

HITIQ Quarterly Activities Report March 2024

Highlights

- > **NRL agreement executed**
- > **Completed deployment of technology to AFL**
- > **Commercial agreement with UK national sporting body**
- > **Strengthened IP position**

Commercial Update

During the Quarter, HITIQ's commercial team were successfully able to complete two significant agreements within domestic and international markets, whilst strengthening its IP position.

NRL

The NRL has initiated a trial of HITIQ's state-of-the-art head impact mouthguard technology, aiming to evaluate the product's fit for broader rollout within rugby league. In addition to the NRL's trial, several teams have independently adopted HITIQ's instrumented mouthguard (iMG) technology to measure, mitigate, and better understand head impact exposure during training, games, and competitions.

These teams are utilizing the iMGs across various positions to gather comprehensive longitudinal impact data, collecting concussion data points and developing pathways to establishing clinical utility.

HITIQ mouthguard technology now has exposure in all major Australian sport leagues.

UK SPORTS INSTITUTE

As announced on 20th February, HITIQ executed an agreement with UK Sports Institute (UKSI), the United Kingdom's high-performance sports institute to supply its concussion management technology across the UK's elite sports ecosystem, expanding the Company's 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.

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.

New Australian Patent

HITIQ was awarded an Australian Patent, further strengthening its IP portfolio related to its Nexus™ instrumented mouthguard head impact technology.

The Patent (No. 2020219864) “Instrumented mouthguard devices and components configured for use in instrumented mouthguard devices,” covers the embodiment of hardware components including accelerometer modules which enable monitoring of head movements of a mouthguard wearer.

The Company considers the Patent to be a valuable IP asset that enables sophisticated design and manufacturing methodologies of embedding a flexible circuit board onto a mouthguard body, allowing for enhanced device function, comfort, and data quality.

HITIQ has now secured four patents in Australia that are designed to comprehensively protect the Company's commercial IP position as a leading provider of concussion management technologies:

- > Australian Innovation Patent (Patent No. 2021107528) issued 7 Feb 2022 - “Technology Adapted To Facilitate User-Specific Calibration Of Instrumented Mouthguard Devices, Including Calibration Methods For Instrumented Mouthguard Devices”;
- > Australian Innovation Patent (Patent No. 2021107530) issued 23 February 2022 - “A Protective Mouthguard Device Configured To Enable Measurement Of Circulatory System Parameters”;
- > Australian Innovation Patent (Patent No. 2021107529) issued 18 August 2022 - “Technology Adapted for Improved Assessment of Cognitive Function in A Human Subject, Including Assessment of Cognitive Function Affected By Brain Injuries Sustained During Sporting Activities”; and
- > Australian Patent (Patent No. 2020219864) issued 4 April 2024 - “Instrumented mouthguard devices and components configured for use in instrumented mouthguard devices.”

Commenting on the Patent, HITIQ Chief Executive, Mike Vegar, said:

“Protecting our IP is an ongoing focus as a part of our commercial strategy that will continue to secure our position as the global leader in concussion management technologies. We have a pipeline of global patent initiatives across our suite of products which the Company will develop and activate as required.”

Operations

As an update to the agreement announced with the AFL in January, the deployment of technology to all AFL men's teams was completed within the quarter ahead of the AFL 2024 season, with technology currently operating within competition.

All AFLW clubs are concurrently having their players digitally scanned for the technology ahead of a rollout for their season commencing August.

Also, the Company maintained its ISO14385 certification through its annual surveillance audit.

ISO 13485 is an international standard that outlines the requirements for a Quality Management System in the medical device industry. This standard is specific to medical devices and covers the entire life cycle of a device, from design and development to production, installation, and servicing.

Finally, the Company entered into a new lease in March for a new fit for purpose facility allowing for a material annual cost saving and increased manufacturing capacity. Manufacturing capacity is expected to increase from approximately 5k unit annual output to 25-30k unit output. Full transition is expected to take place by mid-May.

Financial

The Company had cash reserves of A\$123k as at 31 March 2024 and has subsequent to 31 March drawn an additional \$557k from the available R&D facility.

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\$38,850 was paid to related parties of the Company as follows:

> Non-Executive Director Fees	\$36,925
> Bookkeeping and Accounting Services provided by Optima Partners,	
▪ a related party of non-executive director, Mr. Philip Carulli:	\$1,925

- ENDS -

Authorised for release by the Board of Directors.

For more information, contact: investors@hitiq.com

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 2024

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	366	874
1.2 Payments for		
(a) research and development	(274)	(494)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(58)	(154)
(d) leased assets	-	-
(e) staff costs	(954)	(3,088)
(f) administration and corporate costs	(266)	(1,301)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	17
1.5 Interest and other costs of finance paid	-	(89)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,962
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,185)	(2,273)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(154)
(c) property, plant and equipment	(4)	(16)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(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	(4)	(170)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	59	1,856
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	420	420
3.6	Repayment of borrowings	(18)	(1,690)
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	461	586

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	851	1,980
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,185)	(2,273)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(170)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	461	586

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	123	123

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	123	851
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)	123	851

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	39
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.	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	997	440
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	997	440
7.5	Unused financing facilities available at quarter end		557
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.		

R&D Finance with Keystone Capital Partners Pty Ltd. Secured against R&D Refund. Term 150 days from 14 March 2024 , interest rate 15% per annum. The company has only claimed its expenditure to the 15 February, therefore has capacity to finance further R&D expenditure incurred since 15 February.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,185)
8.2 Cash and cash equivalents at quarter end (item 4.6)	123
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	123
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.10
<p><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></p>	
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?	
<p>Answer: Yes, cashflows to continue</p>	
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?	
<p>Answer: The board is currently at an advanced stage of evaluating several capital management alternatives.</p>	
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?	
<p>Answer: Yes, the company expects to be able to continue its operations and meet its business objectives on the basis of the expected implementation and completion of the activities outlined in 8.6.2.</p>	
<p><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></p>	

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: 30 April 2024

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 – e.g., 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.