

## Quarterly Update & Appendix 4C

### Highlights:

- Cash sales receipts of \$435k and sales recorded of \$513K for the March quarter, representing continuing growth in sales.
- Record quarterly sales achieved for the Gameday brand and on marketing spend 44% lower than the previous corresponding quarter due to continual digital marketing optimisation and the growing influence of B2B sales under the Preferred Practitioner Network of Dentists
- Collaboration with Cannvalate to conduct four clinical trials and to distribute cannabinoid medicines throughout Australia's most extensive network of more than 1000 prescribing doctors and 600 pharmacies
- Advanced negotiations underway with AXIM Biotechnologies regarding the license and supply of Mouthwash and Toothpaste for the treatment of periodontitis, subject to phase 1 clinical trials to be led from Swinburn University, Melbourne
- Numerous new sales initiatives versus the previous corresponding period; including exclusive B2B supply relationship with 1300SMILES and AFL branded mouthguards offered in all AFL Stores throughout Australia
- Negotiations continue with Pace Sports Limited to distribute all oral devices into Greater China, South East Asia and Northern Asia.

Impression Healthcare Ltd ('IHL', 'Impression' or 'the Company') is pleased to announce its appendix 4C and quarterly activities report for the period ended 31 March 2019. Cash sales from customers demonstrated growth versus the previous corresponding period and further continuing operating efficiencies were realised such that the Company recorded a net operating cash outflow of \$348K; inclusive of expenditures pertaining to medicinal cannabis activities. The net operating cash outflow is a major reduction compared to the previous corresponding period of \$709K.

Lowered net operating cash outflows were realised as the Board continually improved corporate and operational efficiencies resulting from digital marketing optimisation, the growing influence of B2B sales under the preferred practitioner network and undertook commission-only sales from 63 social media ambassadors.

### ***Collaboration with Cannvalate to Conduct Four Clinical Trials and to Distribute Cannabinoid Medicines***

Impression executed a collaboration with Cannvalate during the quarter for the distribution of cannabinoid medicines throughout a network of more than 1000 prescribing doctors and 600 pharmacies. As a part of the arrangement, Impression and Cannvalate will sponsor four separate clinical trials for the support of unique products to be sold, upon success, under the Special Access and Authorised Prescriber Schemes. Impression and Cannvalate are currently working on procuring the best product variants for the clinical trials and IHL expects to be able to report on this progress soon.

The proposed trials represent in excess of \$3M worth of expenditure with Impression's cash contribution limited to \$80,000 (plus GST) per trial.

The four trials are:

- Dronabinol variant for Obstructive Sleep Apnoea Syndrome
- Synthetic CBD Oil for Improvement of radiological signs of Traumatic Brain Injury and Neurocognitive Function in Australian Rules and Rugby Players following Concussion
- Cannabidiol (CBD) mouthwash and toothpaste for Severe Periodontitis (Gum Disease)
- CBD Oil for Temporomandibular Joint Dysfunction

Cannvalate boasts Australia's largest network of medicinal cannabis prescribing clinics spanning all states of Australia and accounts for well over 30% of all medicinal cannabis prescriptions in Australia. The CEO and cofounder, Dr. Sud Agarwal, is a specialist anaesthesiologist and the former medical director of Cann Group Limited (ASX: CAN).

Successful outcomes from the completion of the trials will be the basis of justification for a commercialisation application with the Therapeutic Goods Administration (TGA) for the creation of specific products and product sales under the Special Access and Authorised Prescriber schemes. Impression will then supply Cannvalate with these products for distribution.

#### ***AXIM Biotechnologies Inc.***

Advanced negotiations are underway with AXIM Biotechnologies regarding the license and supply of Mouthwash and Toothpaste for the treatment of periodontitis, subject to successful phase 1 clinical trials to be led from the Swinburne University, Melbourne. IHL initially considered using gum in the trial, however, will now use mouthwash and toothpaste following collaborative advice amongst AXIM and Cannvalate.

Impression Healthcare Limited executed a letter of intent ('LOI') and exclusivity agreement with AXIM Biotechnologies Incorporated ('AXIM') in September of 2018. IHL has also proposed a first right of negotiation over AXIM's products for distribution in Australia and New Zealand.

Headquartered in New York, NY, AXIM is focused on research, development and production of pharmaceutical, nutraceutical, cosmetic and oral health products incorporating cannabinoids. AXIM has established a full chain of production, including extraction, purification, conversion and microencapsulation. It possesses its own proprietary formulations and has various product applications.

#### ***Cannabis Oils***

Impression continues discussions with parties in relation to the supply of medicinal cannabis oils. Impression has an MoU with an established Canadian producer of cannabis oils, however, it continues evaluate a number of suppliers as it works with Cannvalate for the creation of the most effective and efficient formulations. Particular focus is being given to the appropriate unique formulation that is relevant to the necessary CBD oil for improvement of radiological signs of traumatic brain injury and neurocognitive function following concussion.

#### ***MoU for the Exclusive Sales and Distribution of the FitGuard***

Impression executed an MoU with Force Impact Technologies Inc. ("Force") for the development of an exclusive marketing and distribution agreement covering Australia, New Zealand and Hong Kong in January. Force has

developed a head injury awareness mouthguard that will assist athletes, coaches and medical staff in assessing an athlete's suitability to continue play, when they can return to play and help in post play medical assessment.

IHL has completed a successful product trial involving the implementation of the FitGuard technology unit into the mouthguard prototype. Discussions on the completion of a licensing agreement for the product continue in light of the successful prototype product.

***Expansion of Oral Devices into China and Asia with Pace Sports Limited***

IHL executed a Heads of Agreement ('HoA') with Pace Sports Limited ('Pace'), a Hong Kong based marketing and distribution company. The HoA outlines the development of an exclusive sales and distribution agreement for all its oral devices into Greater China, South East Asia and Northern Asia.

During the quarter, IHL continued discussion with Pace, which involved sales modelling, digital infrastructure requirements and discussions with freight partners.

The arrangement represents a major international expansion opportunity for IHL. The markets covered by the HoA have a population of over 1.7 billion, more than 300 million of which are considered middle class and in IHL's target market.

**ENDS**



Date: 30 April 2019  
ASX Announcement (ASX: IHL)

### **About Impression Healthcare Limited (ASX: IHL)**

Impression Healthcare Limited is an innovative healthcare company that sells customised oral devices both direct-to-the consumer and via the Company's growing B2B preferred practitioner network of dentists. With its own laboratory in Victoria, Australia, Impression offers best-in-class teeth-protection and helps its customers to combat bruxism, snoring, mild-to-moderate sleep apnoea and teeth discolouration with custom-fitted oral devices.

Impression has broadened its commitment to disruption in the healthcare sector by progressing multiple opportunities in the field of medicinal cannabis. IHL has its licenses in place to import, export and distribute cannabis products. In March of 2019, Impression executed a binding collaboration with Cannvalate to undertake four medicinal cannabis clinical trials. Cannvalate is Australia's largest distributor of medicinal cannabis products.

IHL also has a collaboration agreement with leading US Cannabinoid therapeutics Company, AXIM Biotechnologies Incorporated; a license agreement for the production and distribution of Dronabinol in the USA, Canada, Australia and New Zealand; and also intends to distribute medicinal cannabis oils through the Cannvalate network of cannabis medicine prescribers throughout Australia.

**Investors:** [investors@impression.healthcare](mailto:investors@impression.healthcare)

**Website:** [www.impression.healthcare](http://www.impression.healthcare)

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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**

**Impression Healthcare Limited**

**ABN**

93 096 635 246

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	435	839
1.2 Payments for		
(a) research and development	(29)	(77)
(b) product manufacturing and operating costs	(238)	(607)
(c) advertising and marketing	(274)	(579)
(d) leased assets	-	-
(e) staff costs	(284)	(844)
(f) administration and corporate costs	(110)	(466)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	151	151
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(348)</b>	<b>(1,579)</b>

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(30)	(47)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
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>(30)</b>	<b>(47)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	735	2,251
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(75)
3.5 Proceeds from borrowings	-	526
3.6 Repayment of borrowings	-	(626)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>735</b>	<b>2,076</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	321	228
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(348)	(1,579)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(30)	(14)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	735	2,076
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>678</b>	<b>678</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	22	43
5.2 Call deposits	656	278
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>678</b>	<b>321</b>

6. <b>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	93
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 – Amounts paid to directors’ and their associates

- Remuneration for on-going directors - \$54,359

7. <b>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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.

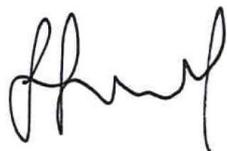
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(91)
9.2 Product manufacturing and operating costs	(161)
9.3 Advertising and marketing	(196)
9.4 Leased assets	-
9.5 Staff costs	(233)
9.6 Administration and corporate costs	(112)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(793)</b>

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

**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: .....

Date: 30 April 2019

Company Secretary

Print name: Glenn Fowles

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**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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