

17 May 2017

Dear Shareholder

# **CYCLIQ GROUP LIMITED – NON-RENOUNCEABLE ENTITLEMENT ISSUE**

As announced on 5 May 2017 Cycliq Group Limited (ACN 119 749 647) (**the Company** or **Cycliq**) is undertaking a one (1) for ten (10) non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of fully paid ordinary shares (**Shares**) at an issue price of \$0.025 per Share to raise up to approximately \$1.7 million. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 15 May 2017.

The Offer is partially underwritten by Merchant Advisory Limited (**Underwriter**) up to \$1,500,000. The Company must pay the Underwriter an underwriting fee of 4% of the total amount raised pursuant to the Offer. The Offer is lead managed by Merchant Corporate Advisory Pty Ltd (**Lead Manager**). The Company must pay a management fee to the Lead Manager of 2% of the total amount raised pursuant to the Offer. The Company must also reimburse the Underwriter and the Lead Manager for costs incidental to the Offer.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Underwritten amount (\$)	Full Subscription (\$)	%
1	Product development and engineering	600,000	600,000	35.22%
2	Expansion and support of new and recently opened global sales channels	350,000	500,000	29.35%
3	Acceleration of Cycliq global branding and marketing roll out	350,000	350,000	20.54%
4	Expenses of the Offer <sup>1</sup>	122,350	122,350	7.18%
5	Working capital	77,650	131,234	7.70%
	<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$1,703,584</b>	<b>100%</b>

**Note:**

- In the event the Company raises more than the underwritten amount of \$1,500,000 but less than the full subscription, the additional funds raised will be first applied towards expansion and support of new and recently opened global sales channels and secondly towards working capital. On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (AWST) on 19 May 2017, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all Shares already on issue.

Following completion of the Offer, the Company will have issued approximately 68,143,373 Shares resulting in total Shares on issue of approximately 749,577,103.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 23 May 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Shares.

#### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Shares pursuant to the Prospectus (**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 Computershare Investor Services Pty Ltd (**Share Registry**) by no later than 5:00pm (AWST) on 1 June 2017, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form **OR** making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (AWST) on 1 June 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies **OR** making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- 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 when the new shares are issued and you will receive no value for your Entitlement.

In addition to their Entitlement, Eligible Shareholders will be entitled to apply for additional Shares under the Shortfall Offer.

**Key dates for the Offer**

<b>Event</b>	<b>Proposed Date</b>
Prospectus and Appendix 3B lodged with ASX	Monday, 15 May 2017
Notice of Entitlement Issue sent to shareholders	Wednesday, 17 May 2017
Existing shares quoted on an 'ex' basis	Thursday, 18 May 2017
Record date	Friday, 19 May 2017
Prospectus sent out to Shareholders & Company announces this has been completed	Tuesday, 23 May 2017
Last day to extend Offer Closing Date	Monday, 29 May 2017
Offer Period Closes	Thursday, 1 June 2017
Securities quoted on a deferred settlement basis.	Friday, 2 June 2017
Notification of under-subscriptions to ASX (if any)	Tuesday, 6 June 2017
Issue date/Shares entered into Shareholders' security holdings	Thursday, 8 June 2017
Estimated date for quotation of Shares issued under the Offer	Friday, 9 June 2017

If you have any queries concerning the Entitlement Issue please contact your financial adviser or Piers Lewis, Cycliq's Company Secretary, on + 61 8 6555 2950.

Yours sincerely

**Chris Singleton**  
**Chairman**