

Impression Finalises \$5.0m Placement to Accelerate Medicinal Cannabis Clinical Research Program and Other Activities

Impression Healthcare Limited (ASX: IHL) (“Impression”, “IHL” or “the Company”), is pleased to announce that it has received firm commitments to raise \$5.0m (before costs). The placement has been conducted by Peloton Capital at \$0.078 per share and demand exceeded the \$5m maximum sought. The Company welcomes leading institutions, family offices and high net worth investors to its share register.

The additional funding allows Impression to fulfil its near-term objectives outlined in the Company presentation announced on the ASX and delivered by Chief Medical Officer Dr Sud Agarwal at the Company’s AGM on the 04th of October 2019.

Impression has commenced the full drug discovery process aimed at global pharmaceutical registration of unique cannabinoid products for Traumatic Brain Injury (“TBI”), Sleep Apnoea (“OSA”), and TMJ Dysfunction (“TMD”).

The objective of the Company and its medical advisory board is to create first-in-class, innovator cannabinoid drugs where the therapeutic class shares several common properties:

- Total addressable market of each therapeutic area > \$1Billion
- No existing pharmacotherapy options currently available and so the probability that the drugs being discovered will be eligible for public subsidies (e.g. PBS in Australia)
- Global export potential
- Established body of research evidence validating hypothesis for cannabinoid working in the chosen therapeutic area.

Funding will be applied to the expanded clinical program to fast track the creation of three novel products. A patent for TBI has been filed and patents pertaining to OSA and TMD are expected to be filed shortly.

Post patent filing, IHL will make public the patented formulations and will have the ability to commence prescription of those formulations for initial paid patient treatment under the Australian Special Access Scheme (“SAS”). It is at this point that initial “in-human” observations will also be undertaken during pre-clinical (in-vitro and in-vivo) studies. Those initial in-human studies will be presented as research papers and are disclosable to the ASX.

Phase 1 studies for the three programs will follow pre-clinical studies and costs associated with Phase 2A trials are largely paid for under the Research Agreement executed with medicinal cannabis specialist Cannvalate Pty Ltd, announced to the ASX on 21st of March 2019.

The program facilitates a clear pathway to creating unique globally significant products for which registration will be sought from the TGA, FDA, EMA and other regulatory bodies.

The new funding, in conjunction with existing cash, projected sales, expected R&D rebates, funding grants and Impression’s 262M (30-Sep-2020 expiry, \$0.04 strike “IHLOB”) in-the-money call options, which upon exercise would represent a further cash injection of \$10.48m, provides the Company ample financial comfort for the rapid development of all aspects of business development over the next two years.

“We are delighted to have secured funding to commence preclinical studies to formulate, test and collect gateway study data on our novel cannabinoid drugs. This will help us to identify what are the best

technologies for achieving optimal pharmacokinetics, efficacy without compromising safety and tolerability” said Dr Sud Agarwal, Chief Medical Officer and Non-executive Director of Impression Healthcare Limited.

External to the drug development program, funds from the capital raise will also be applied to:

- Increased wholesale medicinal cannabis product purchases for distribution under the Australian SAS
- Continued Development of INCANNEX™ CBD oils
- Cannabinoid customer research and acquisition
- Appointment of 2-3 key scientific/medical operation staff
- Oral Devices Australian and international expansion
- General working capital

Lead Manager - Peloton Capital

The placement has been conducted by Peloton Capital and made to institutional, sophisticated and professional investors at a price of \$0.078 per share. Parties subscribing to the placement will also receive one attaching unlisted option for every two shares subscribed, exercisable at \$0.08 per option expiring on 30th September 2021.

Impression has also appointed Peloton as its corporate advisor to assist with the Company’s strategic efforts, communication and marketing to current and prospective institutional, family office and high net worth investors.

Additional Information

The placement price of \$0.078 per share represents a 6.0% discount to the last closing price on Monday 21st October 2019 and a 10.8% discount to the 20-day VWAP.

The new shares and options will be issued pursuant to Impression’s placement capacity under ASX listing rules 7.1 and 7.1A. A total of 64,102,564 ordinary shares will be issued through the placement along with 32,051,282 options. Of these 10,000,000 ordinary shares and 32,051,282 options will be issued under LR 7.1 and 54,102,564 ordinary shares will be issued under LR 7.1A

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About Impression Healthcare Limited (ASX: IHL)

Impression Healthcare Limited (IHL.ASX) is undertaking four clinical trials investigating the use of uniquely formulated medicinal cannabis products for the treatment of Obstructive Sleep Apnoea, Traumatic Brain Injury/Concussion, Periodontitis (Gum Disease) and Temporomandibular Joint Disorder. Each indication represents major global markets.

IHL has its Australian licenses in place to import, export and distribute cannabis products and has launched a line of EU GMP-approved CBD oil products under the brand, “Incannex™”. Incannex™ oils may be sold under IHL’s product supply and distribution agreement with Cannvalate Pty Ltd – the largest network of cannabis medicine prescribers in Australia.

Impression also has a collaboration and “first right of refusal” agreement with leading US Cannabinoid therapeutics Company, AXIM Biotechnologies Incorporated and a license agreement with Resolution Chemicals for the production and distribution of Dronabinol in the USA, Canada, Australia and New Zealand.

Providing growing revenues to the Company; Impression continues to build its customised oral devices manufacturing business both direct-to-the-consumer and via the Company’s growing B2B preferred practitioner network.

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