



Cyclion Holdings Pty Ltd

# Crowd-sourced funding offer document

Dated 17<sup>th</sup> October, 2023

**Offer of fully-paid ordinary shares in Cyclion Holdings Pty Ltd at  
\$1.08 per share to raise a maximum of \$1,700,000**

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Cyclion Holdings Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the **Corporations Act 2001** (Corporations Act).

**Issuer**

Cyclion Holdings Pty Ltd ACN 663689941

**Intermediary**

Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

***Always consider the general CSF risk warning and offer document before investing***

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# Section 1: Risk Warning

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

# Section 2: Information about the Company

## Letter from the Founder

### Foreword

Dear Prospective Cyclion Shareholder,

I hope this message finds you well. I wanted to personally thank you for taking the time to review our offer document. Before you dive in, I have some exciting news to share with you!

I am pleased to announce that Cyclion Energy signed a letter of intent on the 9<sup>th</sup> of October, 2023 with the Secretary of Trade and Investment for the Philippines, Secretary Pascual, witnessed by the Philippine Ambassador to Australia the Honourable De La Vega. It is the start of developing a collaboration with the National Development Company (NDC) which is the Philippine's leading state-owned enterprise investing in diverse industries, and serving as an effective catalyst for inclusive growth. Not only does it speak of \$5million USD funding for a commercial scale plant, but also an ongoing collaboration for commercial projects in the Philippines. This is a major milestone for us, will likely open other major opportunities globally and we are thrilled to have the opportunity to work with such a reputable partner.



This announcement was the result of many months of hard work and dedication, and we are proud that Cyclion's technology was chosen over larger, more established companies from Europe and other suppliers worldwide.

This success is a testament to our team's commitment to finding a better way - a more effective and environmentally friendly waste-to-energy process. In fact, this not only represents a great first commercial project, but also is the first major step in our goal to reduce the amount of waste going to landfill, oceans, or waterways, as well as reducing the amount of carbon being released into the atmosphere. We are aiming at a big impact, the kind that could help solve the global plastic pollution problem and contribute to our future net-zero carbon energy grid and economy.

We believe that, with your help, we can truly change the world for the better.

Thank you for considering Cyclion Energy. We hope that you will join us on this exciting journey.



BEST REGARDS,  
PHIL MAJOR

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## • OUR JOURNEY BEGINS

### Back Story

I'm very lucky to have had a wide range of occupations and experiences throughout my career.

It all began in the services, beginning as a Victorian policeman and then a pilot officer in the Royal New Zealand Air Force. For 23 years now, I've been in business.

Just after the year 2000 I designed and obtained patents for a foundation system for residential homes in the UK and distributed them to major house builders, eventually selling the business to a multi-billion-pound corporation called SIG Plc in 2008. After being employed initially as a consultant, I was made national business manager until I returned to Australia in 2012.

Following the completion of my MBA, my next major venture began in 2014 when I entered the waste-to-energy industry. I was so passionate about it that I built a pilot plant in China and ran it from 2017 to 2018. Although things looked promising when I received a letter of support for a process guarantee for a big project scheduled to be built in Brisbane (the 'Brisbane Project') that was supposed to start in 2019, the company had to close after four years of no revenue and grant funding delays. It was a challenging time for me, but with encouragement from previous colleagues, I eventually got back on my feet. I then developed the new patent-pending 'washing machine' recycling process that will likely revolutionise how we deal with household rubbish.

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## • THE END GOAL

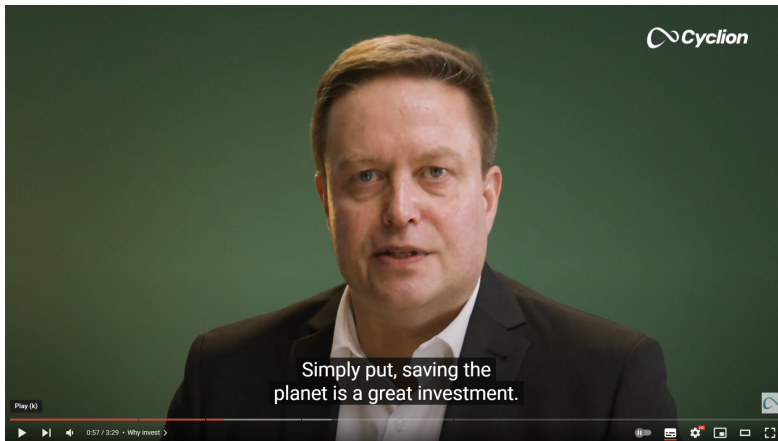
### Creating (real) value from waste

Cyclion was established in 2022 and I was joined by co-founder Stephen Burns. We both had a clear purpose and a burning desire to positively impact the environment. We're talking about a massive difference as we didn't want to just chip away at the problem until it was too late.

The company has a big, bold vision - to repurpose nearly all types of household waste into usable fuel or electricity and to improve on the current processes. Our goal is to inspire people around the world to dispose of their waste sustainably rather than dumping it in landfills or oceans. We believe that by making waste valuable, we can motivate people to take a more environmentally friendly

approach to waste disposal. After all, what better way to encourage sustainable practices than by giving waste real worth<sup>1</sup>?

Today we are an Australian clean-tech start-up with pioneering technology and serious global ambition and a strong desire to make a difference by revolutionising recycling as we know it.<sup>2</sup>



Click [here](#) to watch our video.

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## • REVOLUTIONARY RECYCLING: THE CYCLION DIFFERENCE

### The game changing washing machine

One of the things that sets us apart from other waste-to-energy companies is our use of a proprietary chemistry approach which limits environmental damage and reduces carbon emissions. This environmentally friendly method allows us to transform plastic and organic waste into oil, which can then be further processed into fuel or converted into electricity-generating gas.

Unlike traditional waste-to-energy processes that require a significant amount of pre-sorting, heat and mechanical energy.<sup>3</sup> Our Cyclion method mainly uses catalysts to do the work, resulting in tremendous savings, and increased efficiency whilst producing a low-carbon, dispatchable fuel source. This dispatchable element has the potential to reduce fuel and electricity price rises, providing a low-carbon firming source to renewable energy..

The magic happens inside a huge industrial vessel we like to refer to as the ‘washing machine’. The Cyclion process treats waste in an environmentally friendly manner by using a proprietary detergent

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<sup>1</sup> Abila, B., & Kantola, J. (2019). The Perceived Role of Financial Incentives in Promoting Waste Recycling—Empirical Evidence from Finland. *Recycling*, 4(1), 4. <https://www.mdpi.com/2313-4321/4/1/4>

<sup>2</sup> See section 2.2.2 for technology comparisons and references

<sup>3</sup> Dong, J., Tang, Y., Nzihou, A., Chi, Y., Weiss-Hortala, E., Ni, M., & Zhou, Z. (2018). Comparison of waste-to-energy technologies of gasification and incineration using life cycle assessment: Case studies in Finland, France and China. *Journal of Cleaner Production*, 203, 287-300. <https://doi.org/https://doi.org/10.1016/j.jclepro.2018.08.139>

and cycles of washing until it's reusable and in a form that can be converted to fuel and electricity, just like laundry that is dried and ironed.

Similar to the past, we expect to be able to provide a commercial project with a process guarantee from an internationally recognised insurer, which makes funding projects much easier.



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## • THE CYCLION OPPORTUNITY

### A model for rapid sustainable growth globally.

At Cyclion, we've also been very busy.

On the 9<sup>th</sup> of October 2023, we signed a Non-Binding Letter of Intent with NDC to build a 50 tonne per day plant in Manila leading to a commercial projects.

We're not just stopping at one project either.

NDC is the investment arm of the Philippine government, who wants to partner with us, which opens up significant opportunities for us in the entire Asian region, and globally.

When it comes to revenue streams, we expect to have got multiple ones. We receive revenue from participating in the design and construction of Cyclion plants, ongoing operational and licensing



revenues, and potential joint venture partnerships. Since projects are anticipated to be designed to operate for 20 years, helping to provide us with long term, diverse and stable operations.



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## • MILESTONES & OBJECTIVES

### Proudly Aussie-made with global ambition.

We've achieved some significant milestones along the way.

Apart from having the letter of intent for our first major project in Asia, we've also been busy forming alliances with global partners, and successfully testing our technology in university laboratories around Australia. Our pilot project is also being planned by an international engineering firm and ready to progress after our initial fundraising.



# Join the revolution!

We're inviting you to join us on this transformative journey towards a carbon zero, sustainable world. Together, we can make a positive impact and create a brighter future for everyone.

## 2.1 Company details

This offer of shares is made by Cyclion Holdings Pty Ltd ACN 663689941 (**Company**).

COMPANY NAME	Cyclion Holdings Pty Ltd
ACN	663689941
DATE OF INCORPORATION	8 <sup>th</sup> November 2022
REGISTERED OFFICE	Level 34, Waterfront Place1 Eagle St, Brisbane, QLD, 4000, Australia
PRINCIPAL PLACE OF BUSINESS	Level 34, Waterfront Place, 1 Eagle St, Brisbane, QLD, 4000, Australia
DIRECTORS	Philip William Major Ke Hu
COMPANY SECRETARY	Philip William Major
SUBSIDIARIES	Cyclion Pty Ltd ACN 663712669 (100% wholly-owned) NanoW2E IP Pty Ltd ACN 663 712 767 (100% wholly-owned)
SHARE REGISTRY	Cake <a href="https://www.cakeequity.com/">https://www.cakeequity.com/</a>
WEBSITE	<a href="https://cyclion.energy">https://cyclion.energy</a>

## 2.2 Our business

### 2.2.1 Our products / Our services

#### Household Waste to Energy and Fuel

The Cyclion process is revolutionary, employing proprietary chemistry as an environmentally friendly method of liquefaction to convert plastic and biomass waste into oil, all at low temperature and pressure. This oil can be refined into fuels or electricity for sale.

This process has similarities with doing your washing. Visualise a washing machine: you toss in clothes, detergent, and a few cycles later, the dirt is gone and you get clean clothes. Likewise, the Cyclion process treats municipal waste in an environmentally friendly manner through our special detergent (our proprietary chemistry) and cycles of 'washing' until it's reusable and in a form that can be converted to fuel and electricity, just like laundry that is dried and ironed.

Just as separating red socks from white shirts is crucial, current methods of waste management also hinge on initial sorting—precisely classifying plastics, biomass, and more before processing. This operation is both costly and labour-intensive to municipalities. Our process allows us to dump the waste straight into the machine -without the need to sort - to begin the washing process.

Our patent pending process and Cyclion Catalytic Fluid (CCF) made up of catalysts, ionic fluids, nanotechnology, and solvents, acts as the detergent. The CCF's are added to liquify the plastic bags that contain household waste. This unveils the food scraps, soft plastics, hard plastics, and glass within. At each cycle the waste is liquified and degraded until in the end all that's left in the tank is inorganic matter – solid glass or metals – that can be more fully separated and recovered.

The ionic fluids are specially selected molten salts that exist as liquids at or near room temperature characterised by low toxicity, melting points, volatility, and strong thermal stability. The relatively lower temperature, lower pressure and special catalysts curb harmful gas production. Algae tanks are then used to purify the water and exhaust gases, converting the carbon dioxide produced during the process to oxygen, reducing the carbon footprint of the process and mitigating the impact on climate change. This is an essential part of the process as the end product intends to replace fossil fuels as an energy source.

What's been degraded becomes an oil that can then be further processed as fuel or converted into a flammable gas to generate electricity. A fully operational Cyclion plant is designed to scale up to over 1000 tonnes per day, producing more than 52 million litres of diesel per annum.

IP Australia has conducted an international review of Cyclion's Patent Pending (No 2023900407C), with the patent attorney indicating that they had reviewed the cited prior art documents following

global searches conducted by the examiner for IP Australia. As a result, the patent attorney is of the opinion that there are features of the Cyclion invention that are not disclosed by any of the prior art documents.<sup>4</sup>

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## 2.2.2 About the Company

Cyclion Holdings Pty Ltd (ACN 663689941), which operates under the name Cyclion was established in November 2022.

### Vision

Our vision is to help create a sustainable future by providing an innovative and environmentally friendly solution for converting mixed plastic and biomass household waste into high-quality fuel or electricity. We strive to be a leading provider of waste-to-energy solutions, helping to reduce waste and accelerate the transition to a net-zero energy grid and economy.

### Mission

At Cyclion, our mission is to provide a more sustainable and profitable use for mixed plastics and biomass waste that would otherwise be sent to landfill, stockpiled, or end up in the ocean. We achieve this through our unique Cyclion process and catalysts, which break down household waste such as organic waste and soft plastics into high-quality renewable fuel or electricity in an environmentally friendly manner. Our aim is to sell Cyclion processing plants and CCF's at a competitive price, creating financially sustainable projects in cities, remote and rural communities. Ultimately, our goal is to benefit the environment and all stakeholders, including local communities, employees and government.

### Values

"Cyclion upholds a set of core values that distinguish the company and guide its actions. These values include:

- Health & Safety– Prioritising the well-being and safety of all individuals.
- Sustainability – Being socially and environmentally responsible and positively impacting the communities in our sphere of influence.

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<sup>4</sup> P230017PAU Ltr re prior art review. Patent Attorney Opinion. 2<sup>nd</sup> May 2023

- Integrity – Upholding honesty, doing what is right, and following through on our commitments.
- Respect – Embracing openness, trust, teamwork, diversity, creativity, and relationships that are mutually beneficial.
- Performance – Achieving superior business results through innovation and collaboration.
- Simplicity – Focusing on our strengths and partnering with those who support our vision.
- Accountability – Defining goals, accepting responsibility, and delivering on our commitments.

## What sets us apart

The main difference between Cyclion's technology and traditional recycling methods lies in our proprietary liquefaction catalytic process which creates environmental benefits and improves the efficiency of the process. Along with solvents, catalysts, ionic fluids, and nanotechnology, we use carefully selected molten salts that are in liquid form at or near room temperature. These salts have low toxicity, low melting points, low volatility, and strong thermal stability. This forms the foundation of the Cyclion process, enabling minimal or no pretreatment, via the use of a washing machine-like process. This also allows our plants to be modular and scalable in construction. Additionally, we employ algae tanks to purify water, treat exhaust gases, convert the carbon dioxide produced during the process to oxygen, reducing the carbon footprint of the process and mitigating the impact on climate change. This is an essential part of the process as the end product intends to replace fossil fuels as an energy source.<sup>5</sup>

Municipal Solid Waste (MSW) varies significantly. Not just city to city, but season to season. This is problematic for most traditional waste to energy facilities as they rely on pre-treatment. Pre-treatment requires significant mechanical force to dry, separate<sup>6</sup> and shred the waste to a small size.<sup>7</sup> Cyclion revolutionises this expensive and labour-intensive practice by dumping the waste straight into the washing machine without the need for sorting.

Since our washing machine liquefies waste at or below 310°C and the moisture is removed as a part of this single step, there is negligible impact in variation of moisture, unlike traditional methods. In fact, variations in the amount of plastics or biomass in the waste just alter cycles of the 'washing machine', making it an ideal solution for MSW.

<sup>5</sup> Zeraatkar, A. K., Ahmadzadeh, H., Talebi, A. F., Moheimani, N. R., & McHenry, M. P. (2016). Potential use of algae for heavy metal bioremediation, a critical review. *Journal of Environmental Management*, 181, 817–831. <https://doi.org/https://doi.org/10.1016/j.jenvman.2016.06.059>

<sup>6</sup> Abbas-Abadi, M. S., Ureel, Y., Eschenbacher, A., Vermeire, F. H., Varghese, R. J., Oenema, J., Stefanidis, G. D., & Van Geem, K. M. (2023). Challenges and opportunities of light olefin production via thermal and catalytic pyrolysis of end-of-life polyolefins: Towards full recyclability. *Progress in Energy and Combustion Science*, 96, 101046. <https://doi.org/https://doi.org/10.1016/j.pecs.2022.101046>

<sup>7</sup> Tun, M. M., Palacky, P., Juchelkova, D., & Sifaf, V. (2020). Renewable Waste-to-Energy in Southeast Asia: Status, Challenges, Opportunities, and Selection of Waste-to-Energy Technologies. *Applied Sciences*, 10(20), 7312. <https://www.mdpi.com/2076-3417/10/20/7312>

While some liquid salts used in similar methods may not be environmentally friendly<sup>8</sup>, Cyclion has designed eco-friendly catalysts for our process<sup>9</sup>. An example of the washing cycles includes using these 'proprietary catalysts to liquefy rubbish bags containing household waste. This reveals food scraps, soft plastics, hard plastics, metals, and glass within. The machine then runs through various cycles using different liquifying catalysts, gradually breaking down the waste until only inorganic matter remains. This can then be separated and recovered.

The Cyclion system can be scaled to fit the needs of small nations and underserved communities due to its low temperature and pressure requirements. Its modular design also makes it suitable for regional and remote waste management, and it can even be made mobile if necessary. Additionally, the modular construction is designed in a way to enable easy replication of a 50-tonne per day module up to 20 times, accommodating up to 1,000 tonnes per day without the risks associated with designing a very large facility. This allows for quick and large-scale implementation.

## Low temperature and low pressure

The Cyclion Process is a reaction process that occurs at relatively low temperature and low pressure. This is made possible by the catalyst facilitating the 'cracking' of the hydrocarbon molecule. In petroleum geology and chemistry terms, 'cracking' is the process whereby are broken to create simpler molecules such as light hydrocarbons<sup>10</sup>

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<sup>8</sup> De Jesus, S. S., & Maciel Filho, R. (2022). Are ionic liquids eco-friendly? *Renewable and Sustainable Energy Reviews*, 157, 112039. <https://doi.org/https://doi.org/10.1016/j.rser.2021.112039>

<sup>9</sup> Sadjadi, S. (2021). Magnetic (poly) ionic liquids: A promising platform for green chemistry. *Journal of Molecular Liquids*, 323, 114994. <https://doi.org/https://doi.org/10.1016/j.molliq.2020.114994>

<sup>10</sup> Qi, Y., Cai, C.-F., Sun, P., Wang, D.-W., & Zhu, H.-J. (2023). Crude oil cracking in deep reservoirs: A review of the controlling factors and estimation methods. *Petroleum Science*, 20(4), 1978-1997. <https://doi.org/https://doi.org/10.1016/j.petsci.2023.03.006>



## 2.2.3 Milestones / Timeline to date

Milestones achieved to date include the following:

ID	Task Name	Start	Finish	Qtr 4, 2022			Qtr 1, 2023			Qtr 2, 2023			Qtr 3, 2023			Qtr 4, 2023		
				Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Phase One & Two (TRL 1&2) Applied Research	Fri 21/10/22	Wed 22/02/23	<div></div>			100%											
2	TRK 1 Research Conducted from December 2014	Tue 25/10/22	Mon 20/02/23	<div></div>			100%											
3	Company structure & setup	Tue 25/10/22	Sun 19/02/23	<div></div>			100%											
4	Patent pending and IP Australia Global Patent search to confirm nothing similar being done in the world	Tue 1/11/22	Fri 17/02/23	<div></div>			100%											
5	University engagement and experimental plan development	Fri 21/10/22	Wed 22/02/23	<div></div>			100%											
6	Phase Three (TRL 3) Proof of concept established	Mon 6/03/23	Fri 23/06/23				<div></div>			100%								
7	Initial university testing and proof of concept to be completed	Mon 6/03/23	Fri 23/06/23				<div></div>			100%								
8	Selection engineering procurement construction management (EPCM)	Mon 6/03/23	Fri 23/06/23				<div></div>			100%								
9	Phase Four (TRL 4) Alpha prototype component/process in the laboratory	Mon 6/03/23	Fri 1/12/23				<div></div>			70%								
10	Fundraising	Mon 6/03/23	Fri 1/12/23				<div></div>			Fundraising								
11	First commercial module site identification South East Asia (SEA)	Mon 6/03/23	Mon 2/10/23				<div></div>			90%								
12	Waste source secured	Mon 6/03/23	Mon 2/10/23				<div></div>			95%								
13	Offtake agreements arranged	Mon 6/03/23	Mon 2/10/23				<div></div>			95%								
14	Laboratory & pilot plant equipment purchased	Tue 1/08/23	Wed 29/11/23							<div></div>			0%					

## 2.2.4 Industry overview / competitor landscape

Table 3. A technical parameters chart for various waste-to-energy projects [32], cited from [34].

Indicators	Most Suitable (✓); Moderate (M); Not Suitable (×)				
Technical Parameters	WASTE-TO-ENERGY Technologies				
	Anaerobic Digestion (AD)	Incineration	Pyrolysis	Plasma Gasification	Landfill Gas Extraction (LFG)
Waste Characteristics					
High calorific value, >1200 Kcal/kg (or) [5.024 MJ/kg]	×	✓	✓	✓	×
High bio-degradable matter, >50%	✓	M	M	✓	✓
Fixed carbon, <25%	✓	N/A	N/A	✓	✓
Total inert, >25%	×	×	×	✓	M
C:N ratio, 20–30:1	✓	N/A	M	✓	N/A
Mixed with all types of waste	×	M	M	✓	M
Climate					
Hot climate, >35 °C	✓	✓	✓	✓	✓
Moderate climate, 15–25 °C	M	✓	✓	✓	✓
High moisture content, >55%	✓	×	M	✓	×
High rainfall area	✓	×	M	✓	×
Plant Size					
Up to 25 TPD	✓	×	×	×	×
25–50 TPD	✓	×	×	×	×
50–100 TPD	✓	×	×	×	×
100–500 TPD	✓	✓	M	✓	✓
>500 TPD	✓	✓	✓	✓	✓
Economic Condition					
Capital cost	Low to Moderate	High	High	Very High	Very High
Resource conservation	✓	✓	✓	✓	✓
Carbon credit Advantages	✓	M	M	✓	M

Note: TPD: tons per day.

Figure 8 illustrates a comparison of different waste-to-energy technologies in term of plant capacity, energy potential, capital cost, operation and maintenance (O and M) cost, and planning-to-commissioning costs, and emissions produced from each technology. It can be seen that waste-to-energy technologies such as incineration, gasification, and pyrolysis have higher energy potentials than others, but they also have higher plant capacities, ranging from 900 to 1300 tons of waste per day for incineration and gasification. Additionally, the capital cost of these technologies is much higher, being in the range of USD 30–180 million for incineration, USD 50–80 million for plasma gasification, and USD 16–90 million for pyrolysis. Meanwhile, the O and M cost ranges approximately from USD 80 to 120 per ton of waste for incineration and from USD 80 to 150 per ton of waste for plasma gasification and pyrolysis. It has been observed that since sanitary landfills have the lowest capital and O and M costs, most Southeast Asian countries practice it as a major waste disposal method [1].

Source: Tun et al. (2020)<sup>11</sup>

<sup>11</sup> Tun, M. M., Palacký, P., Juchelkova, D., & Sítař, V. (2020). Renewable Waste-to-Energy in Southeast Asia: Status, Challenges, Opportunities, and Selection of Waste-to-Energy Technologies. *Applied Sciences*, 10(20), 7312. <https://www.mdpi.com/2076-3417/10/20/7312>

## 2.3 Business and revenue model

### Business Strategy

Initially, Cyclion's customers are likely to be governments, large conglomerates, and corporations. We anticipate ongoing revenues will be earned from royalties and/or joint ventures.

As Cyclion is established around the world, a wholly owned subsidiary of Cyclion would provide customers with a turnkey solution in the form of coordinating EPCM's, project finances, construction and commissioning, and ongoing management by using internationally recognised subcontractors. This should provide customers with a "one stop shop" and will seek to be able to provide principal insurance and a process guarantee similar to what was being arranged prior to the construction of the Brisbane Project scheduled for 2019 . As explained below, this also keeps Cyclion intimately involved to help prevent patent breaches.

In short, Cyclion intends to make money by selling the Cyclion Plants, Catalytic fluids, ongoing royalties, and technology upgrades.

This approach leverages the power of developing strategic partnerships ranging from manufacturing, engineering, operational management, finance, and government relations. This not only provides access to expert and renown services, but also helps promote Cyclion through a win-win relationship. It also helps protect the patent, as each partnership benefits from working with Cyclion and therefore reduces the temptation to associate with any other companies that may wish to copy the Cyclion process. Additionally, this approach provides us with a significant first-mover advantage in foreign markets.

### Initial Project

While having our first project in Australia would have been great, it would have taken a long time to get the necessary approvals and contracts. Instead, we found an opportunity in the Philippines with a large conglomerate that can provide everything we need, including much more plastic waste than in Australia. As such, we recently signed a non-binding letter of intent with NDC to deliver a 50 TPD plant in the Philippines, with the intention of progressing to a full commercial project subject to positive outcomes of their due diligence, compliance with NDC's documentation and governance framework, and NDC's Management Committee and Board of Directors approval.

### Market Drivers

The market drivers for waste management and energy production are numerous. Landfills around the world are filling up quickly, and alternatives are being sought for the disposal of organic and waste

material. Governments and industry are looking for cost-effective and environmentally sound methods of disposing of waste<sup>12</sup> and all levels of government are imposing export bans on waste.

Simultaneously, governments are seeking to meet their nationally determined contributions to 2015's Paris Climate Agreement, attempting to reduce economy-wide emissions to net zero by 2050. These targets focus on a transition away from fossil fuels to renewable energy sources, a transition complicated by rising global energy prices.

Dispatchable sources of clean energy are required to provide grid stability when no renewable energy is being generated. Whilst batteries and hydro-power can provide some clean, dispatchable power, an environmentally friendly liquid fuel represents an easy and cost-effective alternative to the present dependence on 'gas peaking' plants in meeting these dispatchable energy requirements.

Cyclion's product has several additional benefits. For example, there is a need for a solution to the problem of waste disposal in landfills. Additionally, using Cyclion's product would provide a domestic fuel source, reducing reliance on imported fuel. Finally, using Cyclion's product would create job opportunities in local communities.

## **What Waste Can Cyclion Treat?**

According to the current and planned research being conducted by aligned universities, Cyclion plants are expected to have the capability to treat:

- treated timber and wood (e.g., CCA, MDF, etc.).
- fibrous: paper, cardboard, glassine (high-quality specialty papers), including those with plastic-film coatings (PP, PE, coffee cups).
- saturated plastics: polyethylene (LDPE & HDPE) (plastic bags, imitation wood, buckets, milk bottles) and Polypropylene (PP) (plastic lining in takeaway coffee cups, plastic trim inside cars).
- aromatic plastics: polystyrene (PS) (toys, flowerpots, plastic cutlery, food containers, Styrofoam); and
- oxygenated plastics: polyethylene terephthalate (PET) (soft drink bottles, polyester fibres), polycarbonate (PC) (safety glasses, chemical-resistant plastics).
- unsorted mixed plastics, waxes, waste oils (lubes, engine oil, residues, bio-oils)
- chlorinated plastics, including problematic mixed, contaminated plastics.
- fluorinated plastics, including Polytetrafluoroethylene (PTFE or Teflon)
- tyres (olefinic plastics with vulcanisation).

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<sup>12</sup> Pickin, J., Wardle, C., O'Farrell, K., Nyunt, P., & Donovan, S. (2020). National waste report 2020. *Blue Environment Pty Ltd.: Docklands, Australia*, 1-156.

## Technology Readiness Level

Technology Readiness Level (TRL) is a measure used to assess the maturity of a particular technology. The TRL system was first introduced by NASA in the 1970s, but it is now widely used across different industries to evaluate the development stage of a technology. The TRL scale ranges from 1 to 9, with each level representing a specific stage of technology development.<sup>13</sup> Since a major university has been conducting the proof of concept, Cyclion is considered to be at TRL 3.

The reason it is possible to go from TRL3 to TRL9 in a short period of time is due to the simplicity of the catalytic process. Firstly, Cyclion plants are relatively small scale, simple, and currently available technology. Secondly, once we have the university plant, we should be able to scale to a 50 tonne per day module which is in accordance with commonly accepted engineering practices.

To achieve a daily processing capacity of 900 tonnes, it is not expected to build a huge facility, as is the case with other solutions. Instead, we will construct eighteen modules, each with a capacity of 50 tonnes per day. This approach has the added benefit of allowing us to conduct maintenance on individual modules without shutting down the entire facility.

The Technology Readiness Level (TRL) is a way to measure how developed a technology is. It ranges from 1 to 9, with 9 being the most developed. Cyclion is currently at TRL 3 because a major university has done the proof of concept testing. Furthermore, Cyclion's catalytic process is relatively simple and modular in construction, which means it can move quickly from TRL 3 to TRL 9.

## Scalable and Modular

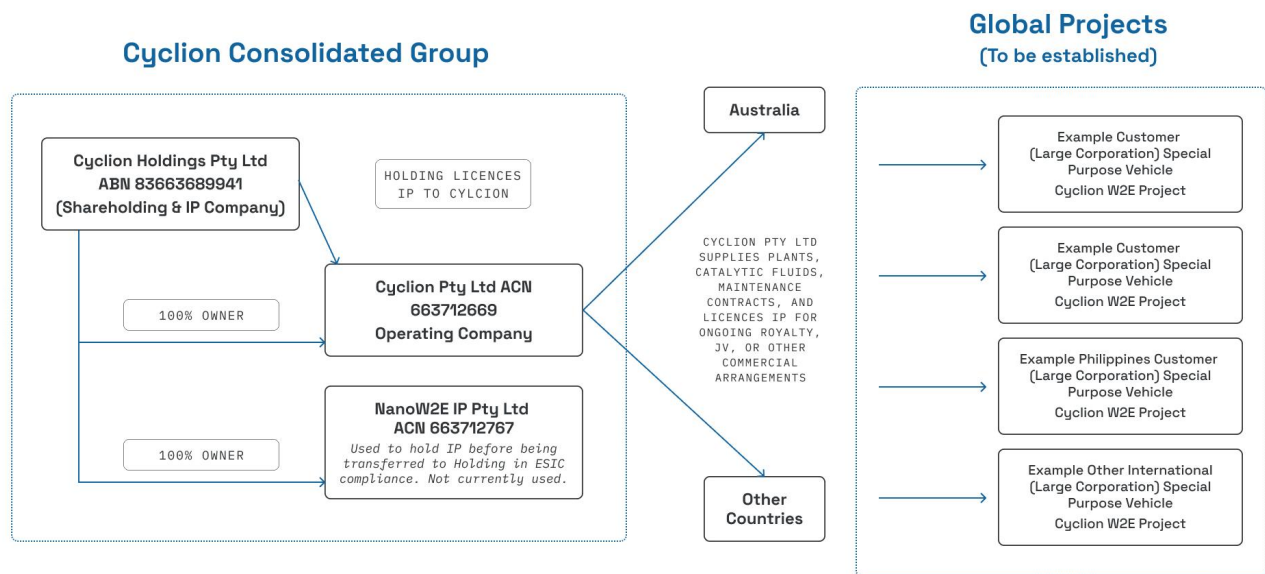
Cyclion plants are modular and relatively simple, and we can scale up from the proposed pilot plant to a 50-tonne-per-day module. To process 900 tonnes per day, we will simply construct and align 18 modules, each with a capacity of 50 tonnes per day. This approach allows us to maintain and service individual modules without shutting down the entire facility.

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<sup>13</sup> NASA. "NASA TRL Definitions." Available at: [https://www.nasa.gov/directorates/heo/scan/engineering/technology/TRL\\_definition.html](https://www.nasa.gov/directorates/heo/scan/engineering/technology/TRL_definition.html)

European Commission. "Technology Readiness Levels." Available at: [https://ec.europa.eu/research/participants/data/ref/h2020/other/guides\\_for\\_applicants/h2020-guide-appl-trl\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/other/guides_for_applicants/h2020-guide-appl-trl_en.pdf)

# Company Structure



## Project Mission

Our mission is to ensure a well-designed project that is completed in a timely manner. To achieve this multiple stakeholders are likely to be engaged concurrently.

## R&D

Initial laboratory testing has been conducted at a major university in Brisbane which has established proof of concept. The next phase is the optimisation program which aims to further refine the most suitable conditions for processing waste into energy. Cyclion is currently in advanced discussions with other universities in Australia and the Philippines, to run concurrent research. This is likely to include project specific testing for the algae design, AI and automation, project specific environmental analysis and life cycle analysis, and various engineering disciplines.

## Engineering

ARUP Australia has been engaged to draft engineering designs for the university plant .  
ARUP Philippines is likely to complete the engineering, assist with the procurement, and project management. We anticipate that another international corporation will do the project commissioning and ongoing operations.



## Manufacturing

Manufacturers in the UK, Germany, China, and the Philippines have been identified.

## Location, Waste Supply and Fuel Offtake for the Initial Project

This is a part of the Letter of Intent that is currently being finalised between the conglomerate in the Philippines and Cyclion's solicitors.

## Legal Contracts in the Philippines

We plan to engage Baker McKenzie (Philippines) to handle the legal work for setting up our fully owned subsidiary in the Philippines. They will also help us develop project contracts with the conglomerate and subcontractors.

Cyclion (Philippines) plans to sell the plants and coordinate subcontractors to complete the project. It is intended to receive an ongoing royalty or joint venture with the commercialthe project It is also expected to have an ongoing revenue stream from providing the ongoing operations of the project through subcontractors.

## Regulatory and Governmental Approvals

Cyclion is likely to continue to provide the necessary data derived from universities and engineers and we anticipate that NDC will assist with obtaining all necessary approvals.

# 2.4 Business strategy

## Business Objectives

- Immediate. Optimise the Cyclion process with universities in Brisbane, Perth, Melbourne and the Philippines.
- Short term. To have a university scale pilot plant operating at a university in Melbourne or Brisbane.
- Medium term. To provide a 50 tonne per day (TPD) module on site in the Philippines.
- Medium term. To make a financial investment decision on multiple 50 TPD modules to convert 900 TPD of municipal solid waste to 52 million litres of diesel per annum in the Philippines (which previous discussion has estimated a total capital expenditure of circa AUD \$150mill).

- Long term. To develop additional projects globally using networks established through the initial project. .

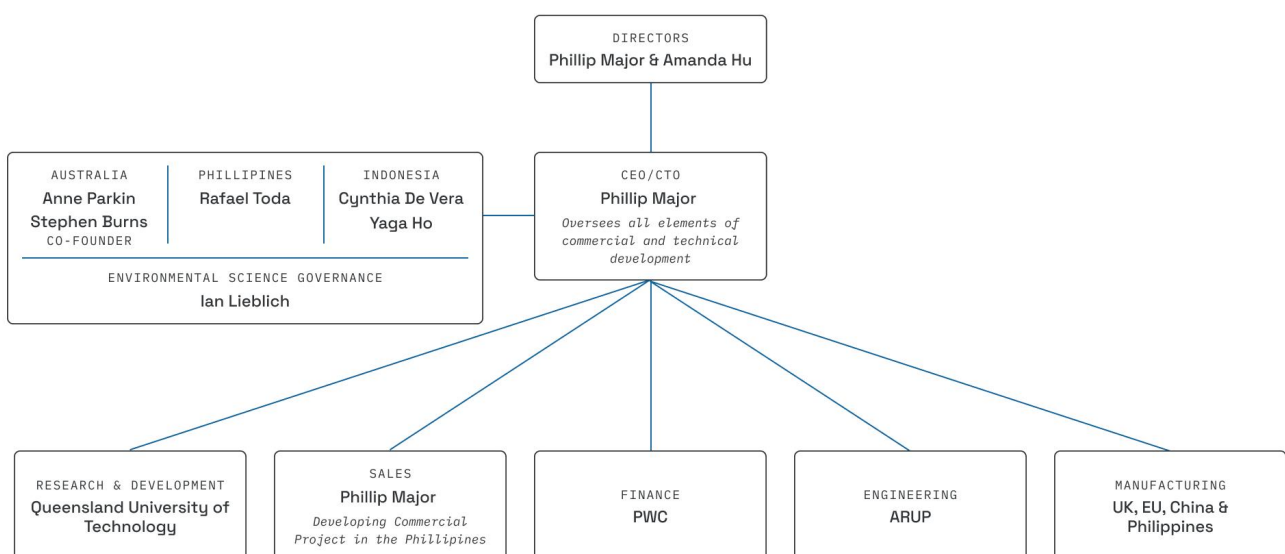
To accomplish this an LOI has been signed with NDC, which is subject to positive outcomes of their due diligence, compliance with NDC's documentation and governance framework, and NDC's Management Committee and Board of Directors approval. The LOI states that NDC believes the (Cyclion) Project falls well within NDC's investment criteria of pioneering, developmental, inclusive, sustainable, and innovative, and they are positive about our potential collaboration. The NDC has played a key role in creating economic and sustainable opportunities for individuals and businesses across industries, opening new opportunities for employment, training, and economic growth. The partnership with Cyclion may allow government bodies and officials of the Philippines to reduce the country's dependence on imported fuel and remove the influence of the Organization of the Petroleum Exporting Countries (OPEC) on fuel prices.

## 2.5 Our team


### 2.5.1 Organisational structure


Currently, only Philip Major is employed by Cyclion, with support from Amanda Hu who helps identify manufacturing and transportation subcontractors. Philip also communicates with strategic advisors on a monthly basis to discuss progress.

#### Current Organisational Structure




## 2.5.2 Directors & senior managers

	<p><b>Philip (Phil) William Major</b></p> <p><b>Director, CEO &amp; CTO</b></p> <p><i>Oversees the development of Cyclion including R&amp;D, Sales, Finance, and Engineering</i></p> <p>Philip has worked in senior management roles in Australia, New Zealand, China, and the UK. Before returning to Australia in 2012, he was a National Business Manager within a multi-billion-dollar corporation in the UK construction industry, where his business unit recorded more than 100% year on year profit growth. He has a strong eye for detail and a methodical approach to management. He has established his own successful companies and has experience leading testing, design, patenting, and business development in both Australia, China, and the UK.</p> <p>Philip has completed a Bachelor of Biomedical Science and a Masters in Business Administration.</p> <p>Prior to his business experience, he worked as a Pilot Officer in the Royal New Zealand Air Force and in the Victorian Police Force.</p> <p>Philip was one of the directors of Eco Fuel Innovations Pty Ltd (EFI, ACN 603 490 857, registered 23rd December, 2014), which later was structured under CDP Waste2Energy Holdings Pty Ltd (CDP, ACN 621 392 247, registered 13th August, 2017) which had several subsidiaries in preparation for a major waste to energy project in Brisbane expected to be around \$80mill.</p> <p>The company had established a pilot plant in China during 2017 and conducted ten test runs which led to a letter of support from a process guarantee insurer for the Brisbane Project. This process guarantee was an insurance covering 80% of the capital expenditure of the Brisbane Project if the production did not meet the expected quantity and quality of diesel that had been specified.</p> <p>EFI/CDP was still pre-revenue from 2014-2018 and expenses leading up to the financial investment decision of the Brisbane project were significant. Unfortunately, more than six months of delays in a funding source meant the board decided it had to liquidate CDP Waste to Energy Holdings and its nine wholly-owned subsidiaries in November 2018."</p> <p>Philip had invested everything he had in EFI/CDP and lost everything at that time.</p> <p>After several years, Philip was encouraged by many businesses involved in EFI/CDP to continue in waste to energy. As a result Philip developed a radically new way of accomplishing the conversion of waste to fuel using liquefaction, which is the subject of new patents pending. Also, learning from prior experience, and understanding that waste to energy has a high capital cost, he appreciated the value of crowd source funding, which started in 2019. This could help fund the testing processes which were previously limited by funding availability. In addition, Philip prioritised using external consultants to</p>
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	<p>minimise staffing commitments and set out early on to locate a commercial project in South East Asia with a large institution who could provide the waste, organise government approvals, and retails outlets for the fuel. Therefore, instead of more than 4 years pre revenue, Cyclion is already moving quickly with NDC.</p>
	<p><b>Ke (Amanda) Hu</b></p> <p><b>Non-Executive Director, Assistant Supply Chain Manager (Casual)</b></p> <p><i>Assist with the identification, communication, and coordination of manufacturers and logistics for the first commercial project.</i></p> <p>Amanda is the representative non-executive director of the major shareholder of Cyclion. She has held various management roles throughout her career. Previously, she worked as the Deputy Director of Treasury Payments at the District Government of Zhengzhou, as an accountant at Jingcheng Accountancy in China, and in the real estate sector in Australia.</p> <p>Fluent in both English and Mandarin, Amanda is passionate about logistics, supply chain management, and international business. She strives to optimise processes and drive growth through effective procurement, inventory management, and transportation.</p> <p>To be cost effective and maximise sales opportunities, Cyclion will likely purchase a significant portion of the processing plant and supplies from South East Asia (SEA). Amanda's experience in SEA contributes significantly to achieving that purpose.</p>

## 2.5.3 Our team of advisors

	<p><b>Stephen Burns</b></p> <p><b>Co Founder / Strategic Advisor</b></p> <p><i>Provides strategic advice to the CEO for the ongoing development of Cyclion</i></p> <p>Stephen is an accomplished professional with over 20 years of experience in accounting, finance, and business development. He founded Accountants Direct, a Public Accounting firm with over 7000 clients worldwide, and is a co-founder and Non-Executive Director of Payout Pty Ltd, an innovative fintech payment solutions provider.</p> <p>Stephen is passionate about environmental issues in the Asia Pacific region and has been a long-term advocate for the protection and renewal of the region's natural resources and biodiversity. He has held senior leadership positions in OzEmail Ltd, a large Internet Service Provider, and was a founding Director of the Titans National Rugby League bid team.</p>
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## Anne Parkin

### Strategic Advisor

*Provides strategic advice to the CEO for the ongoing development of Cyclion*

Anne is an internationally recognised industry leader with extensive experience in operational management of high-volume financial transactions in regulated and multi-jurisdictional industries. She has executive and board-level experience across the Asia-Pacific region.

Anne has worked as a senior executive with Credit Suisse and UBS for over 14 years, with almost 7 years based in Hong Kong. She has served as a non-executive director for companies in the Philippines, Malaysia, Australia, and was a non-executive director of Queensland Treasury Corporation for over 6 years. She is currently the Chairperson of Redback Technology Holdings.



## Rafael Toda

### Strategic Advisor (Philippines)

*Provides strategic advice to the CEO for the ongoing development of Cyclion especially in the Philippines*

Rafael is the Managing Director of Todax Consultancy Group, Australia, a consultancy practice specialising in marketing, strategic and tactical positioning.

Rafael has a vast business network across Asia Pacific, the Americas and Europe covering Aviation, Tourism, Emerging Technologies, Mobility and Transport, Logistics and Renewables.

Past and present clients, and business collaborators include OzEmail, American Express, BMW Australia, Accor Vacations, Cycling Australia, V8 Supercars, Local Motors, Sabrewing Aircraft Company and Macquarie Bank. Rafael has also consulted to the Philippine Government's Bases Conversion and Development Authority (BCDA).

Rafael is currently the President of the Australia Philippines Business Council, and a director of two Philippine companies - Todax Corporation and Go Gridless Philippines.



## Cynthia De Vera

### Strategic Advisor (Indonesia)

*Provides strategic advice to the CEO for the ongoing development of Cyclion*

Cynthia De Vera is the Head of Australia for Swoop Funding Australia. Cynthia is a seasoned fintech leader with more than a decade of experience. Cynthia has worked with lenders in the consumer and commercial sector creating new products and launching into new markets. Cynthia continues to challenge how consumers interact and manage their finances, and now Cynthia works closely with Cyclion to enter a new market with the mission to bring forth a greener economy to Indonesia.



## Yaga Ho

### Strategic Advisor (Indonesia)

*Provides strategic advice to the CEO for the ongoing development of Cyclion in Indonesia*

Yaga Ho is an executive for Neo Energy Group, specialising in downstream development. In addition Yaga is also Business Development Director for PT Anugrah Tambang Industry that specialises in downstream nickel processing working with international businesses such as Shandong Xinhai Technology, Vale, and other international companies working in Indonesia. Yaga has more than a decade of experience working with various teams across China, Australia and Singapore and has set up many operations in Indonesia. Yaga envisions a more sustainable and greener economy in Indonesia and aims to continue to assist companies to invest in Indonesia to operate efficiently and diversify their revenue streams.



## Ian Lieblich

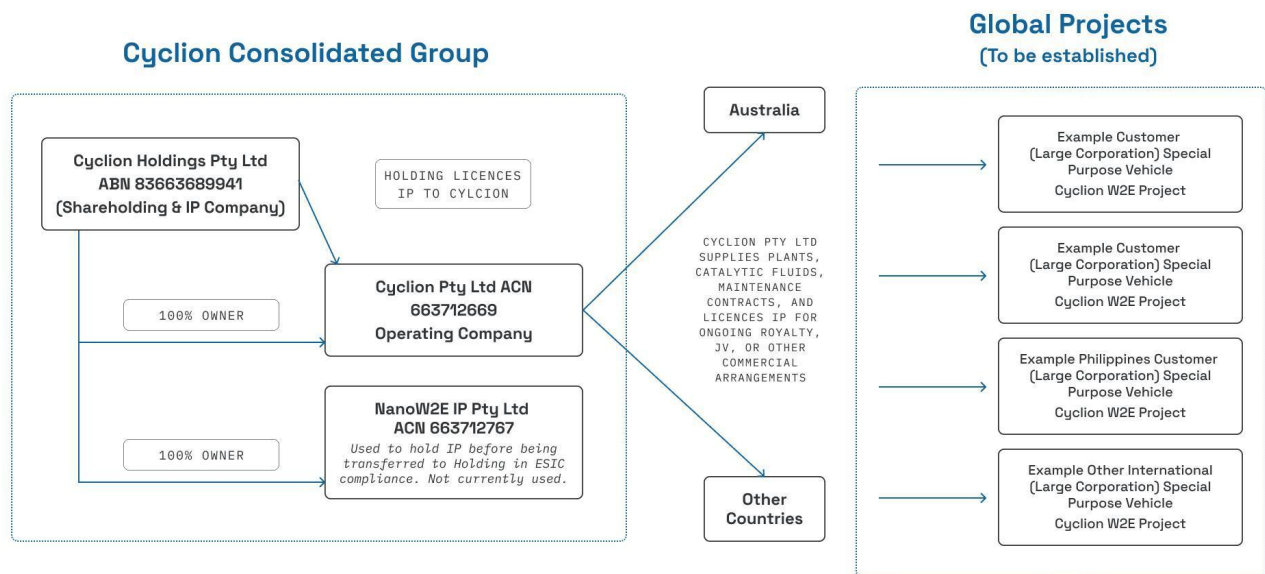
### Environmental, Social, and Governance Consultant

*Ensuring Cyclion's offering is consistent with climate reporting regimes including TCFD, ISSB and forthcoming Australian mandatory risk disclosure requirements. Working on frameworks capable of measuring social impact and avoiding carbon emissions. Assessing ESG trends and market shifts as relevant to the development and deployment of the technology.*

With a background in law and strategy, Ian brings over a decade of ESG and responsible investment strategic and advisory expertise to Cyclion. Ian has worked across both the private and public sectors, devising and executing carbon zero strategies and advising on climate risk and opportunity. Working with both ASX200 companies and small NGOs – including those focusing on climate risk in the Pacific – places Ian uniquely to contribute to Cyclion's journey.



## 2.5.4 Group structure



## 2.6 Capital structure

### 2.6.1 Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 10,000,000 ordinary shares on issue. The majority of shares are held by the Company’s founders.

The Company also has the authority to issue up to 10% of the Company’s issued share capital under the Company’s Employee Share Option Plan.

Table 1 below sets out the issued capital of the Company before the Offer.

**Table 1: Issued capital of the Company before the Offer**

The company has undertaken a share split which is reflected in Table 1 below. The relevant resolutions and forms have been submitted to ASIC, however, the changes are not reflected on the ASIC register yet.

Shareholder	Share Type	Shares
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PJAM Asset Holdings Pty Ltd (ACN 663 606 460) ATF PM Family Trust (PJAM)	Ordinary	7,500,000 (75%)
Citycorp Group Pty Ltd (ACN 128 076 951) as trustee for the Commstar Trust (ABN 33189928584)	Ordinary	2,500,000 (25%)
<b>Total</b>		<b>10,000,000 (100%)</b>

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis.

**Table 2: Issued capital of the Company following the Offer  
(on a fully diluted basis)**

Term	Minimum Subscription	Maximum Subscription
Existing Founder Shares	10,000,000 shares (79.6%)	10,000,000 shares (71.9%)
ESOP Shares (Unallocated)	Maximum of 1,111,111 [Unallocated ESOP (8.8%), 0 allocated]	Maximum of 1,111,111 [Unallocated ESOP (8.0%), 0 allocated]
Share Payments (Unallocated)	Maximum of 416,666 shares (3.3%)	Maximum of 416,666 shares (3%)
Convertible Note Shares	800,000 shares (6.4%)	800,000 shares (5.8%)
Offer Shares	231,481 shares (1.8%)	1,574,074 shares (11.3%)
<b>Total Shares</b>	<b>12,559,258 shares (100%)</b>	<b>13,901,851 shares (100%)</b>

## 2.6.2 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. The Company has also adopted an Employee Share Option Plan.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

## Ordinary Shares

The shares issued pursuant to this Offer Document will be fully paid Ordinary Shares. All Ordinary Shares have the same voting rights and the same rights to receive dividends.

The other rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.
- The Constitution includes a series of founder rights.
- The constitution includes pre-emptive rights for certain shareholder based on percentage ownership

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.

## Director's discretion to refuse to register share transfers

Under the Constitution, the Board may from time-to-time refuse to register a transfer of shares. Details of the Board's power to do so are set out in clause 13.15 of the Constitution. This includes the power to refuse any proposed transfers that do not comply with the terms of the Constitution (see clause 13.15(a)(v)).

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Corporations Act, the sale may only occur in accordance with clause 12.5 of the Constitution.

## Employee Share Option Plan (ESOP)

The Company's constitution includes the ability to implement an employee share option plan (**ESOP**) in the future to attract, retain and incentivise key employees. The Constitution allows directors to implement an ESOP plan (or multiple plans) and issue options/shares reflecting up to 10% of the fully diluted share capital of the Company without the need to obtain any shareholder approval.

As at the date of this CSF Offer Document, the Company has not issued any options under the Company's existing ESOP Accordingly, all options under the ESOP remain unallocated.

## Convertible Note

The Company's constitution includes the ability to raise finance by issuing Convertible Notes. As at the date of this CSF Offer Document, the Company two unsecured convertible notes each with a face value of \$20,000 have been issued to Citycorp Group Pty Ltd ATF Commstar Trust (each a **CN** and together the **CNs**). The CNs were issued on the 18th September, 2023 and the 3rd October 2023 respectively. Each CN has a Maturity Date of one month from the date of the relevant CN deed. Interest accrues on the Purchase Amount at a rate of 5% per annum from the date of the relevant CN deed until the Conversion Date or the date on which the Outstanding Amount is fully and finally paid

(as applicable). Each CN would convert to 400,000 ordinary shares on the Conversion Date (if applicable) and is converted on the maturity date. The 400,000 ordinary shares was calculated according to the co-founders value cap.

## Share Payment

The Company's constitution includes the ability for the Company to make payments to contractors, service providers and advisers (or any other person the Board wishes to pay) by way of Share issue in lieu of cash payments. The number of Securities (including Shares) that may be issued to each contractor, service provider or adviser under a transaction must be equal to or less than the Share Payment Threshold (as described in the Company Constitution). The Share Payment Threshold is 2% of the issued capital of the Company (however, this threshold may be increased to up to 4% by Special Resolution of Directors). As at the date of this CSF Offer Document, the Company has not utilised this power to issue any shares to service providers and therefore the Share Payment Threshold remains unallocated.

## Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

## 2.6.3 Sources of financing, including debt financing and other financing

To date, the business has been funded through a combination of equity, R&D loans, R&D Tax Incentive Grants, and Founder Loans.

### Equity

To date, the Company has raised nothing from professional investors.

### Founder loans

To date, the founding shareholders consist of \$85,000 from PJAM Assets and \$25,000 from PMajor Directors Loan to the Company.

The key terms of these loans are set out below. The founder loans will not be repaid with the funds raised under the Offer.

- Amount outstanding- \$85,000

- Interest – \$8,500
- Repayment date - 30<sup>th</sup> June 2024 unless otherwise agreed between the parties.
- Security - None

To date, the founding shareholders have loaned funds of \$85,000 in total to the Company.

The founder PMajor Director loan will not be repaid with the funds raised under the Offer.

- Amount outstanding- \$25,000
- Interest – \$3,500
- Repayment date - 30<sup>th</sup> June 2024 unless otherwise agreed between the parties.
- Security - None

## Debt funding

As at the date of this Offer, the Company has the following outstanding:

Description -	Working capital facility and revenue financing	Working capital facility and revenue financing	Working capital facility and revenue financing	Working capital facility and revenue financing	PJAM Assets Loan	PMajor Director Loan
	Convertible Note	Convertible Note	R&D Loan for R&D activity conducted during FY2023	R&D Loan for R&D activity conducted expected during FY 2024 Limit of \$429,000 contingent on incurring a liability for eligible R&D expenditure as confirmed by PwC		
Principal amount borrowed - \$#	\$20,000	\$20,000	\$58,527	\$38,664	\$35,000 Feb 23)+ \$50,000 (July 23) Total = \$85,000	\$25,000
Amount outstanding - \$##	\$20,000	\$20,000	\$63,000	\$48,000	\$93,500	\$28,500

Interest - #%	\$ -	\$ -	\$4,473	\$9,936	\$8,500	\$3,500
fixed						
Repayment date - #date	18/09/2023	2/11/2023	30/01/2024	30/10/2024	30/06/2024	30/06/2024
Security - ##	Nil	Nil	R&D Refund and subject to general security deed	R&D Refund and subject to general security deed	Nil	Nil

## Grant funding

The Company is due to receive approximately \$74,065 in Federal Government grants to Cyclion Holdings Pty Ltd for FY23.

## 2.7 Key risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Funding risk	<p>The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.</p>
Key person risk	<p>As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the</p>



	Company's ability to continue its operations or achieve its business objectives as the case may be.
<b>Technology risk</b>	The Company has trialled the technology in the laboratory but has not yet been scaled up to address larger quantities. As with all technology, there is a risk that the application of the technology will not work as expected in the future. There is no guarantee that the issue that causes the failure will be economically viable or possible to fix. If such a failure of the technology occurs, that failure would have a material and adverse effect on the financial position of Cyclion.
<b>Startup risk</b>	<p>The Company is a pre-revenue startup and is likely to build the business with the funds raised through this crowd-sourced funding offer.</p> <p>As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.</p>
<b>Intellectual property risk</b>	The protection of the Company's intellectual property is critical to our business and commercial success. We have patents pending. Although IP Australia has conducted global searches and it is likely that claims will be granted, it cannot be guaranteed. Also, in the future, if we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.
<b>Key contact risk</b>	The Company relies on key contracts with third parties to produce, design, manufacture, maintain, and operate the cyclion products. Early termination by a counterparty of a key contract would materially affect the ability for the business to continue its operations if a suitable replacement was not found.
<b>Manufacturer and third-party risk</b>	<p>The Company contracts with third party manufacturers and does not itself produce its products. Early termination by a counterparty of a key contract would materially affect the ability for the business to continue its operations if a suitable replacement was not found.</p> <p>Although the production of the Company's products is specialised, the Company is confident that it could work with alternate manufactures if necessary. Importantly, the Company's product formulations are</p>
<b>Currency risk</b>	The Company is intending to operate globally. A negative movement in the Australian dollar against overseas currencies

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may not be sufficiently hedged and could negatively affect the margins and profitability of the Company.

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## 2.8 Financial information

Below are the consolidated financial statements of the Company and its controlled subsidiaries for the financial year ended 30 June 2023 (noting the date of incorporation was 8 November 2022 and the company's first financial year was less than 12 months), which have been prepared in accordance with the Accounting Standards.

## 2.8.1 Balance sheet

**Cyclion Holdings Pty Ltd**  
**Balance Sheet**  
**As At 30 June 2023**

**Balance Sheet**

	Note	2023 \$
<b>CURRENT ASSETS</b>		
Cash at bank		1,031
Provision for income tax	2	74,065
Cash on hand		100
Deposits		999,841
Goods and services tax		52,007
Prepayments		794
		<u>1,127,838</u>
<b>TOTAL ASSETS</b>		<u>1,127,838</u>
<b>CURRENT LIABILITIES</b>		
Trade creditors		1,154,445
PAYG withholding tax payable		815
Superannuation payable		1,212
Related party loans	3	49,213
Unrelated party loans	4	25,000
		<u>1,230,685</u>
<b>NON-CURRENT LIABILITIES</b>		
Related party loans	5	35,000
		<u>35,000</u>
<b>TOTAL LIABILITIES</b>		<u>1,265,685</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>(137,847)</u>
<b>EQUITY</b>		
Share capital		100
Retained Profits (Accumulated Losses)		<u>(137,947)</u>
<b>TOTAL EQUITY (DEFICIT)</b>		<u>(137,847)</u>

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report.

## 2.8.2 Profit and loss statement

**Cyclion Holdings Pty Ltd**  
**Profit And Loss Statement**  
**For The Year Ended 30 June 2023**

**Profit And Loss Statement**

	Note	2023 \$
<b>INCOME</b>		
Research & Developments tax incentive		74,065
<b>LESS EXPENDITURE</b>		
Bank fees		4
Borrowing costs		500
Consulting and accounting		6,132
Insurance		1,541
Legal expenses		16,847
Marketing and design		2,462
Patent costs		13,170
Printing and stationery		47
Research and development costs		132,160
Rent		2,595
Superannuation		2,181
Subscriptions		1,419
Telephone and internet		2,341
Travel		9,844
Wages and salaries		20,769
		<hr/> 212,012
<b>NET OPERATING PROFIT (LOSS)</b>		<hr/> (137,947)
<b>TOTAL AVAILABLE FOR APPROPRIATION (DEFICIT)</b>		<hr/> (137,947)
<b>RETAINED PROFITS (ACCUMULATED LOSSES) AT THE END OF THE FINANCIAL YEAR</b>		<hr/> <hr/> (137,947)

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report.

## 2.8.3 Cash flow statement

**Cyclion Holdings Pty Ltd**  
**Statement Of Cash Flows**  
**For The Year Ended 30 June 2023**

**Statement Of Cash Flows**

	<b>2023</b> <b>\$</b>
<b>Cash flows from operating activities</b>	
Payments to suppliers, employees and others	(108,182)
<b>Net cash provided by (used in) operating activities</b>	<u>(108,182)</u>
<b>Cash flows from financing activities</b>	
Net proceeds from borrowings	109,213
Proceeds from share issue	<u>200</u>
<b>Net cash provided by financing activities</b>	<u>109,413</u>
Net increase in cash held	1,231
Cash and cash equivalents at beginning of financial year	<u>-</u>
Cash and cash equivalents at end of financial year	<u><u>1,231</u></u>

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report.

## 2.8.4 Statement of changes in equity

**Cyclion Holdings Pty Ltd**  
**Statement Of Changes In Equity**  
**For The Year Ended 30 June 2023**

**Statement Of Changes In Equity**

	Ordinary shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2022	-	-	-
Comprehensive income			
Profit (loss) for the year	-	(137,947)	(137,947)
Total comprehensive income for the year attributable to the member of the company	-	(137,947)	(137,947)
Transactions with the owner, in capacity as owner and other transfers			
Issued share capital	200	-	200
Total transactions with the owner and other transfers	200	-	200
Balance at 30 June 2023	200	(137,947)	(137,747)

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report.

**Cyclion Holdings Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**Notes to the Financial Statements**

<b>2</b>	<b>Provision for income tax:</b> Provision for income tax	<u>74,065</u>
<b>3</b>	<b>Related party loans:</b> Philip Major Stephen Burns	<u>40,821</u> <u>8,392</u> <u>49,213</u>
<b>4</b>	<b>Unrelated party loans:</b> Research and development	<u>25,000</u>
<b>5</b>	<b>Related party loans:</b> <b>Loans from:</b> PJAM Asset Holdings Pty Ltd	<u>35,000</u>

## 2.8.5 Management comments on historical performance and outlook

Cyclion Holdings is a pre-revenue business in the early stages of piloting our technology. As detailed in 3.2, the cost base will change over the next 12 months, with a focus on the university plant equipment purchase, R&D with universities, engineering design, the recruitment and ongoing costs of key staff, and business development costs. The business development costs are intended to include opening a wholly owned subsidiary in the Philippines with Baker MacKenzie and entering into contracts with relevant stakeholders for the project development in the Philippines.

Expenditure during 2023 was focused towards four main goals.

1. R&D by a highly regarded university to establish proof of concept.
2. Apply for a patent pending and have IP Australia conduct a global search to establish any objections to the patent pending claims.
3. Investigate a commercial project opportunity in South East Asia.
4. Raising initial investment with a view to a CSF raise in FY2024.

Since the end of June 2023, changes in loans status is as follows:

- a) PJAM Assets loan (P Major Entity) increased its loan by \$50,000 from \$35,000 to \$85,000
- b) P Major (Founder) Directors Loan was reduced to \$25,000 and S. Burns \$8,392 was repaid
- c) \$40,000 S. Burns (Co Founder) Convertible Note
- d) \$63,000 R&D loan, Mitchell Asset Management, 31<sup>st</sup> August, 2023
- e) \$48,000 R&D loan, Mitchell Asset Management, 2<sup>nd</sup> October, 2023
- f) \$25,000 Unrelated Party Loan was repaid

**We do not expect to be profitable in the short-term.**

## 2.8.6 Capital Strategy

Estimated Timing		
AUD \$1,700,000	Last Quarter 2023	To complete the university pilot plant orders and research and development in the short term.
AUD \$5,000,000	First Quarter 2024	To build the first large scale 50 TPD plant on site in the Philippines, and prepare for the commercial project in 2025. The LOI signed with NDC, specifies access to \$5,000,000 USD (subject to positive



		outcomes of their due diligence, compliance with NDC's documentation and governance framework, and NDC's Management Committee and Board of Directors approval).
AUD \$2,000,000	Third Quarter 2024	To facilitate the operation of the 50 TPD pilot plant in the Philippines, before locating it in Australia. The NDC LOI referred to in the 2nd fund raise (at \$5,000,000 USD) would be sufficient to cover this amount (subject to positive outcomes of their due diligence, compliance with NDC's documentation and governance framework, and NDC's Management Committee and Board of Directors approval)

Following these fund raises it is expected that revenue from the first commercial project is likely to facilitate further growth.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by the Company and has not been validated by an independent third party.

## 2.8.5 Pre Revenue Business

In reviewing the commentary in this section be aware that Cyclion Holdings Pty Ltd is a pre-revenue business in the early stages of piloting the technology referred to in this document.

# Section 3: Information about the Offer

## 3.1 Terms of the Offer

The Company is offering up to 1,574,074 shares at an issue price of \$1.08 per share to raise up to \$1,700,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1.08 per share
Minimum Subscription	\$250,000
Maximum Subscription	\$1,700,000
Opening Date	17 <sup>th</sup> October 2023
Closing Date	2 <sup>nd</sup> November 2023

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at [www.birchal.com](http://www.birchal.com).

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

## 3.2 Use of funds

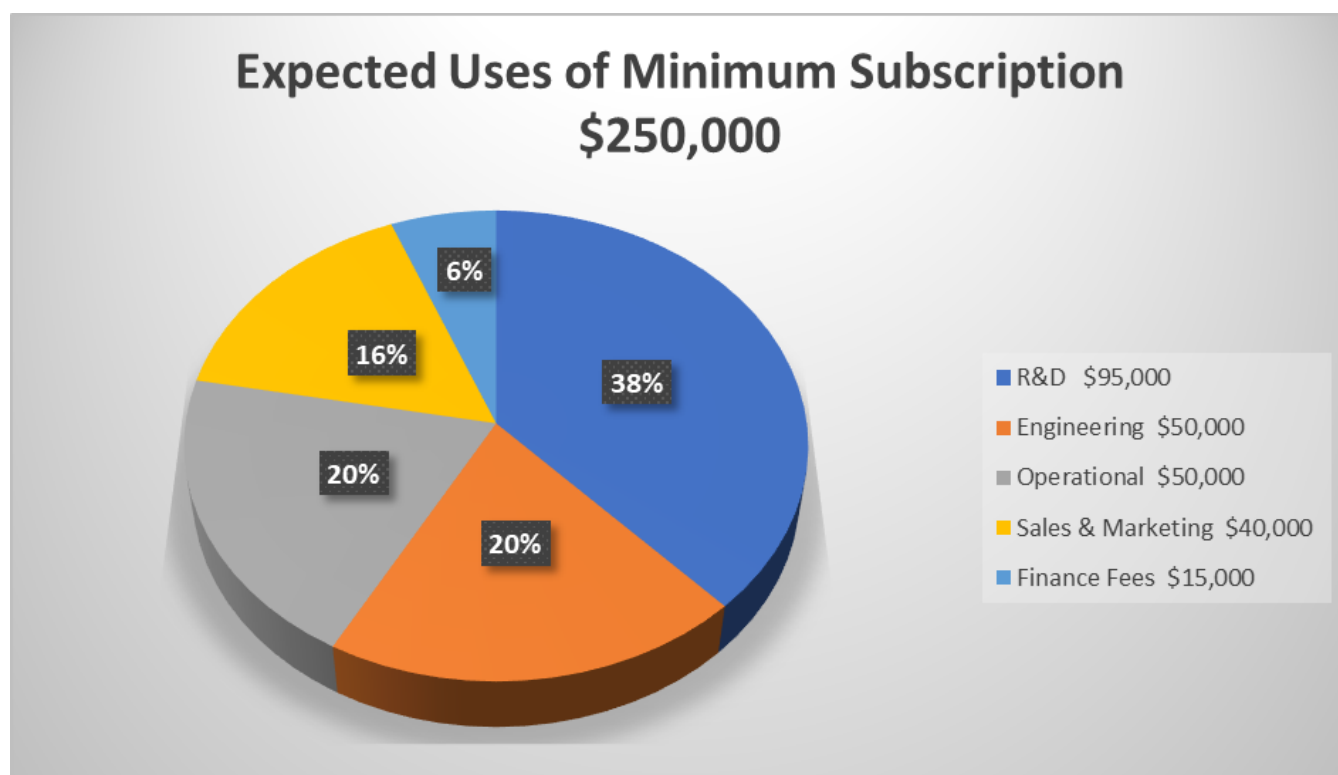
The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

With the funds raised under the CSF Offer, we plan to use the funds for the following purposes:

Intended Use	\$Minimum Subscription	\$Maximum Subscription
University Pilot Plant Equipment Cost	\$0	\$492,000
Engineering	\$50,000	\$400,000

R&D	\$95,000	\$300,000
Operational Costs	\$50,000	\$306,000
Sales & Marketing Costs	\$40,000	\$100,000
Offer costs	\$15,000	\$102,000
<b>Total</b>	<b>\$250,000</b>	<b>\$1,700,000</b>

## Minimum Subscription

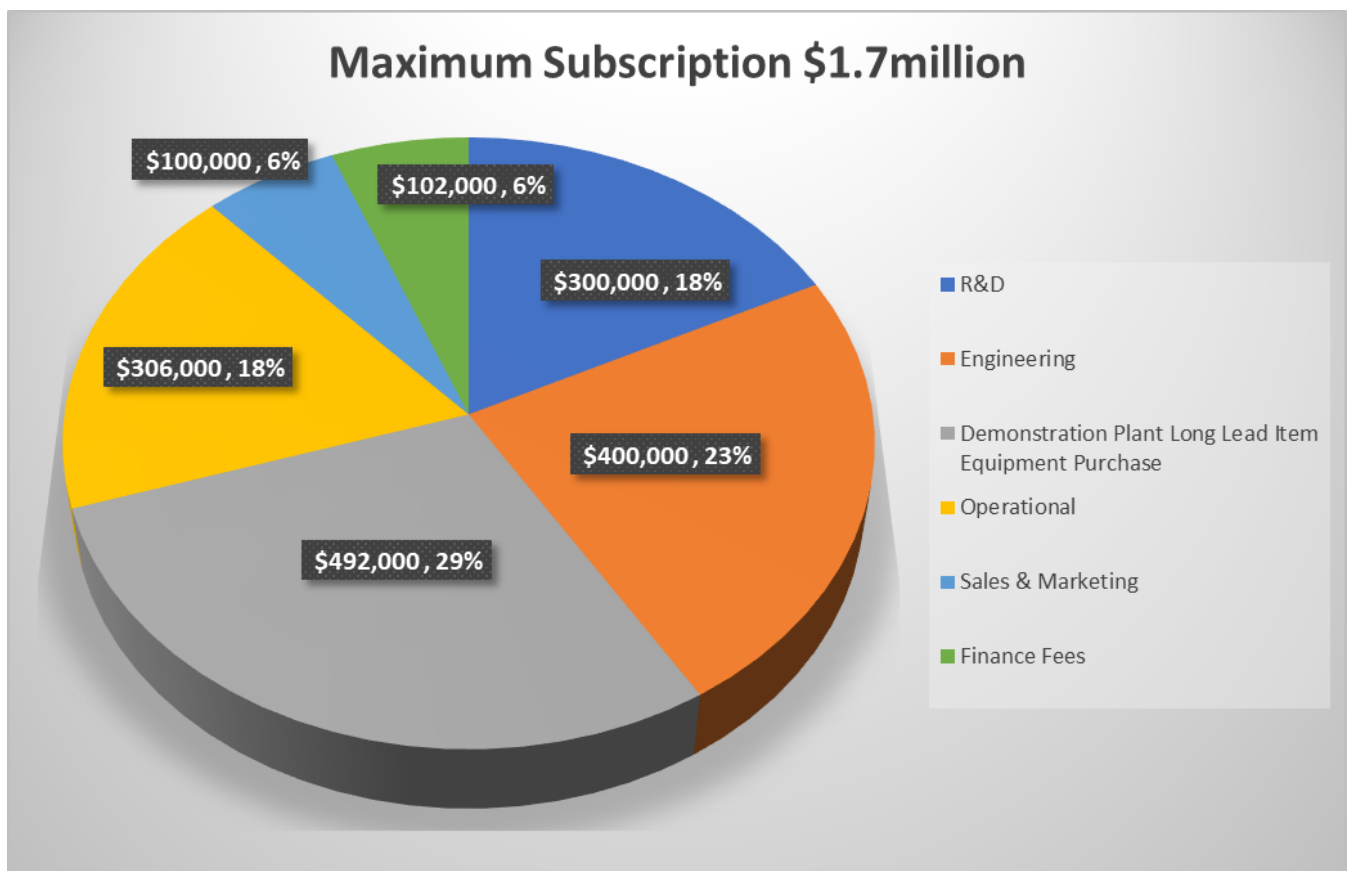


### The description of tasks include:

1. Continue to invest in our R&D to conduct an optimisation program which aims to further refine the most suitable conditions (feed loading, catalyst loading and ratio, temperature and reaction time) for processing municipal waste into oil, hydrocarbon gases and solids with the goal of building a pilot plant in 2024.
2. To commence engineering designs and HAZOP procedures for the university plant.
3. To cover operational costs including travel and the progression of the commercial project in the Philippines, employee wages, overhead expenses and working capital.
4. Conduct project specific life cycle analysis to determine carbon savings.

5. Prepare the necessary legal documents for the 50 TPD operation in the Philippines.
6. Sales and marketing investments should focus on delivering subsequent fundraising, to facilitate the implementation of a demonstration plant in the Philippines as soon as practical, and position Cyclion to then expand into Australia and other markets in Southeast Asia and globally. Funding is likely to include building the Cyclion brand internationally, speaking and showcasing at industry conferences as thought leaders, and establishing representatives in key markets to expand the company's reach.

## Maximum Subscription



### The description of tasks include:

1. Continue to invest in our R&D to conduct an optimisation program which aims to further refine the most suitable conditions (feed loading, catalyst loading and ratio, temperature and reaction time) for processing municipal waste into oil, hydrocarbon gases and solids with the goal of building a pilot plant in 2024. In addition to QUT, Cyclion is already in discussions with two other universities in Australia, one of which is an expert on Algae runs, and the other is likely to involve multiple disciplines and is currently ranked 15 in the world.

2. University Pilot Plant Equipment Purchase to conduct large scale testing early 2024 in Australia.
3. To progress engineering designs and HAZOP procedures for the university plant and commence the 50 TPD plant.
4. To cover operational costs including travel and the progression of the commercial project in the Philippines, employee wages, overhead expenses and working capital.
5. Conduct project specific life cycle analysis to determine carbon savings.
6. Prepare the necessary legal documents for the 50 TPD operation in the Philippines.
7. Order long lead items for the 50 TPD plant.
8. Progress documents and contracts in preparation for the 900TPD project in the Philippines.
9. Sales and marketing investments should focus on delivering subsequent fundraising, to facilitate the implementation of a demonstration plant in the Philippines as soon as practical, and position Cyclion to then expand into Australia and other markets in Southeast Asia and globally. Funding is likely to include building the Cyclion brand internationally, speaking and showcasing at industry conferences as thought leaders, and establishing representatives in key markets to expand the company's reach.

Details of payments to be made to directors out of the funds raised under the CSF Offer are as follows:

- Directors' remuneration \$0 per annum (Minimum Subscription)
- Directors' remuneration \$24,000 per annum per director excluding the CEO (Maximum Subscription)
- CEO remuneration \$150,000 (Minimum Subscription) & \$200,000 (Maximum Subscription)

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 12 months.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we are likely to scale back the pilot plant and engineering costs and continue to focus our cash resources on research and development.

## 3.3 Rights associated with the shares

Immediately after issue, the shares under this Offer will be fully-paid ordinary shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

### 3.3.1 Election and removal of directors

The Company must have at least two directors and no more than five directors (unless otherwise determined in accordance with the Constitution).

Pursuant to clause 25.5 of the Constitution, shareholders may vote to elect and remove some of the directors of the Company (provided certain consents have been obtained).

In addition to the above, the following shareholders have special powers to appoint and remove directors of the Company:

1. pursuant to clause 25.3, the Initial Founder (as described in the Constitution), being, at the date of this Offer Document, the shareholder associated with Philip Major, may appoint a director if they hold 5% or more of the equity;
2. pursuant to clause 25.3, the Secondary Founder (as described in the Constitution) being, at the date of this Offer Document, the shareholder associated with Stephen Burns, may appoint a director for the longer of 18 months from 10 October 2023 and while they hold 15% or more of the equity; and
3. pursuant to clause 25.2, each Major Member (being each shareholder that holds at least 20% of the issued equity in the Company) may appoint a director.

### 3.3.2 Decision making

Under the Constitution, the directors of the Company have significant decision-making power with respect to the business of the Company. In many cases where decisions are reserved for resolution

by the directors of the Company under the Constitution, shareholders will not have the opportunity or ability to vote.

Under the Constitution, decisions or actions are categorised into 4 main categories:

1. those that require an Ordinary Resolution (as described in the Constitution) of Directors;
2. those that require a Special Resolution (as described in the Constitution) of Directors;
3. those that require an Ordinary Resolution (as described in the Constitution) of shareholders;  
and
4. those that require a Special Resolution (as described in the Constitution) of shareholders.

### **3.3.3 Board observers**

Under clause 25.4 of the Constitution certain members have the power to appoint and remove a person from the role of Observer (as described in the Constitution). An Observer will have the right to attend each meeting of directors but is not entitled to vote.

Under clause 25.8 of the Constitution, the Board also has powers to nominate other Observers who may attend meetings of directors but not vote.

### **3.3.4 Initial Founder**

In addition to the above decision categories, some decisions also require Initial Founder involvement. The Initial Shareholder effectively has a veto right over these matters. This veto right and all other special rights (including director appointment rights and attendance rights at shareholder and board meetings) fall away if the Initial Shareholder holds less than 5% of the Issued Equity (as described in the Constitution) or if the Key Person (as described in the Constitution) associated with the Founder Shareholder dies.

The Secondary Founder (as described in the Constitution) also has a few special rights, these rights fall away in the same circumstances as the Initial Founder's rights.

### **3.3.5 General meetings and notices**

Clause 22.1 of the Constitution sets out when and how general meetings may be called.

1. Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
2. Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001.

Shareholders must be given notice of any meetings in the manner contemplated by clause 22.2.



### **3.3.6 Shareholder voting**

In respect of any shareholder decision, each shareholder has one vote on a show of hands and, on a poll, one vote for each fully paid share held.

As set out above, shareholders will not be entitled to vote on some important decisions of the Company (for example, those matters which are reserved for resolution by the board of directors of the Company).

### **3.3.7 Dividends**

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (e.g. they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

### **3.3.8 Restrictions on Sales**

Any CSF Shares acquired under the Offer must not be onsold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

The Constitution also outlines certain rules and processes pursuant to which you may dispose of your Shares.

### **3.3.9 Pre-emptive rights on sale of shares**

Except in the case of Permitted Transfers (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along, tag along event or the minor parcel transfer process), shareholders wishing to sell shares must first offer those shares to Eligible Members (as defined in the Constitution) before those shares can be sold to third parties.

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Act, the sale may only occur in accordance with clause 12.5.

### **3.3.10 Minor parcel transfer process**

Where a proposed sale is in respect of a parcel of shares which equates to less than 0.3% of the total number of shares on issue in the Company at the relevant time, the Board may offer the relevant shares to any existing shareholder or third party in a manner and at a time as the Board determines,

in its discretion. Pursuant to clause 13.5(a) of the Constitution, the Board has discretion to delay offering the share parcel or aggregate share parcels belonging to multiple shareholders.

### 3.3.11 Defaulting shareholders

If an Event of Default (as that term is defined in the Constitution) occurs, the defaulting shareholder may be required to sell its shares in accordance with the process set out in clause 18 of the Constitution. A discount of 15% will apply to a forced sale triggered by the occurrence of most but not all Events of Default.

#### Drag along

Pursuant to clause 15 of the Constitution, where shareholders holding more than 70% of the Shares in the Company (**Majority Sellers**) receive an offer from a third party to acquire all of the issued shares in the Company, those Majority Sellers may require all other shareholders of the Company to sell their Shares to that third party (or to another Eligible Member, if the Board implements an Alternate Offer Process (as that term is defined in the Constitution), pursuant to clause 15.3).

#### Tag along

Similarly, where transfer proposed by a shareholder (or group of shareholder) would result in a third party acquiring at least 60% of Shares in the Company, then shareholders (other than those who intend to sell to that third party) will have the right to tag along pursuant to clause 14 of the Constitution.

### 3.3.12 Pre-emptive rights on issue of shares

Shares may only be issued by the Company in accordance with the Constitution. This means that, except in respect of certain Excluded Issues (as described in the Constitution), where the Company wishes to issue new shares, the Company must follow the procedure set out in clause 5 of the Constitution, including by offering each Eligible Member (as defined in the Constitution) the right to acquire the new shares.

#### ESOP

Pursuant to clause 26.3 of the Constitution, the Board has discretion to establish one or more employee share option plans (each an **ESOP**) which allow the Board to issue shares or options representing up to a maximum of 10% of the fully diluted share capital of the Company at any time.

#### Shares in lieu of payment

Pursuant to clause 26.4 of the Constitution, the Directors of the Company are empowered to, in lieu of payment, issue shares equating to up to 2% of the share capital of the Company to any contractor, service provider or adviser. Any such decision requires a Special Resolution (as described in the

Constitution) of Directors. The 2% threshold may also be increased to a maximum of 4% by way of Special Resolution of Directors.

## **Competition Restriction**

Clause 34 of the Constitution sets out a range of Restricted Activities (as described in the Constitution) which must not be undertaken by shareholders. These include obligations not to compete with the company, not to solicit customers of the Company and not to interfere with the relationships between the Company and its employees, contractors, suppliers or customers.

Shareholders who hold less than 1% of the share capital of the Company or who are Professional Investors (as described in the Constitution) will not be subject to the non-compete. All other shareholders are subject to the Competition Restriction (subject to certain exceptions specified in clause 34.8 of the Constitution). A full description of the Competition Restriction and other Restricted Activities is set out in clause 34 of the Constitution.

## **IPO and Escrow**

Pursuant to clause 19.3 of the Constitution, if an IPO of the Company is approved, shareholders may be restricted from selling their shares within a certain period of time after the IPO as part of an escrow / lock-up arrangement and shareholders may be required to take actions to facilitate the IPO (including signing documents).

## **Winding-up**

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus will be distributed to shareholders after secured and unsecured creditors of the Company. If the Company issues preference shares (i.e. shares with preferential rights) in the future, holders of such preference shares may rank ahead of ordinary shareholders in a distribution of assets on winding up.

## **Discretion to refuse to register a transfer of shares**

The Board may from time-to-time refuse to register a transfer of shares. Details of the Board's power to do so are set out in clause 13.15 of the Constitution. This includes the power to refuse any proposed transfers that do not comply with the terms of the Constitution (see clause 13.15(a)(v)).

## **On-sale restrictions under the Corporations Act**

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

### 3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

### 3.3.9 Early Stage Innovation Company

From 1 July 2016, if you invest in a qualifying early stage innovation company (**ESIC**), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

- a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.
- a modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

More information about the ESIC regime is available from the [ATO website here](#).

Based on an objective self-assessment with the assistance of advisors, the Company has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives.

The Company does not warrant or guarantee that it will qualify under relevant rules as an ESIC and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives. Neither the Company nor Birchall Financial Services Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or the Company. We recommend that investors seek independent tax advice about their investment.

## 3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company

- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

## Section 4: Information about investor rights

### 4.1 Cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

### 4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

## 4.3 Proprietary company corporate governance obligations

### 4.3.1 Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

### 4.3.2 Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address <https://www.cakeequity.com/> (free of charge) or can purchase the report from ASIC.

### 4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

#### 4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.



## 4.4 Company updates

The Company will provide regular updates to investors on the Company's website at the following address <https://cylcion.energy>, via the Company's share registry website at the following address <https://www.cakeequity.com/> and via the Intermediary's platform.

# Glossary

**Company** means Cyclion Holdings Pty Ltd ACN 663689941

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which a retail investor has a right to withdraw their application and be repaid their application money

**CSF** means crowd-sourced funding under Part 6D.3A of the Corporations Act

**Intermediary** means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of the Offer.

**Offer** means an offer of fully-paid ordinary shares by the Company under this CSF offer document

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act