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AZURE HEALTH TECHNOLOGY LIMITED

24 February 2020

ASX Markets Announcements
Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace,
Perth WA 6000

COMPANY UPDATE – REPLACEMENT PROSPECTUS

Further to its announcement on 4 February 2020, the Board of Azure Health Technology Limited (ASX:**AZT**) (**Company**) is pleased to announce that ASIC has approved its Replacement Prospectus and that the Company will proceed with a Capital Raising via Public Offer of up to 50 million shares at a price of $0.20 per share to raise up to $10 million.

In addition to raising funds under the Public Offer to enable the acquisition of Invictus Biopharma Limited as announced in its previous announcements (**Acquisition**), the Replacement Prospectus is issued for the purposes of re-complying with the admission requirements under chapters 1 and 2 of the Listing Rules following a change in the nature and scale of the Company's activities.

Indicative Timetable

The latest updated timetable related to the Acquisition and associated transactions is set out below:

Particulars	Date
Despatch Notice of Meeting to AZT shareholders	Tuesday 4 February 2020
Lodge Replacement Prospectus with ASIC	Wednesday 12 February 2020
Prospectus offer opens	Monday 24 February 2020
Hold the general meeting of AZT shareholders	Friday 6 March 2020
Prospectus offer closes	Friday 27 March 2020
Completion of the Invictus Acquisition	Thursday 2 April 2020
Expected issue and allotment of shares	Thursday 2 April 2020
Expected dispatch of holding statements	Thursday 2 April 2020
Expected date of quotation of shares on ASX	Friday 3 April 2020

Please note that this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

Further details are provided in the Replacement Prospectus, which is attached.

Gregory Starr
DIRECTOR

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AZURE HEALTH
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AZURE HEALTH PROSPECTUS

Azure Health Technology Limited
ACN 111 082 485

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AZURE HEALTH
TECHNOLOGY

Azure Health Technology Limited ACN 111 082 485

PROSPECTUS

Offer of up to 50,000,000 Shares at an issue price of $0.20 per Share to raise up to $10,000,000 (before costs and expenses of the Offer).

The Offer is subject to a minimum subscription of 35,000,000 Shares to raise $7,000,000 (before costs and expenses of the Offer).

The Offer is scheduled to close at 5.00pm (AEDT) on 27 March 2020 unless extended or withdrawn.

Note: The Shares offered by this Prospectus should be considered as speculative.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1, 2 and 11 of the Australian Securities Exchange (ASX) Listing Rules and ASX admission and quotation requirements following a change in nature and scale of the Company's activities.

This Prospectus is an important document and requires your attention. You should read it in its entirety. If you do not understand any part of this Prospectus, or you are in doubt as to how to deal with it, you should consult your accountant, stockbroker, solicitor or other professional advisor.

Lead Manager – Viriathus Capital Pty Ltd ACN 113 959 596, AFSL 297950

IMPORTANT INFORMATION

Offer

The Prospectus is issued by Azure Health Technology Limited ACN 111 082 485.

Replacement Prospectus

This Replacement Prospectus (Prospectus) is dated 12 February 2020 and a copy of this Prospectus was lodged with ASIC on that date. It contains certain changes and replaces the Prospectus dated 30 January 2020.

In summary, some minor amendments were made to the investment highlights in section 1.1 to incorporate a snapshot of the pro-forma balance sheet, additional director disclosures were made in sections 4.1 and 4.4, supplier and manufacturer risks have been considered in sections 2.47, 5.2 and 5.4, a description of the Company's pending patent applications has been added in section 2.5.4, additional information about the Company's acquisition of Invictus (particularly regarding the valuation of Invictus) has been added in section 10.7(f) and the language describing the Company's current legal proceedings has been updated in section 10.19.

Change in nature and scale of activities and re-compliance with chapters 1 and 2 of the ASX listing rules

The Company has entered into an agreement for the acquisition of 100% of the issued capital of Invictus Biopharma Limited ACN 628 241 725 (**Invictus**). The acquisition will involve a significant change in the nature and scale of the Company's activities which requires the approval of Shareholders under Chapter 11 of the ASX Listing Rules. This approval will be sought by the Company at the General Meeting to be held on 6 March 2020 (**General Meeting**).

References in this Prospectus to the business and assets of the Company assume that the acquisition of Invictus has been completed.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1, 2 and 11 of the ASX Listing Rules and to satisfy the ASX requirements for reinstatement to quotation of shares in the Company on ASX following a change in nature and scale of the Company's activities.

Shares in the Company have been suspended from trading on ASX since 25 January 2017 and will not be reinstated until approval by ASX of the Company's re-compliance application. There is a risk that the Company may not be able to meet the requirements of ASX for reinstatement to quotation of its shares. If the Company does not receive conditional approval for reinstatement to quotation of its shares on ASX or the other conditions of the Offer are not satisfied the Company will not proceed with the Offer and Applicants will be reimbursed their Application Monies (without interest). Please refer also to section 5 for details of the risks associated with an investment in the Company.

Conditional Offer

The Offer is subject to a number of conditions including ASX approval of the Company's re-compliance application, achievement of the minimum subscription of 35,000,000 Shares, ASX granting approval for reinstatement to quotation of shares in the Company on ASX, shareholder approval of the Invictus Acquisition and other matters at the General Meeting, and the satisfaction (or waiver) of

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conditions precedent to the Invictus Acquisition Agreement.

If these conditions are not satisfied the Offer will not proceed and no Shares will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their Application Monies (without interest). See section 6.10 for more information on these conditions.

Consolidation

The General Meeting will include a resolution for consolidation of the Shares. The Shares will be consolidated on a 2.57 to 1 basis so that the existing 179,998,449 Shares will be consolidated to 70,000,000 Shares. Unless stated otherwise, all references to Shares in this Prospectus assume that the consolidation of shares in the Company has occurred. See section 10.3 for more information on the consolidation of Shares.

Lodgement and reinstatement to quotation

This Prospectus is dated 12 February 2020 and a copy of this Prospectus was lodged with ASIC on that date. The Company will within 7 days of the date of this Prospectus lodge an application with the ASX for reinstatement to quotation of shares in the Company (including shares issued pursuant to this Prospectus). Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the ASX may reinstate shares to quotation is not to be taken in any way as an indication of the merits of the Company or the shares offered under this Prospectus.

Expiry Date

No Shares will be issued on the basis of this Prospectus after the date which is 13 months after the Prospectus Date.

Speculative investment / Dividend policy

The intellectual property assets and business model of Azure Health are as yet unproven, and an investment in Azure Health should be regarded as speculative.

Given the business strategy of the Company as described in this Prospectus, all free cash is proposed to be used to progress the Company's drug development plans.

Accordingly, there is no guarantee of the payment of any dividends or like distributions to Successful Applicants by Azure Health and the ability to pay any dividends will be dependent on generating sufficient revenue and profits to support the payment of dividends.

Note to Applicants

This document is important and should be read in its entirety.

You should read this entire Prospectus carefully before deciding whether to subscribe for Shares. In particular, you should consider the risk factors that could affect the performance of the Company or the value of an investment in the Company, some of which are outlined in see Section 5.

The information contained in this Prospectus is not investment advice and does not take into account your investment objectives, financial situation, tax position or particular needs. Before deciding whether to subscribe for Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance.

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Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven-day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by the market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus and the issue of a supplementary or replacement prospectus.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus without the Application Form will be made generally available to Australian residents only, by being posted on the Company's website https://www.azureht.com.au/ (Website).

Obtaining a copy of this Prospectus

This Prospectus is posted on the Website. Any person accessing the electronic version of this Prospectus must be an Australian resident and must only access the Prospectus from within Australia. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus.

Any references to documents included on the Website are provided for convenience only, and none of the documents or other information on the Website are incorporated by reference in this Prospectus.

During the Offer Period, a hard copy of this Prospectus will be available free of charge by contacting the Share Registry on 1800 262 299

Restrictions on distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you are a potential investor outside Australia and you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or this Prospectus or to otherwise permit a public offering of the Shares in any jurisdiction other than in Australia.

In particular, this document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, Shares in the United States. Any Shares described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to or for the account or benefit of, a US person, except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Disclaimer

Investors should not rely on any information about the Company or the Shares which is not contained in this Prospectus in making a decision as to whether to acquire Shares under the Offer. No person is authorised to give any information, or to make any representation, in connection with the Company or the issue of Shares which is not contained in this Prospectus. Any information or representation

which is not in this Prospectus may not be relied on as having been authorised by the Company, the Directors or any other person in connection with the issue of Shares.

Except as required by law, and then only to the extent so required, no person warrants or guarantees the future performance of the Company or any return in relation to a decision made by an Applicant under this Prospectus.

The forward-looking statements in this Prospectus are based on the Company's current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors and which could cause actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied by the forward-looking statements in this Prospectus. This Prospectus details some important factors and risks which could cause the Company's actual results to differ from the forward-looking statements in the Prospectus.

These forward-looking statements speak only as at the Prospectus Date. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events.

Time references

A reference to time in this Prospectus is to Australian Eastern Daylight Time (AEDT) being the local time in Melbourne, Australia, unless otherwise stated.

Currency

All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

Privacy

The information about an Applicant included on an Application Form is used for the purposes of processing the Application Form and to administer a Successful Applicant's holding of any of the Shares. By submitting an Application Form, each Applicant agrees that the Company may use the information provided by the Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each holder of Shares (including name, address and details of the security held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the Privacy Act 1988 (Cth), you may request access to or correction of your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information by

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contacting the Share Registry on 1800 262 299 or referring to the website at www.linkmarketservices.com.au or emailing

Email: registrars@linkmarketservices.com.au

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers.

Photographs and diagrams

Photographs and diagrams in this Prospectus do not necessarily depict assets or equipment owned or used by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Definitions

Terms used in this Prospectus are defined in the Glossary.

Questions

If you have any questions about how to apply for Shares, please call your broker or the Share Registry on 1800 262 299.

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CHAIRMAN'S LETTER

12 February 2020

Dear Investor,

On behalf of the Board of Directors it is with great pleasure that I invite you to become a shareholder of Azure Health.

The business of Azure Health is the development, production, marketing and sale of health and wellbeing products including the development and commercialisation of platforms for the non-invasive delivery of tocotrienols (a form of Vitamin E) for both nutraceutical and pharmaceutical applications. The intellectual property assets and business model of Azure Health are as yet unproven, and an investment in Azure Health should be regarded as speculative. Accordingly, there can be no guarantee of the payment of any dividends.

Azure Health is led by a team with significant experience in the healthcare industry. I believe the Directors and Management of Azure Health have the capabilities to successfully support the development and growth of Azure Health to deliver real value to the community and to Shareholders.

Completion of the Proposed Transactions (the Invictus acquisition and the Offer) is subject to a number of conditions precedent being satisfied or waived. These include Shareholder approval, the completion the Offer under this Prospectus and the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules. The Company's Shares will remain suspended from the ASX until the Company has re-complied with Chapters 1 and 2.

This Prospectus is being issued to assist the Company to re-comply with the ASX Listing Rules and also to raise sufficient funds to complete the Proposed Transactions and provide working capital. Under this Prospectus, the Company proposes to raise up to $10,000,000 via the issue of up to 50,000,000 Shares (post Consolidation) at an Offer Price of $0.20 per Share.

This Prospectus contains detailed information about Azure Health, the Offer and the key risks of an investment of this nature. The key risks associated with an investment in the Company are set out in detail in Section 5.

I encourage you to read the Prospectus in full and to carefully consider the Offer, including the risks of investing in Azure Health. Please consult your financial advisor before making an investment decision.

On behalf of my fellow Directors, I invite you to subscribe for Shares in Azure Health and look forward to working to deliver its anticipated success.

Yours sincerely

Lou Panaccio

Chairman

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CONTENTS

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KEY OFFER INFORMATION

IMPORTANT DATES	
General Meeting	6 March 2020
Offer open for Applications	24 February 2020
Offer closes for Applications (**Closing Date**)	27 March 2020
Completion of Invictus Acquisition	2 April 2020
Expected issue and allotment of Shares	2 April 2020
Expected dispatch of holding statements	2 April 2020
Expected date of quotation of Shares on ASX	3 April 2020

Note: The dates shown above are indicative only and may change without notice. The Company reserves the right to close the Offer early or to extend the Closing Date without notice. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

KEY OFFER STATISTICS	BASED ON MININMUM SUBSCRIPTIONS - $7,000,000	BASED ON MAXIMUM SUBSCRIPTION - $10,000,000
Existing Shares on issue*	70,000,000	70,000,000
Shares to be issued to Invictus Shareholders	35,000,000	35,000,000
Total number of Shares available under the Offer	35,000,000	50,000,000
Total number of Shares on issue on Completion	140,000,000	155,000,000
Offer Price per Share	$0.20	$0.20
Free float	39,927,037 (29%)	54,927,037 (35%)
Indicative market capitalisation based on Offer Price	$28,000,000	$31,000,000

Notes: * Existing Shares on issue are post-Consolidation. Refer to Section 6.11 for further details regarding the current capital structure of the Company. Free float shares means the percentage (or amount) of the Shares that are not restricted securities or subject to voluntary escrow and are held by non-affiliated security holders (persons who are not directors or substantial shareholders or associates of them).

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How to invest

Applications for Shares can only be made by completing and lodging the Application Form with appropriate Application Monies. Instructions on how to apply for Shares are set out in Section 6.6 and on the Application Form.

1 INVESTMENT HIGHLIGHTS

1.1 Business overview

TOPIC	SUMMARY	MORE INFORMATION
What is Azure Health?	The business of Azure Health is the development, production, marketing and sale of health and wellbeing products including the development and commercialisation of platforms for the non-invasive delivery of tocotrienols (a form of Vitamin E) for both nutraceutical and pharmaceutical applications. Azure Health is an early stage health and biopharma company. Its objectives are to commercialise delivery platforms which allow a natural product, tocotrienols (a form of Vitamin E), to be delivered directly to organs and tissues of the body in a non-invasive manner. In the short term, Azure Health will focus on: • the marketing and sale of nutraceutical and wellbeing products to deliver early revenues, and • the development of prescription medicine candidates for Non-Alcoholic Fatty Liver Disease and pancreatic cancer. Prior to the date of this Prospectus, the work on commercialising these delivery programs has been undertaken by Invictus Biopharma Limited . Azure Health proposes to acquire Invictus following the close of the Offer. See sections 10.2 and 10.7(b) for information on the Invictus Acquisition. References here to "Azure Health" are to the Azure Health group including Invictus following the Invictus Acquisition. References in this Prospectus to the business and assets of the Company assume that the acquisition of Invictus has been completed.	See Section 2
What are the advantages of Azure Health's business?	Azure Health believes that its business has a number of compelling commercial and technological advantages including:	See Section 2

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TOPIC	SUMMARY	MORE INFORMATION
	• A commercial model which delivers early revenues from nutraceutical products to support further development of high-value prescription drugs • Management, Board and advisors with successful track records in marketing and selling nutraceuticals and bringing prescription medicines to the market internationally • A clinical phase drug development program with drug candidates which have completed Phase Ia clinical studies and are expected to be phase II-ready by the last quarter of FY20 • Technologies which open up new applications of vitamin E which have not been fully exploited previously • A growing body of external clinical evidence to support the efficacy of T3s and their anti-cancer and cholesterol lowering properties • Pharmaceutical quality development for high-value food supplements.	
What is Azure Health's strategy and focus?	The Azure Group's key strategies are to: • continue commercialisation of the Invictus delivery platforms • strengthen research and development capabilities • expand and diversify product offerings, commencing with the Invictus nutraceutical products Azure Health believes the prospect of near-term revenues combined with multiple drug delivery platforms and a pipeline of drug candidates targeting multiple medical conditions mitigates some of the usual risks associated with a biotech company, and moreover should present as an attractive licensing opportunity to big pharma, reducing the Company's risk profile as an early stage biotechnology investment.	See Sections 2.4.3 to 2.4.6
Why is the Offer being conducted?	The principal purposes of the Offer are to: • Comply with ASX's requirements for reinstatement to quotation of shares in the Company on ASX • Provide funds for the purposes set out in section 6.3 • Provide the Company with access to equity capital markets for future funding needs	See Sections 6.2 and 6.3

TOPIC	SUMMARY	MORE INFORMATION
	• Enhance the public and financial profile of the Company to facilitate further growth of the Company's business.	
How does Azure Health expect to fund its activities?	Through a combination of equity capital, R&D Tax Incentive refunds and sales revenues from its nutraceutical products.	See Section 6.3
Is the management team well equipped to execute the business plan?	Azure Health has established a leadership team which it believes is well equipped to execute on its business plan of: • marketing and selling proprietary, patented and evidence-based nutraceuticals in the US, China and other major markets, and • development of prescription medicines targeting indications with unmet needs such as NAFLD and pancreatic cancer.	See Sections 2.7 and 4.1 to 4.3
What markets are being targeted by the Company?	The Company is targeting a number of markets. **Sports nutrition / Heart health** The sports nutrition and heart health markets in the US and globally are large with strong growth and demand. In sports nutrition, the global market in 2017 exceeded US$30 billion. The value of the heart health global market , in 2016 was US$16 billion. **NAFLD/NASH** The global prevalence of NAFLD is as high as 1 billion people globally, in the USA it affects 80 to 100 million people among whom nearly 25% will progress to NASH.. The number of people affected is increasing. This means approximately 75 to 100 million people in the US are affected. **Pancreatic Cancer** Pancreatic cancer is uncommon, but since the majority of these cancers are in the advanced stages at the time of diagnosis, it is the fourth leading cause of cancer-related deaths in the US, claiming an estimated 44,000 lives a year according to the American Cancer Society. Currently there are a number of medicines approved for the treatment of pancreatic adenocarcinoma but these mostly produce relatively short lived remissions rate. An additional therapy that was well tolerated and improved survival would be very well received. There are a relatively limited number of new medicines for pancreatic cancer in development. A new medicine showing	See Section 3.1 See Section 3.2.1, 3.2.2 and 3.2.3 See Section 3.2.4, 3.2.5, 3.2.6 and 3.2.7

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TOPIC	SUMMARY	MORE INFORMATION
	improved survival in pancreatic adenocarcinoma would be very welcome.	
How does Azure Health generate revenue?	Azure Health is pursuing three separate business models: • production, marketing and sale of evidence-based nutraceuticals in the US; • marketing and sale of wellbeing products, including nutraceuticals, in Australia and China; and • development of prescription medicines based on improved delivery of T3 drugs The evidence-based nutraceutical business in the US is aimed at consumer-based sports nutrition and heart health markets and is expected to generate revenues in the short term. The prescription medicine business will initially target Non-Alcoholic Fatty Liver Disease (NAFLD) and pancreatic cancer and this provides the opportunity for Azure Health to monetise its progress in prescription medicine through licensing transactions with pharmaceutical companies after completing proof of concept studies. Azure Health intends to launch and sell nE1-EliteTM and nE1-HeartTM in the US in the second half of 2020. Azure Health intends to partner with large pharmaceutical companies which can take drug candidates to market and extract value for shareholders.	See Section 2.3 See Section 2.6.1
What is the Company's statutory historical financial position?		See Section 7

	Statutory historical	Statutory historical	Statutory historical
	2017	**2018**	**2019**
	$	**$**	**$**
Total assets	144,441	-	-
Total liabilities	370,776	3,409,201	3,409,201
Total equity	(226,335)	(3,409,201)	(3,409,201)

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TOPIC	SUMMARY	MORE INFORMATION

What is the Company's historical financial performance?

	Statutory historical	Statutory historical	Statutory historical
	2017	**2018**	**2019**
	$	**$**	**$**
Revenue	80,771	-	-
Gross margin	80,771	-	-
Amortisation	52,533	-	-
Share based payments	87,395	-	-
Other Expenses	6,337,969	-	581,460
Other income	834,622	-	3,331,211
Net profit/loss	(5,562,504)	-	2,749,751

See Section 7

What is the Company's pro-forma financial position assuming completion of the Offer?

	Proforma Minimum Subscription $	Proforma Maximum Subscription $
Current assets		
Total current assets	5,046,217	7,863,912
Total non-current assets	8,025,893	8,025,893
Total assets	13,072,110	15,889,805
Total current liabilities	-	-
Total non-current liabilities	-	-
Total liabilities	-	-
Net assets	13,072,110	15,889,805
Equity		
Issued capital	83,167,758	85,958,595

See section 7.5

TOPIC	SUMMARY			MORE INFORMATION
	Reserves	12,291,024	12,291,024	
	Accumulated losses	(82,386,672)	(82,359,814)	
	Total equity	13,072,110	15,889,805	
What is the Company's intellectual property position?	Azure Health owns a patent family: "Transmucosal Delivery of Tocotrienol (PCT/AU2013/001310)". Azure Health has been granted an exclusive global license within a specified field from Monash University to a second patent family "Lymph Directing Prodrugs (PCT/AU2015/050460)". Azure Health has made international filings via the Madrid Protocol of three trademarks: MELT3TM, nE1-EliteTM and nE1-HeartTM. A patent attorney's report on the Company's intellectual property position is set out in section 9.			See Section 9
Should an investment in Azure Health be regarded as speculative?	The intellectual property assets and business model of Azure Health are as yet unproven, and an investment in Azure Health should be regarded as speculative. Accordingly, there can be no guarantee of the payment of any dividends.			

1.2 Board of directors and senior management

TOPIC	SUMMARY	MORE INFORMATION
Who are the Directors of the Company?	**Lou Panaccio** Independent Non-executive Chairman **Glenn Tong** Chief Executive Officer and Managing Director * **(Aiden) Wei Jiang** Non-executive Director **(Steven) Jiayi Yu** Executive Director **(Kevin) Weidong Chen** Independent Non-executive Director **Gregory Barry Starr** CFO, Company Secretary and Executive Director	See Section 4.1

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TOPIC	SUMMARY	MORE INFORMATION
	• Glenn Tong will take up his position as Chief Executive Officer and Managing Director on completion of the Invictus Acquisition	
Who are the senior managers of the Company?	**Dr Glenn Tong** Chief Executive Officer and Managing Director **(Steven) Jiayi Yu** Executive Director **Richard Estalella** President/CEO of the Company's US Subsidiary, Invictus Nutraceuticals, Inc. **Gregory Barry Starr** CFO, Company Secretary and Executive Director **Dr David Kingston, MB BS, BPharm, BSc** Chief Scientific Officer, Chair of Scientific Advisory Board	See Section 4.2

1.3 Summary of key risks

The key risks of an investment in Azure Health are set out in detail in Section 5. The following is a summary only.

TOPIC	SUMMARY	MORE INFORMATION
Market acceptance of nutraceutical products	In the short term, Azure Health will focus on the marketing and sale of its nutraceutical products in USA, Australia and China. The initial offering will be NE1-Elite® and NE1-Heart®. Market acceptance of these products is a key risk. If there is no or limited market acceptance Azure Health will not derive the early stage revenues it seeks and may need to find alternative funding sources or defer or delay other projects.	See section 5.2 (a)
Reliance on third party suppliers/ contractors	Many of the Company's business functions are outsourced to specialist contractors, with a single contractor engaged for the relevant tasks. Accordingly, the Company's ability to function is reliant on the performance of those contractors. If a contractor was unable to meet the Company's needs for whatever reason, Azure Health may face potential delays in achieving its business goals and likely increased costs resulting in decreased profitability. More information on the Company's contracted supplier, as well as the	See section 5.2 (b)

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TOPIC	SUMMARY	MORE INFORMATION
	mitigating factors relating to this risk are outlined in section 5.2(b).	
Reliance on third party manufacturers (nutraceuticals)	Azure Health currently has one manufacturer of its nutraceutical products. If the manufacturer is unable to deliver product when requested by the Company, Azure Health will not have product available for sale, reducing its revenues and in turn its profitability. More information on the Company's contracted manufacturer, as well as the mitigating factors relating to this risk are outlined in sections 2.4.7 and 5.2(c).	See sections 2.4.7 and 5.2 (c)
Raw material supply risk	The key active ingredient used by Azure Health in its products is currently sourced from a sole global supplier. If the supplier is unable to deliver product when requested, Azure Health will not have product available for sale, reducing its revenues and profitability. Further it will not have product available to undertake some of its clinical trials, delaying those trials and preventing Azure Health from achieving some of its business goals.	See section 5.2 (d)
Key person risk	The know how and corporate memory of Azure Health resides in a small number of people, including its management team. If any of these people were unable to perform their roles for any reason, Azure Health would incur delays in delivering its business goals and increased costs in replacing personnel or recreating knowledge.	See section 5.2 (e)
Insufficient funding	Azure Health may need to raise additional funds from time to time to progress drug development programs. The Company's ability to raise additional funds will be subject to, amongst other things, factors beyond the control of Azure Health and its Directors. There is no assurance that future funds can be raised by Azure Health on favourable terms, if at all. Further, any capital raising may be dilutive to Shareholders.	See section 5.2 (f)
Efficacy risk	There is a risk that the pharmaceutical products that Azure Health is seeking to develop do not prove to be effective forms of treatment for the diseases they target.	See section 5.2 (g)
Clinical trial risk	Azure Health is undertaking clinical trials, which by their very nature, are uncertain in their outcome, which may result in the Company's proposed drug not being an effective treatment for the targeted disease. As a result,	See section 5.2 (h)

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TOPIC	SUMMARY	MORE INFORMATION
	the Company's funds invested in that trial may be wasted and the drug development program delayed while new targets (or adverse trial events) are selected (or investigated).	
IP protection failure (including Monash patent obligation)	Azure Health has certain patents which by their nature, may be subject to challenges from time to time. As a result, Azure Health can incur significant costs (both time and money) in asserting and defending patent rights. Further, some patents are held by third parties and licensed to the Company, and Azure Health has limited controls over how those patent rights are defended. The costs incurred may reduce profitability, and potentially delay the Company's ability to pursue opportunities with third party companies who wish to use or develop its products.	See section 5.2 (i)
Development Program costs	The inherent uncertainty of drug development means that certain unexpected events can occur. The result is that there is a risk that the programs will take longer and cost more than budgeted (and may require additional fundraising).	See section 5.2 (j)
Product liability risk	Azure Health is proposing to sell nutraceuticals and potentially out-license pharmaceuticals. There is a risk in the sale of such products that certain people may have adverse effects from the products and make claims against Azure Health in respect of those effects. The need to defend such claims would increase the Company's costs and reduce its profitability.	See section 5.2 (k)
Competition (nutraceuticals)	Some of the Company's competitors in the nutraceutical business are large and well-funded. There is a risk that these competitors will seek to establish and promote substitute products in the market, or to seek to promote products with the same marketing claims as the Company. These activities could cause the Company's sales to grow slower than anticipated or otherwise incur costs in defending its position.	See section 5.2 (l)
Limited history in drug development	Azure Health is newly formed and has limited history in drug development and commercialisation of pharmaceutical products. There is no guarantee that it will be able to achieve its business goals in the drug development business, which could negatively impact its share price.	See section 5.2 (m)

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TOPIC	SUMMARY	MORE INFORMATION
Limited history in sales of nutraceuticals	Again, Azure Health is newly formed and has limited history in nutraceutical sales. There is no guarantee that it will be able to achieve its business goals in the nutraceutical business. As a result, Azure Health's revenues and business prospects could be adversely affected, which could negatively impact its share price.	See section 5.2 (n)
Concentration of shareholding	Following completion of the offer, Azure Health will have a significant portion of the Shares held by entities associated with its major shareholder (Aiden) Wei Jiang (approximately 40% in the case of the Minimum Subscription and 36.1% in the case of Maximum Subscription). and its CEO, Glenn Tong (approximately 17.8% in the case of the Minimum Subscription and 16% in the case of Maximum Subscription). Accordingly, these parties will be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of Directors.	See section 5.2 (o)
Regulator risk	Before Azure Health can market and sell pharmaceutical products, those products must be approved by relevant regulators which is reliant on regulator interpretation of data from trial and other development activities. Such approvals can take longer than expected or may not be provided at all. This may result in the Company's development programs being delayed or incurring unanticipated costs.	See section 5.2 (p)
Reputational risk	The Company's reputation is important to its position in the nutraceutical and pharmaceutical industries. Reputational damage may be caused in many ways, including, adverse outcomes in clinical trials, adverse reactions to nutraceutical products, product contamination issues and employee malfeasance.	See section 5.2 (q)
Changes to R&D tax incentives	The Company expects to take advantage of the Australian Federal Government's R&D tax incentives to undertake certain qualifying development expenditure. If the Company is unable to access those incentives for whatever reason (including no longer qualifying or due to changes in the incentive scheme), the amounts of funds available to the Company to achieve its business goals will decrease and the Company may need to obtain additional funding for that purpose.	See section 5.3 (b)

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TOPIC	SUMMARY	MORE INFORMATION
Industry wide risks	The development and commercialisation of pharmaceutical products is subject to inherent risks of failure, including that the products are ineffective or fail. The Company operates in highly regulated market sectors, subject to laws, regulations, directives and guidelines relating to many aspects of its operations including trial activities, laboratory practices, manufacturing practices, handling and registration of certain ingredients, as well as marketing restrictions. Irrespective of whether or not the Company's intellectual property is registered in a jurisdiction, there is always a risk of third parties claiming rights over that intellectual property.	See section 5.3 (a), (c), (d)
General risks	The market for Shares on ASX from time to time may be limited and it may not be possible for you to sell your Shares at a particular price or at all. The Company's financial reports are subject to Australian International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. Changes in accounting standards may adversely affect the financial performance or financial position of the Company. Changes in the tax laws and changes in the way they are interpreted could adversely impact the Company, including in relation to cross-border taxation. The market price of Shares can rise and fall and be subject to various unpredictable influences outside of the control of the Company.	See sections 5.4 (a)-(d)

1.4 Use of funds

TOPIC	SUMMARY	MORE INFORMATION
What is the proposed use of proceeds of the Offer	The proceeds of the Offer will be used to commence the US Nutraceuticals operations and provide ongoing funding for the NAFLD Clinical Program and the Pancreatic Cancer Preclinical programme (See section 2). The proceeds will also be used to provide working capital, pay the costs of the Offer and pay creditors. See the Table in section 6.2 for a detailed breakdown of the proposed use of	See Section 6.3

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TOPIC	SUMMARY	MORE INFORMATION
	funds under minimum subscription and maximum subscription scenarios. The Board retains the right to vary the Uses of Funds, acting in the best interest of Shareholders and as the circumstances require	
Is there a minimum subscription?	Yes. The minimum subscription is 35,000,000 to raise $7,000,000 before expenses	See Section 6.9

1.5 Significant interests of key persons and other parties connected with Azure Health

TOPIC: **Who are the existing Shareholders and what will their Interests in the company be immediately following Completion?**

SUMMARY:

	Based on Minimum Subscription of $7,000,000		Based on Maximum Subscription of $10,000,000	
Shareholder	**Shares**	**%**	**Shares**	**%**
Aiden Jiang	56,000,483	40%	56,000,483	36%
KR and GT Nominees (Glenn Tong)	24,928,856	18%	24,928,856	16%
Rhonda Nairn	11,921,492	8%	11,921,492	8%
Others	11,694,230	8%	11,694,230	8%
Shareholders under the Offer	35,000,000	25%	50,000,000	32%
Total	**140,000,000**	**100 %**	**155,000,000**	**100 %**

MORE INFORMATION: See Section 6.12

Notes: Following successful completion of the Offer the Lead Manager will be issued success fee Shares for the amount of $55,000 at the Offer price (totalling 275,000 Shares). These Shares are not taken into account in the above table.

Existing Shareholders may participate in the Offer. If any existing Shareholders were to subscribe for Shares under the Offer, their percentage shareholding in Azure Health may be higher than as set out in the table above.

The Directors will not issue Shares to a person if the issue would result in a contravention of the 20% voting power rule in section 606 of the Corporations Act.

What significant benefits and	The interest of each of the Directors in the Shares (or Options) of Azure Health immediately following	See Section 4.4

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<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>interests are payable to Directors and other persons connected with Azure Health or the Offer?</td><td>Completion (assuming no Directors participate in the Offer) is set out in the table below:
<table><tr><th>DIRECTOR</th><th>SHARES</th><th>OPTIONS</th></tr><tr><td>Lou Panaccio (Tercus Pty Ltd – ATF Panaccio Super Fund)</td><td>890,316</td><td>3,000,000</td></tr><tr><td>Dr Glenn Tong (KR and GT Nominees – ATF Tong Family Trust)</td><td>24,928,856</td><td>1,500,000</td></tr><tr><td>Wei Jiang</td><td>56,000,483</td><td>1,500,000</td></tr><tr><td>Kevin Chen</td><td>Nil</td><td>1,500,000</td></tr><tr><td>Steven Yu (Valorton Group Pty Ltd)</td><td>Nil</td><td>1,500,000</td></tr><tr><td>Greg Starr (Tearum Advisors)</td><td>Nil</td><td>1,500,000</td></tr></table>Directors are entitled to remuneration, benefits and fees as described in Section 4.</td><td></td></tr>
<tr><td>Are the Directors or any existing Shareholders selling Shares into this Offer?</td><td>No, the Directors and existing Shareholders are not selling Shares in the Offer.</td><td></td></tr>
<tr><td>Will any Shares be subject to restrictions on disposal following Completion?</td><td>Yes – a number of shares will be subject to escrow. As at the date of this Prospectus ASX has not made a final determination as to the shares that are to be subject to escrow, but the Directors expect that a significant number of Shares will be subject to escrow restrictions (100,072,963) allowing for a free float of 29% (at minimum subscription). Section 10.8 contains details of the expected outcome of ASX's determinations, including the number of Shares subject to escrow and the period of escrow.</td><td>See Section 10.8</td></tr>
</table>

1.6 Overview of the offer

TOPIC	SUMMARY	MORE INFORMATION
What is the Offer?	The Offer is a public offering of up to 50,000,000 Shares in Azure Health at an issue price of $0.20 each to raise up to $10,000,000 before costs and expenses of the Offer. The Offer is subject to a minimum subscription of $7,000,000. The Shares being offered will represent approximately 32% of the total shares in Azure Health on issue following re-quotation of Shares on ASX (assuming maximum subscription of 50,000,000 shares).	Sections 6.1 and 6.9
Who can apply for Shares under the Offer?	The Offer is open only to Applicants resident in Australia. All Applicants under the Offer must have an eligible residential or, in the case of a corporate applicant, registered office address in Australia.	Section 6.18
Is the Offer conditional	Yes, the Offer is subject to a number of conditions, including the minimum subscription condition. If any of the Offer Conditions are not satisfied, the Company will not proceed with the Offer. If this occurs no Shares will be issued under this Prospectus and all Application Monies will be refunded (without interest) in accordance with the Corporations Act.	Section 6.10
Is the Offer Underwritten?	No, the Offer will not be underwritten.	Section 0
Who is the Lead Manager?	Viriathus Capital Pty Ltd has been appointed as the Lead Manager to the Offer. Viriathus Capital will be paid 1% of the total amount raised under the Offer as a management fee, 5% of the total amount raised by Viriathus Capital under the Offer as a capital raising fee and $15,000 per month for advisory services provided in relation to the Offer, of which $7,500 will be paid in cash monthly and with the balance being payable upon completion of the Offer. Viriathus Capital will also be paid $55,000 by issuance of Shares at the Offer price (totalling 275,000 Shares) as a success fee, if the Minimum Subscription is achieved under the Offer.	Section 0

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TOPIC	SUMMARY	MORE INFORMATION
Will the Shares be listed?	Yes, The Company will apply to ASX no later than 7 days from the date of this Prospectus for reinstatement to quotation of Shares on ASX under the code AZT If approval is not given for reinstatement to quotation on ASX within 3 months after the date of this Prospectus (or any longer period as ASIC may permit) the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practical in accordance with the requirements of the Corporations Act	Section 6.8
How many Shares will be on issue after Listing?	Assuming $10,000,000 in subscriptions under the Offer is achieved, there will be approximately 155,000,000 ordinary shares on issue after relisting. If $7,000,000 in subscriptions under the Offer is achieved, there will be approximately 140,000,000 ordinary shares on issue after relisting.	Section 6.11
What is the allocation policy?	The allocation of Shares under the Offer will be determined by the Lead Manager in consultation with Azure Health.	Section 6.7
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants for Shares under this Prospectus.	Section 6.24
What are the tax implications of investing in Shares?	The acquisition and disposal of Shares will have tax consequences which will differ depending on the individual financial affairs of each Shareholder. All potential investors in Azure Health are urged to obtain independent financial advice about the consequences of acquiring Shares pursuant to the Offer, from a tax perspective and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the tax consequences of subscribing for Shares under the Prospectus.	Section 6.22

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TOPIC	SUMMARY	MORE INFORMATION
How can I apply?	Applicants may apply for Shares online at www.azureht.com.au or by completing a valid Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form. Completed Application Forms and accompanying payment must be lodged before 5pm AEDT on the Closing Date. **Online at:** www.azureht.com.au **By mail to:** Azure Health Technology Limited C/- Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235 **By hand delivery to:** Azure Health Technology Limited C/- Link Market Services Limited 1A Homebush Bay Drive RHODES NSW 2138 The Company reserves the right to accept late Applications.	Section 6.6
How to pay by Cheque	Cheque(s) or bank draft(s) must be: • in Australian currency; • drawn on an Australian branch of a financial institution; • crossed "Not Negotiable"; and • made payable to "Azure Health Technology Ltd IPO Subscriptions".	Section 6.6
How to pay by BPAY	Applicants may pay their Application Monies by BPAY.	Section 6.6

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TOPIC	SUMMARY	MORE INFORMATION
Is there a minimum application size under the Offer?	The minimum application under the Offer is 10,000 Shares. Payment for the Shares must be made in full at the issue price of $0.20 per Share multiplied by the number of shares applied for. The Lead Manager and Azure Health reserve the right to reject any Application or to allocate a lesser number of Shares than applied for. There is no maximum value of Shares that may be applied for under the Offer. The Directors will not issue Shares to a person if the issue would result in a contravention of the 20% voting power rule in section 606 of the Corporations Act.	Section 6.6
How will the Shares be allotted?	Subject to ASX granting conditional approval for re-quotation on the ASX, the Shares to be issued pursuant to the Offer will be issued as soon as practicable after the Closing Date (currently expected to be 27 March 2020). Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Applicant Monies will be held by Azure Health in trust for the Applicants in a separate bank account as required by the Corporations Act.	Section 6.7
When will I receive Confirmation that My application has been successful?	It is expected that the initial holding statements will be dispatched by standard post on or about 2 April 2020.	Section 6.16
When can I sell my Shares on ASX?	It is expected that Shares will recommence trading on the ASX on a normal settlement basis on 3 April2020. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 6.16
Can the Offer be withdrawn?	Azure Health reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed. Application Monies will be refunded, without interest, as soon as practicable in accordance with the requirements of the Corporations Act.	Section 6.14

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TOPIC	SUMMARY	MORE INFORMATION
Where can I find out more information about this Prospectus or Offer?	All enquiries in relation to this Prospectus should be directed to the Share Registry, Link Market Services via: **Email** registrars@linkmarketservices.com.au **Telephone** 1800 262 299 (9:00am to 5:000pm AEDT, Monday to Friday) If you are unclear on any matter in relation to this Prospectus or are uncertain as to whether Azure Health is a suitable investment for you, you should seek professional guidance from your accountant financial adviser. stockbroker, lawyer or other professional adviser before deciding whether to invest.	Section 6.25

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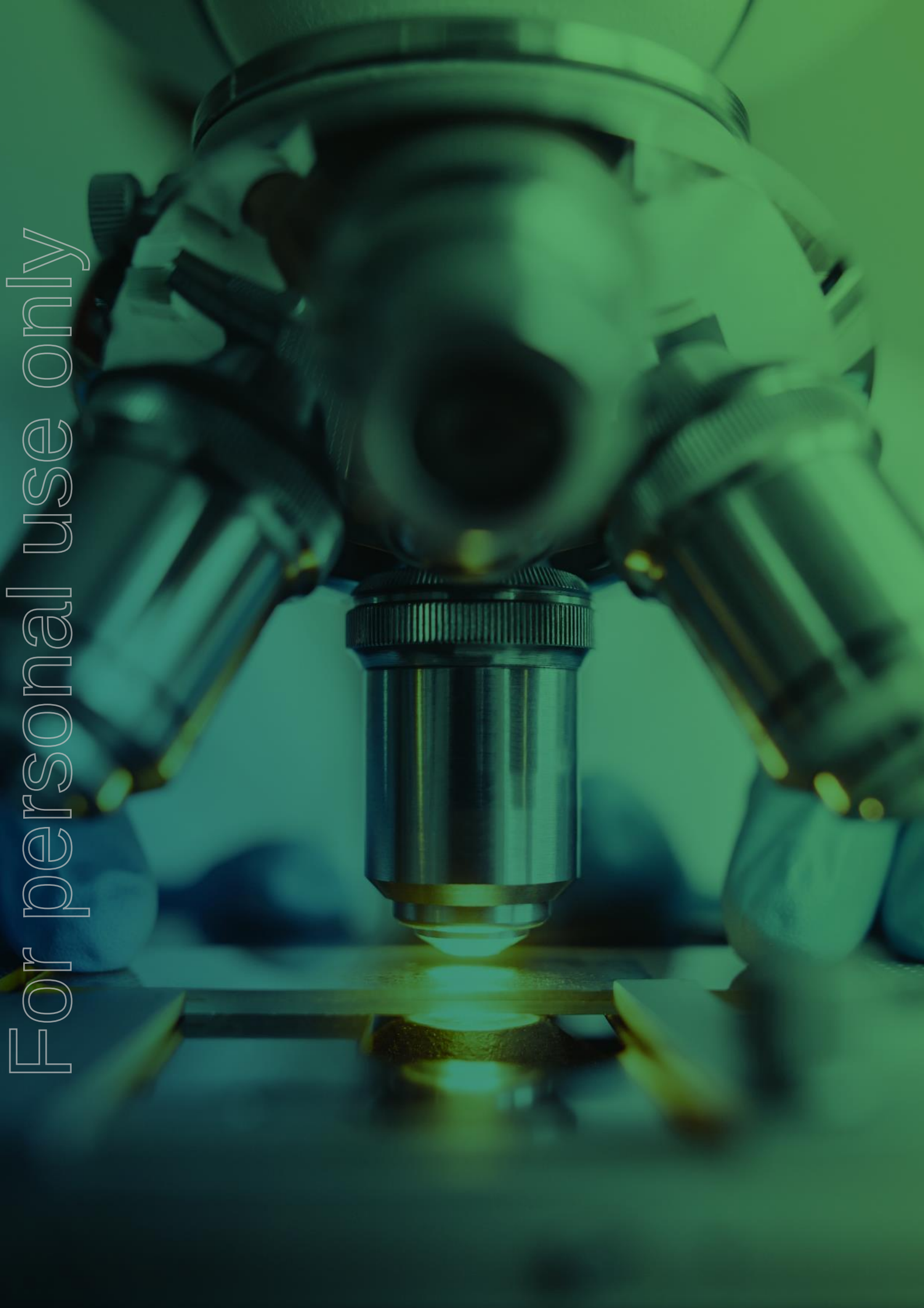

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2 COMPANY OVERVIEW

2.1 Introduction

Azure Health is an early stage health and biopharma company. Its objectives are to commercialise delivery platforms which allow a natural product, tocotrienols (a form of Vitamin E) to be delivered directly to organs and tissues of the body in a non-invasive manner.

In the short term Azure Health will focus on:

- the marketing and sale of nutraceutical and wellbeing products to deliver early revenues, and
- the development of prescription medicine candidates for Non-Alcoholic Fatty Liver Disease and pancreatic cancer.

Prior to the date of this Prospectus, the work on commercialising these delivery programs has been undertaken by Invictus. References here to "Azure Health" are to the Azure Health group including Invictus following the Invictus Acquisition.

2.1.1 Compelling advantages

Azure Health believes that its business has a number of compelling commercial and technological advantages including:

- A commercial model which delivers early revenues from nutraceutical products to support further development of high-value prescription drugs
- Management, Board and advisors with successful track records in marketing and selling nutraceuticals and bringing prescription medicines to the market internationally
- A clinical phase drug development program with drug candidates which have completed Phase Ia clinical studies and are expected to be phase II-ready by the last quarter of FY20
- Technologies which open up new applications of vitamin E which have not been fully exploited previously
- A growing body of external clinical evidence to support the efficacy of T3s and their anti-cancer and cholesterol lowering properties
- Pharmaceutical quality development for high-value food supplements

2.1.2 Early commercial sales

The proceeds of the Offer will be used in part to fund the manufacturing, marketing and distribution activities in the US of our nutraceutical products, sales of which are expected to deliver first revenues. Funds from the Offer will also be directed to continuing and accelerating the clinical development program currently being undertaken by Invictus for the prescription medicines business. A small component of the funds raised will be used to develop the Australia Health and Wellbeing business including the marketing and sales of Azure Health's nutraceutical products in Australia and China. See section 6.3 dealing with the use of funds.

Azure Health's initial focus will be to deliver revenues from nutraceutical sales in the US,

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Australia and China while simultaneously advancing our drug development business under an Investigational Drug Development (IND) pathway regulated by the Food & Drug Administration (FDA) in the United States. Once the drug development pathways are endorsed through the Pre-IND and IND processes, Azure Health intends to advance the clinical development program at the same time as exploring partnerships and licensing opportunities with well-established industry participants.

2.2 Vitamin E

2.2.1 Vitamin E and the therapeutic power of tocotrienols

Vitamin E is a widely used and validated dietary supplement obtained from sources such as wheat germ oil, egg yolk and leafy vegetables. Vitamin E supplements are regularly taken for their antioxidant properties.

Many people also take Vitamin E to help prevent cardiovascular disease since it is known to inhibit oxidative modification of LDL cholesterol, thereby reducing the risk of atherosclerosis.

There is a growing body of research-based opinion that Vitamin E supplements may help reduce cancer risk. The problem is people may be getting the wrong type of Vitamin E.

There are two types of vitamin E, tocopherol (TOC) and tocotrienol (T3). T3 has been shown to have the most potential benefits.

Unlike TOCs, which are predominantly antioxidants, T3s have therapeutic activities including powerful neuro-protective, anti-cancer and cholesterol lowering properties which TOCs do not have.

Azure Health has effective delivery platforms for both nutraceuticals and prescription medicines containing T3 and minimal TOC.

A Phase Ia clinical study in 2015 demonstrated that T3s delivered using Azure Health's TransT3 delivery platform (see Section 2.3 for an explanation of what is the TransT3 delivery platform) had good bioavailability (i.e. how much of the product got into the blood), a linear dose response (i.e. the higher the dose, the more gets in the blood), was easy to take, was palatable and well tolerated.

2.2.2 The Vitamin E market opportunity

In 1999, US consumers spent over US$800m on Vitamin E supplements, but by 2008 sales were down to around 60 per cent of the 1999 levels. An independent analysis has shown that the reduction in Vitamin E sales was heavily influenced by a January 2005 study published by the Johns Hopkins School of Medicine indicating that high doses of vitamin E could increase risk of mortality. Vitamin E use has stabilised since 2008.

The 2005 study focused on using high doses of the alpha TOC form of vitamin E (the most common form used in dietary supplements). There was no association to T3s.

T3 supplements like the ones Azure Health is preparing to launch could reinvigorate the market for Vitamin E. Using Azure Health's delivery platforms, T3s have been shown to be effective for indications such as reduction of muscle soreness and improvement of muscle

recovery after exercise. This has not previously been observed with Vitamin E.

For heart health, a similar formulation of T3 (but delivered orally and not using Azure Health's delivery platform) was shown to be effective in reducing cholesterol and triglycerides in clinical trials, although the beneficial effects were reduced at high dosage. This evidence supports Azure Health's strategy of using a moderate dose of T3s with increased bioavailability in order to maintain the beneficial effect of lowering cholesterol and triglycerides and other markers of inflammation.

2.3 A dual approach - nutraceuticals and prescription medicines

Azure Health's business is based around three delivery platforms for direct delivery of T3s:

- MELT3® - a 'melt then swallow' formulation designed for nutraceuticals
- TransT3 - a transmucosal (meaning, through the lining of the mouth) delivery platform designed for prescription medicines
- Tocotrienol ProDrugs (TPDs) - a prodrug delivery platform designed for prescription medicines. Prodrugs are inactive forms of drugs which carry the drug to a certain site (in this case, the lymphatic system of the gut) and then release the active drug.

Azure Health is focused on improving efficacy by improving the bioavailability using direct delivery platforms without invasive techniques like injections or surgical implants. Based on the above three technology platforms for non-invasive and direct delivery, Azure Health is pursuing two separate business models:

- evidence-based nutraceuticals; and
- prescription medicines based on improved delivery of T3 drugs

The business models are complementary as preclinical and early clinical development applies to both nutraceuticals and pharmaceuticals. Avoiding duplication gives the Company significant cost and time savings.

The two business streams have different points of value inflection and potential paths to commercialisation. The evidence-based nutraceutical business in the US is aimed at consumer-based sports nutrition and heart health markets and is expected to generate revenues in the short term.

The prescription medicine business will initially target Non-Alcoholic Fatty Liver Disease (NAFLD) and pancreatic cancer, both of which have high unmet needs as neither have viable treatments which adequately addresses them. This provides the opportunity for Azure Health to monetise its progress in prescription medicine through licensing transactions with pharmaceutical companies after completing proof of concept clinical studies.

This approach also provides Azure Health with a strategy designed to mitigate the risks usually associated with the 'traditional' biotechnology business models where a single drug candidate needs to meet a number of primary endpoints and investors would only begin to see a return on investment if that particular clinical study was successful, i.e., this model has a fairly binary outcome

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Azure Health believes the prospect of near-term revenues combined with multiple drug delivery platforms and a pipeline of drug candidates targeting multiple medical conditions mitigates some of the usual risks associated with a biotech company, and moreover should present as an attractive licensing opportunity to big pharma, reducing the Company's risk profile as a biotechnology investment.

2.4 Azure Health's nutraceuticals

2.4.1 An effective nutraceutical delivery platform

Azure Health's first delivery platform, called MELT3®, represents a new way to deliver T3s.

Azure Health has developed two T3-based products using our MELT3TM platform:

- nE1-Heart® - for cardiovascular health and
- nE1-Elite® - for endurance and prevention of muscle soreness.

nE1-HeartT® has a similar mode of action to statins, the gold standard treatment for lowering high levels of cholesterol in the blood (hyperlipidaemia).

Several studies were conducted by Gordagen Pharmaceuticals Pty Ltd, the company that previously held the rights to the MELT3® delivery platform and by the University of Mount Union, Ohio, which validated and demonstrated the effectiveness of nE1-Elite® for reducing the soreness felt after intense exercise.

2.4.2 Developing an effective delivery platform for nutraceuticals

T3 in its natural form is a viscous oil. For its nutraceutical products, Azure Health's MELT3® delivery platform comprises a solid form such as a powder, granules, tablet, capsule or lozenge, which is first dissolved in the mouth and then swallowed.

Proof of concept for the platform has been established for nutraceuticals in indications which are not associated with a disease condition, such as reduction of delayed onset muscle soreness (DOMS), improvement of muscle recovery after exercise and maintenance of peak muscle power.

2.4.3 Clinical Studies supporting nE1-Elite®

A number of observational studies and anecdotal accounts from sports people suggest nE1-Elite® can reduce DOMS. This was confirmed in an independent early-phase US clinical study conducted by Professor Lonnie Lowery at the University of Mount Union, Ohio. A Phase II efficacy clinical study of 17 US collegiate footballers assessed nE1-Elite®'s efficacy in a number of exercise-related indications. The study found that in participants administered nE1-Elite, there was:

- a significant reduction in DOMS after exercise ($p = 0.02$)*
- enhanced muscle recovery after exercise ($p = 0.05$)*
- greater peak muscle power the day after the "damaging" eccentric exercise compared to the control group which

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indicates improved muscle power maintenance – a critical issue in the ability to recover more quickly and train again sooner (p = 0.056)*

*p values are generally accepted as an indicator of statistical significance and a p value of 0.05 or lower is seen as statistically significant, i.e. DOMS and muscle recovery result was statistically significant and there was a strong trend supporting the maintenance of peak muscle power.

This study indicates nE1-Elite® helps to substantially reduce DOMS by 80 to 100% after exercise. Other dietary supplements based on similar doses of T3s to nE1-Elite® but without Azure Health's MELT3® platform have been shown to be ineffective in improving DOMS.

The two products are single daily servings containing delta T3s as the key dietary ingredient and formulated as a flavoured powder packaged in a stick pack for easy storage and consumption, available in doses of 20mg or 40mg.

2.4.4 US launch of nutraceuticals business

Azure Health intends to launch and sell nE1-Elite® and nE1-Heart® in the US in Q4 FY20.

The initial two products allow us to target a large and growing consumer market base.

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Azure Health expects to target multiple channels for each product:

Online

Specialty Retail

Food, Drug & Mass (FDM):

Distributors

Private Label:

Both products are ideal to present to major supplement and nutrition brands to be sold under their umbrella

Direct Selling:

We plan to leverage the Direct Selling Association membership to partner with Multilevel Marketing and Party Planning companies to launch these products under their umbrella

Shopping Channels:

We would look to directly or indirectly leverage the shopping channels on cable networks throughout the country

Infomercial Sales:

We would look to directly or indirectly launch a value time slot advertisement that educates the consumer and allows them to purchase the products via mail order

International:

We would leverage distribution partners in countries that we are not planning on launching directly. There are approximately 150 countries where the product can be launched in this manner

Website Sales:

We would make the products available for purchase via our own website

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Azure Health plans to strategically launch in each one of these channels and establish a presence in all areas after a process of careful research and analysis. Advertising and promotion of products will be via cost-effective platforms in conjunction with our customers and partners. We will build product awareness using the following methods:

Social Media:

We will leverage traditional platforms such as Google, Facebook, Twitter, Instagram, LinkedIn, etc.

Product Case Studies:

Cost effective ways of documenting the results achieved when using the products. We will use these studies on our website, provide them to customers for use in their advertising programs and look to have them published in various medical and research journals

Brand Ambassadors:

We will build a grass roots campaign that will be communicated via our website and social media platforms by customers and athletes in return for complimentary use of the product

Athlete Endorsements:

We will look to establish cost effective deals with athletes to endorse the nE1-Elite

Celebrity Endorsements:

We will look to establish cost effective deals with individuals that appeal to the target customer base for nE1-Heart

Product Samples:

We will distribute samples of the products for consumers to use and drive product adoption/purchase

Product Promotions:

We will establish promotional products to support the initial launch and sales growth on an on-going basis

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Azure Health believes there are no direct competitors in this market. Our goal is to rapidly drive customer loyalty and increase purchasing behaviour, building momentum through word of mouth and repeat-purchasing.

We plan to establish ourselves as the premier product for heart health, muscle recovery and maintenance of peak muscle power food supplements through the companies and distributors which maintain the highest market share in each channel that we operate in.

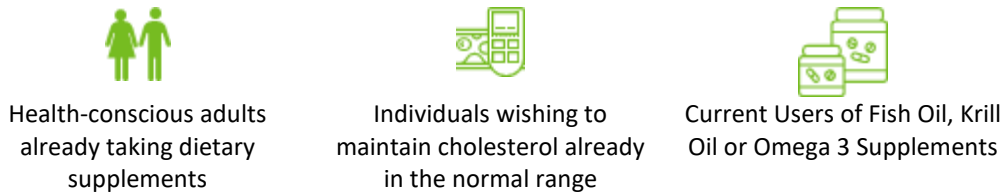
Azure Health will develop specific campaigns for nE1-Heart® to point out the beneficial effects on maintaining a healthy cholesterol level, avoiding heart attacks and heart disease. Specific targets will be:

- Self-medicating adults
- Individuals with elevated LDL cholesterol levels
- Current users of CoQ10, fish oil, krill oil or Omega 3 supplements

With the nE1-Elite® product, we will look to partner with companies that have market share in pre-workout and post-workout products by providing private label versions of our product. With the nE1-Heart® product, we will look to do the same with market leaders in Omega 3 and fish oil brands.

We will target demand among the following market segments for nE1-Elite®:

We will target demand among the following for nE1-Heart™:



Invictus manufactured pilot batches of products beginning in Q2 and Q3 of FY19. Following completion of the Invictus Acquisition, Azure Health will establish distribution, administration, endorsement and sponsorship programs. It is proposed that the various channels described in Figure 1 below will be deployed in a tiered fashion over two years.

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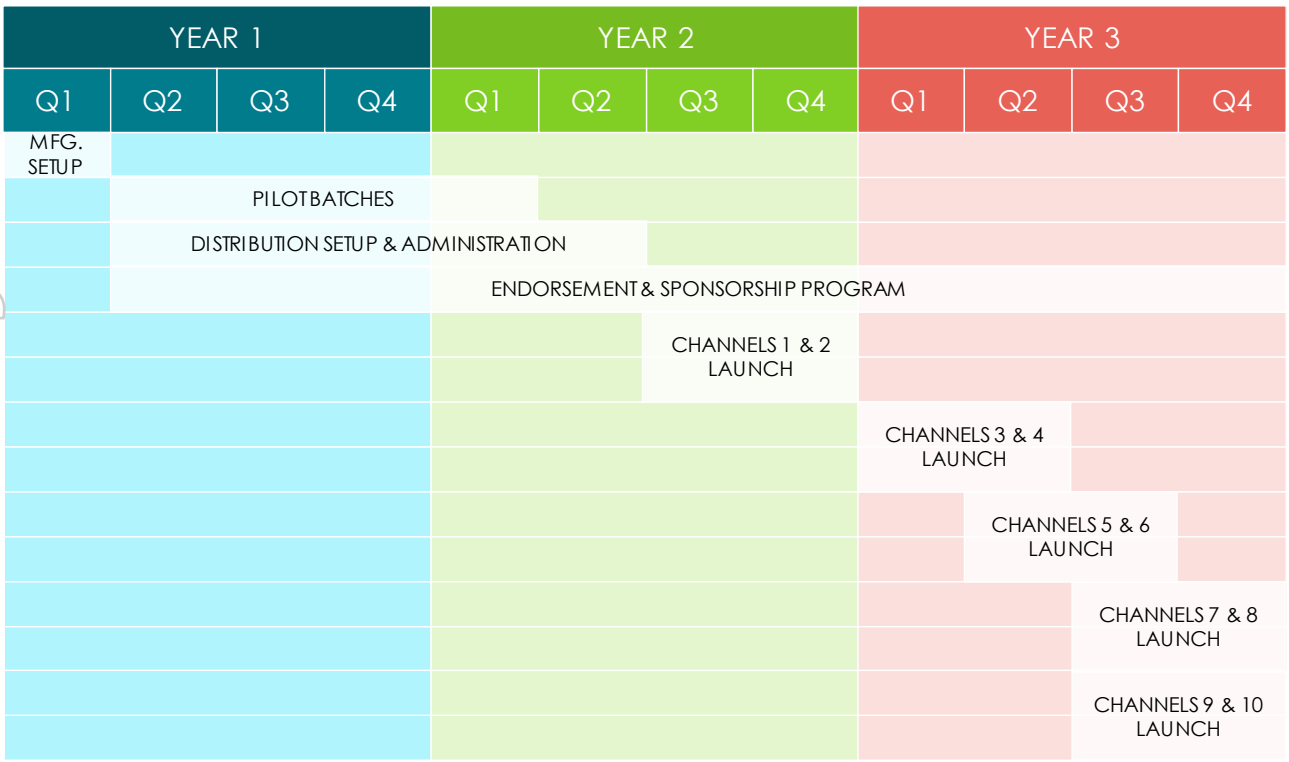

Figure 1: Azure Health US Product Launch Marketing Plan

Note: This is an indicative roll out only. The actual channels will be determined as the Company works through opportunities.

2.4.5 Path to market in the US for Azure Health's nutraceutical products

Azure Health is focused on launching nE1-Elite® in the US, the largest sports nutrition market in the world. The FDA uses the term 'dietary supplements' rather than nutraceuticals and allows properly labelled dietary supplements to make substantiated claims addressing pain where it is self-limiting and not associated with a disease condition (e.g. DOMS). Azure Health has the clinical evidence to substantiate these very specific claims and is able to use them on the label. Azure Health plans to conduct additional clinical studies with leading universities in the US to further confirm the clinical evidence gathered to date. It will also explore new claims such as improving aerobic exercise endurance.

2.4.6 Regulatory status of nE1-Heart® and its claims to be beneficial for heart health

The first target market for nE1-Heart® is the same as nE1-Elite®. The FDA has restrictions on claims which can be used by heart health dietary supplements, which prohibit any mention of effects on any cardiovascular indication linked to a disease, such as the lowering of high cholesterol, even with clinical evidence.

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However, based on the high-quality data from existing peer-reviewed scientific publications Azure Health is able to substantiate the fact that T3s do significantly reduce cholesterol levels and act as antioxidants in the body. Accordingly, nE1-Heart® is to be marketed with the claims that it 'maintains heart health and maintains cholesterol levels in the already normal range' and nE1-Heart® acts as an antioxidant in the body'. In jurisdictions other than the US, Azure Health is exploring if it should conduct clinical studies relating to cardiovascular and metabolic indications for nE1-Heart®. This could potentially allow more specific cardiovascular-related claims to be made.

2.4.7 Other work to develop the US market

In the US market Azure Health is not required to undertake any pre-marketing approval from the FDA or any other regulatory agency for the nE1-Elite® and nE1-Heart® products. However, within 30 days of making these products available for sale in the US, Azure Health is required to submit a Notification Letter to the FDA. This letter is required by law to advise FDA of the claims made on behalf of the product and affirm that we have adequate substantiation for those claims. Azure Health will work with contract manufacturers to produce our finished product. These contract manufacturers are required to comply with current Good Manufacturing Practices (cGMPs), 21 CFR Part 111. Because Azure Health's name will be on the finished products, we will be required to comply with the subset of cGMPs applicable to "own label distributors". The manufacturer of our DeltaGold70 delta tocotrienols intended for use in the US market is required to comply with regulations governing Current Good Manufacturing Practices Hazard Analysis and Risk Based Preventive Controls for Human Food, 21 CFR Part 117. As an own label distributor we are also responsible for ensuring that our supply chain is compliant with these regulations. The United States Food and Drug Administration FDA has the authority to conduct inspections to confirm that the manufacture of the products is compliant with applicable current Good Manufacturing Practices (cGMPs), that the ingredients used are acceptable dietary ingredients and that our marketing materials are in conformance with the law.

Both nutraceutical products will be manufactured under cGMPs in Utah, USA by Capstone Manufacturing from local and imported ingredients. Sports nutrition products manufactured in the US are appealing to local consumers as well as to markets such as China and Latin America.

The risk associated with the Company having one engaged manufacturer is mitigated by the fact that the Company has multiple other manufacturers available if required (given the Company owns the intellectual property related to the formulation and the application of the products). For instance, the entity that co-developed the manufacture method in conjunction with the Company is Unison Pharmaceuticals, a cGMP manufacturer based in Malaysia, which the Company maintains a close working relationship with. The Company also has several other US-based manufacturers with whom the Company has close relationships with and whom could be called upon to manufacture the products should the Company's engagement with Capstone Manufacturing be terminated. See section 5.2 for further information on risks.

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2.5 Azure Health's Australia Health and Wellbeing (AHW) business

2.5.1 Objectives

The Australia Health and Wellbeing (AHW) business aims to trade off Australia's green and clean reputation by selling health and wellbeing products into China, assisted by exposure to China tourism into Australia. China is a large and rapidly growing market for nutraceuticals and well-being products. However, Australian companies which try to enter this market often fail due to not having sufficient knowledge and understanding of the very different business culture and networks that exists there. The distribution channels available to the AHW business in China (see section 10.7(f) regarding the Shenzhen ALZKAT distribution agreement) are expected to substantially increase the prospects of successfully introducing Azure Health's products, including nutraceutical products, into China and drive rapid growth in sales.

2.5.2 Initial marketing and sales of nutraceuticals in China

Azure Health plans to commence the AHW business with the marketing and sale of its nutraceutical products (NE1-Elite® and NE1-Heart®) in China. Marketing will be undertaken by Shenzhen ALZKAT with initial sales to be made directly to Chinese consumers through cross border e-commerce direct sale mechanisms, which essentially involves the direct postage by foreign merchants of goods to consumers in China (**B2C Sales Channel**). The B2C Sales Channel has limitations in that sales can only be made to consumers for personal use and not to wholesalers or retailers. Additionally, merchants such as Shenzhen ALZKAT will need to comply the 'Enterprise Resource Planning' verification process in relation to goods, which includes checks on how the goods were paid for and ordered. Shenzhen ALZKAT will apply to the State Food and Drug Administration (**SFDA**) for regulatory clearance to then distribute the AZT nutraceutical products on a conventional basis. It is not possible to predict how long will be required to obtain this clearance.

The initial target markets are sports nutritional markets and heart health markets in China. There is no firm evidence as to the size of these markets in China at this time, but Azure Health expects that there will be vast opportunities.

2.5.3 Marketing and sales of other wellbeing products

Azure Health plans to expand the marketing and sale of other wellbeing products in Australia and China through the AHW business after the initial launch of nutraceutical products.

2.5.4 Intellectual property

The Company's intellectual property rights and patents are outlined in detail in the FB Rice report in section 9. Since the date of the FB Rice Report (5 December 2019), the US Patent Office has issued a Notice of Allowance for a patent which protects the exercise related applications and the Company is preparing to lodge a divisional patent application which

will extend the scope of the patent claims to protect the pharmaceutical applications. This Company is confident that its pending Chinese patent application will be approved and granted in the near future (within the next few months) based on preliminary indications received from the Chinese patent office. The probability of this patent not being granted is extremely low, however if it is not granted, the Company would mount an appeal against its rejection. Furthermore, if the patent was not granted, the Company would still be able to market and sell its nutraceutical products in the Chinese market but without the added protection from competitors provided by patent rights. The vast majority of nutraceutical products sold in China do not have patent protection.

2.6 Azure Health's Prescription Medicines

2.6.1 Our drug candidates

The Company's focus is to improve the bioavailability of T3s using the TransT3 and TPD platforms. Based on the evidence to date, the Company believes the platforms will improve the efficacy of T3s in a number of therapeutic indications.

Azure Health has initially chosen to target two therapeutic indications with high unmet needs, Non-Alcoholic Fatty Liver Disease (NAFLD) and pancreatic cancer where T3s have shown some promising activity in animal models and (in the case of NAFLD) also clinical studies.

Azure Health currently has four drug candidates in development (see Figure 2 below):

DRUG CANDIDATE	DELIVERY PLATFORM	TARGET INDICATION	CURRENT STAGE			
			Preclinical	Phase 1	Phase 2	Phase 3
IVB 001	Transmucosal	Non-Alcoholic Fatty Liver Disease (NAFLD)				
IVB 002	Tocotrienol Prodrug (TPD)	Non-Alcoholic Fatty Liver Disease (NAFLD)				
IVB 003	Transmucosal	Pancreatic Cancer				
IVB 004	Tocotrienol Prodrug (TPD)	Pancreatic Cancer				

Figure 2: Azure Health pre-clinical and clinical product pipeline

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Each of these assets have different value inflection points and paths to market compared to our nutraceuticals.

The Company's lead compound, IVB001 for NAFLD, has completed a Phase Ia clinical study and met all the primary endpoints, showing it is safe, non- toxic, palatable and easily absorbed. IVB001 is Phase II-ready and a proof of concept Phase II clinical study is planned to commence in H2 of 2020. The drug development pathway for IVB001 has been broadly endorsed by the US FDA through a formal Pre-IND consultation process.

For IVB002 for NAFLD, the Company will be undertaking preclinical studies in preparation for a Phase I study in CY20.

Invictus undertook a Pre-Investigational New Drug Application (**Pre-IND**) consultation with the FDA on both the NAFLD and pancreatic cancer programs in June 2019. As a result of this process, the FDA have seen detailed proposals regarding the Invictus programs Invictus and were broadly supportive of both programs and did not propose any additional requirements before starting the proof of concept studies and proposed additional meetings to discuss the programs in more detail. These meetings are crucial as Azure Health intends to partner with large pharmaceutical companies which can take drug candidates to market.

Key value inflection points for the drug development program are:

- Proof of Concept for pharmacokinetics (proving a T3 prodrug can be directed to the gut's lymph nodes and dispersed into the blood)
- Completion of preclinical studies in validated animal models for a particular disease indication and demonstration of efficacy in animals
- Completion of Phase I clinical studies with acceptable pharmacokinetics, safety and tolerability in humans
- Completion of proof of concept Phase II clinical studies with evidence of efficacy in humans

At each of these inflection points for each drug candidate, the Board will consider the best way to extract value for shareholders.

2.6.2 Focus on Tocotrienols (T3s)

As mentioned above, Vitamin E is comprised of two main forms, tocotrienols (T3s) and tocopherols (TOCs).

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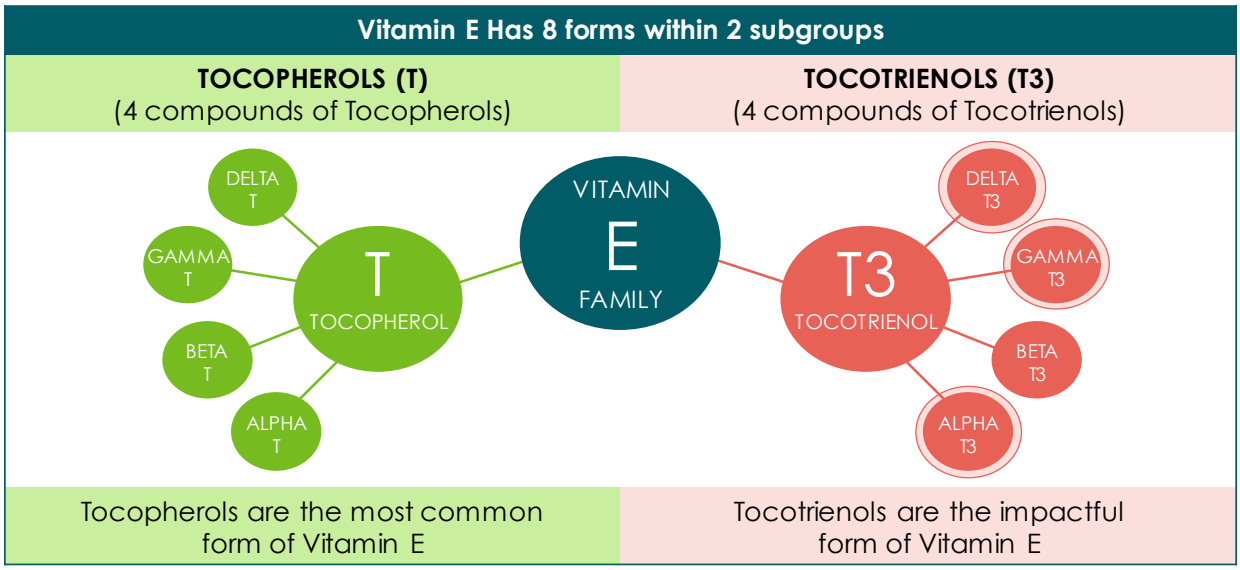

T3s have the potential to treat a range of diseases whereas TOCs have predominantly antioxidant activity. T3s work better when there are no TOCs present and when they are delivered directly to organs and tissue. Accordingly, the pharmaceutical applications of T3s can best be developed by improving delivery and excluding TOCs.

T3s and TOCs have similar chemical structures but are chemically and physiologically distinct. While TOCs appear to have predominantly one mode of biological activity (antioxidant), T3s have wider therapeutic potential. A number of animal and human studies show T3s demonstrate potential efficacy in the treatment of a range of diseases. These insights and evidence have helped shape our clinical development program for prescription medicines.

There are two clear hurdles to realising the therapeutic potential of T3s.

To properly exploit the therapeutic potential of T3s, Azure Health's approach is to minimise the amount of TOC used and to improve the bioavailability of the T3s. T3s are carried around the body by a protein (ATTP) (ref), which also carries a TOC around the body. TOC binds to this protein approximately ten times more strongly than T3s and so, when there is a mixture of TOC and T3s present, the TOC will achieve better bioavailability than the T3s. This can also result in the TOC interfering with the efficacy of the TOCs. Despite T3s being present in fruits and seeds and in natural products such as palm or rice bran oil, it is unlikely and impractical to attain sufficient quantities of T3s for human therapeutic applications via dietary means alone.

2.6.3 Azure Health's TransT3 Delivery Platform for Pharmaceuticals

The TransT3 delivery platform uses delivery into the bloodstream through the mucous membrane lining the mouth (transmucosal delivery).

The tablet is dissolved either under the tongue or next to the cheek allowing the T3 to be absorbed through the mouth lining. It is then distributed into the blood vessels just below the mouth lining and around the body.

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With transmucosal delivery, the T3 does not need to be delivered to the stomach and small intestine in order to be absorbed so it is not affected by conditions causing malabsorption in the stomach and intestine.

Instead, the T3 goes directly into the bloodstream and is distributed around the body. It avoids the first pass metabolism by the liver which would happen with absorption via the intestine into the portal vein to the liver. Accordingly, the bioavailability of the T3 administered by this route is expected to increase.

Azure Health believes there is great potential to develop this TransT3 platform to improve the bioavailability and efficacy of prescription medicines containing T3, and therefore are doing so. This transmucosal platform does not change the chemical structure of T3s, and importantly, allows the T3s to be delivered directly to organs and tissues non-invasively.

As T3 has a well-established safety and toxicity profile, the Company has received advice that based on the Pre-IND, the FDA is likely to allow an abbreviated development pathway for drug candidates based only on the TransT3 platform. Azure Heath won't know the final determination until the FDA reviews the official Investigational New Drug Application. Although this means the path to market could be quicker than for a new chemical entity (see Section 2.6.10 for more information on the prescription medicine regulatory pathway).

A limitation of the TransT3 delivery method is dosage. Based on clinical data gathered to date, delta-tocotrienol increases proportionally with dose up to 40mg, while the increase in gamma-tocotrienol is less than proportional.

2.6.4 Previous Studies on TransT3

A rat toxicity and safety study using T3s delivered on the TransT3 delivery platform showed a safe level of consumption to be 120mg/kg. From these results, an average adult should be able to consume doses of up to 9g of T3s delivered using Azure Health's TransT3 platform without adverse effects.

A Phase Ia clinical study was conducted on 60 healthy volunteers to determine the safety, tolerability and plasma pharmacokinetics (how the T3s behave in blood, e.g., how much T3 gets there and how long does it stay around for) of T3s delivered using the TransT3 platform. The data confirmed that T3s delivered using the TransT3 delivery platform are safe, well-tolerated, easy to administer, palatable, and in the most clinically relevant situation (i.e. in the absence of a fatty, high calorie diet). The data also showed improved bioavailability compared to orally administered T3s.

All the primary endpoints for this study were met, namely:

- The safety endpoint was achieved, with the TransT3 delivery platform shown to be very well tolerated. The tablets were also found to be easy to administer and palatable
- Participants in the most clinically-relevant group (who were not fed a high-fat and high-calorie meal) showed an improvement in bioavailability of 30% compared with the TransT3 delivery platform to the orally administered T3
- Participants with a high-fat and high-calorie diet (approximately 800-1000 calories of which at least 50% was fat)

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showed increased the bioavailability of both the TransT3 and oral arms. The oral arm was 51% more bioavailable than the TransT3 arm but this is not considered clinically relevant because in most of the indications of relevance, such as NAFLD and pancreatic cancer, consumption of a high fat and high calorie diet is not recommended and could potentially do the patient serious harm. This is especially the case where most indications are of a chronic or recurring nature and require long-term treatment.

The most clinically relevant situation was where the patient was not consuming a fatty, high calorie diet because fatty, high-calorie diets are not recommended for patients with NAFLD or pancreatic cancer.

2.6.5 Tocotrienol Prodrugs (TPDs)

Like the TransT3 platform, the Tocotrienol ProDrug (TPD) is a delivery platform which allows T3s to be delivered directly to target tissues and/or organs without using invasive methods like needles and surgical implants. The main advantage of TPDs are they have the potential to handle much larger doses than the TransT3 platform.

TPDs have the potential to improve bioavailability which could in turn potentially improve the T3s' efficacy for a range of indications. TPDs can only be used for prescription medicines – this is because when a TPD is made, the chemical structure of the T3s are changed by attaching a delivery vehicle to make the prodrug. Once the prodrug is absorbed into the lymphatic system, the T3 is released into the blood.

2.6.6 How do TPDs work?

TPDs enables absorption of the T3 into the lymphatic system surrounding the gastrointestinal tract. The TPD is absorbed through the gut lining into the lymphatic system, where T3s are released into the blood stream.

Many nutrients are absorbed by the small intestine and passed to the portal vein and then to the liver for processing. In contrast, TPDs are designed to be absorbed into the lymphatic system and then to the blood stream by the thoracic duct.

This means the T3 avoids the liver first pass and has enhanced bioavailability.

2.6.7 Animal Pharmacokinetic Study – Proving TPDs work

Invictus, together with Monash Institute of Pharmaceutical Sciences (MIPS) conducted a study in rats August 2018 to establish proof of concept for the TPDs' ability to deliver T3s into the blood and increase their bioavailability compared to those administered orally.

This study successfully identified a lead TPD which resulted in significant amounts of T3s being detected in the blood after oral administration of the TPD. Oral bioavailability was similar to that obtained from T3s emulsified using an oil expected to promote absorption into the lymphatic system and improve bioavailability (these types of emulsified T3s have superior bioavailability to orally administered T3s that are not emulsified).

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Results provide proof of concept that TPDs can deliver significant quantities of T3s into the blood and provides an improved understanding of the types of linkers and delivery vectors that are likely to be most effective in a TPD.

Based on these results, Azure Health will continue its collaboration with MIPS to implement the next phase of the development of TPDs.

Azure Health will synthesise and assess additional TPD analogues with the objective of developing a TPD which has superior bioavailability to emulsified T3s. The objective is to develop a TPD which significantly improves the bioavailability of T3s which, in turn, will be included in Azure Health's drug development programs targeting NAFLD and pancreatic cancer.

2.6.8 Clinical Development Program for Prescription Medicines

Non-Alcoholic Fatty Liver Disease (NAFLD) and Non-Alcoholic Steatohepatitis (NASH)

Non-alcoholic fatty liver disease (NAFLD) is a common condition which is estimated to affect approximately 24% of people in the US *(source: Spengler EK, Loomba R. Recommendations for diagnosis, referral for liver biopsy, and treatment of nonalcoholic fatty liver disease and nonalcoholic steatohepatitis. Mayo Clinic Proceedings. 2015;90(9):1233–1246)*. NAFLD is a fatty liver disease which occurs when fat is deposited in the liver (steatosis) due to causes other than excessive alcohol use. Non-alcoholic steatohepatitis (NASH) is the more harmful type of NAFLD.

NAFLD initially has few symptoms and is often diagnosed following the finding of abnormal liver function tests during routine blood tests. It is associated with insulin resistance, metabolic syndrome, obesity, hyperlipidaemia, diabetes and high blood pressure. It increases the risk of both cardiovascular disease and progressive liver disease.

There are currently no medicines approved for the treatment of NAFLD/NASH. Current treatments include dietary changes, weight loss, increased exercise and treatment of the associated dyslipidaemia and metabolic syndrome. There is a clear unmet medical need for an effective and well tolerated treatment for NAFLD/NASH.

A large unmet need for NAFLD treatments

Despite the growing incidence of NAFLD in the developed world, there is no specific treatment. Lipid peroxidation and oxidative stress have been recognised as playing a pivotal role in the development and progression of NAFLD. T3s are an active antioxidant and have shown activity in NAFLD. T3s are preferentially distributed to the liver and alpha T3 has been reported to be 40-60 times more potent than alpha TOC against lipid peroxidation in rat liver microsomes. There is a study showing a significantly higher echogenic response (improvement in NAFLD) in the T3 group than in the placebo treated group.

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Pancreatic Cancer

The most common form of pancreatic cancer, which accounts for 85% of cases, is pancreatic adenocarcinoma. Pancreatic adenocarcinomas start in the part of the pancreas that makes digestive enzymes. In this document when pancreatic cancer is used, we are referring to pancreatic adenocarcinoma.

Pancreatic cancer is the fourth most common cause of cancer death in the US.

It is often diagnosed late as early symptoms are non-specific and the prognosis is poor. The five-year survival rate for people diagnosed at an advanced stage is less than 10%.

Pancreatic cancer rarely occurs before 40 and is more common as people get older. Risk factors for pancreatic cancer include smoking, obesity and diabetes. There are some inherited gene links as well.

Current treatments focus on surgery if the cancer is localised to the pancreas. However, most cases are already advanced at diagnosis and not amenable to surgery. Treatment for pancreatic cancer which has spread includes chemotherapy and radiotherapy. The most common chemotherapy regimens include combinations of gemcitabine, fluoropyrimidine derivatives such as 5-Fluorouracil (FU) and capecitabine and nab-paclitaxel combined with radiotherapy.

A number of clinicians believe a treatment that is well tolerated and may potentiate existing therapies would be a welcome addition to treatment options. Azure Health's Scientific Advisory Board, led by Dr Richard Pestell AO, who is a world-renowned cancer researcher and clinician, believes that Azure Health's TransT3 and TPD platforms for delivery of T3s have the potential to circumvent the issue of malabsorption of chemotherapies.

A large unmet medical need for pancreatic cancer treatments

The use of T3s has been found to dramatically extend the life span of mice with pancreatic cancer. After 16 weeks treatment, 10% of placebo treated mice were alive, 30% of gemcitabine treated mice, 70% of T3 treated mice and 90% of the gemcitabine + T3 treated group.

The study showed that T3s in tissue culture and preclinical mouse models demonstrated enhanced cell kill suggestive of a potential opportunity in human pancreatic cancer. T3s inhibited markers of angiogenesis and inflammation in in vitro and in vivo mouse models and KRAS oncogene mouse models.

Cancer researchers conducting experiments by transplanting human pancreatic cancer cells into mice, administered T3s by gavage (via a tube) twice daily and observed reduced tumour volume of 50% by day 34 of treatment.

The development of transmucosal (IVB003) and prodrug (IVB004) T3s may provide a specific opportunity in human pancreatic cancer as the treatment often involves surgical resection of the pancreas and preoperative and post-operative malabsorption. The TransT3 and lymphatic system absorption is expected to help achieve therapeutic levels of T3s in these patients.

2.6.9 Azure Health's clinical development program

Azure Health will conduct a Phase II clinical study to further test the hypothesis that IVB001 can improve liver architecture in NAFLD (see Figure 3 below). If the study is positive, then Phase III clinical studies leading to a regulatory approval package would be conducted.

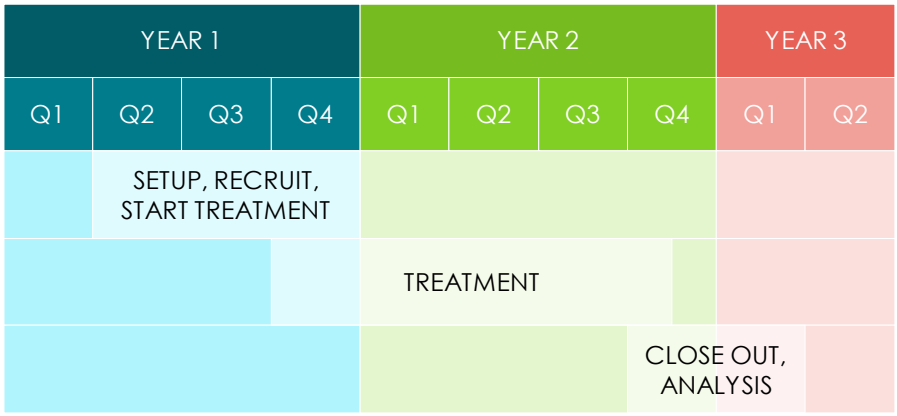

Figure 3: NAFLD Phase II IVB001 study

The study will be a randomised, double blind trial comparing IVB001 to placebo in NAFLD/NASH patients and comparing the effects on liver structure (improvement or not) using ultrasound and MRI. The study is expected to commence in the second half of CY20. With 6 months of treatment indicative results are expected to be available in first half of CY21.

Azure Health's plans to initiate a proof of concept study in pancreatic adenocarcinoma in the second half of CY2020. The study will be a randomised, double blind study of IVB003 added to standard of care treatment compared to Standard of Care alone in patients receiving first line therapy for advanced or metastatic pancreatic adenocarcinoma. Azure Health's TransT3 and TPD platforms have the potential to provide a specific type of opportunity in treatment of human pancreatic cancer. A growing body of evidence has shown cancer stem cells within a tumor may give rise to therapy resistance and metastasis. Recent studies have shown that T3 treatment inhibits the growth of pancreatic cancer stem cells. Assessment of how Azure Health's TransT3 and TPD platforms impact on pancreatic cancer stem cells in preclinical studies has the potential to provide a valuable new opportunity to impact pancreatic cancer mortality. For example, cancer stem cells are now considered very important in the metastatic spread of cancers.

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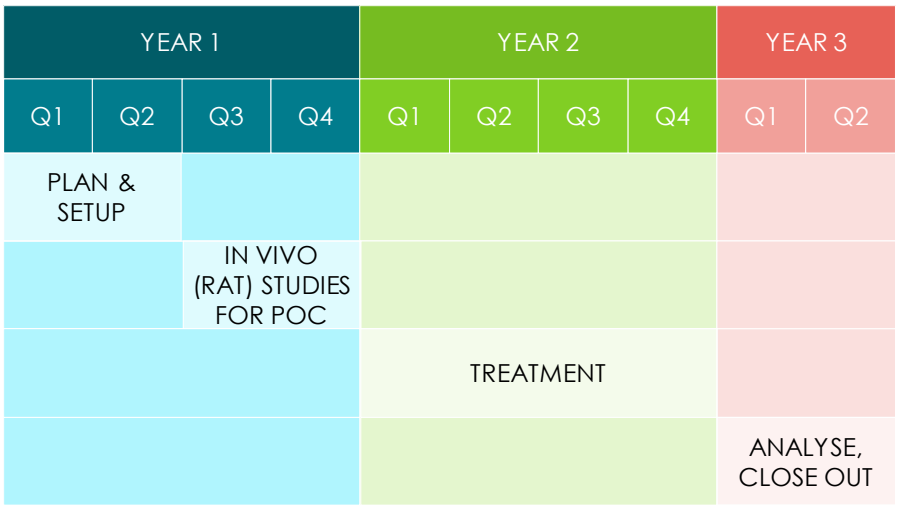

Figure 4: Pancreatic Cancer POC Study

2.6.10 The regulatory pathway for NAFLD and Pancreatic Cancer therapies

Invictus conducted a Pre-IND consultation with the FDA June 2018 to review the proposed development programs for IVB001 in NAFLD/NASH and IVB003 in pancreatic cancer. The FDA was broadly supportive of the proposed programs and did not suggest further data was needed before initiation of the POC studies. The FDA encouraged further consultation on the programs.

The FDA has a number of options that companies can pursue to get their product to market faster. These pathways are reserved when no medicines are currently approved for treatment (e.g. NAFLD/NASH) or when new therapies may be welcome treatment options (e.g. pancreatic cancer):

- **Breakthrough Therapy** designation is a process designed to expedite the development of drugs targeting serious conditions, where preliminary clinical evidence indicates substantial improvement over available therapy on a clinically significant endpoint. It can be requested after Phase I clinical data and typically no later than the end-of-Phase II meetings.
- **Fast Track** is a process designed to facilitate getting important new drugs to the patient earlier. Drug candidates that have an impact on survival, day-to-day functioning or where the disease state, if left untreated, will progress to a more serious condition can be candidates. It can be requested anytime during the drug development process. Fast Track designation allows for more frequent FDA meetings, eligibility for accelerated approval and priority review and the flexibility of rolling review of submission sections on NDA applications.
- **Priority Review** is a process that focuses FDA resources, in order to take action on

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a product license submission (e.g. NDA), to reduce the normal regulatory review period from 10 months to six months after submission. It can be requested within 60 days after the NDA application is submitted to FDA.

- **Accelerated Review** allows the FDA to base accelerated approval for drugs for serious conditions that fill an unmet medical need, to be approved based on a surrogate endpoint.

2.6.11 Additional therapeutic targets for improved delivery of T3s

T3s have been observed to have a wide range of therapeutic activities, including: lipid-lowering, anti-diabetic, anti-hypertensive, hepato-protective, anti-cancer, neuro-protective, anti-ischaemic, anti-atherogenic and anti-obesogenic activities. Concurrently with the clinical development programs for NAFLD and pancreatic cancer, Azure Health will explore with potential collaborative research partners whether some of these other therapeutic activities can be exploited to build Azure Health's prescription medicines pipeline.

There is a well-established similarity between the cancer stem cells of pancreatic cancer and melanoma. They both involve formation of microspheres for migration as a marker for cells. Treatment with T3s has been shown to inhibit the growth of microspheres from melanoma showing that they can inhibit the migration of cancer stem cells in melanoma as well as pancreatic cancer. This adds to the evidence for T3s use as an anticancer therapeutic.

2.7 OUR TEAM

2.7.1 Experienced commercial leadership

The Company has established a leadership team which it believes is well equipped to execute on its business plan of:

- marketing and selling proprietary, patented and evidence-based nutraceuticals in the US (and other major markets) and
- development of prescription medicines targeting indications with unmet needs such as NAFLD and pancreatic cancer.

See sections 4.1 to 4.3 for information on the Board, senior management and the Company's Scientific Advisory Board.

2.7.2 International Nutraceuticals Marketing and Sales

Richard Estalella is responsible for spearheading the launch of the Company's nutraceuticals products in the largest nutraceuticals market in the world (the US). Richard, in a previous role as President of US sports nutrition company, MusclePharm Corp, was responsible for the Company expanding into 50,000 retail outlets and 120 countries along with sales revenue growth from US$67M in 2012 to US$167M in 2015.

2.7.3 Pre-clinical and Clinical Development – taking

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prescription medicines to market

The Company's clinical development programs targeting NAFLD and pancreatic cancer are led by Dr David Kingston, the Chairman of the Scientific Advisory Board and Azure Health's Chief Scientific Officer. Dr Kingston, formerly the Medical Director of Roche Australia, was involved in all product lifecycle phases from phase 1 to 4 including clinical development, regulatory, PBS listing and medical affairs for more than 40 new products.

2.7.4 Medical Research and Clinical Experts

High-calibre specialist advisors also sit on the Company's Scientific Advisory Board. For example, Dr Richard Pestell, AO, a US-based world-renowned cancer research scientist and physician who has authored over 600 published works, 26 book chapters and is ranked first in the world for prostate cancer and second in the world by Google Scholar Citations for oncology. Dr Pestell is advising on the preclinical and clinical development strategy IVB002 and IVB004 targeting pancreatic cancer.

2.7.5 Management of a Biotechnology Company

In order to execute the Company's business plan, capital needs to be raised, managed and deployed prudently. The Company's Chief Executive Officer and Managing Director, Dr Glenn Tong, has held Chief Executive Officer/Managing Director and non-executive directorship roles in biotechnology companies spanning over 20 years. Dr Tong has raised and managed over $100 million in equity capital and R&D funding and has managed the development of products in highly regulated environments such as pharmaceuticals, DNA diagnostics and genetically modified crops and pastures.

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3 MARKET OPPORTUNITY / INDUSTRY OVERVIEW

3.1 US Nutraceuticals Market

The sports nutrition and heart health markets in the US are large with strong growth and demand.

In sports nutrition, the global market in 2018 exceeded USD 30 billion *(source: M. Shahbandeh 8 October 2019, Global sports nutrition market 2018 - 2023, https://www.statista.com/statistics/450168/global-sports-nutrition-market/)*. This is expected to continue to grow at a CAGR of 8% through to 2022. The United States is estimated to account for approximately 40% of the global market. Of that total, Azure Health's nE1-EliteTM coincides with products that are attributed to between 10% to 15 % of the market. This provides Azure Health with a target market of up to USD 3 billion globally, with $1.2 billion in the US.

The heart health global market in 2016 was valued at over USD 16 billion and is anticipated to continue to grow at a CAGR of over 6% through 2026 *(source: Persistence Market Research, 10 July 2018, Heart Health Supplements Market to Reach US $29,000 Mn by 2026)*. The World Health Organisation estimated there are 18 million deaths related to cardiovascular disease every year and rising. Azure Health's nE1-HeartTM product has potential to penetrate this market. It is estimated the US accounts for approximately 20% of the global market.

3.2 The Pharmaceuticals Market

3.2.1 Non-Alcoholic Steatohepatitis (NASH) incidence is rising in the US

The global prevalence of NAFLD is as high as 1 billion people globally, in the USA it affects 80 to 100 million people among whom nearly 25% will progress to NASH. The number of people affected is increasing *(source: Susan Caminitin 1 November 2017, CNBC, https://www.cnbc.com/2017/10/31/fatty-liver-disease-affects-80-million-americans.html)* .

3.2.2 Current approved treatments for NAFLD and NASH

Currently there are no approved drug treatments for NAFLD or NASH. Some studies suggest that diet, exercise, and antiglycemic (blood sugar lowering/anti-diabetic) drugs may alter the course of the disease. However, there is a clear need for effective targeted treatments to be developed and approved.

3.2.3 NAFLD and NASH drug candidate landscape

There are numerous products in development for NAFLD and NASH. There are numerous

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companies attempting to develop therapies for NASH. These include Gilead, Intercept, Genfit and Madrigal.

Novartis, Gilead and Madrigal have all acquired small companies with promising compounds for the treatment of NASH.

The current and future treatment of NASH has been reviewed by Babini and Sanvalin 2017and they discussed several different mechanisms of action and medicines in development. These include:

- Altering the gut microbiome with a bovine colostrum extract and in a different trial using an anti-inflammatory macrolide, solithromycin.
- Targeting metabolic pathways with PPAR (peroxisome proliferator-activator receptors) activators. A phase 2 study of elafibranor versus placebo in NASH did not show a significant difference in response but patients with more severe disease showed a greater response in a subgroup analysis. Elafibranor is now in phase III.
- Antidiabetic medications. GLP-1 agonist liraglutide showed greater histologic resolution of NASH than placebo in a 48 week phase II study. Liraglutide is given by subcutaneous injection. SGLT2 inhibitors are also being investigated.
- Antioxidants. Vitamin E has been shown to be superior to placebo in achieving histological response of NASH in a phase III trial. The reasons why T3s may be superior to TOCs are outlined elsewhere in this prospectus.

Emerging therapies for NASH have been reviewed by Geier and Rau in 2017 and these include obeticholic acid – a bile acid analogue has completed a 72-week phase III study. It showed significant improvement in histology in NASH and fibrosis but with an increase in serum LDL cholesterol and pruritus in some patients. Allergan is investigating a dual inhibitor of CCR2 and CCR5.

Madrigal has reported improvement in hepatic architecture with their compound in phase II.

3.2.4 Pancreatic cancer

Pancreatic cancer arises when cells in the pancreas begin to multiply out of control and form a mass. These cancerous cells have the ability to invade other parts of the body. There are a number of types of pancreatic cancer. The most common, pancreatic adenocarcinoma, accounts for about 85% of cases.

3.2.5 Incidence of pancreatic cancer

Pancreatic cancer is uncommon, but since the majority of these cancers are in the advanced stages at the time of diagnosis, it is the fourth leading cause of cancer-related deaths in the US, claiming an estimated 44,000 lives a year according to the American Cancer Society. In 2015, there were an estimated 68,615 people living with pancreatic cancer in the United States *(source: Siegel RL, Miller KD, Jemal A. Cancer statistics, 2018. CA Cancer J Clin. 2018;68(1):7–30)*.

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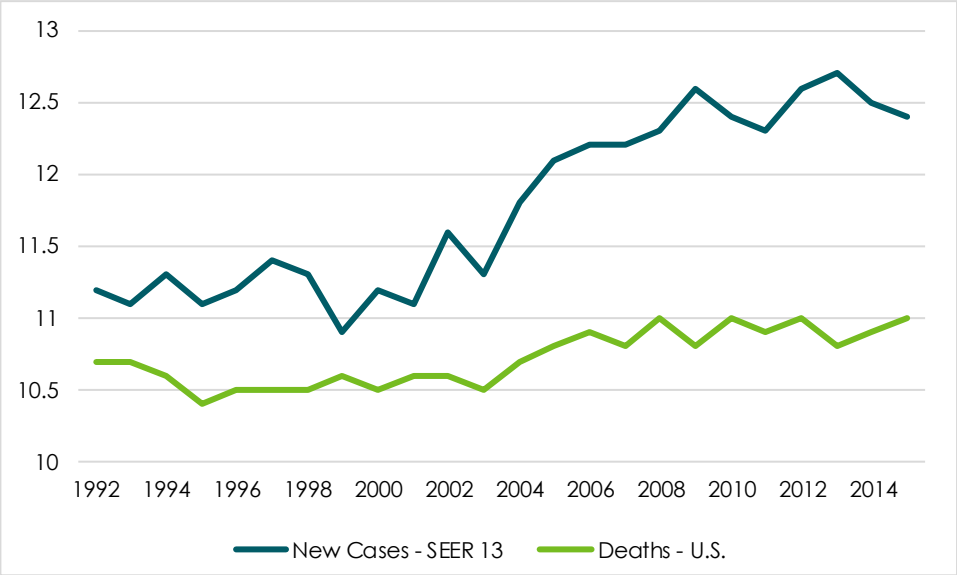

Figure 5: Rising incidence of pancreatic cancer in the US (Source: www.seer.cancer.gov)

The incidence of pancreatic cancer varies across regions and populations. Incidence rates for pancreatic cancer in 2012 were highest in Northern America (7.4 per 100000 people) and Western Europe (7.3 per 100000 people), followed by other regions in Europe and Australia/New Zealand (equally about 6.5 per 100000 people). The pancreatic cancer treatment market was worth US$ 1.65 billion in the year of 2014 and is expected to reach approximately US$ 4.11 billion by 2023, with a CAGR of 10.64% up to at least 2023. The global pancreatic cancer treatment market value in the six major countries (USA, France, Germany, Italy, Spain and the UK) will increase significantly from US$529 million in 2012 to US$1.63 billion by 2017, at CAGR of 25.2%.

3.2.6 Current approved treatments for pancreatic cancer

Currently there are a number of medicines approved for the treatment of pancreatic adenocarcinoma. The most frequently used are gemcitabine, fluoropyrimidines such as FU and capecitabine and taxanes such as Abraxane. Radiotherapy may also be used. Mostly these produce relatively short-lived remissions rate. An additional therapy that was well tolerated and improved survival would be very well received.

3.2.7 Pancreatic cancer drug landscape

There are a relatively limited number of new medicines for pancreatic cancer in development. Several candidates having failed recently to improve survival over standard therapy. MM398 (liposomal irinotecan) has been submitted to the FDA and EMA for approval after showing superior survival (8.9 vs 5 months) compared to FU + leucovorin. The FDA has also approved an immunotherapy, pembrolizumab for tumours showing MSI (microsatellite instability) including pancreatic tumours exhibiting MSI, however, only a small percentage of pancreatic cancers exhibit MSI. A new medicine showing improved survival in pancreatic adenocarcinoma would be very welcome.

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3.3 The Market for Australian Health and Wellbeing products

The Australian Health and Wellbeing business (AHW) aims to trade off Australia's green and clean reputation by selling health and wellbeing products into China, assisted by exposure to Chinese tourism into Australia. It is not possible to include meaningful tangible evidence to support the viability of this type of business in this Prospectus, but the Directors consider it likely that AHW can be successful particularly given the benefits of the Shenzhen ALSKAT Distribution Agreement. See section 10.7(f).

The initial offering in China will be NE1-Elite®, NE1-Heart® and other Invictus Nutraceuticals, Inc. sports nutritional products (the common theme here is all these products are based on an Australian invention, the transmucosal delivery of tocotrienols which AZT owns).

It is difficult to quantify the size of the potential market for nutraceutical products in China. However, given the relative regulatory ease of distributing Azure Health's nutraceutical products into China the Directors consider exploring this opportunity is an appropriate use of a small component of the funds raised in the Offer. This aspect of Azure Health's business should be regarded as unproven and speculative. If the distribution of nutraceutical products in China proves to be successful, the Directors will consider expanding the range of products distributed by AHW.

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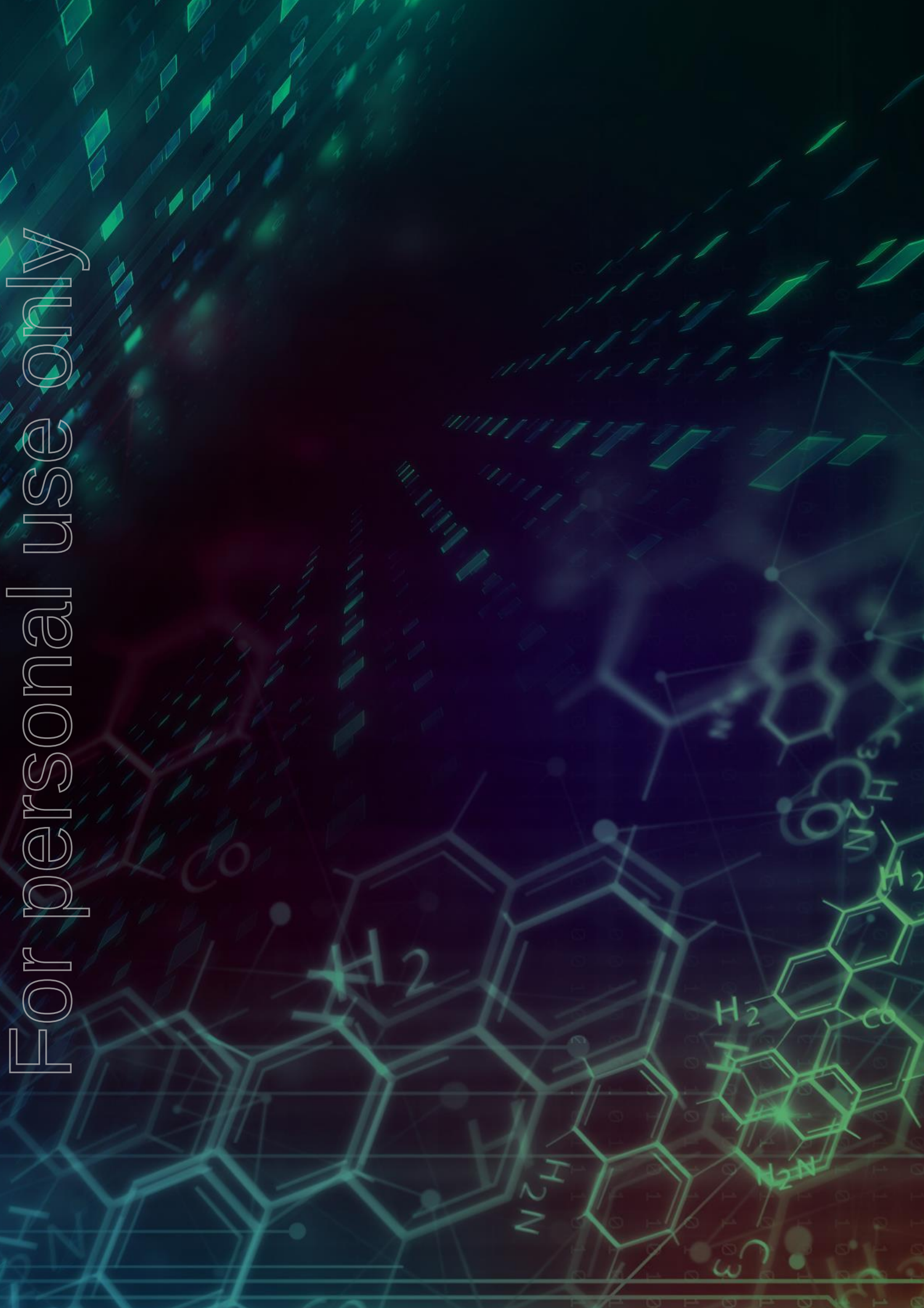
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4 BOARD AND MANAGEMENT

4.1 Board of Directors and Company Secretary

Mr Lou Panaccio CA, BEc, MAICD

Independent Non-Executive Chairman

Mr Panaccio, a successful healthcare businessman with extensive experience progressing companies from concept to commercialisation, was appointed to the role of non-executive Chairman of Azure Health on 19 December 2019. Mr Panaccio possesses more than 30 years' executive leadership experience in healthcare services and life sciences, and more than 25 years board-level experience. Mr Panaccio is currently a Non-Executive Director of an ASX50 company and one of the world's largest medical diagnostics companies, Sonic Healthcare Limited, where he has served since 2005. In addition, Mr Panaccio is also a Non-Executive Director of Unison Housing Corporation Limited, Non-Executive Chairman of ASX-listed biotechnology companies Avita Medical Limited (ASX:AVH) and Non-Executive Director of Rhythm Biosciences Limited (ASX:RHY). Mr Panaccio has also served in executive and board roles with Melbourne Pathology Group, Monash IVF Group, Primelife Corporation Limited and other private entities.

Dr Glenn Tong BSc (Hons), PhD, FAICD

Chief Executive Officer and Managing Director

Glenn has over 20 years of executive management and Board experience in rapid growth biotech companies where a core focus has been the management of product development in highly regulated environments including: pharmaceuticals, diagnostics and genetically modified crops and pastures. Glenn has raised and managed over $100M in equity capital and collaborative R&D funding. Past roles include: CEO and Managing Director of Gordagen Pharmaceuticals Pty Ltd., the Molecular Plant Breeding Cooperative Research Centre and Molecular Plant Breeding Pty Ltd., and AgGenomics Pty Ltd. (a subsidiary of Genetic Technologies Limited, ASX:GTG). Glenn has a Bachelor of Science (Honours) and PhD (Chemistry) from the University of Melbourne and the Howard Florey Institute of Experimental Physiology and Medicine and is a Graduate and Fellow of the Australian Institute of Company Directors. Glenn will take up his position as Chief Executive Officer and Managing Director on completion of the Invictus Acquisition.

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(Aiden) Wei Jiang

Non-Executive Director

Mr Jiang is an entrepreneur with versatile business skills and a strong track record in successfully growing enterprises. His work in health industry investment, business globalisation, corporate M&A and restructuring, and capital markets is well recognised across different sectors in China, including health, environmental protection, and retail. He is dedicated to a lifetime objective - to bring human beings a better life with health technologies.

He has developed a unique system to accelerate a company's expansion by bringing together funding, wisdom, resources and the market. Mr Jiang is active in the health and biotechnology industry and committed to developing company values by his international business network and expertise. Mr Jiang is a substantial shareholder in the Company.

(Steven) Jiayi Yu

Executive Director

Steven has extensive experience in mergers and acquisitions, capital raising and cross border transactions with ASX companies. He was also previously the Chief Executive Officer of ASX listed mining company Anchor Resources Ltd (ASX:AHR).

As a practicing lawyer he has worked for Norton Rose Fulbright in Beijing and Melbourne, Deacons and Maddocks Lawyers in Melbourne.

Steven holds a Bachelor of Law and Commerce from the University of Melbourne, Master of Laws from Boston University, Executive MBA from Columbia Business School and is completing a Doctor of Philosophy from the University of Technology Sydney (UTS).

(Kevin) Weidong Chen

Independent Non-executive Director

Mr Chen has extensive experience in cross-border investment and international trade, as well as being a finance professional. Mr Chen has extensive international business experience in advising on and facilitating business negotiations with international counterparties. Kevin holds a Bachelor of Finance from Fuzhou University and currently completing Master for Finance and Investment from Tsinghua University.

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Gregory Barry Starr

CFO, Company Secretary and Executive Director

Mr Starr is an experienced public company director holding senior board positions in a number of ASX listed companies over 20 years. He has been involved in many M&A and debt and equity financial transactions.

Mr Starr has held executive and non-executive board positions on ASX listed companies, Emperor Mines Limited, Golden China Resources Limited, Crater Gold Limited, Diatreme Resources Limited PLC Financial Solutions Limited, KBL Mining Limited (in liquidation), World.Net Services Limited, Ephraim Resources Limited and BIR Financial Limited.

Mr Starr brings significant corporate governance and investor relations experience in ASX listed companies to the Board.

4.2 Senior management

Dr Glenn Tong BSc (Hons), PhD, FAICD

Chief Executive Officer

[see above]

Mr Richard Estalella

Executive Director and President and CEO of Invictus Nutraceuticals, Inc.

Richard Estalella is an executive and Board director with over 30 years of experience and a successful track record in the Sports Nutrition, Retail, and Multi-Level Marketing industries. Richard was the Chief Operating Officer and then President of MusclePharm Corp in the US (OTCQB:MSLP) which during his tenure increased distribution to 50,000 retail outlets and 120 countries along with sales revenue growth from US$67M in 2012 to US$167M in 2015. He oversaw operations, finance and supply chain which included the development of global manufacturing capabilities. Richard has an Associates Arts (graduated with Honours) from Miami-Dade Community College and has completed the Babson College Retail Strategies Program.

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Dr David Kingston, MB BS, BPharm, BSc

Chief Scientific Officer and Chair of Scientific Advisory Board

David has many years' experience in the pharmaceutical industry and worked in many therapeutic areas including oncology, virology, diabetes, cardiovascular, CNS and transplant amongst others. As Medical Director of Roche Australia he has been involved in all product lifecycle phases from phase 1 to 4 including clinical development, regulatory, PBS listing and medical affairs for more than 40 new products. Also, as Head of Clinical Development for the Asia pacific region he has been involved in establishing units in many Asian countries, planning studies in the region and representing the region on the global leadership team. David has a MB BS, BPharm and BSc (pharmacology). He also has completed Advanced Management Programs at Macquarie University, Sydney and Columbia University, New York. In the past few years he has worked as a consultant to a number of small start-up companies and CROs. He also lectures in the post graduate Pharmaceutical Medicine and Drug Development program of the University of NSW.

4.3 Scientific Advisory Board

Dr David Kingston, MB BS, BPharm, BSc

Chair of Scientific Advisory Board and Chief Scientific Officer

See above.

Dr Richard Pestell MD, PhD, MBA, FACP, FRACP

Member

Richard is a highly experienced Board Member and Executive with more than 20 years of experience in complex academic medical organizations. He has served on the advisory boards of USA National Cancer Institute-designated Cancer Centers, research institutes and foundations and international research institutes. Based upon his multiple issued patents, Richard was Founder and CEO of ProstaGene (sold to CytoDyn) and LightSeed. His past roles include Executive Vice President at Thomas Jefferson University (TJU has a $5.2B USD annual budget, 23,000 employees located in Philadelphia USA). As Director of the Sidney Kimmel Cancer Center (2005-2015) and Director of the Lombardi Cancer Center, Georgetown University (2002-2005) he was responsible for the oncology service line and clinical trials and the interface with BioPharma. He has received >$83M in research grant funding, is ranked in the world by Google Scholar (#1 cell cycle, #1 prostate cancer, #4 oncology) and received awards for his research discoveries (elected membership to ASCI (American Society of Clinical Investigation), Elected Member, Royal Society of Medicine, the RD Wright Medallion, Elected Fellow, American Association for the Advancement of Science, the Eric

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Susman Prize in Medicine, Advance Global Australian Award (Biotechnology), a Doctor of Medical Sciences, Honoris Causa, from the University of Melbourne, and awards from Susan G. Komen (Light of Life award, Jamie Brooke Lieberman Award). Dr Pestell holds a medical degree from the University of Western Australia, and an MD and Ph.D. from the University of Melbourne. He conducted clinical training in oncology and endocrinology and was inducted as a Fellow of the Royal Australian College of Physicians. Dr Pestell conducted postdoctoral research at the Harvard School of Medicine and Massachusetts General Hospital from 1991 to 1993.

Professor Ed Gane, MBCHB, MD, FRACP, MNZM, FRSNZ

Member

Dr. Gane is Professor of Medicine at the University of Auckland, New Zealand, Hepatologist and Deputy Director of the New Zealand Liver Unit at Auckland City Hospital. Dr. Gane trained in hepatology at the Institute of Liver Studies, King's College School of Medicine, London, where he completed his MD on the pathogenesis of hepatitis C-related liver injury. In 1998, Dr. Gane was appointed as Chief Physician for the first New Zealand Liver Unit at Auckland City Hospital, which provides a national transplant and HCC programme and regional hepatitis services. Dr Gane chairs the Ministry of Health HepC Implementation committee. Dr. Gane is an investigator for many international clinical trials with particular interest in early phase development of new therapies against nonalcoholic fatty liver disease and direct acting antiviral therapies for chronic hepatitis C and hepatitis B. He has published more than 300 papers in peer-reviewed journals including The Lancet and The New England Journal of Medicine. Dr Gane is a member of APASL and AASLD and is a Fellow of the Royal Society of New Zealand. In 2011, Dr. Gane was awarded Member of the Order of New Zealand for Services to Medicine and in 2017, was the New Zealand Innovator of the Year for his work towards HCV elimination in New Zealand.

Dr Jordan Moon

Member

Dr. Moon is the Executive Director of Research and Education at ImpediMed Inc., a medical device company focusing on fluid and tissue changes in clinical and non-clinical populations. He received his PhD in Exercise Physiology from The University of Oklahoma and has served as an Associate Professor and Program Director for Sports Management and Sports & Health Sciences at American Public University and American Military University as well as serving as the Department Chair of Sports Exercise Science and Human Performance Laboratory Director at the United States Sports Academy.

Outside of academia, he directed the building and development of the MusclePharm Sports Science Institute and oversaw all clinical trials. With MusclePharm and Impedimed, he has directed and funded over 45 clinical trials and as a laboratory director has acquired over 20 grants. Throughout the last decade, Dr. Moon has presented over 50 lectures at multiple scientific

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conferences and events both nationally and internationally and has published more than 140 research articles and abstracts in dozens of journals along with writing a book chapter and publishing a book in the areas of sports nutrition, supplements, exercise science, body composition, body water, and changes regarding age and fitness level.

4.4 Directors' interests and remuneration

Set out below are the remuneration arrangements with Directors and details of the interests of Directors in Shares and other securities of the Company at the Prospectus Date.

(a) Executive Directors

Managing Director and Chief Executive Officer

The Company has entered into an employment agreement with Glenn Tong in respect of his employment as Chief Executive Officer. Glenn will be entitled to a base salary of $285,000 gross per annum plus statutory superannuation contributions. In addition, Glenn will be entitled to a sign-on bonus of $15,000 gross in compensation for contributions to the preparations for the Company's public offer which were made prior to commencement of his employment agreement.

Glenn may also be entitled to a Short-Term Incentive (STI) payment of up to 50% of base salary on satisfaction of KPIs agreed with the Board. Further, Glenn will be entitled to participate in the Company's Executive Share Option Plan (ESOP).

Under the terms of the employment agreement, the Company may terminate Glenn's employment by paying Glenn an amount equivalent to six (6) months' base salary plus any bonus payment to which he would have been entitled had he remained employed by the Company for the six (6) month period. The Company can also summarily dismiss Glenn in the event of fraud or other specified circumstances. Glenn may terminate his employment by giving 6 months' written notice.

Executive Directors

The Company has entered into service agreements with Valorton Capital Pty Ltd (**Valorton**) and Tearum Advisors Pty Ltd (**Tearum**) on 31 January 2020 under which the services of Steven Yu and Greg Starr are supplied as Executive Director and CFO / Company Secretary respectively. Details of the service agreements are set out in section 10.7(g). Under them

Steven Yu will be entitled to a remuneration package of $195,000 per annum, inclusive of base salary and superannuation and .

Greg Starr will be entitled to a remuneration package of $160,000 per annum, inclusive of base salary and superannuation.

(b) Non-executive Directors

Lou Panaccio

The Company has agreed to pay annual Director's fees of $70,000 to Lou Panaccio, in respect of his position as Non-Executive Chairman.

Aiden Jiang and Kevin Chen

The Company has agreed to pay annual Director's fees of $50,000 to Aiden Jiang and Kevin Chen, in respect of their position as Non-Executive Directors.

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Non-executive directors may be paid additional fees for service on Board committees.

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(c) Directors' interests in Shares

The Directors and their related entities are expected to have the following interests in Shares as at Completion:

DIRECTOR	REGISTERED HOLDER	SHARES	OPTIONS
Mr Lou Panaccio	Tercus Pty Ltd – ATF Panaccio Super Fund	890,316	3,000,000
Dr Glenn Tong	KR and GT Nominees – ATF Tong Family Trust	24,928,856	1,500,000
Wei Jiang	Wei Jiang	56,000,483	1,500,000
Kevin Chen	Kevin Chen	Nil	1,500,000
Steven Yu	Valorton Group Pty Ltd	Nil	1,500,000
Greg Starr	Tearum Advisors	Nil	1,500,000

Notes: The table above assumes the Invictus Acquisition Agreement has completed and Invictus shares exchanged for AZT shares. Directors and their related entities may participate in the Offer which would result in their interests in Shares being greater than that outlined above. The Directors will not issue Shares to a person if the issue would result in a contravention of the 20% voting power rule in section 606 of the Corporations Act.

(d) Employee Share Option Plan

Directors are entitled to participate in the Company's ESOP (further details of which are set out in Section 10.9), with the approval of Shareholders as required by the ASX Listing Rules as applicable. Details of the Options to be held by Directors (if approved by Shareholders at the general meeting) are set out in the table above.

(e) Directors' indemnity, access and Insurance

The Company has entered into a Deed of Access, Indemnity and Insurance with each Director. The deed applies while the Director holds office and for a period of 7 years after (subject to extension in the case of then current proceedings or investigations). In summary, each Deed provides that:

- subject to the Corporations Act, the Company indemnifies the Director against all liabilities incurred by the Director (including reasonable legal costs incurred by the Director) which may arise from their position as a director of the Company or any related body corporate;
- the Company will maintain directors' and officers' liability insurance for the benefit of the Director; and
- the Director has a limited right of access to the Company's books.

The Company is currently taking steps to arrange directors' and officers' insurance.

(f) Directors' interests in contracts

Dr Glenn Tong has an interest as a seller in the Invictus Acquisition Agreement and the Gordagen Intellectual Property Agreement.

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See sections 10.7(b) and 10.7(a). No other Director has a material interest in a material contract to which the Company or another member of the Group is a party.

4.5 Director disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Except as otherwise stated below, No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

Dr Glenn Tong was previously a director of Gordagen Pharmaceuticals Pty Ltd. (In Liquidation). The Liquidator, Mr James P. Downey of JP Downey and Co, was appointed in November 2017 by vast majority vote (both by number and by amount owed) of a group of creditors of Gordagen Pharmaceuticals Pty Ltd. This group of creditors was led by Dr Tong and fully supported the action taken. In December 2017, the Liquidator conducted an open sale process of Gordagen's intellectual property assets (including advertisements in major newspapers) and Azure Health Biotechnology Pty Ltd., under the leadership of Dr Tong, submitted the winning bid and acquired the intellectual property rights held by Gordagen with the full support of this group of creditors. This group of creditors continues to provide services to Azure Health Technology Ltd. and most are also shareholders of the Company.

Mr Starr was the Managing Director of a public company KBL Mining Limited. As a result of a flooding and a pit collapse of the mine from a significant rain event in central western NSW in July and August 2016, production was stopped, and the directors appointed administrators due to the subsequent inability to source sufficient capital to fund its operations. The non-associated Directors of the Company have considered the above circumstances surrounding Mr Starr's involvement in KBL Mining Limited and are of the view that Mr Starr's involvement in KBL Mining Limited in no way impacts his appointment and contribution as a Director of the Company.

Mr Chen and Mr Jiang have no current experience as directors of publicly listed entities. However, the non-executive Directors are of the opinion that this lack of experience in no way impacts their appointment and ability to contribute as Directors of the Company given they both have significant other skills sets, experience and expertise (as described in section 4.1) which will be invaluable to the Company.

4.6 Corporate governance

The Board is committed to maximising Shareholder value and financial return and sustaining the growth and success of the Company's business. In conducting business with these objectives, the Board is tasked with ensuring that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees fulfil their functions effectively and responsibly.

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(a) Board

The Board is comprised of three Executive Directors, including the CEO, and three Non-Executive Directors. Detailed biographies of the Directors are provided in Section 4.1. Two of the Non-executive Directors can be regarded as independent.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non-executive Director or executive Director as the case may be without constraint from other commitments.

(b) Independence of the Board

The Board considers that a director is an independent director where that director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Generally, when determining the independence of a director, the Company also takes into account the factors relevant to assessing the independence of a director listed in Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations.

The Board considers that Lou Panaccio and (Kevin) Weidong Chen are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgment and is able to fulfil the role of independent director for the purposes of ASX.

The Board currently considers that Aiden (Wei Jiang) is not independent for ASX purposes due to being a substantial shareholder in the Company. Whilst the present directors seek to establish a Board which is made up of a majority of independent directors over time, this must also be balanced with the benefits of maintaining access to the skills and experience of these four executive and non-independent non-executive directors. Consequently, the Board has plans to expand its membership to include additional non-executive directors.

The directors, and their independence status is summarised as follows:

a. Lou Panaccio → Independent Non-executive Chairman

b. Glenn Tong → Managing Director and CEO

c. Greg Starr → CFO, Company Secretary and Executive Director

d. (Kevin) Weidong Chen → Independent Non-executive Director

e. (Aiden) Wei Jiang → Non-executive Director

f. (Steven) Jiayi Yu → Executive Director

(c) Board Charter

The responsibilities of the Board are set out in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendation.

A copy of the Company's Board Charter is available on the Website.

(d) Board Committees

The Board has established two standing committees to assist the Board in fulfilling its responsibilities as described in the table below.

Each of these committees has the responsibilities described in the committee charters adopted by the Company (which

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have been prepared having regard to the ASX Corporate Governance Principles and Recommendations). A copy of the charter for the above committees is available on the Website.

The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

BOARD COMMITTEE	KEY RESPONSIBILITIES	INITIAL COMPOSITION
Audit and Risk Committee	Monitoring and advising the Board on the Company's risk management. audit and regulatory compliance policies and procedures	Lou Panaccio Glenn Tong Greg Starr
Remuneration and Nomination Committee	Establishing the policies and practices of the Company regarding the remuneration of Directors and senior management and reviewing all components of the remuneration framework. Advising the Board on the composition of the Board and its committees.	Lou Panaccio Steven Yu Greg Starr

Table 1: Board Committees

(e) Policies

The Company has adopted various policies, taking into account the recommendations in the ASX Corporate Governance Principles and Recommendations. These policies are available on the Website and include:

- **Code of Conduct:** A code of conduct that sets out the standards of conduct and behaviour the Company expects from its Directors, officers, employees and contractors;
- **Continuous Disclosure Policy:** After Reinstatement, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. This policy describes the procedures in place which are designed to ensure that the Company complies with its continuous disclosure obligations;
- **Securities Trading Policy:** This policy outlines when Directors and key management personnel may deal with the Company's securities, particularly at times when the market may not be fully informed as to the Company's progress, and explains how insider trading laws affect their dealings in the Company's securities;
- **Diversity policy**: This policy sets out the Company's policy for achieving an inclusive and diverse workplace, at all levels and how the Company aims to ensure that its objectives can be measured and improved;
- **Shareholder communication policy**: This policy describes how the Company will ensure effective communication with its shareholders and broader stakeholders;
- **Whistleblower policy**: This Policy identifies the types of concerns that may be reported under the policy and sets out the processes the Company has put in place

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to follow up and investigate complaints whilst ensuring the confidentiality of the Whistle Blower's identity and their protection from retaliation.

(f) ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations.

A Corporate Governance Compliance statement can be found on the Company's website at www.azureht.com.au which briefly addresses the areas where the Company has departed from the recommendations contained in the ASX Corporate Governance Principles and Recommendations. The Board is of the view that with the exception of the departures set out in such table, it otherwise expects to comply with all of recommendations in the ASX Corporate Governance Principles and Recommendations.

The Directors intend to appoint additional suitably qualified and experienced independent directors to the Board when circumstances permit.

(g) Company Secretary

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary.

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5 RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares pursuant to this Prospectus.

There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Company and the value of the Shares. Some of these risks may be mitigated by the Company's internal controls and processes, but many are outside the control of the Company, the Directors and management.

There can be no assurance that the Company will achieve its stated objectives or that any forward-looking statements will eventuate.

Investors should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their stockbroker, accountant, financial or other professional adviser before deciding whether to participate in the Offer.

Investors should be aware that the performance of the Company may be affected, and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to apply for Shares include, but are not limited to, the risks in this Section 5.

5.2 Company Specific Risks

(a) Market acceptance of nutraceutical products

In the short term, Azure Health will focus on the marketing and sale of its nutraceutical products in USA, Australia and China. The initial offering will be NE1-Elite® and NE1-Heart®. Market acceptance of these products is a key risk. If there is no or limited market acceptance Azure Health will not derive the early stage revenues it seeks and may need to find alternative funding sources or defer or delay other projects.

(b) Reliance on third party suppliers/contractors

Many of the Company's business functions are outsourced to specialist contractors, with a single contractor, American River Nutrition (which is owned by a well-established nutraceuticals company in the US), engaged for the relevant tasks. Accordingly, the Company's ability to function is reliant on the continued timely and competent performance of those contractors. If a contractor was unable to meet the Company's needs for whatever reason, the Company would need to obtain those skills and services from elsewhere, resulting in potential delays in achieving its business goals, and likely increases in costs and resulting decreases in profitability.

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The risk associated with reliance on one engaged supplier is mitigated by the fact that the Company is developing methods of manufacture which make use of tocotrienols which are not derived from annatto seed but are still low in tocopherol, which will therefore create scope to use a greater number of suppliers in the future if required.

(c) Reliance on third party manufacturer (nutraceuticals)

The Company currently has one manufacturer of its nutraceutical products. The Company's ability to produce nutraceutical products for sale is reliant on that manufacturer's continued ability to produce product as and when required by the Company. If the manufacturer is unable to deliver product when requested by the Company, the Company will not have product available for sale, reducing its revenues and in turn its profitability.

The risk associated with the reliance on one engaged manufacturer is mitigated by the fact that the Company has multiple other manufacturers available if required (given the Company owns the IP related to the formulation of the products). For instance, the entity that co-developed the manufacture method in conjunction with the Company is Unison Pharmaceuticals, a GMP manufacturer based in Malaysia, which the Company maintains a close working relationship with. The Company also has several other US-based manufacturers with whom the Company has close relationships with and whom could be called upon to manufacture the products should the Company's engagement with Capstone Manufacturing be terminated. See section 2.4.7 for more information.

(d) Raw material supply risk

The key active ingredient used by the Company in its products is currently sourced from a sole global supplier. The Company's ability to produce nutraceutical products for sale and have product available for clinical trials is reliant on that supplier's continued ability to deliver that ingredient as and when required by the Company. If the supplier is unable to deliver product when requested by the Company, the Company will not have product available for sale, reducing its revenues and in turn its profitability. Further any interruption to the supply of the raw material may impact some of its clinical trials, delaying those trials and preventing the Company from achieving some of its business goal©(e) Key person risk

The Company has a handful of key personnel, including its management team. As the team is small, the know-how and corporate memory of the Company resides in a small number of people. If any of these people were unable to perform their roles for the Company for any reason, the Company would incur delays in delivering its business goals and increased costs in delivering those goals as they would need to replace those people and recreate some of that know how.

(e) Insufficient funding

The Company is in the drug development business and such businesses require additional capital from time to time in order to progress drug development programs. There is no guarantee that the Company will be able to raise the funds required in a timely manner or at a reasonable cost when required by it. As

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such, the Company's programs may be delayed until those funds are raised (if raised at all) and shareholders' interests in the Company may be diluted by such capital raising activities, with no guarantee that they will be able to participate in those capital raises.

(f) Efficacy risk

There is a risk that the pharmaceutical products that Azure Health is seeking to develop do not prove to be effective forms of treatment for the diseases they target.

(g) Clinical trial risk

The Company is undertaking clinical trials, which by their very nature, are uncertain in their outcome. The trials also become more complex and larger over time. The trials may fail to reach their designated endpoints the consequence being that the Company's proposed drug may not be an effective treatment for the targeted disease. As a result, the Company's funds invested in that trial may be wasted and the drug development program delayed while new targets are selected. Further, clinical trials can have adverse events which need to be investigated before the proposed drug trial can continue (if at all). Again, this could cause delays in the Company's drug development program, delaying achievement of business goals, increasing costs and reducing profitability.

(h) IP protection failure (including Monash patent obligation)

The Company has certain patents which it has rights to. Patents are subject to third party challenge from time to time and as a result, the Company can incur significant costs (both time and money) in asserting and defending patent rights. Further some patents are held by third parties and licensed to the Company, and the Company has limited controls over how those patent rights are defended. The need to defend such claims would increase the Company's costs and reduce its profitability, as well as potentially delay the ability to Company to pursue transactions with third party companies who wish to use or develop the Company's products. See the FB Rice report in section 9 for a full outline of the Company's intellectual property portfolio, as well as section 2.5.4 for an overview of the Company's pending patent applications.

(i) Development program costs

The inherent uncertainty of drug development means that certain unexpected events can occur. The result is that there is a risk that the programs will take longer and cost more than budgeted for at the start of the process, increasing the Company's costs and reducing its profitability. There may also be a need to obtain additional funding to complete the program.

(j) Product liability risk

The Company is proposing to sell nutraceuticals and potentially out-license pharmaceuticals. There is a risk in the sale of such products that certain people or populations may have adverse effects from the products and make claims against the Company in respect of those effects. The need to defend such claims would increase the Company's costs and reduce its profitability. Further, while the Company expects to be able to obtain product liability insurance, there is no guarantee that the

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insurance will be available at an acceptable cost or in adequate amounts. Any deficiency in insurance coverage could cause the Company to incur liabilities. Any product liability claim could also damage the Company's reputation.

(k) Competition (nutraceuticals)

Some of the Company's competitors in the nutraceutical business are large and well-funded. There is a risk that these competitors will seek to establish and promote substitute products in the market, or to seek to promote products with the same marketing claims as the Company. These activities could cause the Company's sales to grow slower than anticipated, cause the Company to spend more on marketing, or otherwise incur costs in defending its position (including by defending its marketing claims against these companies). The result of this competitive activity could be reduced revenues and/or increased costs, with lower profitability for the Company.

(l) Limited history in drug development

The Company is newly formed and has limited history in drug development and commercialisation of pharmaceutical products. There is no guarantee that it will be able to achieve its business goals in the drug development business. As a result, the Company's business prospects could be adversely affected, which could reduce the Company's standing in the investment community and negatively impact its share price.

(m) Limited history in sales of nutraceuticals

The Company is newly formed and has limited history in nutraceutical sales. There is no guarantee that it will be able to achieve its business goals in the nutraceutical business. As a result, the Company's revenues and business prospects could be adversely affected, which could negatively impact its share price.

(n) Concentration of shareholding

Following completion of the Offer, Azure Health will have a significant portion of the Shares held by entities associated with its major shareholder (Aiden) Wei Jiang (approximately 40% in the case of the Minimum Subscription and 36% in the case of Maximum Subscription). and its CEO, Glenn Tong (approximately 17.8% in the case of the Minimum Subscription and 16.1% in the case of Maximum Subscription). Accordingly, these persons will be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of Directors.

The sale of Shares in the future by either of these parties could adversely affect the market price of the Shares. Also, the concentration of ownership may affect the liquidity of Shares on ASX and contribute to a perception that a change of control transaction involving the Company is unlikely in the short to medium term. Further, the capacity of these parties to participate in future fund-raising activity of the Company is in part dependent on their resources and the mechanics of the takeover rules in the Corporations Act.

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(o) Regulator risk

Before the Company can market and sell pharmaceutical products, those products must be approved by relevant regulators. Such approval is reliant on regulator interpretation of data from trial and other development activities. Such approvals can take longer, require additional work (including further trials) or may not be provided at all.

As a result, the Company's development programs may be delayed, incurring additional cost and may require additional funding to obtain such approvals.

(p) Reputational risk

The Company's reputation is important to its position in the nutraceutical and pharmaceutical industries. Reputational damage may be caused in many ways, including:

- Adverse outcomes in clinical trials
- Adverse reactions to nutraceutical products
- Product contamination issues
- Employee malfeasance

Any reputational damage or negative publicity could impact the Company's business by causing prospective licensing partners, regulators, employees, directors or consumer to avoid dealing with the Company. This could reduce the Company's revenues, increase its costs and prevent it from achieving its business goals.

5.3 Industry Specific Risks

(a) Inherent drug development risks

The development and commercialisation of pharmaceutical products is subject to inherent risks of failure, including that the products:

- are ineffective
- are unsafe
- have adverse side effects at the relevant doses
- fail to show improvement over existing treatments
- fail to achieve regulatory approval
- are surpassed by better alternatives under development
- fail to gather support of key opinion leaders

All of the above factors, and others, could prevent the Company from achieving its business goals with respect to its pharmaceutical business.

(b) Changes to R&D tax incentives

The Company expects to take advantage of the Australian Federal Government's R&D tax incentives to undertake certain qualifying development expenditure. If the Company is unable to access those incentives for whatever reason (including no longer qualifying or due to changes in the incentive scheme), the amounts of funds available to the Company to achieve its business goals will decrease and the Company may need to obtain additional funding for that purpose.

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(c) Changes in other Government policy

The Company operates in highly regulated market sectors, subject to laws, regulations, directives and guidelines relating to many aspects of its operations including trial activities, laboratory practices, manufacturing practices, handling and registration of certain ingredients, as well as marketing restrictions. Any change to the regulatory environment in any location where the Company operates may increase the' Company's cost of compliance, with a resulting reduction in profitability.

(d) IP infringement

Irrespective of whether or not the' Company's intellectual property is registered in a jurisdiction, there is always a risk of third parties claiming rights over that intellectual property. Further the complex nature of intellectual property, and in particular patents, means that there are often lengthy and expensive disputes which can have an uncertain outcome. Some parties can also utilise their larger financial resources to seek to make and sustain claims as part of a competitive action.

While securing a patent is vital to be able to secure value with third parties in the pharmaceutical business, the granting of a patent does not guarantee that the rights of others are not infringed by the patent. Further, the grant of a patent does not stop a third party from circumventing the patent through design. Accordingly, the enforceability of patents and other intellectual property rights cannot be guaranteed, and the Company may need to expend funds to support its position, impacting on its profitability.

5.4 General Risk Factors

(a) Illiquid Stock

The market for Shares on ASX from time to time may be limited and it may not be possible for you to sell your Shares at a particular price or at all

(b) Change in accounting standards

Th' Company's financial reports are subject to Australian International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. Changes in accounting standards may adversely affect the financial performance or financial position of the Company.

(c) Change in tax

Changes in the tax laws and changes in the way they are interpreted could adversely impact the Company, including in relation to cross-border taxation.

Further, changes to tax rates or tax regimes could impact the returns from holding Shares.

(d) Volatile share prices

The market price of Shares can rise and fall and be subject to various unpredictable influences outside of the control of the Company, including:

- Economic outlook
- Political factors
- Interest rates
- Inflation
- Currency changes

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- Investor sentiment

The trading price on ASX of Shares may be higher or lower than the price paid under the Offer.

(e) Macroeconomic risks

The operating and financial performance of the Company is influenced by a range of general domestic and global economic conditions including inflation, interest rates, employment rates, exchange rates and government fiscal, monetary and regulatory policies, all which are beyond the control of the Company. A prolonged deterioration in any of the factors may materially affect the financial position, share price and growth prospects of the Company.

(f) Coronavirus outbreak

China represents an important market for the Company. The risk of the coronavirus outbreak effecting sales in China is unknown and could be short lived or more significant. After re-listing the Company will update the market in compliance with its continuous disclosure obligations if the consequences of the coronavirus impacts these sales channels In China and adversely affects Company. If any of these impacts appear likely to be material prior to close of the Offer the Company will notify investors under a supplementary prospectus.

5.5 Speculative investment / Dividend policy

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, its subsidiaries or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

The intellectual property assets and business model of Azure Health are as yet unproven. Therefore, an investment in Azure Health should be regarded as speculative. Given the business strategy of the Company as described in this Prospectus, all free cash is proposed to be used to progress the Company's drug development plans.

Accordingly, there is no guarantee of the payment of any dividends or like distributions to Successful Applicants by Azure Health and the ability to pay any dividends will be dependent on generating sufficient revenue and profits to support the payment of dividends.

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6 DETAILS OF THE OFFER

6.1 Description of the Offer

This Prospectus contains an Offer to the public of up to 50,000,00 Shares in the Company (on a post consolidation basis) at a price of $0.20 per Share to raise up to $10,000,000 (before costs and expenses).

The minimum subscription is 35,000,000 Shares to raise $7,000,000 (before costs and expenses).

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

6.2 Purpose of the Offer

The principal purposes of the Offer are to:

- Comply with ASX's requirements for reinstatement to quotation of shares in the Company on ASX
- Provide funds for the purposes set out in section 6.3 below
- Provide the Company with access to equity capital markets for future funding needs
- Enhance the public and financial profile of the Company to facilitate further growth of the Company's business

6.3 Use of Funds

The Company intends to apply funds raised from the Offer as set out in the table below. The Board retains the right to vary the Uses of Funds, acting in the best interest of Shareholders and as the circumstances require.

Item	Minimum Raise A$	Maximum Raise A$
US Nutraceuticals	485,000	607,000
NAFLD Clinical Program	638,000	1,864,000
Pancreatic Cancer Preclinical programme	451,500	477,500
Costs of the Offer **	646,555	828,860
Existing Invictus Creditor repayments	1,119,632	1,119,632
Development of AHW Business	230,000	230,000
Repayment of existing Invictus Borrowings	250,406	250,406
Additional Working Capital	3,178,907	4,622,602
Total	**7,000,000**	**10,000,000**

Note: Costs of the Offer in this table are reduced by $55,000 from the costs stated in the table in section 6.4 below because the share issue costs are not cash costs and are therefore not included in the use of funds

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The funds set out above are expected to be augmented by R&D Tax Incentive refunds for expenditure on the development of the Company's prescription medicine candidates. The Company's predecessors including Gordagen successfully applied for R&D Tax Incentive refunds in relation to equivalent expenditure. However, there can be no certainty that R&D Tax Incentive refunds will be obtained, and investors should not assume that will be the case. Payments of $58,080 to Tearum Advisors Pty Limited and $66,033 to Valorton Capital Pty Limited (entities associated with Greg Starr and Steven Yu) which are due on re-quotation of Shares to ASX will be made out of working capital.

6.4 Costs of Offer

The expected Costs of the Offer are set out in the table below:

** Costs of offer	Minimum Raise A$	Maximum Raise A$
Offer Lead Management fee (1%)	70,000	100,000
Capital raising free (5% of funds raised above $4.5m)	125,000	275,000
Lead Manager Retainer fee	60,000	60,000
Success Fee	55,000	55,000
Legal DD	35,000	35,000
Hall Chadwick - IAR, Audit, review of proforma	67,000	67,000
Tax Due Diligence	15,000	15,000
Legal Fees	175,000	175,000
ASX review and Listing costs of new shares	31,855	34,160
ASIC Prospectus Lodgement Fees	2,400	2,400
Notice of meeting, prospectus preparation & meeting costs	65,300	65,300
Total	**701,555**	**883,860**

6.5 When to apply for shares

The Opening Date for the Offer is 24 February 2020 and the Closing Date for the Offer is 5:00pm AEDT on 27 March 2020, or such other date as the Directors, in their absolute discretion, may determine.

6.6 How to apply for shares

Applications for Shares under the Offer must be made online at www.azureht.com.au or using the Application Form accompanying this Prospectus.

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Applications for Shares must be for a minimum of 10,000 Shares ($2,000). Payment must be made in full at the issue price of $0.20 per Share multiplied by the number of Shares applied for.

There is no maximum value of Shares that may be applied for under the Offer.

The Offer is open to Applicants resident in Australia only. All Applicants under the Offer must have an eligible residential or, in the case of a corporate applicant, registered office address in Australia.

You may pay your Application Monies by BPAY or by cheque in accordance with the instructions on the Application Form.

Cheque(s) or bank draft(s) must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable to "Azure Health Technology Limited".

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

If paying by cheque(s) or bank draft(s):

Once your Application Form is completed, please send your Application Form and cheque or bank draft for the Application Monies to the Share Registry at the address set out below. Completed Application Forms and accompanying cheque or bank draft must be lodged by 5:00pm AEDT on the Closing Date.

By mail to:

Azure Health Technology Limited

C/- Link Market Services Limited

Locked Bag A14

SYDNEY SOUTH NSW 1235

By hand delivery to:

Azure Health Technology Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

If making an online application:

When completing your BPAY payment, please make sure to use the specific code and unique Customer Reference Number (CRN) generated by the online Application Form available at www.azureht.com.au.

Application Monies paid via BPAY must be received by the Share Registry by no later than 5.00pm AEST on the Closing Date and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The Company takes no responsibility for any failure to receive

Application Monies or payment by BPAY before the Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

The Company reserves the right to accept late Applications.

6.7 Allotment of Shares

Subject to the Minimum Subscription being raised and Reinstatement occurring, allotment of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

The Directors, in consultation with the Lead Manager, reserve the right to allot the Shares in full for any Application or to allot any lesser number or to decline any Application if they believe the Application does not comply with applicable laws or regulations.

If an Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as a valid Application. The Directors' decision whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of Application Monies paid by the Applicant.

If an Applicant is not issued all of the Shares applied for, the Applicant will receive a refund, as set out in Section 6.17.

6.8 ASX Listing

The Company is an Australian public company that was incorporated on 22 September 2004 and has been listed on ASX since 27 June 2007.

Shares in the Company have been suspended from trading on ASX since 25 January 2017 and will not be reinstated until approval by ASX of the Company's application for reinstatement to quotation of shares in the Company on ASX based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance Application**). The Company will lodge the Re-compliance Application with ASX at or about the time of lodgement of this Prospectus with ASIC.

The principal requirements of Chapters 1 and 2 of the Listing Rules are that:

- the Company satisfies the ASX that its structure and operations are appropriate for a listed company;
- the Company prepares and issues a prospectus in accordance with the provisions of the Corporations Act (which is a function of this Prospectus);
- the Company has a free float of not less than 20% (at least 20% of the shares are held by persons who are not related to directors or substantial shareholders and not subject to escrow restrictions)
- the Company has obtained the requisite shareholder spread of 300 non-affiliated shareholders (each holding a marketable parcel of $2,000 worth of shares);
- subject to any exemptions granted by ASX, any new share issues are made at a minimum price of $0.20 per Share and any options on issue have an exercise price of no less than $0.20 per option;

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- the Company satisfies the ASX Listing Rules test in relation to its asset value (the "assets test");
- the Company complies with Chapter 9 of the ASX Listing Rules in relation to any "restricted securities" it has on issue or is proposing to issue (the ASX escrow requirements); and
- the Company satisfies the ASX that each director or proposed director is of good fame and character.

The Company's submissions in relation to the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules will be set out in the Re-compliance Application.

6.9 Minimum Subscription

The minimum subscription under the Offer is 35,000,000 Shares to raise $7,000,000 (before costs and expenses).

In the event the Minimum Subscription has not been raised within 4 months of the Prospectus Date, the Company will deal with Applications in accordance with the Corporations Act.

6.10 Conditions of the Offer

The Offer is conditional upon (**Offer Conditions**):

a. ASX approving the Re-compliance Application and agreeing to reinstate Shares to quotation on ASX;

b. the minimum subscription under the Offer of 35,000,000 Shares to raise $7,000,000 before expenses (**Minimum Subscription**) being achieved;

c. the Company obtaining the Shareholder approvals required to complete the Invictus Acquisition and support the Re-compliance Application (being the shareholder approvals to be sought at the General Meeting). See section 10.3 for more information on the shareholder approvals; and

d. the conditions precedent to the Invictus Acquisition Agreement being satisfied or waived. See section 10.7(b) for more information on the conditions precedent to the Invictus Acquisition Agreement.

There is a risk that the Offer Conditions will not be satisfied. If the Offer Conditions are not satisfied, the Company will not proceed with the Offer. If this occurs no Shares will be issued under this Prospectus and all Application Monies will be refunded (without interest) in accordance with the Corporations Act.

6.11 Capital Structure

The Table below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offer.

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	Minimum Raise	%	Maximum Raise	%
Existing Shares on issue as at the date of this Prospectus	179,998,449		179,998,449	
Existing Shares After Consolidation (2.57 for 1 consolidation)	70,000,000	50%	70,000,000	45%
New Shares to be issued under the Offer	35,000,000	25%	50,000,000	32%
New Shares to be issued to Invictus post IPO	35,000,000	25%	35,000,000	23%
Total Shares on issue at Completion	**140,000,000**	**100%**	**155,000,000**	**100%**
Offer Price	$0.20		$0.20	
Indicative market capitalisation at the Offer Price	**$28,000,000**		**$31,000,000**	

Notes: In addition to the Shares set out in the table above, the Company will, at the time of re-quotation of its shares on ASX, have on issue 10,500,000 ESOP Options and 6,081,228 Consideration Options. The ESOP Options are exercisable for 1 Share at an exercise price of $0.30. The Consideration Options are exercisable for 1 Share at an exercise price of $0.479. The terms of the ESOP Options are set out in section 10.7(c). The terms of the Consideration Options are set out in sections 10.6 and 10.7(c).

The Lead Manager of the Offer will be issued success fee shares for the amount of $55,000.00 at the Offer price (totalling 275,000 shares), if the Minimum Subscription is achieved. These Shares are not included in the above table.

6.12 Control implications

Following the issues of Shares to the major shareholders and shareholder groups their shareholdings are expected to be as set out in following Table.

	Minimum Raise	Maximum Raise
Aiden Jiang	40.0%	36.1%
Glenn Tong	17.8%	16.1%
Rhonda Nairn	8.5%	7.7%

Aiden Jiang is the majority shareholder in the Company as at the date of this Prospectus. His holding will be substantially reduced following the issue of Shares under the Offer and the Invictus Acquisition.

Glenn Tong is the majority shareholder in Invictus and will acquire his shares in consideration of the Invictus Acquisition. His interests will be held by KR and GT Nominees Pty Ltd (ATF The Tong Family Trust).

Rhonda Nairn was the majority shareholder in the Company prior to the acquisition of Aiden Jiang's shareholding in December 2018.

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None of these persons or groups of persons is associated with one another in terms of ownership of Shares or intention to control the affairs of the Company.

The Directors will not issue Shares to a person if the issue would result in a contravention of the 20% voting power rule in section 606 of the Corporations Act.

6.13 Offer management

The Company has engaged Viriathus Capital Pty Ltd (Viriathus) to manage the Offer and facilitate with the capital raise under the Offer. Viriathus will be paid the following for its services:

- 1% of the total amount raised under the Offer as a management fee;
- 5% of the total amount raised by Viriathus as a capital raising fee;
- $15,000 per month for advisory services provided in relation to the Offer, of which $7,500 will be paid in cash monthly with the balance being payable upon completion of the Offer;
- $55,000.00 by issuance of Shares at the Offer price (totalling 275,000 Shares) as a success fee, if the Minimum Subscription is achieved under the Offer.

Further information on the Company's agreement with Viriathus is set out in section 10.7.

6.14 Withdrawal and discretion regarding the Offer

With the consent of the Manager, the Company may withdraw the Offer at any time before the issue of Shares to successful Applicants. If this occurs no Shares will be issued under this Prospectus and all Application Monies will be refunded (without interest) in accordance with the Corporations Act.

The Company in consultation with the Manager also reserves the right to close the Offer early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than applied for.

6.15 ASX Clearing House Electronic Sub-Register System

The Company participates in the ASX's Clearing House Electronic Sub-register System (CHESS), in accordance with the ASX Listing Rules and the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Holdings of Shares will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. A CHESS participant, or a person sponsored by a CHESS participant, will have their Shares registered on the CHESS sub-register. All other

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Shares will be registered on the issuer sponsored sub-register.

Following allotment, Successful Applicants will be sent a holding statement that sets out the number of Shares that have been issued to them under the Offer. This holding statement will also provide details of a Holder Identification Number (HIN) or, where applicable, the Security Holder Reference Number (SRN) of issuer sponsored holders. Certificates will not be issued. It is expected that the initial holding statements will be dispatched by standard post on or about 2 April 2020.

6.16 Commencement of Trading

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants trading in Shares prior to receiving a holding statement do so at their own risk. The Company, the Share Registry, and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

The Shares are expected to re-commence trading on ASX on a normal settlement basis on or about 3 April 2020.

6.17 Refunds

Application Monies will be refunded (in full or in part. as applicable) in Australian dollars where an Application is rejected, an Application is subject to a scale-back or if the Offer is withdrawn or cancelled.

No interest will be paid on any refunded amounts. The Company, irrespective of whether the allotment of the Shares takes place, will retain any interest earned on the Application Monies.

Refund cheques will be sent as soon as practicable following the close or termination of the Offer.

6.18 Overseas Applicants

No action has been taken to register or qualify the Prospectus or the Shares or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Prospectus who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

In particular, the Prospectus has not been and will not be registered under the US Securities Act or the laws of any State of the United States and Shares may not be offered or sold within the United States or to, or for the account or benefit of a US Person except in a transaction exempt from the registration requirements of the Securities Act or applicable US State securities laws.

6.19 Risk factors

As with any share investment, there are risks associated with investing in the Company. The

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principal risks that could affect the financial and market performance of the Company are detailed in section 5 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety, consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.20 Exposure period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, electronic and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all such Applications will be treated as if they were simultaneously received on the Opening Date.

6.21 Application Monies held in trust

All Application Monies will be held in a separate subscription account on behalf of Applicants until the Shares are issued pursuant to the Offer. Subject to any extension, if the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

6.22 Tax Implications

The acquisition, holding and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each holder. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring, holding or selling Shares pursuant to the Offer, from a tax perspective and generally.

General information regarding the tax consequences (if any) of holding or disposing of Shares is set out in Section 10.11.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the tax consequences of subscribing for Shares under this Prospectus.

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6.23 Consideration Share Offer and Consideration Option Offer

This Prospectus contains offers of the Consideration Shares (**Consideration Share Offe**r) and the Consideration Options (**Consideration Option Offe**r).

Under the Invictus Acquisition Agreement the Invictus Shareholders will apply under the Consideration Share Offer for the number of Consideration Shares specified in Section 10.7(b).

Under the Option Exchange Agreement, the Invictus Employees will apply under the Consideration Share Offer for the number of Consideration Options specified in Section 10.7(c).

Applicants under the Consideration Share Offer and the Consideration Option Offer must apply on the Consideration Offer Application form accompanying this Prospectus, which must be receive by the Company on or before the Closing Date.

6.24 No Brokerage or Duties

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

6.25 Enquiries

This Prospectus and information about the Offer is available in electronic form at www.azureht.com.au.

All enquiries in relation to this Prospectus should be directed to your broker, the Lead Manager or the Share Registry on 1800 262 299 from 9:00am to 5:000pm AEDT, Monday to Friday during the Offer Period.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.

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7 FINANCIAL INFORMATION

7.1 Introduction

This Section sets out the Historical information of Azure Health Technology ("Azure" or the "Company") and Invictus Biopharma Ltd ("Invictus") and the Pro Forma Historical Financial Information (collectively the Financial Information). Invictus Biopharma Ltd was formed on 17 August 2018. The shareholders of Invictus Biotechnology Pty Limited agreed to proportionately exchange their shares for shares in Invictus Biopharma Ltd as at 28 August 2018. Invictus Biotechnology Pty Ltd is now a 100% subsidiary of Invictus Biopharma Ltd. Invictus Biotechnology Pty Ltd was the trading entity for Invictus. In relation to Invictus, the historical Financial Information shown for the 2017 and 2018 years, is that of Invictus Biotechnology Pty Ltd and the historical Financial Information shown for the 2019 is the consolidated results of Invictus Biopharma Ltd and Invictus Biotechnology Pty Ltd from 17 August 2018 to 30 June 2019. Also included in this section are the consolidated results of Azure for the last three financial years.

The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to provide details of the historical financial performance of the Company and Invictus and to illustrate the effects of the acquisition of Invictus.

Hall Chadwick has prepared an Investigating Accountants Report in respect of the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report is set out in Section 8.

7.2 Basis and method of preparation

The historical information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and the accounting policies adopted by the Company and Invictus as detailed at Section 7.6, note 10. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out at Section 7.6, as if those adjustments had occurred as at 30 June 2019.

The financial information contained in this Section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information);

- The historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017 ("FY2017"), 30 June 2018 ("FY2018") and 30 June 2019 ("FY2019") for Azure and Invictus,

- The historical Consolidated Statements of Cash Flows for FY2017, FY2018 and FY2019 for Azure and Invictus,
- The historical Consolidated Statements of Financial Position as at 30 June 2019 of Azure and Invictus.

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information);

- The pro forma Consolidated Statement of Financial Position of the Company as at 30 June 2019, prepared on the basis that the pro forma adjustments and subsequent events detailed in Section 7.6 had occurred as at 30 June 2019; and
- The notes to the pro forma financial information

(collectively referred to as the Financial Information).

The Historical Financial Information of Azure has been extracted from the financial reports for FY2017, FY2018 and FY2019. The financial reports for FY2017, FY2018 and FY2019 were audited by Hall Chadwick NSW ("Hall Chadwick") in accordance with Australian Auditing Standards. Hall Chadwick issued qualified audit reports for the financial reports for FY2017, FY2018 and FY2019 due to the scope limitations and inadequate accounting and statutory records resulting from the Company previously being placed into voluntary administration. The audit reports also contained a material uncertainty paragraph surrounding the ability of the entity to continue as a going concern due to negative operating cash flows and negative working capital.

The Historical Financial Information of Invictus has been extracted from the financial reports for FY2017, FY2018, and FY2019. The financial report for FY2017, FY2018 and FY2019 were audited by Grant Thornton Audit Pty Ltd ("Grant Thornton") in accordance with Australian Auditing Standards. For FY2017, FY2018 and FY2019, Grant Thornton has issued an unqualified audit opinion but noted a material uncertainty related to going concern

7.3 Historical statements of profit or loss and other comprehensive income

Azure Health Technology

	Audited 2017 $	Audited 2018 $	Audited 2019 $
Revenue and other income			
Revenue	80,771	-	-
Interest Income	3,312	-	48

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	Audited 2017 $	Audited 2018 $	Audited 2019 $
Other Income (Note1)	831,310	-	3,331,163
Expenses			
Business Development	(17,337)	-	-
License fee	(1,155,771)	-	(44,871)
Computer expenses	(161,258)	-	-
Marketing expenses	(147,427)	-	(23,750)
Travel and entertainment expenses	(27,208)	-	(4,690)
Occupancy expenses	(108,367)	-	(4,000)
Administration expenses	(430,584)	-	(26,103)
Bank Fees	-	-	(18)
Foreign exchange gain / (loss)	56	-	-
Finance costs	(226,984)	-	-
Legal and professional fees	(621,911)	-	(430,448)
Employee benefits expenses	(2,348,280)	-	-
Directors Fees	-	-	(47,580)
Share based payments	(87,395)	-	-
Depreciation and amortisation	(52,533)	-	-
Other expenses	(275,942)	-	-
Product cost	(197,236)	-	-
Impairment expenses	(619,720)	-	-
Profit (Loss) before income tax expense	**(5,562,504)**	**-**	**2,749,751**
Income tax		-	-
Net Profit (Loss) after income tax expense	**(5,562,504)**	**-**	**2,749,751**
Other Comprehensive Income			
Total comprehensive Profit (Loss) for the year	**(5,562,504)**	-	**2,749,751**

Note 1 : Other income in FY2019 includes a gain on debt forgiveness of $3,331,163.

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* Please refer to Section 7.2 with respect to the audit opinions and review conclusion issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 7.6 and the Investigating Accountant's Report in Section 8.

Invictus

	Audited 2017 $	Audited 2018 $	Audited 2019 $
Revenue and other income			
Interest Income	-	81,776	-
Other Income	-	-	115,451
Expenses			
Finance costs	-	(634)	(4,202)
Share based payments	-	(551,974)	(470,103)
Depreciation and amortisation	-	(3,246)	(14,420)
Other expenses	(249)	(423,909)	(900,769)
Profit (Loss) before income tax expense	**(249)**	**(897,987)**	**(1,274,043)**
Income tax	-	-	-
Net Profit (Loss) for the year	**(249)**	**(897,987)**	**(1,274,043)**
Other Comprehensive Income	-	-	-
Total Comprehensive Income (Loss) for the year	**(249)**	**(897,987)**	**(1,274,043)**

* Please refer to Section 7.2 with respect to the audit opinions and review conclusion issued by Grant Thornton on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 7.6 and the Investigating Accountant's Report in Section 8.

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7.4 Historical statements of cash flows

Azure Health Technology

	Audited 2017 $	Audited 2018 $	Audited 2019 $
Cash flows from operating activities			
Net receipts from customers	19,431	-	-
Research & Development tax refund	826,775	-	-
Payments to suppliers and employees	(4,740,771)	-	(583,703)
Interest received	3,312	-	48
Interest and other finance costs paid	(226,984)	-	(18)
Income taxes (paid) / refund	(4,535)	-	-
Net cash used in operating activities	**(4,022,772)**	**-**	**(583,673)**
Cash flows from investing activities			
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Proceeds from issues of shares	-	-	355,000
Proceeds from borrowings	1,476,000	-	230,000
Net cash provided by financing activities	**1,476,000**	**-**	**585,000**
Net increase in cash held	(2,546,772)	-	1,327
Cash and cash equivalents at beginning of the year	2,546,772	-	-
Cash and cash equivalents at end of the year	-	-	**1,327**

* Please refer to Section 7.2 with respect to the audit opinions and review conclusion issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 7.6 and the Investigating Accountant's Report in Section 8.

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Invictus

	2017 $	2018 $	2019 $
Cash flows from operating activities			
Research & Development tax refund	-	-	81,775
Payments to suppliers and employees	-	(207,601)	(573,137)
Interest and other finance costs paid	-	-	(4,060)
Net cash used in operating activities	-	(207,601)	(495,422)
Cash flows from investing activities			
Purchase of intangible assets	-	(58,676)	(90,622)
Payment for property, plant and equipment	-	-	(2,088)
Net cash used in investing activities	-	(58,676)	(92,710)
Cash flows from financing activities			
Proceeds from borrowings	-	35,000	180,800
Repayment of borrowings			(22,000)
Proceeds from director loans	318	66,000	-
Repayment of director loans	(315)	-	-
Proceeds from issue of shares	-	68	100,000
Proceeds from share subscriptions	-	540,000	-
Cost of raising capital	-	(35,000)	(9,800)
Net cash provided by financing activities	3	606,068	249,000
Net increase in cash held	3	339,791	(339,132)
Cash and cash equivalents at beginning of the year	15	18	339,809
Cash and cash equivalents at end of the year	18	339,809	677

* The financial information should be read in conjunction with the accounting policies in Section 7.6 and the Investigating Accountant's Report in Section 8.

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7.5 Historical and Pro-forma consolidated statements of financial position

	Azure (Audited) 2019 $	Invictus (Audited) 2019 $	Proforma Minimum Adjustment 2019 Note $	Proforma Minimum (Reviewed) 2019 $	Proforma Maximum Adjustment 2019 Note $	Proforma Maximum (Reviewed) 2019 $
Current assets						
Cash and cash equivalents	1,327	677	4,873,786 7.6.3	4,875,790	2,817,695 7.6.3	7,693,485
Trade and other receivables	143,114	167,097	(143,114) 7.6.4	167,097		167,097
Other current assets	-	3,330	-	3,330		3,330
Total current assets	**144,441**	**171,104**	**4,730,672**	**5,046,217**	**2,817,695**	**7,863,912**
Non-current assets						
Intangibles	-	252,761	7,773,132 7.6.5	8,025,893	-	8,025,893
Total non-current assets	-	252,761	7,773,132	8,025,893	-	8,025,893
Total assets	**144,441**	**423,865**	**12,503,804**	**13,072,110**	**2,817,695**	**15,889,805**
Current liabilities						
Trade and other payables	140,776	850,815	(991,591) 7.6.6	-	-	-
Borrowings	-	286,182	(286,182) 7.6.7	-	-	-
Total current liabilities	**140,776**	**1,136,997**	**(1,277,773)**	**-**	**-**	**-**
Non-current liabilities						
Borrowings	230,000	-	(230,000) 7.6.7	-	-	-
Total non-current liabilities	230,000	-	(230,000)	-	-	-
Total liabilities	**370,776**	**1,136,997**	**(1,507,773)**	**-**	**-**	**-**
Net assets	**(226,335)**	**(713,132)**	**14,011,577**	**13,072,110**	**2,817,695**	**15,889,805**
Equity						

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	Azure (Audited) 2019 $	Invictus (Audited) 2019 $	Proforma Minimum Adjustment 2019 Note $	Proforma Minimum (Reviewed) 2019 $	Proforma Maximum Adjustment 2019 Note $	Proforma Maximum (Reviewed) 2019 $
Issued capital	69,575,647	290,200	13,301,911 7.6.8	83,167,758	2,790,837 7.6.8	85,958,595
Reserves	11,582,945	270,711	437,368 7.6.9	12,291,024		12,291,024
Accumulated losses	(81,384,927)	(1,274,043)	272,298 7.6.10	(82,386,672)	26,858 7.6.10	(82,359,814)
Total equity	**(226,335)**	**(713,132)**	**14,011,577**	**13,072,110**	**2,817,695**	**15,889,805**

7.6 Notes to and forming part of the Historical Financial Information

7.6.1 Note 1

Refer to Section 7.2 with respect to the audit opinions and review conclusion issued on the historical financial information presented in columns 1 and 2 above. The financial information should be read in conjunction with the accounting policies in Section 7.6 and the Investigating Accountant's Report in Section 8.

7.6.2 Note 2: Actual and Proposed Transactions to Arrive at the Pro-forma Financial Information

The following proforma transactions are yet to occur, but are proposed to occur following completion of the capital raising;

a. The completion of the consolidation of the companies issued capital on the basis of 1 share for every 2.57 shares held;

b. The issue of 35,000,000 shares at an issue price of $0.20 each to raise $7,000,000 before costs ("Pro forma Minimum");

c. The further issue of shares 15,000,000 shares at a value of $0.20 cents per share to raise a further $3,000,000. The minimum Share issue will be 35,000,000 shares and the maximum issue will be 50,000,000 shares ("Pro forma Maximum");

d. Costs of the offer are estimated to be $701,555 under the minimum Offer (including lead manager fees totalling $310,000) and $883,860 under the maximum Offer (including lead manager fees totalling $490,000);

e. The issue of 35,000,000 fully paid ordinary shares for the acquisition of 100% of Invictus;

f. Subsequent repayment of Invictus and Azure borrowings totalling $516,182;

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g. The receipt of certain debtors and payment of creditors balances as at 30 June 2019.

h. The issue of 10,500,000 options to service providers with an exercise price of $0.30 each and a five year exercise period. These have been valued under the Black Sholes method totalling $708,079.

7.6.3 Note 3: Cash and Cash equivalents

	Minimum $	Maximum $
Cash and cash equivalents	**4,875,790**	**7,693,485**
Audited balance of Azure as at 30 June 2019	1,327	1,327
Audited balance of Invictus as at 30 June 2019	677	677
	2,004	**2,004**
Subsequent Event adjustment		
Repayment of Borrowings	(516,182)	(516,182)
Receipt from debtors existing at 30 June 2019 (GST and stock deposit)	143,114	143,114
Purchase of Intellectual Property	(60,000)	(60,000)
Payment of trade and other payables existing at 30 June 2019	(991,591)	(991,591)
	(1,424,659)	**(1,424,659)**
Pro forma adjustments		
Proceeds from issue of fully paid ordinary shares in Azure at $0.20 per share		
Minimum issue of 35,000,000 shares	7,000,000	
Maximum issue of 50,000,000 shares		10,000,000
Capital raising costs	(701,555)	(883,860)
	6,298,445	**9,116,140**
Pro forma Balance	**4,875,790**	**7,693,485**

* Costs of offer		
Offer Lead Management fee (1%)	70,000	100,000

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Capital raising fee (5% of funds raised above $4.5m)	125,000	275,000
Lead Manager Retainer fee	60,000	60,000
Success Fee	55,000	55,000
Legal DD	35,000	35,000
Hall Chadwick - IAR, Audit, review of proforma	67,000	67,000
Tax Due Diligence	15,000	15,000
Legal Fees	175,000	175,000
ASX review and Listing costs of new shares	31,855	34,160
ASIC Prospectus Lodgement Fees	2,400	2,400
Notice of meeting, prospectus preparation & meeting costs	65,300	65,300
	701,555	**883,860**

7.6.4 Note 4: Trade and other receivables

	Minimum $	Maximum $
Trade and other receivables	167,097	167,097
Audited balance of Azure as at 30 June 2019	143,114	143,114
Audited balance of Invictus as at 30 June 2019	167,097	167,097
Subsequent Event adjustment		
Receipt of outstanding debtors	(143,114)	(143,114)
	(143,114)	(143,114)
Pro forma Balance	**167,097**	**167,097**

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7.6.5 Note 5: Intangibles

	Minimum $	Maximum $
Intangible Assets	8,025,893	8,025,893
Audited balance of Azure as at 30 June 2019	-	-
Audited balance of Invictus as at 30 June 2019	252,761	252,761
	252,761	**252,761**
Pro forma adjustments		
Purchase of Intellectual Property	60,000	60,000
Goodwill		
Being the issue of 35,000,000 fully paid ordinary shares for the acquisition of 100% of Invictus	7,000,000	7,000,000
Negative Net Assets of Invictus to be acquired based on the audited financial position as at 30 June 2019	713,132	713,132
Total Goodwill	**7,713,132**	**7,713,132**
Pro forma Balance	**8,025,893**	**8,025,893**

7.6.6 Note 6: Trade and other Payables

	Minimum $	Maximum $
	$	$
Trade and Other Payables	-	-
Audited Balance of Azure as at 30 June 2019	140,776	140,776
Audited Balance of Invictus as at 30 June 2019	850,815	850,815
	991,591	**991,591**
Pro forma adjustments		
Payment of outstanding Trade Creditors Balance	**991,591**	**991,591**
Pro forma Balance	**-**	**-**

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7.6.7 Note 7: Borrowings

	Minimum $	Maximum $
Borrowings	-	-
Audited balance of Azure as at 31 December 2017	230,000	230,000
Audited balance of Invictus as at 31 December 2017	286,182	286,182
	516,182	**516,182**
Pro forma adjustments		
Loan balance repaid	(516,182)	(516,182)
Pro forma Balance	-	-

7.6.8 Note 8: Share Capital

	Minimum $	Maximum $
Share Capital	**83,167,758**	**85,958,595**
Audited balance of Azure as at 30 June 2019	69,575,647	69,575,647
Audited balance of Invictus as at 30 June 2019	290,200	290,200
	69,865,847	**69,865,847**
Pro forma adjustments		
Being the issue of 35,000,000 fully paid ordinary shares for the acquisition of 100% of Invictus	7,000,000	7,000,000
Being elimination of the pre-acquisition Share Capital of Invictus	(290,200)	(290,200)
Proceeds from the issue of fully paid ordinary shares in Azure at $0.20 per share		
Minimum issue of 35,000,000 shares	7,000,000	
Maximum issue of 50,000,000 shares		10,000,000
Less cost of offer attributed to the offer of new shares	(407,889)	(662,052)
Total	**13,301,911**	**16,092,748**
Pro forma Minimum Balance	83,167,758	**85,958,595**

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7.6.9 Note 9: Reserves

	Minimum $	Maximum $
Reserves	**12,291,024**	**12,291,024**
Audited balance of Azure as at 30 June 2019	11,582,945	11,582,945
Audited balance of Invictus as at 30 June 2019	270,711	270,711
	11,853,656	**11,853,656**
Pro forma adjustments		
Being elimination of the pre-acquisition Reserves of Invictus	(270,711)	(270,711)
Being the issue of options to service providers *	708,079	708,079
Total	**437,368**	**437,368**
Pro forma Balance	**12,291,024**	**12,291,024**

* The issue of 10,500,000 options to service providers with an exercise price of $0.30 each and a five year exercise period. These have been valued under the Black Sholes method totalling $708,079.

7.6.10 Note 10: Retained Earnings

	Minimum $	Maximum $
Retained earnings	**(82,386,672)**	**(82,359,814)**
Audited balance of Azure as at 30 June 2019	(81,384,927)	(81,384,927)
Audited balance of Invictus as at 30 June 2019	(1,274,043)	(1,274,043)
	(82,658,970)	**(82,658,970)**
Pro forma adjustments		
Being 30 June 2019 Invictus Audited Retained earnings	1,274,043	1,274,043
Estimated costs of the offer not relating to capital raising fees	(293,666)	(266,808)
Issue of options to service providers *	(708,079)	(708,079)
Total	**272,298**	**299,156**
Pro forma Balance	(82,386,672)	**(82,359,814)**

* The issue of 10,500,000 options to service providers with an exercise price of $0.30 each and a five year exercise period. These have been valued under the Black Sholes method totalling $708,079

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7.6.11 Note 11: Summary of significant accounting policies

(A) Basis of Preparation

The financial information has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared in accordance with the historical cost basis and presented in Australian dollars. Cost is based on the fair values of the consideration given in exchange for assets. The Company is a listed public Company, incorporated in Australia and operating in Australia.

Going Concern

Azure

At 1 July 2017, the Company had a working capital deficiency and the Directors determined to place the Company into Voluntary Administration. A proposal from Benelong Capital Partners Ltd (Benelong), for the restructure and recapitalisation of the company via a varied DOCA was submitted on 27 June 2018. The purpose of this Deed was to facilitate the recapitalisation of the Company with a new business direction under a new Board of Directors. The deed of company arrangement (DOCA) was entered in to on 20 August 2018.

A revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration and the Company returned to the control of a new Board of Directors. As the first stage of the recapitalisation, a small amount of capital was raised to meet the Company's immediate needs. All pre-Administration liabilities of the Company were extinguished by the establishment of a Creditors Trust in accordance with the DOCA. Company liabilities incurred during the DOCA were met by the Deed Administrators from remaining company assets. Upon the Company being returned to the control of the new Board, the Company had extinguished the recapitalisation liabilities.

The new Board is determining the direction the business will take and will seek to secure the re-quotation of the Company's shares on the ASX and, among other things, raise further capital to fund the future business plan of the Company.

The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief and the planned capital raising, the Directors believe that the Company remains a going concern at the date of the Prospectus.

Invictus

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The Company has traded at a loss and is in a negative net asset position. The business has not yet produced any operating revenue. Notwithstanding these losses, the directors consider the Company a going concern and the financial statements have been prepared on this basis. However, this is reliant on the successful capital raising activities that are being undertaken. The directors are of the opinion that the Company will be successful in these activities and, accordingly, have prepared the financial report on a going concern basis. Notwithstanding this belief, there is a risk that the Company may not be successful in these activities or the implementation of alternative options which may be available to the Company. If this risk crystallises, there is a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(B) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(C) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(D) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable

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and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of impairment loss is recognised in the statement of profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss.

(E) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(F) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective

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interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(G) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or Company of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(H) Intangible Assets

Acquired and licensed patents are capitalised on the basis of the costs incurred to acquire the patents.

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All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The patents are standard patents with an effective life of 20 years.

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of patents are capitalised and amortised on a straight-line basis over the remaining useful life of the patent.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

Goodwill arising from business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date which is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

(I) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(J) Interest-bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probably that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Reporting Period.

(K) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(L) Basis of consolidation

Azure had no subsidiaries at 30 June 2019. Up to the date of effectuation of the DOCA (18 December 2018), the financial statements of the Group incorporated the assets and liabilities of all subsidiaries of Azure Health Technology Limited ('Company' or 'parent entity') and the results of all subsidiaries for the period then ended. Azure Health Technology Limited and its subsidiaries are referred to as the Group. Following the reregistration and disposal of all subsidiaries, the financial statements represent only the single company, Azure Health Technology Limited.

With respect to Invictus, the financial statements are those of Invictus Biotechnology Pty Limited for FY2017 and FY2018, and the consolidated group of Invictus Biotechnology Pty Limited and Invictus Biopharma Ltd for FY2019.

The financial statements of the subsidiaries are prepared for the same Reporting Period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are

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currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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HALLCHADWICK
Corporate Finance & Advisory Services

HALL CHADWICK CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW 2001

Ph: (612) 9263 2600

Fx: (612) 9263 2800

E: hcsydinfo@hallchadwick.com.au

www.hallchadwick.com.au

PrimeGlobal
An Association of Independent Accounting Firms

17 December 2019

The Directors
Azure Health Technology Limited
MLC Centre, Suite 3, Level 45
19-29 Martin Place
Sydney NSW 2000

Dear Sirs,

Independent Limited Assurance Report on Historical and Pro-forma Consolidated Financial Information

We have been engaged by Azure Health Technology Limited ("Azure" or "the Company") to report on the historical and pro forma consolidated historical financial information for inclusion in the Prospectus relating to the proposed issue of shares in the Company to raise a minimum of $7 million and up to $10 million before the costs of the issue (the "Offer").

Expressions and capitalised terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it should only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License under the *Corporations Act 2001*.

Background

The Company is in the process of completing the acquisition of Invictus Biopharma Ltd ("Invictus").

Invictus is commercialising delivery platforms enhancing the delivery of tocotrienols (T3s) which is the component of vitamin E believed to confer benefits across a range of medical conditions and applications.

Invictus Biopharma Ltd was formed on 17 August 2018. The shareholders of Invictus Biotechnology Pty Limited agreed to proportionately exchange their shares for shares in Invictus BioPharma Ltd as at 17 August 2018. Invictus Biotechnology Pty Ltd is now a 100% subsidiary of Invictus Biopharma Ltd.

Invictus Biotechnology Pty Ltd was the trading entity for Invictus. In relation to Invictus, the historical Financial Information shown for the 2017 and 2018 years, is that of Invictus Biotechnology Pty Ltd and the historical Financial Information shown for the 2019 is the consolidated results of Invictus Biopharma Ltd and Invictus Biotechnology Pty Ltd. Also included in this section are the consolidated results of Azure for the last three financial years.

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Scope

Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical financial information of the Company and Invictus:

a) the historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017 ("FY2017"), 30 June 2018 ("FY2018") and 30 June 2019 ("FY2019");

b) the historical Consolidated Statements of Cash Flows for FY2017, FY2018 and FY2019; and

c) the historical Consolidated Statements of Financial Position as at 30 June 2019.

Pro forma Consolidated Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the pro forma consolidated statement of financial position of the Company as at 30 June 2019 assuming the acquisition of Invictus, completion of the Offer and inclusive of the further transactions detailed in the Prospectus.

The financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles detailed in International Financial Reporting Standards and the adopted accounting policies of the Company and Invictus.

The Historical Financial Information of Azure has been extracted from the financial reports for FY2017, FY2018 and FY2019, which have been audited by Hall Chadwick NSW ("Hall Chadwick") in accordance with Australian Auditing Standards. Hall Chadwick issued qualified audit reports for the financial reports for FY2017, FY2018 and FY2019 due to the scope limitations and inadequate accounting and statutory records resulting from the Company previously being placed into voluntary administration. The audit reports also contained a material uncertainty paragraph surrounding the ability of the entity to continue as a going concern due to negative operating cash flows and negative working capital.

The Historical Financial Information of Invictus has been extracted from the financial reports for FY2017, FY2018, and FY2019, which have been audited by Grant Thornton Chartered Accountants ("Grant Thornton") in accordance with Australian Auditing Standards. For FY2017, FY2018 and FY2019, Grant Thornton has issued an unqualified audit opinion but noted a material uncertainty related to going concern.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement accounting principles applied to the financial information and the transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the financial

information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of pro forma consolidated historical financial information that is free from material misstatement whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we have become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report has been compiled with consideration of APES 110 Code for Professional Accountants, given that Hall Chadwick are the auditors of Azure and HCC have prepared this report. HCC adopts internal procedures and structures to safeguard our independence and manage any perceived conflict of interest arising from the role of HC Sydney as auditor of Azure.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the Prospectus.

Pro forma consolidated historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma consolidated historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

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Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

We disclaim any assumption of responsibility for any reliance on this report or on the financial information to which it relates, for any purpose other than that for which it was prepared.

Disclosure of Interest

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company. Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in the Prospectus.

Consent

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Yours faithfully

Drew Townsend
HALL CHADWICK CORPORATE (NSW) LIMITED

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Corporate Finance & Advisory Services

FINANCIAL SERVICES GUIDE

Dated 17 December 2019

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 ("HCC").

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant's Report ("Report") which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the Directors of Azure Health Technology Limited to prepare this Report for inclusion in a Prospectus in relation to the offering of shares in Azure Health Technology Limited on the ASX ("Offer").

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Azure Health Technology Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As HCC has been engaged by Azure Health Technology Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, Azure Health Technology Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Azure Health Technology Limited has agreed to pay HCC $20,000 (excluding GST and out of pocket expenses) for preparing the Report on Historical and Pro forma Consolidated Historical Financial Information to be included in the Prospectus.

HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive remuneration from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities ("HC Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have previously provided advisory services to the Company for which fees have been invoiced on a time-cost basis.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of Azure Health Technology Limited or Invictus or has other material financial interests in the Offer.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:
The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (02) 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA provides free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at their website www.afca.org.au or by contacting them directly at:
Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 931 678
Facsimile (03) 9613 6399
Email: info@afca.org.au

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The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact details

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001
Telephone: (02) 9263 2600
Facsimile: (02) 9263 2800

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FB RICE

The IP Navigators

9 PATENT ATTORNEY'S REPORT

5 December 2019

Invictus Biotechnology Pty Ltd

The Directors

c/- ALM Williams Partners

Level 2, 570 St. Kilda Road

INVICTUS BIOTECHNOLOGY PTY LTD: INTELLECTUAL PROPERTY REPORT

FB Rice Ref: 528612

1. REPORT SUMMARY

Set out below is our report (the "Report") detailing the current status of the patent applications owned or licensed to Invictus Biotechnology Pty Ltd ("Invictus") for inclusion in a Prospectus to be lodged by Azure Health Technology Limited ("AZT") with the Australian Securities & Investments Commission for the purpose of AZT raising equity capital by issuing shares *via* a public offering. AZT is proposing to acquire all of the shares in Invictus BioPharma Ltd which in turn owns all of the shares in Invictus Biotechnology Pty Ltd.

The Report summarizes the details and status of the pending patents and patent applications in **Schedule 1, 2 & 3**. To the best of our knowledge the Report is accurate as at the indicated date, subject to the limitations and qualifications set out in Section 5 (in particular, subject to the sources of information described in Section 5.1).

FB Rice has been instructed by Invictus to prepare this Report for inclusion in AZT's Prospectus. FB Rice has been instructed to provide the details and status of patent matters in the intellectual property portfolio referred to in this Report.

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2. INTELLECTUAL PROPERTY

2.1. Meaning of Intellectual Property

The term "intellectual property" refers to a group of registrable and non-registrable rights, including rights in patents, designs, trade marks, plant varieties, copyright, confidential information and trade secrets. Intellectual property has many of the characteristics possessed by real and personal property. In particular, intellectual property is an asset, which may be bought, sold, licensed, exchanged, or otherwise transferred as other forms of property. Accordingly, an intellectual property owner has the right to prevent the unauthorised use or sale of its property.

This Report is only directed to intellectual property which is in the form of patents and patent applications.

2.2. Patents

Patent rights constitute an important component of intellectual property. Patents cover inventions and provide a monopoly in exchange for an inventor's full disclosure of the invention to the public. A patent provides protection for novel (new), inventive (non-obvious) and useful inventions for a fixed period, which is typically up to 20 years. For certain pharmaceutical inventions, this period may be extended. In addition, to maintain a pending application or patent in force, it is necessary to pay renewal fees, usually on an annual basis. Patents may be granted in relation to a wide range of subject matter, such as new or improved products, new uses for products and methods for doing things. Such subject matter must, however, be industrially applicable. A patent cannot be granted on a worldwide basis. Rather, patents must be obtained in every country where protection is required. Although there is a certain amount of harmonization as and between the patent granting procedures and standards throughout the world, there are differences regarding the test for patentability. Accordingly, the scope of a patent may vary from country to country and indeed a patent may not be granted in a particular country for failure to comply with the relevant standards.

2.3. Inventorship and Ownership

Typically, a patent for an invention may only be granted to the inventor(s), or to a person who has entitlement to the invention by way of assignment or other means. The ownership and entitlement of Invictus to the patents and applications in Schedule 1, 2 & 3 is discussed in more detail below in Section 4.1.

2.4. Patenting Process

In most countries of the world the process of protecting patent rights begins with the submission of a patent application comprising a patent specification describing the invention. Filing an Australian patent application (provisional or complete) or other initial patent application in a foreign country,

which permits such a filing, satisfies this requirement. Countries that allow Australian applicants to file such applications include the United Kingdom and the United States of America.

A fundamental requirement of the patent system is that the invention is novel and inventive at the time of filing, relative to what was publicly known or used at the date of the application. Accordingly, it is imperative that the specification contains a full disclosure of the invention. A patent specification generally consists of a description of the invention and so-called claims, which define the scope of the invention. The description also typically provides background information, such as a description of existing products, manufacturing or testing methods or processes and related problems, which enable an examiner and others to assess the application for inventiveness.

Once the initial application has been filed, further applications in foreign countries must be filed within twelve (12) months, pursuant to an international treaty called the Paris Convention, otherwise rights to the invention may be lost in those countries. In this regard, the Paris Convention provides that the filing of an initial patent application establishes a priority date for the invention in all other countries which are party to this Convention, including countries such as the United States of America, Japan and Australia.

The filing of further patent applications in foreign countries may be pursued individually or in some instances by filing an application with a regional patent office that does the work for a number of countries, such as the European Patent Office and the African Regional Industrial Property Organization. Under such regional systems, an applicant requests protection for the invention in one or more countries, and each country decides as to whether to offer patent protection within its borders. The WIPO-administered Patent Cooperation Treaty ("PCT") provides for the filing of a single international patent application. An applicant seeking protection may file one application and request protection in as many signatory states as needed.

It should be noted that at present there are only 153 countries that are party to the PCT and if patent protection is required in a country that is not party to the PCT then individual applications must be filed in these countries by the twelve (12) month anniversary of the initially filed application. An example of a country that is not a party to the PCT is Taiwan.

Applications filed individually in countries rather than via the PCT are examined under the national laws of those countries. However, a PCT application is considered under the terms of the PCT. Once the PCT application has been filed it is subjected to what is called an "international search", carried out by one of the major patent offices. The search results are then communicated to the patent applicant in an "international search report", which is a listing of published documents that might affect the patentability of the invention claimed in the international application. On the basis of the international search report the applicant may decide to withdraw the application. However, if the PCT application is not withdrawn, it is, together with the international search report, published by the International Bureau.

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If the applicant decides to continue with the international application, then within thirty (30) months of the provisional patent application filing date, national patent applications need to be filed. In some countries such as Australia and regions such as Europe, the deadline is thirty-one (31) months. The applicant can also request preliminary examination, which is a report, prepared by one of the major patent offices that gives a preliminary and non-binding opinion on the patentability of the claimed invention.

Once the PCT process has been completed then the national or regional phase is undertaken, as the PCT application itself does not mature into patents. The applicant may choose to enter one or more of the countries designated in the original PCT application. Entry into the national phase is essentially the same as filing an application in the first instance. Thus, the standard documentation and fee requirements will need to be satisfied in each country, and in non-English speaking countries that will include translating the PCT specification into the language of the relevant country. Failure to enter the national phase within the thirty (30) month period will result in abandonment of the ability to secure patent protection in most PCT countries.

The national or regional applications progress under the jurisprudence and legislation of each country or region. In most jurisdictions, such as Australia, Europe, United States of America and Japan, examination by the relevant patent office comprises an examination of the art to which the invention pertains as it existed at the priority date of the application. This examination establishes what is referred to as the "state of the art". The patent application is measured against the state of the art and an assessment is made regarding whether the invention described in the application is novel, inventive and useful. Therefore, the time required to complete the process of examination differs from country-to-country and the scope or protection may differ depending upon the law of each country. In general, it will take several years from the date of application until the patent is actually granted. With respect to regional applications, like the European application, this involves filing a single application designating any of the countries that are signatories to the Convention covering that region. The single application is subjected to examination, and assuming that the application is allowed, it will proceed to the grant phase. The applicant can then elect to have patents validated in all or some of the originally designated countries, and the individual patents then function as though they were patents granted under standard national procedures.

2.5. Granted Patents: Renewal fees, validity, exploitation and enforcement

Once a patent has been granted renewal fees will need to be paid, otherwise the patent will cease. It should also be noted that grant of a patent does not guarantee that the patent is valid or enforceable, and FB Rice provides no assurance that Invictus' pending patent applications will be granted or will be held valid and enforceable following grant.

Notwithstanding the issue regarding guaranteed enforceability, once a patent has been granted, the owner has the exclusive right to use the patented technology throughout the lifetime of a patent. This means that the owner can decide to exclusively use it for their own benefit and prevent others

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from using it. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid for the use of it.

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs.

3. INVICTUS PATENT PORTFOLIO AS AT 27 NOVEMBER 2019

3.1 Transmucosal Delivery of Tocotrienol (PCT/AU2013/001310)

Applicant when filed	Gordagen Pharmaceuticals Pty Ltd
Inventors	Glenn TONG
Priority Data	AU 2012904937 AU 2012905406
Earliest Priority Date	13 November 2012
International Application PCT No [Publication Number]	PCT/AU2013/001310 [WO/2014/075135]
International Application Filing Date	13 November 2013

While the PCT was filed in the name of Gordagen Pharmaceuticals Pty Ltd, this patent family was assigned to and is now owned by Invictus Biotechnology Pty Ltd. The ownership and entitlement of Invictus to the patents and applications in this family is discussed in more detail below in Section 4.1.

This patent family is directed towards compositions comprising tocotrienols that are for transmucosal administration, and use of these formulations for the treatment of post exercise muscle soreness, delayed onset muscle soreness, cardiac fibrosis, hypertension, inflammation, stroke, cancer, elevated cholesterol and/or triglycerides, baldness, and a condition resulting from radiation exposure.

This patent family derives from PCT application PCT/AU2006/000314, which was filed on 13 November 2013. It claimed an earliest priority date of 13 November 2012, from Australian provisional patent application 2012904937. It also claims priority from a second Australian provisional patent application

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2012905406, filed on 11 December 2012. The Applicant of both provisional patent applications is Gordagen Pharmaceuticals Pty Ltd.

The PCT application proceeded through the International Phase and entered the Regional/National Phase in Australia, Brazil, Canada, People's Republic of China, Europe, India, Indonesia, Israel, Japan, Republic of Korea, Malaysia, New Zealand, Peru, Philippines, Russia, Singapore, United States of America, South Africa, Thailand, Hong Kong, Ukraine and Vietnam.

Invictus has advised that they will allow or have allowed the applications in Peru, Republic of Korea, Thailand and Vietnam to lapse.

Patentability will ultimately be judged on a country by country basis during Examination. Patent Applications are commonly drafted with a very broad ambit scope of claims - as different claim scopes are often allowed in different jurisdictions. This approach is important initially so as not to unduly limit the potential coverage of the patent application. An initial rejection by a patent examiner of such broad ambit claims is commonly received (usually in over 90% of patent applications) and then the applicant, in conjunction with discussions with the patent examiner, narrows the claims (which are the subject of the application) to achieve allowance of the claims and subsequent grant.

A patent has been granted in Australia, New Zealand, Singapore, Japan and South Africa. The granted claims in Australia, New Zealand, Singapore and South Africa are directed to a pharmaceutical composition formulated for transmucosal delivery in the salivary mucosal environment, including at least one tocotrienol or derivative thereof, together with one or more pharmaceutically acceptable excipients. The granted claims in Japan are directed to the use of a pharmaceutical composition including at least gamma-tocotrienol, delta-tocotrienol or a combination thereof in a method of treating or preventing post exercise muscle soreness and delayed onset muscle soreness in a human, the method including transmucosal administration of the pharmaceutical composition in the salivary mucosal environment of a human. A divisional application has been filed in Japan to pursue other indications or compositions.

Applications are pending in Brazil, Canada, People's Republic of China, Europe, India, Malaysia, United States of America and Hong Kong, with examination commenced in Brazil, Canada, People's Republic of China, Europe, India, Japan (divisional) and United States of America.

In the United States of America, an Ex parte Quayle action has been issued by the Examiner. The issuance of an Ex parte Quayle Action indicates that the Examiner considers that the application is in condition for allowance except for cancelation of withdrawn claims. Invictus has filed a response cancelling the withdrawn claims. Invictus have informed us that they intend to file a continuation or divisional application to pursue other indications or compositions.

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In Europe, a notice of intention to grant has issued with the Examiner considering further medical use claims in the following format to be patentable:

A pharmaceutical composition including at least one tocotrienol together with one or more pharmaceutically acceptable excipients for use for the treatment of [a disease or condition], wherein the composition is administered by transmucosal delivery.

The patent is expected to proceed to grant following completion of the necessary administrative steps, such as filing translated claims and validating the granted European patent into individual countries. Invictus has advised that they will validate in Austria, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland/Liechtenstein, Turkey, and United Kingdom.

In China, Invictus has filed a request for re-examination with amended claims after receiving a Decision of Rejection. The Primary Examiner has verbally indicated that claims directed to delayed onset muscle soreness are inventive and that if the claims were limited to this feature the Decision of Rejection will be withdrawn. Invictus has now filed amended claims directed to use of a pharmaceutical composition including at least gamma-tocotrienol and delta-tocotrienol in a method of treating or preventing delayed onset muscle soreness in a human. Invictus considers that the proposed claims fully addresses the comments raised by the Primary Examiner. Invictus have informed us that they intend to file a divisional application to pursue other indications or compositions.

During examination in India and Brazil, Invictus has received rejections of the initial claims filed. In response, Invictus has filed amended claims that Invictus considers fully address the objections raised by the Examiners.

During examination in Canada and Japan (divisional), Invictus has received rejections of the initial claims filed. Invictus proposes to file amended claims of a narrower scope.

3.2 Licensed technology

Invictus has a licence to several patent families, as discussed below, owned by Monash University. The license granted to Invictus relates to certain aspects of these applications. Invictus has advised that another license has been granted to a third party for other aspects of these applications. The patent applications are directed towards lymph directing prodrugs.

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3.2.1 Lymph Directing Prodrugs (PCT/AU2015/050460)

Applicant	MONASH UNIVERSITY
Inventors	Chris PORTER Jamie SIMPSON Natalie TREVASKIS Tim QUACH Sifei HAN Luojuan HU
Priority Data	AU 2014903148
Earliest Priority Date	12 August 2014
International Application PCT No [Publication Number]	PCT/AU2015/050460 [WO/2016/023082]
International Application Filing Date	12 August 2015

This patent family is directed towards prodrugs, particularly lipophilic prodrugs, which can be used to promote transport of a pharmaceutical agent to the lymphatic system and subsequently enhance release of the parent drug.

This patent family derives from PCT application PCT/AU2015/050460, which was filed on 12 August 2015. It claimed an earliest priority date of 12 August 2014, from an Australian provisional patent application 2014903148.

This application proceeded through the International Phase and entered the Regional/National Phase in Australia, Europe, Japan, People's Republic of China and United States of America.

Applications are pending in Australia, Europe, Japan, People's Republic of China and United States of America. A continuation application has also been filed in the United States of America.

The Australian, Chinese, European, Japanese and both United States of America applications are currently under examination and examination reports have issued for the Australian, Chinese, Japanese and the United States of America applications.

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3.2.2 Lymph Directing Prodrugs PCT/AU2016/050845

Applicant	Monash University
Inventors	Chris PORTER Jamie SIMPSON Natalie TREVASKIS Tim QUACH Sifei HAN Luojuan HU
Priority Data	AU 2015903661
Earliest Priority Date	8 September 2015
International Application PCT No **[Publication Number]**	PCT/AU2016/050845 [WO/2017/041139]
International Application Filing Date	8 September 2016

This patent family is directed towards prodrugs, particularly lipophilic prodrugs, which can be used to promote transport of a pharmaceutical agent to the lymphatic system and subsequently enhance release of the parent drug.

This patent family derives from PCT application PCT/AU2016/050845, which was filed on 8 September 2016. It claimed an earliest priority date of 8 September 2015, from an Australian provisional patent application 2015903661.

This application proceeded through the International Phase and entered the Regional/National Phase in Australia, Canada, Europe, Japan, People's Republic of China and United States of America.

Applications are pending in Australia, Canada, Europe, Japan, People's Republic of China and United States of America.

The Australian, European, Japanese and United States applications are currently under examination and we are unaware of any examination reports in these jurisdictions. We are unaware of any examination reports that have issued for China. The Canadian application is awaiting examination.

From our review of the International Search Report, it is evident that some claims were considered to be novel and inventive during the International Phase. However, patentability will ultimately be

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judged on a country by country basis once this application progresses through examination in each individual country.

4. OTHER MATTERS

4.1. Patent Ownership & Entitlement

4.1.1 Transmucosal Delivery of Tocotrienol (PCT/AU2013/001310)

Our investigation of the records of the Australian Patent Office indicates that Gordagen Pharmaceuticals Pty Ltd is recorded as the Applicant of both provisional applications and the PCT application.

For all the patents and patent applications listed in Schedule 1, Gordagen Pharmaceuticals Pty Ltd was originally recorded as the Applicant. The patents and patent applications listed in Schedule 1 were transferred to Invictus on 24 January 2018 and Invictus is now recorded as the Applicant for Brazil, Canada, People's Republic of China, Europe, India, Japan, Republic of Korea, United States of America, Malaysia and Hong Kong. Gordagen Pharmaceuticals Pty Ltd is recorded as the Applicant for Indonesia, Peru, Thailand and Vietnam. While Invictus is the current owner of these patent applications, Invictus has advised that they have no plans to renew these applications and they will be allowed to lapse.

We have reviewed the assignment documentation between Gordagen Pharmaceuticals Pty Ltd and Invictus and are satisfied that Invictus is the owner of all the patent applications in Schedule 1.

Further, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. We are unaware of the existence of any such third party in relation to the patent and patent applications set out in Schedule 1.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patent applications.

4.1.2 Lymph Directing Prodrugs (PCT/AU2015/050460)

FB Rice has not reviewed any documentation regarding ownership of the family as set out in Schedule 2.

Nevertheless, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. We are unaware of the existence of any such third party in relation to the patents and patent applications set out in Schedule 2.

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To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents and patent applications.

4.1.3 Lymph Directing Prodrugs PCT/AU2016/050845

FB Rice has not reviewed any documentation regarding ownership of the family as set out in Schedule 3.

Nevertheless, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention. We are unaware of the existence of any such third party in relation to the patents and patent applications set out in Schedule 3.

To the best of our knowledge, to date, there has been no third party challenge to the validity or ownership of the patents and patent applications.

4.2. Enforcement of Patents

Once a patent has been granted, the patent owner may initiate infringement proceedings against an alleged infringer of the property. It is important to note that infringement proceedings cannot be initiated on the basis of a pending application.

4.3. Third Party Rights

Filing a patent application does not mean that the applicant is free to commercially use an invention, as it is possible that the intellectual property rights of another party may be infringed by doing so. Typically, third party rights are identified by conducting a Freedom to Operate (FTO) search in the country or counties it is proposed to commercialize an invention.

4.4. Validity of Patent Applications

The ultimate validity of the claims of a patent cannot be guaranteed. Various legal mechanisms exist to challenge the validity of patents and patent applications. For example, validity of a patent application may be challenged in the following ways:

a. (a) during examination;
b. (b) in opposition proceedings once the application has been examined and found allowable;
c. (c) in court during revocation proceedings brought by a third party; or
d. (d) during infringement proceedings initiated against an alleged infringer.

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As some of the patent rights set out in Schedules 1, 2 & 3 are still pending patent applications and likely to undergo examination, it cannot be assumed that these applications (or any applications stemming from them) will proceed to grant or, if grant is achieved, that the claims will remain in their present form. It is possible, for example, that the scope of the claims of the patent applications may be restricted during examination of the application.

5. LIMITATIONS AND QUALIFICATIONS

5.1. Information sources

In preparing this report, in addition to reviewing our internal databases, we relied upon information contained in relevant publicly available databases and the searches conducted by the appropriate national and international patent offices with respect to the patents and patent applications in Schedule 1. FB Rice is not responsible for the accuracy of the information available in public databases and accordingly cannot guarantee the accuracy of this information.

5.2. Jurisdictional requirements

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of a patent. Accordingly, the assessment patentability varies from jurisdiction-to-jurisdiction, and inventions, which may be granted and registrable in one jurisdiction, may be excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of patent protection obtained for the same patent in different jurisdictions. The outcome of examination of the patent application by the office of one jurisdiction is not binding on the office of any other jurisdiction. Similarly, international PCT searches and examination reports are not binding on national patent applications during examination in the national phase. Examination of patent applications often occurs at different times in different jurisdictions. This means there is also a risk that a patent may be granted on an application in one jurisdiction, and that a third party patent may subsequently be cited during examination of another patent application that has been filed elsewhere.

In some jurisdictions there is a duty to disclose certain information to the relevant patent office. This information can include relevant prior art information known to the applicant or its agents or search results issued in respect of corresponding foreign applications. Failure to disclose such information may adversely affect the validity and/or enforceability of the patent.

We further note that there may be changes to patent law in a particular jurisdiction from time-to-time, which may have an impact on patents in the relevant country. For example, the Australian Government enacted the Intellectual Property Law Amendments (Raising the Bar) Act 2012 (Cth), which represents a significant amendment to Australian patent law. In particular, the Act raises the requirement for patentability and the description requirements for patent specifications. It applies to

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all Australian patent applications for which a request for examination was filed on or after 15 April 2013.

5.3. Patentability search limitations

A patentability search, such as international searches carried out by various patent offices under the PCT procedure, cannot be guaranteed to locate all prior art that may exist which is potentially relevant to the assessment of novelty and inventive step of a claimed invention. Such searches are generally computer-based searches and are dependent on the database search strategy and the coverage provided by the databases used. For example, the databases may not cover older published documents and/or certain jurisdictions. Further, all patentability searches are subject to the accuracy of records, as well as the indexing and classification of the subject matter comprising the records. The scope of each search is also dependent on the search strategy utilized and, for example, the keyword(s) selected for the search.

Accordingly, although patentability searches provide a reasonable indication of patentability, it is not possible to guarantee that every relevant prior art record has been located and considered. As a result, any conclusions regarding the validity of the claims of a particular patent based on patent office searches should be regarded as indicative rather than conclusive.

Further, non-provisional patent applications are not normally published until at least 18 months from the earliest acceptable priority date. Accordingly, a patentability search would not normally identify any third party patent application that is potentially relevant to the assessment of patentability that have a priority date which is less than 18 months prior to the date of the patentability search. Delays between official publication and the incorporation of information into the relevant database can also occur, which means that some documents may not be located in a patentability search.

5.4. Patentability of an invention

Besides documentary prior art, public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability of invention to which the patent application relates. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures.

Commercialization or secret use of an invention in a jurisdiction by, or with the authority of, a patent applicant (or their predecessor in title) before the priority date of a patent application that has been filed in the jurisdiction by the applicant in respect of the invention, can also be relevant to the patentability of intervention and the validity of any patents that may ultimately be granted on the application. Such commercial exploitation or secret use would not normally be identified by documentary patentability searches of publicly accessible databases.

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5.5. Opposition Proceedings

Some jurisdictions, such as Australia, allow for accepted patent applications to be opposed by a third party. Others, for example Europe, have post-grant opposition. Successful opposition proceedings may result in some or all of the claims of an application being refused. Successful opposition proceedings to a granted patent may result in some or all of the claims being held invalid or restricted in breadth.

5.6. Entitlement to claimed priority date

In Australia, for subject matter contained in a non-provisional patent application to be entitled to the priority date established by a corresponding priority patent application or provisional patent application there must be a "real and reasonably clear disclosure" of the subject matter in the priority application. Similar provisions apply in other jurisdictions. Subject matter disclosed in a non-provisional patent application that is not contained in a corresponding priority application is generally only entitled to the filing date of the non-provisional application as a priority date.

5.7. Renewal fees

Invictus recognizes that renewal fees must be paid in order to maintain its patents. At the time of preparing this Report, no renewal fees are currently overdue. The attached schedules set out the relevant renewal dates.

5.8. Qualifications & Independence

FB Rice is a firm of patent and trade mark attorneys that provide advice in relation to all aspects of intellectual property. FB Rice has extensive experience protecting and defending intellectual property rights and commercializing products and services. FB Rice provides a comprehensive intellectual property service through its patent and trade mark attorney practices, law firm, consultancy arm and through its partnership with a major international renewal service.

FB Rice has no interest in Invictus, other than fees for professional work done.

FB Rice has no involvement in the preparation of the Prospectus, other than the preparation of this Report. FB Rice is therefore considered independent of Invictus for the purpose of preparing this Report and gives its consent for inclusion of this Report in the Prospectus.

The person responsible for preparing this Report is Dr Marcus Caulfield, Partner, FB Rice.

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Yours sincerely

FB Rice

Dr Marcus Caulfield
Partner

mcaulfield@fbrice.com.au

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SCHEDULE 1

Invictus Biotechnology Pty Ltd

PCT/AU2013/001310

Transmucosal Delivery of Tocotrienol

Country	Publication No.	Case Status	Renewal Due
Australia	AU2013344817	Granted	13 November 2020
Brazil	BR112015010703	Application pending	13 November 2020
Canada	CA2891164	Application pending	13 November 2020
People's Republic of China	CN104582700	Under re-examination	Not yet due
Europe	EP2919777	Notice of Intention to Grant issued	13 November 2020
India	IN4006DEN2015	Application pending	Not yet due
Japan	JP2016503407	Granted	11 January 2022
Japan	JP 2018-177662 (Application No.) (Divisional of JP2016503407)	Application pending	Not yet due
Malaysia	PI2015000856 (Application No.)	Application pending	Not yet due
New Zealand	NZ628963	Granted	13 November 2020
Singapore	SG11201503640W	Granted	13 November 2020
United States of America	US20150265570	Response to Ex parte Quayle Action entered and forwarded to the Examiner	Not yet due
South Africa	ZA201504191	Granted	13 November 2020
Hong Kong	HK1207295	Application pending	Not yet due

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SCHEDULE 2

Monash University

(Licensed to Invictus Biotechnology Pty Ltd)

PCT/AU2015/050460

Lymph Directing Prodrugs

Country	Publication No.	Case Status	Renewal Due
Australia	AU2015303835	Application pending	12 August 2020
People's Republic of China	CN106715456	Application pending	Not yet due
Europe	EP3180349	Application pending	12 August 2020
Japan	JP2017530095	Application pending	Not yet due
United States of America	US2017326103	Application pending	Not yet due
United States of America	US2019105299	Application pending	Not yet due

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SCHEDULE 3

Monash University

(Licensed to Invictus Biotechnology Pty Ltd)

PCT/AU2016/050845

Lymph Directing Prodrugs

Country	Publication No.	Case Status	Renewal Due
Australia	AU2016318229	Application pending	8 September 2020
Canada	CA2997106	Application pending	8 September 2020
People's Republic of China	CN108137482	Application pending	Not yet due
Europe	EP3347340	Application pending	8 September 2020
Japan	JP2018534342	Application pending	Not yet due
United States of America	US2018243425	Application pending	Not yet due

10 ADDITIONAL INFORMATION

10.1 Company information

The Company is an Australian public company that was incorporated on 22 September 2004 and has been listed on ASX since 27 June 2007. Shares in the Company have been suspended from trading on ASX since 25 January 2017 and will not be reinstated until approval by ASX of the Company's application for reinstatement to quotation of shares in the Company on ASX based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance Application**). The Company will lodge the Re-compliance Application with ASX within 7 days of the date of this Prospectus.

See section 6.8 for more information on the Re-compliance Application.

10.2 Invictus Acquisition

The Company has entered into an agreement (**Invictus Acquisition Agreement**) for the acquisition of all of the shares in Invictus Biopharma Limited ACA 618 241 725 (**Invictus**) from the current shareholders in Invictus (**Invictus Shareholders**). Under the Invictus Acquisition Agreement the company has agreed to purchase all of the shares in Invictus in consideration of the issue to the Invictus Shareholders of up to 35,000,000 Shares (**Consideration Shares**). The Company has also agreed to:

- issue 6,054,135 options (**Consideration Options**) to participants in the Invictus employee incentive plan; and
- assume up to $1.2m of Invictus's net liability to creditors and lenders calculated as at completion of the Invictus Acquisition. See Section 10.7(a) for more detailed information on the Invictus Acquisition Agreement.

10.3 General Meeting and Consolidation

A General Meeting of the members of the Company (**General Meeting**) will be held on 6 March 2020 at Suite 3, Level 45, 19-29 Martin Place, Sydney, NSW 2000 at 11:00am. The resolutions to be considered at the General Meeting (**Resolutions**) are:

a. A resolution for the consolidation of the Shares (**Consolidation Resolution**). If passed this resolution will consolidate Shares on the basis of every 2.57 shares being consolidated into 1 Share (**Consolidation**). References to Shares in this Prospectus are on the basis that the Consolidation Resolution is passed, and the shares in the Company are consolidated accordingly.

b. A resolution to approve a change in nature and scale of activities of the Company for the purposes of Chapter 11 of the ASX Listing Rules.

c. A resolution to approve the Invictus Acquisition for the purposes of Chapter 2E of the Corporations Act and Chapter 11 of the ASX Listing Rules.

d. A resolution to approve the issue of securities under the Offer for the purposes of ASX Listing Rule 7.1.

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e. A resolution to approve the issue of Consideration Shares in connection with the Invictus Acquisition for the purposes of ASX Listing Rule 7.1.

f. A resolution to approve the issue of Consideration Options to Invictus Employees for the purposes of ASX Listing Rule 7.1.

g. A resolution to approve the ESOP and approve issues of securities and grant of loans under the ESOP.

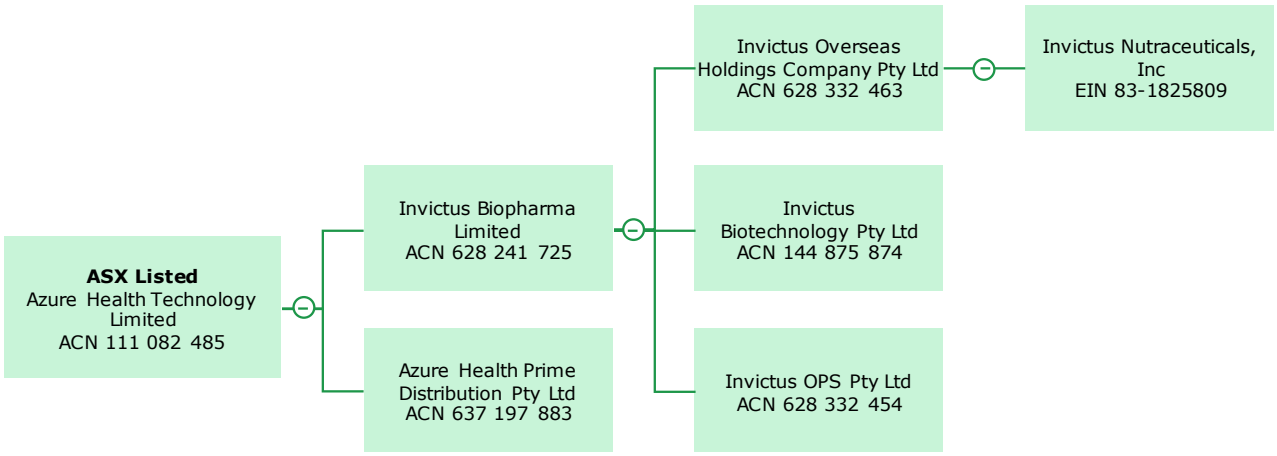
h. Resolutions to approve the issue of securities to the Directors and proposed Directors of the Company.

The Offer is conditional on the passing of these resolutions at the General Meeting. See section 6.10.

The Consolidation will result in Shares being consolidated on a 2.57 to 1 basis so that the existing 179,998,449 Shares will be consolidated to 70,000,000 Shares. Unless stated otherwise, all references to Shares in this Prospectus assume that the consolidation of shares in the Company has occurred.

10.4 Group structure

Following completion of the Invictus Acquisition the structure of the Company and its subsidiaries will be as set out below



The Azure Health group comprises the Company and its subsidiaries. At the top tier of the structure, the Azure Health group consists of Invictus Biopharma Limited and Azure Health Prime Distribution Pty Ltd.

Invictus Biopharma Limited holds shares in the following 3 subsidiary companies (and does not have any other material operations):

a. Invictus Biotechnology Pty Ltd – which acquired the Azure Health group intellectual property by purchasing rights from Gordagen Pharmaceuticals Pty Ltd (in liquidation) and in-licensing from Monash

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University. It holds all the intellectual property rights of the Azure Health group.

b. Invictus OPS Pty Ltd – which is the operating company of the Azure Health group, other than in respect of the USA operations and the operations conducted by Azure Health Prime Distribution Pty Ltd.

c. Invictus Overseas Holdings Company Pty Ltd – which holds all the shares in Invictus Nutraceuticals, Inc.

Invictus Nutraceuticals, Inc. conducts the USA operations of the Azure Health group comprising manufacturing, marketing and selling of nutraceutical products.

Azure Health Prime Distribution Pty Ltd conducts the AHW business and is party to a distribution agreement with Shenzhen ALZKAT Technology Limited for the marketing and sale of Azure Health's nutraceutical and other products in China.

10.5 Rights attaching to shares

A shareholding in the Company is held subject to its Constitution and the Corporations Act. Shares to be issued under this Prospectus will rank equally with Existing Shares. The Constitution may be inspected at the registered office during ordinary business hours by prior appointment or on the Website. It will also be released to ASX on Reinstatement.

The following is a summary of the principal rights of Shareholders under the Constitution. It is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. Applicants who wish to obtain a definitive assessment of the rights and liabilities that attach to Shares in any specific circumstance should seek their own advice.

(a) Issue of Shares

The power to issue Shares and other securities in the capital of the Company lies with the

Board, subject to the restrictions contained otherwise in the Constitution, the ASX Listing Rules and the Corporations Act.

(b) Voting

Every Shareholder who is present in person or by proxy, representative or attorney and entitled to vote has one vote for each Share held.

(c) Dividends

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

(d) Transfer of Shares

Subject to the Constitution, Corporations Act, ASX Listing Rules and ASX Settlement Rules, Shares are freely transferable. Except as otherwise provided for in the ASX Listing Rules or the ASX Settlement Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASX or the share registry to apply a holding lock to prevent a transfer of Shares.

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(e) Meetings and notice

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

(f) Rights on winding up

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of the Company are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of the Company's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

(g) Variation of rights

The rights attached to Shares may be varied or cancelled by a special resolution passed at a general meeting of the holders of Shares or with the written consent of three quarters of the holders of Shares.

(h) Unmarketable parcels

If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined

in the ASX Listing Rules), the Company has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.

(i) Proportional takeover bid

Registration of a transfer giving effect to a contract resulting from acceptance of an offer made under a proportional takeover bid is prohibited unless a Shareholder resolution approving the proportional takeover bid is passed (Approving Resolution). Where offers have been made under a proportional takeover bid, the Directors must ensure that an Approving Resolution is voted on at a meeting of the Shareholders before the day which is 14 days before the last day of the relevant bid period (Approving Resolution Deadline). If no resolution has been voted on as at the end of the day before the Approving Resolution Deadline, a resolution to approve the takeover bid is taken to have been passed. This clause expires three years after its adoption (17 August 2021).

(j) Plans

The Directors may establish one or more plans under which a participating Shareholders may elect, as provided in the plan, that dividends to be paid may be satisfied by the issue of Shares, or that dividends are not to be determined but that the Shareholder is to receive Shares or some other form of distribution, or such other options as the Directors consider appropriate.

The Directors may also establish share incentive plans, on terms that they decide, under which securities of the Company or of a related body corporate are issued to, or held for the benefit of, any Directors (including Non-Executive Directors) or senior executives of the Company, or any employees or contractors of the Company or of a related body corporate.

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10.6 Rights attaching to Consideration Options

The Consideration Options entitle the holder of the options to subscribe for and be allotted 1 Share upon the exercise of each option and payment to the Company of the Exercise Price at any time prior to the Expiry Date.

The Exercise Price of each of the Consideration Option is 0.479 cents and the Expiry Date is the date specified in the Option Exchange Agreement (See Section 10.7(c)).

Holders may exercise all their Options at once or may exercise parcels of their Options which are multiples of $1,000 (or such lower multiple as the Company permits in its absolute discretion).

The Company must allot the Shares within 15 Business Days of receipt of the Exercise Notice and payment of the Exercise Price and must apply for the Shares issued on exercise to be listed on ASX. Shares allotted upon exercise of Options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the constitution of the Company.

Any Consideration Option which has not been exercised by 5.00 pm (Melbourne Time) on the Expiry Date will lapse. An Exercise Notice is not effective if it is received by the Company after the expiration of the Exercise Period.

Consideration Options are not in a class of listed securities and will not be listed on ASX.

10.7 Material contracts

(a) Lead Manager Agreement

The Company engaged Viriathus Capital Pty Ltd (Viriathus) under an Engagement Letter dated 9 December 2019 to manage the Offer and facilitate the capital raise under the Offer. In consideration of these services Viriathus will be paid the following:

a. 1% of the total amount raised under the Offer as a management fee;

b. 4.5% of the total amount raised by Viriathus under the Offer as a capital raising fee; and

c. $15,000 per month for advisory services provided in relation to the Offer, of which $7,500 will be paid in cash monthly and with the balance being payable upon completion of the Offer.

The Lead Manager of the Offer will be issued success fee shares for the amount of $55,000.00 at the Offer price (totalling 275,000 shares), if minimum subscription is achieved.

(b) Invictus Acquisition Agreement

The Company, Invictus and the current shareholders of Invictus (**Invictus Shareholders**) have entered into an agreement (**Invictus Acquisition Agreement**) under which the Company will purchase the 98,279,681 fully paid ordinary shares on issue in the capital of Invictus (which represents all of the share capital of Invictus (**Invictus Shares**) from the Invictus Shareholders (**Invictus Acquisition**). Following the Invictus Acquisition, Invictus will become a wholly owned subsidiary of the Company.

Under the Invictus Acquisition Agreement the purchase price for the Invictus Shares is $7,000,000, subject to the adjustments outlined

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below. The purchase price will be satisfied by issuing up to 35,000,000 Shares to the Invictus Shareholders (**Consideration Shares**) at completion of the Invictus Acquisition Agreement. At the Offer Price of $0.20 the Consideration Shares will have a value of $7,000,000.

The Invictus Acquisition Agreement provides for an adjustment to the Purchase Price if the aggregate liability of Invictus to its lenders and creditors exceeds a liability cap of $1,200,000. The adjustment will be effected by a reduction in the number of Consideration Shares issued to the Invictus Shareholders. For example, if the aggregate liability is $1,300,000, an excess of $100,000 over the liability cap, The Company will issue 500,000 less Shares to the Invictus Shareholders.

The liabilities to be taken into account include in this adjustment include up to $850,000 funding provided to Invictus by (Aiden) Wei Jiang (a proposed director of the Company and substantial shareholder). See section 10.7(c).

The purchase price of $7,000,000 to be satisfied by the issue of AZT shares (subject to the adjustments referred to above) was the result of commercial negotiations between the Company and the shareholders of Invictus. At the time of the negotiations the Board had access to extensive information regarding Invictus and was aware of previous valuations of the Invictus business, and considered the price to be good value for AZT. The Board representing the Company and Dr Glenn Tong representing the Invictus shareholders negotiated the terms of the acquisition on an arms' length basis. The Company and the Invictus shareholders were represented by separate law firms during the negotiations. The agreement for the Invictus acquisition contains provisions of the type normally and conventionally included in a sale and purchase agreement for a share acquisition that has been negotiated on an arms' length basis where the parties are legally represented.

The Invictus Acquisition Agreement requires the Company to issue 6,081,228 options to officers, employees and contractors of Invictus (Consideration Options) to replace options issued to the holders of employee options issued by Invictus. On issue of the Consideration Options those holders will relinquish the options previously issued to them by Invictus.

The Invictus Acquisition Agreement includes warranties and indemnities given by the Invictus Shareholders. The indemnities include an indemnity in respect of any liabilities of Invictus as at completion of the Invictus Acquisition in excess of the assessed liabilities used for the calculation of the adjustment referred to above.

Completion under the Invictus Acquisition Agreement is expected to occur immediately after the close of the Offer, and prior to re-quotation of Shares on ASX. There are a number of conditions precedent to Completion as follows:

- The Consideration Shares being included in this Prospectus;
- Shareholders passing the resolutions set out in this Notice of General Meeting;
- The Offer having closed;
- The Invictus Shareholders confirming that the aggregate liability of Invictus to its lenders; and creditors does not exceed $1,200,000;
- The discharge of any encumbrances over the Invictus Shares;

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- Each of the Invictus Shareholders entering into an escrow agreement as required by ASX in respect of the Invictus Shares;
- No material adverse effect having occurred in respect of Invictus;
- Confirmation of the cancellation of the Invictus Employee Options; and
- Other conditions which are customary for similar transactions.

Invictus has a number of wholly-owned subsidiaries. They will remain 100% subsidiaries of Invictus following Completion.

The Shares to be issued to Invictus Shareholders and their % shareholding in the Company are expected to be as follows:

Existing Invictus Shareholder		% holding (undiluted)	
	AZT shares Issued	**Minimum Subscription**	**Maximum Subscription**
		140,000,000	**155,000,000**
Adman Lanes Pty Ltd	445,158	0.32%	0.29%
AIM Williams Advisors Pty Ltd (ATF ALM Williams Partners Unit Trust)	534,190	0.38%	0.34%
Boler Biotech Consulting	71,902	0.05%	0.05%
Ganeson-Eckhart Pty Ltd (ATF the Ganeson-Eckhart Family Trust)	940,174	0.67%	0.61%
Jeffrey Mark Hanlon (ATF the Greenhorn Investment Portfolio Trust)	1,780,633	1.27%	1.15%
JM National Property Pty Ltd (ATF Australian Property Trust)	2,225,791	1.59%	1.44%
KR And GT Nominees Pty Ltd (ATF The Tong Family Trust)	24,928,856	17.81%	16.08%
Gregory Macosko	473,776	0.34%	0.31%
Katrina Mathai, Michael Mathai (ATF Gabramichael Trust)	1,780,633	1.27%	1.15%
Phaedonos Investments Pty Ltd (ATF Phaedonos Family Trust)	178,063	0.13%	0.11%
RJR Consulting Inc.	220,200	0.16%	0.14%
Tercus Pty Ltd (ATF Panaccio Superannuation Fund)	890,316	0.64%	0.57%
Xi Fu	313,391	0.22%	0.20%
FAL Patents Pty Ltd	216,917	0.15%	0.14%
Total	**35,000,000**	**25.00%**	**22.58%**

(c) Option Exchange Agreements

Invictus adopted an employee incentive plan on 11 September 2018 to assist in the reward, motivation and retention of its officers, employees and contractors (Invictus Employees). As at the date of this Prospectus a total number of 14,500,000 of these options with an exercise price of $0.20 (**Invictus Employee Options**) have been issued to the Invictus Employees.

The Company, Invictus and the Invictus Employees have entered into agreements (**Option Exchange Agreements**) under which the Invictus Employees will exchange their Invictus Employee Options for options to acquire shares in the Company (**Consideration Options**). Each Consideration Option is exercisable for one Share, at an exercise price of 0.479 cents per option. The Consideration Options have the same expiry dates as the Invictus Employee Options. Details of the Consideration Options and their % holding in the Company if exercised (fully diluted basis) are set out below.

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Invictus Employee		% AZT Owned undiluted Interest	
	AZT Options Issued	Minimum Subscription	Maximum Subscription
		140,000,000	155,000,000
Dr David Kingston	838,790	0.60%	0.54%
Mr Jeffrey Hanlon	838,790	0.60%	0.54%
Mr Greg Macosko	419,395	0.30%	0.27%
Dr Richard Pestell	838,790	0.60%	0.54%
Mr Richard Estalella	3,145,463	2.25%	2.03%
Total	**6,081,228**	**4.34%**	**3.92%**

(d) Monash University Intellectual Property License Agreement

On 28 February 2018 (**Commencement Date**), Monash University and Gordagen Pharmaceuticals Pty Ltd (in liquidation) (**Gordagen**) entered into a licence agreement in relation to certain intellectual property owned by Monash (**Licence**). The licence agreement was a consequence of the exercise by Gordagen of an earlier option agreement between the parties. The Licence Agreement was novated by Gordagen to Invictus Biotechnology Pty Ltd (**IBPL**) on the same date.

Under the Licence, IBPL is granted:

- an exclusive worldwide licence for commercialisation of certain patents in a field (except for limited rights of research granted to Monash); and
- a non-exclusive worldwide licence of certain background intellectual property to enable the commercialisation of the patents.

The licences are fully sub-licensable. The patents the subject of the Licence are the patent families described in part 3.2 of the patent attorney's report found at Section 0 of this Prospectus. The field is pro-drugs of tocotrienol compounds.

As consideration for the licence, IBPL is required to pay:

- an initial fee which has been paid;
- $95,000 +GST payable within 30 days of the first anniversary of the Commencement Date (which date may be extended by 6 months by agreement);
- an annual minimum royalty of $10,000 per annum commencing on the earlier of first sale or transfer of product utilising the patents and the fifth anniversary of the Commencement Date (creditable against the royalty below);
- 10% of any Net Income and 3% of any Net Sales of Product.

Net Income is all income (in whatever form) from licensing or sub-licensing activities (excluding licensing for research activities on reasonable terms). Net Sales is the all amounts received for the sale of any product utilising the patents, net of taxes and other customary deductions.

The term of the Licence is until the last of the patents expires, or such longer period as agreed by the parties.

IBPL is required to use reasonable commercial endeavours to commercialise the relevant patents. If IBPL fails to:

- complete GLP preclinical and toxicology studies with 24 months of the Commencement Date; and
- initiate first in human clinical trials within 4 years of the Commencement Date,

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then Monash may terminate the Licence and/or exercise certain rights to make the Licence non-exclusive.

Monash is required to prosecute and maintain the patents at its cost, but must give IBPL the right to take over any patents which it is considering letting lapse.

IBPL must indemnify Monash from any loss arising out of the commercialisation of the patents (including manufacture, sale and distribution) and any unlawful act or breach of the Licence, excluding loss to the extent causes by Monash's breach, gross negligence or wilful act or omission.

Either party may terminate the Licence for customary events of default.

(e) Gordagen Intellectual Property Agreement

On 24 January 2018, Invictus Biotechnology Pty Ltd (**IBPL**) entered into an agreement to assign certain intellectual property with Gordagen Pharmaceuticals Pty Ltd (in liquidation) (**Gordagen**) and BiotechSmarts Pty Ltd (**BiotechSmarts**), a company associated with Glenn Tong (**IP Assignment**). The IP Assignment was amended by a further deed dated 7 September 2018.

Under the IP Assignment (as amended), Gordagen assigned certain patents and associated materials to IBPL and a trademark (**Assigned IP**). The patents are the patent family described in part 3.1 of the patent attorney's report found at Section 9 of this Prospectus and entitled 'Transmucosal Delivery of Tocotrienol'. The trademark is the NE1-ELITE trademark.

In return for that assignment, IBPL has agreed to pay Gordagen a royalty of:

- $60,000 (plus GST), payable within 10 days of Completion;
- 2% of all annual revenue received by Invictus Nutraceuticals Inc during the period between 1 July 2020 and 30 June 2023, up to a maximum of $190,000 (**Revenue Royalty**); and
- if IBPL sells or otherwise transfers any part of the Assigned IP prior to 30 June 2023, 5% of the net after cost receipts from such sale. This component is capped at an amount equal to $190,000 less any amounts paid under the Revenue Royalty.

IBPL has granted Gordagen a charge to secure Gordagen's rights to be paid the royalty. This charge has been registered on the Personal Property Security Register.

IBPL has provided an indemnity in favour of Gordagen in respect of the use of the Assigned IP after its assignment.

(f) Shenzhen ALZKAT Distribution Agreement

On 1 October 2019 the Company, and its subsidiary Azure Health Prime Distribution Pty Ltd, entered into a product supply and distribution agreement with Shenzhen ALZKAT Technology Development Limited Co Ltd (Shenzhen ALZKAT) of Suite 310, A23 Benkang Industrial Park, Kuichong Street, Dapeng, Shenzhen, China. This agreement sets out the terms under which Shenzhen ALZKAT will distribute AZT's health products in China, commencing with the nutraceutical products in mid to late 2020. ALZKAT is a substantial distributor of health and related products in China. ALZKAT will undertake marketing activities including a dedicated display centre in China for exclusive use of marketing and selling AZT products. The Distribution Agreement includes the right of ALZKAT to

receive 20,000,000 fully paid ordinary shares in AZT if ALZKAT purchases $10,000,000 of products from AZT within 12 months of the commencement of distribution, subject to shareholder approval. Shareholder approval for this issue will be sought at an appropriate time.

(g) Service Agreements – Tearum / Valorton

The Company has entered into service agreements with Valorton Capital Pty Ltd (**Valorton**) and Tearum Advisors Pty Ltd (**Tearum**) on 31 January 2020 under which the services of Steven Yu and Greg Starr are supplied as Executive Director and CFO / Company Secretary respectively. Under them Steven Yu will be entitled to a remuneration package of $195,000 per annum, inclusive of base salary and superannuation and Greg Starr will be entitled to a remuneration package of $160,000 per annum, inclusive of base salary and superannuation.

(h) Managing Director Executive Services Agreement

The Company has entered into an employment agreement with Glenn Tong in respect of his employment as Chief Executive Officer. Glenn will be entitled to a base salary of $285,000 gross per annum plus statutory superannuation contributions. In addition, Glenn will be entitled to a sign-on bonus of $15,000 gross in compensation for contributions to the preparations for the Company's public offer which were made prior to commencement of his employment agreement.

Glenn may also be entitled to a Short-Term Incentive (STI) payment of up to 50% of base salary on satisfaction of KPIs agreed with the Board. Further, Glenn will be entitled to participate in the Company's Executive Share Option Plan (ESOP).

Under the terms of the employment agreement, the Company may terminate Glenn's employment by paying Glenn an amount equivalent to six (6) months' base salary plus any bonus payment to which he would have been entitled had he remained employed by the Company for the six (6) month period. The Company can also summarily dismiss Glenn in the event of fraud or other specified circumstances. Glenn may terminate his employment by giving 6 months' written notice.

10.8 Restricted shares and escrow arrangements

It is expected that Shares held by Directors and certain existing Shareholders as at the Prospectus Date will be subject to compulsory escrow arrangements under the ASX Listing Rules for a period of either 24 months from the Date of Reinstatement or 12 months from the date of issue of the relevant Shares.

Table 2 below details the Shareholders and their expected compulsorily escrowed Shares on Completion. The number of Shares to be restricted shown in the table below is based on the Company's estimations only and is subject to final determination by ASX.

The ASX has indicated that Azure Health will be admitted under the 'assets test' and as a result it will enforce escrow over certain Shares held by existing Shareholders expected to be as set out in the table below:

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Restricted Shares

No	Holder	Holder's relationship with AZT	Number of securities to be held in AZT	Number of securities to be restricted / escrow period (as estimated by entity)
1	Adman Lanes Pty Ltd	None	445,158.14	12 months
2	Phaedonos Investments Pty Ltd (ATF Phaedonos Family Trust)	None	178,063.26	12 months
3	JM National Property Pty Ltd (ATF Australian Property Trust)	None	2,225,790.70	12 months
4	ALM Williams Advisors Pty Ltd (ATF ALM Williams Partners Unit Trust)	None	534,189.77	12 months
5	Boler Biotech Consulting	None	71,901.94	12 months
6	Ganeson-Eckhart Pty Ltd (ATF the Ganeson-Eckhart Family Trust)	None	940,173.99	12 months
7	Jeffrey Mark Hanlon (ATF the Greenhorn Investment Portfolio Trust)	None	1,780,632.56	12 months
8	Gregory Macosko	None	473,776.47	12 months
9	Katrina Mathai, Michael Mathai (ATF Gabramichael Trust)	None	1,780,632.56	12 months
10	RJR Consulting Inc.	None	220,200.14	12 months
11	Xi FU	None	313,391.33	12 months
12	FAL Patents Pty Ltd	None	216,916.66	12 months
13	Tercus Pty Ltd (ATF Panaccio Superannuation Fund)	Lou Panaccio is a non-executive director of the Company	890,316.28	24 months
14	KR And GT Nominees Pty Ltd (ATF The Tong Family Trust)	Glenn Tong and wife Kirsty Reed are beneficiaries of the Tong Family Trust and Glenn Tong is the Managing Director and CEO of the Company	24,928,856.20	24 months

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No	Holder	Holder's relationship with AZT	Number of securities to be held in AZT	Number of securities to be restricted / escrow period (as estimated by entity)
17	Wei Jiang	Director of AZT and promotor of the transaction	56,000,483	24 months
18	Rhonda Nairn	None	11,921,492	0 months

Table 2: ASX compulsory escrow

Note: The Lead Manager of the Offer will be issued success fee shares for the amount of $55,000.00 at the Offer price (totalling 275,000 shares), if minimum subscription is achieved. These shares will be subject to a 24 month escrow period.

10.9 Employee Share Option Plan

The Company currently has in place an ESOP to assist in the reward, retention and motivation of certain Directors, consultants and senior management of the Company (**Participants**).

The Company may grant options to eligible Participants under the ESOP.

In accordance with the rules of the ESOP, the Board will determine in its sole and absolute discretion the terms and conditions of future options which are granted under the ESOP including, but not limited to, the following:

- which individuals will be invited to participate in the ESOP:
- the number of options to be granted to each Participant;
- the exercise price of each option granted to Participants;
- the expiry date of the options granted to Participants; and
- the terms on which the options will vest and become exercisable, including any vesting conditions or performance hurdles which must be met.

The maximum number of shares and options on issue at any time and subject to the ESOP is 15,500,000 (being 10% of the Shares on issue assuming the Maximum Subscription). The Company will seek Shareholder approval if this ceiling is reached and it proposes to issue additional options under the ESOP.

If Shares are quoted on ASX at the time the options are exercised, the Company will apply to the ASX for quotation of the Shares issued on exercise of the options in accordance with the ASX Listing Rules.

In the event of any reorganisation on or prior to the relevant expiry date of any option, the rights of the holder of the options will be changed to the extent necessary to comply with the applicable ASX Listing Rules. A holder of options may not participate in a rights or similar issue unless the options are exercised prior to the relevant record date.

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In the event of a change of control of the Company, all options vest and exercise conditions are waived, to allow the holder to exercise the options prior, and subject to, the relevant change of control.

Shares allotted on exercise of options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the Constitution of the Company.

The ESOP will operate subject to the ASX Listing Rules.

10.10 Speculative investment / Dividend policy

The intellectual property assets and business model of Azure Health are as yet unproven, and an investment in Azure Health should be regarded as speculative.

Given the business strategy of the Company as described in this Prospectus, all free cash is proposed to be used to progress the Company's drug development plans.

Accordingly, there is no guarantee of the payment of any dividends or like distributions to Successful Applicants by Azure Health and the ability to pay any dividends will be dependent on generating sufficient revenue and profits to support the payment of dividends.

10.11 Tax implications of the offer

10.11.1 Scope of this section

The purpose of this Section 10.11 is to provide a general understanding of the Australian taxation implications for investors who will acquire Shares on Completion.

This section provides a general outline for Successful Applicants who will hold their Shares on capital account as an investor, rather than as a trader, and are therefore subject to the CGT regime contained in the ITAA 1997. This section does not discuss the implications to Successful Applicants who are:

- banks or insurance companies;
- exempt from Australian income tax; or
- investors subject to the Taxation of Financial Arrangements regime in Division 230 of the ITAA 1997 which have made elections to apply the fair value or reliance on financial reports methodologies.

The information in this section is based on the Australian income tax legislation and established interpretations of that legislation at the date of this Prospectus – however, it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every Successful Applicant.

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This report is general in nature and does not purport to provide advice to any Successful Applicant, as the taxation position of each Successful Applicant may vary depending on the Successful Applicant's specific circumstances. Successful Applicants are strongly encouraged to obtain separate professional tax advice relevant to their specific circumstances.

Further, the comments below do not address any taxation implications which might arise in countries other than Australia.

10.11.2 Taxation treatment of the acquisition of Shares

The IPO involves the issue of Shares which will constitute an equity interest for Australian tax purposes. There are no immediate income tax consequences to a Successful Applicant on the acquisition of equity interests.

10.11.3 Taxation treatment of dividends

The Australian taxation consequences of dividends that may be paid by Azure Health following Completion are considered below.

(a) Australian resident investors

Dividends received by Successful Applicants will be assessable income for Australian tax purposes. Generally, both the amount of the cash dividend received and an amount equal to the franking credits attached to a franked dividend must be included in assessable income in the year of receipt. Generally, an Australian resident shareholder would be entitled to a franking offset against the income tax on this assessable dividend income. However, securities must be held 'at risk' for a period of 45 days, in order for the shareholder to be able to claim an offset for franking credits.

The level of franking credits attached to such dividends will depend on the level of franking credits generated and available to Azure Health, through the payment by it of Australian company tax.

The tax treatment in respect of the dividends from ordinary shares will vary depending on the nature of the Successful Applicant. The tax treatment for the different types of investors are detailed below:

- **Individual investors**

  The calculation of an individual's assessable income will depend on whether the dividend from Azure Health is franked. An individual receiving a dividend that is unfranked will include the amount of the dividend in their assessable income, with tax being paid at the individual's marginal rate of tax. Where the dividend is fully or partly franked, the individual's assessable income is grossed up to include the franking credit attaching to the dividend. The individual should then be entitled to a tax offset equal to the amount of the franking credit.

  Where an individual's marginal rate of tax is greater than the Corporate Tax Rate further tax will be payable on the grossed up dividend. This is commonly referred to as "top-up tax".

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Where the individual's marginal rate of tax is less than the Corporate Tax Rate, a tax offset is available to reduce tax payable on other income or alternatively results in a refund of the excess franking credits.

- **Corporate investors**

A corporate investor receiving an unfranked dividend will pay tax on this dividend (net of any allowable deductions) at the Corporate Tax Rate.

Where dividends are franked, the corporate investor will be entitled to offset the franking credit against its tax liability for the year. To the extent that the franking credit exceeds the corporate investor's tax liability, the excess can be converted into a carry forward loss and offset against future taxable profits (subject to the loss testing rules for companies). Further, the franked dividend may give rise to a franking credit in the S corporate investor's franking account.

In limited circumstances, certain corporate entities (for example, exempt institutions and life insurance companies) may be entitled to receive a refund of the franking credit where they satisfy Division 67 of the ITAA 1997. These entities should seek professional advice in respect of their particular circumstances. In all other cases, a corporate investor cannot receive a refund of franking credits.

- **Complying superannuation funds**

Complying superannuation funds (which includes self-managed superannuation funds) are assessable on the dividend and gross up the franked dividend in the same way as individuals and corporate investors. A complying superannuation fund investor receiving an unfranked dividend will pay tax on this dividend (net of any allowable deductions) at the rate of 15% (current, as at the date of this Prospectus).

Where dividends are franked, the complying superannuation fund investor will include in its assessable income the amount of dividend received and the amount of any franking credits attached to that dividend. The complying superannuation fund tax rate of 15% is then applied to the grossed up dividend. The franking credit is available to offset tax payable on other income of the complying superannuation fund or alternatively results in a refund of the excess franking credits.

- **Trusts and partnerships**

Investors who are trustees (other than trustees of complying superannuation funds) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a share of the tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

(b) Non-resident investors

The taxation treatment of dividends received by non-resident investors will depend on whether the dividends paid are franked or unfranked.

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- **Franked dividends**

  Non-resident investors will not be subject to Australian tax on fully franked dividends on the basis that fully franked dividends are exempt from Australian withholding tax. However, non-resident investors may be subject to income tax on the receipt of such dividends in their local jurisdictions. Non-resident investors should therefore confirm the taxation treatment of dividends in their local jurisdictions with their local taxation advisors.

- **Unfranked dividends**

  Unfranked dividends are subject to Australia's withholding tax regime. Withholding tax is applied to the payment of unfranked dividends and is treated as a final tax for Australian taxation purposes.

  The withholding tax rate on the payment of unfranked dividends per Australia's domestic income tax law is the Corporate Tax Rate. However, where the investor is resident of a country which Australia has entered into a double tax treaty with, the rate at which withholding tax is applied will generally be lower, typically ranging from nil to 15%.

  Again, non-resident investors may still be subject to income tax on the receipt of such dividends in their local jurisdictions but may be entitled to a credit for the Australian withholding tax applied. Non-resident investors should therefore confirm the taxation treatment of dividends with their local taxation advisors.

10.10.4 Taxation treatment of disposal of Shares

The discussion below considers the CGT consequences on the eventual disposal of Shares, assuming no CGT roll-over relief is available.

(a) Sale of Shares by Australian resident investors

The disposal of Shares will generally constitute a CGT event A1 (if sold) or C2 (if cancelled under a buy-back or other capital reduction) for Australian tax purposes where the Shareholder holds their share on capital account (which is assumed for the purposes of this section). Where the proceeds received on disposal of the Shares are greater than the cost of acquisition of the Shares (the cost base) a capital gain will generally arise. Accordingly, this capital gain will be included in the assessable income of the Shareholder.

Conversely, a capital loss will arise where the proceeds received on the disposal of the Shares are less than the "reduced" cost base of the Shares. Capital losses can only be offset against capital gains. In this regard, capital losses can be applied against current year capital gains to reduce the net capital gain that is assessed for tax purposes or can be carried forward and applied against future capital gains.

Generally, all capital gains and losses made by a Shareholder during the year and any net capital losses carried forward from prior years must be aggregated to determine whether the Shareholder has made a net capital gain or loss for that year. Where the Shareholder has made a net capital

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gain, the gain must be recognised as assessable income and where a net capital loss has been made, the loss can be carried forward and offset against future capital gains (subject to the loss testing rules for companies).

Where Shares are retained for more than 12 months, any gain arising on disposal should be discounted by 50% for Australian resident individuals and 33.33% for complying superannuation funds. Company taxpayers will receive no discount and will pay tax at the Corporate Tax Rate. Where the Shareholder is a trustee of a trust and has held the Shares for 12 months or more before disposal, the CGT discount may flow through to its non-corporate beneficiaries.

(b) Sale of Shares by non-resident investors

Generally, non-resident shareholders can disregard the capital gain or capital loss arising from the disposal of shares in Australian resident companies under Division 855 of the ITAA 1997. However, non-resident Shareholders will need to confirm the CGT consequences in their respective local jurisdictions arising from the disposal of Shares.

Certain non-resident Shareholders will still be subject to Australian CGT where the Shares constitute an indirect Australian real property interest i.e. if the following conditions are satisfied:

- the non-resident Shareholder holds 10% or more of the shares on issue in Azure Health; and
- the proportion of real property (e.g. freehold land and leasehold interest over land) held by Azure Health is more than 50% of the market value of Azure Health's total assets.

Where non-residents would be subject to Australian CGT, they are not entitled to claim any capital gains tax discount.

New non-resident withholding tax rules in relation to the acquisition of Australian real property were enacted on 25 February 2016. Broadly, the purpose of the new withholding tax rules is to assist in the collection of a non-resident's capital gains tax liability. The date of effect is 1 July 2016. The new rules impose a 10% non-final withholding obligation on the purchasers of certain Australian assets where they acquire the asset from a relevant foreign resident. The obligation does not require withholding as such, but does require the purchaser to pay 10% of the first element of the cost base (usually, the purchase price) to the Commissioner. This amount may be withheld from the payment the purchaser makes to the vendor. The obligation will apply to the acquisition of an asset that is:

- "Taxable Australian Real Property" (as that term is defined in the ITAA 1997);
- an "Indirect Australian Real Property Interest" (as that term is defined in the ITAA 1997); or
- an option or right to acquire such property or such an interest.

As noted above, shares should not be considered Indirect Australian Real Property Interests if the shares held in the company by the taxpayer are less than 10% of the total shares on issue of the company (even if the company predominantly owns Australian real property assets).

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Further, there are a number of exceptions to the new withholding tax rules applying. The exceptions that are likely to be most relevant to Azure Health Non-resident Shareholders are:

- where the market value of the CGT asset acquired is less than $2 million; or
- where the transaction to acquire the CGT asset occurs on an approved stock exchange.

Investors that are not Australian tax residents should seek their own taxation advice on the consequences of the disposal of their Shares under any relevant foreign tax laws and Australian tax legislation.

10.11.4 Quotation of TFN

Successful Applicants will be invited to quote their TFN or ABN in respect of the acquisition of Shares. Successful Applicants are not obliged to provide their TFN or ABN. However, if a Successful Applicant does not provide their TFN or ABN or an exemption, tax is required to be withheld by Azure Health at the top marginal rate (currently 45%) plus Medicare levy (currently 1.5%) from certain distributions (with entitlement to claim an income tax credit in respect of the tax withheld).

No withholding tax requirement applies in respect of fully franked dividends paid in respect of the Azure Health shares.

10.11.5 GST

The acquisition, holding and disposal of Azure Health Shares should not attract GST, neither should the receipt of dividends. However, Successful Applicants may incur GST on costs that relate to their participation in the proposed offer and should seek their own independent advice in relation to the GST implications.

10.11.6 Stamp Duty

Stamp Duty on the acquisition of an interest in a Victorian company such as Azure Health is only payable if the acquisition is considered to be the acquisition of a significant interest in a landholder. Azure Health does not currently hold any land in Australia. Accordingly, Azure Health is not a landholder for stamp duty purposes and there should be no stamp duty implications associated with the acquisition of the Shares.

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10.12 Pro forma statutory historical income statements, balance sheets and cash flow statements

The Company's Pro Forma and Statutory Historical Income Statements are set out in Section 7. The Company's Pro Forma and Statutory Historical Balance Sheet is set out in Section 7. The Company's Pro Forma and Statutory Historical Cash Flow Statements are set out in Sections 7.

10.13 Control implications of offer

The Directors do not expect any Shareholder to control the Company on Completion.

10.14 Working capital statement

The Directors believe that on Completion, the Company will have sufficient working capital available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet the Company's business objectives as set out in Section 6.3.

10.15 Consents

Written consents to the issue of this Prospectus have been given and, at the Prospectus Date, had not been withdrawn by the following parties:

Viriathus

Viriathus Capital Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as lead manager to the Offer in the form and context in which it is named.

Cornwalls

Cornwalls has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as legal adviser (other than in relation to taxation matters) to the Company in relation to the Offer in the form and context in which it is named.

Hall Chadwick

Hall Chadwick has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor and Investigating Accountant in relation to the Offer and to the inclusion of the Investigating Accountant's Report in the form and context in which it is named and which that report is included.

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Grant Thornton Audit Pty Ltd

Grant Thornton Audit Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor of Invictus Biotechnology Limited in the form and context in which it is named.

Structured Tax

Structure Tax has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax advisor of Azure Health Limited in the form and context in which it is named.

FB RICE

FB Rice has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Patent attorney to the Offer in the form and context in which it is named.

Link Market Services

Link Market Services Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry in the form and context in which it is named.

10.16 Interests of experts

Other than as set out below or elsewhere in this Prospectus, no:

- Director;
- person named in the Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company;

holds at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer;

and no amount (whether in cash, Shares or otherwise), has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to:

- any such persons for services in connection with the formation or promotion of the Company or the Offer; or
- any Director to induce them to become, or qualify as, a Director.

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Viriathus Capital has acted as Lead Manager to the Offer. The Company has paid, or agreed to pay, the Lead Manager the fees described in Section 6.13 for these services.

Cornwalls has acted as legal adviser (other than in respect of taxation matters) to the Company in relation to the Offer. The Company has paid, or agreed to pay, Cornwalls $210,000 (excluding GST) for these services.

Hall Chadwick has acted as Investigating Accountant in relation to the Offer and has prepared the Investigating Accountant's Report. The Company has paid, or agreed to pay, Hall Chadwick $67,000 (excluding GST) for these services.

Hall Chadwick has acted as tax advisors in relation to the Offer. The Company has paid, or agreed to pay, Hall Chadwick $15,000 (excluding GST) for these services.

FB Rice has acted as patent attorney in relation to the Offer and has prepared the Patent Attorney's Report. The Company has paid, or agreed to pay, FB Rice $5,000.00 (excluding GST) for these services.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of funds and payment of expenses of the Offer is set out in Sections 6.3 and 6.4.

10.17 ASX confirmations and waivers

ASX has provided preliminary confirmation that the Company will be admitted to the Official List under the 'asset test' in ASX Listing Rule 1.2.

10.18 Insurance

The Company has in place or proposes to implement a range of insurance policies in place to manage the risks of its day-to-day business activities. These policies include professional indemnity insurance, public and products liability insurance, Worksafe insurance, Directors & Officers' Insurance, and patent defence and assertion insurance.

10.19 Legal Proceedings

So far as the Directors are aware, at the Prospectus Date, there is no litigation of a material nature, existing or threatened, which may significantly affect the Company or its activities, other than as set out in this section.

Invictus and Invictus OPS are currently engaged in a dispute with Gibraltar Capital Pty Ltd ACN 610 194 986 (**Gibraltar**) regarding financial services supplied by Gibraltar to Invictus and Invictus OPS. Gibralter issued a statutory demand against both companies. Invictus and Invictus OPs have applied to the Supreme Court of Victoria seeking to set aside the demands. Invictus and Invictus OPS expect the Court will set aside the demands on the basis that there is a genuine dispute between the parties. Invictus and Invictus OPS believe they may have some liability to

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Gibraltar, but the Directors are confident that the amount of the liability, if anything, will not be material.

10.20 Governing Law

This Prospectus and the contracts that arise from the acceptance of Applications and bids are governed by the laws applicable in Victoria, Australia and each Applicant or bidder submits to the exclusive jurisdiction of the courts of Victoria, Australia.

10.21 Authorisation

Each Director has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

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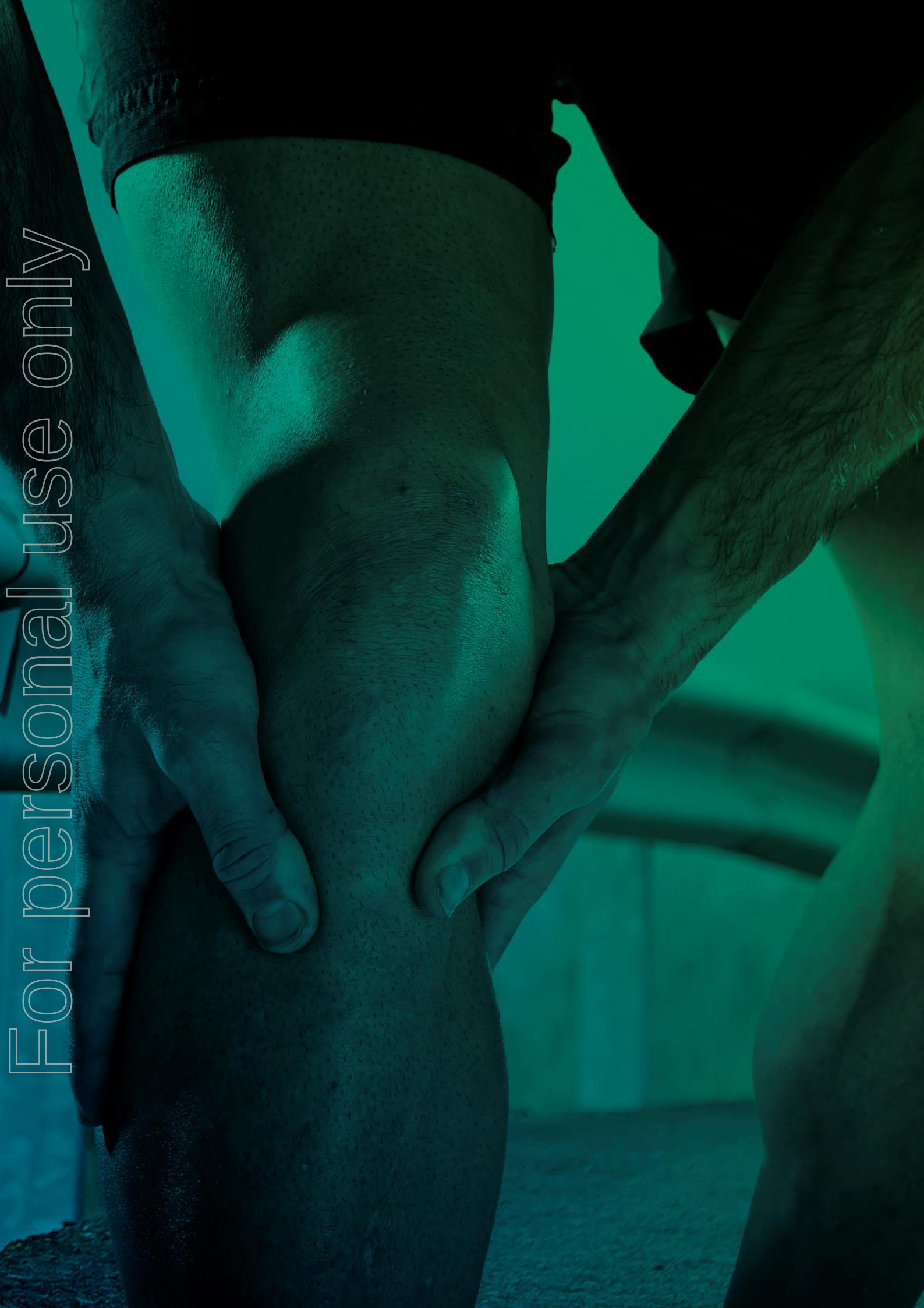

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GLOSSARY

$ or AU$	Australian dollars
ABN	Australian Business Number
AEDT	Australian Eastern Daylight Time
AIFRS	Australian International Financial Reporting Standards
Allotment Date	the date Shares are allotted under the Offer
Applicant	a person who submits a valid Application
Application	an application to subscribe for Shares under this Prospectus
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility), by which an Applicant may apply for Shares
Application Monies	the aggregate amount of money accompanying an Application Form submitted by an Applicant
ASIC	the Australian Securities and Investments Commission
ASTC	the ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires
ASX Corporate Governance Principles and Recommendations	the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council as at the Prospectus Date (4th edition)
ASX Listing Rules	the official listing rules of the ASX
ASX Settlement Rules	the operating rules of the settlement facility provided by ASTC
Board	the board of Directors
CAGR	compound annual growth rate
Chairman	the chairman of the Board
CGT	Capital Gains Tax
Closing Date	the closing date of the Offer (currently 27 March 2020 but subject to change)

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Company or Azure Health	Azure Health Technology Limited ACN 111 082 485
Completion	completion of the allotment of Shares to Successful Applicants in accordance with the terms of the Offer and the Invictus Shareholders under the Invictus Acquisition Agreement
Consideration Option Offer	The offer under this Prospectus of the Consideration Options. See Section 6.23
Consideration Options	The options to be issued to the Invictus Employees under the Option Exchange Agreement. See Sections 6.23 and 10.2
Consideration Share Offer	The offer under this Prospectus of the Consideration Shares. See Section 6.23
Consideration Options	The Shares to be issued under the Invictus Acquisition Agreement. See Sections 6.23 and 10.2
Consolidation	the consolidation of shares in the Company on the basis of every 2.57 shares being consolidated into 1 Share. See section 10.3
Consolidation Resolution	the resolution for the consolidation of the shares in the Company. See section 10.3
Constitution	the constitution of the Company
Corporate Tax Rate	the prevailing corporate tax rate as at the date of this Prospectus, being: 30%; or 27.5%, provided that the relevant company qualifies for the lower small business company tax rate.
Corporations Act	the Corporations Act 2001 (Cth)
Director	a director of the Company
ESOP	the Company's Employee Share Option Plan. See section 10.9
Existing Shares	the issued Shares immediately prior to Completion
Exposure Period	the period of 7 days (or 14 days if extended by ASIC) after the Prospectus Date during which the Company may not accept Applications
Financial Information	as defined in Section 7
General Meeting	A General Meeting of the members of the Company to be held on 6 March 2020 at Suite 3, Level 45, 19-29 Martin Place Sydney NSW 2000 at 10:00 am (Sydney time). See section 10.3
Group	The Company and its subsidiaries (following Completion of the Invictus Acquisition Agreement)

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GST	goods and services tax
Invictus	Invictus Biopharma Limited ACN 618 241 725
Invictus Acquisition	the acquisition of all of the shares in Invictus. See sections 10.2 and 10.7
Invictus Acquisition Agreement	The agreement for the acquisition of all of the shares in Invictus. See section 10.2
Invictus OPS	Invictus Ops Pty Ltd ACN 628 332 454
Invictus Shareholders	the shareholders in Invictus as at the date of this Prospectus
ITAA 1997	Income Tax Assessment Act 1997 (Cth)
Lead Manager	Viriathus Capital Pty Ltd
Maximum Subscription **Minimum Subscription**	50,000,000 Shares to raise $10,000,000 before expenses 35,000,000 Shares to raise $7,000,000 before expenses
Non-Executive Director	a Director who is not a member of the Company's management
Offer	the public offer of up to 50,000,000 at the Offer Price and on the terms set out in this Prospectus
Offer Conditions	the conditions of the Offer. If any of the Offer Conditions are not satisfied, the Company will not proceed with the Offer. If this occurs no Shares will be issued under this Prospectus and all Application Monies will be refunded (without interest) in accordance with the Corporations Act. See section 6.10
Offer Period	the period during which investors may subscribe for Shares under the Offer
Offer Price	$0.20 per Share, being the price Successful Applicants will pay for Shares
Official List	the official list of entities that ASX has admitted and not removed from listing
Option	an option to acquire a Share, subject to satisfaction of any relevant exercise conditions
Prospectus	this prospectus issued by the Company for the purpose of Chapter 6D of the Corporations Act, under which Shares are offered for subscription, including any supplementary or replacement prospectus
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 12 February 2020
Lead Manager/Viriathus	Viriathus Capital ACN 113 959 596 AFSL 297950. See section 6.13
R&D Tax Incentive refunds	The tax incentive reduces company R&D costs by offering tax offsets for eligible R&D expenditure. Eligible companies with a turnover of less than $20

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	million receive a refundable tax offset, allowing the benefit to be paid as a cash refund if they are in a tax loss position. See section 6.3
Re-compliance Application	the Company's application for Reinstatement based on the Company satisfying the requirements of Chapters 1 and 2 of the ASX Listing Rules. See section 6.8
Reinstatement	reinstatement to quotation of Shares in the Company on ASX
Shareholder	a holder of Shares
Share	a fully paid ordinary share in the capital of the Company
Share Registry or **Registry**	Link Market Services Limited or any other share registry that the Company appoints to maintain the registers of Shares
Successful Applicants	an Applicant who is (or will be) allotted Shares under the Offer
TFN	Tax File Number
US or United States	the United States of America, its territories and possessions. any State of the United States of America and the District of Columbia
USD	US dollars
US FDA	the US Food and Drug Administration
US Person	has the meaning given to it under Regulations of the US Securities Act
US Securities Act	the Securities Act of 1933 (US), as amended
Website	the Company's website found at www.azureht.com.au

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CORPORATE DIRECTORY

Company

Azure Health Technology Limited

ACN 111 082 485

4503/19 Martin Place
Sydney NSW 2000

www.azureht.com.au

Lead Manager

Viriathus Capital

301/21 Barangaroo Avenue, Barangaroo
Sydney NSW 2000
Australia

www.viriathus.com

Directors

Lou Panaccio (Independent Non-Executive Chairman)

Dr Glenn Tong (CEO and Managing Director)

(Kevin) Weidong Chen (Independent Non-executive Director)

(Aiden) Wei Jiang (Non-executive Director)

(Steven) Jiayi Yu (Executive Director)

Gregory Starr (Executive Director)

Company Secretary

Gregory Starr

Legal Adviser to the Offer (except in relation to taxation matters)

Cornwalls

Level 10, 114 William Street
Melbourne VIC 3000
Level 3, 32 Martin Place
Sydney NSW 2000

www.cornwalls.com.au

Investigating Accountant

Hall Chadwick

Level 14
440 Collins Street
Melbourne VIC 3000

www.hallchadwickmelb.com.au

Tax Advisors to the Offer

Structured Tax

Suite 4, 24 Birdwood Lane
Lane Cove NSW 2006

www.structuredtax.com.au

Auditors

Grant Thornton Audit Pty Ltd

Collins Square
727 Collins Street
Melbourne VIC 3008

www.grantthornton.com.au

Hall Chadwick

Level 14
440 Collins Street
Melbourne VIC 3000

www.hallchadwickmelb.com.au

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Patent Attorney

FB Rice

Level 14, 90 Collins Street
Melbourne VIC 3000

www.fbrice.com.au

Share Registry

Link Market Services Limited

Locked Bag A14
Sydney South NSW 1235

www.linkmarketservices.com.au

Corporate Advisory

Valorton Capital

4503/19 Martin Place
Sydney NSW 2000

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AZURE HEALTH
TECHNOLOGY

AZURE HEALTH TECHNOLOGY LIMITED

ABN 35 111 082 485

Broker Code | Adviser Code

Public Offer Application Form

This is an Application Form for Shares in Azure Health Technology Limited under the Public Offer on the terms set out in the Replacement Prospectus dated 12 February 2020. You may apply for a minimum of 10,000 Shares and multiples of 10,000 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 27 March 2020.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Replacement Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Replacement Prospectus carefully before applying for Shares.

A Shares applied for ___,___,___ at Price per Share **A$0.20** **B** Application Monies A$ ___,___,___.__

(minimum 10,000, thereafter in multiples of 10,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) +

C

Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

E

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN

X +

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G

Telephone Number where you can be contacted during Business Hours (__) ____ ____ | Contact Name (PRINT)

Cheques or bank drafts should be made payable to **"Azure Health Technology Ltd IPO Subscriptions"** in Australian currency and crossed "Not Negotiable".

H

Cheque or Bank Draft Number | BSB ___-___ | Account Number

Total Amount A$ ___,___,___.__

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 27 March 2020 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Azure Health Technology Limited ("AZT") Shares. Further details about the shares are contained in the Replacement Prospectus dated 12 February 2020 issued by Azure Health Technology Limited. The Replacement Prospectus will expire 13 months from the date of the replacement prospectus. While the Replacement Prospectus is current, Azure Health Technology Limited will send paper copies of the Replacement Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Replacement Prospectus. This Application Form is included in the Replacement Prospectus.

The Replacement Prospectus contains important information about investing in the Shares. You should read the Replacement Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 10,000. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Azure Health Technology Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Azure Health Technology Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Azure Health Technology Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to **"Azure Health Technology Ltd IPO Subscriptions"** in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 27 March 2020 at:

Mailing Address
Azure Health Technology Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery
Azure Health Technology Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001.* For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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AZURE HEALTH TECHNOLOGY LIMITED

ABN 35 111 082 485

Broker Code | Adviser Code

Consideration Shares and Options Form

This is an Application Form for Consideration Shares and Options in Azure Health Technology Limited as per the terms set out in the Replacement Prospectus dated 12 February 2020. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 27 March 2020.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Replacement Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Replacement Prospectus carefully before applying for Shares.

A Shares applied for | at Price per Share **A$0.20** | **B** Application Monies A$

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

E

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN

X

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G

Telephone Number where you can be contacted during Business Hours ( ) | Contact Name (PRINT)

H Shareholder Signature(s) – This MUST be completed

Shareholder 1 | Shareholder 2 | Shareholder 3

Individual or Sole Director and Sole Company Secretary | Director | Director/Company Secretary

Date / /

This form should be signed by the shareholder. If a joint holding, all shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 27 March 2020 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares and Options to which this Application Form relates are Azure Health Technology Limited ("AZT") Shares. Further details about the shares are contained in the Replacement Prospectus dated 12 February 2020 issued by Azure Health Technology Limited. The Replacement Prospectus will expire 13 months from the date of the replacement prospectus. While the Replacement Prospectus is current, Azure Health Technology Limited will send paper copies of the Replacement Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Replacement Prospectus. This Application Form is included in the Replacement Prospectus.

The Replacement Prospectus contains important information about investing in the Shares. You should read the Replacement Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Azure Health Technology Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Azure Health Technology Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Azure Health Technology Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H **Signature(s)**
You must sign and date this Election Form as follows in the space provided:
Individual: where the holding is in one name, the holder must sign.
Joint Holding: where the holding is in more than one name, all holders must sign.
Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the IOF Registry. If you have not previously lodged this document for notation, please attach a certified copy of the Power of Attorney to this Election Form when you return it.
Companies: where the company has a Sole Director who is also the Sole Company Secretary, this Election Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this Election Form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 27 March 2020 at:

Mailing Address
Azure Health Technology Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery
Azure Health Technology Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001.* For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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