

CEO Annual General Meeting – 20 November 2018

Dear Fellow Shareholders,

I am delighted to have the opportunity to speak with you in this forum of the annual general meeting for 2018; a year which represents an eventful and exciting time for Impression Healthcare.

During the 2018 Financial Year, a total of 13,259 custom-made dental devices and teeth whitening pens were sold, which was 153% greater than the previous financial year.

Cash sales growth has been very pleasing with quarterly cash revenue increasing at an average rate of 144%, versus the previous corresponding quarter, for the past four quarters. And, importantly, we have a range of new initiatives to continue growth or potentially even accelerate growth in the coming years.

	PCQ \$A'000	Current \$A'000	Growth
Dec '17 QTR	25	151	504%
Mar '18 QTR	83	438	397%
June '18 QTR	188	391	113%
Sept '18 QTR	141	232	65%
Average			144%

More recently and since September the Company made its first moves into the medicinal cannabis space, with the intention of achieving first sales of cannabis medicines in 2019. Doing so will align the Company's revenues with what it believes will be a rapidly expanding sector in Australia and abroad.

Community tolerance has increased for cannabis use. In fact, the latest Australian National Drug Strategy Household Survey found that most Australians support the use of cannabis for medicinal purposes. The 2016 survey found that 85% of Australians supported a change in the legislation permitting the use of cannabis for medical purposes.

Reference: <https://www.aihw.gov.au/getmedia/15db8c15-7062-4cde-bfa4-3c2079f30af3/21028a.pdf.aspx?inline=true>

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.

The licenses being pursued will allow Impression, subject to individual product permit issue, the capacity to capitalise on local and international opportunities by distributing, importing and exporting, a wide range of therapeutic cannabis products to generate cash flow. Having the licenses in place will also support our collaboration with AXIM Biotechnologies.

Impression announced the collaboration with AXIM in September. AXIM is a leading US-based cannabinoid biotechnology and pharmaceutical company that is in the process of developing and commercialising a wide array of cannabinoid therapeutic products. The agreement allows Impression the opportunity to license and distribute AXIM's current and future range of cannabinoid-based products in Australia and New Zealand, subject to regulatory approval. Impression continues to work with its consultants in relation to the AXIM arrangement and its products. Furthermore, per the agreement, Impression and AXIM may co-develop new products, initially considering products related to an oral rinse liquid targeted for the treatment of certain indications; potentially including oral mucositis, strep throat, oral infections and or gum disease.

The company will continue to explore and assess other opportunities that uniquely complement Impression's current range of products and licenses.

It is intended that imported products be saleable initially under the Special Access Schemes and Authorised Prescriber Scheme, as regulated by the Therapeutic Goods Administration. The procurement of a cannabis medicines export license is consistent with the Company's strategy of progressive and selective international expansion as the Company develops this aspect of its business.

Impression is well positioned for the implementation of its cannabis medicines business; partly because the Company has dramatically increased the efficiency of its corporate and manufacturing operations over the past year. With a shift in the Company's strategy; I am pleased to outline the following significant events implemented to optimise business expenditure:

- Reduction of the Adelaide office operations and shift of head office to the Melbourne laboratory

- Rationalisation of staff and reduction of management and board fees associated with board changes
- Finalisation of one-off payments associated with former board members and restructurings
- Optimisation of marketing spend; with a focus now on strategic campaign-based spending
- Ambassador, Partnership and Sponsorship agreements restructured to reflect commission-based payments only
- Favourable re-negotiation of supplier agreements to cut ongoing operating expenditure.

These changes will position the Company well for the coming year and particularly for the peak sales season of Gameday Mouthguards; being the first half of the calendar year 2019.

In 2018, Gameday Mouthguards secured the rights to be an official licensee of the AFL and NRL. The upcoming peak sales season associated with the commencement of the Australian Rules and Rugby League seasons will be the first time Impression is permitted to manufacture and sell all team-branded mouthguards with club logos for all 18 AFL Clubs and all 16 NRL Clubs. Impression will distribute all AFL and NRL licensed Gameday products via retail outlets, as well as through online channels, leveraging existing digital infrastructure and all 56 Gameday sporting ambassadors, including Gary Ablett Jnr, Rory Sloane and Tariq Sims. The Boil and Bite range of mouthguard's boast unique designs, and packaging, not yet seen in the Australian market. The company has commenced an initial sales drive and have secured pre-orders from retailers across the country.

Impression has also placed emphasis on developing the Company's B2B *Preferred Practitioner Network*. This network was significantly boosted by the Company's collaboration with an ASX-listed dental company. Impression currently provides custom fitted devices to 52 of this group's dental practices and a further 33 primarily independent clinics.

During financial year 2018, the Company developed and launched several new products. The Knight Guard for the prevention of bruxism, which is nocturnal teeth clenching and grinding, has added to overall sales significantly since launch mid-2017 and continues to grow. The Knight Guard was also released in New Zealand as we selectively expand internationally.

In October 2017, Impression launched The Sleep Guardian brand for the prevention of mild to moderate sleep apnea and snoring. As part of the Sleep Guardian range, Impression released its new product called the "Dorsal". The Dorsal is a less costly competitor product to Somnomed's SomnoDent appliance. The Sleep Guardian Dorsal expands Impression's B2B Preferred Practitioner Network, with sales to be made by dental clinicians and sleep specialists. The company has experienced early success, with sales partners already being confirmed, with additional opportunities currently in the pipeline.

New Markets

As Impression Healthcare continues to develop new market channels, the company has commenced negotiations with a large Australian Beauty Retailer to range Impression's ITW teeth whitening brand. The company is hoping to have reportable news on this opportunity by the end of quarter 1 2019. The continued expansion also involves high-level discussions with one of Australia's largest group sleep specialists. Impression proposes to provide the Sleep Guardian and the Knight Guard to its expanding list of doctors and specialists.

Building on the continued growth of the company's *Preferred Practitioner Network*, Impression has now commenced a "Doctor Outreach Program" for sleep-related products. A network of doctors will be complementary to our cannabis awareness programs and the distribution of cannabis medicines.

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