

Technology Connections International Pty Ltd Crowd-sourced funding offer document

Dated June 12th 2024

Offer of fully-paid ordinary shares in Technology Connections International Pty Ltd at \$1.32 per share to raise a maximum of \$795,300

This crowd-sourced funding (**CSF**) offer document relates to the Offer of fully-paid ordinary shares in Technology Connections International Pty Ltd.

This Offer is made under the CSF regime in Part 6D.3A of the *Corporations Act 2001* (**Corporations Act**).

Issuer

Technology Connections International Pty Ltd ACN 069 524 205

Intermediary

Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

Always consider the general CSF risk warning and offer document before investing

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Section 1: Risk warning

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

Section 2: Information about the Company

Letter from Peter and Ian - the founders

Our flagship product, Virtual Jeff® PRO, is a digital replacement for a mechanical device called a 'vibrato arm'. Vibrato is a variation of pitch which is an emotional music embellishment that's been used by singers and orchestral musicians for centuries.

It became possible on guitar in the 1950s with the invention of the Bigsby, which mechanically changed the string tension, hence their pitch. Despite many redesigns since, that brute-force mechanical method has persisted, because until now it was the only way to create vibrato. The only thing that changed was the name: they're now called 'whammy bars'.

Ian and I saw the possibility for a revolution after 70 years of mechanical torture! I built a prototype of a very different whammy mechanism that used a digital pitch processor instead of mechanics.

This became Virtual Jeff Mk 1, which we exhibited on a tiny booth at NAMM USA, the world's largest music instrument trade show. Word quickly spread around the show and curious guitar players from around the globe visited our booth - no one had ever seen real vibrato on a guitar without mechanics. This culminated with a 'Best in Show' award in recognition of our breakthrough.

The award encouraged us to pursue the next version, with our own custom pitch chip and unique features. We found Angel funding to develop that version, Virtual Jeff® PRO (VJP), and managed the pathway to mass production despite the difficulties created by Covid.

On its release, there were skeptics of such a radical approach until high-profile reviewers tried it out. Their reactions mirrored what we'd seen so many times at NAMM... first was astonishment, then laughter and admiration. We knew why they reacted that way – it was a shock after 70 years of mechanical whammys! Everyone knew it was a generational step-change for whammy bars.

For FOMOfx, it confirmed our view that VJP could be the cornerstone of a whole ecosystem of companion products and accessories, and those products are now in the pipeline.

First is vOL PRO, which re-imagines two mechanical/analog products but provides more intuitive operation and none of the drawbacks. Next is CRANK, a completely fresh approach to the whammy bar design that has existed since day one. In our user testing, these products prompt the same incredible reactions as VJP because they are such a leap out of the past into the future.

The music industry (MI) landscape was already changing because of the internet - and Covid contributed to that (50% of MI sales are now online²). The global disarray for traditional distributors and retailers caused by Covid forced us to abandon plans for conventional distribution, so we pivoted to a direct-to-consumer (D2C) sales model (i.e. online). Strategically, that turned out to be a silver lining in a time of dark clouds. It allowed us to start selling the product after years of research, development and investment.

Our current investors have taken us through the challenging first stages: patents⁴, mass production, establishing D2C sales channels, USA fulfillment and initial social media marketing. The current capital raise, in which you are being invited, is designed to take FOMOfx to the next exciting stage.

Ian and I look forward to getting FOMOfx products out to a larger global audience. We're greatly rewarded - but unsurprised - when players react so positively to them. They see the musical possibilities from the transformational changes we've made. The time is right for us to scale up

FOMOfx by expanding our marketing, getting the new products into production and maintaining our patents to protect the technologies. We have a great opportunity to be a leader in future music technology.

See Reviewer reactions to Virtual Jeff® PRO on its release:

Riffs, Beards and Gear - YouTube

https://www.youtube.com/watch?v=zWke8OENPKc&t=472s&ab_channel=Riffs%2CBeards%26Gear

Sophie Burrell – YouTube

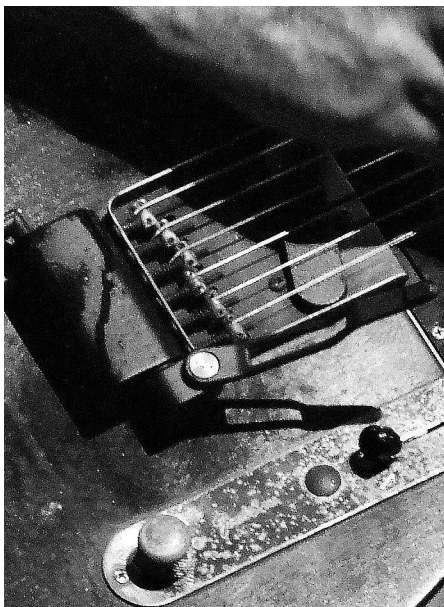
https://www.youtube.com/watch?v=ba44uXlXWr0&ab_channel=SophieBurrell

Previewing vOL PRO in Nashville: (unreleased clip filmed during a live-stream)

<https://youtu.be/X-XZhhvj48I>

“50 Shades of Jeff” playlist

https://www.youtube.com/playlist?list=PL-hl7riXO_PE4sgbS1bjdIGO-eYMuobjH



Virtual Jeff® PRO

2.1 Company details

This offer of shares is made by Technology Connections International Pty Ltd ACN 069 524 205

Company name	Technology Connections International Pty Ltd
ACN	069 524 205
Date of incorporation	6 th June 1995
Registered office	Joseph Konnaris CPA, 13 Station Street, Kogarah NSW 2217
Principal place of business	6 Bridge Road, North Ryde NSW 2113
Directors	Ian Richard Moss Peter Joseph Walker William Nathaniel Grierson
Company Secretary	Peter Joseph Walker
Subsidiaries	FOMOfx Pty Ltd ACN 609 651 701 (100%)
Website	www.fomofx.com.au

2.2 Our business

We are a technology developer/manufacturer in the premium music effects market. Our products are designed in Australia, protected by international patents⁴, trademarks⁵ and registered domains⁶ and manufactured in SE Asia. We sell online through three FOMOfx-branded Shopify stores and are fulfilled in the USA & Canada by Selectron Solutions, New Jersey; by FOMOfx in Australia and Thomann GmbH throughout Europe and the UK.

Our mission is to disrupt traditional designs, update and innovate from a contemporary perspective and create smart tools that will themselves be iconic devices in the evolution of new music. We are post-revenue but still early in our growth phase and looking now to rapidly scale.

2.2.1 Achievements to date

It's been an interesting journey for FOMOfx since the original Virtual Jeff Mk1 prototype was born in 2016. Awards, setbacks (e.g. a devastating factory fire in Japan at a critical component supplier), FCC/CE certification changes and multiple technical / logistical challenges were all presented, set against the stormy background of a global pandemic. Unlike many start-ups at that time these setbacks were taken in our stride, opting to buckle up not bail out. This is our journey so far...

2018-2020

Angel Funding

The Company received its first external Angel funding in June 2018, and these same investors have stayed with us through two additional funding rounds since. At this time, we had the original prototype of the Mk1 whammy arm and the early patent related to it, but no enhanced stomp box electronics or design.

Detailed Design and Certifications

The initial funding drove an intense period of product analysis e.g. deciding what components of our overall product would be developed in-house or licensed. Key aspects were finalised: chip and component selection, electronic circuit designs, response modelling and pitch code plus a propriety 2.4GHz wireless link (MiniLink) to avoid WiFi latency. The product then went through 4 separate international electronic and safety Certifications (FCC-USA; CE-Europe; IC-Canada and RCM-Australia) and two environmental certifications (WEEE, RoHS 2) before manufacturing could commence.

2020-2021

Tooling and Mass Manufacturing

First mass manufacturing of Virtual Jeff® Pro was completed during late 2020 / early 2021, despite the difficulties of remotely coordinating the activities of 3 overseas manufacturing partners because of travel restrictions. This milestone allowed us to bring the first of our innovative music effects to market, a significant step forward in our journey.

Virtual Jeff® PRO Launch

Our flagship product, Virtual Jeff® PRO, was launched in mid 2021 and was very favourably reviewed in leading industry publications such as Premier Guitar, Guitar, and Vintage Guitar as well as a wide range of YouTube reviewers. These reviews from respected international sources validated our vision, the level of innovation behind the product and the revolution it represented.

Direct to Consumer Channels Established

The pandemic effectively closed off all traditional distribution channels during most of 2020 (and left many traditional distributors/retailers with a mortal injury thereafter). With the imperative to get

to market, we set up three Direct to Consumer (D2C) channels in the USA, Australia and Canada on the Shopify platform. These were operational by mid 2021. This online pivot allowed sales across those regions while coping with different currencies, local customer preferences, region-specific sales campaigns and efficient local shipping methods.

Efficient Fulfilment

Our initial fulfilment centre in Atlanta, USA was highly problematic because of Covid labour shortages and a crippled US Postal service. We shipped all the stock to Selectron Solutions, a highly regarded fulfilment centre in New Jersey, USA. Selectron have been a great partner and we have optimised and automated our logistics through them. This ensures timely delivery of products (1-3 days) to customers throughout the USA and Canada. Their infrastructure provides the full range of services like shipping, tracking, warranty services etc, which are required for volume selling. The high level support from Selectron enables FOMox to provide an exceptional customer experience and technical support through our CRM system.

European Distribution Secured

In partnership with Thomann GmbH, we've gained a comprehensive distribution network across Europe, covering over 19 countries. This collaboration ensures musicians across Europe have access to our products, without us needing to establish our own fulfilment or customer service infrastructure in the EU.

2022-2023

Growing Brand Awareness and Community Engagement

We have worked with top influencers, content creators, and A-list musicians to build brand awareness and the credibility that is so essential for a new game-changing product. Their endorsements and extremely positive reviews significantly enhanced our reputation in the music community, helping us reach and inspire a broader audience. Through these efforts, we have amassed over 10 million views on social media channels and built a thriving community of >10,000 subscribers and followers.

Personalised Customer Service Delivered and Valued

Our commitment to customer satisfaction is reflected in the personalised customer service processes we developed through our CRM platform. In this era, customer expectations are high so they don't just appreciate it, they expect it. We focus on ensuring that every interaction is positive and productive, fostering long-term loyalty and trust – the testimonials on our website attest to this achievement.

Marketing Success and Sales

Using the insights and data from the major marketing channels (Facebook, Instagram, Google etc) we have created and refined a robust marketing funnel across our three Shopify online platforms. It provides a Return on Ad Spend (ROAS) averaging 5-6x – highlighting our ability to attract and convert customers efficiently. We have sold over 1,000 Virtual Jeff® PRO units to date and this is our pathway to drive growth at scale.

Continuous R&D and New Products

Focused R&D produced Virtual Jeff® PRO and the creation of new products like VOL PRO and CRANK, with more innovations in the pipeline. Our underlying technologies are more than capable of spawning a range of variants across multiple price-points. These technologies are protected by patents⁴ and 'trade craft'. No competitor product has emerged from any manufacturer since the release of the original Virtual Jeff Mk 1 because our methods are unique and protected. In the music tech world, we have a substantial claim on the label 'first to market' with a digital whammy bar.

2024

Operational Stability / Scale and Grow

Although it has taken some time, the building blocks FOMOfx needs for success are now in place and we consider the company operationally stable. The Company is set up for scaling and has the knowledge and experience to know that we must reach more users through smart advertising, show them even more creativity and innovation with extended product offerings and be closer to them geographically, starting with the USA.



2.2.2 Our Products

Product Innovation and Development

Virtual Jeff Mk1 and Virtual Jeff® PRO:

The 'vibrato bar' or whammy, is a mechanical device developed for guitar in the 1950s by Paul Bigsby. There have been multiple variants by others since then which are still sold worldwide (including Paul's). The longevity of the whammy is because the effect it produces (vibrato) has always been an important emotional part of music performance - it's been an essential tool for singers and string players for centuries, long before its application to guitar.

There are numerous technical challenges to overcome when trying to replace what was previously a brute-force mechanical device. A critical issue is the mechanism itself, which is required to return to the exact position before operation with high precision. If not, the instrument is put out of tune. This is a serious shortcoming and consistent criticism of the mechanical versions. Those mechanics impose high stress on the strings and instrument, so it's completely unsuited to a wide range of instruments (e.g., acoustic guitars). And the traditional mechanics require significant modification of the instrument to install the working components, hence they are usually factory-fitted.

The original Virtual Jeff Mk1 was primarily a breakthrough in the whammy mechanism which was subsequently patented. The Mk 1 mechanism doesn't mechanically affect the strings or instrument, and can be user-installed in seconds with no tools. The design enforces tuning accuracy and stability within +/- 0.2 cents for the product life. Its accuracy is not affected by temperature or environment and doesn't require user calibration. It is user retro-fitted in seconds without any tools.

Virtual Jeff® PRO (VJP), its successor, took the next step by adding a new control system with a suite of digital algorithms providing dynamically variable response, non-linear sensitivity, Smart Pitch, V-Switch etc. These provide the intuitive responsive that many 'virtual' device emulations lack. The feature set was expanded with functions like 'Hold' and 'Blend' and the inclusion of a very popular virtual capo (V-Capo) - this replaces a mechanical capo, another legacy device which is useful, but cumbersome, in performance. The final step was the addition of our own custom pitch processor (which was a third-party device in Mk 1).

In summary, VJP is a precision replacement product for its mechanical predecessors, a refined development platform for other products and a feature-rich tool much more appropriate for the digital era. Because it's digital, not mechanical, it can be fitted to a wide range of instruments beyond electric guitars including acoustic guitar, bass, keyboards and even the traditional harp.

vOL PRO:

vOL PRO, our next product soon to be launched, re-imagines two other popular music tools: the expression pedal and clean boost. Traditionally, these devices have been constrained by analog technology and bulky mechanics. vOL PRO breaks these chains in three ways: it provides a digital solution with pristine audio quality; it has a very small foot-print (expression pedals are traditionally large) and it is not operated by foot as previously, but by hand, using the Virtual Jeff whammy arm. These attributes dramatically lower the 'overhead' that the legacy versions imposed: extra cabling, external power supplies, substantial real-estate and constant deterioration from wear-and-tear. vOL PRO imposes none of these and can be used independently or in conjunction with VJP's pitch functions.

CRANK:

Next in the new product pipeline is CRANK – a wholesale revision of whammy arm ergonomics. This radically shaped 'arm' was impossible before we invented VJP as a long arm was needed for mechanical leverage in its legacy predecessors. Because CRANK is part of the VJP digital system, no force is required and this allowed us to define a superior ergonomic solution, suited to changes in music styles and playing in the 21st century. In short, it doesn't look much like a traditional whammy bar, but operationally is much faster and more convenient in use.

Future Innovations:

Our patented whammy mechanism has broad applicability as a generic control platform because the whammy mechanism and sensor provide linear output under all conditions. This makes the mechanism ideal for controlling other parameters apart from pitch and volume (as in the current products). By way of example, we have already developed a MIDI controller and CV (control voltage) controller. These can be used to control products from other manufacturers already in the market (e.g. modelling amplifiers).

Another patented aspect is a software process we developed called "Twilight Zone". In brief, this allows the mechanism to be made of lower-cost materials and methods but still provide the same accuracy and stability. This is an important patent as we can make lower cost versions to meet different price points. Going forward, these variants have potential to gather significant market share because of the pricing, while still able to ride on the credibility of VJP.

2.2.3 Industry Overview

The music instrument market in the USA is a substantial and rapidly growing sector, valued at \$8.7 billion, representing approximately 43% of the global market¹. FOMOfx is currently a small player in this market but has unique technologies and innovative products that stand out in a landscape of conventional devices.

The New Market Dynamics

Shift in Distribution Models:

The advent of the internet has fundamentally transformed the music equipment retail landscape. The traditional 'distributor >> bricks and mortar' model, once dominant, has been disrupted. Online sales are now at 50% and growing². Larger retail chains, such as Sam Ash Music, have faced significant challenges, while many smaller state-based retailers (approximately 8,500 stores)³ have however survived due to lower overheads and direct access to their local music community.

Emergence of Direct-to-Consumer (D2C) Channels:

The response to the demise of the previous model has been a pivot to a direct-to-consumer model. This essentially removes distributors and retailers from the food-chain - and the multiple margins they charge while clipping the ticket along the way.

The New Strategic Role of Retail:

Despite the dominance of online sales, the bricks-and-mortar retail environment is still the way to provide customers with a 'hands-on' experience – players want to touch and feel new gear even if they don't buy it in store. For companies like FOMOfx, retailers therefore have an increasingly "strategic" rather than "distribution" function.

Competitive Landscape

We operate in a highly competitive market awash with products, but many are clustered around 5 different types of common effects – most of which have been around for decades in one form or another. Marketing strategies are limited for such a small range of effects, so often resort to claims like *"this year's model captures the true essence of Device Type B"*. In the short term, this can be successful for large manufacturers, who rely on expensive marketing and their brand's reputation established in former times with iconic products. But it's also strategically fragile and short-lived, for example if a competitor produces a similar product but with an extra feature or a lower price point. And there's an ever-decreasing time in the limelight on the internet for such small evolutionary updates of the same product range.

The FOMOfx Response and Market Opportunities

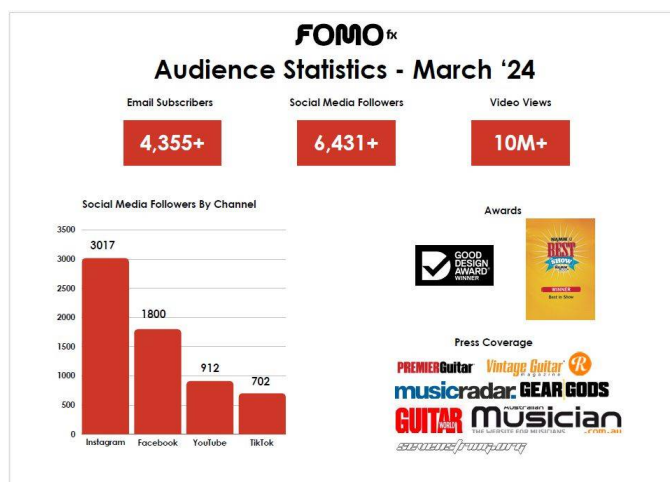
Positioning to Capitalise on New Dynamics

FOMOfx has developed its own robust D2C model, with our online stores and 1-3 day fulfilment providing a seamless purchasing experience. This not only services our customers efficiently, it creates a closer relationship with them, fostering loyalty and repeat business. It also provides us with highly valuable and ever-growing user data for promoting and selling new products.

We have also developed and (subject to funding) will roll out our US Retailer Affiliate program to capture the strategic value of "bricks & mortar" while bypassing the normal distributors and large chains. FOMOfx will invite selected smaller stores to join our Retailer Affiliate program and allow them to carry minimal stock (for demonstration) while having direct access to our online system to place orders within a tiered margin structure. This meets the needs of both parties: stores have access to our premium products but don't have to carry inventory (a major concern for everybody in retail), and they don't have to do product marketing, or provide any support. FOMOfx fulfils their orders through our existing system without any additional overhead. Marketing and support are already part of our fabric.

Expanding Customer Base:

With a thriving community of over 10,000 subscribers and followers, and over 10 million views on influencer channels, FOMOfx has successfully built a strong and engaged customer base. This community can be greatly expanded, enhancing our marketing efforts and providing valuable feedback that drives our product development.



Scalable Business Model:

Our direct-to-consumer model, supported by an efficient fulfilment centre, is scalable and adaptable to market demands. We have complete control of pricing and marketing initiatives. This flexibility positions us well to expand our operations and increase market share as the music technology market continues to grow.

In summary, FOMOfx is well positioned to capitalise on the opportunities within the music technology market because of its unique technologies, forward vision and sales model. Our innovative products, strong market presence, and strategic partnerships provide a solid foundation for future growth.

2.3 Business and revenue model

Overview of the Business and Revenue Model

FOMOfx is a “smart hardware” company, currently generating revenue through sales of our Virtual Jeff® PRO product and accessories, and ultimately creating profit from the margins we achieve. In addition to scaling up sales, the core product was designed to become the cornerstone for an ecosystem of FOMOfx products like vOL PRO and CRANK. We expect these will have excellent margins, as the processing capability and essential tooling are already embedded in the Virtual Jeff® PRO unit. This makes the new products simple extensions of VJP, without massive additional costs for development.

Distribution Model

Our current distribution is centred around:

- **Direct to Consumer (D2C) Sales:** Accounting for >90% of our revenue, this model is driven by our online Shopify stores. Customers can browse, purchase, and receive our products directly. We have no reliance or contractual obligations with conventional distributors or chain stores, so we are able to control our MAP and sales price. The D2C approach not only enhances our profit margins by cutting out intermediaries but also allows us to provide personalized customer service, gather direct feedback to continuously improve our offerings and acquire valuable customer data.
- **The Thomann Partnership:** Contributing the remaining ~10% of revenue this arrangement enables us to tap into the European market, leveraging Thomann's extensive customer base and established distribution networks. There is a significant opportunity to expand this relationship going forward.

With the exception of Thomann, we do not currently engage in Business to Business (B2B) or wholesale distribution, but we are actively exploring opportunities to establish a retail affiliate program as outlined previously. This would be best described as a hybrid “Direct to Business” model. We also have opportunities to supply FOMOfx technology direct to large music instrument makers to embed in their instruments, which would provide an OEM revenue stream.

Key Metrics for Traction

To gauge our business performance and traction, we focus on several key metrics:

- **Vital Justification Points** are our internal metric used to assess sales performance. This includes tracking the number of units sold, revenue generated, and customer acquisition costs, providing a comprehensive view of our sales efficacy and financial health. Integration with social media (Facebook, Instagram etc) provides real-time feedback on our advertising, allowing it to be refined and modified during our sales campaigns.
- **Online Subscribers:** The number of subscribers to our services and software updates is an important metric. It reflects customer engagement and satisfaction, and contributes to our ability to generate recurring revenue. When combined with data from our website clicks, our content views and comments on reviews, we gain valuable insights into the demographics of our customers, current and future.
- **Overall Locations:** We track our presence in over 25+ locations worldwide, which includes the markets we serve through our Shopify stores and our retail partnership with Thomann. This metric helps us understand our geographical reach and identify areas for potential expansion.

Key Value Drivers

The primary value drivers of our business include:

- **Innovative Technology:** Our products blend advanced technology with a retro spirit, offering musicians of many generations unique tools that inspire creativity and enhance their sound. A recurring theme in our customer feedback is that they have a profound experience when they use Virtual Jeff® PRO. Its transparent audio performance, absolute tuning stability and V-Capo are a revelation. For them, it is as much of revolutionary head-spin as a smartphone would be to 1980s telephone user.
- **Customer Experience:** We prioritise delivering an exceptional customer experience through responsive support, user-friendly products, and a seamless online shopping process.
- **Brand Reputation:** Our brand has the underlying ethos of being "for musicians, by musicians". This authentic identity resonates with our target audience, fostering trust and a strong emotional connection with our customers. Our reputation for quality and innovation and the release of more unique new products will further enhances our brand's appeal.

Marketing

Our main marketing methods are:

- **Digital Marketing:** We leverage targeted online campaigns, social media engagement, and email marketing to reach potential customers. These digital marketing efforts build brand awareness, drive traffic to our Shopify stores, and convert leads into sales. They are the future of marketing going forward as no other means has the reach or cost-effectiveness.
- **Word of Mouth:** Positive recommendations from high-profile players, reviewers and satisfied customers play a significant role in our sales strategy. And the revolutionary nature of the product does a lot of the work for us – every customer has mates who are players. Their mates are always intrigued by VJP so word of mouth is generated. This naturally leads to organic referrals and testimonials.

Main Components of the Business

- **Design:** Every product has to go through an industrial design (ID) process to make it manufacturable, easy to use and aesthetically appealing. We are fortunate in our long-standing relationship with 4DESIGN, an award-winning Australian company who are industrial design leaders. The 4DESIGN team were an integral part of the development of VJP, as this was an entirely new concept developed from the ground up, with no precedent. It won an Australian Good Design award and the relationship continues with VOL PRO and our new products in working prototype.
- **Manufacturing:** We use three Contract Manufacturers in SE Asia for Virtual Jeff® PRO and subsequent products. This means we have been able to work with specialist manufacturers for different aspects of the product. It also means no single manufacturer has the ability to copy or back-door our products.
 - The 'stompbox' (the unit that our whammy connects to) is manufactured in China. All processor code is highly encrypted, so is inaccessible to the manufacturer. From a legal perspective, there is no 'technology transfer' in China, so the Country of Origin is not defined by the location of the stompbox manufacturer.
 - The whammy mechanism is a 4D CNC'd component made from high-grade aluminium and manufactured by a leading Taiwan specialist in machining. They also make the whammy case and arm. Legally, this is the point of technology transfer so the Country of Origin for the product is Taiwan, meaning we do not attract the large tariffs imposed in the USA on products with a Chinese origin.

- Our third manufacturer is a specialist plastics factory, also in Taiwan, that make the sub-chassis frame and custom mounting system. This company also does the final product assembly, final 100% product QC using tools developed by FOMOfx and final packaging.
- **Intellectual Property (IP):** All technology patents and the Virtual Jeff international trademark are 100% owned by the holding company, TCI. We have patented in 9 countries that are significant target markets for the product (there's no point in patenting where you're unlikely to sell it at volume). Virtual Jeff® is also a registered trademark in 5 regions, and we have registered a total of 11 domain names for marketing (please refer to the back Bibliography for patent, trademark and domain details).
- **Software:** There are four 'software' components in the Virtual Jeff® PRO platform: (a) the low-level processing of the sensor data; (b) the 'smart' processing algorithms for that data to provide an intuitive user experience; (c) the MiniLink wireless system and (d) the pitch processor.

With the exception of the pitch processor, FOMOfx developed all the software and circuits for a,b,c in-house, as these are areas of expertise and experience for the founders. A pitch engine is required to effect pitch changes, but pitch engines are highly complex mathematical code, with very few true global experts. We partnered with IVL Audio, Canada, as their original pitch engine was a landmark in that mathematical process. We licensed that core engine and created an online development platform to customise it for VJP despite the geographic separation of our companies. IVL Audio designed the pitch processing board and assisted in the first production run.

2.4 Business strategy

FOMOfx will focus on the following key initiatives for the next 6-12 months (short-term) and beyond:

New Products and Mass Production

The Virtual Jeff platform is ideal for controlling many other things as well as pitch. We recognised this from the outset so incorporated features into the original tooling and electronics. These were not required for Virtual Jeff® PRO, but adding them from the start means new products in the pipeline wouldn't require expensive tooling changes, create model incompatibilities or require electrical re-certification (i.e., FCC, CE etc).

Our first new product benefits from this strategy:

vOL PRO controls volume and boost in an intuitive way – direct from the VJ whammy arm! It replaces both a bulky expression pedal as well as an analog boost pedal. Inventory costs are modest as the circuitry is already inside the VJ stompbox. No electrical compliance testing (i.e., FCC, CE etc) is needed as its operation was certified during the compliance testing for Virtual Jeff® PRO. Some tooling is required for its folded metal case and packaging design is not finalised. These are the only remaining steps to mass production of this functionally attractive device.



Pilot production models were assembled and tested in Australia by the FOMOfx team and will be offered to subscribers as the 'signature' model. With limited stock available, this strategy will maximise awareness and social media buzz, providing the platform for the release of the mass manufactured version to follow.

No patents are required for this product as it only works in conjunction with Virtual Jeff® PRO!

Our next product benefits from a tooling addition in the arm attachment:

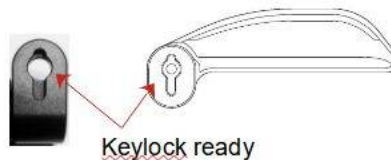
CRANK is a wholly new interpretation of a whammy arm, providing much improved ergonomics. CRANK is possible because our digital solution doesn't require force to operate (unlike the mechanical whammy). Its shape is specifically designed for modern playing styles as the player doesn't need to move their hand away from the strings to operate it.

Pre-production samples received very positive feedback from user testing. It's another 'Ah-hah' moment! Cosmetics and packaging are yet to be finalised. Inventory is the major cost factor. No compliance testing is required. CRANK is compatible with the standard VJ case and mount because of the inclusion of a keylock in the original tooling.



CRANK

Next generation whammy ergonomics



A Provisional patent for CRANK was applied for in Australia and escalated to a PCT (global) application. This is expected to be granted in the USA shortly. Strategically, this single patent is more effective than a Registered design in multiple countries, as a patent protects the concepts of the design - whereas a competitor could bypass a Registered Design by making a small change.

vOL PRO and CRANK have the same strategic attributes:

- **Compatibility:** Both were designed to be fully compatible with Virtual Jeff® PRO from day one. Owners new and old can easily swap arms or add vOL PRO to the existing product. They are cost-effective, expand the VJP 'ecosystem', present mix-n-match bundling opportunities, are inherently protected and provide features no competitor can match.
- **Re-packaging:** These products are key parts of our 'bundling' strategy. This will separate the major elements of the current product package into individual components, some with different finishes, so customers can make up their 'own' version. Another production run of the VJP individual components will be required, but no additional R&D or expensive compliance testing is required because the changes are only cosmetics/packaging.

Enhanced Advertising to Drive Sales

In the online era, sales depend on enhanced awareness of our products, and the level of exposure we garner from social media content and influencers. These are the backbone of our forthcoming enhanced marketing campaigns; learnings from early campaigns demonstrate their effectiveness. The experience gained will be used in conjunction with refinements of our advertising placement, content formulation and ad copy to drive customers down the sales funnel.

vOL PRO and CRANK now (and our other products as they roll out over the medium term) are actually very effective strategic marketing tools. This is because social media is obsessed with the 'latest' and it is difficult to get eyeballs and clicks if there's nothing new to say. In essence, vOL

PRO and CRANK are stalking horses: they are new, therefore click-worthy... but that also makes them effective vehicles to raise awareness of FOMOfx and sales of Virtual Jeff® PRO. Announcements of game-changing new products is a vital part of our both short and long-term strategy because it is demonstrably effective on social media and attracts free promotion via news channels, music magazines and trade announcements.

FOMOfx has been adept at maximising our advertising spend, but our marketing budgets are a major restriction on growth. To date, we estimate that a very small proportion (2%?) of the music market has been exposed to Virtual Jeff® PRO. This isn't surprising, as the internet is growing by several hundred thousand websites per day. Compared to many competitors though, we have better visibility because our products are unique and players react emotionally to them.

Establishing a presence in the USA

There is a compelling case for establishing a local presence in the USA, our largest and most vital market. A local representative can implement our Retailer Affiliate program, foster artist relationships and gather direct product feedback. These are strategic assets for growth. Ideally (and subject to funding) we would like to do this within our short-term horizon, however whether short or long-term, it is inevitable that FOMOfx will seek to expand its USA presence because there are just too many opportunities there that are geographically difficult to create and exploit from Australia.

Patenting and Intellectual Property

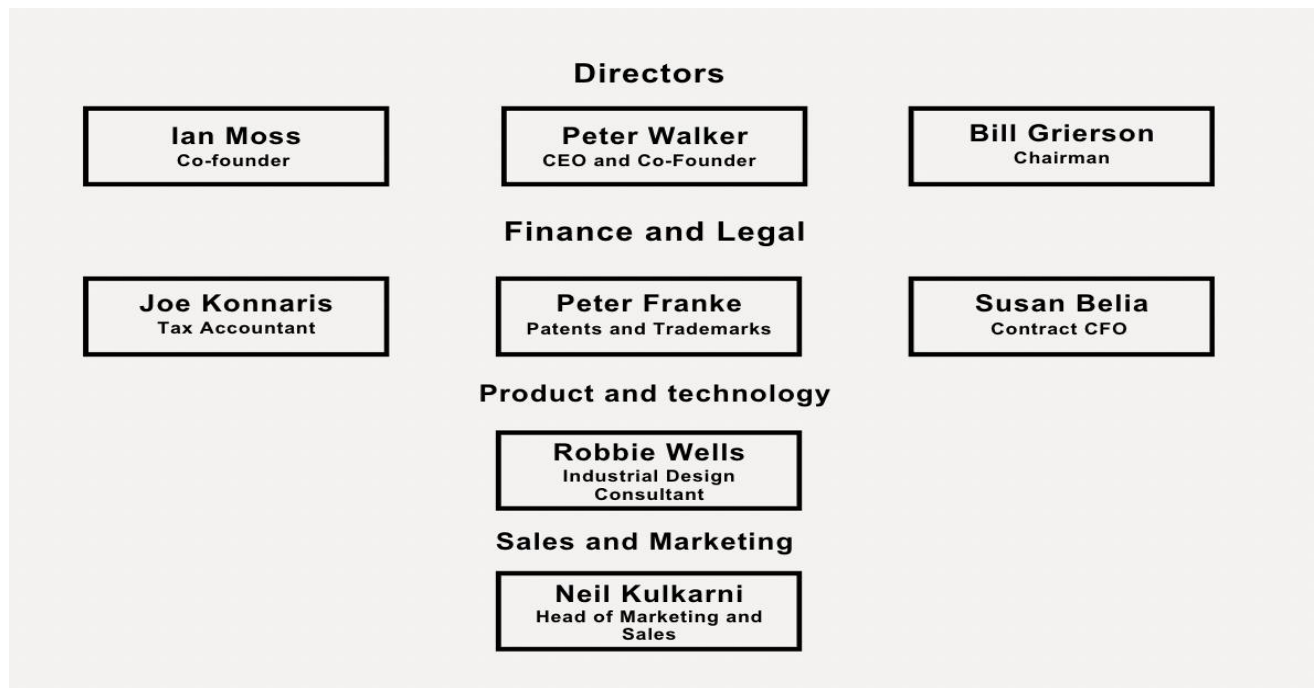
Protecting our expanding Intellectual Property portfolio is clearly important. Our core technologies are already protected with VJP patents, but annual renewals of them across multiple regions are a significant cost factor. Similarly, our Registered trademark is a recurrent cost. New patents/trademarks are envisaged for current activities still in the R&D phase.

Franke Hyland, our patent attorneys, are experts in strategic IP protection, which is the key to obtaining broad-based protection at realistic cost.

Section 3.2 of this document sets out more detail on how the CSF Funds will be prudently put towards achieving these priority objectives.

2.5 Our team

2.5.1 Organisational structure



2.5.2 Directors & senior managers

Peter Joseph Walker	William Nathaniel Grierson
Role Director & CEO	Role Chairman
Description of duties Management, R&D, product design, production oversight	Description of duties Business, strategic and prudential guidance
Skills and experience Musician, platinum record producer, specialist in control systems, sensors, microprocessing code and haptics. Multiple patent holder.	Skills and experience Experienced early stage investor of more than 50 companies. Named "Most Active Angel" by Australia's TechBoard in 2018, 2019, and 2020.

Ian Richard Moss
Role Director
Description of duties Product development, product evangelist
Skills and experience One of Australia's most legendary guitar players, renowned for his peerless sound and deep knowledge of guitar equipment.

2.5.3 Advisors and consultants

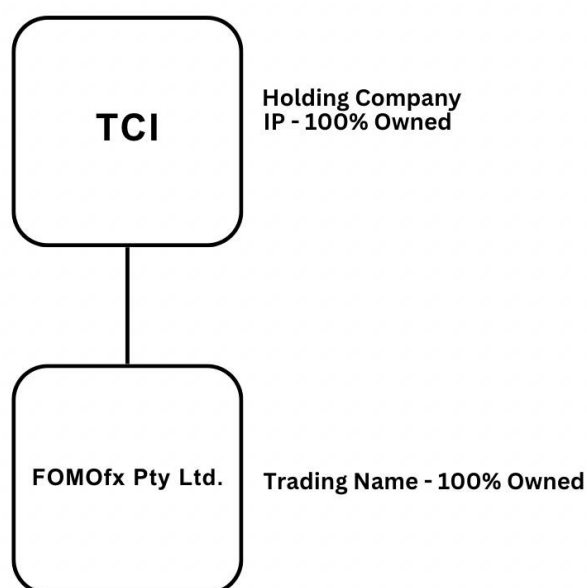
Advisors / Consultants	Advisors / Consultants
Neil N. Kulkarni	Peter Franke
Role Head of Marketing and Sales	Role Patent Attorney
Description of duties Growth Marketing, Social Media Marketing, Demand Generation, Email Marketing, Advertising, Marketing Strategy, Performance Marketing.	Description of duties Strategic patenting, trademarks and registered designs.
Skills and experience Neil holds a Master of IT with a focus on Digital Media Technologies from the University of Sydney. He is also certified in User-Centric Marketing, A/B Testing, Landing Page Optimization, Facebook Ads, and Google Ads (CXL Institute, 2021).	Skills and experience Bachelor of Laws and Bachelor of Science (physics), The University of Melbourne Named by Intellectual Asset Management as one of the world's leading IP strategists for 2022 and 2023.
Robbie Wells	Susan Belia
Role Industrial design team leader/4DESIGN	Role Contract CFO
Description of duties Product industrial design, ergonomics, mass production techniques and manufacturer liaison	Description of duties Financial and cash flow planning, management reports and analysis
Skills and experience 30 years experience as an Industrial Designer. Recognised globally with the Australian Product Design of the Year, Red Dot, Chicago Good Design, IDSA, Australian Engineering and IF awards.	Skills and Experience Seasoned CPA for 25 years, Company Secretary and CFO for public companies valued at \$1bn.

Joseph Konnaris
Role Tax Accountant
Description of duties Accounts preparation and Tax Returns Tax advisor
Skills and Experience Founding partner Konnaris CPA (1982) with deep roots in the Music and Entertainment field

2.5.4 Organisational Structure

Technology Connections International Pty Ltd (TCI) is the parent company owning 100% of the IP.

FOMOfx Pty Ltd was founded by Moss and Walker and is 100% owned by TCI. It is the trading name for TCI products.



2.5.5 Other related parties

VIR AV Pty Ltd (ACN 08308181) is 100% owned by the founder and director of the Company, Peter Walker. VIR AV Pty Ltd is exclusively contracted by the Company to provide the services of Mr. Walker as CEO on commercial terms.

24/8 Pty Ltd (ACN 674388375) is 100% owned by shareholder Neil Kulkarni. 24/8 Pty Ltd is contracted by the Company to provide the services of Mr. Kulkarni as Marketing Manager on commercial terms.

2.6 Capital structure

2.6.1 Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 1,313,158 Ordinary shares and 1,096,842 Subscription (Preference) shares on issue. The majority of shares are held by the Company's founders/directors and professional investors.

The Company also has the authority under its Constitution to establish an Employee Share Option Plan (up to 10% of issued capital) on terms it may determine from time to time.

Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

Shareholder	Ordinary Shares	Subscription (Preference) Shares	Options
Mosstrooper Pty Ltd or Ian Moss directly	652,500 (49.7%)	259,494 (23.7%)	Nil
VIR AV Pty Ltd or Peter Walker directly	652,500 (49.7%)	22,982 (2.1%)	Nil
Off The Planet Investments Pty Ltd as Trustee for The Grierson Family Trust	Nil (0.0%)	418,147 (38.1%)	Nil
Brisbane Angels Nominees Pty Ltd	Nil (0.0%)	251,991 (23.0%)	Nil
Shareholders Each Holding Less Than 5%	8,158 (0.6%)	144,228 (13.1%)	Nil
Total	1,313,158 (100.0%)	1,096,842 (100.0%)	Nil

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis

Table 2: Issued capital of the Company following the Offer (on a fully diluted basis)

Shares	Minimum Subscription	Maximum Subscription
Existing Ordinary Shares	1,313,158 (46.2%)	1,313,158 (39.2%)
Existing Subscription (Preference) Shares	1,096,842 (38.5%)	1,096,842 (32.8%)
Offer Shares (Ordinary Shares)	151,515 (5.3%)	602,500 (18.0%)
ESOP Shares (Unallocated)	284,613 (10.0%)	334,722 (10.0%)
Total Shares	2,846,128 (100%)	3,347,222 (100%)

Note: Existing shareholders may elect to make an application for shares under this CSF offer.

2.6.2 Rights and liabilities associated with securities

As at the date of this Offer, the Company has both Ordinary and Subscription (Preference) shares on issue.

The rights and liabilities associated with the securities in the Company are governed by the Company's Constitution (2024). A copy of the Company's Constitution is available on the Intermediary's platform.

Ordinary Shares

The rights and liabilities associated with the Ordinary shares are set out in the Company's constitution and Shareholders Agreement, including:

- All shares have the same voting rights and the same rights to receive dividends.
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.
- The Board may at their discretion refuse to register a transfer of shares without giving any reason for refusal

The shares offered under this Offer are Ordinary shares. A more detailed description of the rights and liabilities associated with the Ordinary shares is set out in Section 3.3.

Subscription (Preference) Shares

The additional rights associated with the Subscription (Preference) shares are set out in the Company's Constitution, including:

- Holders of Subscription (Preference) shares will rank before ordinary shareholders on a liquidation, winding up or the proceeds from any sale. The Subscription (Preference) shares are "1 x Participatory", meaning that the Subscription (Preference) Holders receive their initial invest-

ment amounts first from the proceeds of any sale, liquidation, or winding up, with their shares then converting into Ordinary Shares, and all shareholders (including the converted Subscription (Preferred) holders) then sharing the remainder pro-rata.

- The Subscription (Preference) holders have the right to nominate up to 2 directors on to the Company Board (note that as Founders, Ian Moss and Peter Walker also have the right to nominate one director each)
- The Subscription (Preference) holders are also entitled to receive half-yearly (rather than just annual) financial reporting

Other than as described above, the preference shares have the same rights as the ordinary shares.

Employee Share Option Plan (ESOP)

The Company has the authority under its Constitution to issue up to 10% of its issued share capital as an ESOP. As at the date of this Offer Document, the Company has not implemented an ESOP

Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

2.6.3 Sources of financing, including debt financing and other financing

Historically the business has been funded through a combination of equity, operating income, Government Grants, and ATO Research & Development Incentives

Equity

To date, the Company has raised approximately \$1.388M from its directors, early supporters, and professional investors, including \$334,718 converted from convertible notes on 15th May 2024 which is shown as debt on the balance sheet in section 2.8.1

Operating Income

Up to this Offer, the Company has generated \$645,000 in revenue through sale of approximately 1,000 units of our Virtual Jeff® PRO and associated products

Government Grants

The Company received an Accelerating Commercialisation grant of \$500,000 in 2019, which has now been fully acquitted. There is no claw back on these monies.

ATO Research and Development Incentive

The Company has claimed circa \$460,000 in ATO R&D Incentives over time.

2.7 Key risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Intellectual property risk	The protection of the Company's intellectual property is critical to our business and commercial success. Whilst we have invested significantly in granted patents, if in spite of these protections we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.
Key person risk	As an early-stage business, the Company is susceptible to the loss of a key team member (Peter Walker) as he is considered critical to the continued success of the Company. If he was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.
Supply chain and fulfillment risk	Disruption to the Company's supply chain (including availability of Computer Chips on which key parts of the Company's products rely) could affect the Company's ability to produce inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on the Company's revenue and profitability. The Company further relies on third-party providers to facilitate warehousing, shipping and other critical parts of its business model. If the cost of such services increases or availability of such services diminishes, the Company's profitability will be negatively impacted in the short term while it transitions to alternative arrangements.
Funding risk	The Company is in the process of raising capital to fund its operations and growth. There is a risk that the Company may not be able to secure sufficient funding as required. In the event that the Company fails to raise the necessary capital on acceptable terms, or at all, it may have a material adverse effect on the Company's business operations, financial condition, and prospects. This could include the need to significantly reduce operating expenses, delay or abandon strategic initiatives and expansion plans, or cease operations entirely.
Cash flow risk	The Company's operating activities involve a series of cash inflows and outflows, including the need to fund mass manufacturing runs for its products. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.
Currency risk	The Company has a significant proportion of operational / management costs in Australian dollars and derives the majority of its revenues in US\$. A negative movement in the Australian dollar against the US\$ may therefore affect the margins and profitability of the Company.

2.8 Financial information

Below are the financial statements of the Company for the financial years ended 30 June 2023 and 30 June 2022, which have been prepared in accordance with the Accounting Standards. Financial information for the 10 months ended 30 April 2024 have also been included. The information has been prepared on a consistent basis based on management accounts, and accordingly may be subject to change.

2.8.1 Balance sheet

Statement Of Financial Position			
Technology Connections International Pty Ltd			
	As At April 30th 2024	As At June 30th 2023	As at June 30th 2022
Assets			
Current Assets			
Cash & Cash Equivalents	106,398	132,389	32,144
Current Tax Assets	-	-	829
Inventories	193,204	265,455	398,582
Trade & Other Receivables	-	62,859	-
Total Current Assets	299,602	460,703	431,555
Non-Current Assets			
Deferred Tax Assets	48,504	48,504	36,730
Financial Assets	100	100	100
Intangible Assets	217,027	196,882	167,206
Total Non-Current Assets	265,631	245,486	204,036
Total Assets	565,233	706,189	635,591
Liabilities			
Current Liabilities			
Current Tax Liabilities	(5,641)	1,192	-
Related Party Loans	-	-	63,000
Trade & Other Payables	26,991	11,197	104,357
Total Current Liabilities	21,350	12,389	167,357
Non-Current Liabilities			
Borrowings	334,718	334,718	-
Total Non-Current Liabilities	334,718	334,718	-
Total Liabilities	356,068	347,107	167,357
Net Assets	209,165	359,082	468,234
Equity			
Issued Capital	990,080	990,080	990,080
Retained Profit / (Accumulated Losses)	(780,915)	(630,998)	(521,846)
Total Equity	209,165	359,082	468,234

2.8.2 Profit and loss statement

Statement Of Profit Or Loss And Other Comprehensive Income			
Technology Connections International Pty Ltd			
	For the 10 Months ended April 30th 2024	For the 12 Months ended June 30th 2023	For the 12 Months ended June 30th 2022
Income			
Revenue	211,868	255,992	177,930
Cost Of Sales	(126,182)	(176,222)	(67,582)
Gross Profit	85,686	79,770	110,348
Other Income			
Finance Income	-	-	63
Other Income	-	57,236	25,000
Total Other Income	-	57,236	25,063
Expenses			
Administration Expense	(6,159)	(1,151)	(620)
Employment Expense	(137,946)	(121,141)	(114,400)
Other Expense	(68,824)	(127,152)	(148,867)
Professional Fees Expense	(22,674)	(8,418)	(17,232)
Travel Expense	-	(69)	(282)
Total Expenses	(235,603)	(257,931)	(281,401)
Net Profit Before Income Tax	(149,917)	(120,925)	(145,990)
Income Tax Expense			
Income Tax Expense	-	11,774	36,730
Total Income Tax Expense	-	11,774	36,730
Net Profit For The Year	(149,917)	(109,151)	(109,260)
Total Other Comprehensive Income	-	-	-
Total Comprehensive Income For The Year	(149,917)	(109,151)	(109,260)

The 2024 Profit and Loss Management Accounts to date do not include any expected “end of year” positive adjustments including a further Research and Development Incentive which the Company intends to lodge, nor bringing to account of any additional deferred Income Tax assets.

In preparation for this CSF Offer, in May 2024 the Company also converted a series of outstanding Convertible Notes which will result in recognising a once-off, non-cash interest expense of \$63,714 that will be run through the Profit and Loss account this year.

2.8.3 Cash flow statement

Statement Of Cash Flows			
Technology Connections International Pty Ltd			
	For the 10 Months ended April 30th 2024	For the 12 Months ended June 30th 2023	For the 12 Months ended June 30th 2022
Cash Flows From Operating Activities			
Receipts From Customers	212,491	255,369	177,930
Payments To Suppliers & Employees	(283,677)	(392,151)	(409,303)
Interest Received	-	-	63
Receipts From Grants	57,236	-	25,000
Net Cash Flows From Operating Activities	(13,950)	(136,782)	(206,310)
Cash Flows From Investing Activities			
Payment For Intangible Assets	(12,041)	(29,676)	(23,921)
Loans From Related Parties	-	(63,000)	63,000
Net Cash Flows From Investing Activities	(12,041)	(92,676)	39,079
Cash Flows From Financing Activities			
Proceeds From Borrowings	-	329,703	-
Net Cash Flows From Financing Activities	-	329,703	-
Net Change In Cash For The Period	(25,991)	100,245	(167,231)
Cash & Cash Equivalents			
Cash Balance At The Beginning Of The Period	132,389	32,144	199,375
Cash Balance At End Of The Period	106,398	132,389	32,144

2.8.4 Statement of changes in equity

Statement Of Changes in Equity			
Technology Connections International Pty Ltd			
	Issued Capital	Retained Earnings	Total Equity
Opening July 1 2021	990,080	(412,586)	577,494
Profit (Loss) After Tax	-	(109,260)	(109,260)
Increase (Decrease) in Equity	-	-	-
Closing June 30 2022	990,080	(521,846)	468,234
Opening July 1 2022	990,080	(521,846)	468,234
Profit (Loss) After Tax	-	(109,152)	(109,152)
Increase (Decrease) in Equity	-	-	-
Closing June 30 2023	990,080	(630,998)	359,082
Opening July 1 2023	990,080	(630,998)	359,082
Profit (Loss) After Tax	-	(149,917)	(149,917)
Increase (Decrease) in Equity	-	-	-
Closing April 30 2024	990,080	(780,915)	209,165

Total Equity will be increased at June 30th 2024 by circa \$398,000 due to conversion of previous debt and interest into shares (moving from Non-Current Liabilities to Issued Capital), plus or minus the additional profit/(loss) for the final two months of 2024 trading.

2.8.5 Management comments on historical performance and outlook

Comments and Outlook on Profit and Loss

The Company launched our first product Virtual Jeff® PRO in August 2021 with very good initial sales— we put this down to a combination of sales to players that knew of Virtual Jeff and had been waiting for the product to be commercially available, early adopters, and the Covid effect where musicians were pretty well exiled from live work and spent a lot of time in their dungeons with their laptops!

Sales increased 43% between 2022 and 2023, however Cost of Goods Sold went up by 160% during the same period, with Gross Margin reducing from circa 60% to 31% and Gross Profit decreasing 27%. Although there were some timing differences in the disproportionate increase in Cost of Goods Sold, it was also impacted by two non-recurring events – costs associated with a cosmetic rework required in some Virtual Jeff® PRO units, and outsourced design and parts purchases needed to develop and do pilot production of vOL PRO.

Virtual Jeff® PRO Gross Margins have recovered again as expected to approximately 40% in 2024, however total sales have plateaued for the first 10 months compared to the full 2023 year. The Company will make additional sales in the last two months of 2024; however, May and June are part of the traditionally lower sales season in the “Consumer Electronics” segment. FY Q2 (which includes Black Friday and Christmas) historically produce 50% of our full year sales, and it is therefore considered unlikely that we will fully match our 2023 gross sales result. Clearly much of this flattening is due to the general “cost of living” pressures and the pinch on discretionary

spending, however had we moved earlier into full marketing mode (as now planned) we may have had avoided it.

Like most early-stage enterprises, the Company is currently making a loss, but in the circumstances, we believe it is a modest one, and a very simple sales uplift of doubling our gross sales should see us close to profitability. This is FOMOfx's top financial goal over the next 12-24 months, and we have a number of strategies to deploy using the CSF funds as follows as set out elsewhere in this document – targeted and more effective advertising, commercial production of companion products, and a US presence.

Comments and Outlook on Cash Flow

As with most manufacturers, the Company has a mismatch in its cash inflows and outflows.

Being D2C, our sales are almost all pay before deliver – cash payments made to our Shopify or PayPal accounts, with the goods then delivered by our fulfillment partner, and no creditors. Our general expenses (salaries etc.) are also regular and predictable throughout the year.

Building inventory introduces a significant cash outflow. Our products must be mass-produced to maintain cost efficiency and high quality, requiring substantial upfront investment in stock, often costing thousands of dollars, before further sales can occur.

The inventory issue is feast or famine. Currently we have approximately 800 fully paid Virtual Jeff® PRO units at our fulfilment centre and about 100 vOL PRO units in stock for launch (a feast) – the manufactured COGS for these units will go through the Profit and Loss with each sale, but the cash has already been paid. This means that our current Cash Burn is relatively low (circa \$6-8K per month on average) while we are drawing down existing product.

This changes completely when we sell down to limited stock (a famine) and have to do another Manufacturing Run – we will need cash or some other form of funding in place (debt, equity, grant) to pay for rebuilding inventory. Based on our best current estimates this is not going to be required until in to early FY 2025, however we have included an allocation to build significant inventory over several products in our maximum CSF case raise.

With all of the above in mind, although on current trading levels we believe we have up to 12 months of runway at present, we are seeking funds now to accelerate and grow.

Other Considerations

Other financial matters of note include the following

- FOMOfx has maintained our average Virtual Jeff® PRO price since we started, and have not discounted except when consciously chosen to do so (i.e., planned seasonal sales)
- As our products are manufactured in large runs, the cost of inventory is fixed and known before any product is put in to the market.
- Our products are manufactured in US\$'s and predominantly sold in the same currency, meaning we also have a natural hedge on our inventory
- Our first two Virtual Jeff® PRO Manufacturing Runs were conducted amid Covid. Circumstances have undoubtedly improved, and we believe there is cause for optimism that our manufacturing costs will reduce, opening up wider margins.
- Although equity has been the main funding method for the Company to date, we have also been very successful in attracting grants and other non-dilutive funds, and will lodge another Research & Development Incentive this year and the revised (Round 4) Export Market Development Grant program when it opens (expected late 2024 or early 2025).

Comments on Valuation

The current 2,410,000 shares on issue multiplied by the proposed \$1.32 per share Offer Price gives a “Pre-Money” Valuation of \$3,184,188.

Valuation as a multiple of Annual Recurring Revenue (ARR) cannot realistically be applied to the Company at this time given the current small revenue base. As set out in Section 2.6.3 however, including previous equity raised, re-invested income, grants and R&D incentives, the Company has spent close to \$3 Million to date, with the Pre-Money Valuation sitting just above that pure cash cost.

The \$1.32 per share price is also validated by the Company’s most recent investment in May 2024, where shares were issued to redeem outstanding Convertible Notes at the same price.

Investors should always note that comments on revenue or profitability outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, no representation or assurance is or can be given.

Section 3: Information about the Offer

3.1 Terms of the Offer

The Company is offering up to 602,500 shares at an issue price of \$1.32 per share to raise up to \$795,300. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.32 per Fully-paid ordinary share
Minimum Subscription	\$200,000
Maximum Subscription	\$795,300
Opening date	June 12 th 2024
Closing date	June 27 th 2024

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

3.2 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended Use	Minimum Subscription	Maximum Subscription
Accelerating Sales via Reviewers, Influencers, and Advertising	35,250	70,500
Developing, Tooling and Manufacturing Products	44,500	334,000
Renewing and Lodging New Patents	12,000	61,000
Operating Expenses including Salaries and Consulting Fees (after anticipated gross profit from sales)	93,250	180,153
Establishing a Dedicated US Presence	-	90,000
Offer Costs	15,000	59,647
Total	200,000	795,300

Further explanation on the various areas or intended use of funds are set out below:

- Accelerating Sales via Reviewers, Influencers, and Advertising includes ongoing payments to our regular reviewers and influencers, Google “Always ON” ads, and allowance for quarterly special advertising campaigns (3 in the Minimum Subscription, rising to 6 in the Maximum), all at higher amounts than current spends
- Developing, Tooling and Manufacturing Products allows for development and tooling of two products (vOL PRO and CRANK), and limited production (250 units) of both vOL PRO and CRANK under the Minimum Subscription. Under the Maximum, the company will be able to do the above and manufacture 500 vOL PRO units, 1,000 VJ PROs and 500 CRANKs.
- Renewing and Lodging New Patents allows for 1 year renewal of our current patents under the Minimum Subscription. This extends to 2-year renewals for all our patents under the Maximum Subscription, plus both a Provisional and PCT application on a development currently in R&D.
- Operating Expenses including Salaries and Consulting Fees including wages / superannuation, consulting fees, bookkeeping / accountancy, subscriptions, insurance, travel, interest and other such costs. As the Company is making recurring sales these costs have been adjusted to allow for the contribution that anticipated gross profit will make. The Minimum Subscription allows for 9 months of Operating Expenses, whilst the Maximum allows for 18 months.
- Establishing a Dedicated US Presence is not possible under the Minimum Subscription, but will be actioned if the Offer moves closer towards the Maximum Subscription.
- The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 7.5% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary). The Offer costs are exclusive of GST.

Details of payments to be made to directors and shareholders out of the funds raised under the CSF Offer (adjusted to allow for the pro-rata contribution that the gross profit from sales will make towards them) are as follows:

- Directors' remuneration - (Peter Walker as CEO, through his consulting company VIR AV Pty Ltd) - \$49,000 (Minimum Subscription) & \$75,000 (Maximum Subscription)
- Shareholder remuneration - (Neil Kulkarni as Marketing Manager, through his consulting company 24/8 Pty Ltd) - \$46,000 (Minimum Subscription) & \$74,000 (Maximum Subscription)

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

When added to our current cash, inventory holdings, and intended alternative funding (i.e., future R&D incentives), we expect that the Maximum Subscription amount will be sufficient to meet the Company's objectives over the next 24 months.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 18-24 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime, other equity, or debt. Until additional funding is obtained, we will scale back on developing, tooling and manufacturing new product as well as lodging new patents, and continue to focus our cash resources on accelerating sales.

3.3 Rights associated with the shares

Immediately after issue, the shares under this Offer will be fully-paid ordinary shares. There will be no liability on the part of shareholders and the shares will rank equally with all ordinary shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

3.3.1 Voting rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

3.3.2 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

3.3.3 General meetings and notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

3.3.4 Election and removal of directors

The Company's Constitution allows the Founders (Ian Moss and Peter Walker) to each appoint a director, and the holders of Subscription (Preference) shares to appoint up to two directors to the board.

Subject to the above, shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

3.3.5 Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank behind other classes of shares.

3.3.6 Restrictions on sale and transfer

Drag along and tag along rights

The Constitution contains drag and tag-along rights, as follows:

- Drag rights - If Shareholders who together hold 75% or more of the shares on issue propose to sell all of their shares to a third party, they can, subject to the agreement of the majority of Directors, 'drag' the remaining 25% to sell their shares on the same terms. The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.

- Tag rights - If Shareholders who together hold 75% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining Shareholders may also 'tag'-along and sell their shares on the same terms.

Pre-emptive rights on transfer

If a Shareholder wishes to transfer some or all of its shares (other than as a permitted disposal), it must serve a sale notice on the Board, and the Board must give a copy of the Sale Notice to each other shareholder who holds at least 5% of the shares in the capital of the Company.

Discretion to refuse to register a transfer of shares

The Board may at their discretion refuse to register a transfer of shares without giving any reason for refusal

On-sale restrictions under the Corporations Act

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

3.3.7 Pre-emptive rights / anti-dilution on issue of new shares

If the Board resolves to issue new Equity Securities (which includes shares, options, warrants, convertible notes or any other instrument convertible into shares), it must first offer the new Equity Securities to each other shareholder who holds at least 5% of the shares in the capital of the Company, unless one of the following exceptions apply:

- The Board resolves to make a CSF offer
- The issue of Equity Securities is a public offer of securities
- The Board resolves to issue up to 10% in aggregate of the issued share capital of the Company, provided such issuances are not exercised more than once in any 12-month period
- The shareholder who holds at least 5% of the shares in the capital of the Company waive their pre-emptive rights provisions related to the issuance of new Equity Securities
- The Equity Securities are issued as part of an approved Share Plan

3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

Section 4: Information about investor rights

4.1 Cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.3.2 Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the via our web site www.fomofx.com (free of charge) or can purchase the report from ASIC.

4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g., directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

4.4 Company updates

The Company will provide regular updates to investors on the Company's website at the following address www.fomofx.com and via the Intermediary's platform.

Glossary

Company means Technology Connections International Pty Ltd ACN 069 524 205

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which a retail investor has a right to withdraw their application and be repaid their application money

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act

Intermediary means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of the Offer.

Offer means an offer of fully-paid ordinary shares by the Company under this CSF offer document

Retail investor has the meaning given to the term “retail client” under the Corporations Act

Bibliography

1. USA music instrument sales value and global share:
NAMM 2023 Global Report, p6
2. The online pivot and its market share:
“The collapse of Sam Ash Music”, Music Trades editorial, Brian T. Majeski, May 2024
www.musictrades.com
3. Number of music instrument retailers in the USA:
<https://www.ibisworld.com/industry-statistics/number-of-businesses/musical-instrument-supplies-stores-united-states/>

4. Patent portfolio:

Patent title	Country	Patent No
Vibrato arm and System	Australia	2021202906
Vibrato arm and System	Australia	2016236832
Vibrato arm and System	China	ZL 2016 8 0029262.8
Vibrato arm and System	Germany	3 271 916 B1
Vibrato arm and System	European Patent Application	3 271 916 B1
Vibrato arm and System	Spain	3 271 916 B1
Vibrato arm and System	France	3 271 916 B1
Vibrato arm and System	United Kingdom	3271916
Vibrato arm and System	Italy	3 271 916 B1
Vibrato arm and System	Sweden	3 271 916 B1
Vibrato arm and System	United States	11,688,368
Vibrato arm and System	United States	10,978,029
Vibrato Control Mechanism	United States	TBA (Priority date: 21/03/2016)

5. TRADEMARK: “Virtual Jeff” Registration no: 1602329
Countries of Registration

Australia
China
USA
UK
EU

6. Registered domains:

virtualjeff.com
virtualjeff.com.au
virtualjeffpro.com
virtualjeffpro.com.au
virtualjeffpro.au
fomofx.com
fomofx.com.au
fomofx-canada.com
crank.au
crank.net.au
crankit.online