APPENDIX 4E

Preliminary Final Report
30 June 2024



Results for Announcement to the Market
for the year ended 30 June 2024

1 REPORTING PERIOD (item 1)

■ Report for the financial year ended:	30 June 2024
■ Previous corresponding period is the year months ended:	30 June 2023

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Movement	Percentage %		Amount $
■ Increase in revenues from contracts with customers (item 2.1)	↑	45.04	to	1,123,000
■ Reduction in loss from ordinary activities after tax (item 2.2)	↓	36.38	to	(3,204,730)
■ Reduction in loss after tax attributable to members (item 2.3)	↓	36.38	to	(3,204,730)

a. Dividends (item 2.4)

	Amount per Security ¢	Franked amount per security %
■ Interim dividend	nil	n/a
■ Final dividend	nil	n/a
■ Record date for determining entitlements to the dividend (item 2.5)	n/a	

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

Revenue has increased this year by 45% following an increase in revenue of 25% for the year ending 30 June 2023. The net loss for the year has also reduced from previous years with costs remaining similar but the expected R&D tax incentive for the financial year ended 30 June 2024 has been reported as revenue in that financial year. This is highlighted in the accompanying financial information.

3 PRELIMINARY FINAL REPORT

a. Statement of comprehensive income (item 3):

Refer to statement of profit or loss and other comprehensive income

b. Statement of financial position (item 4):

Refer to statement of financial position

c. Statement of cash flows (item 5):

Refer to statement of cash flows

d. Statement of changes in equity (item 6):

Refer to statement of changes in equity

4 DIVIDENDS (item 7) **AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS** (item 14.2)

Nil.

a. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable

Results for Announcement to the Market
for the year ended 30 June 2024

5 RATIOS

	Current period	Previous corresponding period
a. Financial Information relating to 5b and 5c:	**$**	**$**
Earnings for the period attributable to owners of the parent	(3,204,730)	(5,037,305)
Net assets	(1,473,821)	(46,861)
Less: Intangible assets (including net deferred tax balances) and right of use Assets	(755,904)	(711,582)
Net tangible assets	(2,229,725)	(758,443)
	No.	**No.**
Fully paid ordinary shares	351,844,967	266,779,289
Weighted average number of ordinary shares outstanding during the year usedin calculation of basic EPS	347,979,471	203,462,837
	¢	**¢**
b. Net tangible assets backing per share (cents) (item 9):	(0.64)	(0.380)
c. Earnings per share attributable to owners of the parent (cents) (item 14.1):	(0.92)	(2.48)

6 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)

a. Control gained over entities

- Name of entities (item 10.1) — Nil
- Date(s) of gain of control (item 10.2) — n/a

b. Loss of control of entities

- Name of entities (item 10.1) — Nil
- Date(s) of loss of control (item 10.2) — n/a

c. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period whencontrol was gained / lost (item 10.3). — n/a

d. Profit (loss) from ordinary activities after tax of the controlled entities forthe whole of the previous corresponding period (item 10.3) — n/a

7 DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)

- Name of entities (item 11.1) — Nil
- Percentage holding in each of these entities (item 11.2) — n/a

	Current period $	Previous corresponding Period $
Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A

Results for Announcement to the Market
for the year ended 30 June 2024

8 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

The company has entered into a Convertible Loan with its major shareholder in May 2024. Details of the loan can be found at Note 4 below. Additionally, the company has drawn a loan against its expected R&D refund for the 2024 Financial Year. The expected refund is $1,715,923. Details of the loan can be found at Note 3 below.

9 The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)

10 **A COMMENTARY ON THE RESULTS FOR THE PERIOD** (item 14)

The Company is pleased with its revenue growth and continues to develop its technology for the underlying goal of the penetrating the consumer market. Resources have been focused on this area. The Company remains cashflow negative but the board has implemented strategies that will bring down administration and other costs but without compromising the long-term strategy which includes the ability to scale quickly for projected manufacturing growth. Cost cutting has included reducing the number of board members and head count along with relocating to a premises at more than 50% cost reduction but with more space for manufacturing. This has resulted in some additional upfront costs which the company absorbed in FY24.

11 The preliminary final report has been prepared based on the 30 June 2024 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the *Corporations Act 2001* (Cth).

12. Signed



Philip Carulli
Non-Executive Director
On behalf of the Board of Directors
HITIQ Limited
30 August 2024

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue	1	4,748,879	2,999,909
Interest income		17,328	19,260
Release of deferred consideration		-	250,000
Expenses			
Employee benefits expense		(4,414,244)	(4,794,485)
Research and testing		(635,890)	(854,694)
Administration		(1,161,728)	(808,212)
Marketing		(180,280)	(203,994)
Consultancy fees		(563,877)	(658,157)
Accountancy and secretarial fees		(72,222)	(136,245)
Auditor's remuneration		(61,241)	(38,101)
Occupancy		(219,346)	(298,330)
Finance costs		(261,336)	(192,428)
Share based payment expense		-	209,704
Depreciation and amortisation expense		(400,773)	(531,532)
Loss before income tax expense		(3,204,730)	(5,037,305)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of HITIQ Limited		(3,204,731)	(5,037,305)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain / (loss) on translation of foreign operations		6,073	38,144
Other comprehensive income for the year, net of tax		6,073	38,144
Total comprehensive income for the year attributable to the owners of HITIQ Limited		(3,198,658)	(4,999,161)
		Cents	**Cents**
Basic earnings per share		(0.92)	(2.52)
Diluted earnings per share		(0.92)	(2.52)

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

Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents		584,018	1,979,136
Trade and other receivables	2	2,193,672	151,572
Prepayments		81,301	122,924
Rental deposit		27,225	52,241
Total current assets		2,886,216	2,305,873
Non-current assets			
Property, plant and equipment		85,426	111,858
Right of use lease asset		364,752	-
Intangibles		391,152	711,582
Total non-current assets		841,330	823,440
Total assets		3,727,546	3,129,313
Liabilities			
Current liabilities			
Trade and other payables		1,045,700	699,191
Contract liabilities		430,263	297,400
Borrowings	3	1,123,411	1,694,993
Convertible note	4	1,698,147	-
Provision for employee entitlements		446,495	389,024
Lease liability		89,687	-
Total current liabilities		4,833,703	3,080,608
Non-current liabilities			
Provision for employee entitlements		81,553	95,566
Lease liability		286,111	-
Total non-current liabilities		367,664	95,566
Total liabilities		5,201,367	3,176,174
Net assets/(liabilities)		(1,473,821)	(46,861)
Equity			
Issued capital	5	24,026,939	22,255,241
Reserves		324,778	1,619,898
Accumulated losses		(25,825,538)	(23,922,000)
Total equity/(deficiency)		(1,473,821)	(46,861)

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

Statement of changes in equity
30 June 2024

Consolidated	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 year	-	(5,037,305)	-	(5,037,305)
Other comprehensive income for the year, net of tax	-	-	38,144	38,144
Total comprehensive income for the year	-	(5,037,305)	38,144	(4,999,161)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 8)	3,988,540	-	-	3,988,540
Expiry of options	-	127,500	(127,500)	-
Vesting of share-based payments	-		174,805	174,805
Reassessment of the achievement of share-based payment arrangements vesting conditions	-	-	(384,510)	(384,510)
Balance at 30 June 2023	22,255,241	(23,918,557)	1,616,455	(46,861)

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2023	22,255,241	(23,918,557)	1,616,455	(46,861)
Loss after income tax expense for the year	-	(3,204,731)	-	(3,204,731)
Other comprehensive income for the year (forex translation adjustment)	-	-	6,073	6,073
Total comprehensive income for the year		(3,204,731)	6,073	(3,198,658)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 8)	1,771,698	-	-	1,771,698
Expiry of options	-	1,297,750	(1,297,750)	-
Balance at 30 June 2024	24,026,939	(25,825,538)	324,778	(1,473,821)

Statement of cash flows
30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,070,025	1,098,736
Payments to suppliers and employees (inclusive of GST)		(6,944,148)	(7,667,947)
Receipts from government grants		1,909,886	2,225,649
Finance costs		(261,336)	(186,217)
		(4,225,573)	(4,529,779)
Interest received		17,328	19,260
Net cash used in operating activities		(4,208,245)	(4,510,519)
Cash flows from investing activities			
Payments for property, plant and equipment		(20,776)	(54,729)
Net cash used in investing activities		(20,776)	(54,729)
Cash flows from financing activities			
Proceeds from issue of shares	5	1,829,176	4,030,808
Share issue transaction costs		(99,749)	(42,268)
Proceeds from borrowings		2,821,558	1,694,993
Repayment of borrowings		(1,694,993)	(2,078,296)
Repayment of lease liabilities		(22,089)	-
Net cash from financing activities		2,833,903	3,605,237
Net decrease in cash and cash equivalents		(1,395,118)	(960,011)
Cash and cash equivalents at the beginning of the financial year		1,979,136	2,939,147
Cash and cash equivalents at the end of the financial year		584,018	1,979,136

Notes to the financial statements
30 June 2024

Note 1. Revenue

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers	1,123,000	774,260
Other revenue		
Research and development tax rebate	3,625,879	2,225,649
Total revenue	4,748,879	2,999,909

Note 2. Current assets - trade and other receivables

	Consolidated 2024	Consolidated 2023
Trade receivables	440,354	116,605
GST receivable	19,347	34,458
R&D receivable	1,715,923	-
Other receivables	18,048	509
	2,193,672	151,572

Note 3. Current liabilities – borrowings

	Consolidated 2024 $	Consolidated 2023 $
Insurance premium funding loan	70,961	79,198
Less: unexpired finance charges	(3,092)	(3,109)
Loan - Keystone Group	1,042,459	1,523,386
Credit cards	13,083	95,518
	1,123,411	1,694,993

On 18 March 2024, the company signed a 150-day facility agreement for $997,212 with Keystone Capital Partners Pty Ltd (an unrelated company specialising in R&D Grant refund loans). The total outstanding as of 30 June 2024 is $997,212 excluding accrued interest. The facility was advanced against the expected R&D refund from the ATO on or before 30 September 2024 and carries interest rate at 15% per annum.

The 30 June 2023 principal loan balance of $1,523,386 was repaid in full to Keystone Capital Partners Pty Ltd on 21 November 2023 with interest of $85,574.

Refer to note 10 for further information on financial instruments.

Assets pledged as security
The Keystone Capital Partners Pty Ltd loan is secured against the FY2024 R&D return.

Notes to the financial statements
30 June 2024

Note 4. Current liabilities – convertible note

	Consolidated	
	2024	**2023**
	$	**$**
Convertible note	1,520,369	-
Embedded derivative	177,778	-
	1,698,147	-

The company entered into a $1,600,000 unsecured convertible note with No Bull Health Pty Ltd on 17 May 2024 for a period of 12 months. Interest on the loan is calculated at 12.5% per annum and the conversion price will be equal to a 10% discount to the prevailing 7-day VWAP of the Company's shares at the date of conversion. If redeemed prior to completion of the term a 10% early redemption fee will apply. Interest on the loan is payable monthly unless agreed by the lender 5 days prior to the interest period to capitalise. Any capitalised or unpaid interest shall be paid on the repayment date. The company may repay the whole or any part of the outstanding loan at any time subject to payment of an early discharge fee totalling 10% of the loan repaid.

The directors consider that the embedded derivative is a Level 2 hierarchy valuation as the Black-Scholes valuation model used to value the derivative uses a combination of observable and non-observable inputs.

Note 5. Equity - issued capital

	Consolidated			
	2024	**2023**	**2024**	**2023**
	Shares	**Shares**	**$**	**$**
Ordinary shares - fully paid	351,844,967	266,779,289	24,026,939	22,255,241

The shares issued in the period were under renounceable rights offer at an issue price of $0.022 with 1 new option for every 2 new shares subscribed for under the offer. Options have an exercise price of $0.05 and expire on 31 October 2025.

Movements in spare share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2022	266,779,289		22,297,509
Issue costs				(42,268)
Balance	30 June 2023	266,779,289		22,255,241
Issue of shares *	18 October 2023	27,284,246	$0.022	600,253
Issue of shares *	24 November 2023	32,394,159	$0.022	712,671
Issue of shares *	29 December 2023	22,727,273	$0.022	500,000
Issue of shares *	19 January 2024	2,660,000	$0.022	58,520
Issue costs				(99,746)
Balance	30 June 2024	351,844,967		24,026,939

* The issue of shares was performed under a rights issue with 1:2 attaching options, which had a strike price of $0.05 and an expiry date of 31 October 2025.

Notes to the financial statements
30 June 2024

Note 5. Equity - issued capital (continued)

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.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.