

30 November 2016

STATEMENT OF COMMITMENTS

The Company intends to apply funds raised from the Offer following re-admission of the Company to the official list of ASX as follows:

Allocation of funds	Based on Actual Funds Raised (\$3,750,000) A\$	Percentage of Funds %
Convertible Note interest	\$157,127	4%
Expenses of the Offers	\$400,000	11%
Product Development and Engineering	\$1,250,000	33%
Sales, marketing and business development ¹	\$1,150,000	31%
Working capital ²	\$392,873	10%
Executive salaries and corporate administration ³	\$400,000	11%
Total	\$3,750,000.00	100.00%

Notes:

1. Project development and engineering costs include those incurred in the performance of industrial design, including tooling and associated tasks; mechanical and electrical engineering; software development and firmware development; the integration of inhouse software and hardware development and growing Cycliq's intellectual property portfolio.
2. Sales and marketing includes all costs related to advertising and promoting Cycliq's product. Business development & sales includes all business development and outbound evangelism costs. These costs will include trade shows, corporate events, non-marketing sponsorships the cost of business development staff, developing more in-store displays and merchandising them in core geographies, create a marketing campaign to build the brand and grow sales and expansion of the team to ensure product innovation and selling functions are supported across the main selling geographies and necessary human resources needed to fulfil the obligations of a listed entity.
3. Working capital and corporate administration costs include the general costs associated with the management and operation of the business including managing and maintaining effective inventory across jurisdictions, administration expenses, management salaries, directors' fees, rent and other associated costs.
4. Refer to Section 15.12 of the Prospectus for the itemised costs of the expenses associated with the Acquisition and the Offers under the Prospectus.

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.