



## ASX ANNOUNCEMENT

31 JANUARY 2023



### HITIQ Quarterly Activities Report December 2022

#### Highlights

- ✓ League Wide deal with the Premier League for CSX technology;
- ✓ West Australian Football Commission to utilise Nexus technology;
- ✓ Extension of consumer platform with announcement of new product – ConneQt;
- ✓ Nexus trial with United Rugby Championship;
- ✓ \$3.96m, net of transaction costs, raised via Renounceable rights issue; and
- ✓ HITIQ invited to participate in Senate Inquiry.

#### Summary

The December Quarter was an active quarter for HITIQ as the Company secured meaningful agreements within key target markets globally, which supported the Company's strategic initiatives. Data collection volumes across all products continued to grow strongly, supporting HITIQ's position with one of the most comprehensive impact & assessment data sets in the world.

Firming up inventory levels and increasing manufacturing capacity to ensure an ability to support expected growth in Nexus units for calendar '23 was achieved. Additionally, the team continued to iterate the Nexus technology resulting in favorable unit economics and performance. The consumer platform was also extended with ConneQt – a global first telehealth concussion specific application.

Operational expenditure reflected a decrease in staff costs with an increase in non-recurring corporate costs related to the Renounceable Rights Offer that was undertaken by the Company as well as an investment into increasing manufacturing capacity and product inventories for 2023. Moving forward our focus remains on driving down costs throughout 2023 while maintaining strong commercial activity. Positive discussions remain ongoing across a variety of prospective customers and management expects strong deal flow in subsequent quarters.

Lastly, a capital raise of \$3.96M, net of transaction costs, via a Rights issue strengthened the balance sheet and provides the capital to execute on our strategy.

#### HITIQ Limited

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

Key agreements were secured with some of the globe's biggest competitions, in particular a significant market in soccer was opened through the Premier League agreement. There are several progressed opportunities in the commercial pipeline that remain on going.

### Premier League<sup>1</sup>

- > New landmark concussion assessment agreement with the Premier League;
- > Two-year software license agreement with the Premier League to provide concussion assessment technology; and
- > The agreement will cover players across all 20 teams and associated academies.

### WAFC<sup>2</sup>

- > Commercial agreement with Western Australian Football Commission was reached to deploy concussion management technology;
- > WAFC will use HITIQ's Nexus and CSX Concussion Assessment products that will cover 780 male and female players from senior and youth competitions; and
- > The partnership is designed to provide new protocols for surveillance, recording and management of head impacts that can ultimately improve player welfare and performance.

### United Rugby Championship<sup>3</sup>

- > Strengthened European and African presence with trial agreement with URC;
- > The URC is a premier international Rugby Union Competition, comprising 16 professional teams from 5 rugby powerhouse nations: Ireland, Scotland, Wales, Italy and South Africa; and
- > The agreement will see the Nexus technology trialed across 6 participating teams in a progressive move, assessing HITIQ's technology whilst delivering improved player welfare.

## TECHNOLOGY

### Nexus

In the quarter, our technology team formally released our next generation Nexus into production, which delivers;

- ✓ increased power efficiency;
- ✓ reduced cost of goods; and
- ✓ significantly smaller form factor.

<sup>1</sup> Refer ASX announcement of 2<sup>nd</sup> November 2022

<sup>2</sup> Refer ASX announcement of 3<sup>rd</sup> November 2022

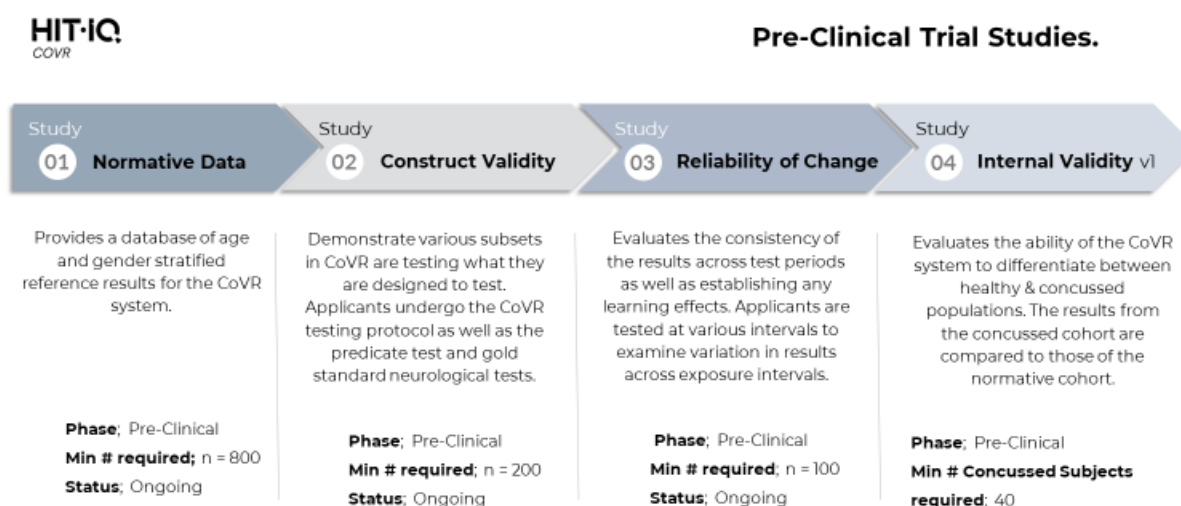
<sup>3</sup> Refer ASX announcement of 22<sup>nd</sup> December 2022

Componentry load reduced from three accelerometers to one, with more reliance on machine learning overcoming hardware requirements. This reduction in hardware resulting in a more **manufacturable** PCB design, **reduction in COGS**, and device power consumption **reducing by 60%** leading to a **66% smaller** battery unit.



## CoVR

As outlined in the November '22 Corporate update, the commencement of a 'Virtual Reality Concussion Diagnostic Aid' pre-clinical trial phase was imminent. The December quarter yielded **58 subjects and 10 concussed subjects**, moving towards our subject volume targets for studies 2-4. Study 1 subject volumes will be met through the collation of subjects in both pre-clinical and clinical phases. Accelerated recruitment of subjects across our test sites is expected in the coming quarter.



## ConneQt

HITI·IQ will expand its consumer footprint with the impending launch of a global first telehealth concussion platform to be marketed as "ConneQt". Through a partnership with Docto Telehealth, the platform will utilise Docto's existing telehealth infrastructure and trained personnel.

ConneQt aims to deliver a significant improvement in the community concussion care model through access to a trained medical practitioner within 24 hours of an incident, resulting in better patient outcomes, whilst reducing the knowledge and action gap for caregivers.

The platform will initially focus on the 1,000,000+ players in Australian community / school sports and is designed to provide a new standard of care for sports related brain injury.

## CORPORATE

### Capital Raise

Through a rights issue, HITIQ was able to raise \$3.96M. For full details of the results of the Rights Offer, please refer to the Company's ASX announcement of 14<sup>th</sup> December 2022.

### Senate Inquiry

HITIQ has been invited and intends to make a submission addressing the terms of reference provided by the Standing Committee on Community Affairs Inquiry into Concussions and Repeated Head Trauma in Contact Sports. The inquiry submissions will be made by February 17th.

### Financial

The Company had cash reserves of A\$3,701m as at 31 December 2022.

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\$117,210 was paid to related parties of the Company as follows:

- > Executive Director Salary and superannuation \$53,550
- > Non-Executive Director Fees \$56,420
- > Bookkeeping and Accounting Services provided by Optima Partners,
  - a related party of non-executive director, Mr. Philip Carulli: \$ 7,240

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 <sup>1</sup>	Prospectus estimate (2 years) \$A'000	Actual use of funds (for the quarter ended December 2022 quarter) \$A'000	Actual use of funds since listing (15 June 2021 to Dec 2022 quarter end) \$A'000
Technology, Research & Development	\$4,701	\$1,055	\$6,711
Sales & Marketing	\$1,068	\$252	\$1,462
Working capital	\$4,049	\$366	\$3,680
Cost of the Offer	\$802	\$0	\$767
<b>Total</b>	<b>\$10,620</b>	<b>\$1,673</b>	<b>\$12,620</b>

<sup>1</sup> Refer to the HITIQ Prospectus dated 22 April 2021 for full details.

**Subsequent to period end:**

FY'22 R&D tax incentive refund of \$ 2.18M has been received and the loan from Keystone Group repaid in full.

**- ENDS -**

Authorised for release by the Board of Directors.

**For more information, contact:**

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**CEO & MD**  
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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 December 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	250	396
1.2	Payments for		
	(a) research and development	(363)	(547)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(97)	(156)
	(d) leased assets	-	-
	(e) staff costs	(977)	(2,060)
	(f) administration and corporate costs	(522)	(834)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	4
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	37	47
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,673)</b>	<b>(3,153)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(11)	(17)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11)</b>	<b>(17)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,032	4,032
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	(42)	(42)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(19)	(58)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,971</b>	<b>3,932</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,414	2,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,673)	(3,153)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,971	3,932

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,701</b>	<b>3,701</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	3,701	1,414
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,701</b>	<b>1,414</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	117
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>		

<b>7.</b>	<b>Financing facilities</b> <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	2,000	2,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
<b>7.4</b>	<b>Total financing facilities</b>	<b>2,000</b>	<b>2,000</b>



7.5	<b>Unused financing facilities available at quarter end</b>	-
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 funding facility for \$2m with Keystonegroup Investments Pty Ltd (Lender). Facility was repaid upon receipt of the 2022 R&D tax refund, as announced to the ASX on 16 January 2023.	

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,673)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,701
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,701
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.21
	<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: 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	
	<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: 31 January 2023

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.