

16 April 2021

Dear Shareholder

**NOTICE TO ELIGIBLE SHAREHOLDERS OF RENOUNCEABLE RIGHTS ISSUE**

We write to you as the registered holder of Cycliq Group Ltd (ASX: CYQ) (**Cycliq** or the **Company**) shares as at today's date. As advised in the Company's ASX announcement dated 7 April 2021, Cycliq is undertaking a fully underwritten renounceable pro-rata rights issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.001 per share and on the basis of 1.8 new shares (**New Shares**) for every 1 share held at the record date on Thursday 22 April 2021 (**Record Date**) together with 1 free attaching option (**New Option**) for every 2 New Shares issued (**Entitlement Offer**). Pursuant to the Entitlement Offer, the Company will issue up to approximately 4,146,646,613 New Shares and 2,073,323,307 New Options to raise approximately \$4,146,000 (before costs).

The Entitlement Offer is renounceable which means that there will be trading of rights on the ASX and you may dispose of your entitlement to subscribe for new Shares under the Entitlement Offer (**Entitlement**) to another party other than on the ASX.

The Entitlement Offer is fully underwritten by CPS Capital Pty Ltd (**CPS Capital** or **Underwriter**).

A copy of the Prospectus has been lodged with ASIC and ASX and is available on the Company's website (<https://cycliq.com/investors/>) and the ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will be despatched to persons holding shares as at the Record Date.

**Eligible Shareholders**

The Entitlement Offer is available to all shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

A Shareholder who has a registered address outside Australia or New Zealand will not be eligible to participate in the Entitlement Offer (**Ineligible Shareholder**).

The Company has appointed CPS Capital as nominee to sell the Entitlements to which Ineligible Shareholders are entitled (see the Prospectus for further details).

**Effect of the Entitlement Offer**

The table below sets out the impact of the Entitlement Offer on the capital structure of the Company (assuming all securities are issued under the Entitlement Offer and no convertible securities are converted or exercised into Shares prior to the Record Date).

Security	Existing	Completion
Shares	2,303,692,563	6,450,339,176
<b>Total Shares</b>	<b>2,303,692,563</b>	<b>6,450,339,176</b>
Options	192,571,430	4,565,894,737
<b>Total Options</b>	<b>192,571,430</b>	<b>4,565,894,737</b>
Performance Shares	10,000,000	10,000,000
Convertible notes	500,000,000	500,000,000
Unquoted warrants	142,857,143	142,857,143
<b>Fully diluted Share capital</b>	<b>3,149,121,136</b>	<b>11,669,091,056</b>

## Use of proceeds

Subject to the satisfactory completion of the Entitlement Offer, funds will be used to improve relationships with suppliers, research and develop new and improved products, to develop an e-commerce platform to sell those products directly to the consumer, to further develop the upRIDE platform, and to acquire larger volumes of stock to enable the largest market in the world to be penetrated – the United States of America, where there is already significant latent demand for the Company's products.

## Indicative Timetable

The Entitlement Offer will be conducted in accordance with the following indicative timetable:

Key Events	Date
Prospectus lodged with ASIC	16 April 2021
Shares quoted on an "Ex" basis and rights trading commences	21 April 2021
Record Date	22 April 2021
Opening Date	27 April 2021
Prospectus sent to Eligible Shareholders	27 April 2021
Rights trading ends	3 May 2021
Securities quoted on a deferred settlement basis	4 May 2021
Last date to extend Closing Date	5 May 2021
Closing Date	10 May 2021
Shortfall announced to ASX	13 May 2021
Securities issued and holding statements sent	17 May 2021
Securities quoted on ASX	18 May 2021

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the securities.

## Rights Trading

The entitlements to securities under the Entitlement Offer are renounceable. Accordingly, there will be trading of Entitlements on ASX and you may dispose of your Entitlement to another party other than on ASX. If you do not dispose of your Entitlement during the rights trading period (ending on Monday, 3 May 2021) or take up your Entitlement by the Closing Date, your right to take your Entitlement will lapse. The securities in your Entitlement that are not taken up by you, or any person that you dispose of your Entitlement to, will form part of the Shortfall (as noted below). If you are an Eligible Shareholder and you wish to sell or transfer all or part of your Entitlement to another person you should follow the directions in the Entitlement and Acceptance Form and section 4 of the Prospectus.

## Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the shortfall (**Shortfall**).

If you take up your Entitlement in full, you may also apply for additional New Shares out of the Shortfall (to the extent there is availability) (**Shortfall Securities**) in excess of your Entitlement (**Shortfall Offer**) by completing the relevant part of the Entitlement and Acceptance Form.

Any New Shares not applied for by the Closing Date will become Shortfall Securities. The issue price of the New Shares under the Shortfall Offer will be \$0.001 each, being the same price as New Shares under the Entitlement Offer.

The Underwriter (in consultation with the Directors) will allocate Shortfall Securities pursuant to the Shortfall Offer as set out in the Prospectus.

### Underwriting

The Entitlement Offer is fully underwritten by CPS Capital. The Company will pay CPS Capital (excluding GST, where applicable):

- (a) subject to shareholder approval, 2,300,000,000 Underwriter Options exercisable at \$0.0015 expiring on the date that is 2 years after the date of issue, (being the same terms as the New Options proposed to be issued to Eligible Shareholders under the Entitlement Offer);
- (b) a management fee of 2% of the underwritten amount; and
- (c) an underwriting fee of 4% of the underwritten amount.

### Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your entitlement to subscribe for New Shares pursuant to your Entitlement. To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry Ltd (**Share Registry**) by no later than 5:00pm (AWST) on Monday, 10 May 2021, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- If you have taken up all of your Entitlement, you may apply for additional New Shares via the Shortfall Offer.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from Wednesday, 21 April 2021 until the close of market on Monday, 3 May 2021. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHESS controlling participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from the Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00 pm (AWST) on Monday, 3 May 2021.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of shares, your interest in the Company will be diluted and you will receive no value for your Entitlements.
- If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please do not hesitate to contact the Company on +61 8 6555 2950 and for all general shareholder enquiries, please contact Advanced Share Registry Ltd on 1300 113 258 (within Australia) and +61 8 9389 8033 (outside Australia).

Yours sincerely

Arron Canicais  
Company Secretary  
Cycliq Group Ltd