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HOUSTON WE HAVE COMPLETES TRANSFORMATIONAL HALF

- Capital raise closes oversubscribed in September, raising \$5.4 million in order to recapitalise the Company and provide funds for business and product development
- Strategic acquisition of Prometheus delivers sector expansion and geographical diversity
- Data Distillery Pty Ltd established - a joint venture with Potentiate Pty Ltd
- Australian Department of Defence contract scope expanded to provide hardware in support and delivery of training courses
- Advisory Board appointed
- A new brand and corporate identity established

Sydney, Australia: Prescriptive Analytics and AI company, Houston We Have Limited ("Houston We Have", the "Company") (ASX: HWH), provides this overview of financial and operational progress for the six-month period ended 31 December 2019 (H1 FY2020).

The transformational half-year was characterised by the Company's recapitalisation as a result of a \$5.4 million capital raise finalised in September. This has underpinned the Company's future and is the key catalyst to firmly establish **Houston We Have** as a well-resourced and leading edge Prescriptive Analytics and AI company.

The Company has been prudent with the deployment of this capital. A key example of this was the strategic acquisition of 100% of Prometheus Information Pty Limited (Prometheus), which broadened HWH's exposure to new sectors.

The acquisition allows the Company to use its industry-leading AI software to solve problems within complex environments particularly in the insurance industry, while extending the existing Prometheus infrastructure.

On the business development front, the establishment of the Data Distillery joint venture with Potentiate Pty Ltd (Potentiate) has the potential to

generate significant revenue for the Company, with Potentiate actively marketing the solution to its global client base.

With a strengthened team and board in place, the Company is poised to continue building its new brand while advancing significant near-term business development opportunities.

Financial performance:

Total operating revenue for the half totalled \$209,492, representing an increase of 748.8% on the previous corresponding period. However, the Company reported an overall loss for the half year ended 31 December 2019 of \$1,944,355 (31 December 2018: loss of \$529,267), which included non-cash Share Based Payments expense of \$1,118,019 for performance shares and options issued.

Pleasingly, net assets increased to \$3,750,104 from a net asset deficit of \$464,694 at 30 June 2019, driven in large part by capital raising activities.

Cash outflows from operations totalled \$1,010,184 compared with outflows \$304,493 for 31 December 2018. Importantly, the capital raising activities during the period allowed for investment in resources to support business growth plans.

Capital expenditure was \$56,113 for the period, with a further \$500,000 paid in cash for the acquisition of Prometheus, and \$1 was paid to establish the Data Distillery joint venture. The total of investing cash outflows was \$310,374 (net of cash acquired on acquisition of \$245,740).

Net cash inflows from financing activities totalled \$4,209,556 for the half year period. This includes the inflow of \$5,400,000 from capital raising, less \$407,698 in cash settled capital raising costs, and the repayment of \$782,746 in borrowings.

The Company has the necessary financial flexibility to organically grow the client base while aggressively pursuing growth opportunities domestically and abroad.

Over-Subscribed Capital Raising:

In September, the Company confirmed that its public offer of fully paid ordinary shares to raise up to \$5.4 million had closed oversubscribed. The raise was conducted to recapitalise the Company, provide funds for business and product development and marketing activities, and subsequently the Company was reinstated to trading on September 9.

This represented a transformational shift and provided the requisite capital to aggressively pursue business and product development initiatives.

Advisory Board appointed to assist in growing opportunities and provide strategic input:

A new Advisory Board was appointed in July to assist with the Company's ongoing growth; provide access to networks; deliver mentoring and advice; offer strategic feedback on business plans, proposed transactions and customer and partner relationships; offer views on opportunities and risks; and provide introductions to deals and sources of capital.

Ms Megan James, Mr Tony Guoga, Dr Eugene Dubossarsky, Mr Karl Smith and Mr Henry Cheang were appointed as members of the newly-formed Advisory Board supporting the main Board and Management team.

Tony Guoga was subsequently appointed to the Houston We Have Board in February 2020. Karl Smith unfortunately has resigned from the Advisory Board due to other business commitments.

Strategic acquisition of Prometheus signals expansion into health insurance sector, and underpins future growth:

The Company completed the acquisition of Prometheus Information Pty Limited (Prometheus) in October for \$600,000 upfront cash and a share consideration plus a performance cash payment of ~\$73,000 based on future milestones being met.

Canberra-based Prometheus is a highly complementary business providing professional services and software to the health insurance sector, with 17 of 37 registered Australian health insurance funds as clients.

The acquisition signals the Company's expansion into the lucrative healthcare sector, and also represents an exciting growth opportunity for the Company to use its industry-leading AI software to solve problems within complex environments particularly in the insurance industry, while extending the existing Prometheus infrastructure.

Prometheus generates annualised revenue of ~\$670,000 and **Houston We Have** is confident that with its AI software available to Prometheus clients, this revenue base can be rapidly increased.

Data Distillery joint venture established:

In November, the Company finalised the establishment of Data Distillery Pty Ltd (Data Distillery) in conjunction with Potentiate Pty Ltd (Potentiate) as a special purpose joint venture company, with a 50% interest shared by each party.

Data Distillery has been established to provide insights around customer behaviour to help industries such as banking, telecommunications, and automotive better interact with their customers.

Houston We Have is providing the technology platform and skills for the tailored Data Distillery solutions, which embrace data science and human centred AI. With a strong, differentiated technology solution and access to a global client base, Data Distillery is a significant step up in securing footholds in new industry verticals for the Company.

Department of Defence contract extended:

Following the inking of a \$1.97 million contract with the Australian Department of Defence in March 2019, the Company successfully announced an extension in October worth up to \$760,000. Delivery of the services began immediately and will complete in March 2022, with an option to extend for a further two years (on a +1 +1 basis).

Houston We Have will supply hardware as a service in support of the training courses conducted at various locations around. Courses are now underway and focused on the Company's prescriptive, human-centred AI and its unique ability to focus decision making in critical and complex areas.

New corporate identity beckons exciting era for Houston We Have:

In December the Company revamped its brand with a new name: **Houston We Have**, to compete against some globally recognised AI organisations.

The Company's strategy behind the new identity was to match a memorable brand and corporate identity with a technology solution that exceeds what is currently in the market.

With **Houston We Have** establishing its product and technology in the market, the Company remains bullish that the brand will simultaneously emerge and become synonymous with prescriptive analytics and human-centered AI.

Strengthened Board and Management Team:

The Company significantly strengthened its team during the December quarter, appointing Rakesh Patel as Chief Technology Officer and Jacki McAvenna as Chief Financial Officer.

From a Board perspective, Mr Arunava Sengupta resigned as a Director in September 2019, and Tony Guoga was subsequently appointed to the Board in February 2020.

Management Commentary:

Managing Director and CEO Elizabeth Whitelock said: "The first half of FY2020 has been transformational for **Houston We Have**. We enter this new phase armed with a new corporate identity, an expanded geographical footprint, a broader suite of Prescriptive Analytics and AI technology solutions and exposure to more industry sectors."

"So far in the second half we are making solid progress. In terms of near-term catalysts, we are focused on integrating the Prometheus and **Houston We Have** technology platforms, while also increasing market awareness of the business. The Company has also identified potential growth opportunities in the UK as a result of this transaction, and we look forward to providing further updates in due course."

ENDS

Elizabeth Whitelock
Managing Director and CEO
Houston We Have Ltd.

Authorised for release by the Board of Directors of Houston We Have Ltd

For more information, please contact: investor@HoustonWeHave.ai

ABOUT US: Houston we have Human-Centred AI. As a team, we set out to enhance decision making: Augmented Intelligence gives humans the ability to predict the future at speed and without bias. Military grade, originally designed and built for the intelligence community, our patented software delivers insights beyond any AI in the universe. Now available for use by all clever humans. HoustonWeHave.ai problem solved