



ASX ANNOUNCEMENT

28 APRIL 2023



HITIQ Quarterly Activities Report

March 2023

Highlights

- ✓ **Largest revenue quarter to date; \$425k cash receipts (77% of FY'22);**
- ✓ **Signed First Commercial US collegiate customer;**
- ✓ **Signing of Country Football WA as first customer for new product - ConneQt;**
- ✓ **First commercial deal into military market; and**
- ✓ **Strong deal flow from research institutions globally;**
- ✓ **Testimony and recommendations provided to the Senate Inquiry into Concussions and repeated head trauma in contact sports.**

Summary

The March Quarter concluded with the Company achieving its largest revenue quarter to date (77% of FY'22 revenues of \$553k), through several deals across multiple target sectors. HITIQ's commercial team were successfully able to move many opportunities through the pipeline and crystallise commercial outcomes, including an inaugural deal in the key US market.

Technical progress, product development and data collection volumes continued to drive the advances in the company's product value proposition, strengthening HITIQ's data leadership position in the concussion sector.

Strong tailwinds continue to drive the concussion and repeat head trauma space, namely through the Senate Inquiry and continued legal cases mounting across many of the codes. HITIQ is well placed to deliver the required technology solutions into the market and continue to capture market share via its expanding product suite.

HITIQ Limited

ACN 609 543 213
ASX: HIQ

HITIQ.COM

Corporate Office

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

E: investors@hitiq.com

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

Commercial

The Company achieved strong revenue growth for the quarter which included a deal with a military group. Whilst the initial financial impact of the contract is not considered material to HITIQ's overall annual recurring revenues, the acceptance of the Company's technology in a further diversified sector is encouraging.

The commercial pipeline for Q4 is strong and management anticipates continued successful execution of contracts, maintaining commercial momentum.

Signed First Commercial US collegiate customer¹

- ✓ Mercer University, a NCAA Division-1 athletic program, set to utilise <100 HITIQ's Nexus Impact Sensor Technology in Season 2023;
- ✓ Nexus technology to be used by Mercer Men's and Women's Lacrosse programs; and
- ✓ Lacrosse has over 800,000 core participants in North America, with over 500 active collegiate programs.

Signing of Country Football Western Australia as first customer for new product - ConneQt²

- ✓ Global first of kind commercial agreement with Country Football WA (CFWA) to deploy breakthrough telehealth platform - ConneQt;
- ✓ The ConneQt concussion telehealth platform will service approximately 12,500 CFWA players across 25 leagues in 2023 under a per user subscription model; and
- ✓ CFWA players will access a higher standard of concussion care, regardless of geographic location.

Strong deal flow from research institutions globally

- ✓ Secured a commercial agreement with Deakin University for the provision of HITIQ's Nexus head impact technology to investigate the link between head impact exposure in amateur football league players and potential changes in brain structure and function³;
- ✓ Commercial agreement with the internationally renowned University of Canterbury was reached for the provision of 70 Nexus head impact units to explore the relationship between head impact exposure and cognition in rugby union;⁴ and
- ✓ Sale of 200 Nexus Head Impact Sensors to Monash University to investigate the effects of head impacts in Australian Football and pioneer an Artificial Intelligence (AI) model that aims to improve HITIQ's head impact data, via further developing the product into a potentially more accurate risk of concussion quantification aid/product.⁵

¹ Refer ASX announcement of 1st February 2023

² Refer ASX announcement of 23rd February 2023

³ Refer ASX announcement of 6th February 2023

⁴ Refer ASX announcement of 8th February 2023

⁵ Refer ASX announcement of 13th March 2023

TECHNOLOGY, RESEARCH & DEVELOPMENT

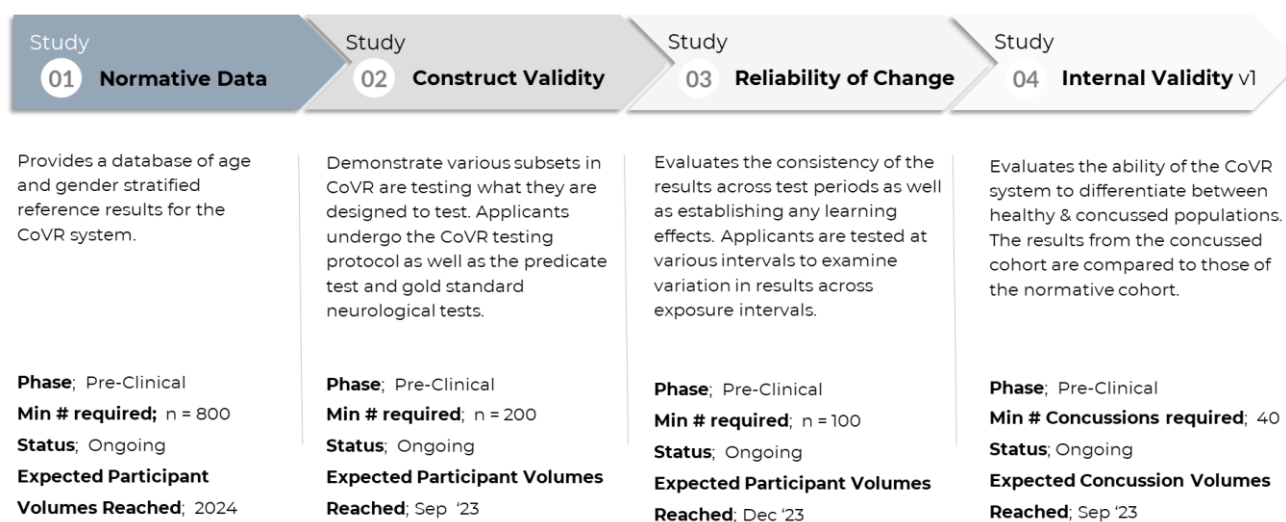
CoVR

Significant progress was achieved with the CoVR Virtual Reality pre-clinical program with the quarter yielding 79 new participants, which now totals **137 overall participants and 14 concussed patients** thus far.

Pre-Clinical trial focus is on reaching participant volume targets for studies 2-4. Study 1 participant volumes will be met through the collation of participants in both pre-clinical studies and a subsequent clinical trial upon satisfactory results from Studies 2-4.

Participant recruitment is expected to remain strong across our test sites located at the University of Nevada, University of California Los Angeles and University of Newcastle in the coming quarters.

Pre-Clinical Trial Studies.



ISO 13485 Certified

The Company successfully completed and passed an ISO 13485 audit in February, maintaining its Quality management System (QMS) certification.

Data Quality maintained in Next Generation Nexus unit

As noted in the December '22 update, HITIQ released the next generation Nexus unit which demonstrates superior size/comfort, manufacturability, and power performance. The company is pleased to report positive results from product and data testing at Virginia Tech University, gold standard test protocol. The Concordance Correlation Coefficient (CCC)⁶ score of **97.3** across all test conditions and values was achieved, indicating highly accurate and reliable data.

⁶ CCC = Concordance between a new test or measurement (Y) and a gold standard test or measurement (X).

CORPORATE

Testimony and recommendations provided to the Senate Inquiry into Concussions and repeated head trauma in contact sports.

HITIQ CEO Mike Vegar provided Testimony to the Senate Committee on March 1st outlining key recommendations to be considered. Read the full testimony here:

<https://www.aph.gov.au/DocumentStore.ashx?id=2662fd02-44fc-4368-96d2-141f1f4471a9&subId=734017>

FINANCIAL

The Company had cash reserves of A\$2,035m as at 31 March 2023.

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 amounted to A\$144,879. This was as follows:

> Executive Director Salary and superannuation	\$62,474
> Non-Executive Director Fees	\$66,490
> Bookkeeping and Accounting Services provided by Optima Partners, ▪ a related party of non-executive director, Mr Philip Carulli:	\$15,915

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 2023 quarter) \$A'000	Actual use of funds since listing (15 June 2021 to March 2023 quarter end) \$A'000
Technology, Research & Development	\$4,701	\$885	\$7,596
Sales & Marketing	\$1,068	\$306	\$1,768
Working capital	\$4,049	\$475	\$4,155
Cost of the Offer	\$802	\$0	\$767
Total	\$10,620	\$1,666	\$14,286

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

- ENDS -

Authorised for release by the Board of Directors.

For more information, contact:

Mike Vegar
CEO & MD
 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 2023

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	425	821
1.2	Payments for		
	(a) research and development	(264)	(811)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(92)	(248)
	(d) leased assets	-	-
	(e) staff costs	(1,079)	(3,139)
	(f) administration and corporate costs	(625)	(1,459)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	14
1.5	Interest and other costs of finance paid	(3)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	2,177	2,224
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	549	(2,604)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(20)
	(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	(3)	(20)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,212)	(2,270)
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	(2,212)	1,720

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,701	2,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	550	(2,604)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,212)	1,720

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	2,035	2,035

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	2,035	3,701
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)	2,035	3,701

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	145
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.		
	N/A		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	549
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,035
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	-
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
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:		
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:		
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:		
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.		

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: 28 April 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.