

ASX ANNOUNCEMENT

30 AUGUST 2021

FY21 Preliminary Final Report

Transformative, concussion management technology company, HITIQ Limited (ASX: HIQ) (HITIQ or the Company), is pleased to provide the attached Appendix 4E: Preliminary Final Report for the financial year ended 30 June 2021

- ENDS –

Authorised for release by the Board of Directors.

For more information, contact:

Mike Vegar	Elvis Jurcevic
CEO & MD	**Investor Relations**
HITIQ Limited	+61 408 268 271
investors@hitiq.com	ej@hitiq.com

About HITIQ

HITIQ Limited (ASX: **HIQ**) operates in the healthcare equipment sector, providing and further developing a transformative, end-to-end concussion management technology platform. This platform aims to provide a total concussion ecosystem whereby the Company's products support the identification, monitoring and management of sport related brain injury. HITIQ's product suite utilises high-end technology that will span multiple domains – from early detection and surveillance to assessment and rehabilitation technology tools.

HITIQ is targeting a growing worldwide concussion management market including elite and recreational sport, clinical practitioners, military, research, and combat sports. The Company's first commercial partner is the Australian Football League, with current strategy initiatives expanding commercially into Rugby League, Rugby Union, Ice Hockey, Lacrosse, MMA and American Football (particularly the NCAA). The market opportunity globally represents ~500k athletes within the elite market and ~10million in the consumer market.

APPENDIX 4E

Preliminary Final Report

30 June 2021



HITIQ LIMITED

ABN 53 609 543 213

Results for Announcement to the Market
for the year ended 30 June 2021

1 REPORTING PERIOD (item 1)

■ Report for the financial year ended:	30 June 2021
■ Previous corresponding period is the year months ended:	30 June 2020

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Movement	Percentage %		Amount $
■ Increase in revenues from contracts with customers (item 2.1)	↑	910	to	406,682
■ Increase in loss from ordinary activities after tax (item 2.2)	↑	93.32	to	(5,062,846)
■ Increase in loss after tax attributable to members (item 2.3)	↑	93.32	to	(5,062,846)

a. Dividends (item 2.4)

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

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

Refer to Company Update on page 1 of this Preliminary Final Report.

3 PRELIMINARY FINAL REPORT

a. Statement of comprehensive income (item 3):

Refer to statement of profit or loss and other comprehensive income

b. Statement of financial position (item 4):

Refer to statement of financial position

c. Statement of cash flows (item 5):

Refer to statement of cash flows

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

Refer to statement of changes in equity

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

Nil.

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

Not applicable

Results for Announcement to the Market
for the year ended 30 June 2021

5 RATIOS

	Current period	Previous corresponding period
a. Financial Information relating to 5b and 5c:	**$**	**$**
Earnings for the period attributable to owners of the parent	(5,062,846)	(2,618,825)
Net assets	7,923,631	386,857
Less: Intangible assets (including net deferred tax balances) and right of use Assets	(150,911)	(330,004)
Net tangible assets	7,772,720	56,853
	No.	**No.**
Fully paid ordinary shares	132,419,018	67,783,601
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	76,594,504	61,488,495
	¢	**¢**
b. Net tangible assets backing per share (cents) (item 9):	5.870	0.084
c. Earnings per share attributable to owners of the parent (cents) (item 14.1):	(6.610)	(4.259)
The Company does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Company. During the 2021 financial year the Company had 23,391,664 unissued shares under option which are anti-dilutive.		

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

a. Control gained over entities

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

b. Loss of control of entities

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

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

d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3) — Nil

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

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

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

Results for Announcement to the Market
for the year ended 30 June 2021

8	Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. (item 12): Refer to commentary update accompanying this 4E

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

10	**A COMMENTARY ON THE RESULTS FOR THE PERIOD** (item 14) Refer to Review of Operations on page 5.

11 The preliminary final report has been prepared based on the 30 June 2021 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the *Corporations Act 2001* (Cth).

Review of Operations

BACKGROUND

HITIQ's vision is to deliver the most important data used in sports today, by building the world's first end-to-end concussion management platform. This vision is underpinned by a three-pillar strategy with an eco-system of products which are powered by machine learning that span multiple domains from surveillance and detection, to assessment, and finally rehabilitation.

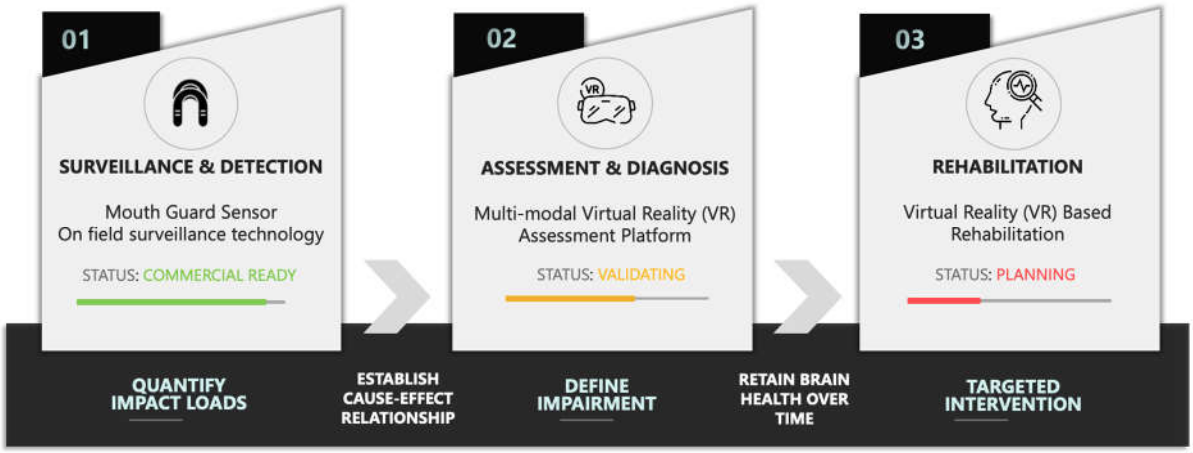
The Company successfully completed its $10M initial public offering (IPO) on the ASX in June 2021, however the story starts long before this. HITIQ was co-founded by CEO, Mike Vegar, in 2016, with the aim of addressing the significant issue concussion presents in sports. This came off the back of his time with US collegiate sport and involvement with professional sporting teams. The concussion thematic has been emerging slowly over the last decade, along with the pace of management protocols. Sporting codes around the globe are faced with challenges around the containment of the concussion issue from negatively affecting the long term health outcomes of athletes, participation rates and being subject to litigation exposure.

Taking the Company public in June 2021, represented the transition from research and development mode, to being a sports data company. Re-capitalising the Company has provided the opportunity to aggressively pursue commercialisation ambitions globally. With the technology technically and commercially validated, HITIQ is now well positioned to activate its growth plan and develop a footprint in the elite and consumer markets segments around the world.

STRATEGY

The Company strategic operating and growth plans were reconfirmed after listing on the ASX, which convey the foundation on how HITIQ intends to transform the standard of care for concussion management in the global market. The growth plan sets clear operational milestones that will deliver value for all stakeholders, including:

- Data sourced from diverse market segments – build upon our world leading head impact databank with relevant data sourced in each priority target market
- Platform and Product Technology Extension – continue innovation and product development
- Regulatory Submissions and Clinical Sites – validation of virtual reality technology
- Establish International Sales Footprint – commercial infrastructure and sales capability
- Key Advisory Committees – Align with key opinion leaders and industry experts
- Demonstrate Early Traction in Consumer Model – scalable pathways to consumer markets
- Distribution Partnerships and M&A Assessment – Assess synergies that support growth



TECHNOLOGY

Over the last five years, HITIQ has developed and refined our concussion management technology along-side several sporting codes, establishing what the Company believes to be a leadership position in impact sensor technology. HITIQ's difference is in its operating model, which is centred on a data-led approach, effectively the opposite of the observational based current standard of care.

- Preparations continue to establish clinical trial sites globally for the validation of CoVR, the Company's Virtual Reality diagnostic and assessment product
- Three provisional patent applications were lodged related to the Nexus mouthguard technology and associated Artificial Intelligence systems
- Ongoing enhancements to HITIQ proprietary Artificial Intelligence and Machine Learning algorithms continue to further develop







BUSINESS DEVELOPMENT

For HITIQ, the global commercial opportunity is significant, targeting an identified addressable market consisting of 500,000 elite athletes, 11 million consumer players, and 300,000 health practitioners that form a $5 billion customer market. In the short tenure as a listed company, HITIQ has already started as it intends to continue, being data and results oriented, with a number of outcomes delivered that will drive a growing customer base and global scale:

Customer Markets - Elite

- Continued deployment, under a multi-year league wide deal, of mouthguard impact sensors across players and teams in the mens Australian Football League (AFL) in the quarter and established player impact passports;
- New program partnership with Rugby Australia, initially deploying head impact sensors in the QLD Premier Rugby 1st grade competition in the 2021 season. A commercial partnership will be decided following assessment of the season trial.
- A data acquisition program is underway with six Football Bowl Subdivision (FBS) division one US college football programs. The program will build on HITIQ's global head impact databank sourcing US player data that will lay the foundation for a strong push into this international customer market in calendar year 2022.
- Overall, 1,500 units were deployed across the globe, in various customer and partnership settings, capturing over 12 million data points.

Partners - Health Insurers

- A landmark partnership with Bupa, through its Dental division, was announced that will see a trial of HITIQ concussion management technology in an Australian first Junior Rugby Pilot Project. The technology is currently being deployed across 100 junior players from the Wests Bulldogs Rugby Club who have been fitted with HITIQ mouthguards. When the trial concludes later this year, the Company will determine the potential to expand the technology offering across the Bupa Dental clinic network, which represents Australia's largest dental network.

International Expansion - UK & Europe Commercial Operations

- An international sales footprint commenced with the establishment of a UK and European beachhead led by Thomas Mockford who was appointed Director of Elite Sales and Strategy - UK & Europe. As previous European Sales Director for Catapult, Thomas brings strong capability and partnerships to drive traction into this market segment.

FINANCIAL RESULTS

HITIQ is in a strong financial position heading into FY'22, with cash at hand of $8,955,130 at 30 June 2021, largely made up of the proceeds of the Company's IPO. The loss for the financial year after adjusting for depreciation and amortisation, interest income and expense and share based payments expense results in a loss of $3,461,342 compared with a loss of $2,190,518 million in FY20, this was driven by continued product development and testing, transition from a development-stage company to a commercial entity, and the costs incurred as part of the IPO. Additionally the company has not completed its research and development claim for FY21 at the date of preparing this report so the revenue has not been recognised.

The Company derives ongoing revenues under a Software as a Service (SaaS) subscription based model, with operating revenue for the year of $406,682 an increase from the previous year of 910%. This was driven by the deployment of 1,500 product units, mostly attributable to the Company's cornerstone commercial customer with the Australian Football League (AFL).

Statement of profit or loss and other comprehensive income
for the year ended 30 June 2021

	Notes	2021 $	2020 $
Revenue			
Revenue	1	406,682	40,259
Other Income	1	714,475	255,097
Research and development grant	1	-	969,847
Expenses			
Accountancy and secretarial fees		(32,720)	(5,355)
Auditor's remuneration		(26,500)	(10,519)
Consultancy fees		(410,056)	(264,994)
Depreciation and amortisation		(217,857)	(207,413)
Interest paid		(53,633)	(86,592)
Occupancy		(100,621)	(23,231)
Research and testing		(547,460)	(569,683)
Share-based payments expense	7c	(1,331,286)	(136,999)
Employee benefits expenses		(2,787,808)	(2,028,788)
Other expenses		(676,062)	(550,454)
Profit/(Loss) before income tax expense		(5,062,846)	(2,618,825)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of HITIQ Limited		(5,062,846)	(2,618,825)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to the owners of HITIQ Limited		(5,062,846)	(2,618,825)

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

Statement of financial position
as at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	2	8,955,130	428,028
Trade and other receivables		264,633	1,222,718
Total current assets		**9,219,763**	**1,650,746**
Non-current assets			
Property, plant and equipment		117,539	101,465
Intangible assets		33,493	58,493
Right-of-use asset		117,418	271,511
Total non-current assets		**268,450**	**431,469**
Total assets		**9,488,213**	**2,082,215**
Liabilities			
Current liabilities			
Trade and other payables	3	628,870	464,866
Employee entitlements	4	226,375	73,118
Borrowings	5	584,343	866,049
Lease liabilities		124,994	160,331
Total current liabilities		**1,564,582**	**1,564,364**
Non-current liabilities			
Lease liabilities		-	130,994
Total non-current liabilities		**-**	**130,994**
Total Liabilities		**1,564,582**	**1,695,358**
Net assets		**7,923,631**	**386,857**
Equity			
Issued capital	6	18,300,641	6,889,190
Reserves	7	1,684,294	602,389
Accumulated losses		(12,061,304)	(7,104,722)
Total equity		**7,923,631**	**386,857**

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

Statement of changes in equity
for the year ended 30 June 2021

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 July 2019	4,273,711	572,290	(4,485,897)	360,104
Loss for the year	-	-	(2,618,825)	(2,618,825)
Other comprehensive income	-	-	-	-
Total comprehensive income attributable to the owners of HITIQ Limited	-	-	(2,618,825)	(2,618,825)
Transactions with owners in their capacity as owners:	2,604,484	-	-	2,604,484
Share issue costs	(95,905)	-	-	(95,905)
Share based payment expense	24,900	105,199	-	130,099
Share based payment exercised	82,000	(82,000)	-	-
Performance rights expense	-	6,900	-	6,900
Dividends Paid	-	-	-	-
Balance at 30 June 2020	6,889,190	602,389	(7,104,722)	386,857
Balance at 1 July 2020	6,889,190	602,389	(7,104,722)	386,857
Loss for the year	-	-	(5,062,846)	(5,062,846)
Other comprehensive income	-	-	-	-
Total comprehensive income attributable to the owners of HITIQ Limited	-	-	(5,062,846)	(5,062,846)
Transactions with owners in their capacity as owners:	12,419,334	-	-	12,419,334
Share issue costs	(1,311,400)	-	-	(1,311,400)
Share based payment expense	-	1,229,686	-	1,229,686
Share based payment exercised	88,517	(88,517)	-	-
Share based payment lapsed	-	(73,764)	73,764	-
Performance rights expense		262,000	-	262,000
Performance rights exercised	215,000	(215,000)	-	-
Performance rights lapsed	-	(32,500)	32,500	-
Dividends Paid	-	-	-	-
Balance at 30 June 2021	18,300,641	1,684,294	(12,061,304)	7,923,631

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows
for the year ended 30 June 2021

	2021 $	2020 $
Cash flows from operating activities		
Receipts from customers	454,874	103,809
Payments to suppliers and employees	(4,211,917)	(3,365,646)
Receipts - other	1,684,322	1,039,352
Interest paid	(53,633)	(86,592)
Net cash used in operating activities	(2,126,354)	(2,309,077)
Cash flows from investing activities		
Payments for property, plant and equipment	(54,837)	(63,972)
Net cash used in investing activities	(54,837)	(63,972)
Cash flows from financing activities		
Proceeds from share issue	11,800,000	2,604,483
Payments for share issue costs	(608,000)	(95,905)
Proceeds from borrowings	855,153	1,194,097
Repayment of borrowings	(1,172,549)	(1,020,841)
Repayment of lease liabilities	(166,311)	(147,104)
Net cash from financing activities	10,708,293	2,534,730
Net increase in cash and cash equivalents	8,527,102	161,681
Cash and cash equivalents at the beginning of the year	428,028	266,347
Cash and cash equivalents at the end of the year	8,955,130	428,028

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Note 1. Revenue and other income

	2021	2020
	$	$
Revenue from contracts with customers	406,682	40,259
Interest Income	1,272	2,697
EMDG grant	201,903	-
Other Income	511,300	252,400
Research and development grant	-	969,847
	1,121,157	1,265,203

Note 2. Cash and cash equivalents

	2021	2020
	$	$
Cash at Bank	8,955,130	428,028
	8,955,130	428,028

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 3. Trade and other payables

	2021	2020
	$	$
Trade Creditors	231,357	109,483
Other Payables	278,793	187,376
PAYG Withholding Payable	62,694	21,914
Superannuation Payable	68,026	27,543
Contract Liability	(12,000)	118,550
	628,870	464,866

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms. All amounts are short term. The net carrying value of trade payables is considered a reasonable approximation of fair value.

(ii) Interest payable is normally settled quarterly throughout the financial year.

Note 4. Employee entitlements

	2021	2020
	$	$
Annual leave	226,375	73,118
	226,375	73,118

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Note 5. Borrowings

	2021	2020
	$	$
Credit Cards	20,649	35,136
Loan – Radium (i)	563,694	754,262
Loan – Fifo Capital	-	50,414
Insurance Premium Funding	-	26,257
	584,343	866,049

(i) On 17 March 2021, the company signed a facility of $546,806 agreement with Radium Capital. The total outstanding as of 30 June 2021 including accrued interest is $563,694. The facility was advanced against the expected R&D refund from the ATO on or before 30 September 2021 and carries interest rate at 14%. The 30 June 2020 loan balance of $754,262 was repaid in full on 17 September 2020.

Note 6. Issued Capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary Shares – fully paid	132,419,018	67,783,601	18,300,641	6,889,190

Movements in Ordinary share capital

Details	Date	2021 Number	2021 $	2020 Number	2020 $
Opening Balance		67,783,601	6,889,190	49,621,042	4,273,711
Issue of Shares	29/08/19	-	-	7,052,862	1,057,929
Issue of Shares	10/10/19	-	-	5,127,003	769,050
Issue of Shares	18/12/19	-	-	1,333,334	200,000
Issue of Shares	19/02/20	-	-	1,666,701	250,005
Issue of Shares	16/03/20	-	-	666,666	100,000
Issue of Shares	25/05/20	-	-	1,516,660	227,500
Issue of Shares	10/10/19	-	-	116,000	17,400
Issue of Shares	18/03/20	-	-	50,000	7,500
Conversion Rights	10/09/19	-	-	333,333	40,000
Conversion Rights	18/03/20	-	-	100,000	12,000
Conversion Rights	18/03/20	-	-	200,000	30,000
Capital Raising Fee	-	-	-		(95,905)
Issue of Shares – Pre IPO	22/12/20	10,075,000	1,612,000	-	-
Issue of Shares – Pre IPO	21/01/21	1,175,000	188,000	-	-
Settlement Shares	25/03/21	1,100,000	176,000	-	-
Exercise of options	-	-	88,517	-	-
Unpaid Director Fees	25/03/21	343,750	55,000	-	-
Exercise of Performance Rights	25/03/21	666,667	133,334	-	-
Conversion of Performance Rights	-	-	80,000	-	-
Director Shares	25/03/21	500,000	100,000	-	-
Company Secretary Shares	25/03/21	100,000	20,000	-	-
Exercise of Performance Rights	01/06/21	675,000	135,000	-	-
Conversion of Performance Rights	-	-	135,000	-	-
Issue of Shares – IPO	15/06/21	50,000,000	10,000,000	-	-
Issue Costs			(1,311,400)	-	-
Closing Balance		132,419,018	18,300,641	67,783,601	6,889,190

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Note 7. Reserves

Details	2021	2020
	$	$
Option reserve	1,614,294	546,889
Performance rights	70,000	55,500
	1,684,294	602,389

Option reserve
This reserve is used to record the value of equity benefits provided to employees, Directors and consultants.

Performance rights
This reserve is used to record the value of equity benefits Directors and consultants.

Note 7a. Share Based Payments - Option Reserve

Employees

The Company has an Employee Performance Rights and Options Plan for key staff members and management of the HITIQ Limited. The plan was originally approved by the board on 19 March 2019, was updated and approved on 21 January 2021 and subsequently approved on listing date.

Consultants

Issue of options to various consultants to assist with capital raisings.

The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
HILOPT1	3,000,000	23/01/2019	10/12/2023	$0.20	$288,000	Vests at the date of grant
HILUOPT2	1,000,000	29/04/2019	01/05/2022	$nil	$120,000	Refer note annotation
HILUOPT3	1,800,000	29/04/2019	01/05/2022	$0.50	$149,400	Refer note annotation
HIQEOPT2	2,500,000	15/11/2019	15/11/2022	$0.30	$127,500	Vests at the date of grant
HIQEOPT5	1,333,334	16/03/2020	18/12/2023	$0.30	$nil	Vests at the date of grant
HIQEOPT6	758,330	25/02/2020	30/06/2022	$0.30	$nil	Vests at the date of grant
HILEOPT3	2,000,000	18/12/2020	18/12/2023	$0.30	$192,000	Vests at the date of grant
HIQEOPT4	600,002	19/03/2021	01/11/2021	$0.30	$30,600	Vests at the date of grant
HIQEOPT5	599,999	19/03/2021	17/12/2023	$0.20	$64,800	Vests at the date of grant
HILQEOPT6	599,999	19/03/2021	19/03/2024	$0.20	$70,200	Vests at the date of grant
HIQEOPT7	4,500,000	19/03/2021	25/03/2024	$0.30	$457,500	Refer note annotation
HIQEOPT8	1,500,000	19/03/2021	19/03/2025	$0.30	$168,188	Refer note annotation
HIQOPTB	6,000,000	01/06/2021	18/12/2023	$0.30	$511,400	Vests at the date of grant

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Vesting Date: HIQEOPT7

(i) 3,000,000 30c options expiring in 3 years from the date of issue subject to the achieving a 510k or De Novo Approval with the US Food and Drug Administration (FDA) for COVR product within 2 years of date of listing on the ASX.
(ii) 1,500,000 30c options expiring in 4 years from the date of issue subject to the achieving a $4m ARR within 3 years of the date of listing on the ASX. An additional 300,000 options will be granted for each $1m ARR over $4m ARR.

Vesting Date: HIQEOPT8

1,500,000 30c options expiring in 4 years from the date of issue subject to the achieving a $4m ARR within 3 years of the date of listing on the ASX. An additional 300,000 options will be granted for each $1m ARR over $4m ARR.

Vesting Date: HILUOPT2

(i) 333,333 vests at the date of the grant.
(ii) 333,333 Vesting upon the completion of a Pre-IPO raise or other capital investment product to raise no less than $4 million.
(iii) 333,334 Vest upon lodgement of a prospectus with the ASX (or other exchange in the world) for the IPO of the company, or a trade sale, or investment that values the company at a minimum of $30 million.

Vesting Date: HILUOPT3

(i) 600,000 vests at the date of the grant.
(ii) 600,000 Vesting upon the completion of a Pre-IPO raise or other capital investment product to raise no less than $4 million.
(iii) 600,000 Vest upon lodgement of a prospectus with the ASX (or other exchange in the world) for the IPO.

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

Share-based payment expense

The expense recognised of $718,286 (2020: $136,999) in the statement of profit or loss and other comprehensive income and $511,400 in the statement of financial position in relation to options expense.

Movements in share options during the year

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	30 June 2021		30 June 2020	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding at the beginning of year	10,391,664	0.28	5,800,000	0.26
Granted during the year	15,800,000	0.27	4,591,664	0.30
Forfeited during the year	-		-	-
Exercised during the year	(1,866,667)	(0.32)	-	-
Expired during the year	-	-	-	-
Lapsed during the year	(933,333)	(0.32)	-	-
Outstanding at the end of year	23,391,664	0.26	10,391,664	0.28
Exercisable at the end of year	23,391,664	0.26	10,391,664	0.28

The weighted average fair value of options granted during the financial year is $0.09 (2020: $0.03).

Share options outstanding at the end of the year
The share options outstanding at the end of the year had an:
(i) exercise price of exercise price of between $0.20 to $0.30 (2020: between $0.20 to $0.50); and a
(ii) weighted average remaining contractual life of 845 days (2020: 910 days).

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Share options exercised during the year
The following share options were exercised during the year:

	30 June 2021			30 June 2020		
	Exercised Number	Exercise date	Share price at exercise date	Exercised Number	Exercise date	Share price at exercise date
HILUOPT2	666,667	25/03/2021	$0.20	-	-	-
HILUOPT3	1,200,000	25/03/2021	$0.20	-	-	-

Fair value of share options granted in the year
The fair value of the equity-settled share options granted to employees and consultants is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	HIQEOPT7	HIQEOPT8	HIQEOPT4	HIQEOPT5	HILQEOPT6	HILEOPT3
Dividend yield (%)	-%	-%	-%	-%	-%	-%
Expected volatility	90%	90%	90%	90%	90%	90%
Risk-free interest rate	0.09%	0.09%	0.09%	0.09%	0.09%	1%
Expected life of options	3 years	4 years	7.5 months	3 years	3 years	3 years
Exercise price	$0.30	$0.30	$0.20	$0.20	$0.20	$0.30
Grant date share price	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Note 7b. Share Based Payments – Performance rights

The following share-based payment arrangements were in place during the current and prior periods:

	Number	Share price at grant date	Grant Date	Term	Vesting Condition	Probability	Fair value recognised	Performance condition satisfied
Berry Enterprises Pty Ltd ATF the Berry Trust	333,333	$0.12	29/04/2019	3 years from date of issue	Vest upon the completion of a Pre-IPO raise or other capital investment product to raise no less than $ million	n/a Exercised	$12,000	Met Exercised
	333,334	$0.12	29/04/2019	3 years from date of issue	Vest upon lodgement of a prospectus with the ASX (other stock exchange in the world	n/a Exercised	$20,000	Met Exercised
Damien Peter Hawes as trustee for The DP Hawes Trust	125,000	$0.12	29/04/2019	31/12/2020	Vest upon the Company reaching $2 million in revenue by 31 December 2020.	n/a, Cancelled	$-	n/a, cancelled
	125,000	$0.12	29/04/2019	31/12/2021	Vest upon the Company reaching $2 million in revenue by 31 December 2021.	n/a, Cancelled	$-	n/a, cancelled
	125,000	$0.12	29/04/2019	31/12/2020	Vest upon the Company reaching $1.4 million in revenue by 31 December 2020.	n/a, Cancelled	$-	n/a, cancelled
	125,000	$0.12	29/04/2019	27/02/2020	Vest upon the Company securing signed trial or commercial agreements with then Football Bowl subdivision teams from wither the Power 5 conferences or NCAA Division, 2 FBS independent schools, Notre Dame University and Brighton Young University by 27 February 2020	n/a, Cancelled	$-	n/a, cancelled
Benjamin Edwin, Nizette and Aimee Elizabeth Nizette as trustee for the Nizette Investment Trust	100,000	$0.12	23/01/2019	3 years from date of issue	Vest upon achieving both linear and rotational acceleration under 10% error across full range up to 100g and 6000 rad/s certified by an external validation by 1 September 2019; or 50,000 rights by the same criteria if performed after that date		$-	n/a, cancelled
	100,000	$0.12	23/01/2019	3 years from date of issue	Vest upon delivering 500 mouth guards under 8% failure rate for a minimum of 12-month period		$-	n/a, cancelled
	50,000	$0.12	23/01/2019	3 years from date of issue	Vest upon delivering the first 500 mouth guards with fewer than 10% of players experiencing in-field failure as at 01 October 2019 or 25,000 performance rights upon delivering the first 500 mouth guards with		$-	n/a, cancelled

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

	Number	Share price at grant date	Grant Date	Term	Vesting Condition	Probability	Fair value recognised	Performance condition satisfied
					fewer than 20% of players experiencing in-field failure as at 01 October 2019			
	75,000	$0.15	20/12/2019	3 years from date of issue	Vest upon achieving both peak linear and rotational acceleration under 10% mean-absolute error across full range up to 100g and 6000 rad/s/s for correctly-acquired impacts, certified by an external validation by 1 April 2020	n/a Exercised	$-	n/a, cancelled
	125,000	$0.15	20/12/2019	3 years from date of issue	Vest upon the company achieving AUD $1.4m in revenue by 31 December 2020	n/a Exercised	$-	n/a, cancelled
	75,000	$0.15	20/12/2019	3 years from date of issue	Vest upon continuing re-location to Melbourne HQ through June 30 2021		$-	n/a, cancelled
Thomas Laudenbach	125,000	$0.15	8/10/2019	5 years from date of issue	Vest upon the employee being continually employed by the company for 24 months from commencement date (5 March 2018)	n/a Exercised	$-	n/a, cancelled
Director performance rights	375,000	$0.20	19/03/2021	3 years from date of issue	Vest upon successful listing on the ASX	n/a Exercised	$75,000	Yes, exercised
	500,000	$0.20	19/03/2021	3 years from date of issue	Vest upon contract signing and formalisation of an NRL deal with minimum revenue of $200,000 p.a. excluding GST by 31 March 2022	60%	$70,000	Yet to be met
	125,000	$0.20	19/03/2021	3 years from date of issue	Vest upon reaching agreement with the National Rugby League (NRL) for the 2021 season, with an acceptable promotional deal to benefit HITIQ by 30 June 2021	n/a Lapsed	$25,000	Not met Expired
Related parties (Damien Peter Hawes, Thomas Laudenbach, David Erikson)	100,000	$0.20	25/03/2021	3 years from date of issue	Vest upon successful listing on the ASX	n/a Exercised	$20,000	Met Exercised
	100,000	$0.20	25/03/2021	3 years from date of issue	Vest upon successful listing on the ASX	n/a Exercised	$20,000	Met Exercised
	100,000	$0.20	25/03/2021	3 years from date of issue	Vest upon successful listing on the ASX	n/a Exercised	$20,000	Met Exercised

Notes to the Appendix 4E preliminary financial report
for the year ended 30 June 2021

Movements in performance rights during the year

	30 June 2021 Number	30 June 2020 Number
Outstanding at the beginning of year	1,516,667	1,500,000
Granted during the year	1,300,000	650,000
Forfeited during the year	-	-
Exercised during the year	(1,341,667)	(633,333)
Expired during the year	-	-
Lapsed during the year	(975,000)	-
Outstanding at the end of year	500,000	1,516,667
Exercisable at the end of year	500,000	1,516,667

Performance rights exercised during the year

	30 June 2021			30 June 2020		
	Exercised Number	Exercise date	Share price at exercise date	Exercised Number	Exercise date	Share price at exercise date
Related parties	100,000	15/06/2021	$0.20	-	-	-
Related parties	100,000	15/06/2021	$0.20	-	-	-
Related parties	100,000	15/06/2021	$0.20	-	-	-
Director performance rights	375,000	15/06/2021	$0.20	-	-	-
Berry Enterprises Pty Ltd ATF the Berry Trust	666,667	25/03/2021	$0.20	333,333	10/09/19	n/a, not listed
Benjamin Edwin, Nizette and Aimee Elizabeth Nizette as trustee for the Nizette Investment Trust	-	-	-	175,000	20/12/19	n/a, not listed
Thomas Laudenbach	-	-	-	125,000	08/10/19	n/a, not listed
	1,341,667			633,333		

Note 7c. Share Based Payments – Share-based payment expense

The expense recognised in the statement of profit or loss and other comprehensive income comprises:

	2021 $	2020 $
Options expense	718,286	105,199
Performance rights expense	262,000	6,900
Settlement shares	176,000	-
Unpaid Directors' fees	55,000	-
Director shares	100,000	-
Company secretary shares	20,000	17,400
Employee shares		7,500
	1,331,286	136,999