



**IMPRESSION HEALTHCARE LIMITED**  
**ABN 93 096 635 246**  
**(and controlled entities)**

**HALF-YEAR INFORMATION**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**  
**PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3**

# Appendix 4D

## Half Year Report for the six months to 31 December 2019

**IMPRESSION HEALTHCARE LIMITED**  
**ABN 93 096 635 246**

### 1. Reporting period

Report for the half year ended:	31 December 2019
Previous corresponding periods:	Financial year ended 30 June 2019 Half-year ended 31 December 2018

### 2. Results for announcement to the market

Description	31-Dec-19	31-Dec-18	Change
Item 2.1 - Revenue from ordinary activities	\$359,500	\$408,954	Down 12%
Item 2.2 - Profit/(Loss) from ordinary activities	-\$2,212,004	-\$1,297,138	Down 71%
Item 2.3 - Net Profit/(Loss) attributable to members	-\$2,212,004	-\$1,297,138	Down 71%

Item 2.4 – Dividends – no dividends for the period have been paid or declared (FY19: nil)

- Net tangible asset value:** +0.88cps (30-Jun-2019: 0.05cps)
- Details of entities over which control has been gained or lost during the period:** None
- Dividends:** No dividends have been declared or paid during the period
- Details of dividend or distribution reinvestment plans in operation are described below:** Nil
- Details of associates and joint venture entities:** Nil
- The financial information provided in this Appendix 4D is based on the half-year condensed financial report which accompanies this report.**
- The financial report has been independently reviewed and is not subject to any qualified independent review statement.**

**Impression Healthcare Limited**

ABN 93 096 635 246

Interim Financial Report

for the half-year ended 31 December 2019

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## **CORPORATE DIRECTORY**

### **BOARD OF DIRECTORS**

Mr Troy Valentine – Non-executive Chairman  
Mr Peter Widdows – Non-executive Director  
Dr Sud Agarwal – Non-Executive Director  
Mr Joel Latham – Managing Director

### **COMPANY SECRETARY**

Glenn Fowles

### **PRINCIPAL & REGISTERED OFFICE**

3 Fir Street, Dingley Village, VIC 3172

### **AUDITORS**

HLB Mann Judd  
Level 4, 130 Stirling Street, Perth WA 6000

### **SHARE REGISTRY**

AUTOMIC REGISTRY SERVICES  
Level 5, 126 Phillip Street, SYDNEY, NSW, AUSTRALIA, 2000

### **LAWYER**

Minter Ellison  
Level 23, 525 Collins Street, Melbourne VIC 3000

### **BANKER**

Westpac Banking Group

### **SECURITIES EXCHANGE LISTING**

ASX codes: "IHL" and "IHLOB"

Australian Securities Exchange  
Level 4, North Tower Rialto, 525 Collins Street, Melbourne VIC 3000

## DIRECTORS' REPORT

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Your directors submit the interim financial report of the consolidated entity, comprising Impression Healthcare Limited (the "Company" or "IHL") and its controlled entity (collectively the "Group") for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. All directors were in office for the entire period.

- Troy Valentine
- Peter Widdows
- Sud Agarwal (appointed 24 July 2019)
- Joel Latham (appointed 24 July 2019)
- Alistair Blake (resigned 24 July 2019)

### PRINCIPAL ACTIVITIES

The Group continued its principal activities as manufacturer and distributor of professionally made home-impression custom-fit dental devices and the development of cannabinoid medical remedies.

### REVIEW OF OPERATIONS

#### Results

The consolidated loss for the half-year after tax was \$2,212,004 (2018: loss of \$1,297,138).

During this period, the Group worked towards implementing separate strategies for its two business segments.

Within the oral devices business, the Group continued production rationalisation by focussing on use of our overseas manufacturing partner and by increasing growth of the Group's preferred practitioner network of dentists with which it has commercial partnerships. Pleasingly, despite a small reduction in revenue the strategy has proven to show a noticeable improvement in the overall sales margin, due to the changes undertaken.

The period also saw considerable developments within its medicinal cannabinoid business. The Company appointed Dr Sud Agarwal to the position of Chief Medical Officer and also four medical and research professionals to its Medical Advisory Board who are all global key opinion leaders in their fields.

Impression's novel drug development program was substantially upgraded to pursue FDA registerable therapies, as outlined at the Company's AGM in October 2019, and is based upon four basic principles of drug development:

- i. Total addressable global market of each therapeutic area > \$1bn
- ii. No existing pharmacology options currently available
- iii. Protectable under patent
- iv. Accelerated registered and unregistered commercialisation pathways available

Patents have been put in place for IHL-42X for Obstructive Sleep Apnoea and IHL-216A for Traumatic Brain Injury, with further patent protection over our other programs remaining a priority objective.

The half year also saw the Group's first sales of medicinal cannabinoid oils – a program expected to grow significantly in the second half of FY20.

#### Capital Management

The Group raised \$7,119,901 in new capital (before costs) during the period through the issue of new shares and exercise of options in order to engage in additional sales and marketing activities and meet working capital requirements – refer to note 7 for further detail.

The Group also repaid the short-term loan of \$65,000 that was outstanding at 30 June 2019.

Other than the above items, and in the period between the end of the half-year and the date of this report there has not arisen any other item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## **DIRECTORS' REPORT**

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### **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this Directors' Report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.



Troy Valentine  
Non-Executive Chairman  
Melbourne  
28 February 2020

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Impression Healthcare Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
28 February 2020



**L Di Giallonardo**  
Partner

**hlb.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Sales	2(a)	359,500	408,954
Cost of sales		(212,784)	(270,488)
		146,716	138,466
Other income	2(b)	143,746	3,428
Administration expenses		(257,701)	(256,796)
Advertising and promotion		(300,570)	(263,873)
Compliance, legal and regulatory		(56,458)	(49,923)
Depreciation and amortisation expense		(18,962)	(20,612)
Finance costs		(140)	(80,978)
New business development costs	3	(313,426)	(307,021)
Share based payment expense	4	(966,937)	(47,854)
Occupancy expenses		(55,317)	(86,076)
Salaries and employee benefit expense		(532,955)	(477,152)
<b>Loss before income tax expense</b>		<b>(2,212,004)</b>	<b>(1,448,391)</b>
Income tax benefit (R&D tax incentive)		-	151,253
<b>Net loss for the period</b>		<b>(2,212,004)</b>	<b>(1,297,138)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(2,212,004)</b>	<b>(1,297,138)</b>
<b>Total comprehensive loss attributable to owners of the parent</b>		<b>(2,212,004)</b>	<b>(1,297,138)</b>
Basic loss per share (cents per share)	5	(0.34)	(0.37)

The accompanying notes form part of these financial statements

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Consolidated	
	Note	31 December 2019	30 June 2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,128,065	93,332
Trade and other receivables		95,290	114,963
Other financial assets		71,587	22,012
Inventory		187,431	152,804
<b>Total current assets</b>		<b>5,482,373</b>	<b>383,111</b>
<b>Non-current assets</b>			
Intangible assets	7	38,534	49,377
Property, plant and equipment		77,305	85,423
<b>Total non-current assets</b>		<b>115,839</b>	<b>134,800</b>
<b>Total assets</b>		<b>5,598,212</b>	<b>517,911</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		284,651	478,820
Borrowings		-	65,000
Other current liabilities		104,888	391,271
<b>Total current liabilities</b>		<b>389,539</b>	<b>935,091</b>
<b>Total liabilities</b>		<b>389,539</b>	<b>935,091</b>
<b>Net assets/(liabilities)</b>		<b>5,208,673</b>	<b>(417,180)</b>
<b>Equity</b>			
Issued capital	8	33,577,930	26,951,744
Reserves		1,663,314	451,643
Accumulated losses		(30,032,571)	(27,820,567)
<b>Total equity/(Net deficiency)</b>		<b>5,208,673</b>	<b>(417,180)</b>

The accompanying notes form part of these financial statements

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	<b>Consolidated</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	351,594	406,896
Payment to suppliers and employees	(2,022,124)	(1,658,152)
Interest and other income received	143,747	3,428
<b>Net cash used in operating activities</b>	<b>(1,526,783)</b>	<b>(1,247,828)</b>
<b>Cash flows from financing activities</b>		
Proceeds of new shares issued	7,119,901	1,516,536
Share issue costs paid	(493,385)	(75,228)
Repayment of debt	(65,000)	(100,000)
<b>Net cash provided by financing activities</b>	<b>6,561,516</b>	<b>1,341,308</b>
Net increase in cash and cash equivalents	5,034,733	228,406
Cash and cash equivalents at beginning of period	93,332	93,480
<b>Cash and cash equivalents at end of period</b>	<b>5,128,065</b>	<b>321,886</b>

The accompanying notes form part of these financial statements

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2018</b>	24,410,905	228,725	(25,022,948)	(383,318)
Comprehensive loss	-	-	(1,297,138)	(1,297,138)
Placement shares issued	1,276,343	-	-	1,276,343
Options granted	-	191,381	-	191,381
Shares issued pursuant to rights issue prospectus	735,721	-	-	735,721
Share issue costs	(205,981)	-	-	(205,981)
<b>Balance at 31 December 2018</b>	<b>26,216,988</b>	<b>420,106</b>	<b>(26,320,086)</b>	<b>317,008</b>

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2019</b>	26,951,744	451,643	(27,820,567)	(417,180)
Comprehensive loss	-	-	(2,212,004)	(2,212,004)
Placement shares issued	6,885,200	-	-	6,885,200
Options exercised	234,216	-	-	234,216
Options granted	-	244,734	-	244,734
Share based payments	-	966,937	-	966,937
Shares issued pursuant to prospectus	154	-	-	154
Share issue costs	(493,384)	-	-	(493,384)
<b>Balance at 31 December 2019</b>	<b>33,577,930</b>	<b>1,663,314</b>	<b>(30,032,571)</b>	<b>5,208,673</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Basis of preparation**

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by Impression Healthcare Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year except for the impact of the new standards and interpretations effective 1 July 2019 as outlined below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. To ensure comparability with current year disclosures, some presentation changes have been made to comparative information.

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

#### **(b) Adoption of new and revised standards**

##### **New Standards and Interpretations applicable for the half year ended 31 December 2019**

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

##### **Standards and Interpretations in issue not yet adopted**

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

#### **(c) Statement of compliance**

The interim financial statements were authorised for issue on 28 February 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

#### **(d) Significant accounting estimates and judgements**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019 except for the impact of the new standards and interpretations effective 1 July 2019 as outlined in note 1(b) above.

**(e) Going concern**

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

**NOTE 2: REVENUE**

**(a) Revenue from contracts with customers**

The Group derives its revenue from the sale of dental devices, either directly to customers through on-line sales, or from contracts with dentists, and the sale of medicinal cannabinoid oils.

This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8 (see note 3).

Point in time:	31 December 2019	31 December 2018
On-line sales of oral devices direct to customers	328,982	391,444
Oral device sales to dentists	23,268	17,510
Sales of cannabinoid oils	7,350	-
<b>Total sales revenue</b>	<b>359,500</b>	<b>408,954</b>

**(b) Other income**

Revenue from other contractual arrangements	140,816	-
Interest and other miscellaneous income	2,930	3,428
<b>Total sales revenue</b>	<b>143,746</b>	<b>3,428</b>

**NOTE 3: SEGMENT REPORTING**

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, for the current reporting period, the Group now has two reportable segments, being (1) production and distribution of dental devices; & (2) distribution of medicinal cannabis products, and currently one geographical segment, namely Australia.

The revenues and results of these segments of the Group as a whole are set out in the condensed statement of comprehensive income and the assets and liabilities of the Group as a whole are set out in the condensed statement of financial position. A summary of revenue and expenses for the period and assets and liabilities at the end of the period for each segment is shown below:

### NOTE 3: SEGMENT REPORTING (continued)

	6 months ended 31 December 2018			
	Dental Devices	Medicinal Cannabis	Unallocated	Total
Sales revenue	408,954	-	-	408,954
Cost of sales	(270,488)	-	-	(270,488)
Other revenue	2,779	-	649	3,428
Expenses	(499,717)	(307,021)	(632,294)	(1,439,032)
<b>Loss before tax</b>	<b>(358,472)</b>	<b>(307,021)</b>	<b>(631,645)</b>	<b>(1,297,138)</b>

<b>Segment assets</b>	543,519	1,570	342,956	888,045
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<b>Segment liabilities</b>	(284,212)	-	(286,825)	(571,037)
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	6 months ended 31 December 2019			
	Dental Devices	Medicinal Cannabis	Unallocated	Total
Sales revenue	352,150	7,350	-	359,500
Cost of sales	(204,334)	(8,450)	-	(212,784)
Other revenue	140,817	-	2,929	143,746
Expenses	(757,514)	(322,779)	(455,236)	(1,535,529)
<b>Loss before tax</b>	<b>(468,881)</b>	<b>(323,879)</b>	<b>(452,307)</b>	<b>(1,245,067)</b>

<b>Segment assets</b>	338,666	96,836	5,162,710	5,598,212
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<b>Segment liabilities</b>	(241,441)	(130,330)	(17,768)	(389,539)
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### NOTE 4: SHARE BASED PAYMENTS

The following share-based payment arrangements were in place during the period:

A. Performance rights	Number	Grant Date <sup>1</sup>	Expiry Date	Exercise Price	Expensed fair value
Milestone-based	6,000,000	04-Oct-2019	Various <sup>2</sup>	n/a	172,000
Value-based	30,303,593	04-Oct-2019	24-Nov-2021	n/a	254,825
<b>Total performance rights</b>	<b>36,303,593</b>				<b>426,825</b>

B. Options	Number	Grant Date <sup>1</sup>	Expiry Date	Exercise Price	Expensed fair value
Unlisted options	200,000,000	26-Jul-2019	30-Sep-2021	\$0.20	540,112
<b>Total options</b>	<b>200,000,000</b>				<b>540,112</b>

<b>Total share-based payments</b>	<b>\$966,937</b>
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<sup>1</sup> Grant date is assumed to be the date of the Company's Annual General Meeting, being 4<sup>th</sup> October 2019, at which these share-based payment arrangements were approved by shareholders.

<sup>2</sup> The milestone-based performance rights have non-market milestones which must be met at various dates ranging from 31 August 2019 to 31 January 2020.

#### NOTE 4: SHARE BASED PAYMENTS (continued)

The value-based performance rights have milestones which are market-based. In arriving at the fair value of these rights, the probability of achieving these milestones (related to various levels of market capitalisation) has been estimated using a trinomial option model.

The fair value of the equity-settled share options granted in the above table is estimated as at the date of grant using a trinomial option model taking into account the terms and conditions upon which the options were granted.

	<b>Unlisted \$0.20 Options 30-Sep-2021 Expiry</b>
Dividend yield (%)	0%
Expected volatility (%)	100%
Risk-free interest rate (%)	0.92%
Expected life of option (years)	2
Exercise price (cents)	20.0
Grant date share price (cents)	6.2

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options vest upon the shares having a closing price of 20 cents per share or more for any 5 trading days at any time from the date of grant of the options until the expiry date of the options (30 September 2021).

#### NOTE 5: LOSS PER SHARE

Basic loss per share has been calculated using the loss attributable to shareholders of the Parent Company and the weighted average number of ordinary shares on issue.

	<b>31 December 2019</b>	<b>31 December 2018</b>
Weighted average number of shares	649,048,889	351,930,480

#### NOTE 6: DIVIDENDS

No dividend for the period has been declared or paid (2018: nil).

#### NOTE 7: INTANGIBLE ASSETS

Intangible assets consist of registered patents, trademarks and intellectual property.

	<b>31 December 2019</b>	<b>30 June 2019</b>
Carrying value at the beginning of period	49,377	71,066
Amortisation	(10,843)	(21,689)
<b>Carrying value at the end of the period</b>	<b>38,534</b>	<b>49,377</b>



## NOTE 8: ISSUED CAPITAL

Movement in:	Issued Capital (\$)	Number of securities:				
		Ordinary Shares	Performance Shares	Performance Rights	Listed Options	Unlisted Options
<b>As at 01 July 2018</b>	<b>24,410,905</b>	<b>288,288,248</b>	<b>40,000,004</b>	<b>2,205,063</b>	<b>143,837,013</b>	<b>12,921,879</b>
Rights issues	735,721	73,572,062	-	-	-	-
Share issue costs	(373,409)	-	-	-	-	-
Options granted	-	-	-	-	136,390,572	-
Options exercised	-	-	-	-	-	-
Other securities issued	2,178,527	195,203,398	-	49,000,000	-	-
Performance rights converted	-	24,833,332	-	(24,833,332)	-	-
Lapsed/expired	-	-	(20,000,002)	(2,205,063)	(17,266,857)	(12,921,879)
<b>As at 30 June 2019</b>	<b>26,951,744</b>	<b>581,897,040</b>	<b>20,000,002</b>	<b>24,166,668</b>	<b>262,960,728</b>	<b>-</b>
Rights issues	-	-	-	-	-	-
Share issue costs	(493,385)	-	-	-	-	-
Options granted	-	-	-	-	-	209,919,705
Options exercised	234,217	10,855,423	-	-	(855,423)	(10,000,000)
Other securities issued	6,885,354	114,663,460	-	-	-	-
Lapsed/expired	-	-	-	-	-	-
<b>As at 31 December 2019</b>	<b>33,577,930</b>	<b>707,415,923</b>	<b>20,000,002</b>	<b>24,166,668</b>	<b>262,105,305</b>	<b>199,919,705</b>

Details of options on issue	As at 30-Jun-19 Listed Options	As at 31-Dec-19 Listed Options	As at 31-Dec-19 Unlisted Options
\$0.03 Exercise Price - Expiring 1 May 2020	-	-	10,000,000
\$0.04 Exercise Price - Expiring 1 December 2020	-	-	12,000,000
\$0.04 Exercise Price - Expiring 30 September 2020	262,960,728	262,105,305	-
\$0.06 Exercise Price - Expiring 1 December 2020	-	-	14,000,000
\$0.08 Exercise Price - Expiring 1 December 2020	-	-	16,000,000
\$0.08 Exercise Price - Expiring 30 September 2021	-	-	89,919,705
\$0.10 Exercise Price - Expiring 1 December 2020	-	-	18,000,000
\$0.12 Exercise Price - Expiring 1 December 2020	-	-	20,000,000
\$0.14 Exercise Price - Expiring 1 December 2020	-	-	20,000,000
<b>Total</b>	<b>262,960,728</b>	<b>262,105,305</b>	<b>199,919,705</b>

## NOTE 9: CONTINGENCIES

There has been no change in contingent liabilities since the last annual reporting date.

## NOTE 10: FINANCIAL INSTRUMENTS

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation of their fair values.

## NOTE 11: RELATED PARTY DISCLOSURES

Directors' holdings in securities

31 December 2019	Options	Performance Shares and Rights <sup>#</sup>	Ordinary Shares
Mr Troy Valentine	48,355,557	2,762,538	19,900,914
Mr Peter Widdows	3,957,895	1,833,334	12,282,456
Dr Sud Agarwal *	110,000,000	-	10,000,000
Mr Joel Latham	4,437,500	6,000,000	10,245,795

31 December 2018	Options	Performance Shares and Rights <sup>#</sup>	Ordinary Shares
Troy Valentine	41,873,607	1,858,408	19,234,248
Peter Widdows	3,300,000	2,500,000	8,300,000
Alistair Blake	3,855,184	17,805,310	19,223,182

\* Options and shares reported for Dr Sud Agarwal are owned by Cannvalate Pty Ltd – an entity of which Dr Agarwal is a significant shareholder, the CEO and a director.

# Performance Shares convert on one-for-one basis on achievement of sales targets – refer to 30 June 2019 financial statements for further details. Performance Rights convert on a one-for-one basis on achievement of sales targets or EBITDA hurdles – refer to 30 June 2019 financial statements for further details.

## NOTE 12: SIGNIFICANT EVENTS AFTER BALANCE DATE

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

## DIRECTORS' DECLARATION

In the opinion of the directors of Impression Healthcare Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Troy Valentine  
Non-executive Chairman  
Melbourne

28 February 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Impression Healthcare Limited

**Report on the Interim Half-Year Financial Report***Conclusion*

We have reviewed the accompanying half-year financial report of Impression Healthcare Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Impression Healthcare Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

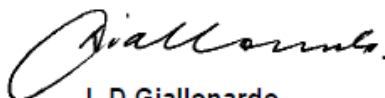
*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd  
Chartered Accountants

Perth, Western Australia  
28 February 2020



L D Giallonardo  
Partner