

7 April 2021
Media & ASX Market Announcement
Australian Securities Exchange

CYQ TO RAISE UP TO \$4.6M VIA CONVERTIBLE NOTES AND FULLY UNDERWRITTEN RIGHTS ISSUE

HIGHLIGHTS:

- **CYQ** confirms execution of convertible notes to **raise A\$500,000** before costs from sophisticated investors and directors of the Company
- **CYQ** to undertake a fully underwritten **Renounceable Rights Issue** to **raise approximately A\$4,100,000** before costs
- **CYQ** appoints **CPS Capital Group** as lead manager and underwriter to the Renounceable Rights Issue
- **CYQ** to undertake a **20:1 share consolidation** post the Rights Issue.

Cycliq Group Limited (ASX: CYQ) ("**Cycliq**" or the "**Company**") is pleased to advise that it has entered into Convertible Note Agreements to raise \$500,000 (before costs) which, subject to the receipt of shareholder approval, will in aggregate convert at \$0.001 per share for an aggregate of 500,000,000 shares ("**Convertible Note Issue**"). On conversion, each noteholder will also receive 1 attaching option for every 2 shares issued, exercisable at \$0.0015 each with an expiry date that is 2 years from the issue date of shares under the Rights Issue (see below) ("**New Options**"). A summary of the material terms of the convertible notes is detailed in annexure 1 of this announcement.

In addition, the Company is undertaking a fully underwritten, renounceable rights issue to raise approximately \$4,146,000 (before costs) ("**Underwritten Amount**") via the issue of shares at an issue price of \$0.001 each ("**Rights Issue**"). The Rights Issue will be fully underwritten by CPS Capital Group Pty Ltd ("**CPS Capital**"). Pursuant to the Rights Issue, the Company is offering shareholders 1.8 shares for every 1 share held at the record date, together with a free attaching New Option for every share issued. It is intended that completion of the Rights Issue will occur in May 2021. An indicative timetable is set out in annexure 3.

The Company intends to seek ASX quotation of the New Options. Investors are advised that while it is CYQ's current intention to seek quotation of the Options, CYQ provides no certainty that quotation of the Options will be granted.

Funds raised will be used towards streamlining manufacturing and supply chain processes; developing an e-commerce platform delivering innovative products and intelligent safety, fitness and performance products for the world wide cycling community; enhance the FLY product suite and include devices for the consumer market to facilitate greater market penetration and rapid growth of video content; and scale upRIDE into a video and data aggregation platform leveraging user generated data and video to drive engagement and build community and general working capital.

CYQ appoints CPS Capital as corporate advisor

Cycliq advises that it has engaged CPS Capital as its corporate adviser ("**CPS Capital Mandate**").

Key material terms of the CPS Capital Mandate are:

- CPS Capital will receive a 6% fee of the total gross proceeds raised under the Convertible Note Issue.
- CPS will receive a corporate advisory fee of \$5,000 (excl GST) per calendar month for a minimum term of 12 months.

CYQ executes underwriting agreement with CPS Capital

Cycliq further advises that it has entered into an underwriting agreement with CPS Capital with respect to the Rights Issue ("**Underwriting Agreement**").

Key material terms of the Underwriting Agreement are:

- CPS Capital will receive management fee (payable in cash) equal to 2% of the Underwritten Amount;
- CPS Capital will receive an underwriting fee (payable in cash) equal to 4% of the Underwritten Amount; and
- subject to shareholder approval, the Company will issue 2,300,000,000 options to CPS Capital (or its nominees) on the same terms as the New Options issued under the Rights Issue, issued at a price of \$0.00001 per New Option.

A summary of the material terms of the Underwriting Agreement is detailed in annexure 2 of this announcement.

Proposed Capital Consolidation

Following completion of the Rights Issue, Cycliq intends to undertake a share consolidation on the basis of 1 share for every 20 shares held by shareholders to reduce the number of shares on issue.

ENDS

This announcement has been authorised by the Board of directors of the Company.

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About Cycliq

Cycliq is a smart safety company based in Perth, Australia, manufacturing and marketing the world-first cycling light and camera safety system the Fly6 and Fly12.

More than 100,000 of the Fly bike cameras have been shipped around the world to over 50 countries since the company was founded in 2012. Cycliq has operations in Australia and China, with direct to consumer sales from the company website and Amazon, and access to more than 6,000 retail points of presence through a network of regional distribution and retail partners in the USA, Asia-Pacific, EU and UK, as well as major online players including Wiggle (global) and Backcountry.com (USA).

For more information about Cycliq, please visit www.cycliq.com

Annexure 1 – Summary of Convertible Notes

Item	Terms
1 Shareholder Approval	<p>(a) Convertible Notes will be issued in accordance with Listing Rules 7.2 (Exception 17) and 10.12 (Exception 11).</p> <p>(b) The Company must seek shareholder approval pursuant to Listing Rules 7.1 or 10.11 (as applicable) for the Convertible Notes to be convertible into Conversion Shares and New Options (together, Conversion Securities) as soon as reasonably practicable following the date of lodgement of the Rights Issue prospectus (Document Date) (Shareholder Approval).</p>
2 Face Value	Each Convertible Note has a face value of A\$1.00 (Face Value).
3 Interest	<p>(a) Interest accrues on each Convertible Note at 4% per annum and is calculated on the daily balance of the Face Value.</p> <p>(b) Interest on a Convertible Note must be paid by the Company to the Subscriber in cash upon the earlier of:</p> <ul style="list-style-type: none"> (i) conversion to Conversion Securities; (ii) repayment in accordance with item 4; and (iii) any termination of this document.
4 Conversion into Shares	<p>(a) Subject to the Company obtaining the Shareholder Approval, the Convertible Notes will automatically be deemed to be converted into Shares (Conversion Shares) in accordance with the formula set out below, and the Company must issue the Conversion Shares to the Subscriber within 14 days of the Shareholder Approval:</p> <p>CS = FV / CP</p> <p>Where:</p> <p>CS is the number of Conversion Shares to be issued.</p> <p>FV is the Face Value.</p> <p>CP is \$0.001 (Conversion Price).</p> <p>(b) Further to item 4(a), the Company must:</p> <ul style="list-style-type: none"> (i) issue to the Subscriber 1 New Option for every 2 Conversion Shares issued at or about the same time (with such New Options to be issued pursuant to the Rights Issue prospectus); (ii) procure the registration of the Subscriber as the holder of the Conversion Securities in its registers; (iii) subject to item 4(c), lodge with ASX a cleansing notice in accordance with section 708A(5) of the Corporations Act for the Conversion Shares (Cleansing Notice); and (iv) apply for official quotation on ASX of the Conversion Shares. <p>(c) If the Company is not able to issue a Cleansing Notice for any reason, the Company must instead issue a cleansing prospectus in accordance with clause 708A(11) of the Corporations Act for the Conversion Shares (Cleansing Prospectus) as soon as reasonably practicable after the issue of the Conversion Shares and, in any case, within 30 days of that date.</p>

Item	Terms
	<p>(d) Unless and until the Company has issued a Cleansing Notice or Cleansing Prospectus, the Subscriber may only transfer Conversion Shares to a person who qualified as an investor under section 708(8), (10) or (11) of the Corporations Act, and otherwise in accordance with the Corporations Act.</p> <p>(e) Upon the issue of the Conversion Shares, the Subscriber agrees to be bound by the Company's constitution.</p> <p>(f) The subscription of the Convertible Notes serves as an application for any Conversion Shares and New Options issued and, accordingly, it will not be necessary for the Subscriber to provide any further application.</p> <p>(g) Issue of the Conversion Securities by the Company to the Subscriber in accordance with this item 4, and payment of accrued interest in cash in accordance with item 3, will be in full and final satisfaction of the Company's obligations with respect to the Convertible Notes.</p>
5 Repayment in cash	<p>(a) If Shareholder Approval is not obtained by the date that is 12 months from the Document Date (Maturity Date), the Face Value of each Convertible Note must be repaid by the Company to the Subscriber in cash within 3 months of the Maturity Date.</p> <p>(b) Repayment of the Convertible Notes by the Company to the Subscriber in accordance with item 5(a), and payment of accrued interest in cash in accordance with item 3, will be in full and final satisfaction of the Company's obligations with respect to the Convertible Notes.</p>
6 Security	The Convertible Notes are unsecured.
7 Quotation	No application will be made for the Convertible Notes to be quoted on any securities exchange.
8 Transferability	The Convertible Notes are only transferable with the prior consent of the Company in its sole discretion.
9 Capital reconstructions	If before the Convertible Notes are converted or repaid in full, there is a reorganisation, reconstruction, consolidation, sub-division or bonus issue of the capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the balance of the Convertible Notes will be reorganised, reconstructed, consolidated or subdivided on the same basis so that the Subscriber is treated in the same manner as the Company's shareholders and to ensure that the value of the Convertible Notes is not adversely affected, and the Subscriber is not conferred with any additional benefits which are not also conferred on the Company's shareholders. To avoid doubt, the foregoing adjustment applies to the Conversion Price and the New Options (including their exercise price).
10 Takeover prohibition	<p>Despite any other provision:</p> <p>(a) the issue of Conversion Shares is subject to and conditional upon the issue of the relevant Conversion Shares not resulting in any person being in breach of section 606(1) of the Corporations Act;</p> <p>(b) the Company will not be required to seek the approval of its shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Conversion Shares; and</p> <p>(c) if the issue of Conversion Shares would result in any person being in breach of section 606(1) of the Corporations Act, the Convertible</p>

Item	Terms
	Notes are instead to be repaid and cancelled by the payment of the Face Value of those Convertible Notes by the Company to the Subscriber. The repayment will be in full and final satisfaction of the Company's obligations with respect of the Convertible Notes.
11 Voting and other rights	The Convertible Notes do not confer on the Subscriber the right to attend and vote at shareholder meetings or to receive dividends.
12 Subscribers	Nominees of directors Craig Smith-Gander and Xavier Kris (each for \$18,000, respectively) and various unrelated professional and sophisticated investors.

Annexure 2 – Summary of Underwriting Agreement

Clause	Terms
1 Fees	<p>(a) On Completion, the Company must pay to CPS Capital (Underwriter) (or as the Underwriter may in writing direct) in cleared funds:</p> <p>(i) a management fee equal to 2% of the Underwritten Amount; and</p> <p>(ii) an underwriting fee equal to 4% of the Underwritten Amount; and</p> <p>(b) The Company must also, subject to shareholder approval, issue 2,300,000,000 options on the same terms as the options issued under the Rights Issue, issued at a price of \$0.00001 each.</p>
2 Termination Events	<p>The Underwriter may without cost or liability to themselves, by notice in writing to the Company, upon or at any time prior to Completion terminate its obligations under the Underwriting Agreement if:</p> <p>(a) (Indices fall): any of the Australian All Ordinaries Index, S&P/ASX200 Index, S&P/ASX300 Metals and Mining Index or ASX S&P Small Resources Index is at any time after the date of the Underwriting Agreement, 10% or more below its respective level as at the close of trading on the Business Day prior to the date of the Underwriting Agreement;</p> <p>(b) (Prospectus): the Company does not issue the Prospectus on 14 April 2021 (or such later date as the parties agree) or the Prospectus or the Offer is withdrawn by the Company;</p> <p>(c) (No Official Quotation): Official Quotation of the Entitlement Shares has not been applied for by 10 May 2021;</p> <p>(d) (Supplementary Prospectus):</p> <p>(i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 2(d)(ii) below, forms the view on reasonable grounds that a document supplementing, updating or replacing the Prospectus should be issued for any of the reasons referred to in the Corporations Act and the Company fails to issue a document supplementing, updating or replacing the Prospectus in such form and content and within such time as the Underwriter may reasonably require; or</p> <p>(ii) the Company issues a document supplementing, updating or replacing the Prospectus without the prior written agreement of the Underwriter;</p> <p>(e) (Non-compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by the Corporations Act or ASIC Regulatory Guide 228;</p> <p>(f) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive in a material respect;</p>

Clause	Terms
	<p>(g) (Restriction on allotment): the Company is prevented from allotting the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;</p> <p>(h) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;</p> <p>(i) (offer of refund to investors) any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from persons who have applied for Shares or offering persons who have applied for Shares an opportunity to withdraw their application for Entitlement Shares and be repaid their application money;</p> <p>(j) (ASIC and ASX Waivers) any of the ASIC Exemptions or ASX Waivers obtained in satisfaction of the condition precedent in connection with the Offer are withdrawn, revoked or amended without the prior written approval of the Underwriter;</p> <p>(k) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus and that application has not been dismissed or withdrawn by 6 May 2021;</p> <p>(l) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to Offer (other than due to any act or omission of the Underwriter) are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;</p> <p>(m) (Authorisation) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended (other than due to any act or omission of the Underwriter) in a manner unacceptable to the Underwriter (acting reasonably);</p> <p>(n) (Indictable offence): a director or senior manager of the Company or any subsidiary (each, a Relevant Company) is charged with an indictable offence;</p> <p>(o) (Removal or Suspension): the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within two (2) Business Days;</p> <p>(p) (section 730 notice) a person gives a notice to the Company under section 730;</p> <p>(q) (Directors and senior management) a change in the Directors or senior management of the Company or the Directors occurs (other than in a manner described in the Prospectus), or a Director or any member of the senior management of the Company dies or becomes permanently incapacitated;</p> <p>(r) (Debt facilities)</p> <p>(i) any Relevant Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to</p>

Clause	Terms
	<p>which that entity is a party which has, or may have, a Material Adverse Effect on any Relevant Company; or</p> <p>(ii) there occurs:</p> <ul style="list-style-type: none"> (A) an event of default; (B) a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or (C) any other similar event, <p>under or with respect to any such debt or financing arrangement or related documentation of the any Relevant Company;</p> <p>(s) In respect of the occurrence of any of the following events, the event (or two or more events together), in the reasonable opinion of the Underwriter, has or is likely to have a material adverse effect or could give rise to a liability of the Underwriter:</p> <ul style="list-style-type: none"> (i) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, Ukraine, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; (ii) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied within 7 days after receipt of written notice from the Underwriter; (iii) (COVID-19): the Underwriter believes (acting reasonably) that a materially adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of any Relevant Company (insofar as the position in relation to any Relevant Company affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (COVID-19) or the transmission of the severe acute respiratory syndrome coronavirus 2 (SARS-COV-2). This includes, without limitation, a materially adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-COV-2 at any of the mine sites owned or operated by any Relevant Company, or the temporary, complete or partial closure of or disruption to any of those mine sites due to an outbreak of COVID-19, a transmission of SARS-COV-2, a direction of a Government Agency, or otherwise; (iv) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in this document is or becomes untrue or incorrect in a material

Clause	Terms
	respect (other than due to any act or omission of the Underwriter);
(v)	(Error in Due Diligence Results) it transpires that any of the due diligence results or any part of the verification materials was false, misleading or deceptive or that there was an omission from them, notwithstanding the fact that the Underwriter (or a representative of the Underwriter) signed off on the DDC Report;
(vi)	(Contravention of constitution or Corporations Act) : a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
(vii)	(Adverse change) : an event occurs (other than due to any act or omission of the Underwriter) which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
(viii)	(Significant change) : a new circumstance arises or there is a defect in the Prospectus (as determined in accordance with the Corporations Act) that is materially adverse from the point of view of an investor (other than due to any act or omission of the Underwriter);
(ix)	(Public statements) : without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, or the Prospectus, except where required by law or the ASX Listing Rules;
(x)	(Misleading information) : any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive in any material respect;
(xi)	(Official Quotation qualified) : the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" (or to the extent which recognises that securities are yet to be issued);
(xii)	(Prescribed Occurrence) : a Prescribed Occurrence occurs;
(xiii)	(Suspension of debt payments) : the Company suspends payment of its debts generally;
(xiv)	(Insolvency Event) : an event of insolvency occurs in respect of a Relevant Company;
(xv)	(Judgment against a Relevant Company) : a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 14 days;

Clause	Terms
	<p>(xvi) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this document commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus or by or resulting from any act or omission of the Underwriter;</p> <p>(xvii) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;</p> <p>(xviii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;</p> <p>(xix) (Timetable): there is a delay in any specified date in the Timetable due to the neglect or default of the Company which is greater than 1 Business Day (unless consented to or requested by the Underwriter, such consent not to be unreasonably withheld);</p> <p>(xx) (Force Majeure): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;</p> <p>(xxi) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;</p> <p>(xxii) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;</p> <p>(xxiii) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a related company; or</p> <p>(xxiv) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets which continues for two or more consecutive Business Days.</p>
3	Conditions
	The Underwriting Agreement contains a number of conditions that must be satisfied by the Company before the Underwriters obligation to underwrite the Offer commences that are considered standard for an agreement of this nature.
4	Warranties and indemnities
	The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this nature.

Annexure 3 – Indicative Timetable for Rights Issue

Event	Indicative Date
Release of announcement of Offer to ASX	Wednesday, 7 April 2021
Lodgement of Appendix 3B	
Lodgement Date of Prospectus	Prior to commencement of trading Wednesday, 14 April 2021
“Ex” date	Friday, 16 April 2021
Record Date	Monday, 19 April 2021
Despatch of Prospectus (together with Application Form) to Eligible Shareholders	Thursday, 22 April 2021
Opening Date	
Rights trading ends	Monday, 26 April 2021
Securities quoted on a deferred settlement basis	Tuesday, 27 April 2021
Last date to extend Closing Date	Wednesday, 28 April 2021
Closing Date (estimated)	Monday, 3 May 2021
Announcement of results of Rights Issue	
Shortfall Notice Deadline Date (notice of the Shortfall Shares and Certificate)	Thursday, 6 May 2021
Shortfall Settlement Date	Friday, 7 May 2021
Issue of Entitlement Shares, Shortfall Shares and New Options	Monday, 10 May 2021
Despatch of holding statements	
Lodgement of Appendix 2A	
Official Quotation Date	Tuesday, 11 May 2021

Note: The above dates are indicative. Subject to the Corporations Act and the Listing Rules, the Company and the Underwriter may agree in writing to vary the above dates.