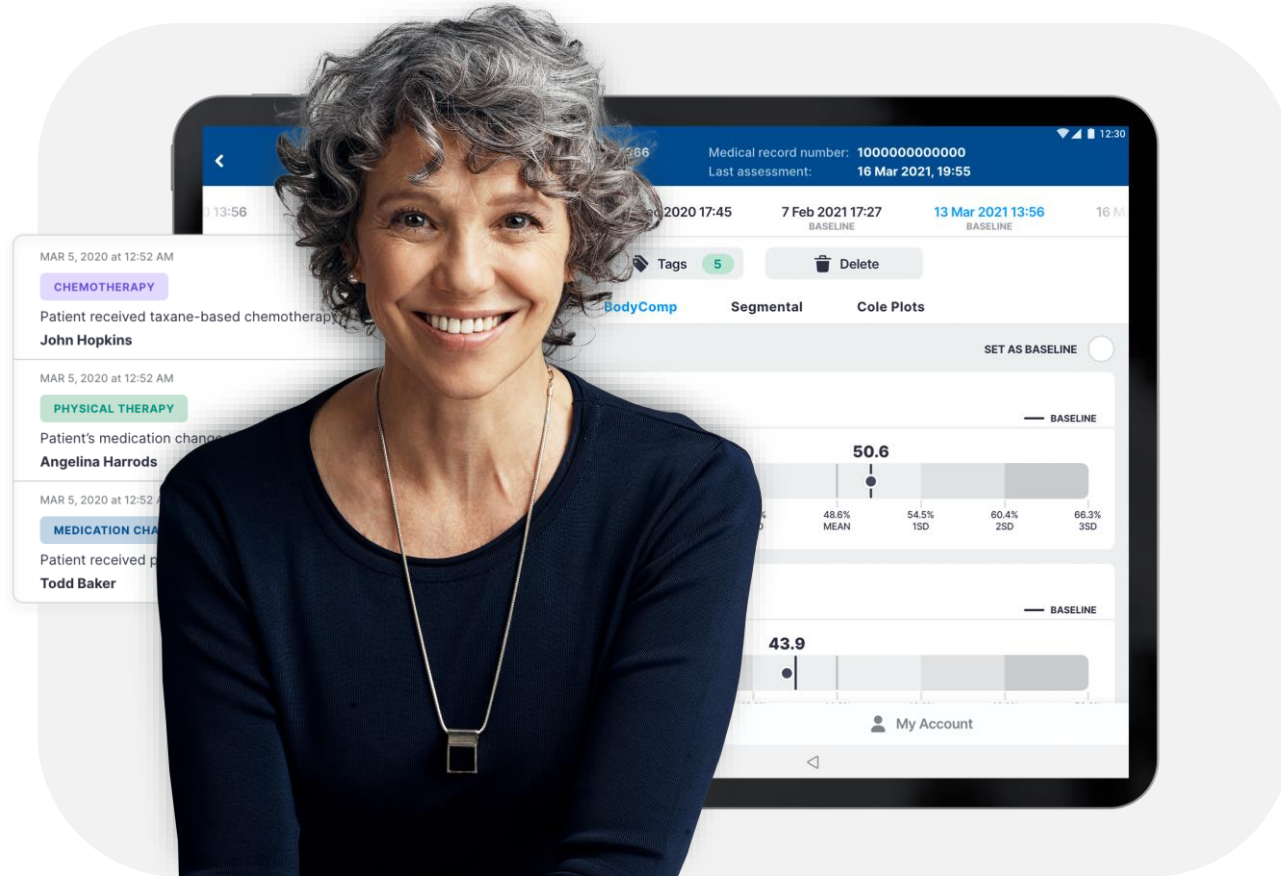
# Quarterly Activities Report and Investor Presentation

APPENDIX 4C –

Quarter Ended 30 September 2023

31 October 2023

ASX: IPD



# Forward Looking Statements

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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.

# Key Messages

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## Continued Momentum with Private Payors

BCBS move causes adjustment to published policy timeline but ~85% Private Payors still expected to publish positive coverage policies by 30 June 2024.



## Strong Foundation for Accelerated Growth

Strong fundamental SaaS metrics and measured cost control fully aligned with Private Payor reimbursement timelines.



## Focused on Execution

NCCN Guidelines<sup>®</sup>, payor policies, top tier customers, low churn rate, first mover advantage and no direct competition put Company in a unique position to win.

# Reimbursement Timelines

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Today

Dec 2023

Jun 2024

## Reimbursement Updates

- BCBS\* Association website update states they will sunset their Evidence Street platform in December 2023<sup>1</sup>.
- This means BCBS Association may no longer publish national medical policies for Association members to adopt.
- Instead of approaching BCBS Association as a single, national payor, need to approach each health plan one-by-one.
- Success to date with one-by-one approach with BCBS, with seven (7) individual BCBS health plans already published

30%

With this BCBS change we expect ~30% coverage by the end of calendar year 2023<sup>2</sup>.

PREVIOUS: ~50%

~85%

~85% of all Private Payors still projected to publish coverage by end of our FY24<sup>2</sup>.

PREVIOUS: 95%+

## Commercial Goals Remain Unchanged

- ~85% coverage unlocks substantial growth opportunity in all key markets with broad reimbursement.
- FY24 continues to be a year of building and preparing for scale.
- Laying the groundwork for a significant run of growth for FY25 and beyond.

\* BCBS = Blue Cross Blue Shield

1.Refers to updates made to the BCBS Association website related to Evidence Street: <https://www.bcbsaoca.com/evidencestreet/>

2.Projected timing based on a combination of direct correspondence with private payors by ImpediMed or our provider partners and publicly available BIS medical policy publishing updates.

# Achieving Critical Mass Opens Commercial Opportunities

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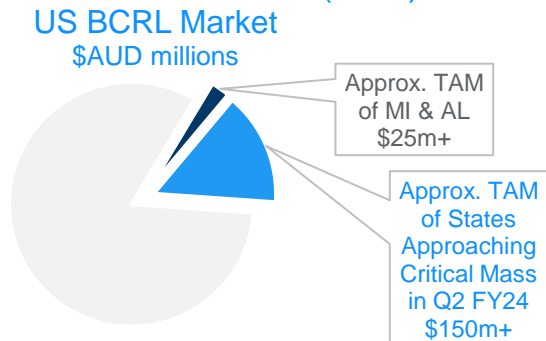
## Coverage Policies<sup>1</sup>

- **12 positive medical policies published** since inclusion of SOZO® and BIS in the NCCN Guidelines® led by **Top 5 National Payor, Cigna Healthcare**, and seven (7) Blue Cross Blue Shield policies.
  - Up from seven (7) positive medical policies published last quarter.
  - Remaining Top 5 National Payors remain within expected timelines for publication.
- Three (3) confirmed Regional medical policy revisions pending publication.
- 27 Payors providing silent coverage for CPT code 93702.
- Michigan: 97%+ covered lives.
  - Key market with strong reimbursement rates.
  - Represents a total annual market opportunity of A\$20m+.
  - Hired a Sales Rep in the state in Q1 FY24.
  - **Signed a Master Services Agreement with large Michigan IDN in Q1 representing 20+ hospital systems.**
    - Pricing under the contract is U\$2,500 per month from month 1.

**3 - 6**  
 Add'l States expected  
 at Critical Mass in  
 Q2 FY24<sup>1</sup>

- Critical mass (>80% covered lives) required to accelerate sales efforts in a state.
- Four (4) of the six (6) states at play in Q2 FY24 are key markets.
  - Top 10 states for number of hospitals in the U.S.
  - Significant portion of current pipeline is within these states.
- These states at play represent a total annual market opportunity of A\$150m+.

### Total Addressable Market (TAM)



1. Based on data through 20 October 2023.

# Regulatory Landscape

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## Achieved 510(K) Clearance for SOZO Pro

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Secured FDA clearance to remove the contraindication for patients with implantable permanent pacemakers (PPMs) or implantable cardioverter-defibrillators (ICDs)

Limited demand in core lymphoedema business, where few breast cancer patients have implantable PPMs and ICDs

Planning for controlled market release to transition from SOZO to SOZO Pro with minimal distraction to sales and reimbursement efforts

## Bilateral arm software update

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- Successfully completed an update to the SOZO software, removing bilateral arm L-Dex assessment
  - Pertains to single digit % of breast cancer patients
- Does not impact our core business of unilateral arm L-Dex assessments, which applies to the majority of breast cancer patients
- Will not have an impact on our customer retention, sales forecasts, or ROI model
- Completed the necessary regulatory filings for the U.S. and Australia and on track to complete filings with all regulatory authorities in the coming months

# Growth in the Core SaaS Business, Phase out of Clinical Revenue

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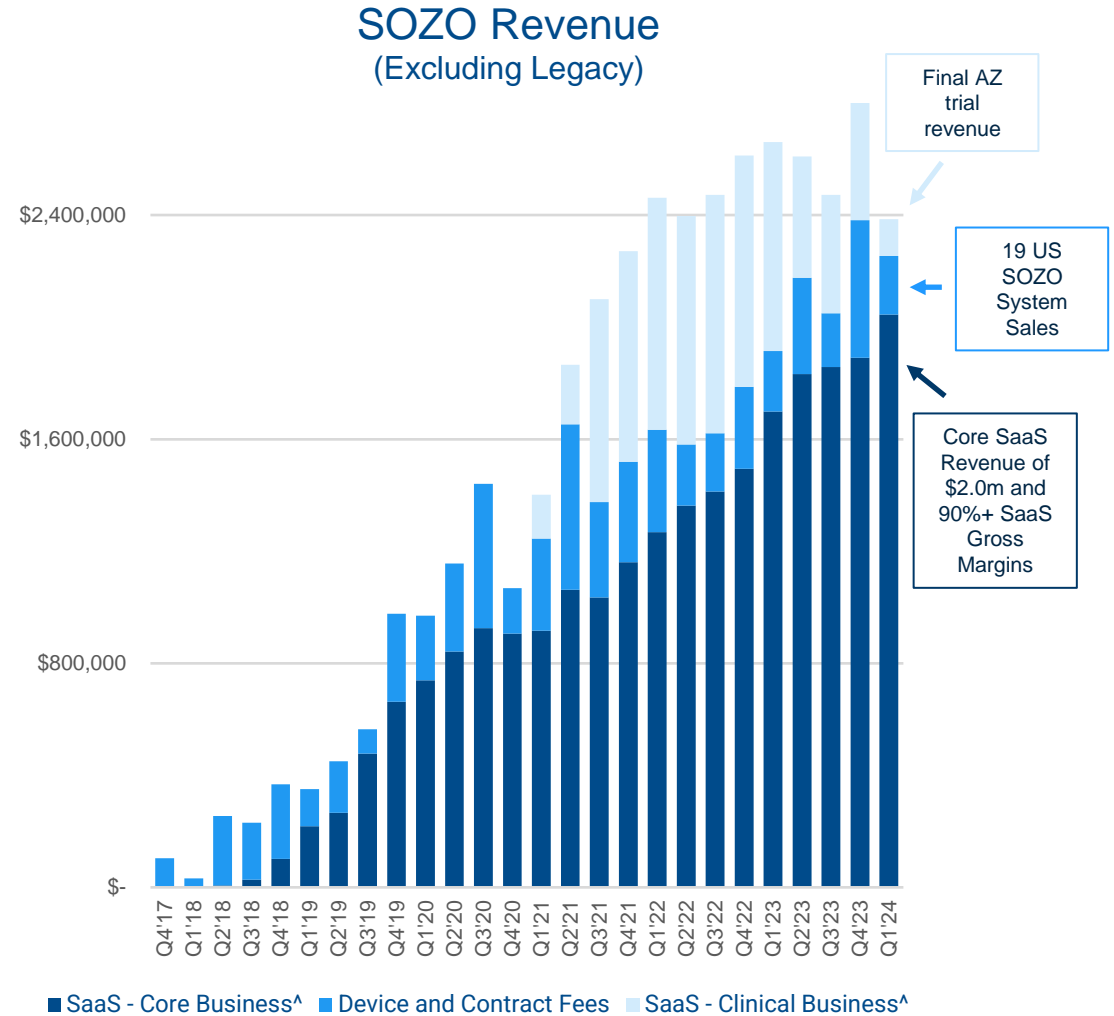
**\$2.0m**

**Core SaaS Revenue**  
(+20% YoY^)  
(+15% YoY CC)

**\$2.5m**

**Total Revenue**  
(-12% YoY^)  
(-15% YoY CC)

- Strong YoY growth in Core Business in Q1 FY'24.
  - Includes \$2.0m in Core SaaS Revenue, +20% YoY.
  - Growth achieved prior to broad reimbursement.
- Decline in Total Revenue of 12% YoY:
  - Anticipated reduction of \$0.3m from Clinical Business.
  - Final remaining revenue related to AstraZeneca ("AZ") trials recognised in the quarter.
  - Core Business new system sales:
    - Quantum of systems sold in line with internal expectations, but value per contract lower than anticipated.
    - Three (3) multi-system contracts with strong pricing stalled at end of quarter; now expected to close in Q2 FY24.



^The Core Business relates primarily to the Group's Oncology business. The Clinical Business refers to revenue generating contracts from research contracts such as AstraZeneca.  
All FY'24 revenue and cash flow numbers are unaudited. All figures are stated in Australian dollars (AUD) unless otherwise notated.

# Strong Fundamentals in Place Ahead of Broad Reimbursement

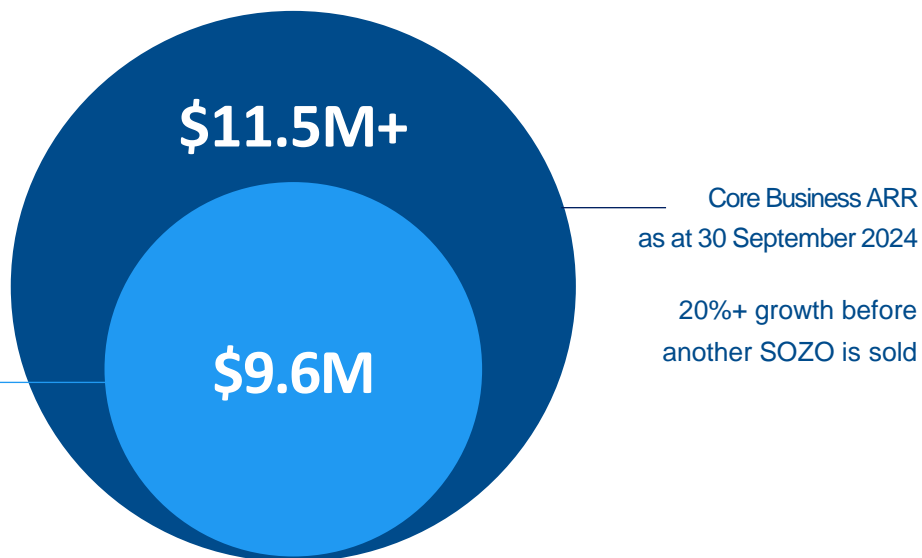
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- \$9.6m ARR<sup>i</sup> in the Core Business, +18% YoY<sup>^</sup> (+17% CC).
  - ARR increases to \$11.5m over the next year of life of those contracts.

- \$2.4m TCV<sup>ii</sup> signed in the Core Business, -14% YoY (-13% CC).
  - Smaller pool of renewals available compared to prior period.

- Churn Rate remained negligible at 3%.
  - Maturing our end-to-end Customer Success team and processes important to helping ensure Churn remains in this low range.

Stair step pricing model locks in growth before additional SOZO system sales:



**+18%**  
Increase in ARR YoY  
+17% constant currency (CC)

**3%**  
Churn Rate  
based on SOZO Systems globally

All FY'24 revenue and cash flow numbers are unaudited.  
All figures are stated in Australian dollars (AUD) unless otherwise notated.

<sup>^</sup> YoY denotes Year-over-Year change in metric. CC denotes Constant Currency.

<sup>i</sup> Annual Recurring Revenue (ARR): The amount of revenue reasonably expected to be booked for a given 12-month period of time based on existing signed contracts, assuming installation upon sale, and assuming no churn.

<sup>ii</sup> Total Contract Value (TCV): Total value of customer contracts including one-time and recurring revenue

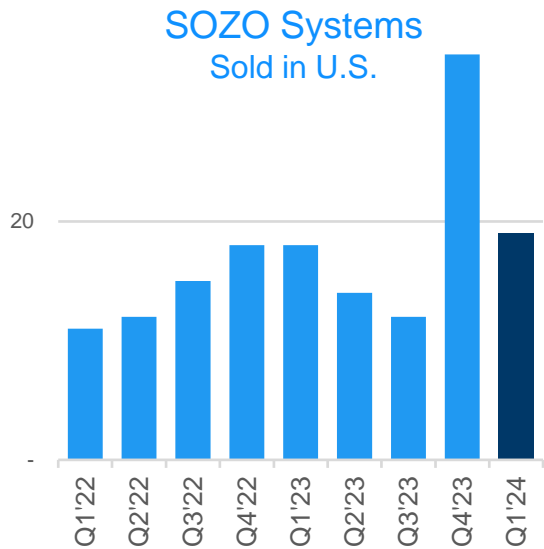


# SOZO Systems in U.S. Key to Long-term Growth

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## Landing System Sales Prior to Critical Mass

- 500+ SOZO Systems sold in U.S. to date; 1,000+ globally.
- 19 sold in U.S. in Q1 FY24.
  - Above historic numbers, but behind strong Q4 FY23.
  - Healthy mix of new customers and expansion accounts.
  - Expansion at five (5) Top 25 IDNs\* or NCCN centres.



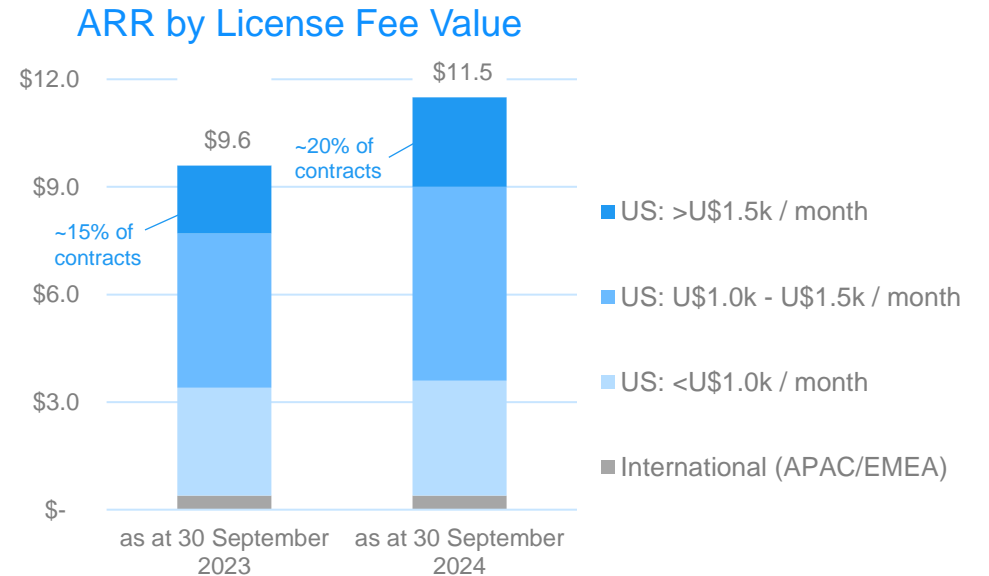
\* IDN = Integrated Delivery Network

^ QoQ denotes Quarter-over-Quarter change in metric.

^^ YoY denotes Year-over-Year change in metric. CC denotes a Constant Currency metric.

## Increasing Average Monthly License Fees

- Number of contracts with pricing >USD \$1,500 / month increasing.
- Additional opportunity remains for increased license fees on existing install base once broad reimbursement is achieved.
- Significant number of contracts will move to top bucket as new USD \$2,500 / month contracts are sold.



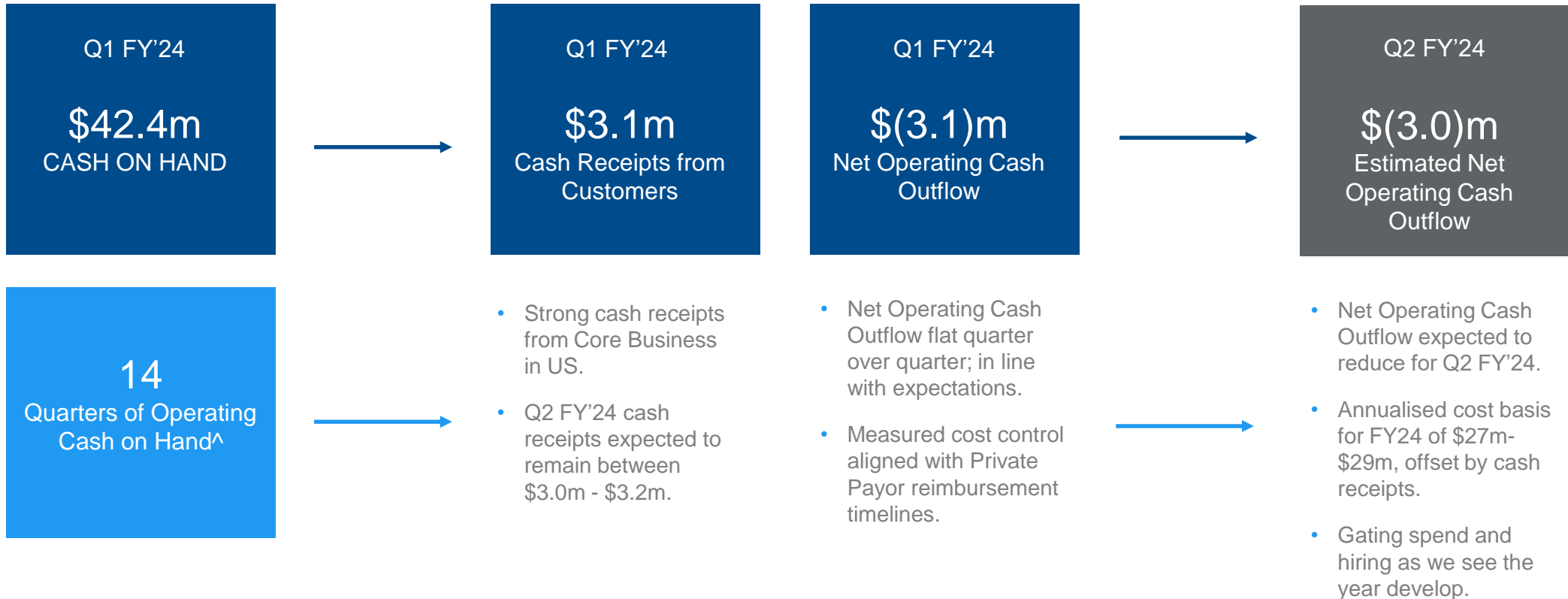
All FY'24 revenue and cash flow numbers are unaudited.

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

# Strong Balance Sheet, Measured Investments

Measured cost control aligned with Private Payor reimbursement timelines

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<sup>^</sup> Estimated quarters of funding available as calculated in note 8 of the Appendix 4C. Estimated quarters of funding available when Investing cash outflows are included are 11+ quarters. All FY'24 revenue and cash flow numbers are unaudited. All figures are stated in Australian dollars (AUD) unless otherwise notated.

# Focused on Execution

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## Board Changes Completed

- Productive in person onboarding of all directors.
- Alignment on current focus in Oncology platform.
- Company focused on further unifying all stakeholders.



## Strong Foundation for Accelerated Growth

- Continued Growth in Core Business ahead of broad reimbursement.
- Key hires made in Sales team and Medical Affairs.
- Strong balance sheet.



## Becoming the Standard of Care

- NCCN Guidelines®, payor policies, top tier customers, low churn rate, first mover advantage and no direct competition put Company in a unique position to win.

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# Appendix



# Results in Constant Currency

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Core Business SaaS Metrics*	AUD \$millions	AUD		Constant Currency	
		YoY^	QoQ^^	YoY	QoQ
<b>Annual Recurring Revenue</b>	9.6	<b>18%</b>	4%	<b>17%</b>	0%
<b>Contracted Rev. Pipeline</b>	20.9	10%	0%	7%	0%
<b>Total Contract Value</b>	2.4	-14%	-37%	-13%	-39%



- Continued growth in ARR from increasing SOZO install base.



- 0% change QoQ as recognised revenue offset newly signed TCV.



- Smaller pool of renewals available compared to prior year.

Core Business Revenue*	AUD \$millions	AUD		Constant Currency	
		YoY^	QoQ^^	YoY	QoQ
<b>Core SaaS Revenue</b>	2.0	<b>20%</b>	8%	<b>15%</b>	6%
<b>Total Core Revenue</b>	2.3	18%	-5%	13%	-8%
Total Business Revenue	AUD \$millions	AUD		Constant Currency	
<b>SOZO Revenue</b>	2.4	-10%	-15%	-14%	-17%
<b>Total Revenue</b>	2.5	-12%	-17%	-15%	-19%



- Strong YoY growth in key, fundamental metric.



- Total Revenue decline anticipated based on close out of AZ trials.

^ YoY denotes Year-over-Year change in metric.

^^ QoQ denotes Quarter-over-Quarter change in metric.

\* The Core Business relates primarily to the Group's Oncology business. The Clinical Business refers to revenue generating contracts from research contracts such as AstraZeneca.

All FY'24 revenue and cash flow numbers are unaudited.

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

# Quarterly Activities Report – Summary of Cash Activities

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## Cash Flow Summary:

- Cash on hand as at 30 June 2023 of \$42.4 million.
- Cash Receipts from Customers were \$3.1 million.
  - Strong cash receipts from Core Business in US.
  - Q2 FY'24 cash receipts expected to remain between \$3.0m - \$3.2m.
- Net Operating Cash Outflows were \$(3.1) million, consistent with the prior quarter.
- Equates to 14 Quarters Operating Cash Flow based on current cost structure.
  - Equates to 11 Quarters Cash Flow when investing activities are included.
- Related Parties: During the quarter, the Company Directors received a combination of cash remuneration, as well as issued shares as equity-based remuneration in lieu of cash, as described in Item 6 of the Appendix 4C.
- These payments to directors consisted of cash-based payments of \$74,000, as well as \$112,000 in Directors' fees accrued and unpaid related to cash-based remuneration, equity-based remuneration and superannuation.

Approved for release by the Managing Director & CEO, Richard Valencia.

## Contact Details

### Investor Relations Contact:

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<sup>^</sup> QoQ denotes Quarter-over-Quarter change in metric.

<sup>^^</sup> YoY denotes Year-over-Year change in metric. CC denotes a Constant Currency metric.

All FY'23 revenue and cash flow numbers are unaudited.

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

## 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 2023

<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	3,062	3,062
1.2 Payments for		
(a) research and development	(106)	(106)
(b) product manufacturing and operating costs	(260)	(260)
(c) advertising and marketing	(153)	(153)
(d) leased assets	-	-
(e) staff costs	(5,876)	(5,876)
(f) administration and corporate costs	(2,341)	(2,341)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	407	407
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,129	2,129
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,138)</b>	<b>(3,138)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(81)	(81)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(753)	(753)

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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(834)</b>	<b>(834)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(2)	(2)
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(56)	(56)
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)	(118)	(118)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(176)</b>	<b>(176)</b>

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.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	45,710	45,710
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,138)	(3,138)



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)	(834)	(834)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(176)	(176)
4.5	Effect of movement in exchange rates on cash held	836	836
4.6	<b>Cash and cash equivalents at end of period</b>	<b>42,398</b>	<b>42,398</b>

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	25,155	32,163
5.2	Call deposits	17,243	13,547
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>42,398</b>	<b>45,710</b>

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	74
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>		

Item 6.1: Payments to Directors consist of the portion Non-Executive Directors' fees paid as cash and superannuation. At 30 September 2023, there were \$112,000 in Directors' fees accrued and unpaid related to cash-based remuneration, equity-based remuneration and superannuation.

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,138)
8.2 Cash and cash equivalents at quarter end (item 4.6)	42,398
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	42,398
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	14
<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?	
Answer:	
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?	
Answer:	
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?	
Answer:	
<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.

31 October 2023

Date: .....

CEO and Managing Director

Authorised by: .....  
 (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.