



20 June 2023

Ms Laura Gomme
Senior Adviser, Listings Compliance (Perth)
Australian Securities Exchange

Your ref: 75465

By email: ListingsCompliancePerth@asx.com.au

Dear Laura,

Amended – Advanced Health Intelligence Ltd: Aware Query

Advanced Health Intelligence Ltd ('**AHI**' or '**the Company**') refers to ASX's query letter dated 15 June 2023 and provides the following responses to the specific queries set out in that letter.

Capitalised terms which are defined in ASX's query letter have the same meaning where used in this letter.

- 1. On 9 June 2023, was AHI aware of the significant increase of the price of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the price of its securities.**

Yes. AHI became aware of the increase of the price, volume, and value of its securities traded on Nasdaq on 9 June 2023 and 12 June 2023 at the same time as the rest of the market.

AHI notes that the Nasdaq trading hours are 9:30 am to 2:00 pm Eastern Standard Time in the United States. I.e., the relevant trading day (9 June 2023) on Nasdaq did not commence until 11:30 pm (AEST), by which time trading on ASX had closed for the day, and was not due to re-open until Tuesday, 13 June 2023. Monday, 12 June 2023 was a non-trading day for ASX, as the market in Australia was closed for the King's Birthday public holiday.

As is further described in our response to question 7 below, AHI did not commence its discussions with Evolution Capital Pty Ltd (**Evolution**) until it was approached by Evolution in relation to a potential capital raising around at 10:00 am (AEST) on 10 June 2023.

AHI also notes that ASX placed a temporary pause in trading on AHI shares at around 10:00 am (AEST) on Tuesday, 13 June 2023 and issued a price query letter to AHI shortly following the opening of trading on Tuesday, 13 June 2023.



AHI immediately requested (at around 11:15 am (AEST) on 13 June 2023) that ASX put AHI shares in trading halt pending release of an announcement in relation to a capital raising transaction.

2. ***On 12 June 2023, was AHI aware of the significant increase of the price of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the price of its securities.***

Yes. Please refer to the response to question 1.

3. ***On 9 June 2023, was AHI aware of the significant increase in the volume of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in volumes traded.***

Yes. Please refer to the response to question 1.

4. ***On 12 June 2023, was AHI aware of the significant increase in the volume of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in volumes traded.***

Yes. Please refer to the response to question 1.

5. ***On 9 June 2023, was AHI aware of the significant increase in value of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the value of its securities traded.***

Yes. Please refer to the response to question 1.

6. ***On 12 June 2023, was AHI aware of the significant increase in the value of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the value of its securities traded.***

Yes. Please refer to the response to question 1.

7. ***When did AHI appoint Evolution Capital Pty Ltd to act as the sole book-running manager for the offering referred to in the Placement Announcement?***

Evolution was formally appointed as sole book-running manager for the offering referred to in the Placement Announcement (**Placement**) around 10.47 am (AEST) on 13 June 2023, when AHI signed a mandate letter with Evolution (**Mandate**).

AHI was initially approached by Evolution in relation to a potential capital raising around 10:00 am (AEST) on 10 June 2023, after trading of AHI American Depository Shares (ADSs) on Nasdaq had closed for the week.

The Mandate was not signed until after AHI requested that ASX put AHI shares into trading halt on 13 June 2023.



8. When was it agreed that Evolution Capital Pty Ltd would receive a 6% cash fee and 2,500,000 options with an exercise price of \$0.35?

Fees payable to Evolution in connection with the Placement were agreed on signing of the Mandate around 10.47am (AEST) on 13 June 2023.

9. Was Evolution Capital Pty Ltd or AHI undertaking marketing activities or book running activities in respect of a capital raising in the period 8 June 2023 to 12 June 2023?

As noted in the response to question 7 above, AHI was initially approached by Evolution in relation to a potential capital raising around 10:00 am (AEST) on 10 June 2023.

AHI understands that Evolution was in discussions with potential participants in the Placement between Sunday, 11 June 2023 and Monday, 12 June 2023 (during which period the ASX was closed for trading), but did not finalise the terms of the Placement with AHI, or enter into closing discussions with Orca Capital GMHB (**Orca**), until 13 June 2023. AHI did not discuss the terms of the Placement directly with Orca, Evolution facilitated these discussions in its role as the sole bookrunner of the Placement.

As previously disclosed to ASX, AHI has previously foreshadowed its intention to raise up to USD\$10,000,000 under a convertible note facility (**Facility**) in the announcement that it released on 28 April 2023 (**Facility Announcement**). Following the release of the Facility Announcement, AHI has been in the process of finalising further capital raisings, including capital raising that are separate to the Facility. These discussions were ongoing in the lead up to Evolution's approach to AHI on 10 June 2023 regarding a potential capital raising. AHI believes that confidentiality was always maintained in relation to these discussions and, in any event, the market was fully informed that AHI was seeking to raise capital.

10. When did AHI enter into discussions with Orca Capital GMBH for the placement, and in particular the price of AUD\$0.25?

AHI did not have any direct discussions with Orca, AHI's communication with Orca was through Evolution in their role as sole book runner of the Placement.

As stated in the response to question 9 above, AHI understands that Evolution was in discussions with potential participants in the Placement (including, but not limited to, Orca) between Saturday, 10 June 2023 and Monday, 12 June 2023 (during which period the ASX was closed for trading), but did not finalise the terms of the Placement with AHI, or enter into closing discussions with Orca, until 13 June 2023.



11. When did AHI finalise the terms of the placement with Orca Capital GMBH?

The terms of the Placement were finalised between AHI and Evolution (acting as the sole book runner) at around 10.47am (AEST) on 13 June 2023 (i.e. when the Mandate was executed by AHI and Evolution).

12. Noting that the Placement Announcement was released on MAP as price sensitive and the placement was at a 194% increase to the trading price on ASX on 9 June 2023, does AHI consider the Placement Information, or any part thereof to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes.

13. If the answer to question 12 is “no”, please advise the basis for that view.

Not applicable.

14. Was AHI concerned, based on the significant increase in the price of its securities and volumes traded on NASDAQ on 9 June 2023 and 12 June 2023, that it had lost confidentiality regarding the terms of:

14.1 the book build, and

14.2 the placement

prior to the release of the Placement Announcement?

No. As stated in AHI's response to the Price Query Letter, AHI believes that confidentiality with respect to the Placement was maintained at all times.

As stated in the response to question 7 above, AHI did not enter into discussions with Evolution with respect to a potential capital raising until around 10:00 am (AEST) on 10 June 2023, after trading had closed for the week on both ASX and Nasdaq.

15. If the answer to question 14 is “no” please advise the basis for that view. If the answer is “yes” please advise what steps AHI took to ensure it was complying with its continuous disclosure obligation under Listing Rule 3.1.

Pre-market (ASX) on Tuesday, 12 June 2023, AHI was working with Evolution to finalise the terms of the Placement and was finalising a draft ASX release in relation to the Placement.

In AHI's initial response to your letter, AHI indicated that no trading of AHI securities occurred prior to the Company requesting a trading halt on 13 June 2023. This response was based on the assumption that the ASX pause in trading had taken effect prior to market open on that day. It has since come to AHI's attention that



AHI shares were available to traded for a very brief period after market open on 13 June 2023 and a number of trades were executed on ASX in that period.

No trading of AHI securities on ASX occurred between when discussions with Evolution in relation to a potential capital raise commenced around 10:00 am (AEST) on 10 June 2023 and the commencement of trading on ASX on 13 June 2023. ASX placed a temporary pause in trading on AHI's shares at around 10:00 am (AEST) on 13 June 2023, shortly following the commencement of trading. As noted above, a number of trades of AHI shares were executed on ASX during the very brief period between the commencement of trading on 13 June 2023 and ASX placing a temporary pause in trading on AHI's shares.

However, as noted in the response to question 1 above, AHI requested a trading halt for its shares which trade on ASX on 13 June 2023 when the terms of the Placement and the Mandate became final. AHI did not request a trading halt for its shares which trade on ASX prior to this time because the terms of the Mandate and the Placement remained materially uncertain, and it was uncertain whether the Placement would proceed until the Mandate had been executed.

- 16. *If AHI first became aware of the Placement Information, or any part thereof, before 13 June 2023, did AHI make any announcement prior to 13 June 2023 which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AHI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AHI took to ensure that the information was released promptly and without delay.***

Not applicable. As stated above, discussions with Evolution in relation to the Placement did not commence until around 10:00 am (AEST) on 10 June 2023, after trading had closed for the week on both ASX and Nasdaq, and the terms of the Placement and the Mandate were not finalised until around 10.47am (AEST) on 13 June 2023, accordingly the announcement in relation to the Placement was released on ASX around 5:30pm (AEST) on 13 June 2023 after being finalised and approved by the Company's Board.

As noted in the response to question 15 above, in AHI's initial response to your letter, AHI indicated that no trading of AHI securities occurred prior to the Company requesting a trading halt on 13 June 2023. This was based on the assumption that the ASX pause in trading had taken effect prior to market open on that day. It has since come to AHI's attention that AHI shares were available to traded for a very brief period after market open on 13 June 2023 and a number of trades were executed on ASX in that period.

No trading of AHI securities on ASX occurred between when discussions with Evolution in relation to a potential capital raise commenced around 10:00 am (AEST)



on 10 June 2023 and the commencement of trading on ASX on 13 June 2023. ASX placed a temporary pause in trading on AHI's shares at around 10:00 am (AEST) on 13 June 2023, shortly following the commencement of trading. As noted above, a number of trades of AHI shares were executed on ASX during the very brief period between the commencement of trading on 13 June 2023 and ASX placing a temporary pause in trading on AHI's shares. As noted in the response to question 15 above, AHI had not requested for a halt to the trading of its shares which trade on ASX prior to the commencement of trading on 13 June 2023 because the terms of the Mandate and the Placement remained materially uncertain at that time, and it was uncertain whether the Placement would proceed until the Mandate had been executed.

As noted in the response to question 1 above, AHI requested a trading halt for its shares which trade on ASX on 13 June 2023 when the terms of the Placement and the Mandate became final.

17. Please confirm that AHI is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Directors of AHI confirm that the Company is complying with the ASX Listing Rules, in particular ASX Listing Rule 3.1.

18. Please confirm that AHI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AHI with delegated authority from the board to respond to ASX on disclosure matters.

AHI confirms that the responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its Board or an officer of AHI with delegated authority from the Board to respond to ASX on disclosure matters.

Should you require any further clarification, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Durack', written over a light blue horizontal line.

Simon Durack JP

**Company Secretary & Chief Financial Officer
Advanced Health Intelligence Ltd**



15 June 2023

Reference: 75465

Mr Simon Durack
Company Secretary
Advanced Health Intelligence Ltd

By email: simon.durack@ahi.tech

Dear Mr Durack

Advanced Health Intelligence Ltd ('AHI'): Aware Query

ASX refers to the following:

- A. AHI's announcement titled 'Advanced Human Imaging Files F-1 Registration Statement Publicly in Anticipation of the NASDAQ Dual Listing' released on the ASX Market Announcement Platform ('MAP') on 20 October 2021 which contained the following relevant disclosure:

'AHI has applied to list its ADSs on the Nasdaq Capital Market under the ticker symbol 'AHI'. The number of securities to be sold and the price per ADS for the Offering has been outlined in the F-1, based on a price range of US\$7.00 – US\$9.00, and based on an assumed ADS to ordinary share ratio of one (1) ADS representing nine (9) ordinary shares of AHI'.

- B. The change in the price of AHI's securities traded on NASDAQ from US\$0.32 at close of trade on 8 June 2023 to an intraday high of US\$3.26 on 9 June 2023, being an increase of approximately 581%.
- C. The change in price of AHI's securities traded on NASDAQ from US\$2.18 at close of trade on 9 June 2023 to an intraday high of US\$3.88 on 12 June 2023, being an increase of approximately 10%.
- D. The significant increase in the volume of AHI's securities traded on NASDAQ from 9 June 2023 to 12 June 2023.
- E. The significant increase in the value of securities traded on NASDAQ, being US\$208,942,212 on 9 June 2023 and US\$231,980,158 on 12 June 2023.
- F. The change in the price of AHI's securities traded on ASX from a low of AUD\$0.075 at close of trade 8 June 2023 to an intraday high of AUD\$0.40 on 13 June 2023 prior to ASX halting trading in the securities at 10.00am AEST
- G. AHI's subsequent request of 13 June 2023 that its securities be placed in a halt under listing rule 17.1 pending the release of an announcement in relation to a capital raising transaction and response to the ASX Price query.
- H. ASX's price and volume query letter dated 13 June 2023 ('Price and Volume Query') and AHI's response to the Price and Volume Query dated 13 June 2023, released together on MAP at 5.31pm AEST on 13 June 2023, in which AHI responded to each question as follows (responses in italics):
1. Is AHI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
Yes
 2. If the answer to question 1 is "yes".

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- a. Is AHI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AHI's securities would suggest to ASX that such information may have ceased to be confidential and therefore AHI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

As disclosed in the Company's recent ASX releases (including the Company's ASX announcement dated 28 April 2023 in relation to a Convertible Note Facility, and the Company's quarterly updates for the quarters ended on 31 March 2023 and 31 December 2022 (released on ASX on 28 April and 31 January 2023 respectively), the Company has been in discussions with various parties regarding potential financing options for the Company.

As foreshadowed in its ASX announcement dated 28 April 2023 (Announcement), the Company intends to raise up to \$10,000,000 under a convertible note facility (Facility).

The Company has already raised \$1,976,000 under the Facility and, as disclosed in the Announcement, has been in discussions with a number of parties to raise the balance of the funding under the Facility.

At the time of receipt of ASX's query letter on 13 June 2023, the Company was also in the process of finalising a further capital raising (Proposed Capital Raising) which will be undertaken separately to the Facility. These discussions were confidential and incomplete, and the Company has not announced this information to ASX in reliance on Listing Rule 3.1A.

The Company believes that confidentiality in relation to the Proposed Capital Raising has been maintained at all times.

- b. Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

At the time of receipt of the query letter, the discussions with respect to the Proposed Capital Raising were incomplete. Accordingly, AHI requested a trading halt.

- c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Refer to the announcement that was released at or around the same time of the release of this letter on AHI's ASX announcements platform.

3. If the answer to question 1 is "no", is there any other explanation that AHI may have for the recent trading in its securities?

Not applicable.

4. Please confirm that AHI is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Directors of AHI confirm that the Company is complying with the ASX Listing Rules, in particular ASX Listing Rule 3.1.

5. Please confirm that AHI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AHI with delegated authority from the board to respond to ASX on disclosure matters.

AHI confirms that the responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its Board or an officer of AHI with delegated authority from the Board to respond to ASX on disclosure matters.

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- I. AHI's announcement titled 'Advanced Health Intelligence Ltd to undertake AUD\$5 million private placement' released on MAP on 13 June 2023 (the 'Placement Announcement') (concurrently with the Response to Price Query). The announcement was marked price sensitive and contained, amongst other things, the following disclosure:

Advanced Health Intelligence Ltd is pleased to announce that it has agreed to issue Orca Capital GMBH, an offshore institutional investor, 20,000,000 shares raising \$5,000,000 at 25 cents a share.

...

The offering represents a 194% increase to the last traded price on Friday 9 June 2023, close on ASX was \$0.085.

(the 'Placement Information')

- J. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

- K. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- L. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- M. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks AHI to respond separately to each of the following questions and requests for information:

1. On 9 June 2023, was AHI aware of the significant increase of the price of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the price of its securities.
2. On 12 June 2023, was AHI aware of the significant increase of the price of its securities traded on NSADAQ on that day? In answering this question please advise when AHI became aware of the increase in the price of its securities.
3. On 9 June 2023, was AHI aware of the significant increase in the volume of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in volumes traded.
4. On 12 June 2023, was AHI aware of the significant increase in the volume of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in volumes traded.
5. On 9 June 2023, was AHI aware of the significant increase in value of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the value of its securities traded.
6. On 12 June 2023, was AHI aware of the significant increase in the value of its securities traded on NASDAQ on that day? In answering this question please advise when AHI became aware of the increase in the value of its securities traded.
7. When did AHI appoint Evolution Capital Pty Ltd to act as the sole book-running manager for the offering referred to in the Placement Announcement?
8. When was it agreed that Evolution Capital Pty Ltd would receive a 6% cash fee and 2,500,000 options with an exercise price of \$0.35?
9. Was Evolution Capital Pty Ltd or AHI undertaking marketing activities or book running activities in respect of a capital raising in the period 8 June 2023 to 12 June 2023?
10. When did AHI enter into discussions with Orca Capital GMBH for the placement, and in particular the price of AUD\$0.25?
11. When did AHI finalise the terms of the placement with Orca Capital GMBH?
12. Noting that the Placement Announcement was released on MAP as price sensitive and the placement was at a 194% increase to the trading price on ASX on 9 June 2023, does AHI consider the Placement Information, or any part thereof to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
13. If the answer to question 12 is “no”, please advise the basis for that view.
14. Was AHI concerned, based on the significant increase in the price of its securities and volumes traded on NASDAQ on 9 June 2023 and 12 June 2023, that it had lost confidentiality regarding the terms of:
 - 14.1 the book build, and
 - 14.2 the placementprior to the release of the Placement Announcement?

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15. If the answer to question 14 is “no” please advise the basis for that view. If the answer is “yes” please advise what steps AHI took to ensure it was complying with its continuous disclosure obligation under Listing Rule 3.1.
 16. If AHI first became aware of the Placement Information, or any part thereof, before 13 June 2023, did AHI make any announcement prior to 13 June 2023 which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AHI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AHI took to ensure that the information was released promptly and without delay.
 17. Please confirm that AHI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 18. Please confirm that AHI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AHI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12 PM AWST Tuesday, 20 June 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AHI’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AHI to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AHI’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AHI’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AHI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AHI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Laura Gomme
Senior Adviser, Listings Compliance