

CML GROUP LIMITED

[ACN 098 952 277]

("the Company")

CLEANSING PROSPECTUS

For an issue of up to 1,000 new shares (**New Shares**) at an issue price of \$0.328 (32.8 cents) per New Share (**the Offer**).

The Offer is only made to and able to be accepted by invitees determined by the Company who receive a personalised Application Form.

The Offer closes at 6pm Sydney time on the Closing Date (which date may change without notice).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act 2001 (Cth) to facilitate secondary trading of the Placement Shares.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

It is important that you read this Prospectus carefully before deciding to accept the Offer. If you do not understand the content of this Prospectus you should consult your stockbroker, accountant or other professional adviser.

The securities offered under this Prospectus are considered highly speculative

CORPORATE DIRECTORY

CML Group Limited
[ACN 098 952 277]

Directors

Greg Riley – Non-Executive Chairman
Daniel Riley – Executive Director, Managing Director
Sue Healy – Non-Executive Director
Geoffrey Sam – Non-Executive Director
Ilkka Tales – Non-Executive Director

CFO and Company Secretary

Steve Jung-Min Shin

Registered Office

Level 11, 201 Miller Street
North Sydney NSW 2060

Telephone: 1300 666 177
Facsimile: +61 2 9267 1567

ASX Code

CGR

Website

www.cml-group.com.au

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit www.asx.com.au and search code "CGR".

IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 4 November 2020. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offer early, to extend the closing date and/or any other dates, or not to proceed with the Offer described in this Prospectus.

The Offer under this Prospectus closes at 6pm (Sydney time) on 6 November 2020, which date may change without notice.

This Prospectus is for an offer of continuously quoted securities and accordingly is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus in this manner may be obtained free of charge from the Company during the application period.

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

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire New Shares and observe such restrictions and requirements. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Return of a duly completed personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No action has been taken to register or qualify the Offer or the New Shares, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for New Shares.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

All dates and times are dates and times in Sydney, New South Wales, Australia unless otherwise stated.

The securities offered under this Prospectus are considered highly speculative.

TIMETABLE

Lodgement of Prospectus	4 November 2020
Offer Period opens	5 November 2020
Closing Date	6 November 2020 at 6pm Sydney time

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are Sydney, New South Wales, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, close the Offer before the date stated above, extend the Closing Date and subsequent dates or not proceed with the Offer. The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.*

No securities will be issued on the basis of this Prospectus after 3 December 2021, being the expiry date of this Prospectus.

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2020 AGM, Company Name and Constitution

The Company's 2020 Annual General Meeting (**AGM**) has been called for 19 November 2020. The resolutions to be considered at the AGM are set out in the Notice of the AGM released to ASX on 16 October 2020, and include seeking shareholder approval:

- to change its name to EarlyPay Limited; and
- to amend its constitution. The amendments include adopting requirements in respect to restricted securities under the ASX Listing Rules, and amendments relating to the conduct of shareholder meetings and paper transfers.

The above is provided for the information of potential investors. The AGM will be held after the closing date of the Offer and the Offer is not conditional upon any resolutions being passed at the AGM. The Company will announce the results of the AGM to ASX in accordance with the Listing Rules. The Company will also announce when the name change becomes effective, and the Company's new ASX code becoming effective.

KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before deciding to apply for New Shares.

Section 5 of this Prospectus contains a summary of some of the key risks associated with investment in the Company, including risks associated with the Offer as set out below:

- Value of securities and share market conditions, including effects and potential effects of the current COVID-19 pandemic.
- The purchase of New Shares may have taxation consequences.
- Shareholders will be diluted from the issue of New Shares and Placement Shares.
- Liquidity risks.

Section 5 also includes specific business risks of the Company, a selection of which are set out below:

- Risks associated with the market in which the Company operates, including the risk of fraud from its clients.
- Risks associated with obtaining additional funding as and when required in future.
- Risks associated with reliance on third party contracts.
- Insurance arrangements risks; and
- Risks associated with COVID-19.

In addition, there are risks of a more general nature, such as economic and market conditions.

A more detailed overview of some of the key risks associated with the Company and its operations are set out in section 5 of this Prospectus.

ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding applying for New Shares, exercising existing options or investing in the Company.

Topic	Summary	For more information see:
What is the Offer?	An offer of up to 1,000 New Shares to invitees determined by the Company (Offer).	Section 1.1
What is the purpose of the Offer?	To facilitate secondary trading of ordinary shares (being the Placement Shares).	Section 2
What are the terms of the New Shares?	All New Shares issued pursuant to the Offer will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue.	Sections 1.1 and 9
How much will be raised from the Offer?	The Offer will raise up to \$328 if fully subscribed (before costs). As noted above, the purpose of the Offer is to facilitate the secondary trading of Placement Shares.	Sections 1.1 and 3
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.2
Is there a minimum subscription?	There is no minimum subscription amount.	Section 1.4
Are there risks associated with investment in the Company?	There are risks associated with investment in the Company. These include risks relating to the Offer, risks relating to the Company and risks associated with financial investment generally. Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire New Shares or otherwise making an investment in the Company.	Section 5
How do I accept the Offer?	Only recipients of a written invitation and personalised Application Form from the Company may apply for New Shares. If you have received a written invitation from the Company to participate in the Offer you can accept the Offer by completing and returning the personalised Application Form and paying the amount for the New Shares in accordance with details included in the personalised Application Form so payment is received by no later than 6pm (Sydney time) on the Closing Date.	Section 6
What are the taxation implications of participating in the Offer?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	Section 11
How and when will I know if my application was successful?	Holding statements confirming any issue of New Shares are anticipated to be dispatched on or about 6 November 2020. Anyone who trades New Shares before receiving a holding statement does so at their own risk.	Section 6
Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.cml-group.com.au) or refer to the Company's ASX announcements (available on the ASX's website www.asx.com.au , search code "CGR").	Section 8
What if I have questions about the Offer or how to apply?	You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for New Shares. If you have any questions regarding how to complete and return the acceptance form, contact details will be included in the personalised Application Form. Questions concerning the Offer can also be directed to the Company by email at danielr@cml-group.com.au or to Henslow Pty Ltd (the lead manager of the Placement) at jtooth@henslow.com .	Section 17

1. Details of the Offer

1.1 The Offer

CML Group Limited [ACN 098 952 277] (**the Company**) provides the opportunity to invited investors to apply for up to 1,000 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.328 (32.8 cents) per New Share (the **Offer**).

The Offer is only made to and capable of acceptance by investors determined by the Company who receive an invitation to participate in the Offer with an accompanying personalised Application Form (**Invitees**). Application Forms will only be sent to Invitees.

The Offer closes on 6 November 2020 at 6pm Sydney time (unless closed early or extended).

1.2 No Underwriting

The Offer is not underwritten.

1.3 ASX Listing

The Company will apply to ASX for admission of the New Shares to official quotation within 7 days of the date of this Prospectus. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or those securities.

If ASX does not grant permission for the Official Quotation of New Shares within 3 months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the application monies to Applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement Prospectus and allow applicants one month to withdraw their application and be repaid their application monies without interest.

1.4 Minimum subscription

There is no minimum subscription for New Shares under the Offer.

1.5 Placement

On 2 November 2020, the Company announced that it had received binding commitments from institutional and professional investors who are not related parties of the Company exempt from the disclosure requirements of Chapter 6D of the Corporations Act for a placement of 10,671,424 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.328 (32.8 cents) per Placement Share to raise approximately \$3.5 million before costs (**Placement**).

Henslow Pty Ltd (**Henslow**) acted as lead manager of the Placement. The Company agreed to pay Henslow a commission of 3.5% of the Placement amount (\$122,507.95) for acting as lead manager.

The Company expects to issue the Placement Shares in response to the commitments received as at the date of this Prospectus shortly following the lodgement of this Prospectus with ASIC.

The Placement Shares are proposed to be issued without shareholder approval under the existing placement capacity of the Company under the ASX Listing Rules.

2. Purpose of this Prospectus, the Offer and the Placement

The purpose of this Prospectus, and the Offer made under it, is to comply with section 708A(11) of the Corporations Act so that certain fully paid ordinary shares to be issued during the open period of this Prospectus can be offered for sale within 12 months of issue. Specifically, this Prospectus will facilitate the secondary trading of the Placement Shares.

The purpose of the Placement is to raise \$3,500,227.07 before costs. Details of the proposed use of funds raised and the financial effect of the Offer and the Placement in combination are set out in section 3.

3. Financial Effect of the Offer and the Placement

The Offer will have a negligible effect on the financial position of the Company as the maximum that would be raised if fully subscribed would be approximately \$328 before costs. As referred to above, this Prospectus has been prepared primarily to facilitate the secondary trading of Placement Shares. The Company anticipates the Placement will raise \$3,500,227, being the value of the binding commitments under the Placement as at the date of this Prospectus.

Funds raised from the Placement after deduction of costs are proposed to be applied used as working capital.

As noted in section 1.5, Henslow is to be paid a 3.5% commission for acting as lead manager of the Placement.

The anticipated costs of the Offer and the Placement are set out in the table below:

Particulars	Amount (\$)
Lead Manager Fee	\$122,508
Legal, printing and postage (approximate)	\$4,000
ASIC and ASX Fees	\$12,000
TOTAL	\$138,585

The Placement is anticipated to increase the cash reserves of the Company by \$3,361,642, being \$3,500,227 (the amount committed under the Placement) less \$138,585 (being the anticipated costs set out in the table above).

As at the date of this Prospectus, the Company has cash on hand of approximately \$26.5 million. Funds raised under the Placement will increase the cash reserves of the Company as set out above. The Company has existing creditors of approximately \$1.8 million. Payments due to these creditors are within trading terms and are expected to be settled in the ordinary course of business.

Other than the increase of the cash reserves of the Company as set out above and increasing the equity of the Company by a commensurate amount, the Offer and the Placement in combination is not otherwise anticipated to have an impact upon the financial position of the Company other than as set out in this section 3.

4. Effect on the Capital Structure of the Company

4.1 Shares and Convertible Securities

Capital Structure

The tables below set out the existing capital structure of the Company and the effect on the Company's capital structure of the Offer and the Placement in combination. These tables assume that no further securities are issued by the Company other than as provided for under the Offer and the Placement in combination and that no existing options on issue in the Company are exercised into fully paid ordinary shares.

SHARES

Existing issued ordinary shares	220,818,130
New Shares under the Offer	1,000*
Placement Shares	10,671,424
Maximum shares on issue after completion of the Offer and Placement	231,490,554

* Maximum number of New Shares that may be issued under the Offer.

CONVERTIBLE SECURITIES (OPTIONS)

The Offer and the Placement will not have any impact on the convertible securities of the Company. Accordingly, the existing convertible securities of the Company, being options, are set out in the tables below:

Listed/Unlisted	Number of options	Expiry Date	Exercise price
Unlisted	10,000,000	9 March 2022	\$0.27

4.2 Dilution and control

The percentage shareholding in the Company of existing shareholders will be diluted through the issue of New Shares and Placement Shares in combination. The dilutive effect of the issue of New Shares and Placement Shares in combination outlined below does not consider New Shares and/or Placement Shares applied for and received by an existing shareholder (if any).

Examples of the impact of dilution on existing shareholders are set out below:

Shareholder (example)	Holding prior to Issue Date	Existing %	% of total Shares following completion of Offer and Placement
A	1,000,000	0.45%	0.43%
B	2,000,000	0.91%	0.86%
C	5,000,000	2.26%	2.16%
D	10,000,000	4.53%	4.32%
E	20,000,000	9.06%	8.64%

Notes to the table:

- All percentages are rounded to two decimal places
- It is assumed the notional Shareholders in the example above do not acquire or dispose of shares.
- The above does not take into account the exercise of any options.

5. Risks

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus.

This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company, if they were to arise.

Specifically:

- the New Shares and Placement Shares are subject to specific risks (refer to section 5.1);
- the business, assets and operations of the Company are subject to specific risk factors that could potentially influence the performance of the Company in the future (refer Section 5.2);
- there are general investment and market risks (refer Section 5.3).

Where possible, the Directors aims to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

5.1 Risks associated with the Offer

(a) *Value of securities and share market conditions*

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company.

In particular, the extent of the effects of the COVID-19 pandemic is at this stage is uncertain and evolving. The COVID-19 pandemic is having, and is expected to continue to have, an influence on the volatility of equity markets generally and may continue to impact and influence the market price of the Company's securities.

(b) *Dilution*

The issue of New Shares and Placement Shares will result in holders being diluted. Any such dilution may be material. Indicative example of the dilutive impact of the issue of the New Shares and Placement Shares is set out in section 4.2.

(c) *Liquidity*

There can be no assurance there will be, or continue to be, an active market for Company shares (including New Shares and Placement Shares) or that the price of New Shares and Placement Shares will increase.

(d) *Taxation consequences*

The issue of New Shares and Placement Shares may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before investing in the Company.

5.2 Company Specific Risks

(a) *Cash flow financing*

The Company operates in the cash flow financing industry, which inherently exposes the Company to finance risk, including the risk of fraud from its clients. The Company mitigates these risks through on-boarding processes for new clients, monitoring cash flow of its clients and the capacity of end-user debtors to repay, as well as holding appropriate insurance policies.

(b) *Availability of funding*

The Company's ability to effectively implement its business strategy is dependent on its ability to secure sufficient funding. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms.

(c) *Contractual risk*

The Company's ability to efficiently conduct its operations relies on the terms of its existing contractual arrangements. Certain material contracts of the Company (including contracts with major customers) contain provisions allowing for early termination or termination for convenience. If a party exercises its rights in relation to early termination, there is no guarantee a suitable replacement arrangement will be entered into by the Company.

(d) *Insurance arrangements*

The Company maintains insurance within ranges of coverage that the Company believes to be consistent with industry best practice and having regard to the nature of activities being conducted. However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(e) *Specific COVID-19 associated risks*

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains uncertain. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the operations of the Company and are likely to be beyond the control of the Company.

Due to the impacts of COVID-19 on general business condition, there is a risk that client volumes will reduce in the short-term, which will impact the Company's revenue from cash flow financing activities. Depending on the duration of the impacts to general business conditions, client volumes may be negatively impacted for an extended period of time, with risk of client insolvency and permanent loss of revenue from current clients.

In addition to cash flow financing, the Company also provides equipment finance, through its own operations commenced in July 2017, servicing primarily transport and infrastructure construction clients and through the purchase in 2019 of a long-established securitised portfolio, Classic Funding Group. COVID-19 is impacting on general business conditions and depending on the duration of these impacts, there is increased risk of client insolvency and non-payment from equipment finance clients.

Further, the Company may not be able to raise sufficient funds for continuing operations.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continuing to evolve and the consequences are uncertain. In compliance with its continuous disclosure obligations, the Company will provide updates to the market as and when COVID-19 has a material impact on the Company and its business and finances.

5.3 **General Risks**

(a) *Economic Risks*

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors as:

- general economic outlook and industry life cycles;
- interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- employment levels and retention of key personnel;
- consumer demand for particular market sectors;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- changes in government fiscal, monetary and regulatory policies, including foreign investment;
- changes in accounting standards which affect the financial performance and position reported by the Company;
- global health and safety (including the COVID-19 pandemic); and

- terrorism or other hostilities.

(b) Regulatory Risks

Changes in government, financial policy, taxation and other laws in any local and/or international markets or regions cannot be predicted and may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities.

The Company is also subject to various regulatory requirements, including technology and accounting requirements. Changes to standards, policies, guidelines, interpretations or principles may affect the Company's ability to carry out its activities and/or achieve its objectives. The Company cannot control or predict changes to regulatory requirements, which may adversely affect the Company.

The responses of governmental and regulatory entities COVID-19 pandemic are constantly evolving as further information becomes available. These responses may impact the Company in a detrimental way.

(c) Litigation Risks

The Company is exposed to possible litigation risks including contractual disputes, disputes arising from the sale or disposal of Company assets, shareholder actions, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(d) Unforeseen risks

There may be other risks which the Directors and/or management of the Company are unaware of at the time of issuing this Prospectus which may impact upon the Company, its operations and/or the value and performance of the securities of the Company, including the New Shares and/or Placement Shares.

(e) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these senior managers or directors cease their employment with the Company and suitable replacements are not identified and engaged in a timely manner.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the securities offered under this Prospectus.

New Shares and Placement Shares carry no guarantee with respect to the payment of dividends, returns of capital or market value.

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

6. Acceptance Instructions

6.1 Completing an application form

Any applications for New Shares under the Offer contained within this Prospectus must be made on the personalised Application Form in accordance with the instructions set out in that form. Application Forms will be sent to Invitees and will accompany a copy of this Prospectus. Payment may be made in accordance with the instructions set out in the form.

Prior to lodging a completed personalised Application Form, ensure you have read this Prospectus and the personalised Application Form in their entirety and seek professional advice if necessary.

An application for New Shares may not be effective if received after the time specified in the personalised Application Form on the Closing Date (or by such later time or date the Company may specify), in which case no New Shares would be issued to you in respect of your application, and any payment received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

The amount payable will be deemed not to have been received until receipt of cleared funds. Payments in cash will not be accepted.

If payment received is insufficient to pay in full for the number of New Shares you have applied for you may be taken to have applied for such whole number of New Shares which is covered in full by your payment, or your application may be rejected (without prejudice to any rights of the Company to recover unpaid sums).

If payment exceeds the number of New Shares applied for you will be taken to have applied for the number of New Shares outlined on the completed personalised Application Form that you lodge.

In the case of overpayment, the difference between the amount paid and the cost of New Shares issued will be refunded to you without interest after the date of allotment in accordance with the Corporations Act.

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid by electronic transfers. It is your responsibility to check that the amount you wish to pay does not exceed your limit. The Company and the Share Registrar accept no responsibility for unsuccessful, delayed, or incomplete transfers or payments.

To apply for New Shares, you should:

- read this Prospectus and the personalised Application Form in their entirety and seek appropriate professional advice if necessary; and
- complete the personalised Application Form which will be sent to Invitees; and
- return the completed personalised Application Form and pay the applicable amount (being the offer price of \$0.328 (32.8 cents) per New Share multiplied by the number of New Shares for which you are applying) to the Company in accordance with the instructions in the personalised Application Form so that it is received by no later than the time specified in the personalised Application Form on the Closing Date, or such later date as the Company may specify. The Company accept no responsibility for delayed or misdelivered application forms.

6.2 **Further Information**

If you have any questions about the Offer please contact the Company by email at danielr@cml-group.com.au or Henslow (the lead Manager of the placement) at jtooth@henslow.com. Alternatively, contact your stockbroker or other professional adviser.

The issue of any New Shares is expected to occur after the Closing Date in accordance with the timetable on page 4 of this Prospectus (which date may change without notice). Thereafter statements of holdings relating to any issued New Shares will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in New Shares. Recipients trading New Shares before they receive their statements do so at their own risk.

The Company may reject an application where payment of the application amount is not received or a cheque is not honoured, or without prejudice to its rights, issue New Shares in response to the application and recover outstanding application amount from the recipient. If your personalised Application Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat a form as valid and how to construe, amend or complete the form is final. The Company accepts no responsibility for failure by your stockbroker or other third parties to carry out your instructions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether governmental or other consent are required or whether formalities need to be observed for them to acquire new Shares. Return of a personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire New Shares or other securities of the Company.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. The Company from time to time seeks to engage in discussions on an ongoing basis in respect of potential opportunities. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. While the Company may seek to negotiate such opportunities there is no certain any such arrangement(s) will be finalised on particular

terms, at a specific time, or at all. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) The annual financial report of the Company for the financial year ended 30 June 2020 (released to ASX on 24 September 2020), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC;
- (b) Any continuous disclosure notices given by the Company since the lodgement of the annual financial report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in Section 8 of this Prospectus.

Such documents are also available online from the ASX website at www2.asx.com.au.

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2020 with ASIC:

Date	Headline
02/11/2020	Proposed issue of Securities - CGR
02/11/2020	Placement of DRP Shortfall
29/10/2020	Trading Halt
29/10/2020	Pause in Trading
27/10/2020	Investor Presentation – Rebrand & Trading Update
27/10/2020	Digital Transformation and Trading Update
16/10/2020	Notice of Annual General Meeting/Proxy Form
15/10/2020	Trade Finance Loan Book and Compliance as at 30 Sep 2020
07/10/2020	Appendix 2A
24/09/2020	Appendix 4G
24/09/2020	Annual Report to shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, www.asx.com.au under the Company's ASX code "CGR" and copies of announcements can be obtained from the Company upon request and are available on the Company's website www.cml-group.com.au. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Terms of securities

New Shares and Placement Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the ASX Listing Rules and

the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge.

As referred to on page 4, the Company is seeking shareholder approval at its 2020 AGM to amend its constitution. Details of the proposed changes are set out in the Notice of the AGM released to ASX on 16 October 2020.

The Offer under this Prospectus and any application concerning the issue of New Shares under this Prospectus, shall be governed and construed in accordance with the laws in the State of Victoria, Australia.

10. Director's interests

10.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the Offer and the Placement in combination on the direct and indirect share holdings of Directors are set out in the following table. The table assumes full subscription of the Offer and the Placement. The Directors will not participate in the Placement or the Offer:

SHARES & OPTIONS

Director/Shareholder (and/or associate(s))	Existing Shares		% if New Shares and Placement Shares issued	Existing Options
	Number	%		
Greg Riley	17,211,163	7.79%	7.43%	Nil
Daniel Riley	2,150,181	0.97%	0.93%	10,000,000
Sue Healy	656,980	0.30%	0.28%	Nil
Geoffrey Sam	2,314,490	1.05%	1.00%	Nil
Ilkka Tales	200,000	0.09%	0.09%	Nil
TOTAL:	22,532,814	10.20%	9.73%	10,000,000

All percentages are rounded to two decimal places.

10.2 Remuneration & Payments to Directors

Fees and other remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the remuneration or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (excluding GST if applicable and inclusive of superannuation) are as follows:

Director	2018 - 2019	2019 - 2020
Greg Riley	\$103,333	\$140,000
Daniel Riley	\$427,692	\$680,000
Sue Healy	\$65,000	\$63,750
Geoffrey Sam	\$65,000	\$63,750
Ilkka Tales	\$65,000	\$63,750

Note: The remuneration set out above includes fees and salaries, allowances for travel and relocation and compulsory contributions toward director nominated superannuation funds as required by Australia employment law.

Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.
- (b) no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer or the Placement; or
 - the Offer or the Placement.

11. Taxation

Recipients of the Offer should seek and obtain their own taxation advice.

12. Overseas Investors

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia.

The Offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

13. Privacy

Personal information is collected on application forms by the Company and the Share Registry for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registry, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registry's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

14. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www2.asx.com.au and via the Company's website at www.cml-group.com.au.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company on 1300 666 177.

Applications for New Shares may only be made on the personalised Application Form which will be provided to Invitees and which will form part of or will be accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised

Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

15. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer of shares pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

16. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving New Shares under the Offer made by this Prospectus should be considered speculative.

17. Enquiries

You should contact your stockbroker, accountant or independent professional financial adviser before making any decision regarding applying for New Shares. If you have any questions regarding the Offer please contact the Company by email at danielr@cml-group.com.au or Henslow (the lead Manager of the placement) at jtooth@henslow.com.

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.

A handwritten signature in purple ink, appearing to be 'Daniel Riley', with a stylized, flowing script.

Daniel Riley
Managing Director