

5 August 2019

Dear Shareholder

CYCLIQ GROUP LIMITED – NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 1 August 2019 Cycliq Group Limited (ACN 119 749 647) (**the Company** or **Cycliq**) is undertaking a one (1) for two (2) non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of fully paid ordinary shares (**Shares**) at an issue price of \$0.001 per Share to raise up to approximately \$570,984. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 1 August 2019.

The Offer is not underwritten. 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 and a placement fee of 4% of the total amount raised pursuant to the Offer. The Company must also reimburse 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	Full Subscription (\$) ¹	%
1	Inventory purchases	283,285	49.61%
2	Debt repayment	100,000	17.51%
3	Expenses of the Offer	62,465	10.94%
4	Working capital	125,234	21.93%
	TOTAL	\$570,984	100%

Note:

- ^{1.} In the event the Company raises less than the full subscription, the funds raised will be first applied towards repaying a portion of the Partners for Growth V, L.P. over advance, then inventory purchases, 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 7 August 2019, whose registered address is in Australia or New Zealand.

Shares issued under the Offer will rank equally with all Shares already on issue.

Following completion of the Offer, and assuming all rights are taken up, the Company will have issued approximately 570,984,065 Shares resulting in total Shares on issue of approximately 1,712,952,195.

A copy of the Prospectus is available on ASX's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 9 August 2019. 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.

Eligible Shareholders Action

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 20 August 2019, 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 20 August 2019, 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.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion. If you do apply for Shortfall Shares there is no guarantee that you will receive all or any of your application for Shortfall Shares.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX	Thursday 1 August 2019
Notice of Entitlement Issue sent to shareholders	Monday 5 August 2019
Existing shares quoted on an 'ex' basis	Tuesday 6 August 2019
Record date	Wednesday 7 August 2019
Prospectus sent out to Shareholders & Company announces this has been completed	Friday 9 August 2019
Last day to extend Offer Closing Date	Thursday 15 August 2019
Offer Period Closes	Tuesday 20 August 2019
Securities quoted on a deferred settlement basis.	Wednesday 21 August 2019
Notification of under-subscriptions to ASX (if any)	Friday 23 August 2019
Issue date/Shares entered into Shareholders' security holdings	Tuesday 27 August 2019
Estimated date for quotation of Shares issued under the Offer	Wednesday 28 August 2019

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

Yours sincerely

Piers Lewis
Chairman