



ASX ANNOUNCEMENT

29 APRIL 2022

HITIQ Quarterly Activities Report – March 2022

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 31 March 2022.

HITIQ continues to focus on executing its FY'22 strategic plan, particularly advancing commercial outcomes with Customers and fast tracking the end-to-end technology platform. Major highlights for the quarter included:

- > Highest ever revenue generating quarter of \$339k, representing 74% of FY'21's total annual revenue;
- > Retention of key CSX clients for the new year;
- > New sports sector partnership with the German Ice Hockey Federation;
- > Launch of our consumer product with Bupa Dental Care; and
- > Strengthening of HITIQ's IP protection with the granting of two Innovation Patents - including new heartrate monitoring functionality.

CUSTOMER MARKETS

NEXUS

HITIQ's customer and partner programs are advancing strongly with further potential commercial outcomes expected.

AFL

- > The first season of the AFLW program has successfully concluded with over 111 players having utilised the mouth guard technology. Both the AFL and HITIQ look forward to expanding the program for season 2023.
- > The AFL men's competition is now underway with player compliance up 10% YoY from Season 2021.
- > HITIQ continues to further ingrain its technology stack into the AFL with the contract extension of CSX into the men's competition now representing two products being utilised by the league.

Scottish Rugby

- > The trial with Scotland Rugby is in the final stages and both parties are now discussing post-trial plans.

US College Football

- > Over 100 elite players are currently utilising the technology as part of a partnership with six Football Bowl Subdivision (FBS) division one US college football programs, which include - Tulane University, University of Tulsa, Georgia Tech University, University of Tennessee Knoxville, University of South Carolina, and Brigham Young University.

HITIQ Limited

ACN 609 543 213
ASX: HIQ

[HITIQ.COM](https://www.hitiq.com)

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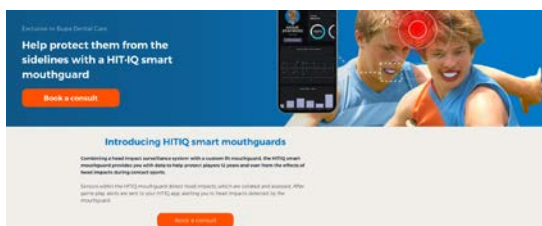
Non-Executive Chair
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

German Ice Hockey Federation

- > HITIQ's smart mouthguard technology is being deployed into the Men's National and U18s Programs at the upcoming IIHF Men's World Championships to be hosted in Finland from 13 to 29 May 2022.
- > The partnership aims to pioneer an increase in visibility and focus on the importance of head impacts in an international sports market, where no current management protocols exist.

BUPA

- > Following the announcement in December 2021 of an exclusive partnership with Australia's largest dental network, Bupa Dental Care, numerous consumer led marketing campaigns were launched during the quarter, offering HITIQ's industry leading concussion management technology for the first time to the consumer market;
- > HITIQ is targeting Bupa Health Insurance's 4 million+ membership-base along with the general public, through Bupa Dental Care practices, with the opportunity to purchase HITIQ technology ahead of upcoming sports seasons; and
- > Initial response to the campaigns has been positive, with further activities planned over the coming months.



CSX

- > The March quarter represented the first full quarter contribution from CSX since acquisition.
- > Importantly, World Rugby was retained as a key client alongside the AFL, NRL and New Zealand Rugby.
- > HITIQ's sales force is building a strong pipeline of CSX revenue opportunities which the Company anticipates will be realised in the coming quarters.
- >

TECHNOLOGY

- > The integration of the existing CSX infrastructure was a key focus for the Company. There remains a body of work to complete the full integration and identified improvements in the product, which is expected in coming quarters.
- > The Company strengthened the IP Protection for its technology with the granting of two patents:
 - An Australian Innovation Patent (Patent No. 2021107528) awarded for "Technology Adapted To Facilitate User-Specific Calibration Of Instrumented Mouthguard Devices, Including Calibration Methods For Instrumented Mouthguard Devices (Specifics of the proprietary calibration process); and
 - Australian Innovation Patent (Patent No. 2021107530) awarded for "A Protective Mouthguard Device Configured To Enable Measurement Of Circulatory System Parameters" (Heart Rate Monitoring Functionality).

- > The newly awarded patents present a significant milestone in HITIQ's intellectual property development strategy as it targets the \$5 billion global addressable concussion management market. HITIQ's patent portfolio currently comprises fourteen patent families, with numerous applications pending in various stages of the patent process globally. The portfolio continues to grow and expand, with five international PCT patent applications pending, and seven provisional applications lodged in the last year. The patent portfolio covers numerous facets of HITIQ's technology framework, including hardware, manufacturing and calibration techniques, and data processing methods;
- > New biometric tracking functionality and the associated IP protection is part of HITIQ's continued technology innovation and eco-system development, targeting a leadership position in concussion healthcare and mouthguard technology;
- > HITIQ plans to incorporate this technology extension into future generations of its smart mouthguard to deliver a sophisticated and improved analysis of athletic performance, including the potential effects of head impacts on other bodily systems; and
- > 1.2 million data points were captured from new and existing customer programs, further strengthening the Company's leading global head-impact databank.

CORPORATE

Financial

The Company had cash reserves of A\$2,752m as at 31 March 2022.

The global semiconductor market continues to be an ongoing global issue with supply chain constraints remaining. HITIQ currently has sufficient inventory to meet market demand in the forthcoming quarters, however the Company is carefully monitoring the market with respect to semiconductor supply versus unit projections.

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\$108,646 was paid to related parties of the Company as follows:

- Executive Director Salary and superannuation	\$53,308
- Non-Executive Director Fees	\$42,323
- Bookkeeping and Accounting Services provided by Optima Partners, a related party of non-executive director, Mr Philip Carulli:	\$13,015

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 (for the quarter ended March 2022 quarter) \$A'000	Actual use of funds since listing (15 June 2021 to March 2022 quarter end) \$A'000
Technology, Research & Development	\$4,701	\$1,056	\$3,590
Sales & Marketing	\$1,068	\$276	\$720
Working capital	\$4,049	\$380	\$2,463
Cost of the Offer	\$802	\$0	\$767
Total	\$10,620	\$1,712	\$7,540

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

- ENDS -

Authorised for release by the Board of Directors.

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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**

Name of entity

HITIQ Limited

ABN

53 609 543 213

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	339	453
1.2	Payments for		
	(a) research and development	(466)	(1,613)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(9)	(197)
	(d) leased assets	-	-
	(e) staff costs	(988)	(2,976)
	(f) administration and corporate costs	(570)	(1,390)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	(29)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,025
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,694)	(4,726)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(858)
	(c) property, plant and equipment	(18)	(55)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(18)	(913)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	20
3.6	Repayment of borrowings	-	(584)
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	-	(564)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,464	8,955
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,694)	(4,726)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(913)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(564)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,752	2,752

5.	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	2,752	4,464
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)	2,752	4,464

6.	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	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,694)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,752
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,752

8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.62
	<i>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.</i>	
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: The entity expects to record similar levels to the current net operating cashflows in upcoming quarters.	
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: The Company's Board is considering several alternative steps to raise further liquidity to fund its operations going forward. Steps include raising funds from several alternative sources, including: a) Alternative Equity Funding, including bring forward the Company's R&D advance and / or alternative equity investment; b) equity funding via a strategic placement and / or offering current shareholders participation. The Company's Board is confident that it could successfully implement either of the above alternatives.	
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: The entity expects to be able to continue its operations and to meet its business objectives on the basis of the expected implementation and completion of the alternatives outlined in 8.6.2..	
	<i>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.</i>	

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 April 2022

Authorised by: The Board of HITIQ Limited
(Name of body or officer authorising release – see note 4)

1.1 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.