

## Advanced Health Intelligence grants extension to Changlin Network Technology Ltd Exclusive License Completion

### Highlights

- **AHI grants Changlin an extension to conclude exclusive license requirements.**
- **AHI executed a binding exclusive, perpetual license with Shanghai-based Changlin Network Technology Ltd on August 2, 2023, subject to certain conditions being met.**
- **Changlin is backed by founders with over 50 years of experience in the global health insurance sector.**
- **The license agreement includes an upfront payment of USD\$10 million to AHI.**
- **AHI will receive an annual license fee of USD\$5m thereafter.**
- **AHI will receive a 25% revenue share of gross sales from Changlin.**

**Advanced Health Intelligence Ltd (ASX: AHI) (NASDAQ: AHI)** (“AHI” or the “Company”) wishes to inform shareholders that the Company has granted an extension to 30 June 2024 for the previously executed binding exclusive, perpetual license with Shanghai-based Changlin Network Technology Ltd (Changlin).

Changlin has continued to share advanced discussions with AHI regarding completing the Changlin funding program. Changlin is making progress towards acquiring the capital required under the agreement. In addition, Changlin has continued to advance commercial partnership discussions with some of China's most prominent insurers and healthcare organisations. While we cannot disclose the specific names of these entities, the significance of these collaborations cannot be understated. The depth and potential of these partnerships have greatly strengthened AHI's confidence in Changlin's endeavours. With this shared detail, AHI has granted the requested extension period.

On August 4, 2023, AHI informed shareholders that the Company had executed a binding exclusive, perpetual license with Shanghai-based Changlin.

Changlin and AHI worked together to conclude the terms and commercial aspects of the exclusive license for China. On August 4th, we were pleased to inform shareholders of the conclusion and signing of the license between the groups, subject only to Changlin's payment of the USD\$10 million license fee.

The collaboration between AHI and Changlin signifies a transformative leap into the future of healthcare in China - a future that seamlessly blends cutting-edge technology with unparalleled accessibility. As frontrunners in this healthcare revolution, we are committed to proving that impactful innovation can also be cost-effective.

Our strategy to embed health screening functionalities into everyday devices unlocks a powerful, proprietary solution that is exceptionally scalable for preventative healthcare, especially within populous countries like China. This convergence of accessibility, convenience, and state-of-the-art technology ensures Changlin's approach stands apart, effectively pioneering the trajectory of future healthcare developments.

Chronic diseases have become a prominent public health concern in China, with increasing prevalence due to changing lifestyles and an aging population. Conditions such as diabetes, hypertension, and cardiovascular diseases significantly burden the healthcare system, primarily due to late-stage identification leading to episodic, event-driven care that can be both costly and less effective.

Changlin recognises that the need for early identification and intervention of these chronic conditions is crucial. It not only aids in mitigating the progression of the disease but also drastically reduces the health and economic burden. Changlin believes the adoption of the AHI technology will drive proactive health management strategies, using the predictive analytics capabilities of the AHI biometric health assessment and personalising care on an individualised basis.

This innovation will help China shift from an event-driven healthcare paradigm to a preventive one. This shift will enable patients to receive timely care, resulting in better health outcomes and more efficient utilisation of healthcare resources.

Integrating AHI's cutting-edge health screening capabilities within mobile phone technology brings accessibility, convenience, and population screening more adaptable than ever. This convenience is especially crucial when considering the sheer scale of China's population. With 1.4 billion people, the ability to access health screening via something as ubiquitous as a mobile phone is not just beneficial but transformative. It allows the technology to be easily scaled, extending its reach to the country's remotest corners. This universal accessibility positions AHI's technology as a powerful tool in managing and preventing chronic disease, especially amongst the most vulnerable demographics.

Commercial benefit will only be realised once the initial licence payment is received and commercialisation commences and AHI receives the outlined revenue share. Additional commercial benefits will be the annual USD\$5m license fee. Importantly, the above financial impact on AHI can only be realised once the initial license fee is paid.

**Vlado Bosanac, Founder and Head of Strategy at AHI, said:**

“AHI acknowledges the delays Changlin has encountered, partly due to our own trading suspension, which coincided with Changlin's funding closure timeline. We appreciate Changlin's dedication to the mutual commercial benefits our partnership promises. As AHI prepares to resume trading and showcase our commercial progress, we believe this will further bolster the representation and effectiveness of our joint endeavours.

Considering this, AHI is extending its timeframe with Changlin, acknowledging the substantial financial and commercial progress they have achieved within China's complex market. With its extensive population and burgeoning healthcare needs, China presents both immense potential and distinctive challenges.

Changlin, with its local expertise and industry knowledge, remains an essential ally for AHI in navigating this market. This alliance solidified through an exclusive licensing agreement, helps surmount various operational hurdles and mitigates concerns within Chinese jurisdictions.

China's rapid economic ascent, urbanisation, and demographic shifts have led to an uptick in chronic conditions like heart disease, stroke, cancer, diabetes, and respiratory ailments. In this context, AHI's innovative technology becomes particularly crucial. Our capabilities in detecting chronic disease risks align with the country's health imperatives.

Our continued collaboration with Changlin is a testament to our collective intent to harness technology for better health outcomes. By aligning our strategic goals, we are setting a course to deliver substantial value to our respective companies, shareholders, and the wider Chinese community.”

**About Changlin Network Technology Co LTD**

Established in 2018, Changlin Network Technology Ltd was founded to deliver cost-effective, convenient healthcare and screening services to the Chinese population. The organisation was founded by industry experts Russell Bateman and Cecilia Qiao, bringing decades of global experience in the insurance and healthcare sectors, including regions such as China, UAE, Saudi Arabia, Australia, Hong Kong, and Europe.

With a deep understanding of international healthcare systems and the insurance industry, Bateman and Qiao have worked closely with governments and some of the world's largest insurers and reinsurers, bringing together knowledge across industry requirements, governments' needs and the ability to identify and execute required objective to create Changlin, a company specifically designed to address China's healthcare needs.

Leveraging the knowledge they gathered when working with the government-owned China Pacific Insurance Company (CPIC) with over 171m policyholders, Qiao and Bateman were at the epicentre of the Chinese Government's 2030 Health Initiative. With this understanding, Changlin has developed a unique solution architecture by identifying and acquiring license agreements for ground-breaking technologies, aiming to bring digital health screening to China's vast population of 1.4 billion people.

Changlin's primary focus is on providing solutions that can transform and enhance healthcare in China, addressing the need for mass screening whilst reducing the existing cost concerns in the heavily burdened Chinese healthcare

system. Changlin's emphasis is addressing chronic diseases, recognising the necessity for early detection, prompt treatment, and long-term sustainable care.

By working closely with insurers, reinsurers, healthcare organisations, and the Chinese government, Changlin is committed to delivering solutions that will create a lasting positive economic impact across China, spearheading the transformation of the ongoing evolution of digital healthcare.

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The Chairman and CEO of Advanced Health Intelligence Ltd have approved this announcement.

### **About Advanced Health Intelligence Ltd**

Advanced Health Intelligence Ltd (AHI) is committed to becoming a global leader in digital health, harnessing its proprietary technology and innovative processes to redefine health screening. Leveraging smartphones' ubiquity and convenience, AHI aims to deliver a comprehensive suite of assessment tools to healthcare providers, caregivers, insurers, and governments around the world.

Our mission is to improve healthcare outcomes, enhance health literacy, and support the early detection and management of various health conditions.

Since our inception in 2014, AHI has been at the forefront of Health-tech innovation, starting with the world's first on-device body dimensioning capability. Our patented technology has evolved into a robust suite of solutions symbolising digitised healthcare's future.

Our key offerings include:

- Body dimension and composition assessments enable the identification of obesity-related comorbidities such as diabetes.
- Blood biomarker prediction, including HbA1C, HDL, LDL, and 10-year mortality risk.
- Transdermal Optical Imaging provides vital signs and cardiovascular disease risk estimates.
- On-device dermatological skin identification, capable of recognising 588 skin conditions across 133 categories, including Melanoma.
- Assisting partners in delivering personalised therapeutic and non-therapeutic health coaching to improve daily habits and build health literacy.

At the heart of AHI is our world-class team comprising machine learning and AI experts, computer vision specialists, and medically trained data scientists. Their collective expertise ensures AHI remains at the cutting edge of health-tech innovation, tailoring our technology to meet the evolving needs of our consumers.

AHI's vision extends beyond individual health assessments. We aspire to create a transformative impact at scale, driving a new digital healthcare era. Our biometrically derived triage solution, accessible via a smartphone, enables our partners to identify and manage health risks at a population scale.

In the pursuit of proactive health management, AHI stands ready to guide healthcare providers, caregivers, insurers, and governments in triaging individuals into the most suitable care pathways. Through technology, AHI is contributing to a more efficient, effective, and inclusive global healthcare system.

For more information, please visit: [www.ahi.tech](http://www.ahi.tech)