

31 July 2017

ASX RELEASE

APPENDIX 4C & QUARTERLY REVIEW

- 2925 units sold during the June quarter, bringing total yearly units sales to 5,239
- Cash receipts of \$188k during the quarter, an increase of 126% on the previous quarter, resulting primarily from Gameday mouthguard sales
- Product range diversified, with active sales campaigns for three custom-fitted dental health products:
 - Gameday, mouthguard, successful sales season in early 2017
 - ITW, instant teeth whitening product, initial sales following launch in early March 2017
 - The Knight Guard, a teeth grinding plate, newly launched in June 2017
- Rugby legend, Johnathan Thurston joins the Gameday team as brand ambassador

Impression Healthcare Limited (ASX: IHL) ('Impression Healthcare' or 'the Company') has today lodged its Appendix 4C Report for the quarter ended 30 June 2017 and is pleased to provide a review of its progress during this period.

STRATEGIC AND OPERATIONAL UPDATE

Throughout the quarter, Impression Healthcare continued to pursue its strategy of rapid growth through product diversification. Commencing the quarter with one product already building seasonal sales (Gameday) and a second product just newly launched (ITW), it went on to successfully launch its third product during the quarter (the Knight Guard). The latter two products will build up the Company's non-seasonal revenue streams and have the benefit of delivering higher margins.

This strategy of product diversification is being supported by an increasingly active grass roots and digital marketing campaign. The Company ended the quarter with over 1.4m sports players in its marketing reach, achieved through its partnerships with nine sporting governing bodies.

These marketing efforts have delivered over 2925 in product unit sales during the quarter, across its range of three marketed custom-fitted dental devices. This represents a 345% increase on total units sold in Q 4 FY16 and brings total unit sales for the financial year to 5,239.

GAMEDAY SALES MOMENTUM

Unit sales are being successfully driven by the Company's aggressive program of product and brand development, digital marketing and ambassador leverage. These marketing efforts have delivered exceptionally strong website sales conversion rates. For the Company's Gameday product, on average 5.42% of website visitors bought a mouthguard between 1 March 2017 and 27 July 2017. This rate reached a peak of 9.89% during the height of the mouthguard buying season in March and April 2017.

In a significant win for the Company, NRL legend Johnathan Thurston joined Gameday as ambassador. Under a 12-month contract, he has already commenced promoting Gameday mouthguards, appearing in marketing materials (digital advertising, electronic direct mail) and a TV commercial.

Furthermore in just 2 months Johnathan Thurston's first social media video has had an astonishing 200,000 views and hundreds of comments providing Gameday mouth guards amazing brand engagement and equity.

In May, Gameday was appointed the "Official mouthguard of the Queensland Rugby Union" (QRU), giving it a prominent position with rugby players and fans across Queensland. The two-year partnership has given Gameday exclusive rights to on-ground advertising and promotion for its mouthguards. It added more than

290k sports players to the Company's marketing reach, bringing its total marketing reach to 1.4m. The QRU brings the total numbers of governing bodies in partnership with Gameday to 17 across various sports.

ITW INITIAL SALES

ITW is the Company's teeth whitening product that targets the affordable at-home teeth whitening market in Australia. It was soft launched in early March 2017 and already the Company is seeing signs of sales success in the June quarter along with positive customer feedback. The Impression Healthcare team continues to optimise the product website ahead of a major planned marketing push expected to commence in the 2nd half of 2017.

THE KNIGHT GUARD

The Company's newest product, a custom-fitted teeth grinding plate branded "the Knight Guard" was soft launched in June 2017. In line with its proven business model, Impression Healthcare will provide a more affordable product with the same level of quality as provided by from a dentist. Already, customer feedback and unit sales are encouraging and the Company anticipates sales to build as it increases its marketing efforts for this product.

The launch of the Knight Guard is the first of its two sleeping devices that Impression Healthcare will launch, with the second product expected to launch in H2 of 2017, under its product diversification strategy.

FACILITIES UPGRADE

During the quarter, Impression Healthcare upgraded and refined its laboratory facilities and its processes. This was coupled with an expansion of its inventories, enabling the Company to meet the increase in demand as well as commence delivery of its new product lines that were recently launched. As part of IHL's commitment to scale a capital expenditure on a 3D scanner was made, this CAPEX investment allows IHL to deliver replacement products to existing customers thus cutting down production time and distribution costs and improving the yield on replacement products which are sold to customers at point of purchase.

CORPORATE AND FINANCIAL UPDATE

The Company generated cash receipts of \$188k during the quarter, an increase of 126% on the previous quarter, \$83k in Q3 FY17. Cash receipts were driven by sales of its Gameday mouthguards and initial sales of its ITW teeth whitening product.

Through this quarter IHL has improved its return on marketing spend, this allows IHL to move forward gradually with increased spend whilst aiming to maintaining the same ratio of marketing spend to revenue generated across its established products.

BOARD STRENGTHENED

Impression Healthcare conducted a review of its Board in June 2017 to ensure its skills were optimised to best support the fast-paced expansion of the business. This resulted in the appointment of digital business expert, Adam Wellisch to the Board as an Independent Non-Executive in early April 2017. Concurrent with this change, Alex Pismiris stepped down as Non-Executive Director and the Board has thanked him for his contribution to the Company in its early days as a listed business.

CASH POSITION

As at 30 June 2017, the Company's cash position is \$503k.

OUTLOOK

With Impression Healthcare's business model now proven and showing the early signs of scaling, the Company has confidence moving into other product segments via its diversification strategy. The new products that have been launched have mass market appeal, as well as strong yield and gross product margins for the Company, placing the business in a strong position. With the launch of our second sleep device imminent in the coming months, we feel confident that the Company will continue to make progress toward break-even.

Ends

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 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	188	274
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(581)	(962)
(c) advertising and marketing	(357)	(709)
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(79)	(1,404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	305
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(827)	(2,486)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(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	-	(150)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(150)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,989
3.2	Proceeds from issue of convertible notes	-	109
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	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(209)
3.10	Net cash from / (used in) financing activities	-	2,889

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	1,330	250
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(827)	(2,486)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(150)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,889

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	503	503

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	76	255
5.2	Call deposits	427	1,075
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)	503	1,330

* The Company has put in place a mechanism to secure funding through the next quarter under the Company's 15% placement capacity. The Company further confirm will continue its operations and meet its business objective for the next quarter and on this basis comply with Listing Rule 3.1.

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**

142

-

Item 6.1 – Amounts paid to directors' fees and their associates (\$142,593).

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**

-

-

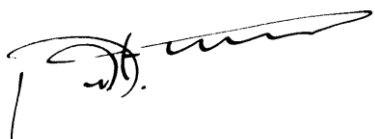
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description 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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(210)
9.3 Advertising and marketing	(124)
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(148)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows*	(482)

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: 31 July 2017

Print name: **Robert Marusco**
Company Secretary

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.