



## ADVANCED HUMAN IMAGING LTD. ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE WELLTEQ DIGITAL HEALTH INC.

SEPTEMBER 2, 2022, Vancouver, British Columbia: Wellteq Digital Health Inc. (CSE: WTEQ) (OTCQB: WTEQF), (the “Company” or wellteq”), is pleased to announce that it has entered into a definitive arrangement agreement (the “Arrangement Agreement”) with Advanced Human Imaging Ltd. (ASX, NASDAQ: AHI) (“AHI”) whereby AHI will acquire all of the outstanding shares of wellteq pursuant to a plan of arrangement (the “Transaction”). Pursuant to the terms of the Arrangement Agreement, wellteq shareholders will receive one (1) ordinary share of AHI (an “AHI Share”) for every six (6) wellteq common shares (a “wellteq Share”) held (or 0.1667 AHI Shares for every 1 wellteq Share). In connection with the Arrangement Agreement, AHI and wellteq have entered into a loan agreement (the “Loan Agreement”), whereby AHI has agreed to advance to wellteq up to A\$1,200,000.

### About Advanced Human Imaging Ltd.

AHI, incorporated under the laws of the Commonwealth of Australia, has developed and patented a proprietary dimensioning technology that enables users to check, track, and assess their dimensions and body composition using only a smartphone privately and accurately. The company has expanded its capabilities with the inclusion of Transdermal Optical Imaging (TOI), allowing the capture of vital signs. The combination of the proprietary suite delivers a unique risk assessment tool empowering users to check, track and action better health outcomes. Whether a personal journey to better health, understanding the risk associated with physical condition, tracking the changes they are experiencing through training, dieting, or under medical regimes, through early risk identification. The AHI technology delivers this seamlessly, privately, and cost-effectively in only a few minutes. AHI has developed this capability by leveraging the on device computational power of a smartphone to power its Computer Vision, Machine Learning, and patented algorithms, to process these images on secure, enterprise-level infrastructure, delivering an end-to-end experience that is unrivalled in the industry. AHI simplifies the collection of these vital measurements and removes the human error present in traditional methods. To learn more, visit <https://www.ahi.tech/>.

### About wellteq Digital Health Inc.

Wellteq, incorporated under the laws of the Province of British Columbia, Canada, is a global digital health provider, empowering people to be healthier and happier by coaching lasting behaviour change by delivering a digital health platform to employers and insurance corporate customers, who in turn offer it to their employees and policy holders, respectively. wellteq provides the supportive behavioural change that coaches people through lifestyle improvements. wellteq brings together a team of real people, connected by a shared purpose: to coach the world to better health. To learn more, visit <http://www.wellteq.co>.

### The Transaction

The Arrangement Agreement was entered into by the parties following the execution of a non-binding letter of intent on June 29, 2022. Pursuant to the terms of the Arrangement Agreement, AHI will acquire 100% of the outstanding wellteq Shares by way of a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia). In consideration for the wellteq Shares, AHI will issue one (1) AHI Share for every six (6) wellteq Shares outstanding at the effective time of the Arrangement, equal to 0.1667 AHI Shares for every one (1) wellteq Share. The conversion ratio represents an offer price of C\$0.03398 per wellteq Share based on a price of C\$0.2039 per AHI Share, being the 5-day VWAP of AHI at August 31, 2022 at an exchange rate of

C\$1.00: A\$1.11. The consideration represents a premium of 106.7% on the 5-day VWAP for wellteq of C\$0.01644 at August 31, 2022.

AHI will issue a total of approximately 17,811,508 AHI Shares in total consideration for 100% of wellteq's issued share capital. Following completion of the Arrangement, wellteq shareholders in aggregate will hold approximately 9.573% of AHI's issued capital.

wellteq anticipates calling a shareholder meeting to be held in November, 2022 (the "**Meeting**"), to among other things, seek shareholder approval of the Transaction. wellteq anticipates closing of the Transaction will occur in late-November 2022, subject to satisfaction of all conditions to closing set out in the Arrangement Agreement.

The completion of the Transaction is subject to the satisfaction of a number of conditions set forth in the Arrangement Agreement, including but not limited to the following:

- The Transaction being approved by special resolution passed by 66 2/3% of the votes cast by holders of wellteq Shares represented at the Meeting.;
- If required under applicable laws, approval by a majority of the minority shareholders of wellteq.
- The Arrangement being approved by the British Columbia Supreme Court;
- Applicable regulatory approvals, including those of the ASX, NASDAQ and the CSE, as required; and
- Other conditions of closing customary in transactions of this nature.

The Arrangement Agreement contains certain customary deal protection provisions, including a non-solicitation provision in favour of AHI, subject to customary "fiduciary out" provisions that allow wellteq to consider and accept a superior proposal, subject to a right to match in favour of AHI, as well as a break fee of between A\$350,000 and A\$500,000 payable by wellteq to AHI under certain circumstances, and a break fee of A\$350,000 payable by AHI to wellteq in certain limited circumstances. Upon closing of the Transaction, wellteq will seek to delist the wellteq Shares from the CSE and cease to be a reporting issuer in all jurisdictions in Canada.

### **Management and Board Appointments**

Upon conclusion of the Transaction, wellteq will nominate two directors to the Board of Directors of AHI. The proposed nominee Directors are currently Scott Montgomery, CEO and a director of wellteq, and Peter Vaughan, Chair of the wellteq Board of Directors, and Mr. Montgomery is currently the proposed CEO of AHI.

### **wellteq Board Recommendation and Support**

The Board of Directors of wellteq, after consultation with its legal and financial advisor, have unanimously approved and resolved to recommend that the wellteq shareholders vote in favour of the Transaction. The directors and senior officers of wellteq have entered into voting support agreements, committing to vote their wellteq Shares in favour of, and to otherwise support, the Transaction.

### **Treatment of existing wellteq Options, Warrants and RSU's**

As agreed under the Arrangement Agreement, wellteq's outstanding options that were issued under its Stock Option Plan will be cancelled at the effective time of the Arrangement.

It is anticipated that wellteq's outstanding warrants and agent compensation options will remain outstanding following the Arrangement, and will be exercisable for the corresponding amount of AHI Shares (i.e. one (1) AHI Share for every six (6) wellteq Shares issuable).

wellteq's RSU's are expected to automatically vest immediately prior to the Arrangement becoming effective, resulting in 880,000 wellteq Shares being issued to holders of the RSU's. These wellteq Shares will then be acquired by AHI as part of the Arrangement, and the holders will receive the corresponding amount of AHI Shares in consideration for their wellteq Shares (i.e. one (1) AHI Share for every six (6) wellteq Shares).

### **The Loan Agreement**

In connection with the entry by the parties into the Arrangement Agreement, AHI and wellteq entered into the Loan Agreement, whereby AHI has agreed to advance to wellteq up to A\$1,200,000, to be advanced in tranches not exceeding A\$200,000. Amounts advanced under the Loan will be due and payable six (6) months after the date of the first advance under the Loan Agreement, and in any event no later than January 31, 2023, and will bear interest at a rate of 10% per annum. Interest will accrue and be payable to AHI on amounts outstanding under the Loan Agreement accruing from and after the date that the loan is advanced to wellteq. Interest will be payable on the occurrence of an event of default or the date that Ahi declares outstanding amounts under the Loan Agreement become due and payable.

Full details of the transaction will be included in wellteq's management information circular to be sent out in connection with the Meeting. A copy of the Arrangement Agreement, the management information circular, the voting support agreements and related documents will be filed with the Canadian securities regulatory authorities and will be available under wellteq's profiles at [www.sedar.com](http://www.sedar.com).

For more information, please contact:

Scott Montgomery, CEO of wellteq Digital Health Inc. at (604) 639-4529.

### **Cautionary Note Regarding Forward-Looking Statements:**

*This news release contains information or statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are, but not always, identified by words such as "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.*

*Forward looking information may include, without limitation, statements regarding the Transaction and the proposed plan of Arrangement and Arrangement Agreement, the ability of the parties to satisfy the conditions to closing of the Transaction, the mailing of the management information circular in connection with the Meeting and anticipated timing thereof, the anticipated timing of the completion of the Transaction, operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, milestones, strategies, and outlook of wellteq, and includes statements about, among other things, future developments and the future operations, strengths, and strategies of wellteq. Forward-looking information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements should not be read as guarantees of future performance or results.*

*The forward-looking statements made in this news release are based on management's assumptions and analysis and other factors that may be drawn upon by management to form conclusions and make forecasts or projections, including management's experience and assessments of historical trends, current conditions and expected future*

*developments. Although management believes that these assumptions, analyses, and assessments are reasonable at the time the statements contained in this news release are made, actual results may differ materially from those projected in any forward-looking statements. Examples of risks and factors that could cause actual results to materially differ from forward-looking statements may include: the timing and unpredictability of regulatory actions; regulatory, legislative, legal or other developments with respect to its operations or business; limited marketing and sales capabilities; early stage of the industry and product development; limited products; reliance on third parties; unfavourable publicity or consumer perception; general economic conditions and financial markets; the impact of increasing competition; the loss of key management personnel; capital requirements and liquidity; access to capital; the timing and amount of capital expenditures; the impact of COVID-19; shifts in the demand for wellteq's products and the size of the market; patent law reform; patent litigation and intellectual property; conflicts of interest; and general market and economic conditions. Closing of the acquisition of wellteq by AHI remains subject to a number of conditions, including, but not limited to, approval of the ASX, NASDAQ and the CSE, as required.*

*The forward-looking information contained in this news release represents the expectations of wellteq as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. wellteq undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.*

**The CSE has neither approved nor disapproved the contents of this news release.**