ASX:HWH RELEASE / 30 APRIL 2020

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C – MARCH 2020

- **Maintains strong financial position**
- **Continued and uninterrupted service delivery**
- **Continued integration of Prometheus Information technology**
- **Generating opportunities from growing UK presence**
- **Strengthened Board with appointment of digital entrepreneur**

Sydney, Australia: Prescriptive Analytics and AI Company Houston We Have Limited (ASX: HWH) ("Houston We Have", the "Company") is pleased to provide this quarterly overview of financial and operational performance for the period ended 31 March 2020 (Q3 FY2020).

The Company continues to be prudent with the deployment of the capital raised in September 2019. **Houston We Have** is well positioned to work remotely with systems and applications in place that guarantee connection, collaboration and continued communication both internally, and with clients and partners. Business is continuing with minimal disruption, however, while facing COVID-19 restrictions, the Company has enacted cost saving measures until there is greater certainty and clarity about a return to a normal business environment.

In this difficult COVID-19 operating environment, **Houston We Have** has the financial strength and flexibility to organically grow its client base while aggressively pursuing growth opportunities in Australia and abroad.

Department of Defence contract:

Houston We Have has worked with the Australian Department of Defence to maintain service delivery despite the implementation of precautions to ensure the health and wellbeing of Defence and Company personnel. The Company has pivoted to building and delivering online modules to continue the training and education of Defence personnel in the Company's prescriptive, human-centred AI as personnel move to 'work from home' work practices and access restrictions apply to Defence establishments.

Health fund clients:

Houston We Have is delighted with its engagement with Prometheus Information's health fund clients, and their continued support of the technology, the team and the Company's acquisition. The integration of the Prometheus and **HWH** Intelfuze technology continues at pace to deliver a powerful business information and decision-making digital platform.

The acquisition of Prometheus Information and the Company's expansion into the health insurance sector has created exciting opportunities to explore the sectors' business challenges and uncover those that will benefit from a solution built around **Houston We Have**'s prescriptive AI software. Several key areas have been highlighted and approval for a programme of work has been received. This progress validates the Company's strategy and decision to acquire Prometheus.

UK presence:

The pipeline of opportunity in the UK has grown substantially with strong engagement across government and corporate sectors. **Houston We Have** has experienced meaningful ongoing, positive engagement with prospective customers and partners showing significant interest in the Company's ability to create solutions to a number of customer engagement issues.

Data Distillery:

The Company is pleased with the progress made in developing a pipeline of opportunity for the Data Distillery offering. The **Houston We Have** technology and skills in data science and human-centred AI combined with Potentiate's deep understanding of Customer Experience has created a strong, differentiated technology solution that is currently being discussed with their global client base.

Digital entrepreneur joins the Board:

Mr Antanas (Tony) Guoga was appointed as a non-executive Director of **Houston We Have** on 25 February 2020. Tony is a digital entrepreneur, philanthropist and the founder of the Blockchain Centre in Vilnius, Lithuania, and was a Lithuanian member of the European Parliament during 2014-2019. Tony had been a member of **Houston We Have** Advisory Board since mid-2019, making a significant contribution to the Company during this time including providing considerable funding support and extending introductions to his network of digital entrepreneurs.

New brand & corporate identity:

The new corporate identity for Houston We Have has been rolled out and has been positively received. Please visit https://www.houstonwehave.ai/

Quarterly financial summary:

Cash receipts from customers for the quarter were $266,000 (prior quarter $92,000). Cash receipts are likely to increase in subsequent quarters as contributions from the Prometheus business are recognised and further revenue is booked from the scaled up Department of Defence contract.

Quarterly net cash outflows were $568,000 (prior quarter $656,000) and the Company is being vigilant in managing its cost base conservatively in response to the COVID-19 operating environment. **Houston We Have** ended the quarter with a healthy cash balance of ~$3.3m which gives the Company the necessary financial flexibility to organically grow the client base.

Management commentary:

Managing Director and CEO Elizabeth Whitelock said: "The third quarter of FY2020 has been positive and progressive for **Houston We Have**. While we enter Q4 under a cloud of COVID-19 uncertainty, we continue to have strong support for our technology and services from our clients, prospects and partners. We are positive about our current position with a committed and loyal team continuing to work on the delivery of software and services."

"Our software can provide the insight governments and corporations need during this uncertain time. We are actively pursuing all angles to connect and deliver our message to those in need of greater certainty about future plans, landscapes and possibilities."

Houston
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ASX Listing Rule Disclosures

Use of Funds

Houston We Have provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure since reinstatement to official quotation in September 2019 against the "use of funds" statement in its prospectus dated 26 July 2019 (released on ASX on 29 July 2019).

Item	**Prospectus[1] Use of Funds** **For Period 1 July 2019 to 30 June 2021**	**Actual Expenditure[2]** **For Period 1 July 2019 to 31 March 2020**
Marketing and sales	$578,000	$153,000[3]
Business and product development	$1,236,500	$567,000[4]
Administration expenses	$1,803,500	$628,000[5]
Repayment of debt	$770,000	$804,000[6]
Costs of the offer	$324,000	$368,000[7]
General working capital	$688,000	$293,000[5]
	$5,400,000	**$2,813,000**

1. Prospectus dated 26 July 2019; maximum subscription of $5.4m raised. The Use of Funds statement details budgeted expenditure over 8 quarters as at the date of the Prospectus and is subject to change, including as a result of business performance and general economic conditions.
2. **Houston We Have** was reinstated to official quotation on 9 September 2019.
3. Expenditure as expected for the amount of time elapsed since reinstatement.
4. Expenditure higher than budgeted for the amount of time elapsed since reinstatement due to accelerated business and product development activities, with some expenditure funded by revenue generated.
5. Expenditure higher than budgeted for the amount of time elapsed since reinstatement due to reinstatement costs, and also the consideration paid and costs associated with the acquisition of Prometheus Information Pty Ltd.
6. Expenditure marginally higher than budgeted due to additional legal and corporate costs incurred.
7. Expenditure higher than budgeted due to additional interest costs incurred arising to delay in reinstatement.

Use of Funds

ASX has granted **Houston We Have** a waiver from ASX Listing Rule 10.13.3 to permit **Houston We Have** to issue up to 4,000,000 fully paid ordinary shares at a deemed issue price of $0.03 to Mr Andrew Grover (Executive Chairman) in lieu of cash payment of remuneration, later than 1 month but not less than 13 months after shareholder approval for the issue was obtained on 9 August 2019. **Houston We Have** is required to provide the following information.

- None of these remuneration shares were issued during the quarter ended 31 March 2020.
- All 4,000,000 of these remuneration shares remain to be issued.
- These remuneration shares will be issued no later than 30 days after the end of the financial year ending 30 June 2020 to settle in full Mr Grover's remuneration for that financial year.

ASX has confirmed to **Houston We Have** that the terms of the Company's performance shares on issue are appropriate and equitable for the purposes of ASX Listing Rule 6.1. **Houston We Have** is required to provide the following information.

- As at 31 March 2020 there were 1,500,000 Class C, 5,000,000 Class D and 5,000,000 Class E performance shares on issue.
- The full terms and conditions of the Class C performance shares are contained in Schedule 1 of Houston We Have's notice of meeting released on ASX on 10 June 2016. The full terms and conditions of the Class D and E performance shares are contained in Schedule 7 of Houston We Have's notice of meeting released on ASX on 9 July 2019. Each Class C, D or E performance share converts into 1 fully paid ordinary share on achievement of the relevant milestone.
    - Class C: sales revenue of $3,000,000 on or before 8 September 2020.
    - Class D: 30 day VWAP of not less than $0.08 on or before 30 August 2022.
    - Class E: 30 day VWAP of not less than $0.12 on or before 30 August 2022.
- No performance shares were converted or cancelled during the quarter ended 31 March 2020.
- None of the performance milestones for any of Class C, D or E performance shares were achieved during the quarter ended 31 March 2020.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Houston We Have Limited

ABN	**Quarter ended ("current quarter")**
48 142 901 353	31 March 2020

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		266	445
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(393)	(863)
	(c)	advertising and marketing	(4)	(10)
	(d)	leased assets	-	-
	(e)	staff costs	(49)	(292)
	(f)	administration and corporate costs	(122)	(490)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		0	8
1.5	Interest and other costs of finance paid		-	(1)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	(145)
1.9	**Net cash from / (used in) operating activities**		**(302)**	**(1,348)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	businesses	-	(503)
	(c)	property, plant and equipment	-	(63)
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	273
2.6	**Net cash from / (used in) investing activities**	**-**	**(293)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,400
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	-	(368)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(804)
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**	**-**	**4,228**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,603	714
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(302)	(1,348)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(293)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,228
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,301**	**3,301**

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	801	3,603
5.2	Call deposits	2,500	-
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)**	**3,301**	**3,603**

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	(49)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Includes director salaries, fees and superannuation, inclusive of GST.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	(40)	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	(40)	-

7.5	**Unused financing facilities available at quarter end**	40

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.

HWH Software Pty Ltd ANZ overdraft

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(302)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,301
8.3	Unused finance facilities available at quarter end (Item 7.5)	40
8.4	Total available funding (Item 8.2 + Item 8.3)	3,341
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	11

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: *not applicable*

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: *not applicable*

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: *not applicable*

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: 30 April 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

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 – eg 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.