

22 August 2024

Media & ASX Market Announcement

Australian Securities Exchange

Cycliq to licence AI solution from BeEmotion

HIGHLIGHTS

- 10-year license agreement with NVISO Group Ltd (to be renamed **BeEmotion.ai Ltd**) to integrate AI technology into its range of Fly cameras and edge devices
- Cycliq planning to deploy the BeEmotion technology in a range of new and existing software and hardware products
- A\$352,000 capital raise envisaged

Cycliq Group Limited (ASX:CYQ), an Australian-based smart safety, action, and sport cycling company, is pleased to announce that it has signed a 10-year license agreement with BeEmotion to integrate AI technology into its range of Fly cameras and edge devices. Cycliq manufactures and markets the world-first, all-in-one light and camera safety system, including the Fly6 Gen3, Fly6 Pro, and Fly12 Sport.

BeEmotion is an expert in the human behavioural AI on the extreme edge and has developed cutting-edge object detection and visual recognition technologies.

With over 10 years of experience in manufacturing image sensor-based devices, Cycliq products have captured and processed millions of hours of video across the globe.

As the leader in bicycle safety technology, Cycliq's partnership with BeEmotion provides an accelerated plan to execute on device edge-computation, object detection, and real-time interpretation of road threats.

Cycliq is planning to deploy the BeEmotion technology in a range of new and existing software and hardware products for our customers:

UpRide Platform Enhancement:

- Implement the BeEmotion technology to extract real-time vehicle identity data on the UpRide platform. With over 13,000 incidents already mapped, registered, and geolocated, this high-speed video analytics integration will significantly improve data quality and searchability for end users and public sector bodies. For Cycliq, the system will rapidly identify critical incidents, which can then be shared through Cycliq's advertising network, demonstrating the crucial role of cycling cameras in rider safety.

Fly6 Pro Advanced Features:

- The newly released Fly6 Pro, featuring enhanced 5GHz Wi-Fi streaming capabilities, will be transformed by BeEmotion's processing stack. This integration elevates the Fly6 Pro to a comprehensive safety device, combining the functions of a rear-view camera, radar, and Advanced Driver Assistance System (ADAS) for bicycles. The system plans to offer real-time vehicle detection, speed measurement, and threat level assessment.

Intelligent Video Processing in Cycliq Plus Software:

- Leveraging BeEmotion's expertise in facial recognition and emotion detection, Cycliq plans to upgrade its Cycliq Plus desktop application. This enhancement will enable rapid extraction and editing of post-ride videos. The software will be able to identify familiar faces with high accuracy, automatically creating highlight clips featuring riding companions and other important events. Additionally, BeEmotion's AI algorithm for pain and discomfort detection can automatically identify and extract intense racing and group cycling situations for later viewing pleasure.

Real-time Event Detection and Reporting:

- The integration of BeEmotion's on the edge technology facilitates automatic live event detection, recording, and metric reporting. This feature will be driven by real-time threat level detection and data extraction capabilities.

Expanded Manufacturing Capabilities:

- Leverage the partnership with BeEmotion to enhance Cycliq's offerings beyond cycling cameras, utilizing extensive manufacturing capabilities.

CYQ Chairman Andrew Chapman said: *"We are excited to leverage the proven power of BeEmotion to rapidly advance the capabilities of our Fly and edge devices. We believe that the recent developments in the world of AI offers a myriad of opportunities and the need for integration and development offers potential to CYQ and our shareholders."*

BeEmotion, founded in 2009, develops and sells artificial intelligence solutions that can sense, comprehend and act upon human behaviour and emotions in human - machine interactions. BeEmotion's products and services consist of R&D discovery packages, software development kits (SDK's), and support & professional services. These are used by BeEmotion customers to create innovative human experiences, measure and increase productivity, and to accurately perform specific business functions, such as the automation of customer-facing operations.

The key elements of the licence with BeEmotion are contained in the Schedule annexed to this ASX announcement. CYQ is also proposing to conduct a capital raising via a placement of up to 88,000,000 fully paid ordinary shares at an issue price of A\$0.004 per share to professional and sophisticated investors to raise a targeted amount of A\$352,000.

Funds raised by the Placement will be applied to the payments owed to BeEmotion under the licence agreement, development costs for CYQ's applications, and working capital. The Placement Shares will rank equally with existing fully paid ordinary shares on issue. The 53,000,000 Placement Securities are intended to be issued without shareholder approval under the Company's current 15% placement capacity pursuant to Listing Rule 7.1 and 35,000,000 Placement Securities are intended to be issued without shareholder approval under the Company's additional 10% placement capacity pursuant to Listing Rule 7.1A. The Placement represents a 33% premium to the 15-day VWAP of CYQ shares as at 21 August 2024 and a 33% premium to the Company's last closing price of \$0.004.

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

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About Cycliq

Cycliq is an Australian-based smart safety, action and sport cycling company, manufacturing and marketing the world-first, all-in-one, light and camera safety system, the Fly6 and Fly12.

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 distributors and retail partners in the USA, UK, EU and Asia-Pacific.

Cycliq's ultra-high-definition cameras integrate powerful safety lights and are engineered with numerous safety functions to give cyclists peace of mind, so they can enjoy their ride. In the event of an incident, the cameras act as a black box, capturing everything that happens for later review.

More than 200,000 Cycliq products have been shipped around the world to over 50 countries since the company was founded in 2012.

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

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Schedule – Summary of Licence Agreement

Parties	NVISO GROUP LTD (ACN 627 584 847) and CYCLIQ GROUP LTD (ACN 119 749 647)
Licence	NVISO grants CYQ a worldwide non-transferable, non-exclusive licence and royalty bearing licence to use, reproduce, copy, sell, prepare derivative works and distribute the NVISO's EDGE AI and content for the purpose of its Cycliq Fly bike cameras: Object detection and accident prevention; and any other equipment developed by the Licensee as it relates to the Licensee's existing products.
Term of Licence	10 years (automatically renewed for a further 10 years unless terminated)
Payments	Initial Payment – \$A\$300,000 for the consideration of the License fee Research and development 12-month commitment - \$A300,000 CYQ shall pay quarterly to NVISO for the term of the Licence a royalty of Seven point Five percent (7.5 %) of Net Receipts
Net Receipts	The amount of any payment (excluding value added tax), and the value of any non-monetary receipt, obtained by, or due to, the NVISO or its Affiliate(s), in relation to the development of any of the IP.
Intellectual Property	NVISO's retains all intellectual property rights in the NVISO AI Solution and content of NVISO accessible by using the NVISO AI Solution. NVISO has no intellectual property rights in the work created by CYQ based on or incorporating the NVISO AI Solution.
Expanded Manufacturing Capabilities	Leverage the partnership with BeEmotion to enhance Cycliq's offerings beyond cycling cameras, utilizing extensive manufacturing capabilities.
Confidentiality	The agreement contains customary confidentiality obligations provided by the parties for an agreement of this nature.
Termination	CYQ may terminate the agreement at any time on 12 months' notice to NVISO. Either party may terminate the agreement at any time by notice in writing to the other party if the other party is in material breach of the agreement and the breach is not remedied (or capable of being remedied) within 90 days of notice of the other party receiving notice specifying the breach. Material breach is defined to include: <ul style="list-style-type: none"> • non-payment of fees, royalties or taxes; • CYQ or NVISO not meeting its obligations under the agreement; • a party failing to indemnify the other party; or • use of NVISO's name, logo, trademark etc. in violation of branding guidelines or other damage to NVISO's brand or reputation.
Consequences of Termination	If NVISO validly terminates the agreement, the Licence will terminate immediately and CYQ must return or, at NVISO's request, destroy any documents or other materials that contain NVISO's confidential information.