

## **AHI Continues Building a Strong Foundation to Facilitate Expansion into Global Care.**

**Advanced Human Imaging Limited (ASX: AHI) (Advanced Human Imaging or Company)** is pleased to release its Appendix 4C and to provide its shareholders with an update on its activities for the quarter ending 30 June 2021.

### **HIGHLIGHTS**

- Tinjoy’s *WinScan* application expected to launch by mid-August 2021.
- Tinjoy’s marketing platform “The Health Cube” exceeds all expectations with 114,391 preregistrations received during a 3-day period.
- TOFF successfully launches their TRUCONNECT by TV.FIT application in the current quarter.
- Nexus-Vita agrees to pay the Company USD\$500,000 to complete the integration of *CompleteScan* into their application.
- AHI takes an equity stake in Jana Care, adding blood biomarker assisted chronic disease assessment and monitoring to its existing *CompleteScan* capability.
- Due diligence on Triage Technologies Inc. now completed, allowing AHI global distribution rights to the Triage AI dermatologic platform.
- Due diligence concluded for the proposed acquisition of Physimax, which is expected to lead to a material reduction of the price, following the conclusion of an amended Acquisition Agreement.
- Cash received from customers increases to \$165k, which represents a 312% improvement on last year as growth in revenue continues.
- Cash expenditure increased to \$1,726k in the current quarter. However, after adjusting for once-off items, cash expenditure reduces to \$1,367k, which represents an 133% increase in spend on last year on a like-for-like basis and primarily due to the company’s growth. Lower costs were reported last year as a result of COVID-19.
- After adjusting for once-off items, net cash used in operating activities reduces from \$1,554k to \$1,195k which is in line with our expectations.

<p><b>ASX Code: AHI</b> <b>ABN 85 602 111 115</b></p> <p><b>CORPORATE STRUCTURE</b></p> <p>Issued Capital: ~136.9M Options Issued: ~7.5M Perform Rights: ~22.1M Share price: \$1.15 (29 Jul 2021)</p>	<p><b>CORPORATE DIRECTORY</b></p> <p><i>Non-Executive Directors</i> <b>Mike Melby</b> <b>Nick Prosser</b> <b>Dato Low Koon Poh</b></p> <p><i>Executive Chairman, CEO</i> <b>Vlado Bosanac</b></p> <p><i>Company Secretary, CFO</i> <b>Steven Richards</b></p>	<p><b>CONTACT DETAILS</b></p> <p>Unit 5, 71-73 South Perth Esplanade, South Perth, WA 6151</p> <p>PO Box 190 South Perth, WA 6951</p> <p>investors@advancedhumanimaging.com www.advancedhumanimaging.com</p>
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**Vlado Bosanac, Chairman and Chief Executive Officer of AHI said:**

"I would like to allay concerns regarding the delay we have experienced with the proposed listing of AHI onto the US, NASDAQ exchange. In early 2021, AHI confidentially submitted the draft registration statement on Form F-1 with the Securities and Exchange Commission (the "SEC") relating to the proposed initial offering of an American Depository Security (ADS) onto the NASDAQ exchange. The number of ADS's to be offered and the price range for the proposed offering have not yet been determined. The initial public offering is expected to take place after the SEC completes its review process, subject to market and other conditions.

In connection with the foregoing, AHI has also submitted its initial NASDAQ listing applications to the NASDAQ exchange accordingly.

This update does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any offers, solicitations, or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act of 1933, as amended ("Securities Act"). This update is being issued in accordance with Rule 135 under the Securities Act. I look forward to providing further clarity as soon as practically possible.

On the acquisition and strategic investment front, we have invested a total of USD\$2,500,000 into very strategically placed technology partners that are bringing significant and complementary technologies to the AHI service offerings. I am very comfortable in saying we cannot be challenged by any other platform when it comes to remote personal care patient data assistance. Whilst the BodyScan is proprietary to AHI, the technology delivers substantial increased functionality to all of the partner technologies. We provide a far broader eco-system for these partners along with multiple reasons a user would choose AHI over seeking individual onsite expensive assessments. My vision for AHI is to create a "one-stop care platform" for early detection of chronic disease identification and the triaging of care. The platform will facilitate the continuous monitoring of our partners end user's health through our MultiScan platform capturing remote biometric scans which will ultimately lead to better health outcomes.

In terms of our channel partners, we have been overwhelmed with results from the recent Tinjoy Health Cube soft launch, who have taken a holistic approach to marketing and clearly understand the needs and wants of a very health-conscious Chinese market. In my opinion, they have set the marker for future partner launches, with over 114,000 12-month pre-registrations on their platform already, Tinjoy have achieved an initial revenue commitment from its users of 35,461,210 Chinese Yuan (AUD\$7,417,637). This is an outstanding result, and I am now looking forward to a successful full launch of their *WinScan* application in August so that we can harness these returns and continue to grow along with Tinjoy and the targeted subscriptions of 1,000,000 by Christmas 2021.

As humans we operate in a state of event driven care, my goal with AHI is to deliver early risk detection capability through our private and cost effective on-device platform. People want to live better healthier lives and often don't understand the risk they pose to themselves until they have an event which requires medical care."

**UPDATE ON PRODUCT LAUNCHES**

As mentioned in the previous quarterly update, Original Fit Factory Ltd (TOFF), successfully launched their TRUCONNECT by TV.FIT app, with AHI's technology embedded in May 2021. It is still very much early days, and we look forward to tracking user uptake in the coming months.

AHI has been afforded the luxury of choice when it comes to choosing its channel partners, and a pre-requisite is the need to have a large pool of pre-existing users to draw from. Tinjoy is a prime example of a *quality* partner; they certainly know their customer base and understand the correct approach to their marketing and sales channels. AHI has been very proactive and supportive of Tinjoy's marketing approach and as a result, we will contribute USD\$200,000 towards their marketing budget (announced to ASX on 26 April 2021). Tinjoy anticipates going live with its *WinScan* application by mid-August 2021 and despite experiencing the

delays in the launch, Tinjoy’s marketing platform “The Health Cube” has managed to secure an outstanding 114,391 preregistrations in a three-day period in July (as announced to ASX on 29 July 2021).

During the quarter, AHI announced it had signed an agreement with Nexus-Vita to conclude the integration of AHI’s *CompleteScan* technology into the Nexus-Vita application for a fee of USD\$500,000, and AHI has already invoiced Nexus-vita in the initial agreed amount of USD\$100,000. AHI provided a comprehensive update regarding Nexus-Vita on the ASX platform on 23 June 2021. At this stage, AHI is on track to deliver the application by the end of September 2021 (assuming no unforeseen delays).

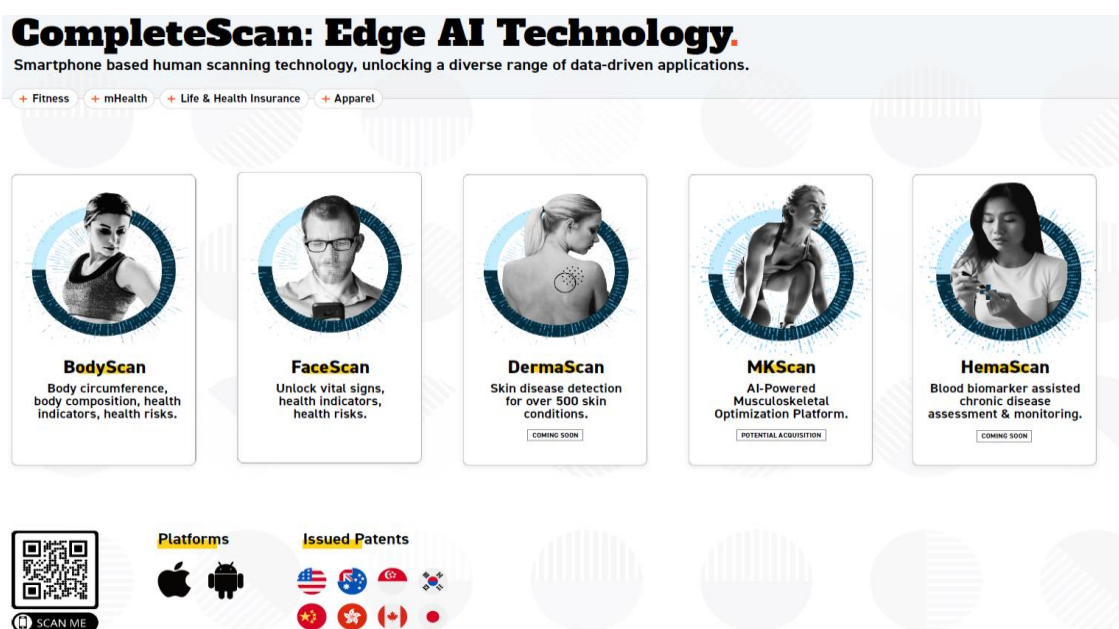
### STRATEGIC INVESTMENTS AND NEXT QUARTER PLANNED ACTIVITY

During the quarter, AHI completed due diligence on its partnership and investment in Canadian-based Triage Technologies Inc. (Triage), which includes the signing of a binding license agreement and subscription agreement. Under the terms of the license agreement, the companies expect to complete the integration of the Triage applications into AHI's *CompleteScan* platform, with the first demonstratable DermaScan product expected to be made available at the end of Q3, 2021. This will be a demonstration product and will only be sold to jurisdictions where the medical approvals have been achieved.

During the quarter, AHI concluded a terms sheet and investment strategy with US-based on-device blood pathology company Jana Care Inc. (Jana). Jana has developed and patented an on-device **blood screening** tool called *Aina*. The patented *Aina* device can provide rapid, accurate readouts of key blood chemistry elements in several chronic disease categories: cardiovascular, renal, and metabolic (CVRM). A summary of the material terms has been disclosed on the ASX announcement dated 20 May 2021. We are pleased to inform shareholders the Jana development team are communicating and working with AHI for the development and preparation of the integration into the MultiScan Platform.

On 6 July 2021, AHI announced it had concluded its due diligence for the proposed acquisition of Israeli-based musculoskeletal assessment (MSK) company, Physimax Technologies Limited (Physimax). The parties are now in the process of updating the Acquisition Agreement which is expected to result in a material reduction in the acquisition amount as announced on 19 April 2021. AHI anticipate a further update will be provided to shareholders by the end of August, to give the parties sufficient time to conclude the updated Acquisition Agreement.

AHI's full suite of products, noting the addition of the blood screening (HemaScan) capability, courtesy of our partnership with Jana referred to above, is well-represented in the graphic below:



**CompleteScan: Edge AI Technology.**  
Smartphone based human scanning technology, unlocking a diverse range of data-driven applications.

+ Fitness + mHealth + Life & Health Insurance + Apparel

- BodyScan**  
Body circumference, body composition, health indicators, health risks.
- FaceScan**  
Unlock vital signs, health indicators, health risks.
- DermaScan**  
Skin disease detection for over 500 skin conditions.  
COMING SOON
- MKScan**  
AI-Powered Musculoskeletal Optimization Platform.  
POTENTIAL ACQUISITION
- HemaScan**  
Blood biomarker assisted chronic disease assessment & monitoring.  
COMING SOON

Platforms: Apple, Android  
Issued Patents: USA, Canada, Australia, South Korea, Japan, China, India, etc.

## CASHFLOW UPDATE

AHI ended the quarter in line with expectations with cash receipts from customers for the quarter up from last year. After adjusting for one-off items, operating cash expenditure is only marginally higher than the level of spending reached in December 2019, despite AHI being in growth mode. Details on the operational cash flow results for the quarter are as follows:

### Cash flow from operations:

Line Item per Published Appendix 4C	Jun '20 QTR \$' 000*	Average of the Previous 4 QTRs \$' 000*	Jun '21 QTR \$' 000*	Change on Jun '20 QTR %	ADJUSTED <sup>1</sup> (Pro forma) Jun '21 QTR \$' 000*	ADJUSTED <sup>1</sup> Change on Jun '20 QTR %
1.1 Cash receipts from customers	654	476	165	75% less	165	75% less
1.2 Operating cash expenditure	(586)	(1,292)	(1,726)	195% increase in spend	(1,367)	133% increase in spend
Net cash from (used in) operating activities	93	(611)	(1,554)	1771% increase in net operating spend	(1,195)	1385% Increase in in net operating spend

Table 1. Cash flow summary by quarter. Currency in AUD, unless stated otherwise.

### Cash receipts from Customers:

As Table 1 above suggests, AHI received \$165k from customers and partners during the current quarter. Last year, cash in the amount of \$614k was received from a related party in relation to long-outstanding debt. After adjusting for this one-off item, adjusted cash receipts from customers for last year (June 2020) amounted to \$40k, which means operational cash receipts has increased by \$125k in the current quarter compared to last year, an increase of 312% on an adjusted basis.

<u><sup>1</sup>Adjusted Jun 2020 QTR</u>	<u>QTR \$ '000</u>
Cash receipts from customers – Jun 2020	654
Less: Once-off items	
Cash received for the settlement of long outstanding debts	<u>614</u>
Adjusted cash receipts from customers – Jun 2020	40
Cash receipts from customers – Jun 2021	<u>165</u>
<b>Percentage (%) increase in adjusted cash receipts from customers</b>	<b>312% improvement</b>

Operating cash expenditure:

The operating cash expenditure for the current quarter is \$1,726k, which represents a 195% increase in expenses for the quarter compared to last year. The increase is a result of AHI cutting back on expenditure last year during the early stages of COVID-19, which resulted in AHI recording a lower than usual cash expenditure of \$586k. Additionally, AHI incurred one-off expenses totalling \$359k in the current quarter, as a result of payments made in relation to the NASDAQ IPO and costs incurred in relation to the setup of the US Office, as follows:

<b><sup>1</sup>Adjusted June 2021 QTR</b>	<b>Jun 2021 QTR \$ '000</b>
Operating cash expenditure	1,726
Less: Once-off items	
NASDAQ IPO prepaid expenditure	201
US Office Set	106
Legal Fees	<u>52</u>
	359
Adjusted operating cash expenditure	<u>1,367</u> [ $\$1,726 - \$359k$ ]
Adjusted net cash used in operating activities	<u>1,195</u> [ $\$1,554 - \$359k$ ]

As per the calculation above, when adjusting for once-off and extraordinary items, operating cash expenditure reduces to \$1,367k which is on par with AHI’s cash expenditure of \$1,332k that was recorded in the December 2019 quarter. Therefore, excluding one-off items, operating cash expenditure has only slightly increased from December 2019, as per chart below:

<sup>1</sup>The adjusted June 2021 QTR figures produced in this calculation have been produced for illustrative and commentary purposes only.

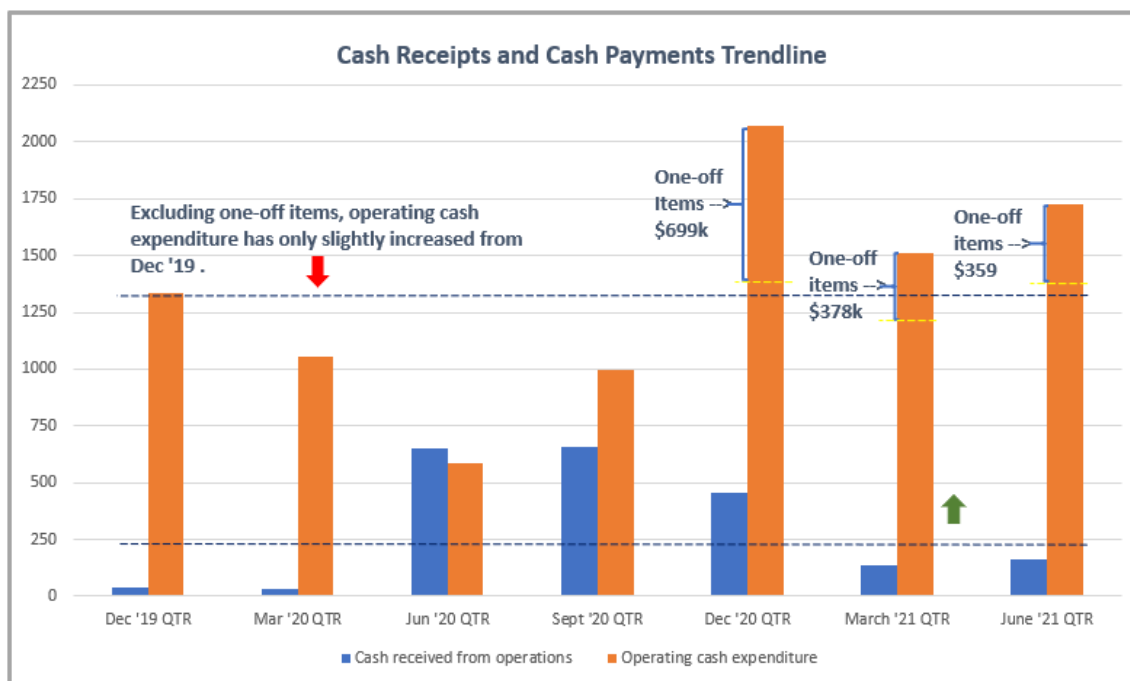


Figure 1. Cash receipts and cash payments trendline

### **Cash flow from investing activities:**

During the quarter, AHI made a USD\$100,000 payment to Bearn, LLC. ("Bearn"). Under the terms of the agreement (announced to ASX on 22 January 2021), Bearn has undertaken to use the funds advanced by AHI to deliver 1,000,000 active monthly users to AHI within 12 months. If this target is not achieved, the loan and interest will become repayable in 15 months from the date of the agreement. If Bearn achieves this target, the repayment date will be extended for a further 12 months. We are pleased to inform shareholders of Bearn's intention to release the integrated application in August 2021.

During the quarter, AHI made a USD\$400,000 payment to Triage. Under the terms of the Triage Agreement, AHI will invest a total of up to USD\$6 million into Triage, being USD\$3 million in cash and USD\$3 million in equity. The USD\$3 million cash investment will be made in instalments over a 14-month period. At the time of this update AHI has made payments to Triage totalling USD\$1,500,000.

On 20 May 2021, AHI announced to ASX that it had entered a binding term sheet with Jana Care Inc. During the quarter, AHI made a USD\$500,000 convertible note investment into Jana in relation to this announcement and under the terms of the agreement.

During the quarter, AHI advanced USD\$60,000 to Physimax following the conclusion of the due diligence on the proposed acquisition. As mentioned in the ASX announcement dated 6 July 2021, the parties are now in the process of updating the binding acquisition agreement, which will see a material reduction in the acquisition amount previously announced by AHI.

### **Cash flow from financing activities:**

Several option holders exercised their right to buy AHI's ordinary shares (ASX: AHI) during the quarter, and a total of \$335,000 in option proceeds was received by AHI at a weighted average exercise price of \$0.60 per share.

### **Use of funds:**

AHI made aggregate payments in the amount of \$1.3 million in relation to its investments in Triage, Jana and Physimax (including related fees). These strategic investments relate to the development of AHI's *CompleteScan* Platform, as summarised in the table below:

<b>ENTITY</b>	<b>COMPLETESCAN COMPONENT</b>	<b>SHORT DESCRIPTION</b>
<b>Triage</b>	DermaScan	Skin disease detection for over 500 skin conditions.
<b>Physimax</b>	MKScan	AI-powered Musculoskeletal Optimisation Platform.
<b>Jana Care</b>	HemaScan	Blood biomarker assisted chronic disease assessment and monitoring.

### **Steven Richards, Chief Financial Officer of Advanced Human Imaging said:**

"AHI is on the cusp of digital transformation in global healthcare that is powered by cost effective accessibility and patient-centric care that balances ease-of-use, security, and better health outcomes. Similarly, we are also

evolving our *CompleteScan* product suite, which largely accounts for the \$1.4 million spent in investing activities this quarter.

Our adjusted cash receipts from customers increased fourfold on last year, however these numbers are set to substantially increase in the current quarter with additional launches and a favourable outcome as announced with Tinjoy. We will generate revenue for the integration work that we are doing with Nexus-Vita (USD\$500,000) leading up to the launch. Post-launch, we will generate average revenue in the amount of USD\$299,000 per month from Nexus-Vita, which is guaranteed for 12 months.”

### **RELATED PARTY TRANSACTIONS**

During the quarter, AHI made the following payments under Item 1 of the attached Appendix 4C:

Director's fees, under a contract for services:	(\$54k)
Legal fees paid to Steinepreis Paganin:	(\$21k)
Total related party payments under Item 1:	(\$75k)

There were no payments made under Item 2 of the attached Appendix 4C.

### **Forward-Looking Statements:**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Advanced Human Imaging Limited's planned partner integrations, forecast partner revenue, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Advanced Human Imaging Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

### **About Advanced Human Imaging:**

AHI has developed and patented a proprietary technology which enables its users to privately check, track, and accurately assess their dimensions, solely using a smartphone. AHI refers to this physical measurement and analysis tool as "BodyScan." AHI is globalizing its technology to assist individuals, communities and populations live healthier lives, worldwide.

AHI's patented technology allows individuals, via an automated system, take a series of images of themselves using a smartphone which delivers accurate and repeatable measurements across the individual's entire body. These measurements allow the individual to understand his/her dimensions and the physical changes which they are undergoing through diet, exercise, and lifestyle. Further, the images that AHI captures also provide the individual with an understanding of their health risk related to certain chronic diseases (including obesity and related diseases such as diabetes). AHI uses global standards set by the World Health Organization (WHO), and the International Diabetes Federation (IDF) when assessing and deriving this information feedback loop.

AHI has recently advanced its technology to run these complex mathematical algorithms directly on the user's smartphone, rather than limiting that computation to the Cloud. AHI's overarching technology strategy has been to take advantage of the mobile device's accelerated performance, specifically by utilizing on-device general purpose Graphic Processing Units (GPU).

AHI delivers a non-invasive, highly accurate and privacy-sensitive solution which returns results within seconds. AHI leverages machine-learning and computer vision to analyse images, detect pose and joint features, and create non-personally identified data for measurement estimation. AHI takes advantage of dedicated GPU libraries such as TensorFlow Lite (Android) and Metal (Apple) to run prediction models,

which have been trained with a substantial and diverse human data set proprietary to the company from around the globe, which is enabled on device to process multiple captured images in fractions of a second. The result is a solution that runs on-device and does not sacrifice speed, security, or privacy. Images and private information never leave the users personal device, ensuring security and privacy standards are met across global regions and requirements. This unrivalled process allows us to produce exceptional results and simplify the output of useful, reliable, digital measurements and remove the human error otherwise present in traditional methods.

Advanced Human Imaging's MultiScan platform simplifies the collection of bio metric measurements across the body, vital signs, and skin conditions, reducing the human error present in traditional information gathering and analysis methods.

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For more information please visit: [www.advancedhumanimaging.com](http://www.advancedhumanimaging.com)

**For more information contact:**

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Advanced Human Imaging Limited

**ABN**

85 602 111 115

**Quarter ended ("current quarter")**

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	165	1,414
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(81)	(171)
(d) leased assets	-	-
(e) staff costs	(921)	(3,477)
(f) administration and corporate costs	(724)	(2,737)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	(54)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	852
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,554)</b>	<b>(4,166)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(1,296)	(2,768)
(b) businesses	-	-
(c) property, plant and equipment	(6)	(24)
(d) investments	-	-
(e) intellectual property	(11)	(64)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(129)	(567)
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>(1,442)</b>	<b>(3,423)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2	Proceeds from issue of convertible debt securities	-	1,822
3.3	Proceeds from exercise of options	335	3,630
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(397)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(865)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Call Option Control Account)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>335</b>	<b>9,190</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 period	4,890	628
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,554)	(4,166)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,442)	(3,423)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	335	9,190
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,229</b>	<b>2,229</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	2,229	4,890
5.2	Call deposits	-	-
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>2,229</b>	<b>4,890</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(75)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other - Convertible note: Asia Cornerstone Asset Management	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	-	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,544)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,229
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,229
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.44
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes, with the potential to reduce somewhat, given that the Company expects to start generating revenue in the short to medium term. We can rely on the current level of net operating cash flows, to be safe.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The Company expects to raise funds leading up to its potential listing on the NASDAQ exchange and is confident of raising an appropriate amount of cash to fund its operations.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes.

The Company has ample capacity to raise capital under 7.1 and 7.1A should further capital be required. Furthermore, the Company also expects to generate revenue from partners in the coming months as part of its commercialisation process. In terms of revenue, the Company has a revenue guarantee in the amount of USD\$4,088,000 (AUD\$5,532,398) in place with one of its partners, Nexus-Vita. Revenue from Nexus-Vita will be generated over a 12-month period from the date a market ready application is ready for launch, which is anticipated to be September 2021 assuming no unforeseen delays (as announced to ASX on 23 June 2021).

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## 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.

Date: .....30 July 2021.....

Authorised by: .....By Order of the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.