

HIT·iQ

Prospectus

HitIQ Limited
ACN 609 543 213

For an offer of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000 (Offer).

Oversubscriptions of up to a further 15,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$3,000,000 may be accepted.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

LEAD MANAGER

ShawandPartners
Financial Services

LEGAL ADVISOR

STEINPREIS PAGANIN
Lawyers & Consultants 

Important notice

This Prospectus is dated 22 April 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate

securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the US Securities Act), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- a. it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- b. it is not in the US;
- c. it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and

- d. it will not offer or sell the Shares in the US or in any other jurisdiction outside Australia [or New Zealand] except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents

of this Prospectus, you should obtain independent professional advice.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) an “accredited investor” (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.HitIQ.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by emailing the Company at investors@HitIQ.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company’s website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment

of dividends or the future value of the Shares. Refer to Section B of the Investment Overview as well as Section 9 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 9.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not

have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary by email at investors@HitIQ.com.

Corporate directory

Directors

Otto Leslie Steven Buttula

Non-Executive Chair

Michael Dean Vegar

Managing Director

Philip John Carulli

Non-Executive Director

Glenn Smith

Non-Executive Director

Aidan Clarke

Non-Executive Director

Company Secretary

Peter Torre

Proposed ASX Code

HIQ

Registered Office

c/- Optima Partners

Suite 3

128 Main Street

OSBORNE PARK WA 6017

Email: investors@HitIQ.com

Website: www.HitIQ.com

Legal advisers

Steinepreis Paganin

Level 4

The Read Buildings

16 Milligan Street

PERTH WA 6000

Investigating Accountant

Bentleys Audit & Corporate (WA) Pty Ltd

Level 3

216 St Georges Terrace

PERTH WA 6000

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd

Level 3

216 St Georges Terrace

PERTH WA 6000

Patent Attorney

Forward Intellectual Property Pty Ltd

Level 2

11 York Street

SYDNEY NSW 2000

Lead Manager

Shaw and Partners Limited

AFSL 236048

Level 20

108 St Georges Terrace

PERTH WA 6000

Telephone: + 61 8 9263 5200

Share Registry*

Automic Group

Level 2

267 St Georges Terrace,

PERTH WA 6000

Telephone: 1300 288 664

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

1. Chair's letter

Dear Investor

On behalf of the board of directors of HitIQ Limited (Company), I am pleased to present you with the opportunity to read this Prospectus and consider becoming a shareholder in the Company.

Since its inception in 2016, HitIQ has aimed high, aspiring to become the leading provider of intelligent hardware and investigative software analytics, better assisting the clinical diagnosis and the ongoing tracking of head impact related concussion injury through data collected by its Nexus A9 (mouthguard) sensor technology.

Throughout our early partnerships, we believe we have revolutionised the approach to quantifying head knocks in professional sports and aim to continue this work to be at the forefront of a new and improved standards of care in relation to concussion management.

After various trials, our first commercial partner, we are pleased to say, is the Australian Football League (AFL), who recently entered into a three-year Memorandum of Understanding commencing for season 2021 and aimed at establishing a league wide head impact databank. From 2022 this will cover both the AFL and AFLW competitions. We continue to work with several codes globally, including college football teams within the NCAA, English Rugby and the UFC. Following our listing, we intend to further pursue our overseas ambitions while proudly remaining headquartered in Australia.

HitIQ's sophisticated algorithms and machine learning methods assist our customers overcome the significant limitations related to the identification and monitoring of potential concussion injury through the processing and analysis of data from our integrated hardware-software system. This technology has been developed in house over the last 4 years and during this time built a robust intellectual property portfolio.

HitIQ is led by an experienced management team with a track record of achieving strong customer engagement within its target markets. The Company is characterised by a passionate, customer collaborative and innovative culture, through a talented team of employees who are motivated to build hardware and software to assist customers to contribute to a wider public and social good.

HitIQ aims to generate revenue through a SaaS model, predominantly through the sale of subscription licences on a cost per athlete per year basis. This model will be expanded to other professional sports initially and then to collegiate and other junior sporting codes. We aim to also add more ancillary technologies for support staff, which again will be on a subscription basis. Please refer to Section 8 for further details regarding HitIQ's financial information.

HitIQ's growth strategy seeks to expand its presence across geographies and in targeted industry verticals by engaging with new customers, employing an industry centric "land and expand" strategy, continued investment in functionality of the HitIQ platform, and improvements in overall operating efficiency and extracting the potential benefits of increased scale. In addition, HitIQ believes that growth can be accelerated by focusing on building a network of strategic partners to provide complementary delivery and market expansion capabilities.

The purpose of the offer is to broaden HitIQ's shareholder base, provide a liquid market for its shares and provide funding and financial flexibility to support HitIQ's future growth strategy, as well as provide HitIQ with the benefits of an increased brand profile that may arise from being a publicly listed entity.

This Prospectus is seeking to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 via the issue of Shares at an issue price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully and in its entirety. The Shares offered by this Prospectus should be considered highly speculative and you should seek professional advice if required.

On behalf of my fellow directors, I look forward to welcoming you as a shareholder of HitIQ and sharing in what we believe are exciting and prospective times ahead for the Company.

Yours sincerely



Otto Buttula
Chair

SECTION 2

Key offer information.

2. Key offer information

Indicative timetable¹

Lodgement of Prospectus with the ASIC	22 April 2021
Exposure Period begins	22 April 2021
Opening Date	30 April 2021
Closing Date	21 May 2021
Issue of Shares under the Offer	Late May 2021
Despatch of holding statements	Late May 2021
Expected date for quotation on ASX	Early June 2021

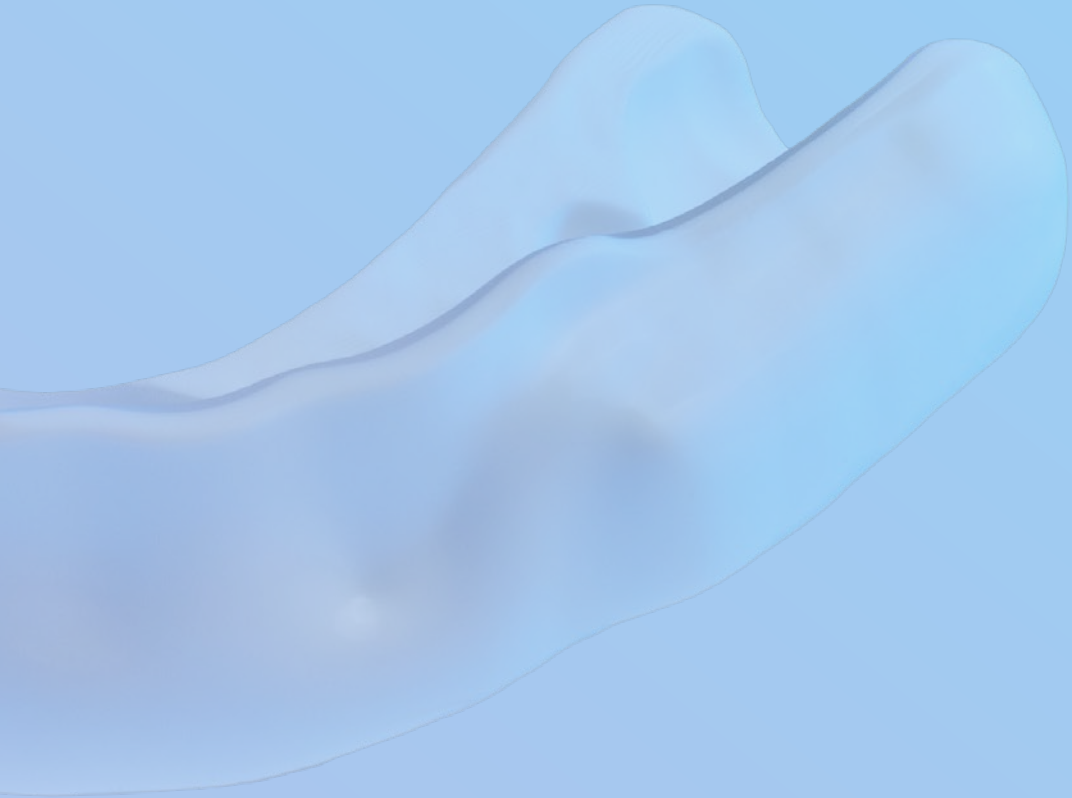
1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

Key statistics of the offer

	Minimum Subscription (\$7,000,000) ¹	Over Subscriptions (\$10,000,000) ²
Offer Price per Share	\$0.20	\$0.20
Shares currently on issue	81,744,018	81,744,018
Shares to be issued under the Offer	35 million	50 million
Gross Proceeds of the Offer	\$7 million	\$10 million
Shares on issue post-listing ³	117,419,018	132,419,018
Options on issue at listing	23,391,664	23,391,664
Performance Rights on issue at listing	625,000	625,000
Market capitalisation post-listing (undiluted) ⁴	\$23.5 million	\$26.5 million
Market capitalisation post-listing (fully diluted) ⁴	\$28.3 million	\$31.3 million

Notes:

1. Assuming the Minimum Subscription of \$7,000,000 is achieved under the Offer.
2. Assuming the Company accepts the maximum oversubscriptions of \$3,000,000.
3. Certain Shares on issue post-listing will be subject to ASX-imposed escrow.
4. Assuming a Share price of \$0.20, however the Company notes that the Shares may trade above or below this price.

An abstract graphic consisting of several overlapping, wavy, translucent blue shapes that resemble liquid or smoke, positioned in the upper left quadrant of the page.

SECTION 3

Investment overview.

3. Investment overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Introduction		
Who is the issuer of this Prospectus?	HitIQ Limited (ACN 609 543 213) (Company or HitIQ).	
Who is the Company?	The Company is an Australian unlisted public company, incorporated in November 2015 for the purpose of building and commercialising its technology platform to assist in the surveillance, detection, assessment and diagnosis of sports related concussion injury.	Section 6.1
What is HitIQ's market opportunity?	The Company's market opportunity is to expand its footprint from existing customers to become the primary measurement and collection tool for data related to sports related concussion injuries and to assist in the data collection and assessment of tools for developing assessment protocols and treatment protocols for those injuries.	Section 6.1
What are HitIQ's strategies?	The Company's initial focus is on the rapid penetration of the Australian elite sports market through the promotion of its Nexus A9 mouth guard product, before looking to expand its market into other international markets.	Sections 6.7, 6.8 and 6.9
What are HitIQ's objectives?	a. Expand the Company's user footprint from its existing customers and trial-participants to increased revenue generating customers; b. increase brand awareness through ongoing marketing and promotional programs to grow its customer base; c. ongoing technology development of its software platform and existing product suite; and d. continue research, development & validation of its CoVR concussion injury diagnosis system.	Section 6.2
What is the Company's business model and how does it generate revenue?	The primary HitIQ revenue model will be subscription based where teams, conferences or codes pay a fee per player per year, which encompasses a fully integrated hardware and software solution. The subscription fee includes full access to HitIQ's analytics platform and regular product upgrades.	Section 6.4
Who are HitIQ's customers?	The Company's customer markets at listing will be the elite sporting markets in Australia, the US and Europe, although the Company's business strategy is to make its products available to the consumer markets. The Company's first major customer is the Australian Football League (AFL).	Section 5.5
Who are HitIQ's competitors?	HitIQ's competitors that purport to measure and track head impacts are Prevent Biometrics, Protecht, Riddell 'Insite' Helmet Sensor & Fitguard.	Section 5.6
B. Key Risks		
Technology risk	HitIQ relies upon a range of hosting providers to maintain continuous operation of its technology platforms, servers and hosting services and the cloud-based environment in which it provides its products. There is a risk that these systems may be adversely affected by various factors to cause them to become unavailable.	Section 9

Item	Summary	Further information
Development and commercialisation of intellectual property	HitIQ relies on its ability to develop and commercialise its intellectual property. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of the HitIQ. Any third party developing superior technology with greater commercial appeal in the field may harm the future prospects of the Company.	Section 9
Protection of intellectual property	HitIQ's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by HitIQ to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others.	Section 9
Third party intellectual property	Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by HitIQ, and other parties may allege that HitIQ's products incorporate intellectual property rights derived from third parties without their permission.	Section 9
Manufacturing and product quality risk	Although it manufactures its Nexus A9 mouth guard product, HitIQ currently relies on a number of external suppliers for key components of its technologies. There is no guarantee that these suppliers will be able to meet the cost, reliability, volume, or lead times required for HitIQ to remain competitive in the future.	Section 8
Government approvals	Laws and regulations in the jurisdictions in which HitIQ operates or has activities may impact HitIQ's ability to market or generate revenue from its products and services in relation to issues such as user privacy, data protection, intellectual property, information security, the content and quality of products and services. Regulators such as the Therapeutic Goods Administration (TGA) in Australia and the United States Food and Drug Administration (FDA) have regulations around how certain medical products and services are marketed.	Section 9
Misuse of data	Data collected through the usage of the Company's products may not be owned by the Company and the Company may have limited control of the usage or decision making made by the holders of that data. There is a risk that users may make decisions, including in relation to the treatment or management of an individual, based on the data that is outside the Company's recommended protocols.	Section 9
Product liability	HitIQ could be exposed to product liability claims or other lawsuits resulting from maltreatment and/or serious side effects or harm being caused to a patient. HitIQ has implemented controls and processes designed to mitigate these risks and maintains what it believes is adequate liability insurance whenever economic and prudent.	Section 9
Future product development	HitIQ has developed its concussion technologies and continues to invest in the research and development of these products. There is no guarantee that the further development of these products will improve existing products.	Section 9
Delay or failure to achieve validations	The failure to achieve clinical validation for CoVR would result in the inability for HitIQ to commercialise the product for its intended use. Collecting data from multiple clinical sites itself poses execution risk which may adversely affect the ability to collect sufficient data. Once the data is collected there is no guarantee HitIQ's underlying technologies and algorithms will perform to a standard which will be able to adequately identify concussion injury data to regulatory and scientific standards.	Section 9

Item	Summary	Further information																								
COVID-19 risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.	Section 9																								
C. Directors and Key Management Personnel																										
Who are the Directors?	The Board of the Company comprises: a. Otto Buttula – Non-Executive Chair; b. Michael Vegar – Managing Director; c. Philip Carulli – Non-Executive Director; d. Aidan Clarke – Non-Executive Director; and e. Glenn Smith – Non-Executive Director. The profiles of each of the Directors are set out in Section 7.	Section 7																								
What interests will the Directors have in the Company at listing?	<table><tr><th>Director</th><th>Shares¹</th><th>Options</th><th>Perf Rights</th></tr><tr><td>Otto Buttula</td><td>4,408,334</td><td>Nil</td><td>Nil</td></tr><tr><td>Michael Vegar</td><td>7,041,666</td><td>6,000,000</td><td>625,000</td></tr><tr><td>Philip Carulli</td><td>2,003,334</td><td>700,000</td><td>Nil</td></tr><tr><td>Aidan Clarke</td><td>125,000</td><td>Nil</td><td>Nil</td></tr><tr><td>Glenn Smith</td><td>112,500</td><td>Nil</td><td>Nil</td></tr></table> In addition to the existing holdings, each of the Directors have indicated their intention to apply for Shares under the Offer as follows: Mr Buttula up to 250,000 Shares, Mr Vegar up to 125,000 Shares, Mr Carulli up to 200,000 Shares, Mr Smith up to 137,500 Shares and Mr Clarke up to 1,000,000 Shares.	Director	Shares ¹	Options	Perf Rights	Otto Buttula	4,408,334	Nil	Nil	Michael Vegar	7,041,666	6,000,000	625,000	Philip Carulli	2,003,334	700,000	Nil	Aidan Clarke	125,000	Nil	Nil	Glenn Smith	112,500	Nil	Nil	Section 7.2
Director	Shares ¹	Options	Perf Rights																							
Otto Buttula	4,408,334	Nil	Nil																							
Michael Vegar	7,041,666	6,000,000	625,000																							
Philip Carulli	2,003,334	700,000	Nil																							
Aidan Clarke	125,000	Nil	Nil																							
Glenn Smith	112,500	Nil	Nil																							
Who will be the substantial shareholders of the Company at listing?	At listing, the Company's only substantial shareholder (having a voting power in excess of 5% will be Michael Dean Vegar <M Vegar Investment A/c> holding 5.68% based on the minimum subscription and 5.03% should the maximum subscription be achieved.	Section 6.10																								
What related party agreements are the Company party to?	Details of agreements with related parties of the Company, including Executive Services Agreements and Deeds of Indemnity are set out in Section 7.3.	Section 7.3																								
D. Financial Information																										
What is the key financial information I need to know about the Company's financial position, performance and prospects?	The historical financial information, together with the pro forma financial information showing the impact of the Offer on the Company is set out in Section 8.	Section 8																								
What is the Company's dividend policy and when will first dividends be paid?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's assets. These activities, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 6.12																								

Item	Summary	Further information
E. Offer		
What is the Offer?	The Offer is an offer of 35,000,000 Shares at an issue price of \$0.20 per Share to raise \$7,000,000 (before costs). Oversubscriptions of up to a further 15,000,000 Shares to raise a further \$3,000,000 may be accepted, meaning that a maximum of \$10,000,000 may be raised under this Prospectus.	Section 4.1
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$7,000,000.	Section 4.2
What are the purposes of the Offer?	The purpose of the Offer is to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve its stated objectives.	Section 4.7
Is the Offer underwritten?	No, the Offer is not underwritten.	Sections 4.4
Who is the lead manager to the Offer?	The Company has appointed Shaw and Partners Limited (Lead Manager) as lead manager to the Offer.	Section 4.5
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by following the instructions set out in Section 4.9 of this Prospectus.	Section 4.9
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 4.10. There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.10
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 6.1.	Section 6.9
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 11.2.	Sections 11.2
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that certain Shares and other Securities already on issue will be subject to escrow imposed by ASX. Prior to listing the Company will announce the Securities subject to escrow.	Section 6.11
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.11
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 4.9
Are there any conditions to the Offer?	The Offer is conditional upon raising the Minimum Subscription and ASX approval for quotation of the Shares.	Section 4.6

Item	Summary	Further information
F. Use of funds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for:	
	a. implementing the Company's business objectives as set out in this Prospectus;	
	b. payment of ongoing trials, including clinical trials and extensions to the Company's existing software platform;	Section 4.8
	c. sales and marketing costs associated with the promotion of the Nexus A9 mouth guard;	
	d. expenses of the Offer; and	
	e. working capital.	
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 4.8
G. Additional information		
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 4.15
What are the tax implications of investing in Securities?	Shares issued under this Prospectus may be subject to Australian tax on any future dividends or disposal.	Section 4.15
	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.	
What are the corporate governance principles and policies of the Company?	To the extent applicable, considering the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section of this Prospectus. The Company's full Corporate Governance Plan is available from the Company's website (www.hitiq.com). Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 7.4
Where can I find more information?	a. By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; b. By contacting the Company Secretary on email at investors@HitIQ.com; or c. By contacting the Share Registry on 1300 288 664.	



SECTION 4

Details of the offer.

4. Details of the offer

4.1 The Offer

The Offer is an initial public offering of 35 million Shares at an issue price of \$0.20 per Share to raise \$7 million (**Offer**).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 11.2.

4.2 Minimum subscription

The minimum subscription for the Offer is \$7 million (35 million Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

Oversubscriptions of up to a further 15 million Shares at an issue price of \$0.20 per Share to raise up to a further \$3 million may be accepted.

4.4 Underwriter

The Offer is not underwritten.

4.5 Lead Manager

The Company has appointed Shaw and Partners Limited (AFSL 236048) (**Lead Manager**) as lead manager to the Offer. In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

- a. lead manager and corporate advisory fees of:
 - i. a management and selling fee of 6% of all funds raised under the Offer;
 - ii. a pre-paid monthly retainer of AUD\$10,000 plus GST per month commencing on the day of listing for 12 months; and
- b. 6 million Lead Manager Options (exercisable at \$0.30 on or before 18 December 2023).

4.6 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- a. the Minimum Subscription to the Offer being reached; and
- b. ASX granting conditional approval for the Company to be admitted to the Official List, (together the **Conditions**).

If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.7 Purpose of the Offer

The primary purposes of the Offer are to:

- a. assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules; and
- b. provide the Company with additional funding for the ongoing growth and development of the Company's business as described in Section 6 of this Prospectus.

4.8 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$) (\$7 million)	Percentage of Funds (%)	Maximum Subscription (\$) (\$10 million)	Percentage of Funds (%)
Existing cash reserves ¹	\$620,000	8.1%	\$620,000	5.3%
Funds raised from the Offer	\$7,000,000	91.9%	\$10,000,000	94.7%
Total	\$7,620,000	100.00	\$10,620,000	100.00
Allocation of funds				
Technology, Research & Development ²	\$3,280,805	43.0%	\$4,700,902	44.2%
Sales & Marketing ³	\$742,169	9.9%	\$1,068,182	10.2%
Working capital ⁴	\$2,991,777	39.2%	\$4,049,200	38.1%
Cost of the Offer ⁵	\$605,249	7.9%	\$801,716	7.5%
Total	\$7,620,000	100%	\$10,620,000	100%

Notes:

1. Refer to the Financial Information set out in Section 8 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. Technology, research and development includes the costs of ongoing trials, including clinical trials and extensions to the Company's existing software platform that supports the Company's Nexus A9 mouth guard product.

3. Sales and marketing costs include the expansion of the Company's existing marketing and promotional activities to expand off-shore and to continue to build on the previous work promoting the Company's products and opportunities to existing and potential clients outside of Australia.
4. Working capital includes the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. Refer to Section 11.10 for further details.
6. As at the date of this Prospectus,

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company development of its Assets. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional development and capital costs or to capitalise on acquisition opportunities that may be presented to the Company.

In the event the Company raises more than the Minimum Subscription of \$7,000,000 under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards [the expenses of the Offer and then proportionally to the other line items in the above table /~~insert~~].

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 9.

4.9 Applications

If you wish to apply for Shares under the Offer, you may:

- a. using an online Application Form at <https://investor.automic.com.au/#/ipo/HitIQ> and pay the application monies electronically; or
- b. completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

The Application Form must be completed in accordance with the instructions set out on that Application Form.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000) Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- a. agrees to be bound by the terms of the relevant Offer;
- b. declares that all details and statements in the Application Form are complete and accurate;
- c. declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;

- d. declares that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;
- e. authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- f. acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- g. acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

4.9.1 How to Apply

a. Online Application Form with BPAY® or EFT

Applicants in Australia may apply for Shares by applying online by following the instructions at <https://investor.automic.com.au/#/ipo/HitIQ> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY® details, you must:

- i. access your participating BPAY® financial institution either through telephone or internet banking;
- ii. select to use BPAY® and follow the prompts;
- iii. enter the supplied biller code and unique customer reference number;
- iv. enter the total amount to be paid which corresponds to the value of Shares you wish to apply for under each Application;
- v. select which account you would like your payment to come from;
- vi. schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and
- vii. record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 3.00pm (WST) on the Closing Date.

b. Paper Application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the relevant address shown on the Application Form so it is received before 5.00 pm (WST) on the Closing Date.

An original, completed and lodged Application Form, whether online or in hard copy, together with payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque, BPAY® or EFT payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

The Company reserves the right to close the Offer early.

4.10 Allocation policy under the Offer

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- a. the number of Shares applied for;
- b. the overall level of demand for the Offer;
- c. the desire for a spread of investors, including institutional investors; and
- d. the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.11 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.12 Issue

Subject to the to the Conditions set out in Section 4.6 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.10. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.13 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

4.14 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.16 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

SECTION 5

Industry overview.



5. Industry overview

HitIQ operates primarily in the health technology market providing data driven solutions for brain injury prevention, condition management and improvements in brain function and subsequently physical performance. This section provides an overview of the industry and discusses key industry drivers, the key markets in which HitIQ operates and the nature of the competition in the key markets in which it operates.

5.1 Introduction

The concussion management market around elite and recreational sport has been growing in recent years following the outcome of various studies on the long term effect of concussions on the brain. Concussion is a mild traumatic brain injury induced by biomechanical forces which transmit impulsive force to the head. It causes short-lived neurological impairment and the symptoms may evolve over the hours or days following the injury.

Globally, there is a growing concern surrounding the incidence of sports related concussions and the potential associated health ramifications. Complications can occur including prolonged duration of symptoms and increased susceptibility to further injuries. In addition, there is also increased concern around the potential long-term consequences of repeat sub concussive and concussive impacts.

Historically, key medical personnel have relied on subjective and observational methodologies to identify, assess and diagnose brain injury. The limitations in this standard of care have resulted in undetected head impacts and undiagnosed concussions which can lead to a decline in athlete performance, prolonged recovery periods, and risk of further injury.

There is a growing legal focus on the management of concussion in sports, particularly in the elite sector. In recent years there has been a dramatic increase in lawsuits related to the mismanagement of head impacts by former professional athletes. As a result, sporting bodies around the globe are increasing resource allocation to develop stronger standards of care and enhanced compliance.

HitIQ believes technology will continue to advance the standard of care resulting in increased adoption of various technology driven products within the sporting codes, including wearables and virtual reality.

5.2 Concussion in Sport (History, Dangers, Prevalence, Future)

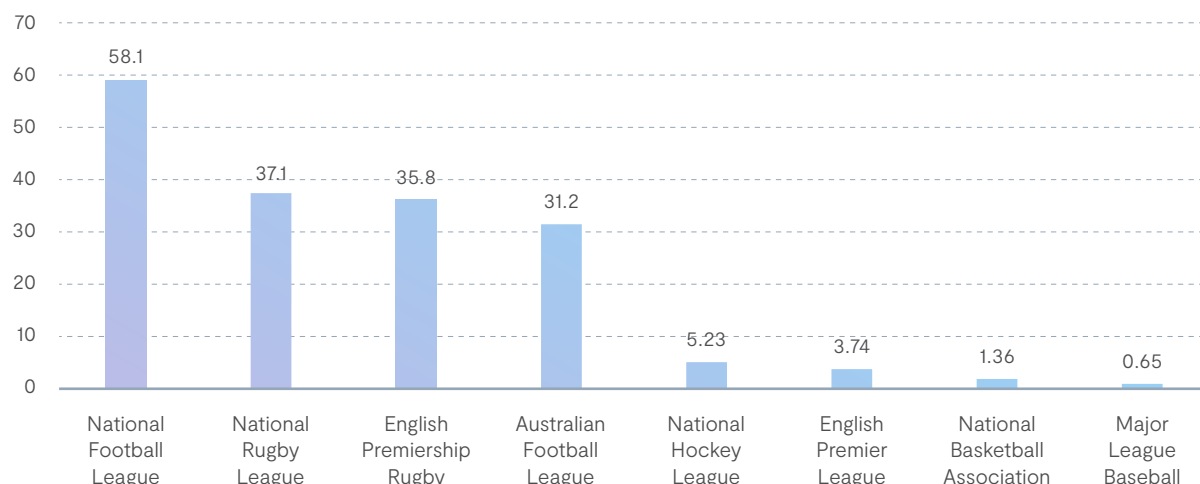
Concussion is a mild traumatic brain injury induced by biomechanical forces which transmit an impulsive force to the head.

In recent times, Chronic Traumatic Encephalopathy (CTE) has generated significant media attention as a result of the investigation of the state of the brain of a number of former professional athletes following their death. CTE refers to the progressive neurological deterioration associated with athletes following repetitive brain trauma. Initial symptom presentation typically manifest as deterioration in attention, concentration, and memory, together with disorientation and confusion. Lack of insight, poor judgment and overt dementia tend to occur with the progression of CTE.

A recent review of neuropathologically verified CTE cases undertaken by McKee¹, published in 2009, found that one third of athletes were symptomatic at the time of their retirement from sport, suggesting active athletes are not immune and the initial stages of the neurodegenerative process associated with CTE may manifest earlier than initially suspected.

Figure 1 below has been compiled by the Company and shows the reported number of concussions by hundred games of various sporting leagues around the world.

Figure 1. Number of concussions per 100 games by professional sport .



Notes:

*Data captured in the following time periods:

- National Football League (2012-2015)
- National Rugby League (2017 and 2018 seasons combined, present study)
- English Premiership Rugby (2017-2018)
- Australian Football League (2012-2013)
- National Hockey League (2009-2011)
- English Premier League (2008-2017)
- National Basketball Association (2011-2018)
- Major League Baseball (2011-2017)

The true number of concussions is likely far higher than the above due to the limitations surrounding historical (and current) detection and diagnosis protocols.

Complications or adverse outcomes following concussion in sport remain unclear. but the current consensus is that premature return to play and subsequent second injury before the athlete has fully recovered from the initial concussion may predispose to poorer outcomes. In 2014, the Royal Australian College of General Practitioners published updated guidelines for management of sports-related concussion in general practice, noting the following complications associated with concussions in sport.

¹ McKee et al, 'Chronic Traumatic Encephalopathy in Athletes: Progressive Tauopathy Aft Repetitive Head Injury', Journal of Neuropathology & Experimental Neurology, Volume 68, Issue 7, July 2009.

Figure 2. Concussion Spotting Review Study.

Complication	Comments
1. Impaired performance and increased risk of injury on return to play	Return to play with ongoing cognitive deficits, such as slowed reaction times, may result in impaired performance or predispose the individual to increased risk of injury, including repeated concussion.
2. Acute, progressive diffuse cerebral oedema	Also referred to as 'second impact syndrome' due to a possible association with repeated head trauma. Typically occurs rapidly after single head impact in most published cases. Pathophysiology may involve disordered autoregulation.
3. Prolonged symptoms	Long recognised complication of mild traumatic brain injury. Prospective cohort studies monitoring clinical recovery following concussion show that 5–10% of concussed athletes take >10 days to recover; <1% have true 'post-concussion syndrome (i.e. symptoms lasting >3 months).
4. Depression and other mental health issues	A cross-sectional study in retired football players showed a 2–3-fold increase in relative risk of clinical depression.
5. Cumulative cognitive deficits (chronic traumatic encephalopathy, CTE)	Recurrent head trauma has been implicated in progressive deterioration in brain function. Cross-sectional studies have shown that cognitive performance is lower in individuals with previous concussions than in controls. Some athletes also have persistent cognitive deficits post-concussion. Case reports and cross-sectional studies have reported CTE in elite American football players. May be related to genetic predisposition

5.3 Current Approach to Concussion Management

The management of concussion can be broken into three broad categories:

- a. surveillance and impact detection;
- b. assessment and diagnosis; and
- c. rehabilitation.

5.3.1 Surveillance & Impact Detection

Approximately 90% of concussions do not result in a lack of consciousness (**LOC**). As such, the current protocols for identifying athletes at risk of concussion rely on human observation and intervention, either live during play or via video review. Whilst medical stakeholders are well trained to identify signs and symptoms of concussion, this process has several weaknesses due to:

1. the asymptomatic nature of concussion;
2. the desire of Athletes to under report; and
3. human error.

The studies summarised in the Figure 3 below highlight the asymptomatic nature of concussion. Even using video review, where the event can be replayed, many concussive events cannot be identified. In an NHL study summarised below, 2,460 games were reviewed by trained spotters post-season. Yet with the benefit of replay, they were unable to identify 108 of the total 202 (53%) confirmed concussions that were diagnosed across those matches.

Figure 3. Concussion Spotting Review Study

League	Year	Games	Possible Concussive Events ID'd during video analysis	Identified Concussions from Events ID'd	Missed Concussions (Diagnosed Concussion not ID'd in review)	Unidentified Concussions
AFL ²	2016	414	212	99	30	23%
NHL ³	2013–2015	2,460	861	94	108	53%

The studies summarised in Figure 4 demonstrate the difficulty in identifying ‘visible signs’ of concussion during play. The studies identified events where, on review, players displayed visible signs of concussion but remained on the field without undergoing a Head Impact Assessment (HIA).

Other studies undertaken on the English Super Rugby and Australian NRL have demonstrated the difficulty in identifying ‘visible signs’ of concussion during play. These studies acknowledged that there were events where, on review, players displayed visible signs of concussion but remained on the field without undergoing a Head Impact Assessment (HIA).

5.3.2 Assessment & Diagnosis

To diagnose a concussion, physicians generally rely on the patient to report symptoms or other abnormal signs observed directly by the doctor such as disorientation, memory problems and/or nausea. Problematically, a number of these symptoms occur in non-concussed individuals and some of the most widely known symptoms of concussion are frequently lacking in concussed patients.

This problem is expounded by the nature of competitive athletes. The desire to continue playing can lead to under reporting of symptoms and purposely performing poorly on baseline cognitive tests to ensure they can achieve a similar level of performance when concussed. It is well known that athletes have continued to play whilst experiencing symptoms of concussion for reasons including:

- not wanting to leave the game;
- not wanting to let their teammates down; or
- not believing their injury was serious enough.

Currently, the accepted standard of assessment and diagnosis protocols rely on completion of a pen and paper or computer-based baseline assessment, which have their own limitations surrounding test integrity and athletes performing to their capabilities. During competition, medical practitioners are tasked with assessing at risk athletes in a rapid manner to adhere to time limitations, which compromises the required comprehensive nature of traditional assessment.

² M. Makdissi, G. Davis, “The reliability and validity of video analysis for the assessment of the clinical signs of concussion in Australian football” *Journal of Science and Medicine in Sport* 2016; 19 (859–863)

³ Ruben J Echmendia et al, “Can visible signs predict concussion diagnosis in the National Hockey League?” *Br J Sports Med* 2017;

5.3.3 Rehabilitation

There is currently no gold standard for the treatment and management of concussion. Traditionally, extended periods of rest are recommended for people who sustain sports related concussions. More recent research indicates that many other health conditions can be exacerbated by inactivity and that complete rest exceeding 3 days is likely to be unhelpful.

Importantly, multi-modal sub-system impairment-based therapies that are tailored to the individual, including oculomotor and vestibular therapies have been associated with reduced incidence of persistent symptoms. In short, these are therapies tailored to the individual that require the patient to undertake various activities stimulating different areas of the brain.

5.4 Industry Drivers

The global market around concussion was valued at USD\$6.8 billion in 2019 and is expected to rise at a compound annual growth rate (CAGR) of 3.6% from 2020 to 2027. The 'concussion market' includes all revenue generated as a result of assessing and treating concussion-based injuries. The market is largely driven by sports related head injuries, falls and motor vehicle accidents. An increase in research and development as well as the adoption of technologically advanced products is also contributing to rapid market growth.

Based on its research and publicly available information, HitIQ believes the following factors will greatly influence the growth and adoption of technology-based products in both elite and consumer sports.

5.4.1 Increased focus on player welfare

In recent years there has been a far greater focus on player welfare, particularly in regard to the management of head impacts. An increased understanding around the effects of concussion and greater research into its assessment, mechanisms and outcomes has resulted in a dramatic shift in the way elite sports teams are treating the issue of concussion. There has also been unprecedented levels of media attention surrounding concussion in elite sport, forcing sporting bodies and organisations to act in a meaningful and transparent manner.

In addition, the disclosure that a number of high-profile athletes were known or discovered to have been suffering from CTE following their deaths has raised the profile of concussion as a longer-term health implication of playing certain elite sports.

As a result of some of these increased focusses, certain sporting bodies have taken decisions relating to concussion related issues out of the hand of individual athletes by mandating mandatory actions that must occur where a doctor diagnoses or suspects concussion in an athlete on the sporting field or after the conclusion of a game, including the Australian Football League (AFL), International Cricket Council (ICC), the National Collegiate Athletics Association (NCAA) and the National Rugby League (NRL).

5.4.2 Liability / Risk

Alongside the increased interest in player welfare, there has been a significant increase in concussion related lawsuits being pursued by former athletes against sporting leagues around the world. By way of example:

- More than US\$700 million in claims have been approved under the NFL's concussion settlement. It is reasonably expected that the settlement will likely reach US\$1.4 billion. The settlement took effect in 2017 to resolve thousands of lawsuits accusing the NFL of hiding what it knew about the risk of repeated concussions on athletes in the NFL.
- The NCAA is currently facing more than 300 lawsuits from former college football players who claim their concussions were mismanaged leading to ongoing health issues.
- A growing number of players are joining a lawsuit filed against the RFU, Welsh Rugby and World Rugby over the alleged failure to protect them from the risks caused by concussion.
- There has been a growing number of lawsuits filed in the Australian and New Zealand elite sports landscapes. Retired Rugby League, Rugby Union and Australian Rules Football players have alleged mishandling of head impacts during their careers.

The cost to sporting organisations of failing to take action to mitigate or minimise the risk of concussions suffered by athletes playing their sports or failing to act on knowledge that is now available to them on the longer-term effects of concussion mean that there is a receptive market to new technologies.

5.4.3 Financial Value of Sports

Concussion is fast becoming the number one issue affecting the US\$500 billion worldwide sporting industry⁴. At both an organisation and league level, there has been a significantly increased focus on the management of concussion. The increased focus on the potential risks associated with mismanaged concussions has also become a significant issue for junior/youth participation in contact sports.

5.5 Key Markets

HitIQ products have the potential to be deployed in both the elite and consumer sports markets, making the addressable market for the Company greater than many other sporting technologies where cost can be a factor in adoption at anything below the elite sports level.

These markets boast material funding and revenue in sports, particularly from commercial enterprises, broadcasting rights and government.

5.5.1 Elite Sports Sector

The elite sports markets of North America, Europe and Australia are the key focus for HitIQ presently. HitIQ believes the elite sporting markets within these countries represent a viable growth market for the Company because of the:

- interest in elite sports;
- the number of sporting leagues operating within these jurisdictions, many of which involve contact sports of some nature; and
- the size and value of the sporting leagues within those jurisdictions.

⁴ <https://www.torrens.edu.au/blog/why-sports-industry-is-booming-in-2020-which-key-players-driving-growth#.YHVBGOgzaCo>

A breakdown of what makes each of these markets a target for the Company is summarised below.

North America

North America represents the single largest regional market for HitIQ. The US elite sports landscape boasts two key submarkets for HitIQ:

- a. the National Collegiate Athletic Association (NCAA); and
- b. professional sports – NFL, NBA, NHL, MLB, MLS.

National Collegiate Athletic Association

The NCAA operates an elite sports program that sees nearly half a million student athletes make up approximately 19,886 teams competing across 24 sports. In the 2019 financial year the NCAA generated over USD \$1.1 billion in total revenue. The large majority of this revenue comes from football (gridiron) and basketball television and marketing deals.⁵

As a not-for-profit association the NCAA distributes funds back to member colleges, institutions, conferences and organisations. Annually, the NCAA:

- c. provides USD\$222 million in sports sponsorship and scholarship funds;
- d. provides USD\$86 million in student assistance funds;
- e. runs 90 championships across the USA.⁶

Individual university programs also generate significant revenue through ticket sales, media contract endorsement deals and donors. The total reported revenue across all NCAA universities for 2019 was USD \$18.9 billion. Again, college football, a sport with continual player-to-player impacts, is the major contributor. The 25 most valuable programs combined to generate USD\$2.7 Billion dollars in revenue for the 2019 season.⁷

The level of funding, number of athletes and necessary duty of care for university students makes the NCAA an extremely lucrative market for HitIQ.

Professional sporting markets

The major professional sporting leagues in the US are referred to on previous page.

These five competitions represent the wealthiest leagues in the US with a combined annual revenue of approximately USD \$40 billion.⁸

5 https://ncaaorg.s3.amazonaws.com/ncaa/finance/2018-19NCAAFin_NCAAFinancials.pdf

6 <https://www.ncaa.org/about/resources/finances>

7 <https://www.forbes.com/sites/chris-smith/2019/09/12/college-football-most-valuable-clemson-texas-am/?sh=47764b4a2e7e>

8 <https://www.chicagotribune.com/sports/ct-spt-nfl-revenue-super-bowl-20190128-story.html>

Figure 9. Major US Leagues by Revenue

League	Revenue (USD billion)	Teams	Athletes per team (approx)
NFL	\$15.26	32	61
NBA	\$8.76	30	15
MLB	\$10.7	30	25
NHL	\$5.09	31	23
MLS	\$1.02	27	30

All of these sports are a potential market for the Company given the nature of those sports.

Australia/Pacific

Whilst the professional sporting market in Australia does not boast the size of the US, it does represent HitIQ's most mature market. The four major sporting leagues in Australia are the Australian Football League, National Rugby League, Super Rugby (Rugby Union) and A-League (Football/Soccer). It also marks the initial target market of the Company prior to and post listing on ASX.

Figure 10. Key Australian Leagues by Revenue (as at 2019)

Top Professional League	Yearly Revenue (AUD million)	Teams	Athletes per team (approx)
Australian Football League	\$793.9	18	44
National Rugby League	\$528.5	16	40
Super Rugby	\$111.7	16	35
A-League	\$132.5	12	23

Europe

Europe presents a large potential market for both the surveillance and diagnosis product suites. European Football boasts incredible wealth (28.9 Billion Euros annually) and is an obvious target for the CoVR product in the future. More immediately, the English Rugby market will be targeted with both product suites. In 2021, HitIQ established relationships with Bath Rugby and the Northampton Saints to collect head kinematic data in premiership rugby training and games.

Figure 12. Key European Leagues by Revenue⁹

Code	Top Professional League	Yearly Revenue (Million GBP)	Teams	Athletes (per team range)
Rugby League	Super League	£23	12	28-37
Rugby union	Premiership Rugby	£213	12	34-46

⁹ <https://www.rugbypaper.co.uk/latest-news/32558/a-record-44-4m-in-losses-premiership-club-figures-revealed/#:~:text=A%20TRP%20survey%20reveals%20that,year's%20high%20of%20%C2%A330m>.

5.5.2 Other Markets

Outside of HitIQ's three key regional elite markets, a number of significant industry-based markets exist around the world.

Grass Roots Sports

The youth sports market in contact sports alone consists of over 8.95 million registered participants globally and provides HitIQ with a large revenue opportunity. Once HitIQ's technologies are well established in the elite sports market, HitIQ believes that it can reasonably leverage this wider adoption and penetration into the consumer market (B2C).

Clinical Practitioners

In addition, there are clinical applications for HitIQ's CoVR product within the approximate 300,000 clinical practitioners who operate within the concussion assessment and diagnostic field. HitIQ believes, upon the product being validated, that this market segment will present significant demand for its technology offering.

Refer to Section 6.6 to understand the validation process.

Military

The detection, diagnosis and management of concussion can be extremely difficult in the combat environment. It is estimated that between 5% and 35% of US troops deployed to Afghanistan during the Global War on Terror sustained a concussion.¹⁰ A growing demand for technology to assist in this area, combined with massive budgets makes this a huge potential market for HitIQ.

US Military budget: USD \$934 Billion¹¹

AUS Military budget: AUD \$42.7 Billion¹²

Research

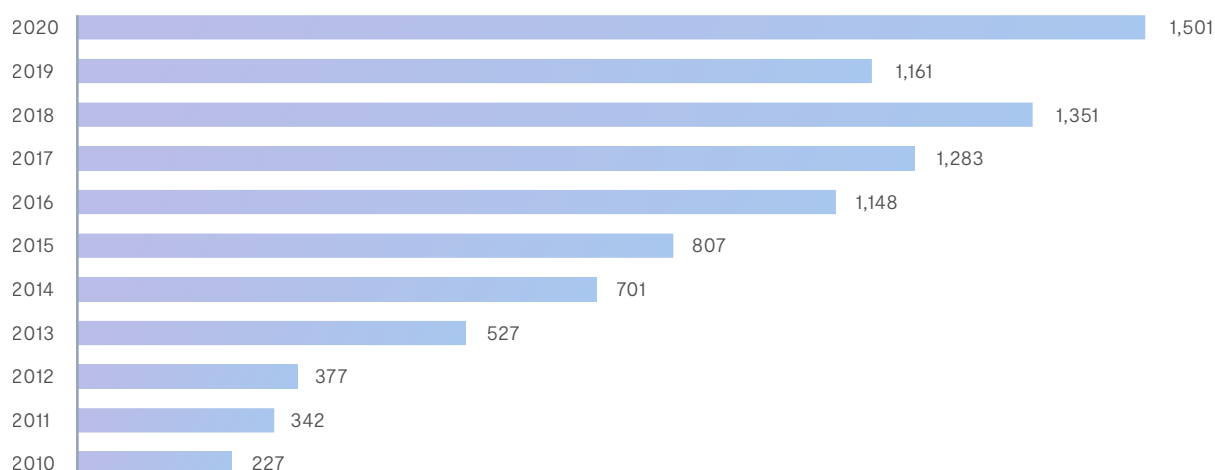
With concussion injury awareness rising in prevalence, associated research activities around the subject matter are rising. A search on pubmed.gov, a website comprising 32 million citations for biomedical literature from MEDLINE, life science journals and online books, shows the number of citations of the term "concussion" growing from 227 citations in 2010 to 1,501 citations in 2020.

¹⁰ John L Rigg¹, Scott R Mooney "Concussions and the military: issues specific to service members" American Academy of Physical Medicine and Rehabilitation 2011 Oct;3(10 Suppl 2):S380-6

¹¹ <https://www.aspi.org.au/report/cost-defence-2020-2021-part-2-aspi-defence-budget-brief#:~:text=Despite%20the%20pandemic%2C%20the%20defence,on%20defence%20by%202020%E2%80%93321>.

¹² <https://www.thebalance.com/u-s-military-budget-components-challenges-growth-3306320>

Publications with "concussion" in the title or in the 'key term' list



As a result, HitIQ believes a portion of its future revenues will be derived from this research market due to the products suite ability to provide objective data within the context of concussion injury and subsequent demand to use this technology within research projects on this subject matter.

Combat Sports

Combat sports primarily consist of Boxing and MMA (Mixed Martial Arts) disciplines and are supported by International federations or private enterprise. There are approximately 20,000 active professional boxers and over 1,000 professional MMA athletes in the world.

In the case of MMA, the largest promotional company is the UFC, which is privately held. As of April 2021, there are approximately 1,000 fighters listed by the UFC across both female and male divisions.

5.6 Competition

Competition within the concussion management industry can be broadly defined as those operating within any of the three key categories defined in Section 5.3. Most professional sporting leagues have an established set of concussion protocols which are yet to be advanced through progressive technological solutions. Many of the technology-based operators within the industry are still progressing through research and development activities and yet to meet meaningful commercial outcomes or scale.

a. Historical attempts to measure head impacts

Historically, sensors had been used within American football helmets to quantify head impacts. This method has been scientifically dismissed as a valid and reliable way to collect head impact information due to its inability to properly 'couple' to the skull. Data extracted from these sensors were deemed too erroneous and problematic to reliably use for their intended purpose.

b. Surveillance & Identification of Head Impacts

These protocols generally rely on player reporting or ‘spotting’ via team medical staff, an independent doctor or manual video verification & review.

Other products in the marketplace that purport to measure and track head impacts are Prevent Biometrics, Protecht, Riddell ‘Insite’ Helmet Sensor & Fitguard.

c. Assessment & Diagnosis

Concussion assessment & diagnosis is commonly assisted by pen and paper style cognitive assessments such as the SCAT5 and supported through manual video verification techniques.

As the assessment and diagnostic solutions advance, products within biomarker, vestibular, and cognitive testing are generating traction on the back of supporting scientific evidence that claim to be effective in validity and reliably assessing concussion injury.

SECTION 6

Company and projects overview.

6. Company and projects overview

6.1 The Company

HitIQ Limited (**Company**) was incorporated on 27 November 2015 for the purpose of building and commercialising its technology platform to assist in the surveillance, detection, assessment & diagnosis of sports related concussion injury.

Since its incorporation, the Company has raised approximately \$8.35million and invested those funds into the research, development and testing of its core products and technologies, including seeking to protect its registrable intellectual property around the globe.

Currently, HitIQ's team of 25 FTE's consists largely of technologists, engineers and data scientists, with adequate expertise in manufacturing and production capabilities. HitIQ's management of this operation is led by a domain-experienced management team outlined in Section 7.

Operating at the intersection of health and safety, technology, and sports, the platform consists of two key products. These core products address key limitations in the surveillance and assessment protocols currently utilised in global elite and consumer sports markets around concussions.

The Company's existing product offering primarily revolves around its Nexus A9 head impact mouth guard sensor and the associated software developed to analyse the data collected from the mouth guard.

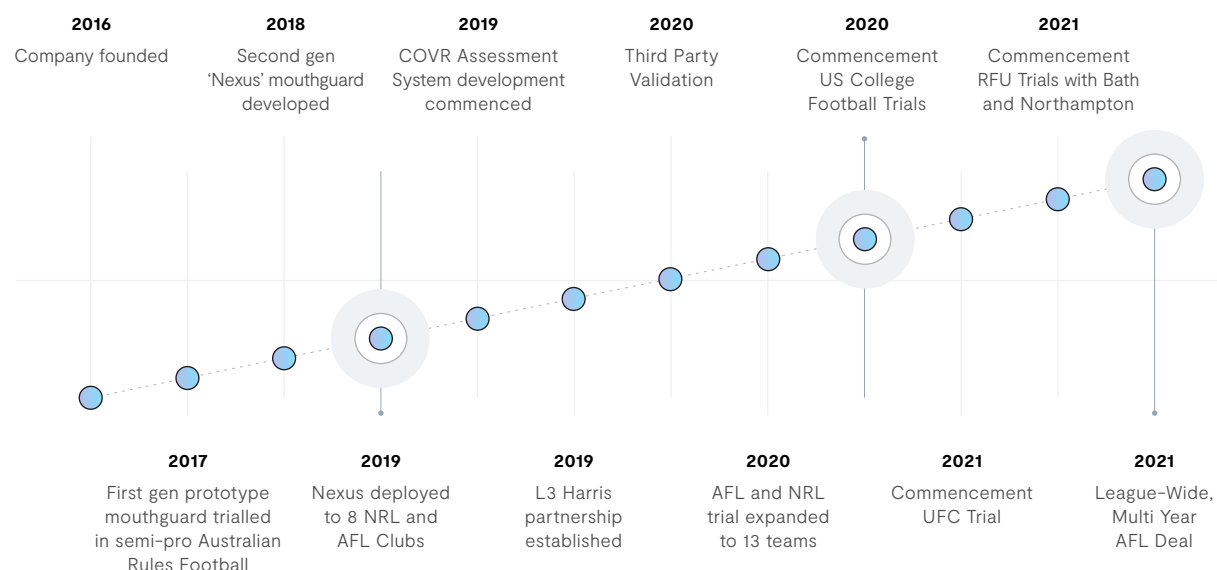
Since its creation, the Company has seen its product tested in various environments through engagement with different sporting organisations in Australia, UK and in the US, with data and feedback used in the ongoing development of the Company's dataset.

Through data acquisition, algorithmic transformation & analysis activities from its two core products, HitIQ is able to provide insights into;

- a. linear and rotational head kinematics;
- b. accumulated head impact energy;
- c. (assessment urgency; and
- d. cognitive, vestibular and oculomotor function.

Since incorporation, the Company has continued on its growth path as illustrated below:

2016 – 2021 Milestones



The Company has developed a growing portfolio of patent applications around the world to protect its intellectual property and to establish priority in relation to this growing field of research and development. The Company is also pursuing various trademarks and trademark applications around the world to protect its branding for key products and services.

Set out in Annexure A is a report from the Company's patent attorney and IP lawyer outlining the Company's existing patent and trademark portfolio.

6.2 Objectives

The Company's proposed objectives on completion of the Offer are to:

- expand the Company's user footprint from its existing customers and trial-participants to increased revenue generating customers;
- increase brand awareness through ongoing marketing and promotional programs to grow its customer base;
- ongoing technology development of its software platform and existing product suite; and
- continue research, development & validation of its CoVR concussion injury diagnosis system.

The Company believes on completion of the Offer it will have sufficient funds to meet its stated objectives.

6.3 Investment highlights

The key highlights of an investment in the Company include:

- a. the Company's key product is based on a number of years' research, testing and development to develop a product that is ready and being utilised by major sporting leagues in Australia;
- b. after a two-year trial, the Company has recently entered into an agreement with the Australian Football League (AFL) for a three year league wide arrangement to make available its technology for all men's players from the 2021 season and all women's players from the 2022 AFLW season. A significant number of players playing in the AFL 2021 Season are estimated to be using the Company's Nexus A9 mouth guard product during training and games;
- c. there is a global requirement for concussion technology solutions, and the Company has developed a product that is well placed to be utilised in many contact-oriented sports where mouthguards are worn by participants both at professional and amateur levels;
- d. an investment in the Company represents an opportunity to invest in a green fields technology company as it looks to grow its business and profile over the coming years;
- e. the Company has a Board with a broad range of experience across sport, technology, public company administration and financial management.

6.4 Business Model

Revenue Model

The primary HitIQ revenue model will be subscription based where teams, conferences or codes pay a fee per player per year, which encompasses a fully integrated hardware and software solution. The subscription fee includes full access to HitIQ's analytics platform and regular product upgrades.

The attractiveness around a SaaS subscription model centres around low up front capital outlays for prospective customers, rapid scalability & recurring revenue opportunity.

Although the primary focus will be on subscription sales, HitIQ also expects one-off capital sales to form a portion of the total volume of sales for customers who may have less clarity on future budgets, non-recurring research projects or small volume trials.

The latter one-off capital sales are also likely to be relevant to consumer sales of the hardware.

Data

HitIQ's software applications store client data securely on the cloud, using Amazon Web Service. HitIQ's devices are able to gather large volumes of sophisticated data, process it through advanced software and provide analysis reports.

Under standard commercial arrangements with clients, HitIQ retains the right to utilise data collected from its products on a de-identified basis for a range of commercial purposes.

These may include providing injury benchmarking, continued algorithm and artificial intelligence development and enhanced analytical tool.

Long term data acquisition builds engagement and reliance with the end user, enhancing the 'stickiness' of the product and promoting continued use.

With access to sport specific data sets, practitioners have the ability to identify outlier events in reference to the normative data set, as well as compared directly to an individual's own impact history. Assessing this data within sport specific and individual context is critical in evaluating potential concussion injury or abnormally high head impact load exposure.

In 2021, the Company has been able to demonstrate the execution of this business model through its agreement with the Australian Football League, pursuant to which the Company will be providing its Nexus A9 mouthguards for players within the AFL and AFLW competitions. Refer to Section 10.2 for further information on this agreement.

6.5 Products

HitIQ's core product is the Nexus A9 head impact mouth guard sensor, which has been developed and commercialised following a thorough in lab and field-based testing protocol that initially commenced in 2017 and lead to the development of the second-generation mouth guard sensors being developed and deployed for testing in 2018.

In addition, HitIQ's Virtual Reality system 'CoVR' is a complementary product, which is currently undergoing validation. CoVR aims to overcome traditional assessment limitations through delivery of multiple tests inside a virtual reality (VR) environment.

6.5.1 Nexus A9 Sensor Device

The primary function of the Nexus A9 Sensor is as a head impact surveillance device, built into a custom fitted mouth guard of the type usually used by the participants in the relevant sport.



HitIQ has developed a discrete mouthguard sensor to identify, collect and quantify all head impact exposures in training and game environments. The sensor has been independently validated via The University of Canterbury in New Zealand, and is fit for purpose in contact sports. The validation

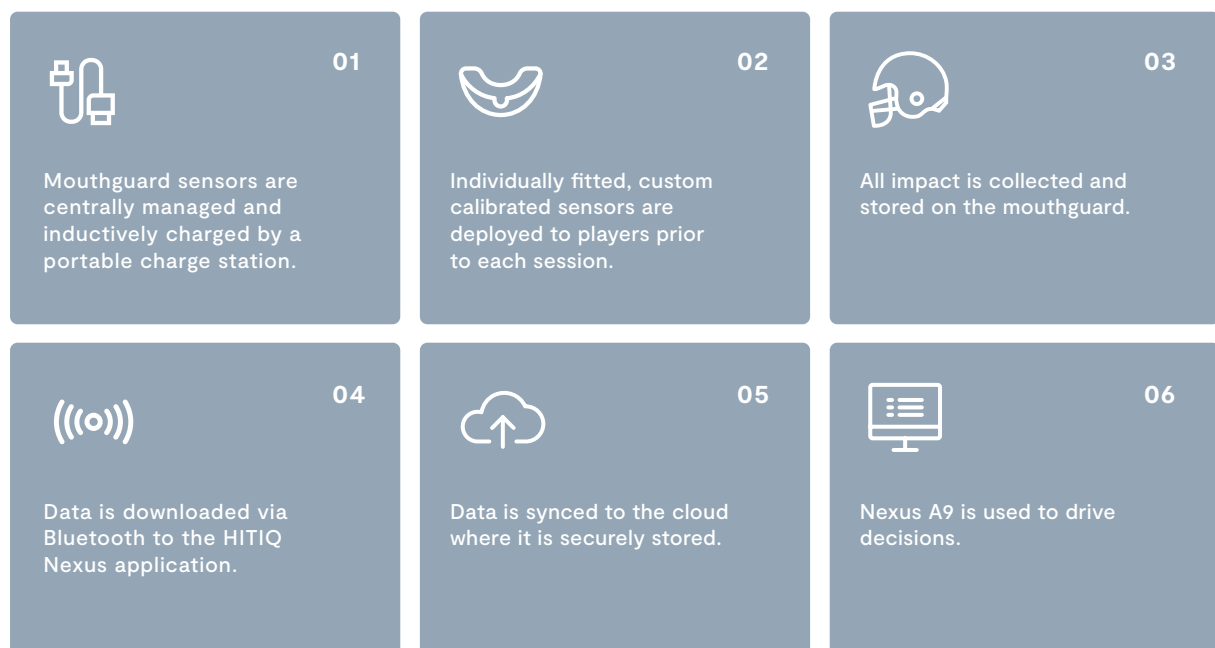
highlights the accuracy of our impact sensor, with respective mean absolute error margins of 3.85% across the entirety of both linear and rotational acceleration profiles.

The sensor uses a flexible circuitry board which assimilates the look, feel and protective function of a traditional custom fit mouthguard. HitIQ's embedded technology alleviates the requirement for athletes to adopt a new wearable product to benefit from this technology and is non-invasive as it seamlessly conforms to fit within the current accepted norms of wearing protective mouth guards.

Although no specific safety standards exist, HitIQ has demonstrated with sufficient confidence across all key industry partners a high level of safety through robust accelerated life testing, pressure and field testing.

The Nexus A9 high frequency sensor array measures parameters related to head impact injury biomechanics, specifically linear and rotational accelerations (force). HitIQ's sophisticated algorithms can accurately translate the raw accelerometry data into inferred forces experienced through the centre mass of the brain. Through the manufacturing process, each Nexus A9 sensor is custom fit and individually calibrated for the end user, which ultimately plays an important function in the ability to deliver both valid and accurate data relevant to the user.

The Nexus A9 impact sensor battery is inductively charged between uses in a multi-unit charge case with data uploaded to an iPad via Bluetooth in near real time.



Nexus Value Proposition

The data extracted out of the Nexus A9 sensor device provides a valuable asset for codes and organisations to leverage a more informed standard of care model. The establishment of a player head impact databank repository, which details the characteristics of all head impacts sustained by a player during their career can retrospectively aid in the establishment of better assessment and rehabilitation protocols. Providing certainty for the player relating to their own health as well as establishing a best practice at the code level begins at collecting the source impact data through the Nexus A9.

The quantification, collection and analysis of impacts has the potential to provide legal protection to sports administration bodies as it can be used to delineate between extracurricular activities and work, health and safety hazards.

Nexus Future Works

Through its large database, HitIQ intends to develop a brain injury estimation model which the Company expects will be used by medical staff as a concussion diagnostic aid in the future.

Currently, HitIQ is under an exclusive development agreement with L3Harris (L3H) to co-develop an acute concussion predictive risk model. Sophisticated brain estimation injury models, such as held by L3H, rely heavily on high quality accurate kinematic data that the Company is able to provide.

Using Nexus A9 data, the model links head motion to brain injury to predict concussive risk outcomes with an expected high level of sensitivity. The aim is to implement, process and present the risk data inside the Nexus software application.

Currently, HitIQ is in the process of conducting a validation program for the model, aimed at being fit for regulatory submission within an appropriate registration profile. Refer to Section 6.6 below to understand the validation processes relevant to the development of these future works.

Nexus Software Application

The Nexus Software platform includes both a mobile application and web portal to accompany the Nexus A9 mouth guard. The platform provides a workflow to allow clinicians to explore the cause-and-effect relationship between head impact exposure and injurious events. In providing a longitudinal view of each athlete's impact history, the software provides the caregivers an opportunity to review each athlete's specific data profile to potentially better inform assessment and treatment plans.

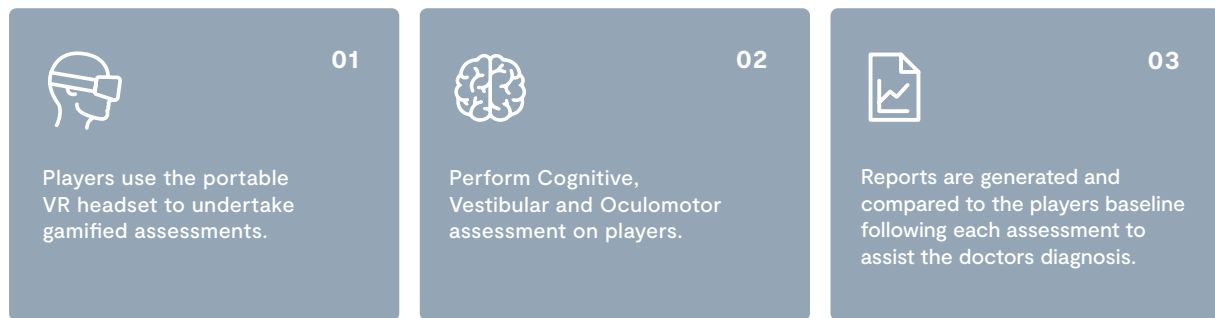
Manufacturing

HitIQ has established local manufacturing capabilities based out of its Melbourne headquarters, which is able to service all clients & partners globally through a centralised manufacturing hub. Currently, the laboratory has manufacturing capacity for approximately 6,000 units per annum.

Through a digital scanning process, HitIQ receives an intraoral digital scan of each user's teeth and 3D prints the user's model to construct the device customer fitted for use by the user.

6.5.2CoVR

The primary function of CoVR (Concussion Virtual Reality) is a brain function and concussion injury diagnosis system that has been developed alongside leaders in the research and medical field from late 2019 and is designed to reduce the likelihood of traditional assessment limitations through delivery of multiple tests inside a virtual reality (VR) environment. VR delivery gamifies the assessments, enhancing the player effort and engagement. Furthermore, VR is an immersive experience and more significantly, allows assessment of the cognitive, oculomotor and vestibular domains in a sensitive manner. Concussive injury can manifest in disturbance of normal cognitive, oculomotor and/or vestibular function.



CoVR's ambition is to accurately identify, with a level of high sensitivity, where an impairment lies across any of the domains assessed. In addition, CoVR will allow the cause and effect dynamic of impact and injury to be explored when paired and integrated with Nexus A9 data.

Medical professionals use cognitive testing to assist with the diagnosis of a player suspected of having sustained a concussion and to help guide their return to play. Cognitive assessment platforms traditionally use either pen and paper or computerised tests. These approaches regularly result in compromised data as players are prone to distraction, boredom, or fabricating the results through motivated poor performance. Furthermore, these delivery methods restrict the assessment domain solely to the cognition. HitIQ has developed CoVR to test athletes across multiple domains:

- Cognitive
- Oculomotor
- Vestibular



CoVR Value Proposition

Current cognitive assessment tools are used to diagnose concussion and guide return to play protocols. These tools are akin to using a blunt instrument where precision is needed, much like using a hammer in place of a scalpel. These cognitive assessment tools have fundamental flaws, in the form of delivery (pen and paper/iPad), design (predictable, non-engaging games) and contracted measurements (only one domain assessed). These dated tools lack sensitivity in measurement. The CoVR product line overcomes these flaws through player engagement, precision and breadth of assessment by immersing players in a gamified virtual reality environment. These elements provide a deep, accurate and comprehensive dataset which empowers medical professionals to deliver an unprecedented concussion care plan.

6.6 Commercialisation strategy

HitIQ's initial focus is rapid penetration of the Australian elite sport market through the Nexus A9 product. With the AFL implementing the technology across the League, the Australian elite sports market will be used as a reference point to execute and demonstrate our value proposition prior to an aggressive push into our key target markets: the U.S & European elite sports markets.

The key element of this blue print has been to build a cohort specific data set, which HitIQ aims to replicate through its partnerships with the following organisations:

- several high-profile college football (gridiron) teams for the 2020 and 2021 seasons;
- two Premiership Rugby teams namely, Bath and the Northampton Saints; and
- the UFC, through its China & Las Vegas Performance Institutes.

Stage 1 Partnerships & Data Acquisition	Stage 2 Drive Early Stage Adoption	Stage 3 Accelerate Adoption
· Recruit Trial Partners · Acquire Cohort Specific Dataset	· Expand Sales Force · Target trial partner conferences/leagues	· Leverage early adopters to reach scale · New Products/variants released

Clinical Trials & Publication Strategy

As outlined above, the HitIQ Nexus A9 mouth guard, works by collating information and data on head impacts of users during use.

In addition to the Company's outlined commercialisation strategy, and to support the enhancement of claims associated with the generated data, the Company has also been engaging with leading clinical researchers to formulate and deliver clinical trials and publication strategies to validate a brain injury estimation model.

The development of the types of models referred to above, requires both clinical validation and regulatory approval prior to use. As outlined in Section 6.5.1 above, the Company is already working with L3Harris on an initial brain injury estimation model. At the date of this Prospectus, that model remains in early development and subject to successful clinical trials.

The same obligations relate to the regulatory approvals for the use of CoVR as a validated assessment and diagnosis tool.

Although the outcomes of these validation and approval processes do not diminish the value of the data generated by the Company, adverse responses will cause delays in the Company's ability to commercialise its data.

Regulatory Considerations & Implications

Each country and region has its own regulatory framework to which it operates and which the Company will be required to comply with in order to assert the full potential of its products within each region. With HitIQ's proposed Concussion Risk Model and Virtual Reality most likely to be classed as a "Class II" medical device in most jurisdictions, due to the prospective diagnostic aid claims the product labelling will claim, complying with these regulatory requirements will be an important ongoing project for the Company. Before being able to enter and market a medical device, a company must seek approval from the appropriate regulatory authority by demonstrating the device to be safe and effective.

Each country has specific agencies and legislation regarding medical devices.

Region	Agency / Legislation
United States of America	Food and Drug Administration
European Union	CE Mark and Medical Device Regulation 2017/745
United Kingdom	Medicines and Healthcare Products Regulatory Agency
Australia	Therapeutic Goods Administration
New Zealand	MedSafe and Medicines Act 1981

6.7 Sales Strategy

Given the sophistication of the HitIQ product lines and the adherence to regulatory compliance for specific HitIQ products, HitIQ will initially employ a direct sales strategy in key geographies. HitIQ believes the combination of complex understanding of brain injury, detailed product feature sets, and complex data analysis requires representation by in-house, well-trained, and domain experienced sales team. Local sales teams will sell directly to teams and sporting codes, specifically Medical leads, legal-safety-compliance leads and executive level decision makers. Currently the company employs an experienced Head of Commercial who will lead these efforts in constructing a future sales force for each relevant jurisdiction as well as implementing an adequate sales and marketing plan.

In addition, HitIQ is open to establishing relationships with potential partners in the marketplace who may have aligned interest or capabilities to compliment or co-exist along a direct sales strategy. Core requirements for any partnership would be centred around enhanced speed to enter new markets or geographies, aligned product/service offering, or local scale of operations.

6.8 Growth Strategy

Market Penetration (Data acquisition and sales)

The HitIQ market penetration strategy is an aggressive top-down, bottom-up multi-faceted process which targets sports administrations to secure league wide deals. This strategy will accelerate revenue growth and market share, which will be leverage and reference the success of the "trial to deal" blueprint developed in the Australian market which has resulted in a multi-year league wide deal across the AFL competition.

The bottom-up team focused strategy sees HitIQ:

- a. Partnering with the most influential teams in a key market;
- b. Acquiring a sports specific dataset;
- c. Demonstrating product fit; and
- d. Leveraging team relationships to rally key stake holders in the target administration.

The top-down sports administration/governing body strategy sees HitIQ:

- a. Position our technologies as a compliance tool to enhance the Standard of Care;
- b. Position our technologies as a medico legal instrument to protect against potential litigation;
- c. Demonstrate product fit at the league level; and
- d. Demonstrate the best practice of the sports specific data set.

Product Extension

HitIQ will continue to invest in research and development activities to broaden existing feature sets and value propositions within current product offerings.

Within the Nexus A9 device, HitIQ believes there is scope to add additional electronic componentry which will aid in supplying a more diverse biometric data set.

Platform Extension

HitIQ believes the source data derived from the Nexus A9 is the primary product feature that unlocks future end-to-end product development through advanced data capture and analysis. It's entire system architecture will be built off leveraging the collection source data to drive broader and deeper analysis across all concussion management categories outlined in Section 2.3.

Future Markets

HitIQ intends to broaden its technology offering into different markets in a strategically driven process. Upon establishment in the elite market, the future markets identified in Section 5.5.2 will become target markets to which HitIQ will intend penetrate and build a strong presence within.

Partnership considerations

HitIQ intends to explore strategic relationships that can provide it with more efficient access to the consumer markets, with sporting bodies providing access to grassroots channels and manufacturers providing large scale manufacturing capabilities and distribution.

6.9 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

Shares¹

	Minimum Subscription	Maximum Subscription
Shares currently on issue	81,744,018	81,744,018
Shares to be issued pursuant to the Offer	35,000,000	50,000,000
Shares to be issued on conversion of Performance Rights prior to listing ²	675,000	675,000
Total Shares on completion of the Offer	117,419,018	132,419,018

Options

	Minimum Subscription	Maximum Subscription
Options currently on issue ³	17,391,664	17,391,664
Options to be issued pursuant to the Offer	Nil	Nil
Options to be issued under Lead Manager Offer	6,000,000	6,000,000
Total Options on completion of the Offer	23,391,664	23,391 664

Performance Rights

	Minimum Subscription	Maximum Subscription
Performance Rights currently on issue ⁴	1,300,000	1,300,000
Performance Rights to be issued to Directors, employees and consultants	Nil	Nil
Total Performance Rights on issue at listing⁵	625,000	625,000

Notes:

1. The rights attaching to the Shares are summarised in Section 11.2.
2. Of the existing Performance Rights on issue, the conversion milestone of 675,000 of these Performance Rights will be achieved by virtue of the Company being admitted to quotation on ASX.
3. The terms and conditions of those Options are set out in Section 11.3.2.
4. In addition to the Options on issue at listing, Mr Vegar is also entitled to receive 300,000 Options for every \$1 million in Annual Recurring Revenue over \$2 million within two years from listing and 300,000 Options for every \$4 million over the three years after the date of listing.
5. The terms and conditions of these performance rights are set out in Section 11.4.2.
6. Pursuant to the terms of the Performance Rights on issue, 675,000 Performance Rights will convert into Shares immediately prior to the Company commencing trading on ASX. This will have the effect of increasing the number of Shares on issue and reducing the number of outstanding Performance Rights at listing.

6.10 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Performance Rights	Percentage (%) (fully diluted)
Michael Dean Vegar <M Vegar Investment A/c>	6,666,666	6,000,000 ^{1,2}	1,000,000	8.15%
Mach Industries Pty Ltd <Lang Family A/c>	5,600,000	Nil	Nil	6.12%
Otto Buttula	4,408,334 ³	Nil	Nil	5.39%

On completion of the issue of Shares under the Offer with Minimum Subscription⁴

Shareholder	Shares	Options	Performance Rights	Percentage (%)
Michael Dean Vegar <M Vegar Investment A/c>	7,041,666 ⁵	6,000,000	625,000	5.68%

On completion of the issue of Shares under the Offer with Maximum Subscription⁴

Shareholder	Shares	Options	Performance Rights	Percentage (%)
Michael Dean Vegar <M Vegar Investment A/c>	7,041,666 ⁵	6,000,000	625,000	5.03%

Notes:

1. Comprises 4,500,000 Options exercisable at \$0.30 on or before 25 March 2024 and 1,500,000 Options exercisable at \$0.30 on or before 25 March 2025.
2. In addition to the Options currently held by Mr Vegar, he is entitled to receive an additional 300,000 Options exercisable at \$0.30, expiring three years from issue for every \$1 million in Annual Recurring Revenue over \$2 million within two years from listing, and an additional 300,000 Options exercisable at \$0.30, expiring four years from issue for every \$1 million in Annual Recurring Revenue over \$4 million within three years of the date of listing.
3. Held by Webinvest Pty Ltd <OLSB Unit A/c> and Newfound Investments Pty Ltd <Newfound Super Fund>.
4. Assumes no existing substantial Shareholder subscribes and receives additional Shares under the Offer.
5. Mr Vegar has indicated his intention to apply for up to a further 125,000 Shares pursuant to the Offer.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

6.11 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

6.12 Dividend policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Assets. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

SECTION 7

Board, management and corporate governance.

7. Board, management and corporate governance

7.1 Directors and key personnel

7.1.1 Directors

The Board of the Company consists of:



Otto Buttula – *Non-Executive Chair*

Mr Buttula has had extensive experience and success in investment research, funds management and information/biotechnology, holding directorships in a number of public companies. Mr Buttula's executive experience includes as a co-founder, CEO and Managing Director of IWL Ltd, an online financial services company that listed on the ASX in 1999. Growing from a market capitalisation of \$48 million at listing, it was taken over in 2007 by Commonwealth Bank of Australia (ASX: CBA) for \$373 million.

Mr Buttula also founded and was Managing Director of Investors Mutual, prior to which he was a co-founder and director of Lonsdale Securities Ltd. Following his completion of executive duties, Mr Buttula was Non-Executive Chairman of platform and stockbroking provider Investorfirst Ltd and led the acquisition of HUB24 Ltd (ASX: HUB). More recently, he served on the Board as a non-executive director and Head of Audit & Risk at Imugene Ltd (ASX: IMU) between 2014 and 2016. Currently, Mr Buttula is also Non-Executive Chairman of Rhythm Biosciences Ltd (ASX: RHY), a company positioning itself to be a global leader in the mass market, early detection of colorectal cancer, via a simple blood test.

Mr Buttula holds a Bachelor of Economics from Monash University, a Graduate Diploma of Applied Finance & Investment and is a Fellow of the Australian Institute of Company Directors.

The Board considers that Mr Buttula is not an independent Director.



Michael Vegar – *Managing Director and Chief Executive Officer*

Mr Vegar is a co-founder and Managing Director of HitIQ.

He has been responsible for creating and executing HitIQ's strategic plan, fundraising & developing the product's vision, as well as growing the HitIQ team from conception to now a team of 25 people.

Mr Vegar has extensive experience in the sporting industry across a variety of roles with more than 13 years of domain knowledge. He holds a Bachelor's Degree of Commerce and a Master's Degree of Exercise Science.

Before co-founding HitIQ, Mike operated a sport science consultancy firm advising various professional and semi-professional sporting programs from 2008 – 2017, including working in the High-Performance Unit at the Australian Institute of Sport with the Australian Men's Hockey program. In that role, Mr Vegar was responsible for managing the injury rehabilitation and physical preparation programming.

In 2012, Mr Vegar also co-founded Game Guardian, a leading Australian manufacturer of mouth guards and sports protection goods, which he exited in 2020.

The Board considers that Mr Vegar is not an independent Director.



Philip Carulli – Non-Executive Director

Phil Carulli is a Chartered Accountant and managing director of Optima Financial Group Pty Ltd where he provides financial, taxation and corporate advisory services to a diverse range of businesses.

Over the past 23 years Mr Carulli has owned, managed and consulted to companies in professional services, construction, technology, medical, and industrial sectors to name a few. He holds a Bachelor of Business, is a registered SMSF auditor and holds a Certificate of Public Practice. Mr Carulli specialises in working with technology and R&D businesses.

The Board considers that Mr Carulli is not an independent Director.



Aidan Clarke – Non-Executive Director

Mr Clarke is an experienced entrepreneur with close to 15 years' experience building and growing global brands within the sporting industry.

Having co-founded sporting brand 2XU, Mr Clarke was an Executive Director responsible for the Sales & Marketing functions of the company. Equipping multiple World and Olympic champions in almost every code, whilst building a global distribution network. 2XU supplied the US Navy Seals, majority of NFL teams, and 29 of the 30 NBA teams. Mr Clarke led 2XU commercialisation efforts into numerous elite sport relationships, such as a long serving AIS R&D agreement and signing multiple exclusive partnerships across high performance teams and institutions throughout the world. 2XU was partially acquired by the LVMH capital arm L-Capital for a \$200m valuation in 2014, with Mr Clarke fully exiting his shareholding in 2018.

Mr Clarke has a BA/Bcomm from Auckland University, and through experience and track record brings a strong demand generation lens and skillset to HitiQ

The Board considers that Mr Clarke is an independent Director.



Glenn Smith – Non-Executive Director

Glenn Smith is an experienced CEO, entrepreneur, investor and director. He has over 20 years' experience in building and growing customer-centric businesses at all stages of the growth cycle (listed and private) from existence (start-ups), to mature global enterprises in the areas of AR/VR, Healthtech, Telco, Edtech Fintech, Blockchain, Digital Identity, Personal data, Agtech & HR Marketplaces.

Glenn is currently Managing Director of TALi Digital Limited (ASX:TD1) a global leader in digital diagnostics and therapeutics for neurological conditions. Mr Smith spent 6 years at Optus where he help lead the commercialisation of the payment processing platform for Australia's public and private health claims market. He also led the global market commercialisation of the imaging technology platform at Resonance Health (ASX:RHT). Mr Smith holds a number of public and private company directorships and is a venture investor in a number of technology enterprises.

He holds an MBA from the University of Western Australia, a BA (Econ), and a degree in Viticulture and Oenology from the University of Melbourne.

The Board considers that Mr Smith [is]an independent Director.

7.1.2 Key management



David Erikson – Chief Technology Officer

David is an experienced product developer and technology leader with more than 20 years of experience at companies ranging from start-ups to multi-nationals in the USA and Australia. Before joining HitIQ, David was the CTO at a ASX listed Melbourne based medical device company, and previously held various consulting, management and engineering roles at Hydrix, Covidien, AMD, and Intel.

David has extensive system design development experience ranging from mobile x-ray machines to electrosurgical generators to microprocessors and related semiconductors. He has also led and managed the development of wearable devices used in mining environments and for physiotherapy and workplace risk management. Other developments include a cockpit display for commercial aircraft, distributed system controllers for water utilities, and set-top-box systems.

David was an architect of embedded microprocessors and systems as part AMD's embedded division. He led system development at AMD's design center in Longmont Colorado and was a key contributor to the conceptualization, development and delivery of multiple generations of embedded CPU semiconductors and platforms.

David has extensive management and leadership experience with a history in leading large diverse teams spanning multiple projects. He has implemented and managed ISO13485 compliant quality management systems.



Tom Laudenbach – Head of Product and Projects

Tom completed a Bachelor of Commerce at The Australian National University prior to undertaking a Bachelor of Sports and Exercise Science at the University of Canberra.

Employed at Catapult Sports in 2015 in a product support role before moving into an Account Manager role for APAC and Europe. Direct report for all AFL, NRL, ARU clients as well as all high-profile European Football (Soccer) clients including Paris St Germain and Chelsea FC. Managed a small team in the development, deployment and support of the GPSports 'EVO' device, a product used by elite sports organisations around the globe.

Joined HitIQ in early 2018 as 'Product Manager' to assist in the development and deployment of HitIQs Nexus A9 Mouthguard. Transitioned into a 'Head of Product and Projects' role in 2019 to oversee all projects conducted by the company.



Damien Hawes – Head of Commercial

Damien joins HitIQ as Head of Commercial from Catapult Group International Ltd, ("Catapult") (ASX: CAT), where he held positions as Head of League Wide and Media Partnerships (Catapult) and Commercial Director of GPSports Systems (acquired by Catapult in 2014). Post Catapult acquisition, Damien achieved record market growth and revenue results for GPSports Systems. Damien was responsible for sales and strategic product placement, management of the GPSports salesforce and distribution network and successfully launched GPSports' latest product line (EVO) having exceeded the sales launch forecast by 200%.

In his role as Head of League Wide and Media Partnerships, Damien was responsible for commercializing wearable data, which was one of three key strategic growth pillars for Catapult. Damien executed the first commercial data agreement on behalf of Catapult which was with the National Rugby League (NRL) in 2017. Player data was broadcast during the State of Origin series.

Damien brings more than 13 years of sales leadership experience specifically in the elite sports industry and holds a Bachelor of Medical Science from the University of Wollongong and a Post Graduate Certificate in the Neuroscience of Leadership from Middlesex University.

7.2 Disclosure of interests

Remuneration

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2020	Proposed remuneration for year ending 30 June 2021	Proposed remuneration for year ending 30 June 2022
Directors			
Otto Buttula	Nil	\$35,000	\$84,000
Michael Vegar	\$170,567	\$165,000	\$229,950
Philip Carulli	\$9,000	\$26,000	\$42,000
Aidan Clarke	Nil	\$3,500	\$42,000
Glenn Smith	Nil	\$29,000	\$42,000

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Performance Rights
Otto Buttula	4,408,334	Nil	Nil
Michael Vegar	6,666,666	6,000,000 ^{1, 2}	1,000,000 ³
Philip Carulli	2,003,334	700,000 ⁴	Nil
Aidan Clarke	125,000	Nil	Nil
Glenn Smith	112,500	Nil	Nil

Post-completion of the Offer⁵

Director	Shares	Options	Performance Rights
Otto Buttula	4,408,334	Nil	Nil
Michael Vegar	7,041,666	6,000,000 ^{1, 2}	625,000 ³
Philip Carulli	2,003,334	700,000 ⁴	Nil
Aidan Clarke	125,000	Nil	Nil
Glenn Smith	112,500	Nil	Nil

Notes:

1. Consists of 4,500,000 Options exercisable at \$0.30 on or before 25 March 2024 and 1,500,000 Options exercisable at \$0.30 on or before 25 March 2025.

2. In addition to the Options currently held by Mr Vegar, he is entitled to receive an additional 300,000 Options exercisable at \$0.30 , expiring three years from issue for every \$1 million in Annual Recurring Revenue over \$2 million within two years from listing, and an additional 300,000 Options exercisable at \$0.30, expiring four years from issue for every \$1 million in Annual Recurring Revenue over \$4 million within three years of the date of listing.
3. Refer to Section 10.4.2 insert for the terms and conditions of the Performance Rights.
4. Exercisable at \$0.20 on or before 10 December 2023.
5. In addition to their existing interest in Shares, each of the Directors has indicated their intention to subscribe for additional Shares under the Offer up to the following limits:
 - a. Otto Buttula: up to 250,000 Shares (\$50,000);
 - b. Mike Vegar: up to 125,000 Shares (\$25,000);
 - c. Phil Carulli: up to 200,000 Shares (\$40,000);
 - d. Aidan Clarke: up to 1,000,000 Shares (\$200,000); and
 - e. Glenn Smith: up to 137,500 Shares (\$27,500).

7.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

7.3.1 Executive Services Agreement – Michael Vegar

The Company has entered into an Executive Services Agreement (**ESA**) with Mr Vegar. A summary of the material terms and conditions of the ESA is set out below:

- a. **Position:** Mr Vegar is appointed as the Managing Director and Chief Executive Officer of the Company.
- b. **Term:** Mr Vegar's employment commences on the Commencement Date and will continue until the ESA is validly terminated in accordance with its terms.
- c. **Notice period:** The Company must give three months' notice to terminate the ESA other than for cause together with a payment equal to 3 months' salary at the end of that period. Mr Vegar must give three months' notice to terminate the ESA.
- d. **Remuneration:** The Company will pay Mr Vegar a base salary of \$210,000 per annum (plus statutory superannuation).
- e. **Incentive schemes:** Subject to Shareholder approval Mr Vegar may be entitled to participate in any employee incentive scheme adopted by the Company after it is listed.
- f. **Expenses:** On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Vegar for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr Vegar in the performance of all duties in connection with the business of the Company.

The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

7.3.2 Non-Executive Appointment Letters – Otto Buttula, Philip Carulli, Glenn Smith and Aidan Clarke

The Company has entered into non-executive appointment letters with each of Mr Buttula, Mr Carulli, Mr Smith and Mr Clarke pursuant to which each is appointed as a non-executive director of the Company and from then on, subject to the Constitution relating to retirement by rotation and re-election of directors.

Mr Buttula will receive a directors' fee of \$84,000 (exclusive of superannuation) acknowledging his role as Chair of the Company. Mr Carulli, Mr Smith and Mr Clarke will each receive remuneration of \$42,000 (exclusive of superannuation) for services rendered as non-executive directors.

7.3.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

7.4 Corporate governance

a. ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (*4th Edition*) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.HitIQ.com.

b. Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- i. maintain and increase Shareholder value;
- ii. ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- iii. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- i. leading and setting the strategic direction, values and objectives of the Company;
- ii. appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- iii. overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- iv. approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- v. overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- vi. establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- vii. overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- viii. reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- ix. approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

c. Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- i. membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

- ii. the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of five Directors (four non-executive Directors and one executive Director) of whom Messrs Buttula, Clarke and Smith are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

d. Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

e. Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

f. Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

g. Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

h. Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

i. External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

j. Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- i. monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- ii. verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- iii. monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- iv. management of the Company's relationships with external auditors.

k. Diversity policy

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

l. Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

SECTION 8

Financial information.

8. Financial information

8.1 Introduction

This section sets out the Historical Financial Information of HitIQ Limited (HitIQ or the Company). The purpose of the Offer is to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve its stated objectives. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering (IPO) of HitIQ. Bentleys Audit & Corporate (WA) Pty Ltd (**Bentleys**) has prepared an Independent Limited Assurance Report in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Bentleys' work is set out in Annexure B.

All information present in this section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Annexure B.

8.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by HitIQ as detailed in Note 1 of Section 8.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of Section 8.7 as if those adjustments had occurred as at 31 December 2020.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

- the historical Statements of Profit or Loss and Other Comprehensive Income for the periods ended 31 December 2020, 30 June 2020 and 30 June 2019;
- the historical Statements of Financial Position as at 31 December 2020, 30 June 2020 and 30 June 2019; and
- the historical Statements of Cash Flows for the periods ended 31 December 2020, 30 June 2020 and 30 June 2019.

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information):

- the pro forma statement of financial position as at 31 December 2020, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 had occurred as at 31 December 2020; and
- the notes to the pro forma financial information, (collectively referred to as the Financial Information).

The Historical Financial Information of HitIQ has been extracted from the audited historical financial statements for 30 June 2019 and 30 June 2020 and the reviewed historical financial statements for the period ended 31 December 2020 which were audited/reviewed by Bentleys in accordance with Australian Auditing Standards. An unqualified audit opinion with material uncertainty related to going concern was issued by Bentleys for the years ended 30 June 2019 and 30 June 2020. An unqualified review conclusion in accordance with Australian Standards on Review Engagements with material uncertainty related to going concern was issued by Bentleys for the period ended 31 December 2020.

8.3 Historical statements of profit or loss and other comprehensive income

HitIQ Limited	Reviewed* 31 December 2020	Audited* 30 June 2020	Audited* 30 June 2019
	\$	\$	\$
Revenue			
Revenue	145,470	40,259	-
Other income	403,300	255,097	50,406
Research and development grant	-	969,847	857,750
Expenses			
Accountancy and secretarial fees	(11,220)	(5,355)	(24,372)
Auditor's remuneration	(2,000)	(10,519)	(3,020)
Consultancy fees	(152,766)	(264,994)	(216,632)
Depreciation and amortization	(104,333)	(207,413)	(41,568)
Interest paid	(31,327)	(86,592)	(15,015)
Occupancy	(63,691)	(23,231)	(200,256)
Research and testing	(137,049)	(569,683)	(408,534)
Share-based payment expense	-	(130,099)	(621,690)
Performance right expense	(24,500)	(6,900)	(130,600)
Employee benefits expenses	(1,119,592)	(2,028,788)	(1,557,027)
Other expenses	(154,342)	(550,454)	(677,270)
Loss before income tax expense	(1,252,050)	(2,618,825)	(2,987,828)
Income tax expense	-	-	-
Loss after income tax expense	(1,252,050)	(2,618,825)	(2,987,828)
Other comprehensive income, net of tax	-	-	-
Total comprehensive income attributable to the owners of HitIQ Limited	(1,252,050)	(2,618,825)	(2,987,828)

*Please refer to Section 8.2 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 8.7 and the Independent Limited Assurance Report in Annexure B.

8.4 Historical statements of financial position

HitIQ Limited	Reviewed* 31 December 2020	Audited* 30 June 2020	Audited* 30 June 2019
	\$	\$	\$
Current assets			
Cash and cash equivalents	1,146,885	428,028	266,347
Trade and other receivables	122,700	1,170,478	982,126
Total current assets	1,269,585	1,598,506	1,248,473
Non-current assets			
Trade and other receivables	52,240	52,240	-
Property, plant and equipment	93,319	101,465	66,146
Intangible assets	45,890	58,493	83,493
Right-of-use assets	194,632	271,511	-
Total non-current assets	386,081	483,709	149,639
Total assets	1,655,666	2,082,215	1,398,112
Current liabilities			
Trade and other payables	396,496	464,866	302,882
Provisions	171,029	73,118	86,922
Borrowings	52,892	866,069	648,204
Lease liabilities	156,086	160,311	-
Total current liabilities	776,503	1,564,364	1,038,008
Non-current liabilities			
Lease liabilities	52,856	130,994	-
Total non-current liabilities	52,856	130,994	-
Total liabilities	829,359	1,695,358	1,038,008
Net assets	826,307	386,857	360,104
Equity			
Issued capital	8,364,190	6,889,190	4,273,711
Reserves	818,889	602,389	572,290
Accumulated loss	(8,356,772)	(7,104,722)	(4,485,897)
Total equity	826,307	386,857	360,104

*Please refer to Section 8.2 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 8.7 and the Independent Limited Assurance Report in Annexure B.

8.5 Historical statements of cash flows

HitIQ Limited	Reviewed* 31 December 2020	Audited* 30 June 2020	Audited* 30 June 2019
	\$	\$	\$
Cash flows from operating activities			
Receipts from customers	200,470	103,809	-
Payments to suppliers and employees	(1,616,229)	(3,365,646)	(2,767,260)
Receipts – other	1,396,077	1,039,352	404,389
Interest paid	(31,327)	(86,592)	(14,955)
Net cash flows from operating activities	(51,009)	(2,309,077)	(2,377,826)
Cash flows from investing activities			
Payments for property, plant and equipment	(6,704)	(63,972)	(64,228)
Net cash flows from investing activities	(6,704)	(63,972)	(64,228)
Cash flows from financing activities			
Proceeds from share issue	1,775,000	2,604,483	2,372,200
Payments for share issue costs	(108,000)	(95,905)	(139,301)
Proceeds from borrowings	40,000	1,194,097	203,792
Repayment of borrowings	(848,068)	-	-
Repayment of lease liabilities	(76,878)	(147,104)	-
Repayment of lease liability principal	(5,484)	(1,020,841)	-
Net cash flows from financing activities	776,570	2,534,730	2,436,691
Net increase/(decrease) in cash held	718,857	161,681	(5,363)
Cash and cash equivalents at the beginning of the year	428,028	266,347	271,710
Cash and cash equivalents at the end of the year	1,146,885	428,028	266,347

*Please refer to Section 8.2 with respect to the audit opinions and review conclusion issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 8.7 and the Independent Limited Assurance Report in Annexure B.

8.6 Historical and pro-forma statements of financial position

		HitIQ Limited Reviewed 31 December	Subsequent Events	Pro-Forma Adjustments		Pro-forma Balances	
	Notes	2020		Minimum	Maximum	Minimum	Maximum
		\$	\$	\$	\$	\$	\$\$
Assets							
Current assets							
Cash and cash equivalents	3	1,146,885	25,000	6,394,751	9,198,284	7,566,636	10,370,169
Trade and other receivables		122,700	-	-	-	122,700	122,700
Total current assets		1,269,585	25,000	6,394,751	9,198,284	7,689,336	10,492,869
Non-current assets							
Trade and other receivables		52,240	-	-	-	52,240	52,240
Property, plant and equipment		93,319	-	-	-	93,319	93,319
Intangible assets		45,890	-	-	-	45,890	45,890
Right-of-use asset		194,632	-	-	-	194,632	194,632
Total non-current asset		386,081	-	-	-	386,081	386,081
Total assets		1,655,666	25,000	6,394,751	9,198,284	8,075,417	10,878,950
Liabilities							
Current liabilities							
Trade and other payables	4	396,496	(55,000)	-	-	341,496	341,496
Provisions		171,029	-	-	-	171,029	171,029
Borrowings		52,892	-	-	-	52,892	52,892
Lease liabilities		156,086	-	-	-	156,086	156,086
Total current liabilities		776,503	(55,000)	-	-	721,503	721,503
Non-current liability							
Lease liabilities		52,856	-	-	-	52,856	52,856
Total non-current liabilities		52,856	-	-	-	52,856	52,856
Total liabilities		829,359	(55,000)	-	-	774,359	774,359
Net assets		826,307	80,000	6,394,751	9,198,284	7,301,058	10,104,591
Equity							
Issued capital	5	8,364,190	509,334	6,009,941	8,829,941	14,883,465	17,703,465
Reserves	6	818,889	562,381	570,059	570,059	1,951,329	1,951,329
Accumulated losses	7	(8,356,772)	(991,715)	(185,249)	(201,716)	(9,533,736)	(9,550,203)
Total equity		826,307	80,000	6,394,751	9,198,284	7,301,058	10,104,591

8.7 Notes to and forming part of the historical financial information

Note 1: Summary of significant accounting policies

a. Basis of accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma statement of financial position as at 31 December 2020 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The statement of financial position should be read in conjunction with the notes set out in this report.

b. Going concern

The financial information has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company expects to raise a minimum of \$7,000,000 and a maximum of \$10,000,000 (before associated costs).

The entity's ability to continue as a going concern is dependent on the success of the Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Offer be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

c. Revenue recognition

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step process outlined in AASB 15 which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations; and

Step 5: Recognise the revenue as the performance obligations are satisfied.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- i. the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- ii. the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

d. Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

e. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (A) the Company has transferred substantially all the risks and rewards of the asset, or
 - (B) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis.

However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

g. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 2–7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss

i. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation expense

Contributions to superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

j. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k. Goods and Services Tax ('GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

l. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

m. Intangible assets

Research and development costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Patent and trademark costs are expensed in the period in which they are incurred.

Intangible assets are amortised on a straight line basis over the estimated useful life being 5 years.

n. Leases

The Company leases various commercial properties.

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease Liability includes the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate

- Right of Use Assets are measured at cost comprising the following:
- The amount of the initial measurement of the lease liability net of any previously recognised onerous lease provisions; and
- Any restoration costs applicable to the lease.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment.

o. Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

p. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2: Actual and proposed transactions to arrive at the pro-forma financial information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of HitIQ as at 31 December 2020 to reflect the financial effects of the following subsequent events which have occurred since 31 December 2020:

- a. issue of 1,175,000 pertaining to the pre-IPO capital raise completed prior to 31 December 2020 at an issue price of \$0.16 per share. A total of \$163,000 was receipted prior to 31 December 2020 with the remaining \$25,000 receipted in the current period (Pre-IPO raise);
- b. cancellation of 325,000 performance rights subsequent to 31 December 2020 as the vesting conditions under the existing performance rights had not been met. As at 31 December 2020 the vesting conditions had been assigned a \$nil value as the estimated number of performance rights to vest was nil;
- c. issue of Settlement Securities under a Deed of Termination and Release (Deed) with Matthew Ian Banks (Director) and Rock the Polo Pty Ltd (Consultant), comprising:
 - a. 1,100,000 Shares issued to the Director or his nominee of \$176,000. The 1,000,000 existing Zero Exercise Price unlisted options with a value of \$88,000 as at 31 December 2020 were cancelled and replaced with 1,000,000 settlement shares (Settlement Shares); and
 - b. 600,000 unlisted Company options exercisable at \$0.20 expiring 1 to 3 years from date of this Deed totalling \$55,530. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$24,760 were cancelled and replaced with Settlement options (Settlement Options);
- d. issue of 343,750 ordinary shares at \$0.16 per share to the Directors in satisfaction of the unpaid director fees of \$55,000;
- e. exercise of 666,667 performance rights at \$0.20 per share as the vesting conditions had been met of \$66,667 (Exercise of Performance Rights);
- f. issue of 1,200,000 unlisted Company options in equal tranches of 400,000 exercisable at \$0.20 expiring 1 November 2021, 17 December 2023 and 19 March 2024 respectively. These options were issued with a valuation of \$111,060. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$49,521 were cancelled and replaced with Berry Options (Berry Options);
- g. issue of 6,000,000 unlisted Company options to Director, Michael Vegar, exercisable at \$0.30 expiring 30 June 2024 on completion of various vesting conditions as outlined in Note 6 (Director Options). These options will be issued with a valuation of \$311,625;

- h. issue of 500,000 ordinary shares at \$0.20 per share on contract signing and formalisation of AFL Deal, minimum \$400,000 p.a. ex GST of \$100,000(Director Shares);
- i. issue of 1,000,000 performance rights at \$0.20 per performance right to Director, Michael Vegar expiring 30 June 2024 on completion of vesting conditions as outlined in Note 6 (Director Performance Rights). These performance rights will be issued with a valuation of \$157,500;
- j. issue of 300,000 performance rights at \$0.20 per performance right to related parties expiring 30 June 2024 on successful ASX listing. (Related Parties Performance Rights). These performance rights will be issued with a valuation of \$60,000;
- k. issue of 100,000 ordinary shares at \$0.20 per share to Company Secretary of \$20,000 (Company Secretary Shares);

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- l. the issue of 35,000,000 ordinary shares at \$0.20 per share to raise \$7,000,000 before costs of \$605,249 (minimum subscription) and issue of 50,000,000 ordinary shares at \$0.20 per share to raise \$10,000,000 before costs of \$801,716 (maximum subscription) (Offer); and
- m. issue of 6,000,000 unlisted Company options exercisable at \$0.30 expiring 18 December 2023 on completion of the IPO (Lead Manager Options). These options will be issued with a valuation of \$570,059.

Note 3: Cash and cash equivalents

	Pro-forma Minimum	Pro-forma Maximum
	\$	\$
Cash and cash equivalents	7,566,636	10,370,169
Reviewed balance of HitIQ at 31 December 2020	1,146,885	1,146,885
Subsequent events		
Pre-IPO Raise	25,000	25,000
Total	25,000	25,000
Pro-forma adjustments		
Offer	7,000,000	10,000,000
Cost of the Offer	(605,249)	(801,716)
Total	6,394,751	9,198,284
Pro-forma Balance	7,566,636	10,370,169

Note 4: Trade and other payables

	Pro-forma Minimum	Pro-forma Maximum
	\$	\$
Trade and other payables	341,496	341,496
Reviewed balance of HitIQ at 31 December 2020	396,496	396,496
Subsequent events		
Unpaid Director fees	(55,000)	(55,000)
Total	(55,000)	(55,000)
Pro-forma Balance	341,496	341,496

Note 5: Issued capital

	Pro-forma Minimum	Pro-forma Maximum
	\$	\$
Issued capital	14,883,465	17,703,465

	Number of Shares	Number of Shares		
Reviewed balance of HitIQ at 31 December 2020	77,858,601	77,858,601	8,364,190	8,364,190
Subsequent events				
Pre-IPO Raise	1,175,000	1,175,000	25,000	25,000
Settlement Shares	1,100,000	1,100,000	176,000	176,000
Unpaid Directors' fees	343,750	343,750	55,000	55,000
Exercise of Performance Rights	666,667	666,667	133,334	133,334
Director Shares	500,000	500,000	100,000	100,000
Company Secretary Shares	100,000	100,000	20,000	20,000
Total	3,885,417	3,885,417	509,334	509,334
<i>Pro-forma adjustments</i>				
Offer	35,000,000	50,000,000	7,000,000	10,000,000
Costs of the offer	-	-	(420,000)	(600,000)
Lead Manager options	-	-	(570,059)	(570,059)
Total	35,000,000	50,000,000	6,009,941	8,829,941
Pro-forma Balance	116,744,018	131,744,018	14,883,465	17,703,465

Note 6: Reserves

	Pro-forma Minimum	Pro-forma Maximum
	\$	\$
Reserves	1,951,329	1,951,329
Reviewed balance of HitIQ at 31 December 2020	818,889	818,889
Subsequent Events		
Settlement Options	55,530	55,530
Exercise of Performance Rights	(133,334)	(133,334)
Berry Options	111,060	111,060
Director Options	311,625	311,625
Director Performance Rights	157,500	157,500
Related Parties Performance Rights	60,000	60,000
Total	562,381	562,381
<i>Pro-forma adjustments</i>		
Lead Manager Options	570,059	570,059
Total	570,059	570,059
Pro-forma Balance	1,951,329	1,951,329

Settlement Options

	Tranche #1	Tranche #2	Tranche #3
Number	200,000	200,000	200,000
Spot price	\$0.20	\$0.20	\$0.20
Exercise price	\$0.20	\$0.20	\$0.20
Expiry period	1 years	2 years	3 years
Expected volatility	90%	90%	90%
Risk free rate	0.08%	0.08%	0.08%
Fair value (\$)	\$13,902	\$19,036	\$22,592
Model	Black-scholes Option Valuation	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	Immediately	Immediately	Immediately

Berry Options

	Tranche #1	Tranche #2	Tranche #3
Number	400,000	400,000	400,000
Spot price	\$0.20	\$0.20	\$0.20
Exercise price	\$0.20	\$0.20	\$0.20
Expiry period	1 years	2 years	3 years
Expected volatility	90%	90%	90%
Risk free rate	0.08%	0.08%	0.08%
Fair value (\$)	\$27,804	\$38,072	\$45,184
Model	Black-scholes Option Valuation	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	Immediately	Immediately	Immediately

Directors Option

	Tranche 1	Tranche 2	Tranche 3
Number	1,500,000	3,000,000	1,500,000
Spot price	\$0.20	\$0.20	\$0.20
Exercise price	\$0.30	\$0.30	\$0.30
Expiry period	3 years	3 years	4 years
Expected volatility	90%	90%	90%
Risk free rate	0.08%	0.08%	0.08%
Fair value	\$0.095	\$0.095	\$0.112
Fair value (\$)	\$85,500	\$142,500	\$83,625
Model	Black-scholes Option Valuation	Black-scholes Option Valuation	Black-scholes Option Valuation
Vesting conditions	Upon the Company achieving \$2 million annual revenue ('ARR') within 2 years of the date of listing on the ASX. An additional 300,000 options will be granted for each \$1 million ARR over \$2 million ARR	Upon the Company achieving \$510,000 or De Novo Approval with the US Food and Drug Administration COVR product within 2 years of listing on the ASX	Upon the Company achieving \$4 million ARR within 3 years of the date of listing on the ASX. An additional 300,000 options will be granted for each \$1 million ARR over \$4 million ARR.
Probability	60%	50%	50%

Director Performance Rights

	Tranche 1	Tranche 2	Tranche 3
Number	125,000	500,000	375,000
Expiry period	3 years	3 years	3 years
Fair value	\$0.20	\$0.20	\$0.20
Fair value (\$)	\$12,500	\$70,000	\$75,000
Vesting conditions	Reaching an agreement with an Australian national sporting code for the 2021 Season, with an acceptable promotion deal to benefit HitIQ by 30 June 2021	Vesting upon contract signing and finalisation of an Australian national sporting code deal with minimum revenue of \$200,000 p.a. excl GST	Upon successful listing on ASX
Probability	50%	70%	100%

Related Parties Performance Rights

	Related Parties
Number	300,000
Expiry period	3 years
Fair value	\$0.20
Fair value (\$)	\$20,000
Vesting conditions	Successful Listing of the Company's shares on the ASX
Probability	100%

Lead Manager Options

	Lead Manager
Number	6,000,000
Spot price	\$0.20
Exercise price	\$0.30
Expiry period	3 years
Expected volatility	90%
Risk free rate	0.08%
Fair value	\$0.095
Fair value (\$)	\$570,059
Model	Black-scholes Option Valuation
Vesting conditions	Immediately

Note 7: Accumulated losses

	Pro-forma Minimum	Pro-forma Maximum
	\$	\$
Accumulated losses	9,533,736	9,550,203
Reviewed balance of HitIQ at 31 December 2020	8,356,772	8,356,772
Subsequent Events		
Settlement Shares	176,000	176,000
Settlement Options	55,530	55,530
Berry Options	111,060	111,060
Director Options	311,625	311,625
Director Shares	100,000	100,000
Director Performance Rights	157,500	157,500
Related Parties Performance Rights	60,000	60,000
Company Secretary Shares	20,000	20,000
Total	991,715	991,715
Pro-forma adjustments		
Cost of the Offer	185,249	201,716
Total	185,249	201,716
Pro-forma Balance	9,533,736	9,550,203

Note 8: Related parties

Refer to Section 7 of the Prospectus for Board and Management Interests.

Note 9: Subsequent events

Subsequent to 31 December 2020 the following events have occurred which have been reflected in the pro-forma statement of financial position:

- issue of 1,175,000 pertaining to the pre-IPO capital raise completed prior to 31 December 2020 at an issue price of \$0.16 per share. A total of \$163,000 was receipted prior to 31 December 2020 with the remaining \$25,000 receipted in the current period (Pre-IPO raise);
- cancellation of 325,000 performance subsequent to 31 December 2020 as the vesting conditions under the existing performance rights had not been met. As at 31 December 2020 the vesting conditions had been assigned a \$nil value as the estimated number of performance rights to vest was nil;
- issue of Settlement Securities under a Deed of Termination and Release ('Deed') with Matthew Ian Banks (Director) and Rock the Polo Pty Ltd (Consultant), comprising:

- i. 1,100,000 Shares issued to the Director or his nominee of \$176,000. The 1,000,000 existing Zero Exercise Price unlisted options with a value of \$88,000 as at 31 December 2020 were cancelled and replaced with 1,000,000 settlement shares (Settlement Shares); and
- ii. 600,000 unlisted Company options exercisable at \$0.20 expiring 1 to 3 years from date of this Deed totalling \$55,530. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$24,760 were cancelled and replaced with Settlement options (Settlement Options);
- d. issue of 343,750 ordinary shares at \$0.16 per share to the Directors in satisfaction of the unpaid director fees of \$55,000;
- e. exercise of 666,667 performance rights at \$0.20 per share as the vesting conditions had been met of \$66,667 (Exercise of Performance Rights);
- f. issue of 1,200,000 unlisted Company options in equal tranches of 400,000 exercisable at \$0.20 expiring 1 November 2021, 17 December 2023 and 19 March 2024 respectively. These options were issued with a valuation of \$111,060. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$49,521 were cancelled and replaced with Berry Options (Berry Options);
- g. issue of 6,000,000 unlisted Company options to Director, Michael Vegar, exercisable at \$0.30 expiring 30 June 2024 on completion of various vesting conditions as outlined in Note 6 (Director Options). These options will be issued with a valuation of \$311,625;
- h. issue of 500,000 ordinary shares at \$0.20 per share on contract signing and formalisation of AFL Deal, minimum \$400,000 p.a. ex GST of \$100,000 (Director Shares);
- i. issue of 1,000,000 performance rights at \$0.20 per performance right to Director, Michael Vegar expiring 30 June 2024 on completion of vesting conditions as outlined in Note 6 (Director Performance Rights). These performance rights will be issued with a valuation of \$157,500;
- j. issue of 300,000 performance rights at \$0.20 per performance right to related parties expiring 30 June 2024 on successful ASX listing. (Related Parties Performance Rights). These performance rights will be issued with a valuation of \$60,000; and
- k. issue of 100,000 ordinary shares at \$0.20 per share to Company Secretary of \$20,000 (Company Secretary Shares).

A man in a racing suit is shown from the chest up, leaning forward with his head buried in his hand. He appears to be in a state of distress, exhaustion, or frustration. The image is overlaid with a semi-transparent blue filter. The man is wearing a dark racing suit with white and blue geometric patterns on the sleeve. He is also wearing a racing helmet, which is visible at the bottom of the frame.

SECTION 9

Risk factors.

9. Risk factors

9.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its assets and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 9, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 9 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 9, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 9 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

9.2 Company specific risks

Risk Category	Risk
Technology risk	HitIQ relies upon a range of hosting providers to maintain continuous operation of its technology platforms, servers and hosting services and the cloud based environment in which it provides its products. There is a risk that these systems may be adversely affected by various factors to cause them to become unavailable.
	If a hosting provider ceased to offer its services to HitIQ, this could lead to disruption of service to the HitIQ website and cloud infrastructure.
	This could lead to potential loss in revenues, as well as adversely affecting HitIQ's reputation, financial position and performance.
Development and commercialisation of intellectual property	HitIQ relies on its ability to develop and commercialise its intellectual property. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of the HitIQ. Any third party developing superior technology with greater commercial appeal in the field may harm the future prospects of the Company.

Risk Category	Risk
Protection of intellectual property	HitIQ's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by HitIQ to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others. HitIQ may also suffer damage if former employees infringe its intellectual property rights or assert their moral rights. The granting of a patent does not guarantee that HitIQ's intellectual property is protected and that others will not develop similar technologies that circumvents such patents. There can be no assurance that any patents HitIQ owns, controls or licences, whether now or in the future, will give HitIQ commercially significant protection of its intellectual property. Additionally, monitoring unauthorised use of HitIQ's intellectual property rights is difficult and can be costly. HitIQ may not be able to detect all unauthorised use of its intellectual property rights. Changes in laws in Australia and other jurisdictions in which HitIQ operates may adversely affect HitIQ's intellectual property rights.
Third party intellectual property	Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by HitIQ, and other parties may allege that HitIQ's products incorporate intellectual property rights derived from third parties without their permission. Whilst HitIQ is not the subject of any claim that its products infringe the intellectual property rights of a third party, allegations of this kind may be received in the future and, if successful, injunctions may be granted against HitIQ which could materially affect the operation of HitIQ and HitIQ's ability to earn revenue, and cause disruption to HitIQ's services. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming, and their outcome is uncertain.
Manufacturing and product quality risk	Although the Company manufactures its products at its own premises, HitIQ currently relies on a number of external suppliers for key components of its technologies. There is no guarantee that these suppliers will be able to meet the cost, reliability, volume, or lead times required for HitIQ to remain competitive in the future. These suppliers are also exposed to the regulatory and compliance requirements faced by HitIQ. There is no guarantee that the suppliers will adequately conform to these standards in the future. A failure to meet regulatory standards could result in enforcement actions that could be extended to HitIQ.
Government approvals	Laws and regulations in the jurisdictions in which HitIQ operates or has activities may impact HitIQ's ability to market or generate revenue from its products and services in relation to issues such as user privacy, data protection, intellectual property, information security, the content and quality of products and services. Regulators such as the Therapeutic Goods Administration (TGA) in Australia and the United States Food and Drug Administration (FDA) have regulations around how certain medical products and services are marketed. The requirement for certain approvals by these organisations may impact on the Company's ability to successfully market its product or how it can market its products, or it may incur significant costs to ensure certain products can achieve regulatory approval.
Misuse of data	Data collected through the usage of the Company's products may not be owned by the Company and the Company may have limited control of the usage or decision making made by the holders of that data. There is a risk that users may make decisions, including in relation to the treatment or management of an individual, based on the data that is outside the Company's recommended protocols.
Product liability	HitIQ could be exposed to product liability claims or other lawsuits resulting from maltreatment and/or serious side effects or harm being caused to a patient. HitIQ has implemented controls and processes designed to mitigate these risks and maintains what it believes is adequate liability insurance whenever economic and prudent.
Future product development	HitIQ has developed its concussion technologies and continues to invest in the R&D of these systems. There is no guarantee that the further development of these systems will be successful. There are a number of inherent risks associated with developing technology systems and related products. HitIQ gives no guarantee that development milestones will be achieved or that intellectual property will be developed into further products that are commercially exploitable.

Risk Category	Risk
Competition	HitIQ competes against other companies who are developing technologies which are aimed at competing with HitIQ's technology. HitIQ faces the risk that (amongst other things) existing competitors could gain market share through aggressive sales and marketing campaigns, product research and development or price discounting. HitIQ may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors or new market entrants into the industry could develop products which compete with HitIQ's' products.
Delay or failure to achieve validation for CoVR	The failure to achieve clinical validation for CoVR would result in the inability for HitIQ to commercialise the product for its intended use. Collecting data from multiple clinical sites itself poses execution risk which may adversely affect the ability to collect sufficient data. Once the data is collected there is no guarantee HitIQ's underlying technologies and algorithms will perform to a standard which will be able to adequately identify concussion injury data to regulatory and scientific standards.
COVID-19 risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

9.3 General risks

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Risk Category	Risk
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.
Market conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: · general economic outlook; · introduction of tax reform or other new legislation; · interest rates and inflation rates; · changes in investor sentiment toward particular market sectors; · the demand for, and supply of, capital; and · terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance. Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 6.11 for further details on the Shares likely to be classified by the ASX as restricted securities.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with technology and production is not always available and where available the costs can be prohibitive.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

9.4 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.



SECTION 10

Material contracts.

10. Material contracts

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

10.1 Lead Manager Mandate

The Company has entered into a Lead Manager Letter of Engagement with Shaw and Partners Limited (Shaw) for the provision of lead manager services to the Company regarding its initial public offering under this Prospectus. Pursuant to the Letter of Engagement with Shaw, Shaw is to act as bookrunner and sole lead manager to the offer of Shares, and to provide structuring advice to the Company in relation to the offer of Shares.

In consideration for the provision of these services, Shaw will be paid a Management and Selling fee of 6% of gross proceeds from the Offer and shall be issued 6,000,000 unlisted options exercisable at \$0.30 on or before 18 December 2023.

The Lead Manager Engagement is otherwise subject to standard terms and conditions which include warranties provided on behalf of the Company and the ability of Shaw to terminate the Lead Manager Engagement on a short period of notice.

Post the Company's successful listing on the ASX, the Lead Manager Engagement also provides for Shaw to have an ongoing role as the corporate advisor to the Company for a period of 12 months from date of the Agreement (8 December 2021). The Company will pay Shaw a retainer of \$10,000 per month for the provision of ongoing advisory services, which will be paid up front from the proceeds of the Offer.

10.2 Memorandum of Understanding – AFL

The Company has entered into a Binding Memorandum of Understanding with the Australian Football League (**AFL Agreement**), the material terms and conditions of which are summarised below:

Name of Contract	Memorandum of Understanding
Parties	Australian Football League (AFL) HITIQ Limited (Company)
Date of Contract	4 March 2021
Summary of the Contract	The Company will provide equipment, data and associated software to the AFL for researching head impact incidents and concussive events. The AFL agree to pay the Company for the services provided.

Term / Termination	The Agreement will commence on 1 January 2021 and, subject to other provisions of the Agreement, expire on 31 December 2023 (or later date if agreed by the parties). The Agreement may be terminated by written agreement where there is a material breach by the other party.
Consideration	The AFL will pay the Company a fixed cash fee plus GST for each year of the term, subject to the AFL first receiving a valid tax invoice, by way of four equal quarterly instalments commencing 1 March 2021. Parties will discuss in good faith a variation to the fee should the number of individual players fitted with a mouthguard in any one year exceed 900 players.
Equity/Security	The parties agree to negotiate in good faith the terms on which the AFL will be granted an option, at the AFL's election to either: - equity in the Company or any related business exploiting a head impact sensor system to quantify head impact incidents: or - a licensing agreement providing the AFL with royalties for reach product sold or licensed by the Company relating to a head impact sensor system to quantify head impact incidents.
Data Ownership	Parties agree that the AFL owns all data generated under the Agreement. The AFL grants the Company non-exclusive, royalty free licence to access and use the data at any time during the term, or in a period of 24 months following the term, for the following purposes: - performing its obligations in delivery of services to the AFL; - monitoring its rights under any agreement between the parties; - monitoring performance of the AFL's technology (including hardware and software); - generation of data; - aggregate reporting purposes to the AFL, or which does not refer to the AFL; - internal research and development; - updating the Company's databases; - improvement of performance of the Company's technology, products and services; and - purposed related to regulatory compliance and approvals.
Intellectual Property	Parties agree that the AFL shall be the absolute owner of the intellectual property created, developed, or discovered as a result of carrying out the services under this Agreement.
Company Obligations	The Company shall: - when undertaking or conducting the services under the Agreement, act in the best interests of the AFL, AFL Clubs and user group and not engage in any conduct which will or is likely to prejudice the reputation or interests of the AFL or Australian football; - Ensure delivery, service and maintenance of all mouthguards and supporting infrastructure for the duration of the Agreement; - Provide the AFL and designated affiliates with access to a kinematic databank for the user groups; - Provide support to the user group and AFL clubs as requested; and - Incorporate accompanying video of head knocks from the Hawk-Eye vision into the database.
Confidentiality Obligations	Each party shall keep confidential all information material acquired or produced in connection with the Agreement and shall not without prior written consent of the other party use or disclose or otherwise make available information or material in any form to any person. The obligation will survive the termination or expiry of the Agreement and is legally binding. It is agreed that the AFL may provide parts or all of the Agreement to the AFL Players' Association.

10.3 L3 Agreement

The Company has entered into a Joint Development Agreement with L3Harris (**L3 Agreement**), the material terms and conditions of which are summarised below:

Name of Contract	Joint Development Agreement
Parties	L3Harris Technologies, Inc. (L3Harris) HitIQ Limited (Company)
Date of Contract	10 March 2020
Summary of the contract	Joint development agreement between L3Harris and the Company pursuant to which the parties are enabled to complement the distinct capabilities of the other to further develop impact sensor technology and a market strategy. The Parties aim to achieve this through utilising a non-sensor specific L3Harris Concussion Model for the development of a HitIQ sensor specific Dose-Response Model and Concussion Application Library that will translate mouthguard data in order to provide a concussion risk assessment for each impact collected and to further develop the accuracy of this new capability for domestic, international and military sales opportunities, and future US Government and commercial sales opportunities.
Term / Termination	Unless otherwise extended or terminated, the Agreement shall expire three (3) years from 10 March 2020. The Agreement may be terminated earlier with respect to any party giving thirty (30) calendar days' written notice to the other party on the occurrence of the following events or conditions: - A material breach by either party of any of the provisions contained herein. - the filing by or against either party in any court of competent jurisdiction of a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee; or the making of an assignment for the benefit of creditors. - failure of either party to meet a milestone (with the exception that a party cannot terminate under this clause due to their own failure to meet such a milestone). - failure of the Company to meet sales targets for year 2 and 3 of the Agreement. - the parties mutually agree to terminate the Agreement. - All terms and conditions of the Agreement that by their nature are intended to survive termination, shall remain enforceable subsequent to termination.
Consideration/Fees	Prior to the expiry of the agreement, the parties will negotiate an agreement by which the Company is free to commercialise a combination of the HitIQ sensor specific Dose-Response Model and Concussion Application Library owned by L3Harris, in exchange for a license fee payable to L3Harris to be mutually agreed upon.
Intellectual Property	The parties shall use the Proprietary Information (defined below) only in relation to the purposes agreed upon shall not disclose Proprietary Information to any third-party individual, corporation, or other entity, including its parent or affiliate without the prior written consent of the other party. The parties shall further limit the circulation and disclosure of the Proprietary Information within its own organization to its employees or agents (legal counsel, insurers and similar third parties) or affiliates having a "need to know" the Proprietary Information for the purpose set forth in the Agreement. In addition, the parties shall ensure that its employees, affiliates or agents are informed of the Proprietary nature of such information and agree to and are required to observe the provisions of confidentiality set forth herein. During and after the expiry of the agreement, the parties will not, and will not authorize or permit any of its current or future directors, officers, employees, affiliates, subcontractors, agents, consultants, customers or any third person or party to decompile, disassemble or reverse engineer the Proprietary Information or any portion thereof, or attempt to engage in any of the foregoing activities. The parties shall not use the Proprietary Information to perform any services relating to, or to manufacture or assemble any parts, components or subassemblies of, the products or equipment of the other party. The Agreement does not obligate a party to disclose any information to the other party, whether it constitutes Proprietary Information or not.

Proprietary Information	Proprietary Information includes but is not limited to: f. HitIQ Mouthguard (MG): This the Company's proprietary property. Any improvements and modifications to the mouthguard hardware and firmware needed to collect the data are the Company's responsibility. Mouthguard sensor development, packaging, and characterization of sensor accuracy will be conducted by the Company resources and will remain the property of the Company. g. HitIQ impact data, including data collected during human subject usage of a HitIQ Mouthguard, and data collected from laboratory testing of a HitIQ Mouthguard. h. L3Harris Concussion Model: This is L3Harris background intellectual property. Any improvements and modifications to improve functionality and expand predicted outcomes are L3Harris's responsibility. Modifications to the model made using new data from any source will generically be used to refine the model functionality and will remain property of L3Harris. i. Concussion Model Improvement/Changes: Modifications, improvements and/or development using the concussion model or improvements gained from use of the concussion model (or data from the model) for any application (App) will remain L3Harris Intellectual property. j. Each party to this Agreement will bear the respective costs, risks, and liabilities incurred by it as a result of its obligations and efforts under this Agreement. Therefore, neither Party shall have any right to reimbursement, payment, or compensation of any kind from the other during the period of this Agreement. Each party shall be responsible for its respective taxes, duties, tariffs, fees, imports, and other charges.
Confidentiality	Each party receiving Proprietary Information under the Agreement shall maintain the information in confidence in accordance with the terms of the Agreement notwithstanding any termination of the Agreement for a period of ten (10) years from the date the Agreement. Such period of protection shall survive termination and shall be binding upon the parties for the period specified.

10.4 Secured Loan Agreement

In March 2021, the Company entered into a secured loan agreement with Innovation Structured Finance Co, LLC (**Lender**) pursuant to which the Company has been granted a loan of \$547,575 (**Loan Agreement**). The material terms and conditions of the Loan Agreement are summarised below:

Name of Contract	Secured Loan Agreement
Parties	Innovation Structured Finance Co. LLC (Lender) HITIQ Limited (Borrower)
Loan Amount	\$547,575
Date of Contract	17 March 2021
Maturity Date	30 November 2021
Purpose of the contract	Under the Agreement, the Borrower carries on research and development in the course of its business activities and the Loan is wholly or predominantly for research and development expenditure. The Australian government's research and development tax incentive provides a tax offset to the Company for expenditure incurred in the course of research and development activities. This offset is then used to repay the Loan.
Repayment Obligations	The Loan must be repaid on or before the maturity date, being 30 November 2021. The Borrower must instruct its tax agent in writing to insert the Lender's designated account into the Borrower's tax return as the account in which the offset is to be paid. The loan amount may be paid in full at any time prior to the maturity date.
Interest/ Default Rate	Annual interest rate of 14%. Default rate of 18% (Default Rate).

Security	A separate specific Security Agreement exists in relation to the Loan. Under the Security Agreement, the Borrower grants the Lender a security interest over all present and future right, title and interest in the tax offset which the Borrower becomes entitled to receive and the proceeds of the refund, and other of the Borrower's assets necessary to enable the Lender to obtain the benefit of the refund, free of any other interest or encumbrance.
Events of Default	The agreement contains the following events of default: a. the Borrower fails to pay in full when due any amount owing to the Lender under this agreement or any other agreement between the Borrower and the Lender; b. the Borrower fails to comply with or to perform any term, obligation, covenant or condition under this agreement or any other agreement between the Borrower and the Lender including the Security Documents; c. the Borrower is in default under any loan, security agreement or any other agreement with any other party to whom the Borrower owes money that may affect any of the Borrower's property or ability to perform obligations under the agreement; d. the Lender determines on reasonable grounds that any representation or statement made by the Borrower or furnished by the Borrower to the Lender or on the Borrower's behalf is false or misleading either now or at the time it was made or furnished; e. the Lender determines on reasonable grounds that it was induced by fraud into entering into the agreement with the Borrower; f. there is a material change in the Borrower's ownership or organisational structure ("material change" means a change in ownership of 10% or more); g. any obligor or owner: i. is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due; ii. suspends making payments on any of its debts; or iii. by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness; iv. a moratorium is declared or is in effect in respect of any indebtedness of the Borrower or the Lender; v. any corporate action, legal proceedings or other procedure or step is taken to initiate, progress, give effect to or in relation to: a. the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any obligor or owner other than a solvent liquidation or winding up or reorganisation of any obligor or owner; b. a composition, assignment or arrangement with any creditor of any obligor or owner; c. the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any obligor or owner or any of its assets; d. the appointment or purported appointment of a restructuring practitioner to an obligor or owner pursuant to 453B of the Corporations Act, an obligor or owner making or purporting to make a declaration pursuant to section 458E of the Corporations Act, or an obligor or owner making or purporting to make a restructuring plan within the meaning of Part 5.3B of the Corporations Act; or e. enforcement of any security over any assets of any obligor or owner which is not satisfied within 30 days, or any analogous event occurs in any jurisdiction;

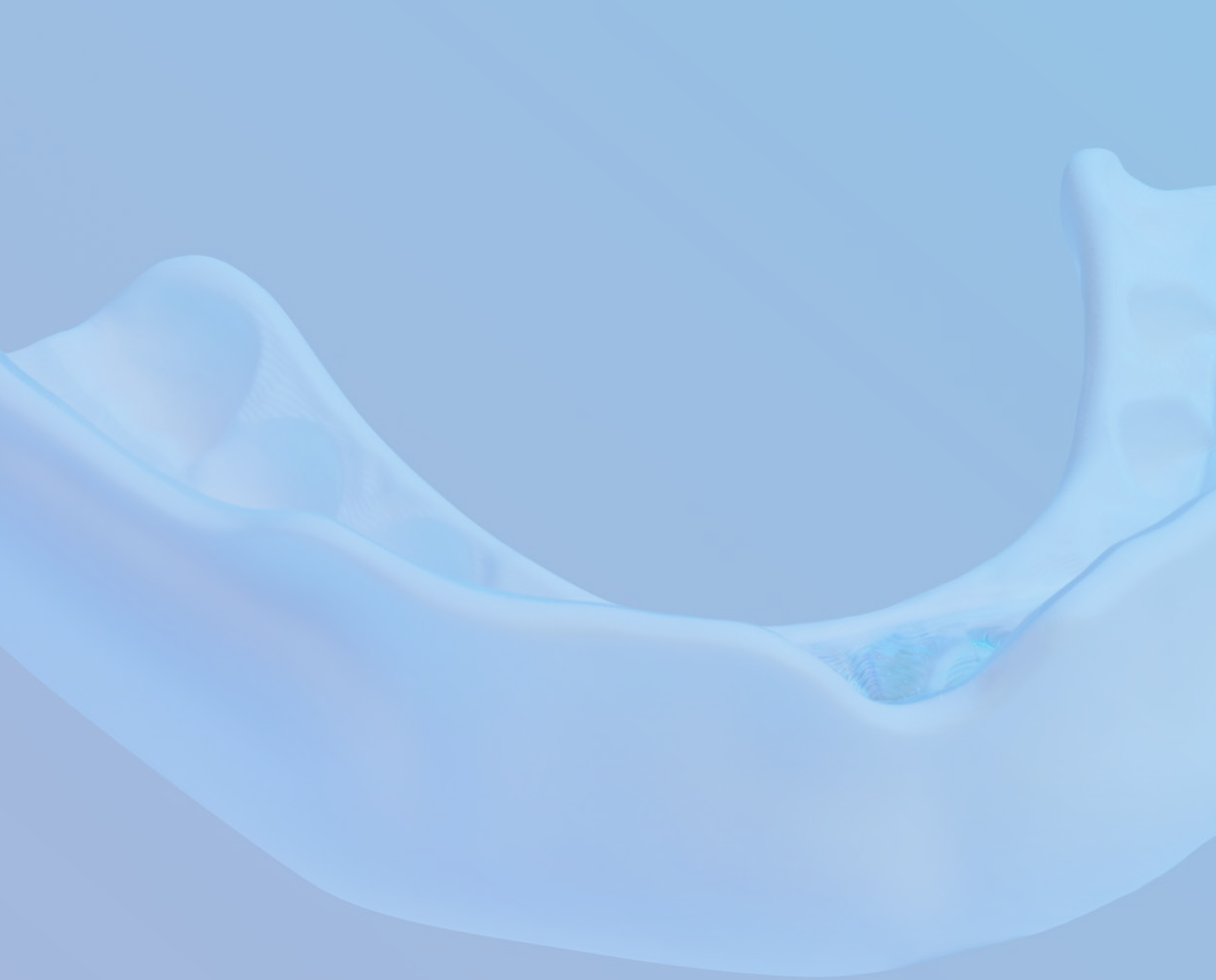
- vi. any expropriation, attachment, sequestration, distress or execution affects any asset or assets of an obligor or owner having an aggregate value of \$250.00 and is not discharged within 30 days;
- vii. the Borrower enters into any consolidation, merger, partnership, joint-venture or other business arrangement without our prior written consent;
- viii. the Borrower sells any assets except in the ordinary course of your business as now conducted, or sell, lease, transfer or assign any business assets necessary for the continued conduct of your business including the sale of any property or other assets accompanied by the leasing back of same;
- ix. an obligor or owner is wound up;
- x. judgment is entered against an obligor or owner for an amount of \$250.00 or more which is not satisfied within 30 days or stayed pending an appeal;
- xi. any security interest created by an obligor in our favour ceases to have the priority contemplated in it;
- xii. for any reason, the Borrower becomes or is determined to be ineligible to receive the refund;
- xiii. an event or a change occurs which could, in our reasonable opinion, have a material adverse effect on the business, assets or financial condition of an obligor or on your ability to obtain the refund or the ability of an obligor to perform its obligations under this agreement or any other agreement between the Borrower and the Lender including the security documents;
- xiv. an obligor stops or threatens to stop carrying on its business;
- xv. all or any part of any provision of this agreement or any other agreement between the Borrower and the Lender is or becomes illegal, void, voidable, unenforceable or otherwise of limited force or effect;
- xvi. an obligor fails to pay a tax debt of more than \$250.00 that is overdue for more than 90 days, unless the liability to make the payment is being contested by the obligor in good faith and sufficient reserves of liquid assets are set aside to pay the debt and the costs of contest if the contest is unsuccessful; or

any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened, or any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made, in relation to the finance documents or the transactions contemplated in the transaction documents or against any obligor or its assets involving a claim in excess of \$250.00 or which in the Lender's reasonable opinion have, or has, or are, or is, reasonably likely to have a material adverse effect on the business, assets or financial condition of an obligor or on the Borrower's ability to obtain the refund or the ability of an obligor to perform its obligations under this agreement or any other agreement between an obligor and the Lender including the security documents.

Upon default, interest becomes payable at the Default Rate for so long as the default continues unremedied. The Lender may declare that all monies due pursuant to the Loan and any other agreement between the Lender and the Borrower become immediately due and payable.

The Lender may cancel any commitment to fund a loan amount at which time they shall immediately be cancelled, and the Lender may take such action as they deem appropriate, including, subject to law, reporting the default to a credit reporting body and enforcing any security interest held.

The Lender may also appoint someone else to help collect the debt owed, the costs of which will be added to the amount the Borrower owes to the Lender.



SECTION 11

Additional
information.

11. Additional information

11.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a. General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

b. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculation the proportion.

c. Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors

may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares and (b) a dividend election plan permitting holders of Shares to the extent that the Shares are fully paid, to have the option to elect to forego the right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

d. Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

e. Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f. Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

g. Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

h. Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Option terms

11.3.1 Lead Manager Options

a. Entitlement

Each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

b. Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Lead Manager Option will be \$0.30 (**Exercise Price**).

c. Expiry Date

Each Lead Manager Option will expire at 5:00 pm (WST) on 18 December 2023 (**Expiry Date**). An Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d. Exercise Period

The Lead Manager Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

e. Notice of Exercise

The Lead Manager Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Lead Manager Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Lead Manager Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Lead Manager Option being exercised in cleared funds (**Exercise Date**).

g. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h. Shares issued on exercise

Shares issued on exercise of the Lead Manager Options rank equally with the then issued shares of the Company.

i. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

j. Participation in new issues

There are no participation rights or entitlements inherent in the Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Lead Manager Options without exercising the Lead Manager Options.

k. Change in exercise price

A Lead Manager Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Lead Manager Option can be exercised.

l. Transferability

The Lead Manager Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.3.2 Director Options

The Director Options have the following exercise price, expiry dates and vesting conditions and are otherwise issued on the terms outlined below:

No. of Options	Exercise Price	Expiry Date	Vesting condition
1,500,000	\$0.30	3 years from issue	The Company achieving annual recurring revenue (ARR) of not less than \$2 million within two years of the date of listing
3,000,000	\$0.30	3 years from issue	The Company achieving 510k or De Novo Approval from the US Food and Drug Administration for CoVR within 2 years from the date of listing
1,500,000	\$0.30	4 years from issue	The Company achieving annual recurring revenue (ARR) of not less than \$4 million within three years of the date of listing

- The Options will be unlisted.
- Each Option exercised will entitle the holder to one Share in the capital of the Company.
- The notice attached to the certificate has to be completed when exercising the Options (**Notice of Exercise**).
- Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than 15 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.

- g. The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been allotted and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- h. If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted and registered in respect of the exercise of Options before the record date for determining entitlements to the bonus issue, then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.

If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

11.4 Rights attaching to Performance Rights

Subject to approval by ASX, the Company has agreed on the proposed terms of Performance Rights to be issued to Mike Vegar prior to the Company commencing trading on ASX. The Company has applied to ASX for approval of the terms of the Performance Rights under ASX Listing Rule 6.1. Where ASX requires any amendments to the terms of the Performance Rights in order for them to be approved, the Company will act in good faith with Mr Vegar to agree upon those amendments to retain the intent of the incentive and performance objectives contained in these terms.

11.4.1 Disclosure re Performance Rights

The following disclosures are made for the purposes of ASX in relation to the Performance Rights:

- a. The Performance Rights are being issued to Mr Vegar as part of his remuneration package, in order to link part of the remuneration payable to specific performance milestones described below linked to the ongoing growth of the Company. The Performance Rights are being issued to incentivise the Managing Director in his ongoing role to grow the Company.
- b. A summary of the executive services agreement for each of Mr Vegar is set out in Section 7.3 of the Prospectus. As Managing Director, Mr Vegar will play a key role in executing the Company's business strategy as described in this Prospectus, which is directly aligned with the performance milestones for the Performance Rights.
- c. Details of the existing total remuneration package for Mr Vegar is disclosed at Section 7.2 of the Prospectus.
- d. Details of the security holdings of Mr Vegar (assuming completion of the Offer) are set out in Section 7.2 of the Prospectus.

The Performance Rights are being issued as part of Mr Vegar's remuneration package, as detailed in Section 7.3 of the Prospectus.

- e. The Company considers it necessary and appropriate to further remunerate and incentivise Mr Vegar to achieve the applicable performance milestones for the following reasons:
 - i. the issue of Performance Rights to Mr Vegar will further align the interests of Mr Vegar with those of Shareholders after the listing of the Company;
 - ii. the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - iii. the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Vegar; and
 - iv. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- f. The number of Performance Rights to be issued to Mr Vegar was determined by the Board following arm's length negotiations with Mr Vegar, and having regard to:
 - i. current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - ii. the remuneration of Mr Vegar; and
 - iii. incentives to attract and retain the service of Mr Vegar, who have the desired knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:

- i. the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- ii. the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
- iii. there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
- iv. there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
- v. the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing (less than 2% of issued Share capital); and
- vi. the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

11.4.2 Terms of Performance Rights

Class	No. of Performance Rights on issue
Class A	125,000
Class B	500,000
Class C	675,000

a. Milestones

The Performance Rights shall convert to Shares upon the Company achieving the applicable Milestone for that Class of Rights, prior to the applicable expiry date of that Class of Rights.

The Milestones and expiry dates for each Class of Rights is set out in section 11.4.3 below.

b. Notification to holder

The Company shall notify the holder in writing when the Milestone has been satisfied.

c. Conversion

Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share.

d. Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

e. Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

f. Transfer of Performance Rights

The Performance Rights are not transferable.

g. Lapse of a Performance Right

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

h. Participation in new issues

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

i. Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

j. Adjustment for bonus issue

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

k. Dividend and Voting Rights

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

l. Change in Control

Subject to paragraph (m), upon:

- i. a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - a. having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - b. having been declared unconditional by the bidder.
- ii. a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

m. Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Right shall be deferred until such

later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- i. holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- ii. the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

n. No rights to return of capital

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

o. Rights on winding up

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

p. No other rights

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

11.4.3 Conversion of the Performance Rights

a. Milestones

Subject to sub-paragraph (b), a Performance Right will vest and be convertible into one (1) Share on the achievement of the following milestones:

i. Class A Performance Rights

Each Class A Performance Right will vest and be convertible into one Share upon the Company entering into an agreement with an Australian national sporting code for the 2021 season, with an acceptable promotional deal to benefit the Company by 30 June 2021.

ii. Class B Performance Rights

Each Class B Performance Right will vest and be convertible into one Share upon the Company entering a deal with an Australian national sporting code with a minimum audited revenue of \$200,000 per annum (excluding GST) by 31 March 2022.

iii. Class C Performance Rights

Each Class C Performance Right will vest and be convertible into one Share upon the Company receiving notice from the Australian Securities Exchange that its shares will commence trading on the ASX on a date to be specified by the ASX.

(Each referred to as a **Milestone**).

For the avoidance of doubt, all calculations for the purposes of satisfying the Milestones will be based on the relevant accounting standards and will exclude:

- i. one off or extraordinary revenue items;
- ii. revenue received in the form of government grants, allowances, rebates or other hand-outs; and
- iii. revenue or profit that has been manufactured to achieve the Milestone.

b. Conversion of Performance Rights

- i. Subject to paragraph (ii) below, in the event a Milestone is satisfied, the Performance Rights held by the holders will convert into an equal number of the Company Shares. If the holder provides the Company with:
 - a. the certificate for the Performance Rights or, if the certificate for the Performance Rights has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed; and
 - b. a notice in the form provided in the incentive performance rights plan addressed to the Company and signed by the Participant stating that the Participant request to convert the Performance Rights and specifying the number of Performance Rights which are to be converted.
- ii. If the exercise of the Performance Rights into the Company Shares would result in the holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Rights that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach.

c. No Conversion if Milestone not Achieved

To the extent that:

- i. the Performance Rights have not converted into Shares on or before the date which is five (5) years from the Issue Date (Expiry Date), then all such unconverted Performance Rights will automatically consolidate into one Performance Right and will then convert into one Share; and
- ii. the Performance Rights have not converted into Shares on or before the Expiry Date, then all such unconverted Performance Rights will automatically consolidate into one Performance Right and will then convert into one Share.

d. After Conversion

The Shares issued on conversion of the Performance Rights will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

e. Conversion Procedure

The Company will issue the holders with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.

11.5 Performance Rights and Option Plan

The Company adopted a Performance Rights and Option Plan (**PROP**) on 21 January 2021, the key terms of which are as follows:

a. Eligibility

Participants in the PROP consist of:

- i. a Director (whether executive or non-executive) of any Group Company;
- ii. a full or part time employee of any Group Company;
- iii. a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- iv. a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (i), (ii) or (iii) above, who is declared by the Board to be eligible to receive grants of Awards under the PROP.

b. Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the PROP and upon such additional terms and conditions as the Board determines.

c. Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

d. No Consideration

- i. Performance Rights granted under the PROP will be issued for nil cash consideration.
- ii. Unless the Options are quoted on the ASX, Options issued under the PROP will be issued for no more than nominal cash consideration.

e. Exercise Price

The Board may determine the Option exercise price (if any) for an Option offered under the Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

f. Vesting Conditions

An award may be subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Awards.

g. Lapse of an Award

An award will lapse upon the earlier to occur of:

- i. an unauthorised dealing in, or hedging of, the Award occurring;
- ii. a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- iii. in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - a. exercises its discretion to vest the Award; or
 - b. in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant.
- iv. in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- v. the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- vi. the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- vii. the Expiry Date of the Award.

h. Not transferable

Awards are only transferable:

- i. in special circumstances or a change of control, in either case with the consent of the Board (which may be withheld in its absolute discretion); or
- ii. by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

i. Shares

All Shares issued under the PROP will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

j. Restriction of Dealing in Shares

The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restricted Shares**), up to a maximum of five (5) years from the Grant Date of the Awards (Restriction Period).

k. No participation rights

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

l. Change in exercise price of number of underlying securities

An Award does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Award can be exercised.

m. Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

n. Trust

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.

The maximum number of Shares proposed to be issued under the PROP is the maximum permitted under the ASIC Class Order.

11.6 Incentive Share Plan

The Company also adopted an Incentive Share Plan (**Share Plan**) on 21 January 2021, the key terms of which are as follows:

The principle terms of the Share Plan are summarised below:

a. Eligibility

Participants in the Share Plan consist of:

- i. a Director (whether executive or non-executive) of any Group Company;
- ii. a full or part time employee of any Group Company;
- iii. a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- iv. a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (i), (ii) or (iii) above, who is declared by the Board to be eligible to receive grants of Awards under the Share Plan.

b. Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for up to a specified number of Plan Shares, upon the terms set out in the Share Plan and upon such additional terms and conditions as the Board determines (**Offer**).

In exercising its discretion to make an Offer, the Board may have regard to the following (without limitation):

- i. the Eligible Participant's length of service with the Group;
- ii. the contribution made by the Eligible Participant to the Group;
- iii. the potential contribution of the Eligible Participant to the Group; or
- iv. any other matter the Board considers relevant.

For the avoidance of doubt, nothing in the Share Plan obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

c. Issue price

The Issue Price of the Plan Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

d. Vesting Conditions

A Plan Share may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Plan Shares.

e. Loan

The Company may, in its absolute discretion, grant a Loan to a Participant for the purpose of purchasing Plan Shares under an Offer.

Where the Company decides to offer a Loan to a Participant to acquire Plan Shares, the Offer for the Plan Shares must include:

- i. the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered under the Offer); and
- ii. the Loan Repayment Date.

Where a Participant lodges an Acceptance Form agreeing to a Loan, and the Company accepts that Acceptance Form:

- i. a loan agreement is deemed to arise between the Company and the Applicant on the terms and conditions in this Rule;
- ii. the Company is deemed to loan the amount agreed in the Acceptance Form (**Loan Amount**) to the Applicant at the time the Company issues the Plan Shares to the Applicant; and
- iii. the Applicant is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment (in full or in part) in respect of the Plan Shares being acquired under the Offer.

f. Interest

A Loan will be interest free unless the Company and the Applicant agree otherwise. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Eligible Participant, which arises from the interest arrangements for the Loan.

g. Repayment

- i. A Loan is repayable in full on the Loan Repayment Date specified in the Offer unless earlier repayment is otherwise required under the Share Plan.
- ii. A Participant may repay all or part of its Loan to the Company at any time prior to the Loan Repayment Date.
- iii. The Company shall have a lien over the Plan Shares in respect of which a Loan Amount is outstanding and the Company shall be entitled to sell those Plan Shares in accordance with the terms of this Plan.
- iv. A Loan in respect of a Plan Share shall be repayable in full where:
 - a. a Vesting Condition in relation to the Plan Share the subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, unless that Vesting Condition is not waived by the Board;
 - b. the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant and, at that time, there is a Vesting Condition in relation to the Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board (and that Vesting Condition is not waived by the Board); and

- c. the Participant suffers an Event of Insolvency;
 - d. the Company notifies that the Plan Share is to be bought back; or
 - e. the Participant breaches any condition of the Loan or the Share Plan.
- v. A Participant may not transfer, assign, encumber or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been fully repaid or otherwise forgiven in accordance with the Share Plan.

h. Forfeiture, Buyback and Cancellation

Except as otherwise provided by the Share Plan, a Plan Share will be forfeited, and the Company must, subject to the Corporations Act and the ASX Listing Rules, buy back and cancel a Plan Share under Part 2J.1 of the Corporations Act where:

- i. an unauthorised dealing in, or hedging of, the Plan Share occurs;
- ii. a vesting condition in relation to the Plan Share is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition or paragraph 11.6(h)(iii)(B) applies;
- iii. a Participant ceases to be an Eligible Participant and, at that time, there is a vesting condition in relation to that Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board, unless the Board:
 - a. exercises its discretion to waive that vesting condition; or
 - b. in its absolute discretion, resolves to allow the vesting condition to continue to apply to the Plan Share after the Participant ceases to be an Eligible Participant;
- iv. the Board deems that a Plan Share is forfeited due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant); or
- v. the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not waive the vesting condition.

i. Restriction on transfer

Subject to the restriction on dealing in Plan Shares, there will be no transfer restrictions on Plan Shares issued under the Share Plan unless the sale, transfer or disposal by the Participant of the Plan Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).

j. Power of Attorney

The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buyback of the Participant's Plan Shares including executing all documents and seeking or providing all necessary approvals and the Participant acknowledges and agrees that the power of attorney is given for valuable consideration (in the form of the Plan Shares).

k. Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

l. Quotation on ASX

If Shares of the same class as those issued under the Share Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the later of 10 Business Days after:

- i. the date the Plan Shares are issued; and
- ii. the date any Restriction Period that applies to the Plan Shares ends.

m. Rights attaching to Plan Shares

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares issued under the Share Plan and will be entitled to dividends and to exercise voting rights attached to the Plan Shares.

n. Appointment of Trustee

The Board may, in its absolute discretion, on or before the time of making an Offer, determine that Plan Shares offered to an Eligible Employee must be held by a Trustee on trust for the benefit of the Participant.

- o. The maximum number of Shares proposed to be issued under the Share Plan is the maximum permitted under the ASIC Class Order.

11.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- a. as an inducement to become, or to qualify as, a Director; or
- b. for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

11.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a. person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b. promoter of the Company; or
- c. underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- d. the formation or promotion of the Company;
- e. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- f. the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- g. the formation or promotion of the Company; or
- h. the Offer.

Bentleys Audit & Corporate (WA) Pty Ltd (**Bentleys**) has acted as Investigating Accountant and, has prepared the Investigating Accountant's Report which is included in Annexure B and is the Auditor of the Company. The Company estimates it will pay Bentleys a total of \$12,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bentleys has received \$28,050 in fees from the Company for audit services.

Shaw and Partners Limited will receive 6% of the total amount raised under the Prospectus (plus GST) following the successful completion of the Offer for its services as Lead Manager to the Offer. Shaw and Partners Limited will be responsible for paying all capital raising fees that Shaw and Partners Limited and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Shaw and Partners Limited are summarised in Section 10.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Shaw and Partners Limited received fees of \$118,800 from the Company for capital raising services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$90,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid \$6,370 in fees for legal services provided to the Company.

Forward Intellectual Property Pty Ltd has acted as Patent Attorney and has prepared the Patent Attorney's Report which is included in Annexure A. The Company estimates it will pay Forward Intellectual Property Pty Ltd a total of \$11,666 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Forward Intellectual Property Pty Ltd has received \$74,561 in fees from the Company for services related to the management of the Company's intellectual property.

11.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b. in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- c. has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bentleys Audit & Corporate (WA) Pty Ltd has given its written consent to being named as Investigating Accountant and Auditor in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure B in the form and context in which the information and report is included.

Bentleys has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountants Report included in Annexure to this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Forward Intellectual Property Pty Ltd has given its written consent to being named as Patent Attorney in this Prospectus and to the inclusion of the Patent Attorney's Report in Annexure A in the form and context in which the information and report is included.

Shaw and Partners Limited has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automic has given its written consent to being named as the share registry to the Company in this Prospectus.

11.10 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$605,249 for Minimum Subscription or \$801,716 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	3,206	3,206
ASX fees	60,377	76,844
Lead Manager Fees	420,000	600,000
Legal Fees	90,000	90,000
Intellectual Property Report Fees	11,666	11,666
Investigating Accountant's Fees	12,000	12,000
Printing and Distribution	\$8,000	\$8,000
TOTAL	605,249	801,716

12. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Otto Leslie Steven Buttula

Non-Executive Chair

For and on behalf of

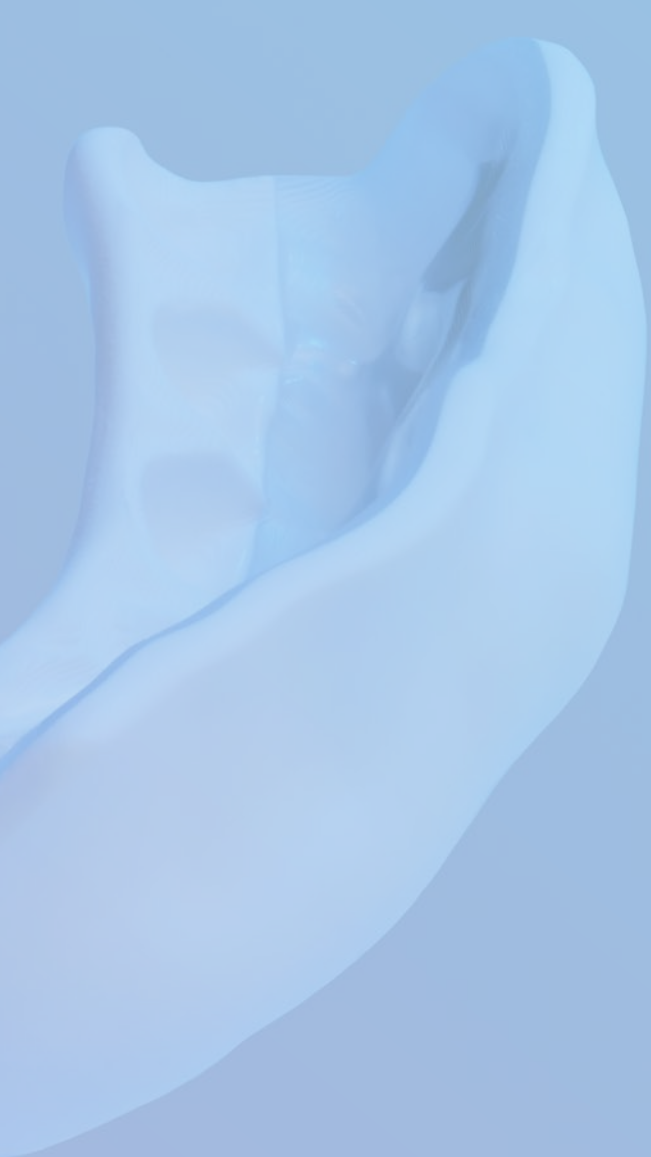
HitIQ Limited

13. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

Term	Meaning
\$	an Australian dollar.
Application Form	the application form attached to or accompanying this Prospectus relating to the Offer.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	the official listing rules of ASX.
Board	the board of Directors as constituted from time to time.
Business Days	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement.
Closing Date	the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Company or HitIQ	HitIQ Limited (ACN 609 543 213).
Conditions	has the meaning set out in Section 4.10.
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company at the date of this Prospectus.
Exposure Period	the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
FTE	full time equivalent.
Incentive Share Plan	the Incentive Share Plan summarised in Section 10.6.
Lead Manager	Shaw and Partners.
Lead Manager Mandate	the agreement with the Lead Manager summarised in Section 10.1.
Maximum Subscription	the maximum amount to be raised under the Offer, being \$10 million.
Minimum Subscription	the minimum amount to be raised under the Offer, being \$7 million.
Offer	the offer of Shares pursuant to this Prospectus as set out in Section 4.1.
Official List	the official list of ASX.
Official Quotation	official quotation by ASX in accordance with the ASX Listing Rules.
Option	an option to acquire a Share.

Term	Meaning
Optionholder	a holder of an Option.
Performance Right	a performance right convertible into a Share.
Performance Rights and Option Plan	has the meaning set out in Section 10.5.
Prospectus	this prospectus.
Section	a Section of this Prospectus.
Securities	Shares and Options.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of Shares.
US	United States of America.
WST	Western Standard Time as observed in Perth, Western Australia.



ANNEXURE A

Patent attorney's report.



**FORWARD
INTELLECTUAL
PROPERTY**

BY EMAIL ONLY: mikevegar@HitIQ.com

The Directors
HitIQ Limited
Suite 3, 128 Main Street
Osborne Park WA 6017
Australia

7 April 2021

Our Ref:
HitIQ

Contact:
Matthew Ward

Dear Sirs

Intellectual Property Report: HitIQ Limited

1. EXECUTIVE SUMMARY

We provide below our report (the "Report") detailing the current status of the patent and trademark properties of HitIQ Limited ("HitIQ"), ACN 609 543 213, for inclusion in a Prospectus to be lodged at the Australian Securities & Investments Commission.

The Report sets out details of the various patent and trademark properties shown, as well as their status as at the date indicated in the Report. The Report is correct to the best of our knowledge as at the date of the Report, subject to the limitations and qualifications set out in Section 12 of the Report.

2. ABOUT FORWARD IP

Forward IP is Sydney based Incorporated Legal Practice, also operating as a Registered Incorporated Patent Attorney firm. It's founder and Principal, Matt Ward, is a former Principal of one of Australia's leading patent firms, and is one of Australia's few dual-qualified patent attorneys and solicitors. Forward IP was founded in 2018 to provide a new alternative in the Australian Intellectual Property arena, with a focus on providing high quality specialist bespoke advice to Australian technology companies, to support the success of those companies both locally and internationally.

3. SCOPE OF THIS REPORT

This report details registered intellectual property owned by HitIQ, including patent properties and trademark properties.

Phone: +61 408 22 88 33

Email: MattWard@Forward-IP.com

Web: www.Forward-IP.com

Mail: 3-127 Crown Road, Queenscliff, NSW, 2096, Australia **Office:** Level 2, 11 York Street, Sydney, NSW, 2000, Australia

*Forward Intellectual Property Pty Ltd operates as an Incorporated Legal Practice and Registered Incorporated Patent Attorney.
Liability limited by a scheme approved under Professional Standards Legislation*

In respect of each property:

- Filing particulars have been confirmed against official Patent Office records.
- Current official status details have been verified to ensure that rights are in force.
- Investigations have been performed in relation to devolution of title and ownership.

In preparing this report, in addition to reviewing our internal databases, we relied upon information contained in relevant publicly available databases. Forward IP is not responsible for the accuracy of the information available in public databases and accordingly cannot guarantee the accuracy of this information.

This report acknowledges that the patent applications remain pending in anticipation of substantive examination on a jurisdiction-by-jurisdiction basis.

As far as possible, the information in this Report is current as of 7 April 2021.

4. INTELLECTUAL PROPERTY - OVERVIEW

The term “intellectual property” refers to the collection of registrable and non-registrable rights, including rights in patents, designs, trademarks, plant varieties, copyright, confidential information and trade secrets. Intellectual property shares many of the characteristics associated with real and personal property. For example, intellectual property is an asset, and as such it can be bought, sold, licensed, exchanged, or gratuitously given away like any other form of property. Further, the intellectual property owner, in this instance HitIQ, has the right to prevent the unauthorised use or sale of the property.

Intellectual property is a valuable and tangible asset which needs to be carefully and diligently protected. It encompasses statutory and common law rights which provide protection in relation to products, processes, trade names, designs, drawings, plant breeders rights and circuit layouts in industry, science or commerce. This Report deals only with intellectual property in the form of patent and trademark properties.

5. PATENTS

Patents for inventions are one important type of intellectual property. A patent, once granted by the relevant local authority, provides a monopoly to exploit an inventive product or process for a defined period of time in a given jurisdiction. The underlying rationale is that a patent applicant discloses their invention in exchange for a period of monopoly rights during which they can (for example) enjoy returns on their investment in research and development. A patent is a statutory monopoly which confers on the

owner of the patent the exclusive right to make, use, or sell the invention as defined in the patent claims throughout the territory of the country granting the patent. A patent has a fixed term, which in most countries is 20 years from the date of filing of the patent application.

A patent right is obtained by filing a patent application together with a patent specification, which describes the invention in detail, and includes a set of claims which define the monopoly which is sought. In most jurisdictions, the patent application and claims are subjected to a substantive examination process, during which a local Patent Office will assess the claims to determine whether they meet local requirements for patentability. These requirements vary between jurisdictions, but in most cases include the following requirements:

- (i) *Novelty*. The invention must be new compared to subject matter that was in the public domain, or for which patent protection had already been sought, prior to the priority date.
- (ii) *Inventive Step*. The invention must involve a threshold degree of inventiveness (non-obviousness) relative to subject matter in the public domain prior to the priority date. The way in which inventiveness is assessed varies significantly between jurisdictions.
- (iii) *Description Requirements*. The patent specification must contain sufficient detail for a skilled person to reproduce/perform the invention.

A range of other requirements exist on a jurisdiction-specific basis. When assessing whether a patent or patent application claim for novelty or inventive step, attentions turn to the “priority date”. In the case of HitIQ’s patent applications, this is in each case the date on which an Australian provisional patent application for the relevant technology was filed. This priority date is recognised in all key markets, subject to an international agreement (the Paris Convention).

The patent claims, which as noted above define the monopoly which is sought, are subject to change over time. For example, patent claims will often be amended during the examination process in response to objections based around novelty or inventive step. In some cases, patent claims may change to reflect changes in commercial strategy.

Enforcing a patent, in general terms, involves asserting that one or more of the claims of an issued patent are both: (i) valid, which includes satisfying requirements of novelty and inventive step; and (ii) infringed, which includes demonstrating that a third party is using each and every essential feature defined in at least one of the granted patent claims. Precise requirements vary from jurisdiction to jurisdiction.

The grant of a patent in one country does not confer any rights in any other country. Each country has its own national patent laws and there is unfortunately no such thing as a “global” patent (although there are some “regional” patent systems, including in Europe and the Persian Gulf). Generally, in order to

obtain patent protection overseas, it is ultimately necessary to file separate patent applications in each country of interest. International conventions enable a provisional patent application to be used as the first step in obtaining patent rights in other countries, which claim priority from the initial provisional patent application. International conventions relevant to HitIQ include:

- The Paris Convention. Under this convention, priority dates afforded by provisional patent applications filed in Australia are recognised internationally. This allows HitIQ to reserve a patent position internationally for 12 months following the filing of each Australian provisional patent application, for subject matter disclosed in the relevant provisional patent application.
- The Patent Cooperation Treaty. This treaty, administered by the World Intellectual Property Organisation (WIPO), allows patent applicants to extend recognition of their priority dates to 30 months, and in some cases longer. The process involves lodging a single “international” patent application. The international patent application never confers enforceable rights in itself; it is eventually superseded by individual national/regional patent applications, which are examined and granted on a jurisdiction-by-jurisdiction basis.
- The European Patent Convention, whereby a single European Patent Application is examined by the European Patent Office, and once granted, is optionally registered and maintained in each individual European Patent Convention country in which it is desired to have a patent. It is mentioned that the European Patent Convention is separate from the European Union, and hence not affected by Brexit. The United Kingdom remains a party to the European Patent Convention.

As noted, is often necessary during the examination of a patent application to define the invention more specifically by amendment of the claims, for example to distinguish relevant prior art. As a result of this process, there may be variations in the claims between countries, reflecting in part the different examination procedures and threshold requirements for patentability, according to national laws. Whilst this is relatively standard procedure, in certain circumstances, such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of patent. Accordingly, the assessment of patentability varies from jurisdiction-to-jurisdiction, and inventions which may be granted and are registrable in one jurisdiction may be excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of patent protection obtained for the same patent in different jurisdictions. The outcome of an examination of the patent application by the patent office of one jurisdiction is not binding on the patent office of any other jurisdiction. This means there is also a risk that a patent may be granted on application in one jurisdiction, and that a third-party patent may subsequently be cited during examination of another patent application that has been filed elsewhere.

Besides documentary prior art, public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability of invention to which the patent application relates. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures. Commercialisation or secret use of an invention in a jurisdiction by, or with the authority of, a patent applicant (or their predecessor in title) before the priority date of a patent application that has been filed in the jurisdiction by the applicant in respect of the invention, can also be relevant to the patentability of intervention and the validity of any patents that may ultimately be granted on the application. Such commercial exploitation or secret use would not normally be identified by documentary patentability searches of publicly accessible databases.

In some jurisdictions there is a duty to disclose certain information to the relevant patent office. This information can include relevant prior art information known to the applicant or its agents or search results issued in respect of corresponding foreign applications. Failure to disclose such information may adversely affect the validity and/or enforceability of the patent. We further note that there may be changes to patent law in a particular jurisdiction from time-to-time which may have an impact on patents in the relevant country.

It should also be noted that grant of a patent does not guarantee that the patent is valid or enforceable, and Forward IP provides no assurance that HitIQ's pending patent applications will be granted or will be held valid and enforceable following grant.

Notwithstanding the issue regarding guaranteed enforceability, once a patent has been granted and throughout the lifetime of a patent, the proprietor has the exclusive rights to use the patented technology. This means that they can decide to exclusively use it for their own benefit (for instance, by means of application in their own products) and prevent others from using it. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the limited scope of the use of the patent and the consideration to be paid in exchange for the license benefits.

Once a patent application has passed through examination, and a patent is granted, renewal fees will need to be paid, otherwise the patent will cease. In some jurisdictions, including Australia and Europe, renewals fees are also payable for pending patent applications. At the time of the Report, there are no outstanding renewals due for any HitIQ patent properties.

Once a patent has been granted the owner may initiate infringement proceedings against an alleged infringer of the property. Patent infringement proceedings cannot be initiated on the basis of a pending application. Filing an application does not mean that the applicant is free to commercialise the invention, as it is possible that the intellectual property rights or common law rights of another party may be infringed by doing so.

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs. A granted patent provides no guarantee of validity. In most jurisdictions, whilst there is an initial presumption of validity, the validity of a patent may be challenged at any time after grant, by way of revocation/invalidation proceedings filed in a Court of competent jurisdiction.

6. HITIQ PATENT PORTFOLIO

Full details of the HitIQ's patent portfolio are provided in Schedule 1.

In overview, the portfolio comprises:

- Three international patent applications, filed under the Patent Cooperation Treaty (PCT). Two of these remain unpublished.
- Five Australian provisional patent applications, which currently reserve patent rights internationally under the Paris Convention. These remain unpublished, and as such the content of these application remains confidential.
- Two pending Australian standard patent applications.

All applications shown in Schedule 1 are pending normally, with no deadlines or fees outstanding.

Additional details regarding each of the patent applications, including overviews of the subject matter they seek to protect, are provided below.

HitIQ-101 – Legacy Hardware Technology	<i>Priority Date:</i> <i>5 December 2016</i>
This application relates to some of HitIQ's original hardware configurations, which have been superseded and are no longer a focus of commercialization. Patent applications were previously lodged in the US and Europe, but these have been allowed to lapse in view of the company's current technological direction.	
HitIQ-102 – Legacy Processing Technology	<i>Priority Date:</i> <i>5 December 2016</i>
This application relates to some of HitIQ's original sensor data processing algorithms, which have been superseded and are no longer a focus of commercialization. Patent applications were previously lodged in the US and Europe, but these have been allowed to lapse in view of the company's current technological direction.	

HitIQ-201 – Printed Circuit Board Technology

Priority Date:
6 February 2019

This application relates to a flexible printed circuit board (PCB) configuration developed by HitIQ. In overview, each HitIQ instrumented mouthguard includes the same PCB component, so this component needs to be able to accommodate a range of different user-customized mouthguard shapes and sizes. HitIQ has solved this problem by way of a PCB that follows a meandering path between component zones, allowing for effective customized fitting.

The current patent claims have been reviewed by the International Searching Authority, and an official opinion has been issued by that Authority indicating that all claims satisfy requirements for novelty and inventive step.

HitIQ-202 – Calibration Technology for User-Customized Mouthguards

Priority Date:
10 March 2020

This application relates to technology used by HitIQ to configure sensors for each user-customized mouthguard. As context, each mouthguard is unique, as is each user. This technology allows for calibration of an individual's customized mouthguard thereby to enable mathematical transforms of sensor data to the center-of-gravity of the relevant individual's head. This is a key technology in moving from "one-off" instrumented mouthguards used for research purposes, towards a technology that can be commercially scaled across a larger user base.

In international patent application under the Patent Cooperation Treaty (PCT) will be lodged by 10 March 2021.

HitIQ-203 – Virtual Reality Based Head Injury Assessment via Cognitive Loading

Priority Date:
10 March 2020

This application relates to technology whereby virtual reality technology is used to enable a head injury assessment. The crux of HitIQ's approach here is to deliver different classes of neurological tests in succession, and in doing so increase a cognitive load on the subject.

In international patent application under the Patent Cooperation Treaty (PCT) will be lodged by 10 March 2021.

HitIQ-204 – Combined Assessment Using Sensor Data and Physical Performance Data

Priority Date:
9 June 2020

This application relates to technology bringing together two disparate forms of head injury management technology: (i) sensor data, which reveals information about an impact; and (ii) physical performance testing, which reveals information about the state of a subject following the impact. This provides for a much richer assessment environment, whereby a more direct correlation between impact and effect can be captured and analyzed.

HitIQ-205 – Multi-layer Instrumented Mouthguard Manufacture Technology

Priority Date:
16 November 2020

This application relates to a mouthguard manufacturing process, which has been developed for incorporating printed circuit boards into custom-molded mouthguards. A key aspect of this technology is use of an additional internal shielding layer, which assists in diverting forces applied to the body of the mouthguard, hence protecting the embedded instrumented components from damage.

HitIQ-206 – Head Injury Assessment Testing via Instrumented Mouthguard

Priority Date:
4 February 2021

This application relates to technology whereby an instrumented mouthguard (or other instrumented device, such as a helmet), is configured to perform functions beyond impact detection. For example, sensor data is utilized for the purposes of monitoring physical performance, for example in terms of balance, running technique, and the like. Accordingly, the mouthguard becomes a tool used both for detection of head impacts, and also for detection of subsequent symptoms of head injuries. This allows for applications including utilization of the mouthguard as part of a head injury assessment (such as a standing balance test). The technology may also be applied to allow detection of other changes in physical performance of athletes.

HitIQ-207 – Improved Processing via Leverage of Redundant Sensor Data

Priority Date:
3 March 2021

This application relates to technology whereby data from multiple sensors in an instrumented mouthguard is processed, with redundant sensor data being leveraged to increase accuracy of measurements. In overview, an instrumented mouthguard is configured with more components than necessary to solve for head acceleration, and data from one or more of those sensors is excluded, for instance where it fails to conform to a rigid body model assumption.

HitIQ-208 - Heart rate monitoring via mouthguard

Priority Date:
3 March 2021

This application relates to technology whereby light emitting and detecting components are integrated into an instrumented mouthguard (or in some embodiments other body-invasive devices). In the main commercial implementation, LEDs and photodiodes are used to detect heart rate of a mouthguard wearer by either transmission of light into the cheek or through the gums.

7. OWNERSHIP OF HITIQ PATENT PROPERTIES

All of the HitIQ patent properties are registered in the name of HitIQ Limited. That is, the official patent office records list HitIQ as owner.

For patents, ownership is not definitively determined by what is recorded on patent office records. It is necessary to ensure that there is an appropriate chain of title, which always begins with the inventors.

The rights to an invention, including the right to obtain patent protection for an invention, may be transferred by an inventor to an organisation via various means, including: (i) terms regarding IP ownership which are built into employment contracts, contractor service agreements, and the like; and (ii) formal agreements, including assignment documents and confirmatory assignment documents.

We have conducted an audit to verify that, for each of HitIQ's patent properties, there is documentation which provides satisfactory evidence of HitIQ's claim to legal ownership of the of the intellectual property.

8. VALIDITY OF PATENT PROPERTIES

The ultimate validity of the claims of patent can be guaranteed and can be challenged in a number of circumstances. These vary from jurisdiction-to-jurisdiction, and may include challenges:

- (a) during examination;
- (b) in opposition proceedings once the application has been examined and found allowable;
- (c) in Patent Office proceedings, for example *Inter Partes* Review in the United States;
- (d) in court during revocation proceedings brought by a third party; or
- (e) during infringement proceedings initiated against an alleged infringer by the patentee.

As the patent rights set out in Schedule 1 are still pending patent applications and likely to undergo examination, it cannot be plainly assumed that these applications (or any applications stemming from them) will proceed to grant or, if grant is achieved, that the claims will remain in their present form. It is possible, for example, that the scope of the claims of the patent applications may be restricted during examination of the application.

9. TRADEMARKS

A trademark is a way of identifying a unique product or service.

Australian trademark law is based on common-law use-based rights as well as the Trademarks Act 1995 (Cth). Use-based rights are less certain than registration, and depend on the mark having developed a reputation in the region in which a company seeks to enforce its common-law trademark. Thus, registration provides advantages such as constructive notice and nationwide rights.

Section 17 of the Trademarks Act defines a trademark as "a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person". Accordingly, trademarks are not restricted to logo's and the like.

The procedure to register a trademark in Australia is much the same as other countries. A completed application is filed with IP Australia. Examination of the application is undertaken to ensure compliance with formalities and substantive requirements. If an application is accepted, it will be published for

opposition purposes for three months, during which time third parties may oppose registration on certain grounds. If there are no oppositions, or any oppositions are overcome, a certificate of registration will issue.

The term of registration in Australia is 10 years, which may be extended for additional periods of 10 years. Failure to use a registered trademark for a period of three years or more may expose the registration to cancellation on the grounds of non-use.

Trademark properties owned by HitIQ are set out in the following section. Some of these are pending applications; others are registered trademarks (i.e., these have been examined and approved for registration).

10. HITIQ TRADEMARK PORTFOLIO

The tables below set out particulars of trademark properties owned by HitIQ Limited.

HitIQ Word Trademark					
HITIQ					
Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	1848336	31 May 2017	HitIQ Limited	9, 10, 42, 44	Registered
European Union	1431948	20 April 2018	HitIQ Limited	9, 10, 28, 42	Registered
United States	5946686	20 April 2018	HitIQ Limited	9, 10, 28, 42	Registered
Japan	1431948	20 April 2018	HitIQ Limited	9, 10, 28, 42	Pending
International	1431948	20 April 2018	HitIQ Limited	9, 10, 28, 42	Live
Comments: The International application has been lodged under the Madrid International Trademark System administered by the World Intellectual Property Organisation (WIPO), and may be extended into further jurisdictions by way of a Subsequent Designation.					

HitIQ Logo Trademark					
					
Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	1848433	31 May 2017	HitIQ Limited	9, 10, 42, 44	Registered

Nexus A9 Word Trademark**NEXUS A9**

Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	1848336	2 June 2017	HitIQ Limited	9, 10, 42	Registered
European Union	1412102	20 April 2018	HitIQ Limited	9, 10	Registered
United States	5859328	20 April 2018	HitIQ Limited	9, 10	Registered
International	1412102	20 April 2018	HitIQ Limited	9, 10, 28, 42	Live

Comments: The International application has been lodged under the Madrid International Trademark System administered by the World Intellectual Property Organisation (WIPO), and may be extended into further jurisdictions by way of a Subsequent Designation.

Nexus Word Trademark**NEXUS**

Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	1967277	7 November 2018	HitIQ Limited	9, 10, 42, 44	Pending
United States	88/193420	14 November 2018	HitIQ Limited	9, 10, 42, 44	Allowed

COVR Word Trademark**COVR**

Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	2069347	14 February 2020	HitIQ Limited	9, 42, 44	Pending

TrueImpact word Trademark**TRUEIMPACT**

Jurisdiction	Official Number	Filing Date	Owner	Classes	Status
Australia	2169150	7 April 2021	HitIQ Limited	9, 10, 42, 44	Pending

11. FREEDOM TO OPERATE

Intellectual property rights, such as Patent rights and Trademark rights do not provide a positive right to operate commercially in the market. Rather, they are exclusionary rights, allowing the proprietor to exclude third parties from using protected subject matter. The ability to sell, market, or otherwise use products without infringing third party IP rights is commonly referred to as “freedom to operate”. This Report does not consider issues of freedom to operate for HitIQ; we express no formal opinions in relation to the issue of third-party IP rights.

We do note, however, substantive challenges and limitations which inherently limit the efficacy of freedom to operate investigations in almost all instances. Not the least of these is an inherent disconnect between assessment of freedom to operate at a theoretical basis, and assessment of a litigation risk at a practical and commercial basis. In this regard, it is never possible to offer a conclusive determination that a party has true freedom to operate.

12. LIMITATIONS AND QUALIFICATIONS

12.1. Information sources

In preparing this report, in addition to reviewing our internal databases, we relied upon information contained in relevant publicly available databases. Forward IP is not responsible for the accuracy of the information available in public databases and accordingly cannot guarantee the accuracy of this information.

12.2. Jurisdictional requirements

Each jurisdiction has its own laws and particular requirements that need to be met for the grant and maintenance of patent. Accordingly, the assessment patentability varies from jurisdiction- to-jurisdiction, and inventions which may be granted and registrable in one jurisdiction may be excluded from grant and registration in another. Moreover, the different jurisdictional requirements may result in variation of the scope of patent protection obtained for the same patent in different jurisdictions. Similar considerations apply to trademarks.

The outcome of examination of the patent application by the office of one jurisdiction is not binding on the office of any other jurisdiction. Similarly, international PCT searches and examination reports are not binding on national patent applications during examination in the national phase. Examination of patent applications often occurs at different times in different jurisdictions. This means there is also a risk that a patent may be granted on application one jurisdiction, and that a third-party patent may subsequently be cited during examination of another patent application that has been filed elsewhere.

We further note that there may be changes to patent law in a particular jurisdiction from time-to-time which may have an impact on patents in the relevant country.

12.3. Patentability search limitations

A patentability search, such as international searches carried out by various patent offices under the PCT procedure, cannot be guaranteed to locate all prior art that may exist which is potentially relevant to the assessment of novelty and inventive step of a claimed invention.

Such searches are generally computer-based searches and are dependent on the database search strategy and the coverage provided by the databases used. For example, the databases may not cover older published documents and/or certain jurisdictions. Further, all patentability searches are subject to the accuracy of records, as well as the indexing and classification of the subject matter comprising the records. The scope of each search is also dependent on the search strategy utilised and, for example, the keyword(s) selected for the search. Accordingly, although patentability searches provide a reasonable indication of patentability, it is not possible to guarantee that every relevant prior art record has been located and considered. As a result, any conclusions regarding the validity of the claims of a particular patent based on patent office searches should be regarded as indicative rather than conclusive.

Further, non-provisional patent applications are not normally published until at least 18 months from the earliest acceptable priority date. Accordingly, a patentability search would not normally identify any third party patent application that is potentially relevant to the assessment of patentability that have a priority date which is less than 18 months prior to the date of the patentability search. Delays between official publication and the incorporation of information into the relevant database can also occur, which means that some documents may not be located in a patentability search.

12.4. Patentability of an invention

Besides documentary prior art, public use of an invention and non-confidential oral disclosures before the priority date of a patent application may also be relevant to the assessment of patentability of invention to which the patent application relates. As patentability searches are conducted on published documents, they would not locate such other forms of prior art disclosures.

Commercialisation or secret use of an invention in a jurisdiction by, or with the authority of, a patent applicant (or their predecessor in title) before the priority date of a patent application that has been filed in the jurisdiction by the applicant in respect of the invention, can also be relevant to the patentability of invention and the validity of any patents that may ultimately be granted on the application. Such commercial exploitation or secret use would not normally be identified by documentary patentability searches of publicly accessible databases.

12.5. Opposition Proceedings

Some jurisdictions, such as Australia, allow for accepted patent applications to be opposed by a third party. Others, for example Europe, have post-grant opposition. Successful opposition proceedings may result in some or all of the claims of an application being refused. Successful opposition proceedings to a granted patent may result in some or all of the claims being held in valid or restricted in breadth.

12.6. Entitlement to claimed priority date

In Australia (and various other jurisdictions), for subject matter contained in a non-provisional patent application to be entitled to the priority date established by a corresponding priority patent application or provisional patent application there must be a “real and reasonably clear disclosure” of the subject matter in the priority application. Similar provisions apply in other jurisdictions. Subject matter disclosed in a non-provisional patent application that is not contained in a corresponding priority application is generally only entitled to the filing date of the non-provisional application as a priority date.

12.7. Renewal fees

HitIQ recognizes that renewal fees must be paid in order to maintain its patents. At the time of preparing this Report, no renewal fees are currently overdue.

13. INDEPENDENCE OF REPORT

Forward IP does not have any entitlement to any securities in HitIQ, or has any other interest in the promotion of HitIQ. That is, Forward IP (including any Principal, director or shareholder of Forward IP) has no interest in HitIQ, other than in relation to fees for professional work performed.

Forward IP has no involvement in the preparation of the Prospectus by HitIQ, other than the preparation of this Report. Forward IP is therefore considered independent of HitIQ for the purpose of preparing this Report, and gives its consent for inclusion of this Report in the Prospectus.

Yours sincerely

Forward IP



Matthew Ward

Principal and Founder

Email: MattWard@Forward-IP.com



SCHEDULE 1: HITIQ PATENT PORTFOLIO

Reference	Technology	Title	Key Dates	Jurisdiction	Application No.	Status	Inventors
HITIQ-101	Legacy Hardware Technology	METHODS, DEVICES AND TECHNOLOGY FRAMEWORK CONFIGURED TO ENABLE REAL-TIME MONITORING OF HEAD IMPACT DATA FOR PARTICIPANTS IN CONTACT SPORTS	Priority Date: 5 December 2016 Filing Date: 5 December 2017	Australia	2017272184	Awaiting Examination Renewal Due 5 December 2021	David Austin
							Mike Vegar
							Lucas Lang
HITIQ-102	Legacy Processing Technology	A SENSOR-ENABLED MOUTHGUARD CONFIGURED TO ENABLE MONITORING OF HEAD IMPACT DATA VIA MULTIPLE ACCELEROMETERS, AND DATA PROCESSING METHODS CONFIGURED TO ANALYSE DATA DERIVED FROM MULTIPLE ACCELEROMETERS CARRIED BY A SENSOR-ENABLED MOUTHGUARD	Priority Date: 5 December 2016 Filing Date: 5 December 2017	Australia	2017272185	Awaiting Examination Renewal Due 5 December 2021	David Austin
							Mike Vegar
							Lucas Lang
HITIQ-201	Printed Circuit Board Technology	INSTRUMENTED MOUTHGUARD DEVICES AND COMPONENTS CONFIGURED FOR USE IN INSTRUMENTED MOUTHGUARD DEVICES	Priority Date: 6 February 2019 PCT Filing Date: 5 February 2020	International (PCT)	PCT/AU2020/050096	National applications due 6 August 2021	David Austin
							Mike Vegar
							Lucas Lang
							Ben Nizette

Reference	Technology	Title	Key Dates	Jurisdiction	Application No.	Status	Inventors
HITIQ-202	Calibration Technology for User-Customized Mouthguards	TECHNOLOGY ADAPTED TO FACILITATE USER-SPECIFIC CALIBRATION OF INSTRUMENTED MOUTHGUARD DEVICES, INCLUDING CALIBRATION METHODS FOR INSTRUMENTED MOUTHGUARD DEVICES	Priority Date: 10 March 2020 PCT Filing Date: 10 March 2021	International (PCT)	PCT/AU2021/050209	National applications due 10 September 2022	Mike Vegar
							Ben Nizette
HITIQ-203	Virtual Reality Based Head Injury Assessment via Cognitive Loading	TECHNOLOGY ADAPTED FOR IMPROVED ASSESSMENT OF COGNITIVE FUNCTION IN A HUMAN SUBJECT, INCLUDING ASSESSMENT OF COGNITIVE FUNCTION AFFECTED BY BRAIN INJURIES SUSTAINED DURING SPORTING ACTIVITIES	Priority Date: 10 March 2020 PCT Filing Date: 10 March 2021	International (PCT)	PCT/AU2021/050211	National applications due 10 September 2022	Mike Vegar
							Ben Nizette
							Thomas Rau
							Andrew Gardner
HITIQ-204	Combined Assessment Using Sensor Data and Physical Performance Data	TECHNOLOGY ADAPTED FOR IMPROVED ASSESSMENT OF BRAIN INJURIES AND BRAIN INJURY MANAGEMENT IN A HUMAN SUBJECT USING A COMBINATION OF INSTRUMENTED MOUTHGUARD DEVICES AND BRAIN FUNCTION PERFORMANCE TESTING	Priority Date: 9 June 2020	Australia (international coverage via Paris Convention)	2020901896	International Application to be filed by 9 June 2021	Mike Vegar
							Ben Nizette
HITIQ-205	Multi-Layer Instrumented Mouthguard Manufacture Technology	MULTI-LAYERED INSTRUMENTED MOUTHGUARD DEVICES, AND METHODS FOR MANUFACTURING OF INSTRUMENTED MOUTHGUARD DEVICES	Priority Date: 16 November 2020	Australia (international coverage via Paris Convention)	2020904214	International Application to be filed by 16 November 2021	Mike Vegar
							Ben Nizette
							Yohan Jayasinghe

Reference	Technology	Title	Key Dates	Jurisdiction	Application No.	Status	Inventors
HITIQ-206	Head Injury Assessment Testing via Instrumented Mouthguard	INSTRUMENTED MOUTHGUARD DEVICES AND ASSOCIATED TECHNOLOGY CONFIGURED TO ENABLE: (i) ANALYSIS OF HEAD IMPACT EVENTS; AND (ii) ANALYSIS OF PHYSICAL PERFORMANCE, INCLUDING FOLLOWING A HEAD IMPACT EVENT	Priority Date: 4 February 2021	Australia (international coverage via Paris Convention)	2021900247	International Application to be filed by 4 February 2022	Mike Vegar
							Ben Nizette
							David Erikson
HITIQ-207	Improved Processing via Leverage of Redundant Sensor Data	IMPROVED PROCESSING OF DATA COLLECTED VIA AN INSTRUMENTED MOUTHGUARD DEVICE, INCLUDING IDENTIFICATION OF FALSE IMPACTS	Priority Date: 3 March 2021	Australia (international coverage via Paris Convention)	2021900594	File International Application by 3 March 2022	Mike Vegar
							Ben Nizette
HITIQ-208	Heart rate monitoring via mouthguard	A PROTECTIVE MOUTHGUARD DEVICE CONFIGURED TO ENABLE MEASUREMENT OF CIRCULATORY SYSTEM PARAMETERS	Priority Date: 3 March 2022	Australia (international coverage via Paris Convention)	2021900584	File International Application by 3 March 2022	Mike Vegar
							Ben Nizette
							David Erikson



ANNEXURE B

Investigating accountant's report.



22 April 2021

The Board of Directors
HitIQ Limited
Suite 3
128 Main Street
OSBORNE PARK WA 6017

Bentleys Audit & Corporate
(WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Dear Board of Directors

Independent Limited Assurance Report on HitIQ Limited Historical and Pro forma Financial Information

We have been engaged by HitIQ Limited ("HitIQ" or "the Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of HitIQ for inclusion in the Prospectus.

The Prospectus (or "the document") is issued for the purposes of raising a minimum of \$7,000,000 (before costs) via the issue of 35,000,000 ordinary shares at an issue price of \$0.20 per Share and a maximum of \$10,000,000 (before costs) via the issue of an additional 15,000,000 ordinary shares at an issue price of \$0.20 per Share.

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Bentleys to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.



You have requested Bentleys to review the following historical financial information (together the "Historical Financial Information") of HitIQ included in the Prospectus:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019 and 30 June 2020 and the period ended 31 December 2020;
- The historical Statement of Financial Position as at 30 June 2019, 30 June 2020 and 31 December 2020; and
- The historical Statement of Cash Flows for the years ended 30 June 2019 and 30 June 2020 and the period ended 31 December 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principals contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information of HitIQ has been extracted from the audited historical financial statements for 30 June 2019 and 30 June 2020 and the reviewed historical financial statements for the period ended 31 December 2020 which were audited/reviewed by Bentleys in accordance with Australian Auditing Standards. An unqualified audit opinion with material uncertainty related to going concern was issued by Bentleys for the years ended 30 June 2019 and 30 June 2020. An unqualified review conclusion in accordance with Australian Standards on Review Engagements with material uncertainty related to going concern was issued by Bentleys for the period ended 31 December 2020.

Pro Forma historical financial information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 31 December 2020 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of HitIQ, after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 2 of section 7.7 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Note 1 of section 7.7 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of HitIQ as at 31 December 2020 to reflect the financial effects of the following subsequent events which have occurred in the period since 31 December 2020:

- (a) Issue of 1,175,000 pertaining to the pre-IPO capital raise completed prior to 31 December 2020 at an issue price of \$0.16 per share. A total of \$163,000 was receipted prior to 31 December 2020 with the remaining \$25,000 receipted in the current period (Pre-IPO raise);
- (b) Cancellation of 325,000 performance subsequent to 31 December 2020 as the vesting conditions under the existing performance rights had not been met. As at 31 December 2020 the vesting conditions had been assigned a \$nil value as the estimated number of performance rights to vest was nil;
- (c) Issue of Settlement Securities under a Deed of Termination and Release ('Deed') with Matthew Ian Banks (Director) and Rock the Polo Pty Ltd (Consultant), comprising:

- a. 1,100,000 Shares issued to the Director or his nominee of \$176,000. The 1,000,000 existing Zero Exercise Price unlisted options with a value of \$88,000 as at 31 December 2020 were cancelled and replaced with 1,000,000 settlement shares (Settlement Shares); and
- b. 600,000 unlisted Company options exercisable at \$0.20 expiring 1 to 3 years from date of this Deed totalling \$55,530. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$24,760 were cancelled and replaced with Settlement options (Settlement Options);
- (d) Issue of 343,750 ordinary shares at \$0.16 per share to the Directors in satisfaction of the unpaid director fees of \$55,000;
- (e) Exercise of 666,667 performance rights at \$0.20 per share as the vesting conditions had been met of \$66,667 (Exercise of Performance Rights);
- (f) Issue of 1,200,000 unlisted Company options in equal tranches of 400,000 exercisable at \$0.20 expiring 1 November 2021, 17 December 2023 and 19 March 2024 respectively. These options were issued with a valuation of \$111,060. The existing Consultant Options exercisable at \$0.50 expiring 1 May 2022 with a value of \$49,521 were cancelled and replaced with Berry Options (Berry Options);
- (g) Issue of 6,000,000 unlisted Company options to Director, Michael Vegar, exercisable at \$0.30 expiring 30 June 2024 on completion of various vesting conditions as outlined in Note 6 (Director Options). These options will be issued with a valuation of \$311,625;
- (h) Issue of 500,000 ordinary shares at \$0.20 per share on contract signing and formalisation of AFL Deal, minimum \$400,000 p.a. ex GST of \$100,000 (Director Shares);
- (i) Issue of 1,000,000 performance rights at \$0.20 per performance right to Director, Michael Vegar expiring 30 June 2024 on completion of vesting conditions as outlined in Note 6 (Director Performance Rights). These performance rights will be issued with a valuation of \$157,500;
- (j) Issue of 300,000 performance rights at \$0.20 per performance right to related parties expiring 30 June 2024 on successful ASX listing. (Related Parties Performance Rights). These performance rights will be issued with a valuation of \$60,000;
- (k) Issue of 100,000 ordinary shares at \$0.20 per share to Company Secretary of \$20,000 (Company Secretary Shares);

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (l) The issue of 35,000,000 ordinary shares at \$0.20 per share to raise \$7,000,000 before costs of \$605,249 (minimum subscription) and issue of 50,000,000 ordinary shares at \$0.20 per share to raise \$10,000,000 before costs of \$801,716 (maximum subscription) (Offer); and
- (m) Issue of 6,000,000 unlisted Company options exercisable at \$0.30 expiring 18 December 2023 on completion of the IPO (Lead Manager Options). These options will be issued with a valuation of \$570,059.

Directors' responsibility

The directors of HitIQ are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Historical Financial Information

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for HitIQ comprising:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019 and 30 June 2020 and the period ended 31 December 2020;
- The historical Statements of Financial Position as at 30 June 2019, 30 June 2020 and 31 December 2020.
- The historical Statements of Cash Flows for the years ended 30 June 2019 and 30 June 2020 and the period ended 31 December 2020;

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 7 of the document.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 31 December 2020 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Note 1 of section 7.7 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to section 7.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours Faithfully



MARK DELAURENTIS CA
Partner

HIT·iQ

hitiq.com