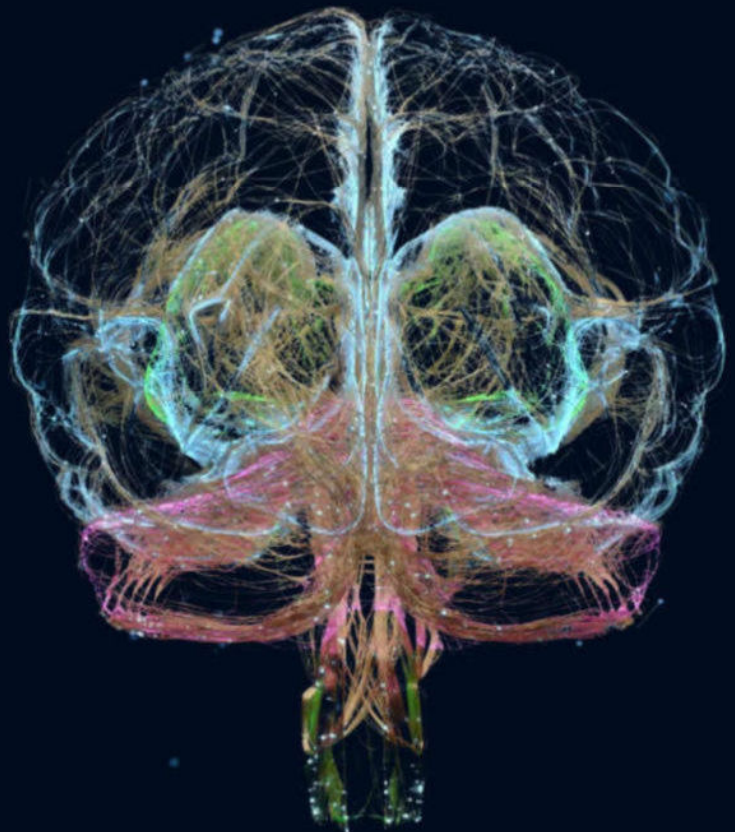


HITIQ

APPENDIX 4D

Interim Financial Report for the
half year ended

31 December 2023



RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting Period

Report for the half-year ended 31 December 2023
Previous corresponding half-year ended 31 December 2022

Results for announcement to the market	Movements	Percentage %		Amount \$
Increase in revenues from contracts with customers	↑	62.05	to	\$451,693
Reduction in loss from ordinary activities after tax	↓	3.54	to	(\$1,542,285)
Reduction in loss after tax attributable to members	↓	3.54	to	(\$1,542,285)

a) Dividends

	Amount per Security (c)	Franked amount per security %
Interim dividends	nil	n/a
Final dividends	nil	n/a
Record date for determining entitlements to the dividend	n/a	

b) Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6)

Please refer to the commentary in the review of operation contained within the attached Half Yearly Financial Statements

DIVIDENDS

No dividends have been declared or are payable for the half year ended 31 December 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE YEAR ENDED 31 DECEMBER 2023

	Current period ¢	Previous corresponding period ¢
Net Tangible assets per share		
Net tangible assets backing per shares (cents)	0.06	1.04

The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached) which has been subject to independent review by the Auditors, William Buck. The auditors review report is subject to an emphasis of matter in respect to the going concern basis of accounting, which is detailed in the independent auditors review report on page.



HITIQ Limited

ABN 53 609 543 213

Interim Financial Statements – 31 December 2023

HITIQ Limited
Contents
31 December 2023

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General information

The financial statements cover HITIQ Limited and its controlled entities. The financial statements are presented in Australian dollars, which is HITIQ Limited's functional and presentation currency.

HITIQ Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 3,
128 Main St
Osborne Park, WA, 6017

Principal place of business

Suite 1, Level 2,
9-17 Raglan Street
South Melbourne, VIC, 3205, Australia

The principal activity of the company is concussion management technology commercialisation.

HITIQ Limited
Director's report
31 December 2023

The Directors of HITIQ Ltd present their Report together with the financial statements of the consolidated entity, being the Company and its controlled entities (the 'Group') for the 6-month period ended 31 December, 2023 ('H1 FY23').

DIRECTOR DETAILS

The following persons were Directors of HITIQ Ltd during H1 FY23 and up to the date of this report:

Philip Carulli – Non-Executive Director

James Barrie – Non-Executive Director (appointed 27 November 2023 / resigned 29 November 2023/reappointed 23 February 2024)

Matthew Clayworth – Non-Executive Director (appointed 29 November 2023)

Glenn Smith – Chairman/Non-Executive Director (resigned 23 February 2024)

Otto Buttula – Non-Executive Chairman (resigned 27 November 2023)

Aidan Clarke – Non-Executive Director (resigned 27 November 2023)

PRINCIPAL ACTIVITIES

HITIQ Limited (ASX: **HIQ**) is a global leader in concussion management technologies, through its world first end to-end platform powered by an eco-system of products that span surveillance and detection, to assessment and ultimately return to play.

During the half-year ending 31 December 2023, and up to the date of this report, HITIQ enhanced its on a number of milestones as part of its strategic plan, particularly advancing commercial outcomes with Customers and fast tracking the Technology platform.

Increasing Market Dynamics

Over the past 6 months, governing bodies have been under increasing pressure to establish more robust approaches to managing head trauma in sport, driven by the Senate Inquiry.

In October, World Rugby announced its intent to mandate instrumented mouth guards in 2024 for professional level players. This decision signals the important role head impact data will play within the context of clinical diagnosis of concussion and the long-term tracking of head impact data.

In September, the Senate Community Affairs References Committee handed down their Report to the Senate on concussions and repeated head trauma in contact sports. Many of the 13 key recommendations specifically endorse the use of technologies that HITIQ currently has in market, namely;

Recommendation 1 – The Australian Government establish the National Sports Injury Database as a matter of urgency (to collect sports injury data including at the community level of sport).

Recommendation 2 – Professional sporting codes collect data on concussions and identified sub-concussive events and share this data with the National Sports Injury Database.

Many of the other recommendations indirectly require the roll out of technologies to achieve the desired result, which again, HITIQ can significantly contribute.

For a full list of the recommendation please refer to the following link: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Headtraumainport/Report/List_of_recommendations

The company will determinedly approach key stakeholders within this process to investigate funding, implementation and commercial pathways.

**HITIQ Limited
Director's report
31 December 2023**

COMMERCIAL

Through the six-month period, there were a number of accretive deals that enhanced the commercial footprint of HITIQ globally across multiple verticals and demographics.

Sydney Roosters

Initial sales order from the Sydney Roosters, represents first of kind within the NRL competition. Revenue from agreement is not material, but positively signals important entry point into NRL competition. HITIQ looks forward to supporting the Sydney Roosters for Season 2024.

WAFC

As announced on 23 November 2023, the WAFC have extended their relationship with HITIQ through a sales order for season 2024 on the back of a successful 2023 rollout.

WAFC Executive Manager, Game Development and Community Football, Troy Kirkham, commented: "As a leading organisation in Australian football, we at the West Australian Football Commission are constantly seeking innovative ways to enhance player safety and performance. Across the 2023 season, we had the opportunity to integrate HITIQ's Nexus Solution instrumented mouthguard technology into our programs. The decision to implement this technology has been transformative for our clubs and teams".

The user-friendliness, robustness and fit of the mouthguards have been praised by our players and coaching staff alike. Their ability to seamlessly integrate into our daily routines without hindering player performance, or negatively impacting the workload of staff or volunteers, has been a key factor in their success. Given the significant benefits we observed last season, it was an easy decision to continue our partnership with HITIQ for the 2024 season. We firmly believe that this technology is a vital tool in our ongoing commitment in prioritising player safety, health and wellbeing. We look forward to another successful season with HITIQ at the forefront of our player health and safety initiatives."

Peak Physical Therapy (US); Sales order to Peak Physical Therapy, a privately operated Rehabilitation and Performance facility in the USA to support their Snow Sport programs through the integration of HITIQ's Nexus mouthguard solution.

First sale into the private sector globally for HITIQ signifies growing demand for Head impact sensors.

Revenue from agreement is nonmaterial.

Monash University, Deakin University & the University of Canterbury

HITIQ continues to be a valuable tool for research institutions globally with the provision of technology and data to support concussion related research breakthroughs.

Monash; Monash will continue to utilise HITIQ's Nexus head impact sensor technology to support their expanding blood brain biomarker study. The highly promising study, which began in 2023, demonstrated a correlation between cumulative head impact exposure and elevation in blood brain injury biomarkers.

Deakin; Deakin University will continue their investigation on the impact of repeat head trauma and sleep quality for a second consecutive year,

Canterbury; University of Canterbury to continue their investigation into the efficacy of head gear in to mitigating the severity of head impacts in youth rugby union.

Subsequent to period end, there were two key commercial and strategic announcements;

January 2024

AFL SIGNS MULTI-PRODUCT DEAL WITH HITIQ

- > **AFL to use HITIQ's head impact and concussion management technologies in 2024**
- > **Partnership covers both AFL & AFLW competitions, as well as VFL & VFLW competitions**
- > **Secures HITIQ's position as the leading provider of sports-related concussion technology in Australia**

The company executed a strategic partnership with the Australian Football League (AFL) to supply both its Nexus head impact sensor technology and concussion management platform to the AFL and AFLW competitions for season 2024.

Commenting on the deal, HITIQ Chief Commercial Officer, Damien Hawes, said: "We are thrilled to broaden our collaboration with the AFL, which alone represents over 60% of reported revenues for the 2023 financial year. This agreement, encompassing multiple products, reflects the AFL's growing commitment to player safety and wellbeing whilst validating the value our technology brings to the AFL's progressive concussion management practices across different levels of the sport."

HITIQ's industry leading concussion management platform (CSX) will be mandated for use in the AFL and AFLW and offered for use within the VFL and VFLW competitions.

Implementing HITIQ's world class Nexus head impact sensor technology will allow for the capture and detailed analysis of head impact exposure across the AFL and AFLW competitions.

The use of HITIQ's head impact technology and concussion management platform in this way directly correlates to the recent recommendations by the Australian Federal Parliament Senate Inquiry. Further, HITIQ will continue to take a leadership role in the area by providing access to this world leading technology via the rollout of its consumer product offering Smart Mouthguard and ConneQt concussion platform. More information may be found here: <https://www.hitig.com/hitig-smart-mouthguard>.

AFL General Counsel Stephen Meade said "For the AFL, the safety and health of our players is of paramount importance. The AFL is committed to mitigating risk of head impacts across the game, including by taking steps that support the players' health with the best available tools, and rigorous protocols harnessing the power of health technology and evidence-based research. Our partnership with HIT-IQ is an important component in enabling us to fulfill these objectives".

February 2024

UK SPORTS INSTITUTE SIGNS LANDMARK DEAL WITH HITIQ

- > **UK national Sporting body selects HITIQ's concussion management technology.**
- > **Agreement provides exposure to 1,050 users across 25 elite national governing body sports programs.**
- > **Key strategic milestone within large UK target market, expanding global footprint.**

Under the terms of this agreement, UKSI will implement HITIQ's CSX concussion management platform across 25 National Governing Body Sports Programs, onboarding 1,050 athletes. The current agreement is through to 31 March 2025 with UKSI holding an option to extend the agreement for a further year. The financial implication of the deal is not material.

Commenting on the deal, HITIQ Director of Elite Sales & Strategy - UK & Europe, Tom Mockford said:

HITIQ Limited
Director's report
31 December 2023

"We are honored to collaborate with UKSI, a world-renowned leader in high-performance sports. This partnership is a testament to the diversity of application of our concussion management platform and we are excited to see our technology integrated at the highest level across such a broad cross section of sports within the UK sporting ecosystem. Our exposure to the range of governing bodies will lay a strong foundation for future growth into grassroots."

Dr Andrew Hogg, who is a Senior Sports Physician and Head of Brain Health at UK Sports Institute said "The UKSI Athlete Health team supports British high performance sports' management of athlete physical and mental health and is part of the UKSI's mission to deliver outstanding support that enables sports and athletes to excel. Brain health is a priority multi-disciplinary workstream for us, that aims to support the best possible assessment and management of sports concussion and protect long term athlete brain health.

Our partnership with HIT-IQ and roll-out of their CSX app across 25 high performance sports is a key step in further support for athletes' brain health. Having considered multiple technologies and applications in the brain health field, we felt that CSX offered us the most suitable platform to support our aims. Our medical and physiotherapy staff will now have access to the CSX system to assist with assessment, recording and management of head injuries, which will benefit them and the sports and athletes they support."

In conjunction with the current Premier League agreement, HITIQ's footprint across key sports within the UK provides direct exposure to the significant junior populations allowing for future cross selling opportunities of the broader HITIQ product suite.

TECHNOLOGY

In December quarter, the Company conducted a Stage 2 audit for the ISO27001 certification. Subsequently, a recommendation from the auditors for the certification was delivered.

Compliance to ISO27001, which is a globally accepted indication of data and information security effectiveness, is critical to enhance market reputation and overcome many of the data risks to commerciality.

FINANCIAL

- > The Company had cash reserves of A\$849,671 as at 31 December 2023;
- > The Company has taken steps during the period to reduce its cost base without impacting on the growth and customer acquisition strategy. This has included the reduction of the size of the board and FTE headcount.
- > The Company is pleased to have the support of Harmil Angel Investments as a strategic shareholder during the period. Harmil will continue to guide the Company's future growth plan.

CORPORATE

- > A General Meeting of shareholders was held on 29 November 2023 with all resolutions passing.
- > On the 27th November 2023, Non-Executive Chairman, Otto Buttula, and Non-Executive Director Aidan Clarke retired their positions.
- > As per announcement on 23rd February 2024 interim Chairman and Non-Executive Director, Glenn Smith, resigned from his interim CEO position and James Barrie was appointed.

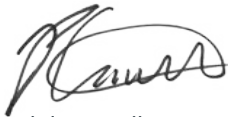
HITIQ Limited
Director's report
31 December 2023

- > The Company continues to transition its management and its search for a replacement Chief Executive Officer.
- > Former Executive Officer (CEO) and founder Michael Vegar has reassumed the CEO position until the successful replacement can be transitioned into the position.
- > On 16 October 2023, the Company announced a Placement to a Strategic Investor and Rights Issue to existing shareholders. The Company welcomes Harmil Angel Investments ("Harmil") a private investment entity of former NRL player Adam MacDougall as a substantial shareholder.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the Directors:



Philip Carulli

Director

29 February 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of HITIQ Pty Ltd

As lead auditor for the review of HITIQ Pty Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of HITIQ Pty Ltd and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

N. S. Benbow

N. S. Benbow

Director

Melbourne, 29 February 2024

HITIQ Limited
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2023

	Note	Dec 2023 (\$)	Dec 2022 (\$)
Revenue			
Revenue	3	451,693	278,737
Other income	3	15,598	3,848
Government grants	3	1,961,593	2,223,149
Expenses			
Accountancy and secretarial fees		(24,893)	(23,292)
Auditor's remuneration		(25,491)	(9,010)
Consultancy fees		(432,103)	(215,473)
Depreciation and amortisation		(153,697)	(114,057)
Interest paid		(89,461)	(173,913)
Occupancy		(136,064)	(169,257)
Research and testing		(187,461)	(481,612)
Employee benefits expenses		(2,257,778)	(2,333,042)
Other expenses		(664,221)	(585,025)
		<hr/>	<hr/>
Loss before income tax expense		(1,542,285)	(1,598,947)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax expense for the period attributable to the owners of HITIQ Limited		(1,542,285)	(1,598,947)
Other comprehensive income (forex translation adjustment)		(2,239)	117
Gain / (loss) on translation of foreign operations			
Total comprehensive income for the period attributable to the owners of HITIQ Limited		(1,544,524)	(1,598,830)
		Cents	Cents
Basic earnings per share		(0.70)	(1.17)
Diluted earnings per share		(0.70)	(1.17)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

HITIQ Limited
Condensed Statement of Financial Position
As at 31 December 2023

	Note	Dec 2023 (\$)	June 2023 (\$)
Assets			
Current assets			
Cash and cash equivalents		854,111	1,979,136
Trade and other receivables		185,866	151,572
Prepayments		49,641	122,924
Rental deposit		52,241	52,241
Total current assets		1,141,859	2,305,873
Non-current assets			
Property, plant and equipment		101,431	111,858
Intangible assets		580,109	711,582
Total non-current assets		681,540	823,440
Total assets		1,823,399	3,129,313
Liabilities			
Current liabilities			
Trade and other payables	4	858,611	699,191
Contract liability		297,368	297,400
Employee provisions		324,317	389,024
Borrowings		22,651	1,694,993
Total current liabilities		1,502,947	3,080,608
Non-current Liabilities			
Provisions		114,635	95,566
Total non-current liabilities		114,635	95,566
Total liabilities		1,617,582	3,176,174
Net assets/(liabilities)		205,817	(46,861)
Equity			
Issued capital	6	24,052,443	22,255,241
Reserves		561,458	1,619,898
Accumulated losses		(24,408,084)	(23,922,000)
Total equity/(deficiency)		205,817	(46,861)

The above statement of financial position should be read in conjunction with the accompanying notes

HITIQ Limited
Statement of Changes in Equity
For the half-year ended 31 December 2023

	Issued capital (\$)	Accumulated losses (\$)	Reserves (\$)	Total equity (\$)
Balance at 1 July 2022	18,266,701	(19,008,752)	1,915,516	1,173,465
Loss after income tax expense for the period	-	(1,598,947)	-	(1,598,947)
Other comprehensive income (forex translation adjustment)	-	-	117	117
Total comprehensive income attributable to the owners of HITIQ Limited	-	(1,598,947)	117	(1,598,830)
Transactions with owners in their capacity as owners:				
Shares issued	4,031,708	-	-	4,031,708
Share issue costs	(42,268)	-	-	(42,268)
Options lapsed	-	127,500	(127,500)	-
Balance at 31 December 2022	<u>22,256,141</u>	<u>(20,480,199)</u>	<u>1,788,133</u>	<u>3,564,075</u>
	Issued capital (\$)	Accumulated losses (\$)	Reserves (\$)	Total equity (\$)
Balance at 1 July 2023	22,255,241	(23,922,000)	1,619,898	(46,861)
Loss after income tax expense for the period	-	(1,542,285)	-	(1,542,285)
Other comprehensive income/(loss) (forex translation adjustment)	-	-	(2,239)	(2,239)
Total comprehensive income attributable to the owners of HITIQ Limited	-	(1,542,285)	(2,239)	(1,544,524)
Transactions with owners in their capacity as owners:				
Shares issued	1,812,925	-	-	1,812,925
Share issue costs	(15,723)	-	-	(15,723)
Options lapsed	-	1,056,201	(1,056,201)	-
Balance at 31 December 2023	<u>24,052,443</u>	<u>(24,408,084)</u>	<u>561,458</u>	<u>205,817</u>

HITIQ Limited
Condensed Statement of Cash Flows
For the half-year ended 31 December 2023

	Note	Dec 2023 (\$)	Dec 2022 (\$)
Cash flows from operating activities			
Receipts from customers		462,064	287,170
Payments to suppliers and employees		(3,587,898)	(3,598,736)
Receipts – Government grants & tax incentives		1,961,593	154,461
Interest paid		(89,461)	(2,622)
Interest received		15,598	3,849
		<u>1,238,104</u>	<u>(3,155,878)</u>
Net cash used in operating activities		<u>(1,238,104)</u>	<u>(3,155,878)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(11,782)</u>	<u>(17,538)</u>
Net cash used in investing activities		<u>(11,782)</u>	<u>(17,538)</u>
Cash flows from financing activities			
Proceeds from shares issued		1,839,470	4,031,708
Payments for share issue costs		(42,268)	(42,268)
Proceeds from borrowings		18,211	6,156
Repayment of borrowings		<u>(1,694,993)</u>	<u>(61,311)</u>
Net cash from financing activities		<u>120,420</u>	<u>3,934,285</u>
Net increase in cash and cash equivalents		(1,129,466)	760,869
Effect of Exchange rate changes on cash		4,441	121
Cash and cash equivalents at the beginning of the financial year		<u>1,979,136</u>	<u>2,939,147</u>
Cash and cash equivalents at the end of the financial period		<u>854,111</u>	<u>3,700,137</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

HITIQ Limited
Notes to the Condensed Financial Statements
Interim Financial Statements - 31 December 2023

Note 1: Summary of significant accounting policies

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of HITIQ Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023.

These interim financial statements were authorised for issue on the date of signing the attached directors' declaration.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 31 December 2023, the consolidated entity incurred a net loss of \$1,547,009 and experienced net cash outflows from operating activities of \$1,238,104.

The directors have considered a cash flow forecast, which indicates that the Company will be required to obtain additional capital in order to have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The directors also considered the other following matters in their cashflow forecast, all of which are contingent upon future matters which may eventuate:

- Subsequent to year-end, the consolidated entity has entered into two 12-month agreements to cover the 2024 season with AFL which is approximately 60% reported operating revenues in FY2023
- The consolidated entity has a track record of raising capital from investors as a listed public company on the ASX and will contemplate doing so in the next 12 months, to further the consolidated entity's goals for commercializing its proprietary technology;
- The consolidated entity has had a successful track record of claiming R&D tax rebate, additionally the ability to bring forward the R&D tax rebate via financing options used in the past also exists.
- As at 31 December the consolidated entity owed \$86,503 to its key management personnel, including accruals for director's fees and for annual leave owing. Those key management personnel have written to the Company advising that they are willing to defer amounts owing to them as at reporting date and as they accrue under contract for the next 12 months from the date of signing these financial statements, if necessary, to ensure that the Company has adequate reserves of available working capital; and
- A majority of the consolidated entity's expenses relate to marketing, business development and research and development activities, which, if necessary, can be curtailed if necessary to meet the overall needs of the enterprise.

The ability of the company to continue as a going concern is principally dependent upon the ability of the company to secure funds by raising capital from equity markets and managing cash flow in line with the available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the company to continue as a going concern.

HITIQ Limited
Notes to the Condensed Financial Statements
Interim Financial Statements - 31 December 2023

The directors have prepared a cash flow forecast, which indicates that the company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the company's history of raising capital to date, the directors are confident of the company's ability to raise additional funds as and when they are required. The company can also consider bringing forward R&D funding for the 2024 financial year and cost cutting strategies in the event that capital raising efforts are not successful. If required, the directors have written to the company advising of their preparedness to defer amounts due and payable to them in the event that such payments jeopardise the reserve of working capital available to the Company.

Should the company be unable to achieve the matters as described above, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the company be unable to continue as a going concern and meet its debt when they fall due.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Research and Development Rebate

The company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claim lodged for the past 4 years. In the event of a negative finding from such an audit or review AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may only occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

Note 3. Revenue

	Dec 2023 \$	Dec 2022 \$
Revenue from contracts with customers	451,693	278,737
Interest income	15,598	3,848
Government grants	51,707	36,600
Research and development grant	1,909,886	2,186,549
	<u>2,428,884</u>	<u>2,505,734</u>

HITIQ Limited
Notes to the Condensed Financial Statements
Interim Financial Statements - 31 December 2023

Note 3b. Operating segments

Based on the quantitative thresholds included in AASB 8 the consolidated entity has one operating segment, being mouthguard and software sales and trial revenue in various locations, primarily Oceania.

	Dec 2023	Jun 2023
	\$	\$
Revenue by geographical markets		
Oceania	351,639	720,929
Other	100,054	-
	<u>451,693</u>	<u>720,929</u>
	Dec 2023	Dec 2022
	\$	\$
Revenue by customers		
Customer 1	200,000	226,980
Customer 2	48,108	-
Other	203,585	51,757
	<u>451,693</u>	<u>278,737</u>

Note 4. Current liabilities – Trade and other payables

	Dec 2023	Jun 2023
	\$	\$
Trade creditors	598,802	368,961
Other payables	156,516	1,165
PAYG withholding payable	64,363	149,016
R&D tax payable	38,930	180,049
	<u>858,611</u>	<u>699,191</u>

During the period the company received an invoice from the AFL for services rendered in assisting with implementation of the technology during the term of the 3-year contract. The company has agreed to pay the AFL over the next 12-month period. The company also received several invoices from our IP Lawyer for services rendered over an 18-month period. These invoices are all this is also included in the Trade creditors balance.

Note 5. Contingent liabilities

With the exception of the guarantees pledged for its leaseholds, there were no contingent liabilities to the consolidated group as at 31 December 2023.

HITIQ Limited
Notes to the Condensed Financial Statements
Interim Financial Statements - 31 December 2023

Note 6. Equity - issued capital

	Dec-23 Shares	Dec 2023 \$	Dec-22 Shares	Dec 2022 \$
Ordinary Shares – fully paid	349,184,967	24,052,443	266,809,302	22,256,141

Movements in ordinary share capital

Details	Date	Notes	No. of Shares	Issue Price \$
Opening balance	30-Jun-23		266,779,289	22,255,242
Shares issued	18-Oct-23		27,284,246	600,253
Shares issued	27-Nov-23		32,394,159	712,671
Shares issued cost	27-Nov-23			(15,723)
Shares issued	27-Dec-23		<u>22,727,273</u>	<u>500,000</u>
Closing balance			<u>349,184,967</u>	<u>24,052,443</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 7. Events after the reporting period

With the exception of the matters disclosed under the Going Concern and the change of directors as noted in the announcement dated 23rd February 2024 whereby interim Chairman and Non-Executive Director, Glenn Smith, resigned from his interim CEO position and James Barrie was appointed, there has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

HITIQ Limited
Notes to the Condensed Financial Statements
Interim Financial Statements - 31 December 2023

Directors' Declaration

In the Directors' opinion:

- the attached interim financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached interim financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached interim financial statements and notes thereto give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

On behalf of the Directors



Philip Carulli
Director

29 February 2023

Independent auditor's review report to the members of HITIQ Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of HITIQ Limited (the Company), and its controlled entities (together, the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 within the half-year financial report, which states that the Group incurred a net loss after tax of \$1,542,285 and net cash outflows from operations of \$1,238,104 for the half-year ended 31 December 2023. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report 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 assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 29 February 2024