

## **Impression Undertakes \$1.65M Placement to Accelerate Medicinal Cannabis Activities and International Expansion of Oral Devices**

### **Highlights:**

- Impression has successfully raised \$1.65M in an oversubscribed Placement at 3.8c per share with a 1:2 free attaching option exercisable at 8.0c on or before 30<sup>th</sup> September 2021
- The Placement was supported by a range of existing ‘sophisticated’ investors in Impression, including major shareholders
- Funding will facilitate the advancement of the four medicinal cannabis clinical trials into Concussion, Sleep Apnoea, Gum Disease and TMJ Disorder, the purchase of medicinal cannabis oils for sale in the Australian market and the manufacture of medicinal cannabis products
- Manufacturing of oral devices to Shenzhen, China will achieve cost savings of approximately \$800,000, whilst simultaneously expanding profitability margins, overall production capability and broadening reach into key international markets
- Impression to distribute its entire range of oral device products, manufactured in Shenzhen, into all 50 States of the USA, with other sales arrangements being considered for Asia and Europe.

Impression Healthcare Limited (‘Impression’, ‘IHL’ or the ‘Company’), developer of four unique medicinal cannabis products and oral devices manufacturer, will accelerate all medicinal cannabis activities and facilitates the international expansion of all oral devices following the receipt of firm commitments to a Placement to raise \$1.65M (before costs).

The Placement was supported by a range of existing ‘sophisticated’ investors in Impression, including major shareholders.

“We are pleased to have secured funding largely from our existing shareholders to support key expansion opportunities for our businesses”, said Joel Latham, CEO of Impression. “Impression has matured substantially in the past 12 months. This new funding will allow the Company to rapidly accelerate our medicinal cannabis footprint from our four unique and globally significant medicinal cannabis clinical trials, through to our own manufacturing and distribution channels and international growth”.

These new funds, combined with the future income from projected sales revenues, R&D rebates and the potential exercising of options is expected to provide the underlying working capital required for achieving:

- Significant intellectual property related to the Company’s four medicinal cannabis clinical trials into Concussion, Sleep Apnoea, Gum Disease and TMJ Disorder
- Finalise the purchase of high-quality medicinal cannabis oils for sale into the Australian market
- Manufacture of other medicinal cannabis products.

The funding referenced above, coupled with the strategic move to offshore manufacturing in China and sales into the USA is another step towards the achievement of company profitability.

***Offshore Manufacture of Oral Devices in Shenzhen, China***

Impression has engaged a professional dental laboratory facility in Shenzhen, China to manufacture Impression's entire range of custom-fitted oral devices. Customer orders have commenced being fulfilled from the Shenzhen facility following an extensive trial period focused on product quality, ease of shipping and costings. The transitioning of manufacturing to Shenzhen will achieve cost savings of approximately \$800,000 per annum upon full transition, whilst simultaneously expanding profitability margins, overall production capability and broadening reach to key international markets, which remains a key priority for the Company. IHL will also retain a facility in Australia.

***Oral Devices Sales in the United States of America (USA)***

Following the commencement of manufacturing in Shenzhen, Impression has engaged a distribution agent in the United States ('US') to store, ship and track the entire range of Impression's products, manufactured in Shenzhen, into all 50 States. The market in the US is approximately 13x larger than the Australian market and initial activities will focus on B2C sales and then the progressive development of a B2B preferred practitioner network. Other sales relationships are being considered in Asia and Europe, including brand development opportunities with sporting bodies.

"Impression achieved record sales of \$513,000 in the March quarter in only Australia and New Zealand. By replicating our B2C model, and eventually a preferred practitioner network, in the USA, we have an opportunity to sell into the World's largest economy where teeth protection, bruxism and sleep apnoea are major health issues representing major markets", said Joel Latham, CEO of Impression.

Alignment Capital Pty Ltd was the lead manager to the offer. The Placement was priced at 3.8c per share, which is a 6.4% discount to the 5-day VWAP of \$0.0406 per share. Parties subscribed to Placement shares will also receive one free attaching option exercisable at 8.0c and expiring on 30th September 2021 for every two shares subscribed.

The placement will be conducted in two tranches with a total of 43,421,053 shares and 21,710,527 attaching options being issued. The first tranche of 31,983,470 shares will be issued immediately with 12,097,439 shares issued under listing rule 7.1 and 19,886,031 shares issued under listing rule 7.1A. The second tranche of 11,437,583 shares and the 21,710,527 attaching options will be subject to shareholder approval at an EGM expected to occur in early August.

**ENDS**



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### **About Impression Healthcare Limited (ASX: IHL)**

Impression Healthcare Limited is an innovative healthcare company that sells customised oral devices both direct-to-the-consumer and via the Company's growing B2B preferred practitioner network of dentists. With its own laboratory in Victoria, Australia, Impression offers best-in-class teeth-protection and helps its customers to combat bruxism, snoring, mild-to-moderate sleep apnoea and teeth discolouration with custom-fitted oral devices.

Impression has broadened its commitment to disruption in the healthcare sector by progressing multiple opportunities in the field of medicinal cannabis. IHL has its licenses in place to import, export and distribute cannabis products. In March of 2019, Impression executed a binding collaboration with Cannvalate and Swinburne University of Technology to undertake four medicinal cannabis clinical trials. Cannvalate is Australia's largest distributor of medicinal cannabis products.

IHL also has a collaboration agreement with leading US Cannabinoid therapeutics Company, AXIM Biotechnologies Incorporated; a license agreement with Resolution Chemicals for the production and distribution of Dronabinol in the USA, Canada, Australia and New Zealand; and also intends to distribute medicinal cannabis oils through the Cannvalate network of cannabis medicine prescribers throughout Australia.

**Investors:** [investors@impression.healthcare](mailto:investors@impression.healthcare)

**Website:** [www.impression.healthcare](http://www.impression.healthcare)