



ASX ANNOUNCEMENT

29 JULY 2021

HITIQ Quarterly Activities Report – June 2021

Transformative, concussion management technology company, HITIQ Limited (ASX: HIQ) (HITIQ or the Company), is pleased to provide an update on its activities for the quarter ended 30 June 2021.

COMPANY STRATEGY

Following a successful listing on the Australian Securities Exchange (ASX) on 15 June 2021, HITIQ confirmed its strategic plan for FY'22, which included:

- > A three-pillar strategy for development of an end-to-end concussion management technology ecosystem, comprising several product and platform extensions;
- > Continued data capture across a diversity of appropriate sports both domestically and internationally;
- > Commercialisation within other sports;
- > Progress in the consumer market;
- > Cement appropriate distribution support channels; and
- > A growth plan aimed at achieving its 12-month operating milestones

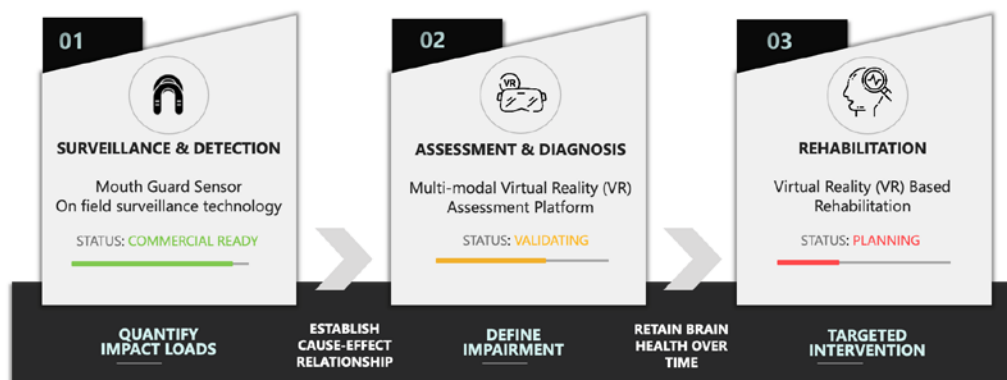


Figure 1: HITIQ's Three-Pillar Strategy



Figure 2: HITIQ's Growth Plan

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ACN 609 543 213
ASX: HIQ

HITIQ.COM

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Directors

Otto Buttula
Michael Vegar
Phillip Carulli
Glenn Smith
Aidan Clarke

Non-Executive Chair
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

CUSTOMER MARKETS

AFL

- > Prior to its listing on the ASX, the Company signed a multi-year deal with the Australian Football League (**AFL**) as a cornerstone commercial customer to deploy its concussion management technology in the 2021 season;
- > The deal provides market validation for HITIQ's technology with a first of kind league wide adoption by the AFL;
- > The Company has deployed its sensor-based mouthguards across players and teams in the men's league in the quarter and the establishment of the player impact passports has commenced; and
- > HITIQ technology is expected to be deployed to the AFL Women's league (**AFLW**) in 2022.

Rugby Australia

- > Subsequent to period end, HITIQ announced a program partnership with Rugby Australia to deploy HITIQ impact sensors in a landmark player well-being program;
- > The program aims to enhance concussion management protocols leading to better health outcomes for players;
- > Data collected from HITIQ technology will assess head impacts experienced in rugby union; and
- > The technology will initially be deployed into the QLD Premier Rugby 1st grade competition in the 2021 season.

PARTNERS

Bupa

- > Subsequent to period end, the Company announced that Bupa, through its Dental division, would trial HITIQ concussion management technology in an Australian first Junior Rugby Pilot Project;
- > The partnership is a landmark trial to address the growing concern for concussions and head impacts which is increasingly presenting as a major barrier to junior sport participation;
- > The initiative aims to revolutionise junior sport safety by enhancing concussion management protocols that can lead to better long term health outcomes for young players;
- > The technology has been deployed in a pilot including 100 junior players from the Wests Bulldogs Rugby Club who have been fitted with HITIQ mouthguards; and
- > The trial is expected to conclude later this year where a review will determine the potential to expand the technology offering across the Bupa Dental clinic network, which represents Australia's largest dental network.

Across the quarter, over 650 units were deployed across the globe, capturing over 3m data points.

HITIQ continues to pursue a strong pipeline of customers and partners in domestic and global markets to further establish its data position.

INTERNATIONAL EXPANSION

UK & Europe Commercial Operations

- > Beachhead established in the UK & European market with the appointment of Mr. Thomas Mockford as Director of Elite Sales and Strategy – UK & Europe;
- > Mr. Mockford brings broad experience in the elite sports industry following his most recent position as European Sales Director for Catapult (ASX:CAT); and
- > Supports the Company's growth plan for the establishment of an international sales footprint.

TECHNOLOGY

- > Preparations are continuing in establishing clinical trial sites globally for the validation of CoVR, the Company's Virtual Reality product.
- > The Company confirms lodgment of a further three provisional patent applications related to its Nexus mouth guard technology and associated AI systems.
- > Ongoing development of the companies AI & ML systems continued

CORPORATE

Initial Public Offering

The Initial Public Offering (IPO) of the Company was successfully concluded during the quarter, raising \$10m via the issue of 50m fully paid ordinary shares at \$0.20 per share. The Company's shares were admitted to the Official List of the Australian Securities Exchange on 15 June 2021.

Financial

The Company had cash reserves of A\$8.95m as at 30 June 2021.

As advised in Section 6.1 in the Appendix 4C for the period, payments to, or to an associate of, a related party of the entity during quarter A\$80,578 was paid to related parties of the Company as follows:

- Executive Director Salary and superannuation	\$54,328
- Non-Executive Director Fees	\$7,500
- Bookkeeping and Accounting Services provided by Optima Partners, a related party of Mr Philip Carulli:	\$18,750

A comparison of the use of funds since the date of admission, to the use of funds statement contained within the Company's Prospectus, as required by ASX Listing Rule 4.7C.2 is as follows:

Allocation of funds ¹	Prospectus estimate (2 years) \$A'000	Actual use of funds ² (15 June 2021 to quarter end) \$A'000
Technology, Research & Development	\$4,701	\$192
Sales & Marketing	\$1,068	\$11
Working capital	\$4,049	\$265
Cost of the Offer	\$802	\$686
Total	\$10,620	\$1,154

¹ Refer to the HITIQ Prospectus dated 22 April 2021 for full details.

² Material variances are a result of the Company being admitted to the Official List on 15 June 2021. Actual expenditure for 15 days is represented against the two year use of funds statement.

The Company remains on track with the estimates of use of funds set out in its Prospectus.

Summary of business activity expenditure incurred during the quarter:

	Expenditure \$A'000
Technology, Research & Development	\$192
Sales & Marketing	\$39
Total	\$231

- ENDS -

Authorised for release by the Board of Directors.

For more information, contact:

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About HITIQ

HITIQ Limited (ASX: **HIQ**) operates in the healthcare equipment sector, providing and further developing a transformative, end-to-end concussion management technology platform. This platform aims to provide a total concussion ecosystem whereby the Company's products support the identification, monitoring and management of sport related brain injury. HITIQ's product suite utilises high-end technology that will span multiple domains – from early detection and surveillance to assessment and rehabilitation technology tools.

HITIQ is targeting a growing worldwide concussion management market including elite and recreational sport, clinical practitioners, military, research, and combat sports. The Company's first commercial partner is the Australian Football League, with current strategy initiatives expanding commercially into Rugby League, Rugby Union, Ice Hockey, Lacrosse, MMA and American Football (particularly the NCAA). The market opportunity globally represents ~500k athletes within the elite market and ~10million in the consumer market.

APPENDIX 4C

**QUARTERLY CASH FLOW REPORT FOR ENTITIES
SUBJECT TO LISTING RULE 4.7B**

1.1 Name of entity

HITIQ Limited

1.2 ABN

53 609 543 213

1.3 1.4 Quarter ended ("current quarter")

30 June 2021

1.5 Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	257	461
1.2 Payments for		
(a) research and development	(190)	(506)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(39)	(93)
(d) leased assets	-	-
(e) staff costs	(890)	(2,782)
(f) administration and corporate costs	(270)	(938)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(19)	(46)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	140	1,691
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,011)	(2,213)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(19)	(55)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-

1.5 Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(k) intellectual property	-	-
(l) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(19)	(55)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	11,875
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(686)	(813)
3.5 Proceeds from borrowings	16	-
3.6 Repayment of borrowings	-	(267)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	9,330	10,795

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	655	428
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,011)	(2,213)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(19)	(55)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,330	10,795
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	8,955	8,955

5.	1.6 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,955	654
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,955	654

1.6.1

6.	1.7 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	1.8 Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> 1.9 Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	564	564
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	564	564
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Radium Capital loan secured against Research & Development refund. Interest rate 14% pa, maturity date 30 November 2021.		

8.	1.10 Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,011)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,955
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,955
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.8

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

1.10.1

1.11 Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

1.12 Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.