AHI Strengthens Capital Position with up to AUD$5,500,000 in Funding Commitment

Key Highlights

- **Up to $5.5 Million Secured with Oakley Capital Partners Pty Ltd**

  AHI has entered into a new agreement with Oakley Capital Partners to raise up to AUD $5.5 million in capital via a private placement and convertible note facility to support reinstatement to trading on the ASX and growth.

- **Strong Reinstatement Readiness**

  Oakley Capital's funding will be provided prior to AHI's reinstatement to trading on the ASX, enabling AHI to demonstrate proof of funds to the ASX.

- **Targeting a Robust 12-Month Cash Position**

  AHI is actively engaging with strategic investors to raise up to an additional USD $6 million, ensuring a strong 12-month cash buffer.

- **Up to $3M in Non-Dilutive Capital via R&D**

  Subject to approval by AusIndustry, AHI expects to unlock up to AUD$3million in non-dilutive capital, being R & D grants for the 2024 and 2025 financial years, and an advance on the 2026 financial year.

- **Normalised Operational Cost Reductions in Place**

  AHI has significantly reduced its normalised monthly operating cash burn rate while enhancing capital efficiency, maintaining momentum across its core commercial programs.

- **Active Progress on ASX Compliance**

  AHI is actively completing all known requirements, including the lodgement of all outstanding reports. However, the ASX in their discretion, may yet impose additional requirements before AHI's securities are reinstated to trading.

Advanced Health Intelligence Ltd (ASX: AHI) (**AHI or the Company)** is pleased to update shareholders on the successful progression of its funding initiatives, securing a capital offer of up to **AUD$5.5 million** from Sydney-based Oakley Capital Partners Pty Ltd (**Oakley Capital**).

Funding Update and Strategic Capital Planning

AHI is pleased to provide an update on its funding strategy and capital position as the Company progresses toward reinstatement to trading on the ASX.

AHI has secured new firm commitments from Oakley Capital totalling AUD$5.5 million. This funding will be structured as a blended package comprising:

- AUD$2.75 million via a private placement at $0.05 per share, with a one-for-two free attaching option exercisable at $0.08 and expiring three years from the date of issue; and

- up to AUD$2.75 million via a convertible note facility.

This new funding commitment from Oakley Capital replaces the previous funding commitment from Oakley Capital that was announced to the market on 15 April 2024. AHI and Oakley Capital has agreed to replace the previously agreed arrangements with the

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funding that is described above. No fees are payable by AHI for the termination of the former facility.

AHI will seek the approval of its shareholders pursuant to ASX Listing Rule 7.1 to undertake the new placement and the new issue of the convertible notes at a General Meeting of the Company that is expected to be held in the coming months (**General Meeting**).

Oakley Capital has been engaged specifically to lead this capital raise. These funds form a cornerstone of AHI's broader capital strategy and are critical to both AHI's reinstatement to trading plans and supporting ongoing operations.

In parallel, AHI is actively engaged in discussions with several strategic investment groups to secure additional funding of up to USD$6 million. These raisings are targeted to assist the Company's efforts in having its securities being granted reinstatement to trading by the ASX.

AHI's intention is to return to market with a solid capital foundation to support the continued execution of its commercial and strategic growth initiatives, all of which have progressed materially during the period of suspension from trading on the ASX.

In addition to equity funding, AHI is advancing its research and development (**R&D**) reimbursement strategy. Subject to AusIndustry approval, the Company expects that, through a combination of R&D rebate claims for the 2024 and 2025 financial years, along with an anticipated R&D advance facility for the 2026 financial year, it may unlock up to AUD$3 million in additional non-dilutive capital. AHI sees this funding source as a significant contributor to its working capital strategy. Importantly, this capital is non-dilutive, aligning with AHI's commitment to securing funding on the most shareholder-friendly terms available.

AHI will submit its claim to AusIndustry prior to close of business 31 July 2025 (being the date of today's announcement). Although there is no guarantee that AusIndustry will approve AHI's claims, the Company is confident that it will receive the full amount being applied for in rebates, as has been the case in previous financial years. The Company is not aware of any reasons why its claims will not be approved by AusIndustry.

AHI also continues to maintain active engagement with UAE-based KOR Investments LLC (**KOR**) regarding the previously announced USD$4 million (~AUD $6.14 million) convertible note facility. Since the announcement of the KOR convertible note facility on 30 January 2025, KOR has experienced continual delays in making its investment funding in AHI due to jurisdictional fund transfer constraints it is experiencing. Accordingly, AHI is yet to receive any funding from KOR. However, AHI is receiving regular updates from KOR and expects that once the fund transfer constraints have been resolved by KOR, the timing of which cannot currently be determined, its funding.

will proceed under a revised payment schedule. AHI will continue to provide shareholders with any updates on timing with respect to KOR's investment.

Internally, the Company has implemented a cost-reduction strategy that has materially reduced its average normalised monthly operating cash burn, before any operating revenue offset, to AUD$276,000 per month, thereby improving capital efficiency. AHI has implemented this strategy to support its reinstatement efforts.

AHI remains fully committed to completing the reinstatement process, delivering transparency to shareholders, and returning to market with the operational and financial capacity to execute on its global growth strategy. The funding offered by Oakley Capital will be provided prior to reinstatement, enabling AHI to furnish the ASX with evidence of funds as part of the key steps required for reinstatement. AHI also acknowledges that it

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must complete and lodge all outstanding financial statements and satisfy all other yet to be determined ASX conditions for reinstatement. ASX has advised that it will only consider the conditions for AHI's reinstatement to trading once AHI's outstanding lodgements have been made. The Company is actively working to meet these obligations and will demonstrate compliance with all ASX requirements as required by them.

Oakley Capital Partners Engagement and AUD$5.5 million funding

As stated, AHI executed a binding term sheet with Oakley Capital, designed to provide the Company with the necessary capital to facilitate meeting its requirements and obligations as part of AHI's work towards reinstating the Company's shares to trading. This funding strategy, structured with Sydney-based Oakley Capital in two initial tranches, contributes to a robust financial foundation for the Company's continued expansion and innovation.

Part 1: Share Placement

The Company is pleased to inform shareholders that it has, by way of a private placement to sophisticated and professional investors, agreed to issue investors 55,000,000 fully paid ordinary shares (**Shares**) at AUD$0.05 per Share, together with 27,500,000 free attaching options (**Options**) with an exercise price of AUD$0.08 cents each to be exercised within 3 years of issue, raising AUD$2,750,000 (before costs) (**Placement**).

Settlement of the Placement is subject to and conditional on AHI obtaining shareholder approval pursuant to ASX Listing Rule 7.1 at the General Meeting.

AHI will use the net proceeds received from the Placement primarily for the Company's current expansion into the MENA region, continued expansion across Asia, development of the Company's product offerings, and business development and marketing, with the remainder of the proceeds to be used for general corporate purposes, including, without limitation, investing in or acquiring companies that are complementary to AHI's existing business.

Oakley Capital is acting as the lead manager for the Placement. Oakley will receive a cash fee of 6% of the gross proceeds of the Placement, plus 20,000,000 Shares and 27,500,000 Options at an exercise price of AUD$0.08 cents to expire three years from the issue date (on the same terms as the free attaching Options to be issued to Placement participants). The issue of these Shares and Options is subject to shareholder approval under ASX Listing Rule 7.1 at the General Meeting.

The Placement is anticipated to settle prior to the Company's reinstatement to trading on the ASX (refer below for an update on this).

Further information regarding the Placement is set out in the Appendix 3B, which accompanies this announcement.

Part 2: Convertible Note Facility

In our second phase, AHI has secured a convertible note facility with Oakley Capital to raise up to AUD$2,750,000. AHI will seek to obtain shareholder approval under Listing Rule 7.1 at the General Meeting to issue AUD$2,750,000 worth of convertible notes under the facility.

AHI intends to initially draw down at least AUD$1,250,000 from this facility, which would leave the balance of AUD$1,500,000 available for future drawdowns at the Company's discretion within the three-month period following the General Meeting. Following the expiry of this three-month period, AHI must obtain a fresh shareholder approval under ASX

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Listing Rule 7.1 to issue the balance of the convertible notes under the facility. ASX has advised the Company that it may be a condition of the reinstatement of AHI's shares to trading for the full AUD$2,750,000 to be drawn down from the facility prior to reinstatement.

AHI's ability to make the initial and any future drawdowns may be subject to obtaining shareholder approval. The Company will accordingly seek approval under ASX Listing Rule 7.1 to draw down up to AUD$2,750,000 under this facility at the upcoming General Meeting. The term of this facility is 18 months from the initial drawdown, offering AHI flexibility in timing and financial planning.

The key terms of this Convertible Notes facility are set out below:

Maturity Date	18 months from the date of issue.
Face Value	Each Convertible Note will have a face value of AUD$1.15 (against an issue price per Convertible Note of AUD$1). Ie, the Convertible Note holders will receive Convertible Notes with an aggregate face value of AUD$1.4375 million for the initial AUD$1.25 million to be drawn down by the Company.
Interest	Nil.
Establishment Shares	2.5% of the drawn down amount (payable in shares upon each tranche being drawn)
Conversion Price	The Convertible Notes can be converted at a 10% discount to the lowest 3 daily VWAPs in the 10 trading days prior to the date of each conversion notice.
Non-Conversion Period	The noteholder(s) will not convert any of the initial AUD$1.25 million drawn down for 45 days from the initial investment being received by AHI.
Draw down conditions	Draw down of the initial $1.25 million under this facility is subject to AHI having received shareholder approval under ASX Listing Rule 7.1 for the issue of the relevant Convertible Notes. Each subsequent drawdown of this facility (following the initial drawdown) is also subject to AHI having received shareholder approval under ASX Listing Rule 7.1 within the 3 months preceding the relevant draw down to issue the applicable Establishment Shares (as that term is defined below).
Conversion	At any time prior to the Maturity Date, the Noteholder may elect to convert all or part of the Convertible Notes into fully paid ordinary shares in the capital of AHI (Shares). The number of Shares to be issued upon conversion will be calculated in accordance with the following formula:

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	Number of Shares = Face Value / Conversion Price Where: • Face Value means the principal amount of the Convertible Notes being converted; and • Conversion Price means the applicable price per Share as agreed under the terms of the Convertible Notes Facility. Unless previously converted, AHI must redeem all outstanding Convertible Notes on the Maturity Date by paying the outstanding principal and any accrued interest to the Noteholder(s) in cash.
Standstill Period	Each drawdown under the Convertible Notes Facility is subject to a 45-day standstill period commencing on the date that Shares are issued to the Noteholder pursuant to the conversion of any prior drawdown. No subsequent drawdown may be requested or advanced until the expiry of this 45-day period, unless otherwise agreed in writing by the parties.
Security	In the event that the Company is unable to provide sufficient asset coverage to support a full or partial drawdown under the Convertible Loan Facility, the Company will issue to the Lender a mutually agreed number of ordinary shares as security (Collateral Shares). These Collateral Shares may be applied to offset any future Note conversions under the facility (thereby reducing the number of new shares required to be issued) or will be returned to the Company upon full repayment or conversion of the facility at maturity, subject to the terms of the agreement. The issue of the Collateral Shares is subject to AHI shareholder approval under ASX Listing Rule 7.1, which will be sought at the General Meeting.
Fees	As a fee payable for the initial A$1.25 million drawdown of the Convertible Notes Facility, at the time of that drawdown AHI will: • pay Oakley Capital a cash fee equal to 6% of the drawdown amount (being A$75,000); • issue Oakley Capital 20,000,000 Shares (Establishment Shares); and • issue Oakley Capital 27,500,000 Options with an exercise price of A$0.08, expiring three years from the date of issue, on the same terms as the

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	attaching options to be issued to Placement participants (Establishment Options). The deemed issue price of the Establishment Shares will be equal to the conversion price of the Notes issued under the initial drawdown. For any subsequent drawdowns, Oakley Capital will receive: • a cash fee equal to 6% of the gross proceeds raised under each such drawdown; and • an aggregate of up to 27,500,000 Options (Subsequent Options), with an exercise price of A$0.08, expiring three years from the date of issue, on the same terms as the attaching options to be issued to Placement participants. The number of Subsequent Options to be issued under each drawdown will be determined on a pro-rata basis relative to the value of that drawdown and a maximum of A$2.75 million being available under subsequent drawdowns. AHI will seek shareholder approval under ASX Listing Rule 7.1 at the upcoming General Meeting for the issue of the Establishment Shares, Establishment Options, and Subsequent Options. The fees are based on the full amount across both the convertible note and the placement being successfully concluded by Oakley in the event that Oakley raise a lesser amount. The options and shares will be pro-rata accordingly.
Other terms	The notes are otherwise on customary terms and conditions.

AHI will seek shareholder approval for the private placement, convertible note and options pursuant to ASX Listing Rule 7.1 at an upcoming General Meeting of the Company.

AHI intends to use the net proceeds received from the issue of these convertible notes primarily for the Company's current expansion into the MENA region, continued expansion and development of the Company's business development and marketing, with the remainder of the proceeds to be used for general corporate purposes, including, without limitation, investing in or acquiring companies that are complementary to AHI's existing business.

The Company has obtained legal advice from Steinepreis Paganin that none of the features noted in section 5.9 of Guidance Note 21 are present and that the terms of the convertible notes are market-standard, as there are other convertible notes on similar terms in the marketplace.

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The Company has engaged Oakley Capital to act as the Company's corporate advisors for transactions relating to funding within Australia or "abroad, by mutual agreement". Unless terminated earlier, the term of this engagement shall expire 24 months following AHI's reinstatement to trading on the ASX. In addition to the fees set out above, AHI will pay Oakley Capital a monthly retainer of $15,000 throughout the term of the engagement. Oakley Capital will continue to address capital-raising opportunities for the Company when and if required. Oakley Capital has been granted a right of first refusal for any capital raising that AHI proposes to undertake within Australia during the initial six months of Oakley Capital's engagement.

As noted above, AHI will seek approval under ASX Listing Rule 7.1 at the General Meeting to issue up to AUD$2.75 m worth of convertible notes to clients of Oakley Capital. To the extent that less than AUD$2.75 m worth of convertible notes are issued to clients of Oakley Capital within three months of the Geneal Meeting, AHI may seek a fresh shareholder approval to issue these convertible notes and may not issue any further notes until it has done so.

For the sake of clarity, the convertible note facility that AHI previously agreed to establish with Oakley Capital (see the ASX announcement dated 15 April 2024) has been terminated, with no termination fees payable.

Bonus Options Entitlement Issue

Following the completion of the private placement and the Company's securities being reinstated to trading, the Company will complete a bonus options entitlement issue to reward its shareholders for their ongoing support of AHI (**Bonus Issue**). The options issued under the Bonus Issue will be on similar terms as those issued under the private placement.

It is proposed that the Company will offer shareholders that are recorded on AHI's share register, on a record date to be determined, will be issued one option for every 10 AHI shares held as of that record date.

KOR Holding USD$4 million financing

As disclosed, KOR has encountered ongoing delays in completing the agreed payment tranches, primarily due to the release of their funds held in foreign jurisdictions. These matters are being actively addressed by KOR, and both parties have agreed that once the current constraints are resolved, a revised payment schedule will be established to initiate the investment as previously disclosed on 30 January 2025. AHI continues to receive consistent updates from KOR's executive team and remains confident in KOR's ongoing commitment to the convertible note facility.

Nevertheless, AHI has continued to actively engage with several other investment groups as it targets a raise of up to USD $10 million. The KOR investment represents only one component of the broader capital strategy, and the Company is committed to securing the appropriate amount required to support reinstatement to trading on the ASX, along with its operational and strategic objectives.

AHI Strengthens R&D Position with Multiple Reimbursement Pathways

AHI has been granted an effective 92-day extension by AusIndustry to submit its 2024 R&D reimbursement application. This extension allows AHI to lodge its RDTI application by 31 July 2025, providing additional time to finalise submission requirements and manage broader business activities.

Importantly, AHI was granted international R&D reimbursement status in 2023. The 2024 application will be the second to include eligible expenditures incurred abroad,

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associated with the expansion of the Company's intellectual property portfolio. This expanded scope has introduced additional administrative complexity, which contributed to the Company's successful application for an extension to lodgement.

The extension granted to AHI acknowledges the Company's unique operational circumstances and preserves its eligibility under the R&D scheme as it finalises the required submissions. AHI will submit its 2024 R&D reimbursement application by the end of July and expects to complete its 2025 submission by the end of August 2025, which is well before the due date of 30 April 2026. Concurrently, discussions with specialist R&D advance providers are progressing and are anticipated to conclude within the same period. These initiatives are expected to deliver meaningful non-dilutive capital, providing important support to AHI's operating cash flow during a critical phase of its global commercial expansion.

Subject to final approval by AusIndustry and the R&D advance provider, these combined reimbursements and advances could deliver up to AUD$3 million in non-dilutive capital, providing additional support to AHI's operational execution and strategic rollout efforts.

Key Highlights

- **Global Innovation Remit -** AHI continues to lead in digital health innovation, with proprietary technologies gaining traction across international markets.
- **Expanding Patent Portfolio -** The Company's growing intellectual property portfolio continues to support both its commercial strategy and RDTI scheme eligibility.
- **Endorsed Technology -** AHI's recognition by AusIndustry reinforces its status as a leading contributor to Australia's med-tech innovation landscape.

Extension Reflects Operational Context

The 92-day extension granted by AusIndustry ensures AHI maintains full compliance while accommodating the expanded and more complex international R&D reimbursement process.

AHI has been focused on strengthening its financial and operational foundation. The Company is concluding additional financing arrangements and has undertaken a series of measures to reduce overheads and debt. These actions form part of a broader strategy to enhance balance sheet resilience and ensure AHI is well-positioned for a return to trading, subject to the approval of the ASX.

As previously reported to the market, AHI is also progressing towards finalising its audit, with the release of the 2024 Annual Report targeted for September 2025. If the Company fails to lodge its 2024 Annual Report with the ASX by close of business on 30 September 2025, the Company will be removed from the Official List of the ASX, If AHI lodges its 2024 Annual Report prior to 30 September 2025, but is not reinstated to trading prior to 5 February 2026, the Company will be removed from the Official List of the ASX.

The ASX has confirmed that it will review the Company's 2024 Annual Report as part of its assessment process before considering the Company's application for reinstatement to trading. ASX has also confirmed that it will only provide reinstatement conditions if, once AHI is up to date with its reporting requirements, ASX is satisfied with the Company's financial conditions and activities.

Once the 2024 Annual Report is released to the market, the Company will then focus on the completion and lodgement of the Company's Half Year Financial Report to 31 December 2024, which also remains outstanding.

The Company remains confident in its ability to meet any reinstatement requirements and will continue to keep shareholders informed of any material developments as they occur.

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Bridging Loan Facility – Quarters Academy Sdn Bhd

AHI previously secured a bridging loan facility from Quarters Academy Sdn Bhd, totalling AUD$2.5 million, to support near-term working capital and capital management initiatives. The key terms are summarised below:

- **Tranche 1**: AUD$1.25 million, with AUD$125,000 interest (10% over six months), was initially due for repayment in cash within six months of the drawdown, being 6 March 2025. AHI had proposed to settle this amount via Convertible Notes or an alternative capital raise. As was disclosed in the Company's Quarterly Activities Report that was released on 25 July 2025, Quarters has agreed to extend the repayment terms, allowing the amount (including accrued interest) to be repaid in cash or, at Quarters' election (subject to shareholder approval under ASX Listing Rule 7.1), converted into AHI shares within 60 days following reinstatement to ASX quotation. Any conversion will occur on the same pricing and discount terms disclosed in AHI's 2 October 2024 market announcement. No event of default has been recorded by Quarters Academy.

- **Tranche 2**: AUD$1.25 million remains due 12 months from drawdown, being 6 September 2025, accruing interest at 100% per annum. AHI intends to convert this amount of AUD$2.5 million into fully paid ordinary shares, subject to shareholder approval under ASX Listing Rule 7.1. The conversion price will be based on the volume-weighted average price (VWAP) over the five trading days before share issuance. If shareholder approval is not obtained, the amount will be repayable in cash, with repayment to be funded through convertible notes or other capital-raising alternatives, such as a rights issue.

This revised arrangement provides AHI with critical flexibility and continued support from a strategic investor as the Company works toward reinstatement and executes its broader capital plan.

Vlado Bosanac, Founder and Head of Strategy at AHI, commented:

"AHI is entering a pivotal phase with a strengthened capital base, strategic investor support, and a strong focus on reinstatement to trading on the ASX.

We've secured AUD $5.5 million in firm commitments from Oakley Capital. These funds will provide a significant portion of the capital needed for reinstatement, supporting both operational needs and assisting AHI to demonstrate its compliance with ASX Listing Rule 12.1.

In parallel, AHI is advancing discussions on additional funding, targeting up to USD$6 million, with strategic groups including our largest individual shareholder, Quarters Academy. These efforts are focused on securing a robust 12-month minimum cash position post-reinstatement.

Encouragingly, new investors who've taken the time to understand AHI's technology and commercial strategy have stepped forward with confidence. This reflects growing recognition of AHI's commercial momentum and long-term potential.

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Operationally, AHI has reduced its normalised monthly operating cash burn, before the offset of operating revenue, while continuing to progress in product development and global market expansion. AHI also anticipates unlocking further non-dilutive capital through R&D reimbursements and an advance facility, subject to approval, enhancing AHI's funding position without shareholder dilution.

AHI also wants to acknowledge the frustration many shareholders have felt during the ongoing suspension of trading. The lack of liquidity has understandably been difficult, especially for those who've supported AHI over time. AHI wants to personally assure its shareholders that reinstatement and delivering long-term value has remained the priority throughout this period. AHI is working hard to return to the market stronger, better capitalised, and ready to execute its growth strategy across the US, MENA and Southeast Asia regions."

The Chairman of Advanced Health Intelligence Ltd has approved this release.

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About Advanced Health Intelligence Ltd

AHI offers cutting-edge, smartphone-based health risk identification solutions that enable individuals to run their own comprehensive health assessments and risk stratification.

Utilising smartphone sensor technology, individuals can efficiently conduct a single scan or a series of scans to identify established risk markers for various health conditions. The resulting data can then be shared with healthcare providers, insurers, employers, and government agencies, facilitating timely triage and the allocation of appropriate care pathways.

AHI's scientific research capability is dedicated to the development of advanced data capture techniques, optimising data input signal quality and continuous enhancement and validation of AHI's solutions through rigorous scientific processes. AHI has assembled a team of experts in machine learning, artificial intelligence, biomathematical modelling and systems biology, computer vision, clinical expertise, and medically trained data scientists to develop and deploy these cutting-edge risk assessment tools.

Over the past decade, AHI has been at the forefront of health-tech innovation, pioneering the use of smartphones in digital-first health care. Our journey began with the groundbreaking development of the world's first on-device body dimensioning capability.

Since then, we have continued to evolve and adapt our solutions to meet the dynamic needs of health systems players dedicated to delivering high-quality patient care and early detection of escalating health conditions.

AHI's patented technology has enabled us to push the boundaries of early detection through digital health care, offering a suite of modular solutions that are transforming the industry and offering earlier intervention opportunities.

Our comprehensive solutions encompass:

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- Anthropometric and body composition analysis to identify obesity-related comorbidities, including diabetes risk stratification.
- Predictive modelling of blood biomarkers (including HbA1C, HDL-C, LDL-C), and 10-year cardiovascular risk estimation.
- Facial photoplethysmography to assess vital signs non-invasively and provide risk stratification for cardiovascular disease.
- Device-derived dermatological image analysis for identifying over 588 skin conditions across 134 categories, including melanoma detection.
- Atrial Fibrillation technology enables the detection of Atrial Fibrillation using a mobile device. This allows for early identification and monitoring of this common heart condition through a simple, non-invasive, and user-friendly smartphone-based solution.

AHI has developed digital biomarker-driven triage solutions that use only a smartphone or web browser. These solutions enable the identification of health risks across populations and can inform the direction of individuals to appropriate care pathways for proactive health management. The technology provides cost-effective health risk assessment access to billions of smartphone users worldwide, empowering these individuals to take charge of their health journey and improving health outcomes globally.