

APPENDIX 4E

For the year ended 30 June 2021

Houston
we
Have

1. Company information

Name of entity:	Houston We Have Limited
ABN:	48 124 302 932
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

		30 June 2021 \$'000	% change from year ended 30 June 2020	30 June 2020 \$'000
Revenue from ordinary activities	up	983,183	45%	679,872
Profit from ordinary activities after tax	down	(2,980,005)	11%	(2,683,801)
Net profit attributable to members of the parent	down	(2,980,005)	11%	(2,683,801)

3. Consolidated statement of profit or loss and other comprehensive income

Refer to appendix.

4. Consolidated statement of financial position

Refer to appendix.

5. Consolidated statement of cash flows

Refer to appendix.

6. Consolidated statement of changes in equity

Refer to appendix.

7. Dividend information

	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-
Total dividends per share for the year	-	-

8. Details of dividend reinvestment plans

Nil.

9. Net Tangible Assets Per Security

	30 June 2021 cents	30 June 2020 cents
Net tangible assets per security (cents)	0.78	1.02

Net tangible assets are defined as the Net Assets of the Houston We Have Limited group less any intangible assets.

10. Details of entities over which control has been gained or lost during the period

On 31 May 2021, the Consolidated Entity finalised the acquisition of its wholly owned subsidiary, Echo IQ Pty Ltd.

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11. Details of associates and joint venture entities

Company Name	Place of Incorporation	% Ownership 30 June 2021	% Ownership 30 June 2020
HWH Software Pty Ltd	Australia	100%	100%
St Nicholas Mines Pty Ltd	Australia	100%	100%
Prometheus Information Pty Ltd	Australia	100%	-
Houston We Have Limited	United Kingdom	100%	-
Echo IQ Pty Ltd	Australia	100%	-
Data Distillery Pty Ltd	Australia	50%	-
Niquaero LLC	Mongolia	100%	100%

12. Any other significant information

Capital Raising

In March and April 2021, the Consolidated Entity raised \$2,506,000 for the placement of 50,000,000 fully paid ordinary shares to fund the acquisition and growth of Echo IQ Pty Ltd.

The placement was completed without shareholder approval, other than for 4,000,000 shares issued to related parties which were approved at a general meeting of shareholders on 31 May 2021.

Asset Acquisition

In May 2021, the Consolidated Entity acquired 100% of the shares in Echo IQ Pty Ltd, a specialist artificial intelligence company focused on predicting Aortic Stenosis heart condition. This is considered a strategic acquisition for the Consolidated Entity which provides access to the healthcare sector globally, and is complementary to existing operations.

The consideration paid for Echo IQ consists of:

- An issue of 30 million fully paid ordinary shares in HWH to the shareholders of Echo IQ in proportion to their respective shareholding interests;
- A cash payment of \$1 million, used to settle a shareholder loan with AlerteDigital Health Pte Ltd;

Post completion milestone payments are subject to the following conditions:

- \$250,000 cash and 15 million HWH shares upon Echo IQ meeting US\$5 million revenue hurdle within three years subject to execution of a commercial agreement with a leading artificial heart valve manufacturer; and
- \$2,950,000 cash and 20 million HWH shares upon Echo IQ meeting a US\$10 million revenue hurdle within three years.

Further, costs of acquisition associated with the transaction, in both cash and equity instruments, totalled \$3.3 million.

Key Business Activities

During the financial year, the Consolidated Entity entered into a number of partnerships and agreements with leading businesses in their field. Channel partnerships were developed with two international consultancies, and the Consolidated Entity supplied new solutions to existing clients in the Health Fund sector. The Consolidated Entity also joined a consortium partnership to develop an accurate and automated manufacturing cost calculator in the United Kingdom. The initiative is being partly funded by UK Research & Innovation, and is led by i4 Product Design, a leading UK design and development consultancy based in Edinburgh.

In addition, the Consolidated Entity continued its services with the Australian Department of Defence, and this remains the Group's largest contract by value. Despite COVID-19 restrictions, digital client service and delivery was undertaken to increase understanding of the Consolidated Entity's technology and its capability.

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13. Foreign entities

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Boards (IASB). The financial statements are presented in Australian dollars.

14. Commentary of results for the period

Earnings per security

	30 June 2021 cents	30 June 2020 cents
Basic loss per share	(1.01)	(1.19)
Diluted loss per share	(1.01)	(1.19)
Net loss attributable to ordinary shareholders	(2,980,005)	(2,683,801)

	30 June 2021 No. of shares	30 June 2020 No. of shares
Weighted average number of ordinary shares used in the calculation of basic loss per share	293,840,220	225,271,385
Weighted average number of ordinary shares used in the calculation of diluted loss per share	293,840,220	225,271,385

Returns to shareholders

Not applicable.

Results overview

The Consolidated Entity reported a loss for the year ended 30 June 2021 of \$2,980,005 (30 June 2020: loss of \$2,683,801). Included in the loss for the year were non-cash Share Based Payments expenses of \$1,546,311 (30 June 2020: \$1,191,582) for options issued.

Operating revenue for the year totaled \$983,183 (30 June 2020: \$679,872). By segment, operating revenue was:

- Houston We Have: \$389,630 (30 June 2020: \$296,238)
- Prometheus Information: \$541,201 (30 June 2020: \$383,634)
- Houston We Have (UK): \$52,352 (30 June 2020: nil).

The consolidated entity remains in a strong cash position, with a closing cash balance at 30 June 2021 of \$3,812,039 (30 June 2020: \$3,477,104).

This report is based on accounts which are in the process of being audited by KPMG.

Appendix: Consolidated statement of profit or loss and other comprehensive income

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	Consolidated Entity 30 June 2021 \$	Consolidated Entity 30 June 2020 \$
Revenue	983,183	679,872
Government grant income	346,596	179,216
Other income	-	16,456
Audit fees	(105,525)	(139,460)
Consulting and professional fees	(561,668)	(296,663)
Employee costs	(1,390,384)	(1,354,233)
Finance expenses	(1,632)	(16,217)
Non-Executive Directors fees	(185,404)	(76,325)
Depreciation and amortisation	(270,102)	(129,893)
Other expenses	(189,592)	(245,533)
Share based payments expenses – Directors and consultants fees	(1,546,311)	(1,191,582)
Share of net profits/(losses) of equity accounted associates and joint ventures	198	119
Share registry and listing fees	(59,361)	(94,882)
Acquisition costs	-	(11,676)
Loss before tax	(2,980,005)	(2,683,801)
Income tax benefit/(expense)	-	-
Net loss for the year	(2,980,005)	(2,683,801)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,980,005)	(2,683,801)
Basic loss per share (cents)	(1.01)	(1.19)
Diluted loss per share (cents)	(1.01)	(1.19)

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Appendix: Consolidated statement of financial position

	Consolidated Entity 30 June 2021 \$	Consolidated Entity 30 June 2020 \$
ASSETS		
Current Assets		
Cash and cash equivalents	3,812,039	3,447,104
Trade and other receivables	549,045	86,282
Other assets	-	-
Total Current Assets	4,361,084	3,563,386
Non-Current Assets		
Investments in associates and joint ventures	4,544	4,346
Plant and equipment	33,153	62,381
Right of use asset	-	12,429
Intangible assets and goodwill	6,337,912	507,375
Total Non-Current Assets	6,375,609	586,531
Total Assets	10,736,693	4,149,917
LIABILITIES		
Current Liabilities		
Trade and other payables	485,286	477,597
Lease liability	-	32,076
Employee benefits	199,957	173,595
Contract liabilities – unearned income	491,755	327,769
Total Current Liabilities	1,176,998	1,011,037
Non-Current Liabilities		
Lease liability	-	11,750
Other liabilities – contingent consideration	240,000	-
Employee benefits	1,451	2,909
Total Non-Current Liabilities	241,451	14,659
Total Liabilities	1,418,449	1,025,695
Net Assets	9,318,244	3,124,222
EQUITY		
Contributed equity	26,425,779	20,356,670
Reserves	4,601,520	1,496,602
Accumulated losses	(21,709,055)	(18,729,050)
Total Equity	9,318,244	3,124,222

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Appendix: Consolidated statement of cash flows

	Consolidated Entity 30 June 2021 \$	Consolidated Entity 30 June 2020 \$
Cash flows from operating activities		
Receipts from customers	1,161,122	889,836
Payments to suppliers and employees	(2,833,283)	(2,182,400)
Interest received	-	16,456
Interest paid	(1,632)	(15,720)
Receipts from grants & subsidies	256,790	188,138
Net cash from / (used in) operating activities	(1,417,002)	(1,103,690)
Cash flows from investing activities		
Purchase of plant and equipment	(2,560)	(88,540)
Acquisition of subsidiary	(1,000,000)	(500,000)
Acquired cash	-	245,740
Investment in associate	-	(1)
Net cash from / (used in) investing activities	(1,002,560)	(342,801)
Cash flows from financing activities		
Proceeds from equity issues	2,506,000	5,400,000
Payment for costs of equity issues	(168,031)	(407,698)
Proceeds from/(repayment of) convertible notes	-	(520,300)
Proceeds from exercise of options	438,000	-
Repayment of lease liabilities	(21,468)	-
Repayment of borrowings	-	(262,446)
Net cash provided from / (used in) financing activities	2,754,498	4,209,556
Net increase/(decrease) in cash held	334,936	2,763,065
Cash and cash equivalents at beginning of the period	3,477,104	714,039
Cash and cash equivalents at period end	3,812,039	3,477,104

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Appendix: Consolidated statement of changes in equity

	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2020	20,356,670	1,496,602	(18,729,050)	3,124,222
Equity issues	2,506,000	-	-	2,506,000
Capital raising costs	(168,031)	-	-	(168,031)
Options exercised	631,140	(193,140)	-	438,000
Share based payments	3,100,000	3,298,058	-	6,398,058
Loss for the period	-	-	(2,980,005)	(2,980,005)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,980,005)	(2,980,005)
Balance at 30 June 2021	26,425,779	4,601,520	(21,709,055)	9,318,244

Consolidated Entity	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019	15,530,264	63,400	(16,058,358)	(464,694)
Equity issues	5,513,104	-	-	5,513,104
Capital raising costs	(686,698)	-	-	(686,698)
Share based payments	-	1,433,202	13,109	1,446,311
Loss for the period	-	-	(2,683,801)	(2,683,801)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,683,801)	(2,683,801)
Balance at 30 June 2020	20,356,670	1,496,602	(18,729,050)	3,124,222

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