8 November 2022

Dear Shareholder,

Renounceable Entitlement Offer
Notification to Ineligible Shareholders

As announced on 1 November 2022, **HitIQ Limited** ACN 609 543 213 (ASX: HIQ) ("**HIQ**" or "**the Company**") is undertaking a renounceable pro-rata entitlement offer to eligible Company shareholders (**Offer**). The Offer is open to all eligible shareholders of the Company who are on the share register at 5:00pm (AEDT) on 10 November 2022 (**Record Date**) and who have a registered address in Australia or New Zealand.

The Company is seeking to raise up to approximately $6.35 million (before costs), on the basis that no more than 211,870,429 new fully paid ordinary shares (**New Shares**) will be issued pursuant to the Offer.

Under the terms of the Offer, each eligible shareholder will have a right to subscribe for New Shares in the Company on the basis of 8 New Shares for every 5 existing shares held at an issue price of $0.03 each, together with one free attaching option for every New Share subscribed (**2022 Rights Offer**).

The 2022 Rights Offer is being made by HIQ pursuant to a prospectus prepared in accordance with the *Corporations Act 2001 (Cth)* (**Act**) (**Offer Document**).

Eligibility criteria

The restrictions upon eligibility under the 2022 Rights Offer are in place because of legal limitations on making or extending an offer of securities in some countries.

The Company has determined pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make or extend the 2022 Rights Offer to shareholders in countries outside of Australia or New Zealand, having regard to the relatively small number of shareholders in those countries, the number and value of shares for which those shareholders would otherwise be entitled to subscribe for and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rules and the Act, the Company wishes to advise you that it will not be extending the 2022 Rights Offer to you and you will not be able to apply for New Shares under the 2022 Rights Offer. You will not receive a copy of the Offer Document. This letter is not an offer to issue New Shares or entitlements to you, nor an invitation for you to apply for New Shares.

"Eligible Retail Shareholders" are those persons who:

- are registered holders of shares in the Company as at the Record Date;
- have a registered address in Australia or New Zealand; and
- are eligible under all applicable securities laws to receive an offer under the Offer.

Those Shareholders who are not Eligible Shareholders are "**Ineligible Shareholders**" and will not be able to subscribe for New Shares under the 2022 Rights Offer.

Although the Company is unable to extend you the opportunity to participate in the 2022 Rights Offer directly, the Company has appointed **Peloton Capital (AFSL 406040)** (**Nominee**) to act as nominee to sell the rights to subscribe for New Shares pursuant to the Offer Document to which you would have otherwise been entitled (**Ineligible Shareholder Entitlements**).

Any interest earned on the proceeds of the sale of these Ineligible Shareholder Entitlements will firstly be applied against the expenses of the sale, including brokerage, and any balance will accrue to Ineligible Shareholders. The net proceeds of the sale of these Ineligible Shareholder Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Ineligible Shareholder Entitlements (after deducting brokerage commission and expenses).

If any net proceeds of the sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Nominee may sell the Ineligible Shareholder Entitlements, Ineligible Shareholders may not receive any net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell the Ineligible Shareholder Entitlements on ASX and Ineligible Shareholders may receive no value for the Ineligible Shareholder Entitlements. Both the Company and the Nominee take no responsibility for the outcome of the sale of the Ineligible Shareholder Entitlements or the failure to sell such Ineligible Shareholder Entitlements.

The Company has not applied for approval by ASIC with respect to the appointment of the Nominee under section 615 of the Act as the Company does intend to rely on Item 10 of section 611 of the Act for the purpose of the exemption to the takeover prohibition due to the fact that no New Shares will be allotted under the rights issue where such allotment will result in a breach of section 606 of the Act.

You are not required to do anything in response to this letter.

Further information

If you have any questions, please call the Company's share registry, Automic Registry Services on 1300 288 664 or +61 2 9698 5414 (from outside Australia) at any time between 8.30am to 5.00pm (AEDT) Monday to Friday during the 2022 Rights Offer period.

For other questions, you should contact your stockbroker, accountant, taxation advisor, financial advisor or other professional advisor.

On behalf of the Board of the Company, I thank you for your continued support as a shareholder.



Michael Vegar
Managing Director
HitIQ Limited