

## Quarterly Update & Appendix 4C

Impression Healthcare Ltd ('IHL', 'Impression' or the 'Company') is pleased to announce progress across its developing cannabinoid therapeutic assets and to provide its quarterly activities report and Appendix 4C for the period ended 31<sup>st</sup> December 2019.

Over the course of 2019, IHL developed the in-house capability to undertake an extensive clinical program to create unique, patented cannabinoid therapies to enter global markets for which no existing pharmacotherapy options are available. Precursory clinical and related activities increased during the quarter as the Company pursues the necessary validation to achieve product registrations. These activities are expected to increase during the current and future quarters for the calendar year.

IHL recently announced that it has received all relevant permits for the importation of key cannabinoid constituents of IHL-42X required for clinical trials assessing its use in the treatment of Obstructive Sleep Apnoea ('OSA'). IHL has commenced specific formulation development of IHL-42X with a qualified pharmaceutical chemist. The trial protocol is completed, first patients for the upcoming Phase 1B/2B clinical trial have been sourced and is planned to commence in Q2 of CY2020.

Significant progress has been made in relation to IHL-216A for the treatment of Traumatic Brain Injury and Concussion ('TBI'). An expanded clinical trial protocol has been completed to assess IHL-216A on sports people immediately following head knocks likely to cause concussion. An adequate product delivery device has been sourced and discussions are underway with physical contact sports organisations, with a focus on MMA, for participants to the upcoming clinical trial. Cannabinoids and other APIs included in IHL-216A are available for procurement. The Company expects to have updates on the other trials soon.

### ***Patent Filing for IHL-42X for OSA***

During the quarter, Impression filed a patent over the use of IHL-42X drug to be delivered to patient as a nocturnally administered pill to treat OSA.

Pill form treatment is vastly less intrusive to the patient than the existing conventional treatment method, the CPAP device. The CPAP device has a significant downside of patient non-compliance due to lack of comfort and disruption to partners, among other factors.

OSA is the second most diagnosed respiratory condition after asthma, making it the largest cause of chronic pathology for which no registered pharmacological treatment exists today.

Current global annual market size for OSA detection and treatment using CPAP devices is over US\$10B per annum and growing, indicating a substantial market for better OSA solutions desired by patients and public health officials.



The patent filing follows extensive work undertaken by Impression's CMO Dr Sud Agarwal and Dr David Cunnington, who is a world recognised specialist sleep physician and member of the IHL medical advisory board.

#### ***Patent Filing for IHL-216A for TBI***

During the quarter, Impression also filed a patent application covering IHL-216A to be used as a neuroprotective agent administered post-head trauma. The IHL drug discovery team believes that an optimal fixed dose of APIs within IHL-216A will result in the provision of neuroprotection, defined as reduced neuronal cell death and damage.

After head trauma resulting in loss of consciousness, the patient has likely incurred a moderate to significant brain injury. There is likely to be contusions, swelling and commencement of intracranial inflammatory processes. It is the belief of the drug discovery team that early intervention of IHL-216A designed to rapidly cross the blood-brain barrier, can shield the brain from secondary immune-mediated damage. This hypothesis is supported by existing invitro, in-vivo and some in-human studies, as outlined in the patent filing submission.

TBI accounts for approximately 10 million deaths and/or hospitalization annually in the world (Schuman et al., 2017) and there are currently no pharmaceutical agents approved for the treatment of Traumatic Brain Injury.

#### ***Appointment of Chief Scientific Officer – Dr Mark Bleackley***

Impression recently appointed Dr Mark Bleackley to the position of Chief Scientific Officer, managing the OSA and other clinical programs in conjunction with Dr Sud Agarwal, Dr David Cunnington, advisory board members and other research staff from Swinburne University.

Dr Bleackley has a PhD in Cell Biology and Genetics from the University of British Columbia and was hired due to his deep experience in clinical trial design and implementation; being named in 30 peer reviewed scientific publications during his career.

#### ***Medicinal Cannabis INCANNEX™ Oil Products***

Impression sourced over 1000 Patients for Incannex CBD-100 Oils during the December quarter, with most patients being dispensed product in the current quarter. Patients who received Incannex CBD oils did so under the Special Access Scheme ('SAS'), as administered by the TGA.

The sale of CBD-100 INCANNEX™ product represent the Company's first medicinal cannabis revenues achieved from a medicinal cannabis product. Patients have been sourced via the Cannvalate network of



prescribing doctors under Impression's broad strategic relationship with Cannvalate, which is the largest distributor of medicinal cannabis products in Australia.

Impression's focus will continue to be the clinical development of cannabinoid products for which it seeks registration post clinical trials. However, the Company is exploring an opportunity to ramp up Australian cannabinoid product sales and patient numbers under an expanded SAS sales program.

#### ***Oral Devices Division***

During the quarter, IHL continued to effectuate its plan to relocate all manufacturing of Oral Devices to Shenzhen, China through a corresponding reduction in operating expenditures and overheads. A small presence is maintained in Australia for general management of the division and quality control.

Pleasingly, the Company experienced growth in its B2B Preferred Practitioner Network of Dentists ('PPN') with the re-contracting of key PPN partners and organic growth.

The current March quarter is seasonally the busiest part of the year for Gameday mouthguards and is the first 'peak' season whereby Impression has licensing arrangements in place with both the AFL and NRL sporting codes simultaneously.

#### ***Appendix 4C Cash Inflows and Outflows***

IHL had cash inflows from operations of \$282k resulting from the sale of cannabinoid therapeutic products and oral devices. The Company had \$5.128m at the end of the December quarter and forecasted estimated outflow in the current quarter of \$1.45m; which does not account for any cash inflows associated with medicinal cannabis sales and the peak sales season for oral devices.

**END**

## 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 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	282	490
1.2 Payments for		
(a) research and development	(320)	(338)
(b) product manufacturing and operating costs	(207)	(433)
(c) advertising and marketing	(135)	(370)
(d) leased assets	-	-
(e) staff costs	(256)	(460)
(f) administration and corporate costs	(166)	(354)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(799)</b>	<b>(1,460)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(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</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	5,000	6,673
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	200	234
3.4	Transaction costs related to issues of shares, convertible notes or options	(258)	(347)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(65)
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 (6 months) \$A'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,942</b>	<b>6,495</b>

<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 quarter/year to date	985	93
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(799)	(1,460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,942	6,495
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,128</b>	<b>5,128</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	25	95
5.2	Call deposits	5,103	890
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,128</b>	<b>985</b>

<b>6.</b>	<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	111
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 - \$111,274

<b>7.</b>	<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	

n/a

<b>8.</b>	<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.		

n/a

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	(350)
9.2	Product manufacturing and operating costs	(550)
9.3	Advertising and marketing	(150)
9.4	Leased assets	-
9.5	Staff costs	(200)
9.6	Administration and corporate costs	(200)
9.7	Other (capital raising costs)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(1,450)</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: 31 January 2020

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.