



13th May 2020

Shareholder Offer

Dear Shareholder,

In our May 5th Shareholder Update distributed last week, we provided a business update which in part outlined the importance of careful capital management to protect shareholder interests during these extraordinary and challenging times.

We are all living through an unprecedented period of capital market turmoil. Due to these events, the Directors have taken the view that the initial capital raising in the February 2020 IM Offer be reduced to a smaller amount of capital raise while we wait for the market to recover. This will help protect shareholder value.

While there are current pressures on equity prices, we are optimistic that the investment markets will soon start to rebound. Through the Shareholder Offer (**Shareholder Offer**), Aglive plans to raise \$1.5 million, enabling us to continue to grow the customer base domestically and internationally and have the necessary resources to achieve product development and revenue milestones. The Board have decided that any discounts to the price of new ordinary shares should first be offered to existing shareholders. The proceeds raised under the Shareholder Offer will fund the Company's ongoing activities and financial obligations as set out in Table 1 below.

It is anticipated that our recent progress with commercial sales and cost reductions will make the Shareholder Offer particularly attractive to our existing 148 shareholders. The price per share will be significantly discounted from below the share price of \$0.47 per share under the February 2020 IM Offer to **\$0.17 per share**.

New ordinary shares under the Shareholder Offer will only be offered to current shareholders in circumstances where a disclosure document is not required to be provided under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (which includes offers to persons who are 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act and 'professional investors' within the meaning of section 708(11) of the Corporations Act) (**Qualifying Persons**).

Current shareholders who are Qualifying Persons (or are otherwise permitted to participate in the offer without a disclosure document) may participate in the Shareholder Offer at a price of **\$0.17 per share**. The capital raise under the Shareholder Offer is expected to be completed by



29th May 2020. Applicants must subscribe for a minimum of \$4,250 worth of shares under the Shareholder Offer being at least 25,000 shares at the offer price of **\$0.17 per share**.

The Company will continue to pursue institutional investment as we plan for the Company's listing to the Australian Securities Exchange (**ASX**) or trade sale within the next 2 years. It is still the Company's intention to continue to seek further capital from the broader investment market under the IM Offer, which will run in parallel to the Shareholder Offer. It is not envisaged that the IM Offer will be on as attractive terms as this Shareholder Offer

The success of the Shareholder Offer and other capital raisings is dependent on a number of factors, including the performance of the business and the economic and market conditions. The Company therefore gives no representations, warranties or guarantees regarding the success of the Shareholder Offer, the IM Offer or Company's listing to the ASX.

Table 1 - Use of Funds

Customer acquisition costs	\$530,000
Technology development and R&D	\$420,000
Working capital	\$200,000
Repayment of convertible note	\$250,000
Corporate administration	\$100,000
TOTAL	\$1,500,000

If you are a Qualifying Person or are otherwise interested in the Shareholder Offer, please feel free to contact Paul Ryan via email at paul@aglive.com or mobile 0433 128 244 to request a copy of the Company's information materials.

Yours sincerely,

A blue ink handwritten signature, appearing to read "Gregory W Bryant", with a long horizontal flourish extending to the right.

Gregory W Bryant
Chairman
Aglive Group Limited