

27 May 2019

ARQ GROUP (ASX: ARQ)

Martin Mercer – Change of Director’s Interest Notice

Attached is an Appendix 3Y – Change of Director’s Interest Notice for the CEO, Mr Martin Mercer.

Mr Mercer has disposed of 190,941 shares at an average price of \$1.723 in order to fund tax obligations arising from the vesting of performance rights issued in prior financial years.

Mr Mercer said “I am reluctantly selling shares to meet personal tax obligations arising from the vesting of performance rights. I am very positive about the Company’s growth outlook and I look forward to continuing to lead the Company into the future.”

As at 27 May 2019, Mr Mercer holds 318,216 shares and 385,164 unvested performance rights.

Anne Jordan
Company Secretary

E: anne.jordan@arq.group

ENDS.

About Arq Group

Arq Group, previously Melbourne IT Group, is Australia’s leading digital solutions partner.

Arq Group is the dynamic space for smart thinkers. Creating unforgettable experiences, solving complex challenges, and providing seamless, end-to-end solutions – from design thinking to customer solutions, leading mobile, cloud and analytical insights, digital marketing to web design - Arq Group powers the growth of businesses, big and small.

Founded in 1996, Arq Group has evolved from the leading Australian domains and hosting business to a leading digital services partner. Today, the company builds and manages innovative channels to market for many of the country’s largest enterprises, whilst simultaneously supporting half a million small businesses throughout their online journey.

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

| | |
|------------------------|--------------------------|
| Name of entity: | Arq Group Limited |
| ABN: | 21 073 716 793 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|---------------|
| Name of Director | Martin Mercer |
| Date of last notice | 1 April 2019 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (j) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|--|---|
| Direct or indirect interest | Direct |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | Nil |
| Date of change | 21 May 2019 23 May 2019 & 24 May 2019 |
| No. of securities held prior to change | 509,157 Ordinary Shares |
| Class | Ordinary shares |
| Number acquired | Nil |
| Number disposed | 21 May 2019 – 95,325 shares 23 May 2019 – 69,304 shares 24 May 2019 – 26,312 shares Total: 190,941 |
| Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation | 21 May 2019 - \$1.76 per share 23 May 2019 - \$1.69 per share 24 May 2019 - \$1.67 per share |

+ See chapter 19 for defined terms.

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Appendix 3Y
Change of Director's Interest Notice

| | |
|--|----------------|
| No. of securities held after change | 318,216 |
| Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small> | On market sale |

| | |
|--|--------------------|
| Direct or indirect interest | N/A |
| Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small> | Nil |
| Date of change | N/A |
| No. of securities held prior to change | 385,164 |
| Class | Performance Rights |
| Number acquired | Nil |
| Number disposed | Nil |
| Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small> | N/A |
| No. of securities held after change | N/A |
| Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small> | N/A |

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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|---|-----|
| Detail of contract | N/A |
| Nature of interest | N/A |
| Name of registered holder (if issued securities) | N/A |
| Date of change | N/A |
| No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small> | N/A |
| Interest acquired | N/A |
| Interest disposed | N/A |
| Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small> | N/A |
| Interest after change | N/A |

Part 3 – +Closed period

| | |
|--|-----|
| Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required? | N/A |
| If so, was prior written clearance provided to allow the trade to proceed during this period? | N/A |
| If prior written clearance was provided, on what date was this provided? | N/A |

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