

05 May 2017

Media & ASX Market Announcement

Australian Securities Exchange

Cycliq announces growth initiatives and capital raising

Highlights

- Cycliq is investing in a range of working capital and capital investment initiatives to meet growth in global demand for the company's all-in-one safety light and HD camera devices.
- Initiatives to be funded by a \$2 million institutional placement ("Placement") and an underwritten 1-for-10 Rights Issue to raise up to approximately \$1.5 million.
- Cycliq is rapidly expanding its global sales and distribution network.

Cycliq Group Ltd is pleased to announce a new strategic focus which will enhance its growth trajectory and global market penetration.

Global expansion

Cycliq will invest working capital and investment capital in a suite of initiatives which will solidify its position as the global market leader for all-in-one light and HD camera devices for cyclists.

The planned initiatives include:

- **New sales and distribution channels** – Cycliq is rapidly expanding its sales and distribution network, with a focus on direct sales accounts with online retailers.
- **Marketing and branding** – Cycliq has developed a global positioning strategy to address the changing nature of consumer engagement, the diversification of types of cyclists, their promiscuous relationship with brands and their purchasing habits. Cycliq aims to build brand awareness by encouraging cyclists to actively engage with the company on a daily basis by sharing their footage via social media and advocating their sense of security to fellow cyclists.

Review of supply chain

Cycliq is conducting a review of its supply chain as it seeks to better manage its cost structure by developing operational efficiencies.

The review will focus on Cycliq's product manufacturing process and inventory management as the business seeks to optimise its use of working capital.

Cycliq is confident the review will help to drive efficiencies and increase overall profitability.

Placement

Cycliq has raised \$2 million via a Placement to institutional and professional investors under its 15% placement capacity under Listing Rule 7.1. The Placement price of \$0.025 per share was at a

30.6% discount to Cycliq's closing price of \$0.036 on 02 May 2017.

The new Cycliq shares ("New Shares") issued under the Placement will rank equally with existing Cycliq shares. At the Placement price, this would equate to 80 million New Shares being issued.

Rights Issue

Following the Placement, Cycliq intends to undertake an underwritten Rights Issue to raise up to an additional \$1.5 million.

Those eligible shareholders will be invited to partake in the equity raising on a 1-for-10 basis. Like with the Placement, shares issued under the Rights Issue will be issued at \$0.025 per share and will rank equally with existing Cycliq shares.

The Rights Issue is subject to the terms and conditions set out in the Rights Issue Prospectus, which will be lodged with the ASX and sent to eligible shareholders in due course. The timetable for the Rights Issue will be outlined in the Rights Issue Prospectus.

The Rights Issue is underwritten up to \$1.5 million by Merchant Advisory Limited.

Strategic focus and outlook

Cycliq is focused on expanding global sales and distribution channels with a vision to become the leading supplier of all-in-one safety light and HD camera accessories for cyclists and other outdoor enthusiasts.

Cycliq is utilising recent market research to inform the development of new products that appeal to different segments of the market as it seeks to introduce the company and its products to new customers.

About Cycliq

Cycliq is the number one brand in HD camera and lighting combinations, delivering cycling safety and action camera solutions for commuters, mountain bikers, racers and professional cyclists alike. Cycliq products are aimed at helping our customers around the globe to enjoy their journey safely.

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

Media Contact

Heidi Cuthbert
0411 272 366