



10 May 2016

## VOYAGER SECURES EXCITING LIFESTYLE HD CAMERA BUSINESS

The Board of Voyager Global Group Limited ACN 119 749 647 (ASX:VGR) (**VGR** or **the Company**) is pleased to announce it has entered into a binding terms sheet (**Terms Sheet**) pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of Perth-based lifestyle brand making HD camera/light combo accessories for cyclists - Federation Enterprises (WA) Pty Ltd (ACN 119 804 974) (**CYCLIQ**).

### Highlights:

- VGR has entered into a binding Terms Sheet pursuant to which it has conditionally agreed to acquire 100% of the business of CYCLIQ Products which is held by Federation Enterprises (WA) Pty Ltd (ACN 119 804 974) (**Acquisition**).
- CYCLIQ is an Australian company that is a lifestyle brand making High Definition (HD) camera/light combo accessories for cyclists which currently sells its product in over 25 countries.
- CYCLIQ's mission is to make cycling safer, more accessible and enjoyable for cyclists around the globe. CYCLIQ is the registered holder of the business name "CYCLIQ PRODUCTS". Currently selling its products into over 25 countries, CYCLIQ products have a number of unique selling points including the longest battery life in the action camera class, inbuilt safety features and was the first cycling accessory to utilise nano-technology.
- CYCLIQ is working towards being the camera of choice for professional cycling given its battery life is the only one available today that can last the whole length of the longest Tour de France stage. CYCLIQ provides a solution for the commuter, weekend cyclists and the professional alike. Cycling is a growing sport often referred to as 'the new golf' and CYCLIQ is the number one brand in HD camera & light combos. Further information on CYCLIQ and its products can be found at [www.cycliq.com](http://www.cycliq.com)

VGR director Piers Lewis stated that:

*"We are excited to have this opportunity with CYCLIQ which upon completion will better position our Company internationally and allow its securities to be re-instated to trading on the ASX improving liquidation for our shareholders. CYCLIQ is a quality Australian company that manufactures quality products and we believe that this Acquisition will provide an excellent opportunity to grow our Company's wealth and allow our loyal shareholders to participate in an opportunity which we anticipate will offer strong growth prospects."*

## ***Change of Activities***

The proposed Acquisition of CYCLIQ will constitute a change in the nature and scale of the Company's activities.

In this circumstance, the Company will be required, pursuant to Listing Rule 11.1.2, to obtain approval from VGR's shareholders at a general meeting. The Company will also be required, pursuant to Listing Rule 11.1.3, to re-comply with chapters 1 and 2 of the Listing Rules.

As previously announced, the Company is currently reviewing its legal position with regard to the Tomsk Project, Russia and an update will be provided to the market on the completion of this review.

## ***The CYCLIQ business***

CYCLIQ's mission is to make cycling safer, more accessible and enjoyable for cyclists around the globe. CYCLIQ is the registered holder of the business name "CYCLIQ PRODUCTS". Currently selling its products into over 25 countries, CYCLIQ products have a number of unique selling points including the longest battery life in the action camera class, inbuilt safety features and was the first cycling accessory to utilise nano-technology. CYCLIQ provides a solution for the commuter, weekend cyclists and the professional alike. Cycling is a growing sport often referred to as 'the new golf' and CYCLIQ is the number one brand in HD camera & light combos.

User generated content through CYCLIQ's products helps grow the brand in a genuine and organic manner, whilst the content provides a constant feed of authentic marketing material. Having worked with the global sports social media channel, Strava for over two years, CYCLIQ have the globally unique position to harvest Strava metrics and overlay them onto full HD footage right from your smartphone – something no other company is doing. Other key relationships include working with Kinomap who deliver HD video feeds for indoor training of key cycling routes, including Grand Tours around the world.

CYCLIQ products are the devices of choice to deliver this rich footage and the only products that can video a single route of some of the longest world tour level stages. This opens the opportunities to work with the owners of grand tours such as the Tour de France, Giro d'Italia and Paris-Roubaix (which was recently recorded using CYCLIQ products through the Kinomap platform). The professional cycling industry are looking for new ways to monetise their assets and on-board video footage during races has been identified as the leading opportunity to achieve this goal. CYCLIQ products deliver specific needs to the growing cycling community with both HD footage that can record entire rides as well as lighting needed to keep cyclists safe on the roads. CYCLIQ create Smart Cameras, not just another action camera.

CYCLIQ have a number of active patent applications including a recently granted Innovation Patent. The development team have a robust product roadmap that will continue to attempt to position CYCLIQ as the No.1 brand in HD camera and light combos.

CYCLIQ has a well-developed distribution network including online, direct and distributor sales channels. Boasting access to over 6,000 independent bike dealers in the US and over 2,000 in the UK, CYCLIQ is well positioned to leverage the growing need for video cameras on bikes for safety, action and professional level needs in these and other jurisdictions.

Further information on CYCLIQ and its products can be found at [www.cycliq.com](http://www.cycliq.com)

## Acquisition Terms

Pursuant to the Terms Sheet, VGR has agreed to acquire 100% of the issued share capital in CYCLIQ, subject to the satisfaction or waiver of conditions precedent. The key terms of the Acquisition are as follows:

- (a) as consideration for the Acquisition, the CYCLIQ shareholders will be issued a total of:
    - (i) 220 million fully paid ordinary shares in VGR (**Shares**); and
    - (ii) Performance shares that convert into Shares to the value of \$4,000,000 (based on the higher of \$0.02 or the 20 day VWAP for Shares as at the date that the Company satisfies one of the following milestones) or such other milestones and terms and conditions as approved by the ASX:
      - (A) the Company records an earnings before interest, tax, depreciation and amortisation (**EBITDA**) of at least \$3,000,000 in relation to VGR; or
      - (B) the Company earns revenue of at least \$30,000,000 in relation to VGR,
- within any of the 4 financial years from settlement of the Acquisition (**Settlement**);
- (b) both parties completing due diligence on the business, assets, operations, financial position and financial performance of each other to the sole satisfaction of the respective party by no later than 14 May 2016 (unless extended);
  - (c) each of the holders of convertible notes in CYCLIQ (**Notes**) entering into an agreement to convert their Notes into VGR Shares and each of the Notes being cancelled, assigned to VGR or otherwise redeemed on terms whereby holders of the Notes are obliged to cancel, assign to VGR or redeem the Notes in consideration for the issue to the Noteholders of a total of 155 million VGR Shares and any interest on the Notes paid in case upon the cancellation, assignment or redemption of the Notes;
  - (d) approval of the appointment as directors of all of those proposed directors of VGR nominated in writing by CYCLIQ, subject to completion of the Acquisition;
  - (e) VGR re-complying with ASX Chapters 1 & 2, including:
    - (i) raising a minimum of \$2,500,000 at \$0.02 per Share or such amount as deemed necessary to comply with the ASX Listing Rules; and
    - (ii) obtaining the approval of VGR shareholders;
  - (f) if VGR considers that it will be required by ASIC, CYCLIQ preparing (at its own cost) audited accounts for CYCLIQ for the shorter period of three years and the date of incorporation of CYCLIQ and delivering those accounts to VGR;
  - (g) the Company raising up to \$500,000 by way of a non-renounceable rights issue at a ratio of 1:1 at \$0.02 per VGR Share or some other form of capital raising;

- (h) if required, each of the CYCLIQ Shareholders waiving all pre-emptive and other rights over any of the CYCLIQ Shares conferred by the constituent documents of CYCLIQ, any shareholders' agreement relating to CYCLIQ or in any other way (if any);
- (i) to the extent required by the ASX or the ASX Listing Rules, each CYCLIQ Shareholder and any other party that receives VGR securities associated with the Acquisition entering into a restriction agreement as required by ASX imposing such restrictions on trading of those securities as mandated by the ASX Listing Rules in respect of the VGR securities that are issued to those parties by VGR; and
- (j) approval for the change of VGR's name (such name to be determined by CYCLIQ).

The Terms Sheet otherwise contains terms typical for a transaction of this nature, including standard representations and warranties from both parties.

### ***Shareholder approval and terms of securities***

A general meeting is proposed to be convened to approve the change in activities (pursuant to Listing Rule 11.1.2) referred to above, as arising from the Acquisition, the Capital Raising, and any associated business (**General Meeting**).

### ***Proposed change in VGR's board and management and change of name***

It is proposed that two of the existing directors of the Company will all be replaced, in conjunction with settlement of the Acquisition, by a new board nominated by CYCLIQ.

If the Acquisition proceeds to the stage of convening the General Meeting, the Company also proposes to seek shareholders' approval at the General Meeting to change its name to such name as determined by CYCLIQ.

### ***Indicative Timetable***

<b>Action</b>	<b>Date</b>
Date of Announcement	10 May 2016
Notice of Meeting sent to VGR shareholders	27 May 2016
Completion of Initial Capital Raising	10 June 2016
Shareholder's meeting to approve the Acquisition	30 June 2016
Lodgement of prospectus with the ASIC	30 June 2016
Closing date	30 July 2016
Re-quotation on ASX	31 August 2016

Outlined above is a timetable of relevant events and dates relating to the Acquisition. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the VGR Board reserves the right to modify all dates, including the Rights Issue closing date.

### ***Indicative Capital Structure***

Set out below is the indicative capital structure of the Company following completion of the Acquisition and associated capital raising. The anticipated capital structure of the Company is only an estimate and is subject to variation.

SHARES	
PRE- ACQUISITION	
Shares currently on issue	18,966,865
Shares to be issued pursuant to initial capital raising <sup>1</sup>	25,000,000
<i>Sub-total</i>	<i>43,966,865</i>
POST-ACQUISITION	
Minimum capital raising	125,000,000
Shares to be issued in consideration for CYCLIQ pursuant to the Acquisition	220,000,000
Shares to be issued to Note holders	155,000,000
<b>TOTAL<sup>1</sup></b>	<b>543,966,865</b>

**Note:**

1. This assumes that the initial capital raising is fully subscribed.

PERFORMANCE SHARES	
Performance Shares issued to CYCLIQ	200,000,000 <sup>1</sup>
<b>Total Performance Shares</b>	<b>200,000,000</b>

**Note:**

1. Based on the capital raising price of \$0.02.

**Indicative use of funds table**

	Funds to be raised under Offer	Percentage of Funds	Funds to be raised under Offer	Percentage of Funds
	\$2,500,000		\$5,000,000	
Existing cash reserves	\$1,350,000	35.06%	\$1,350,000	21.26%
Funds raised from the Offer	\$2,500,000	64.94%	\$5,000,000	78.74%
<b>TOTAL</b>	<b>\$3,850,000</b>	<b>100%</b>	<b>\$6,350,000</b>	<b>100%</b>
Expenses of the Offers	\$250,000	10.00%	\$635,000	10.00%
Product Development and Engineering	\$1,347,500	35.00%	\$2,222,500	35.00%
Sales and Marketing	\$1,155,000	30.00%	\$1,905,000	30.00%
Working capital	\$577,500	15.00%	\$952,500	15.00%
Executive salaries and corporate administration	\$385,000	10.00%	\$635,000	10.00%
<b>TOTAL</b>	<b>\$3,850,000</b>	<b>100%</b>	<b>\$6,350,000</b>	<b>100%</b>

### ***Pro forma balance sheet***

The Company is not currently in a position to provide a pro-forma balance sheet showing the effects of the Acquisition on the Company. The Company will release a pro forma balance sheet upon conclusion of its due diligence investigations.

### **For further information, please contact:**

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### **Important Notice**

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which VGR operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside VGR's control.

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