

Quarterly Update & Appendix 4C

Highlights:

- Cash sales receipts of \$232k for the quarter, representing a 65% increase in cash sales over the previous corresponding period
- Operating cash outflows less than forecast in the June quarterly as the company continues to reduce continuing operating expenditures as per previous announcements
- Impression secures letter of intent and exclusivity agreement with leading US-based cannabinoid biotechnology and pharmaceutical company, AXIM® Biotechnologies Incorporated
- Impression has commenced the application process to obtain licences from the State Department of Health, Victoria and the Federal Office of Drug Control (“ODC”) for the importation, storage, distribution and export of medicinal cannabis products
- Launch of the Sleep Guardian Dorsal and first sleep specialists join the Company’s B2B Preferred Practitioner Network to boost sales of the Sleep Guardian anti-sleep apnea products
- Commencement of doctor outreach program for sleep-related products, which will also be complementary to medicinal cannabis awareness programs
- Gameday Mouthguards becomes official licensee of the AFL and Impression has received pre-orders from retailers to coincide with the commencements of the AFL season
- Appointment of Mr. Joel Latham as CEO and initiation of \$2.2m capital raising mandate announced on the 19th of September 2018
- R&D rebate of \$0.3m expected to be received imminently.

Impression Healthcare Ltd (‘Impression’ or ‘the Company’) is pleased to announce its appendix 4C and quarterly activities report for the eventful period ended 30 September 2018. Cash receipts from customers grew strongly versus the previous corresponding period and further continuing operating efficiencies are expected to be realised in the current December quarter. Recently, Impression broadened its commitment to disruption in the healthcare sector by establishing key relationships in the medicinal cannabis field; a move the Company considers complementary to its existing business on multiple fronts.

AXIM Biotechnologies Inc. Collaboration

During the quarter, Impression secured a letter of intent and exclusivity agreement with leading US-based cannabinoid biotechnology and pharmaceutical company, AXIM® Biotechnologies Incorporated. AXIM is focused on research, development and production of oral health, pharmaceutical, nutraceutical and cosmetic products incorporating cannabinoids and has established a full chain of production, including extraction, purification, conversion and microencapsulation.

The LOI considers the opportunity for Impression to license and distribute AXIM’s current and future range of cannabinoid-based products for distribution by Impression in Australia and New Zealand, subject to regulatory approval. The Board encourages shareholders to read the press release about the collaboration from AXIM, which can be found here: <https://ir.aximbiotech.com/press-releases/detail/95/axim-biotechnologies-signs-loi-for-distribution-of>

Medicinal Cannabis Product Licensing Applications

Subsequent to the end of the quarter, Impression announced that it had commenced the application process to obtain licences from the State Department of Health, Victoria and the Federal Office of Drug Control ('ODC') for the importation, storage, distribution and export of medicinal cannabis products.

The application process is consistent and supportive of the collaboration with AXIM but also permits Impression to import, export and distribute a wide range of therapeutic cannabis products to generate cash flow. The application process is being completed in conjunction with the Company's cannabis consultants. And, Impression expects to have the license and additional security protocols in place at its Melbourne-based laboratory and manufacturing facility by the first quarter of 2019.

Sleep Guardian Dorsal to Treat Sleep Apnea

Impression has introduced the Sleep Guardian Dorsal ("Dorsal") during the quarter. This new product is scientifically validated and incorporates an adjustable, lateral fin design used in the treatment of mild to moderate sleep apnea and snoring. The Dorsal is a less costly competitor product to Somnomed's SomnoDent appliance.

The Dorsal is sold on a B2B basis and are most suitable for sale by dentists and sleep specialists and are manufactured at Impression's dental laboratory in Melbourne. The first sleep specialists have joined the Company in the B2B Preferred Practitioner Network and initial sales of the Dorsal have occurred throughout this network such that the Sleep Guardian products have had a record sales month for October 2018.

Impression is also pleased to report that it has also commenced a Doctor outreach program for its sleep-related products. A network of doctors will also be complementary to medicinal cannabis awareness programs the company intends to undertake in the future.

Gameday Mouthguards becomes Official Licensee of the AFL

Gameday Mouthguards executed a binding licensing agreement with the Australian Football League ('AFL'). The formal agreement with the AFL is another major brand development and marketing opportunity for Gameday to collaborate with Australia's iconic sporting code and follows a similar arrangement completed with the NRL in February of 2018.

Gameday has the right to brand all Gameday mouthguard products with the names, logos, emblems, and designs owned by the AFL, including the logos of the 18 AFL Clubs, the Official AFL logo and the AFL Mascot Manor assets. The Company has the right to distribute AFL licensed Gameday products through retail sporting stores, AFL Club Stores, AFL Stores and digital channels.

With these brand licensing opportunities now available to the Company, Impression is pleased to report that it has received pre-orders for AFL branded mouthguards from retailers to be delivered prior to the commencement of the sporting season.

CEO Change and Funding Update

Mr. Joel Latham was appointed Company CEO in July to succeed out-going CEO and Managing Director, Mr. Matthew Weston. Mr. Latham has worked as the General Manager of Impression for a period of three years and has been instrumental in marketing and the procurement of multiple revenue-generating opportunities and collaborations, including the sales collaboration with Pacific Smiles, the NRL and AFL licensing arrangements and opened opportunities in the retail space.

Impression entered a capital raise mandate, which incorporated a 1:4 rights issue, with boutique corporate advisor Alignment Capital Pty Ltd to raise up to a total of \$2.2m, as announced on the 19th of September 2018. The rights issue has since closed and, furthermore, Impression expects to receive an R&D rebate in the order of \$0.3m in the near term.

CEO, Mr Joel Latham, said: “The IHL Board and management team are delighted with the Company’s progress on sales efficiency and the new measures put in place to contribute meaningfully to the emergent medicinal cannabis sector. Impression’s relationship with AXIM Biotechnologies has been a significant achievement for the company and the commencement of our licensing provisions for AXIM’s products and other products is an exciting new angle for the Company in a field believed to experience significant growth. We look forward to updating the market on our progress at this exciting phase of development.”

ENDS

About Impression Healthcare Limited (ASX: IHL)

Impression Healthcare Limited operates two complimentary business units. The Company is Australia's largest home dental impression company and is disrupting the dental devices market by providing consumers with an in-home method to consume laboratory-grade and personalised dental healthcare products at significantly lower prices than those offered by the traditional dental industry. Impression has significantly grown its distribution footprint and increased its revenues by 359% in the 2018 Financial Year. With its own dental laboratory in Victoria, Australia Impression offers best in class teeth protection and helps its customers combat bruxism, snoring, mild to moderate sleep apnea and teeth discolouration with custom-fitted oral devices.

Impression is broadening its commitment to disruption in the healthcare sector by adding a multi-faceted medicinal cannabis distribution and development business, underpinned by a collaboration agreement with leading US Cannabinoid therapeutics Company, AXIM Biotechnologies Inc. AXIM is focused on research, development and production of oral health, pharmaceutical, nutraceutical and cosmetic products incorporating cannabinoids for a wide range of indications. AXIM has products available for sale throughout the world and has an impressive clinical development pipeline, which includes: CanChew®+ for Irritable Bowel Syndrome and a topical cream called AX-1602 for the treatment of Psoriasis and Atopic Dermatitis. Impression aims to develop new products with AXIM and distribute a range of over the counter and therapeutic products as public opinion of cannabinoid-based therapeutics steadily improves.

Investors: investors@impression.healthcare

Website: www.impression.healthcare

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")

30 September 2018

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		231	231
1.2 Payments for			
(a) research and development		(7)	(7)
(b) product manufacturing and operating costs		(206)	(206)
(c) advertising and marketing		(186)	(186)
(d) leased assets		-	-
(e) staff costs		(268)	(268)
(f) administration and corporate costs		(187)	(187)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	1
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		(622)	(622)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(17)	(17)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(17)	(17)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	526	526
3.6	Repayment of borrowings	-	-
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 (3 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	526	526

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	228	228
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(622)	(622)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(17)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	526	526
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	115	115

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	8	70
5.2	Call deposits	107	158
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)	115	228

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

Current quarter \$A'000	
	109
	-

Item 6.1 – Amounts paid to directors' and their associates

- Remuneration for on-going directors - \$31,292
- Separation payments made to out-going directors under contract - \$137,191

7. Payments to related entities of the entity and their associates

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

Current quarter \$A'000	
	-
	-

8. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(200)
9.3 Advertising and marketing	(125)
9.4 Leased assets	-
9.5 Staff costs	(254)
9.6 Administration and corporate costs	(118)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(697)

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 October 2018

Company Secretary

Print name: Glenn Fowles

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.