



**Advanced
Human
Imaging.**

PRELIMINARY FINAL REPORT

(UNAUDITED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(incorporating information pursuant to ASX listing rule 4.3A)

ADVANCED HUMAN IMAGING LTD
ACN 602 111 115

APPENDIX 4E

1. Details of the reporting period

Name of entity:	ADVANCED HUMAN IMAGING LTD
ABN:	85 602 111 115
Current reporting period	30 June 2022
Previous reporting period	30 June 2021

2. Results for announcement to the market

Financial Results	Result \$	Increase / (Decrease) \$	Increase / (Decrease) %
Revenues from continuing activities	598,433	(603,904)	(50.2)%
Loss from continuing activities after tax attributable to members	(20,572,729)	(6,511,737)	(46.3)%
Net loss for the period attributable to members	(20,572,729)	(6,511,737)	(46.3)%

The current year includes \$7.5 million in share-based payments (2021: \$7.3 million), \$3.3 million in impairment charges (2021: \$2.8 million) and \$2.1 million in costs associated with the Companies IPO on NASDAQ. When adjusted for these costs, of which \$10.8 million are non-cash expenses, the loss for the financial year is approximately \$7.67 million (2021: \$3.95 million).

3. Dividends

Dividends	Amount per security	Franked amount per security
Final dividend proposed	Nil	n/a
Interim dividend	Nil	n/a
Record date for determining entitlement to the dividend (if any)	n/a	n/a

4. Net tangible asset backing

	2022	2021
NTA Backing		
Net tangible asset backing per ordinary share on issue (cents)	0.036 cents	0.006 cents

5. Control gained over entities

No control gained over entities in the current period.

6. Loss of control over entities

No loss of control over entities in the current period.

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7. Details of associates and joint venture entities

Joint venture entities:

The Company has a 50% holding in the Joint Venture entity Body Composition Technologies Pte Limited, a company incorporated in Singapore.

8. Foreign entities

Not applicable

9. Financial Statements and Audit

The financial statements included in the preliminary final report are unaudited and based on accounts which are in the process of being audited by PKF Brisbane.

10. Audit opinion

The attached preliminary financial report for the year ended 30 June 2022 which forms part of this Appendix 4E, is anticipated that in the independent audit report, it will be subject to an emphasis of matter, which relates to the entity's ability to continue trading as a going concern. We anticipate that the auditor's opinion will not be modified.

11. Financial report

The following financial report included in this Appendix 4E does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report. The financial report should be read in conjunction with any public announcements made by Advanced Human Imaging Ltd in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies applied are the same as those noted in the most recent interim financial report and the previous annual report.

Location Table for Information required by Appendix 4E

Appendix paragraph	4E	Location of Information
1		Results Summary – 1. Details of reporting period
2		Results Summary – 2. Results for announcement to the market
3		Financial Statements – Preliminary Statement of Profit or Loss and Other Comprehensive Income
4		Financial Statements – Preliminary Statement of Financial Position
5		Financial Statements – Preliminary Statement of Changes in Equity
6		Financial Statements – Preliminary Statement of Cash Flows
7		Results Summary – not applicable
8		Results Summary – not applicable
9		Results Summary – 4. Net Tangible Assets per Security
10		Results Summary – 5. Control gained over entities and 6. Loss of control over entities
11		Results Summary – 7 Details in associates and joint ventures
12		Results Summary / Financial Statements
13		Not applicable
14		Financial Statements – Directors Company Overview commentary and Notes
15		Results Summary – 9 Financial Statements and Audit
16		Results Summary – 10 Audit Opinion
17		Not applicable

Company Overview

The Directors are please to present the Company overview, together with the preliminary financial statements, on the consolidated entity (referred to hereafter as the “consolidated entity”) consisting of Advanced Human Imaging Ltd (“the parent entity” or “the Company” or “AHI”) and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Principal Activities and Operating Model

The Company has developed and patented a proprietary measurement/dimensioning technology that enables an end user to check, track, and accurately assess their body dimensions privately using only a smartphone. The Company refers to this physical measurement and analytics tool as “BodyScan.”

The Company has global channel partners (“Partners”) who utilize its technology through a Software Development Kit (“SDK”). The Company’s global Partners have substantial audiences that they address, and from those underlying audiences, individual end users sign up for, and are given access to, the Partners’ software programs/apps that embed our technology components.

Our global Partners currently include companies within the following sectors:

- (i) Mobile Health (“mHealth”), and Telehealth;
- (ii) Life and Health Insurance;
- (iii) Fitness; Wellness; and
- (iv) Consumer Apparel.

Highlights

- AHI successfully lists Nasdaq listing and completes a US\$12 million capital raise.
- Tinjoy’s “The Health Cube” application was launched across multiple Android stores in China, further progress hampered by China’s zero-Covid strategy.
- The integration of AHI’s *CompleteScan* technology into the Nexus-Vita application nearing completion.
- The company concluded several agreements with commercial partners, Vertica Health, Inter-Psy, BizBaz, Activate Health and Nextmedicall S.A.C.
- California Based Bearn finalised the integration of the AHI technology and launched it in the US app stores.
- Peter Goldstein was appointed to the board of AHI.

Vlado Bosanac, Strategy Lead of AHI, said:

“The company has focused on assisting its partners with integrating into their platforms. The AHI team has worked closely with Blue Sky Labs in concluding the Nexus-Vita complete build and AHI integration. Unfortunately, the global economy has continued to suffer, and the AHI share price has been under significant pressure. However, the share price performance should not take away from the fact that we are now listed on one of the most prominent exchanges in the world, particularly for technology companies. In a global market characterised by uncertainty and the pandemic, there are many challenges to overcome, not only for AHI but for many other businesses around the globe, including but not limited to many of our partners.

Company Overview

The closing of our NASDAQ IPO positioned AHI with a strong cash balance that we expect to bolster further as we near our revenue goals via our near-term partner releases. For example, many of our partners need access to critical skills. Omicron is here whether we like it or not. Importantly, our partners remain firmly in place, and we are assisting them where possible.

Our strategic objectives, technology quality, and the Company's potential have not changed. We have a solid foundation from which we will launch this next phase of our growth plans. With borders opening up, we have re-engaged face-to-face with new organisations to continue growing the company's presence globally. The interest in our technology is growing, and we look to develop new partnerships and move to revenue with existing partners as soon as practically possible."

AHI completes NASDAQ listing

The Company commenced trading on NASDAQ on 19 November 2021, under the ticker symbol (NASDAQ: AHI). The pricing of the Company's U.S. initial public offering of 1,000,000 units was set at a price to the public of US\$10.50 per unit. Each unit in the offering consisted of two American Depositary Shares ("ADSs") and one warrant to purchase one ADS. Each ADS offered represents seven ordinary shares of AHI. The warrants are exercisable immediately and expire three years from the date of issuance, and have an exercise price of US\$5.52 per ADS. The ADSs and warrants are immediately separable and were issued separately. Gross proceeds from the offering, before deducting underwriting discounts and commissions and other estimated offering expenses, were approximately US\$10.5 million.

The Company granted the underwriters a 45-day option to purchase up to an additional 300,000 ADSs and up to another 150,000 warrants to purchase up to 150,000 ADSs at the public offering price, less underwriting discounts and commissions. In December 2021, the underwriters exercised their option to purchase an additional 300,000 ADSs (Overallotment) at the public offering price of US\$5.25 per ADS to conclude a \$12,072,000 capital raising, including the Overallotment.

Update on product launches and partnerships

On 14 September 2021, the Company announced that Tinjoy had submitted its "The Health Cube" application to multiple app stores in China. Tinjoy were in the process of implementing its go-to-market strategy, but efforts have been halted by China's "Zero-Covid" policy, and the resultant restrictions and lockdowns have severely hampered the workforce. Tinjoy's efforts to increase the uptake of new daily active users will take longer than anticipated; unfortunately, this is outside AHI's control.

The integration of AHI's CompleteScan technology into the Nexus-Vita application progressed with the assistance of Blue-Sky Labs, building the base application and allowing AHI to integrate the AHI scans into the platform. The Application required a complete quality assurance review to be followed by sign-off from the Nexus-Vita team in Q3 2022. We look forward to updating shareholders regarding the completion and launch as soon as possible.

On 9 November 2021, Bearn, a Californian-based wellness technology company, completed the integration of the AHI software development kit for both the BodyScan and FaceScan. On 18 March 2022, Bearn launched the Bearn App in the US app stores.

Bearn's unique wellness app rewards Users for health and wellness activities, including fitness, nutrition, weight management, sleep, stress management and more. Users of the Bearn app earn reward dollars for healthy behaviours. The more individuals and families focus on their health, the more they earn. This powerfully gamifies wellness to help Users become proactive about their health. The Bearn app framework

Company Overview

gives Users access to the AHI in-app scan technology to assess body dimensions and composition changes over time and be rewarded for reaching their goals.

On 1 December 2021, AHI concluded all definitive agreements with Toronto-based Digital Health provider Cubert Inc (“Cubert”), who has developed FitTrack My Health (“FitTrack”), a preventative health screening app. Cubert has experienced delays, and AHI is awaiting further details from Cubert regarding timing and integration requirements.

On 14 February 2022, AHI concluded all definitive agreements with Inter-Psy. Inter-Psy offers psychological help in the form of diagnostics, counselling and treatment to infants, children, adults and the elderly. Promoting mental health through personal, professional contact and evidence-based treatment is paramount. With several locations across the Netherlands in the provinces of Groningen, Friesland and Drenthe and the possibility to receive support in the home situation via Inter-Psy Home, Inter-Psy always offers help close to the patient. Inter-Psy treatments are reimbursed from all health insurers' basic health insurance.

On 25 March 2022, AHI concluded all definitive agreements with Nextmedicall, a Peruvian medical and technology company pioneering in telemedicine focusing on chronic disease patients in Latin America, supplying a digital ecosystem that connects healthcare stakeholders to improve the quality of life of patients at home and abroad. Nextmedicall has an extensive network of doctors and specialists spanning, Traumatology, Orthopaedics, Oncology, Gastroenterology Rehabilitation, Neurosurgery, Gynaecology, Obstetrics, Psychiatry, Dermatology, Paediatrics, Nutrition, and Ophthalmology, specialising in remote personal care. Assisting individuals to locate and connect with specialists in the locality when requiring care or assessment of care. Nextmedicall is an end-to-end care solution providing services across telemedical consultations, prescriptions, treatments, pharmaceutical delivery, laboratory analysis, and online or at-home nursing care. With the integration of the AHI solution, Nextmedicall hopes to provide the solution across Latin America to assist in more affordable care.

On 7 April 2022, AHI signed the master services agreements with Vertica Health, a digital health company that builds and provides innovative health risk solutions for downstream customers. The team includes highly specialised and experienced scientists in medicine and engineering. Vertica has targeted Insurance and Occupational Safety markets and has recently expanded into retail insurers, medical aids, global re-insurers and the mining industry. Vertica is in advanced stages with several of these organisations to integrate the Vertica Solution and market-ready designs with target launches during the second half of 2022 and into 2023. Vertica is planning to conclude the integration of the AHI CompleteScan SDK in Q2 2022 into its solution suite.

On April 5, 2022, the company concluded formal agreements with BizBaz Pte Ltd (“BizBaz”), a Singapore based Health and financial gamification technology company, to integrate the AHI CompleteScan Face and Body Scan capabilities into the BizBaz application. BizBaz offers financial and health intelligence solutions to financial, wellness, insurance institutions, fintech and e-commerce companies in Asia. Including comprehensive consumer and SME profiling and pre-scoring solutions, which enable them to engage the unbanked and underserved populations and organisations in Asia. Under the terms of the binding term sheet, BizBaz will target 100,000 active users on the BizBaz platform within the first 12 months.

Company Overview

Review of Operations

Operating results and financial position

The net loss after income tax for the financial year was \$20,572,729 (2021: loss of \$14,060,992), which includes \$10,771,344 (2021: \$10,108,653) in respect of impairment charges and share-based payments to suppliers, directors and employees under the Company's incentive plans. Costs associated with the Company's IPO on NASDAQ amounted to \$2,057,355 (2021: Nil).

Before share-based payments and impairment charges, the consolidated entity's adjusted net loss after income tax for the financial year is \$7,744,030 (2021: \$3,952,339) as shown in the table below.

Table 1. Non-IFRS reconciliation showing the impact of Share-based payments and Impairment on Total comprehensive loss for the year

	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
Total comprehensive loss for the year	20,572,729	14,060,992
Less: Share-based payments (non-cash) in relation to:		
Directors and employees remuneration	6,434,344	6,230,996
Corporate advisory services and investor relations	1,050,238	1,064,970
NASDAQ IPO costs	2,057,355	-
	9,541,937	7,295,966
Less: Impairment expense (non-cash)	3,286,762	2,812,687
Adjusted total comprehensive loss for the year (before share-based payments, impairment charges and NASDAQ IPO costs)	7,744,030	3,952,339

The non-IFRS reconciliation described in the table above is intended to supplement the Company's IFRS financial information by providing additional insight regarding results of operations of the Company. The adjusted total comprehensive loss for the year is intended to provide an enhanced understanding of the underlying operational measures used to manage the Company's business, to evaluate performance compared to prior periods and the marketplace, and to establish operational goals. Adjusted Total comprehensive loss should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS.

Cash assets at the end of the financial year were \$5,978,118 (2021: \$2,172,499).

Operating activities

During the financial year the consolidated entity progressed the development and commercialisation of its technology with the following highlights:

i. NASDAQ IPO

The Company successfully completed its IPO on NASDAQ in the first half of the financial year under review. The results of this IPO are disclosed in the Company Review and Note 17 to the Financial Report.

Company Overview

ii. Revenue

As disclosed at Item 2 above, Results for announcement to the market, Revenue for the year was well down on last year as economies around the world continued to grapple with the lingering after effects of the Covid 19 pandemic. However, the Directors of the Company expect to see a strong recovery in revenue as our commercial partners recover from past set backs, as previously reported to the market.

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



Issued Patents



Consolidated Statement of Profit or Loss and Other Comprehensive Income (unaudited)

For the year ended 30 June 2022

	Note	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
Revenue			
Primary revenue			
Recurring revenue – per month		-	-
Software development kits – per user		13,721	13,931
Software development kits – per scan		803	597
Secondary revenue			
Integration and development income		182,685	46,330
Pilot income		-	32,492
Other Income			
Other revenue	2	245,969	1,108,987
Interest income		155,255	42,129
Total revenue		598,433	1,244,466
Expenses			
Employee expenses	2	(10,496,682)	(9,886,211)
Consulting and advisory		(816,053)	(299,330)
Corporate		(745,452)	(455,672)
Brand development and patent costs		(532,300)	(218,431)
Marketing and publicity		(375,507)	(1,228,652)
Telecommunications & IT		(202,560)	(220,213)
Occupancy costs		(25,894)	(32,080)
Financing costs		(163,822)	(250,668)
Foreign exchange gains/(losses)		317,129	147,105
Amortisation and depreciation expense		(374,147)	(349,387)
Impairment of assets		(3,286,762)	(2,812,687)
US Office set up		(85,901)	(129,452)
Administration and other expenses		(5,273,324)	(354,192)
Total expenses		(22,061,275)	(16,089,870)
Loss before income tax		(21,462,842)	(14,845,404)
Income tax benefit	3	890,113	784,412
Net loss for the year		(20,572,729)	(14,060,992)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to members		(20,572,729)	(14,060,992)
Loss per share		Cents	Cents
Basic and diluted loss per share	4	(13.40)	(11.20)

The Notes to the Consolidated Financial Statements form part of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Consolidated Statement of Financial Position (unaudited)

As at 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents	6	5,978,118	2,172,499
Trade and other receivables	7	49,166	243,300
Prepayments	8	914,716	905,355
Total current assets		6,942,000	3,321,154
Non-current assets			
Other financial assets	9	37,500	37,500
Right-of-use asset	10	35,199	105,594
Property, plant and equipment	11	94,767	58,615
Loans receivable - related entities		146,829	-
Loans receivable – other	18	803,072	682,421
Development asset at cost	12	972,732	1,215,915
Total non-current assets		2,090,099	2,100,045
Total assets		9,032,099	5,421,199
Current liabilities			
Trade and other payables	13	383,356	555,057
Employee leave liabilities	14	383,236	438,991
Deferred income		-	132,800
Interest bearing borrowings	15	1,110,171	2,178,142
Lease liabilities	16	51,213	86,913
Total current liabilities		1,927,976	3,391,903
Non-current liabilities			
Interest bearing borrowings	15	-	-
Employee leave liabilities	14	62,861	-
Lease liabilities	16	-	51,212
Total non-current liabilities		62,861	51,212
Total liabilities		1,990,837	3,443,115
Net Assets		7,041,262	1,978,084
Equity			
Issued capital	17	59,458,678	39,213,794
Reserves		10,684,042	5,293,019
Accumulated losses		(63,101,458)	(42,528,729)
Total Equity		7,041,262	1,978,084

The Notes to the Consolidated Financial Statements form part of this Consolidated Statement of Financial Position.

Consolidated Statement of Changes in Equity (unaudited)

For the financial year ended 30 June 2022

	Issued capital	Accumulated losses	Equity compensation reserve	Convertible note reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2020	24,355,213	(28,469,536)	4,576,829	-	462,506
Net loss for the year	-	(14,060,992)	-	-	(14,060,992)
Other comprehensive income					
Total comprehensive loss for the year	-	(14,060,992)	-	-	(14,060,992)
Capital raising	5,000,000	-	-	-	5,000,000
Costs of capital raising	(1,085,468)	-	-	-	(1,085,468)
Options and rights exercised	6,006,549	-	(2,709,020)	-	3,297,529
Options expired		1,799	(1,799)	-	-
Option exercise proceeds	-	-	335,000	-	335,000
Share-based payments					
Suppliers	1,017,500	-	781,012	-	1,798,512
Directors	3,920,000	-	1,915,485	-	5,835,485
Employees	-	-	395,512	-	395,512
At 30 June 2021	39,213,794	(42,528,729)	5,293,019	-	1,978,084

	Issued capital	Accumulated losses	Equity compensation reserve	Convertible note reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2021	39,213,794	(42,528,729)	5,293,019	-	1,978,084
Net loss for the year	-	(20,572,729)	-	-	(20,572,729)
Other comprehensive income					
Total comprehensive loss for the year	-	(20,572,729)	-	-	(20,572,729)
Capital raising	19,800,927	-	-	-	19,800,927
Costs of capital raising	(3,748,449)	-	-	-	(3,748,449)
Performance rights	556,500	-	6,434,344	-	6,990,844
Options and rights exercised	1,665,668	-	(1,043,321)	-	622,347
Share-based payments					
Suppliers	1,050,238	-	-	-	1,050,238
Directors	920,000	-	-	-	920,000
Employees	-	-	-	-	-
At 30 June 2022	59,458,678	(63,101,458)	10,684,042	-	7,041,262

The Notes to the Consolidated Financial Statements form part of this Consolidated Statement of Changes in Equity.

Consolidated Statement of Cash Flows (unaudited)

As at 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
Cash flows from operating activities			
Receipts from customers		266,212	1,414,155
Research & Development tax incentive		890,113	851,912
Interest received		98	7,248
Interest and other costs of finance paid		(163,822)	(71,593)
Payments to suppliers and employees		(15,231,030)	(6,287,737)
Net cash flows used in operating activities		(14,238,429)	(4,086,015)
Cash flows from investing activities			
Payments for property, plant and equipment		(86,269)	(23,453)
Payments for application development costs		-	(64,693)
Loans (to) / from related party		(141,366)	68,500
Loans to other entities		-	(647,870)
Payments for investments		(3,040,792)	(2,760,947)
Net cash flows used in investing activities		(3,268,427)	(3,428,463)
Cash flows from financing activities			
Proceeds from borrowings		700,000	1,821,810
Repayment of borrowings		-	(865,000)
Repayment of lease liabilities	16	(86,912)	(68,143)
Proceeds from the issue of shares		23,993,333	8,624,029
Payments for share issue costs		(3,748,449)	(396,975)
Net cash flows from financing activities		20,857,972	9,115,721
Net increase in cash assets		3,351,116	1,601,243
Cash at the beginning of the financial year		2,172,499	627,304
Cash at the end of the financial year		5,523,615	2,228,547
Unrealised foreign currency gains / (losses)		454,503	(56,048)
Cash at the bank as per the balance sheet	6	5,978,118	2,172,499

The Notes to the Consolidated Financial Statements form part of this Consolidated Statement of Cash Flows.

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 1 Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. Although the Company has a global reach, its sole activity is mobile application and technology development from an operation which is based within Australia, therefore it has aggregated all operating segments into the one reportable segment being technological development. It is the Company's intention to list the Company on the NASDAQ in the United States of America. Once this occurs, the Company will review its operating segments.

The reportable segment is represented by the primary statements forming these financial statements.

Note 2 Revenue and Expenses

	2022 \$	2021 \$
Loss for the period includes the following specific income and expenses:		
Other revenue:		
Consultancy income	60,390	17,302
Grant income	-	37,500
License revenue	-	500,000
Joint venture income	172,170	553,185
Cloud monitoring	12,000	-
Other income	1,409	1,000
	245,969	1,108,987
Provision for impairment expense		
Triage Technologies Inc	3,116,171	1,362,717
Jana Care Inc	62,129	690,153
Body Composition Technologies Pte Ltd	16,771	680,008
Physimax Technologies Limited	(79,809)	79,809
	3,115,262	2,812,687
Employee expenses:		
Salaries and wages	3,327,408	2,830,510
Defined contribution superannuation	321,271	266,626
Share-based payments expense ¹	6,434,344	6,230,997
Employment taxes and insurances	292,056	523,903
Other employment expenses	121,603	196,175
Government assistance	-	(162,000)
	10,496,682	9,886,211

¹ The fair value of equity settled transactions with employees, directors and suppliers is apportioned over the period from grant date to vesting date.

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 3 Income Tax

	2022 \$	2021 \$
<i>Income tax benefit</i>		
R&D tax concession	890,113	784,412

The R&D tax concession recognised in a financial year relates to the R&D tax incentive claim submitted by the Company for the previous financial year.

Note 4 Loss per Share

	2022 \$	2021 \$
<i>a) Basic loss per share</i>		
Loss attributable to ordinary equity holders of the Company (cents)	(13.40)	(11.20)
<i>b) Diluted loss per share</i>		
Loss attributable to ordinary equity holders of the Company (cents)	(13.40)	(11.20)
<i>c) Loss used in calculation of basic and diluted loss per share</i>		
Loss after tax from continuing operations	(20,572,729)	(14,060,992)
<i>d) Weighted average number of shares used as the denominator</i>		
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	153,488,834	125,501,361

Note 5 Dividends

No dividends were paid or proposed during the financial years ended 30 June 2022 and 30 June 2021.

The Company has no franking credits available as at 30 June 2022 and 2021.

Note 6 Cash and Cash Equivalents

	2022 \$	2021 \$
Cash at bank ¹	5,978,118	2,172,499

¹ Cash at bank earns interest at floating rates based on daily deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of any outstanding bank overdrafts.

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	5,978,118	2,172,499
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Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 6 Cash and Cash Equivalents (continued)

Non-cash financing and investing activities:

There were no non-cash financing or investing activities during the years ended 30 June 2022 and 30 June 2021.

Cash balances not available for use:

There are no amounts included in cash and cash equivalents not available for use as at 30 June 2022 (30 June 2021: Nil).

Note 7 Trade and Other Receivables

Current assets

	2022 \$	2021 \$
Trade receivables	15,887	207,078
GST receivable	33,279	36,222
	49,166	243,300

Note 8 Prepayments

Current assets

Prepaid IPO costs	-	863,856
Prepaid insurance	895,750	22,525
Other prepayments	18,966	18,974
	914,716	905,355

Note 9 Other Financial Assets

Non-current assets

Security Bonds and Deposits:

Balance at the start of the financial year	37,500	37,500
Security deposits (refunded)/paid during the financial year	-	-
Balance at the end of the financial year	37,500	37,500

A security deposit of \$37,500 is in place in respect of the lease on the Company's offices.

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 10 Right of Use Assets

Non-current assets

	2022 \$	2021 \$
Balance at the start of the financial year	105,594	175,992
Additions - new operating leases	-	-
Amortisation expense	(70,395)	(70,398)
Balance at the end of the financial year	35,199	105,594

The Company leases land and buildings for its offices in Perth, Australia under an agreement with a 3-year term. Refer Note 18.

Note 11 Property, Plant and Equipment

Carrying values

Office Equipment:

Cost	229,005	147,416
Depreciation	(145,283)	(114,466)
	83,722	32,950

Fixtures and fittings:

Cost	13,524	13,524
Depreciation	(13,524)	(13,387)
	-	137

Leasehold improvements

Cost	55,735	51,055
Depreciation	(44,690)	(25,527)
	11,045	25,528
	94,767	58,615

Reconciliation of movements

Office Equipment:

Opening net book value	32,950	34,819
Additions	81,589	23,453
Depreciation	(30,817)	(25,322)
Closing net book value	83,722	32,950

Fixtures and fittings:

Opening net book value	137	930
Additions	-	-
Depreciation	(137)	(793)
Closing net book value	-	137

Leasehold improvements

Opening net book value	25,528	42,546
Additions	4,680	-
Depreciation	(19,163)	(17,018)
Closing net book value	11,045	25,528
	94,767	58,615

No assets included in property, plant and equipment have been pledged as security in respect of liabilities.

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

2022	2021
\$	\$

Note 12 Development Asset

Balance at the start of the financial year	1,215,915	1,373,492
Application development costs incurred during the year	-	78,279
Amortisation	(243,183)	(235,856)
Balance at the end of the financial year	972,732	1,215,915

The recoupment of costs carried forward in relation to intangible assets is dependent upon the successful development or commercial exploitation or sale of the application technology.

Note 13 Trade and other payables

Current liabilities

Trade payables and other payables	78,964	339,345
Accrued expenses	157,330	68,000
Employment related payables	147,062	147,712
	383,356	555,057

Trade payables are non-interest bearing and normally settled on 30-day terms.

Note 14 Employee leave liabilities

Current

Annual leave liability	383,236	438,991
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Non-current

Long service leave liability	62,861	-
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Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

2022	2021
\$	\$

Note 15 Interest bearing borrowings

Current

Convertible notes-ACAM	-	1,644,081
Convertible notes-iGGF	-	534,061
Total convertible notes	-	2,178,142
R&D tax prepayment loan	700,000	-
Other loans	410,171	-
	1,110,171	2,178,142

Note 16 Lease liabilities

Current liability	51,213	86,913
Non-current liability	-	51,212
Balance at the end of the financial year	51,213	138,125

Reconciliation of lease liabilities

Balance at the beginning of the financial year	138,125	206,268
Lease liability recognised - new operating lease ¹	-	-
Repayment of lease liability	(86,912)	(68,143)
Balance at the end of the financial year	51,213	138,125

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 17 Issued Capital and Reserves

a) Ordinary shares

The Company is a public company limited by shares, incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company. There are no externally exposed capital requirements.

	2022 No.	2021 No.	2022 \$	2021 \$
<i>b) Share capital</i>				
Issued capital-ordinary shares	166,749,382	136,362,538	59,458,678	39,213,794
Issued capital-performance shares	-	-	-	-
Issued share capital	166,749,382	136,362,538	59,458,678	39,213,794

c) Share movements during the year – ordinary shares

At the start of the financial year	136,362,538	114,392,923	39,213,794	24,355,213
Shares issued on exercise of Performance Rights	5,000,000	5,750,000	556,500	2,141,000
Shares issued on exercise of Options	3,103,622	7,957,948	1,665,668	3,865,556
Shares issued to related party	2,000,000	3,000,000	920,000	3,920,000
Share based payments	1,172,812	1,095,000	1,050,238	1,017,500
Share issues – NASDAQ & capital raising	16,100,000	4,166,667	16,674,963	5,000,000
Shares issues – conversion of convertible notes	3,010,410	-	3,125,964	-
Less share issue costs	-	-	(3,748,449)	(1,085,475)
	166,749,382	136,362,538	59,458,678	39,213,794

Notes to the Consolidated Financial Statements (unaudited)

For the financial year ended 30 June 2022

Note 18 Loans to other entities

Bearn LLC (Bearn) has developed an application that allows for the gamification and engagement of health users by rewarding users for achieving health goals. In January 2021, the Company entered a Joint Marketing Agreement (the “Bearn Agreement”) with Bearn. Pursuant to the Bearn Agreement, the Company has funded a total of USD\$500,000 to Bearn over 4 tranches. The loan is secured over Bearn’s software and separately a pledge over the membership interests of Bearn’s founder, Mr. Aaron Drew. Under the terms of the agreements, Bearn has undertaken to use the funds advanced by the Company to deliver 1 million active monthly users to the Company within 12 months. If Bearn fails to achieve this target, the loan and interest becomes repayable in 15 months from the date of the promissory note. If Bearn achieves this target, the repayment date will be extended for a further 12 months. The Bearn Agreement contains certain warranties, indemnities and limitations of liability by both parties. The loan attracts interest at 8% for the first 12 months and thereafter a sliding scale of interest (15% to 0%) applies depending on the number of monthly active users. Should the number of active monthly users reach 2 million, the loan will be forgiven. The maturity date depends on Bearn achieving 1 million active monthly users. If the target is not achieved, then the loan and accrued interest is repayable in 15 months. If Bearn achieves the target the repayment date will be extended for a further 12 months.

The value of the loan at 30 June 2022 is AUD\$803,072 (2021 AUD\$682,421) which includes accrued interest of AUD\$55,354 (2021AUD\$16,920).

Note 19 Events Subsequent to the Reporting Date

On 5 August 2022, the Company acquired all the shares in South African registered company, Vertica Health (Pty) Ltd, which owns valuable IP in complementary technology to the Company’s technology. The consideration for this acquisition was the issue of 1,500,000 fully paid ordinary shares in AHI and the payment of US\$100,000. Further cash consideration of US\$250,000 is due 12 months from closing and US\$250,000 is due 24 months from closing.