

CYCLIQ GROUP LIMITED

ABN 47 119 749 647

Appendix 4D

Half-Year Report Period

Results

Reporting Periods

- Current period: Six-month period ended 31 December 2021
- Previous corresponding period: Six-month period ended 31 December 2020

		Percentage Change		31 December 2021 \$'000s	31 December 2020 \$'000s
Revenue	Up	303%	to	2,969	736
Other Income	Down	46%	to	235	435
Profit/(Loss) before tax	Up	97%	to	(55)	(1,648)
Profit/(Loss) after tax	Up	97%	to	(55)	(1,648)
EBITDA	Up	119%	to	294	(1,508)

Dividends

Current period:

- Interim Dividend Nil N/A
- Date the Dividend is Payable: N/A N/A
- Record Date for determining entitlements to the Dividend: N/A N/A

Previous corresponding period:

- Interim Dividend Nil N/A

Net Tangible Assets (NTA) per Security Dividends

				31 December 2021 ¢	30 June 2021 ¢
NTA backing per ordinary share	Up	63%	to	0.02	0.014

Commentary on Results

The Group achieved strong sales performance for both the Fly 6 Generation 3 and the Fly 12 during the half-year. In particular, due to a targeted early Black Friday sales campaign and the ability to ship immediately, Cycliq achieved gross revenue of \$2.151 million in the month of November. New product lines were finalised during the period and introduced as complementary purchase opportunities for customers.

Cycliq has been working closely with its manufacturing partners to improve quality and reduce warranty claims. Considerable success has been achieved in this area with warranty claims reducing significantly. Cost control continues to be a focus of the company.

A much-improved financial performance was achieved compared to the previous corresponding period. A near breakeven loss of \$55,000 compares with a loss in 2021 of \$1,648,000 and a positive EBITDA of \$294,000 is a 119% improvement compared to the previous period. Full commentary on the results for the reporting period can be found in the Director's Report and the consolidated financial statements for the half-year ended 31 December 2021.


CRAIG SMITH-GANDER

Non-Executive Chairman

Dated this Tuesday, 22 February 2022

Cycliq Group Limited

ABN 47 119 749 647

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2021

Corporate directory**Current Directors**

Craig Smith-Gander	<i>Non-Executive Chairman</i>	Appointed 31 August 2020
Xavier Kris	<i>Non-Executive Director</i>	Appointed 31 August 2020
David Wheeler	<i>Non-Executive Director</i>	Appointed 11 June 2021
Chris Mews	<i>Non-Executive Director</i>	Appointed 11 June 2021

Company Secretary

Tim Slate	<i>Company Secretary</i>	Appointed 2 August 2021
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Website: www.cycliq.com

Principal place of business

Address: Unit 14, 513 Hay Street,
Subiaco, WA, 6008

Email: info@cycliq.com

Website: www.cycliq.com

Securities Exchange

Australian Securities Exchange
ASX Code: CYQ.AX

Auditors

Hall Chadwick WA Audit Pty Ltd

Address: 283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (8) 9426 0666

Website: www.hallchadwickwa.com.au

Share Registry

Advanced Share Registry

Address: 110 Stirling Hwy,
Nedlands Perth WA 6009

Telephone: +61 (8) 9389 8033

Website: www.advancedshare.com.au

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Directors' report

Your directors present their report on the consolidated entity, consisting of Cycliq Group Limited (**Cycliq** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2021.

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Craig Smith-Gander Non-Executive Chairman (*Appointed 31 August 2020*)
- Xavier Kris Non-Executive Director (*Appointed 31 August 2020*)
- David Wheeler Non-Executive Director (*Appointed 11 June 2021*)
- Chris Mews Non-Executive Director (*Appointed 11 June 2021*)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Operations Review

Summary

The Group achieved strong sales performance for both the Fly 6 Generation 3 and the Fly 12 during the half-year. In particular, due to a targeted early Black Friday sales campaign and the ability to ship immediately, Cycliq achieved gross revenue of \$2.151 million in the month of November. Product sales continue to demonstrate the global appeal of the product, with the top 4 sales destinations being USA, Australia, UK, and Singapore.

New product lines were finalised during the period and introduced as complementary purchase opportunities for customers. These included duo mounts for the Fly 12, protective covers for cameras, high quality and high visibility rain jackets, and reflective stickers. Inventory and product are being received into Cycliq's warehouses early in the New Year, ahead of a marketing campaign for both of the core products.

Cycliq has been working closely with its manufacturing partners to improve quality and reduce warranty claims. Considerable success has been achieved in this area with warranty claims reducing significantly. As a result, headcount in claim handling has been reduced and more product is available for immediate sale.

Cost control continues to be a focus of the company, with a move to smaller premises during the period. This has resulted in a cost saving of approximately 50% of the previous rental expense. Staffing cost reductions have also been achieved with a leaner team and a reduction in director fees.

After receiving shareholder approval at the General Meeting dated 7 July 2021, the Company completed the following:

1. Conversion of all Convertible Notes outstanding by issuing 500,000,000 fully paid ordinary shares along with 250,000,000 free attaching CYQOA Quoted Options;
2. Issuing 2,300,000,000 CYQOA Quoted Options to CPS Capital (or their nominees); and
3. On 21 July 2021 the 20:1 share consolidation was completed.

On 2 August 2021, the Company announced that Mr Timothy Slate was appointed Chief Financial Officer and Company Secretary. Coinciding with his appointment, Mr John Bell resigned as CFO and Mr Arron Canicais resigned as Company Secretary.

On 3 November the Group received a \$223,000 cash rebate under the Federal Governments Research and Development Tax Incentive Scheme.

2.2. Financial Review

a. Operating results

For the period ended 31 December 2021 the Group delivered a net loss of \$47,273 (31 December 2020: loss of \$1,673,464).
Financial position

- b. The net assets of the Group have increased from \$1,293,107 at 30 June 2021 to \$1,748,834 at 31 December 2021.

3. Events Subsequent to Reporting Date

On 17 February 2022, the Company announced a substantial rejection of the claim brought by Glory Horse Investment Holdings (Glory Horse) in 2021. As announced on 23 June 2021, Glory Horse sought the sum of US\$393,924 plus other ancillary relief including interest and costs against Cycliq Group Limited. On 16 September 2021, the Company instructed its solicitors to file an application for an interlocutory order that the action and all claims against it be wholly set aside and dismissed with costs to be summarily assessed.

The application was part-heard by the Court on 24 December 2021 and adjourned to 25 January 2022 for final determination. On 25 January 2022, Cycliq was pleased and reassured following the order from the court that US\$300,924 of the total US\$393,924 claimed by Glory Horse be set aside with Glory Horse to pay 50% of the costs of the Company's application.

Glory Horse did not appeal the decision and the Company continues to defend the proceeding for the remaining balance.

There are no other events of a material nature or transaction, that have arisen since the period end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

4. Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore this information has not been disclosed in the report.

5. Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current period. The Directors will reassess this position when the need arises.

6. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2021 has been received and can be found on page 3 of the Interim Financial Report.

**CRAIG SMITH-GANDER**

Non-Executive Chairman

Dated this Tuesday, 22 February 2022

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the review of the financial statements of Cycliq Group Ltd for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,


HALL CHADWICK WA AUDIT PTY LTD


CHRIS NICOLOFF CA
Partner

Dated in Perth, Western Australia this 22nd day of February 2022

Consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Continuing operations			
Revenue	2a	2,969,060	735,807
Costs of sales		(1,629,002)	(500,751)
Gross Profit		1,340,058	235,056
Other income	2b	235,161	435,065
Administrative expenses	3a	(271,426)	(393,793)
Advertising & Marketing expenses		(67,203)	(283,562)
Employee related costs	3b	(585,688)	(996,028)
Share based payments expense	4	-	(220,348)
Research and development expenses		(23,034)	(7,013)
Depreciation and amortisation		(70,502)	(12,095)
Other operating expenses	3c	(333,354)	(277,177)
Finance costs		(279,720)	(128,503)
Loss before tax		(55,708)	(1,648,398)
Income tax benefit / (expense)		-	-
Loss for the half-year		(55,708)	(1,648,398)
Loss after income tax for the half-year attributable to:			
▪ Non-controlling interest		32,105	58,748
▪ Members of the parent entity		(87,813)	(1,707,146)
		(55,708)	(1,648,398)
Other comprehensive income, net of income tax			
▪ Exchange difference on translating foreign operations attributable to Minority interest		-	-
▪ Exchange difference on translating foreign operations attributable to Parent		11,435	(25,066)
Other comprehensive income for the half-year, net of tax		11,435	(25,066)
Total comprehensive loss for the half year		(44,273)	(1,673,464)
Total Comprehensive income/(loss) for the half-year attributable to:			
▪ Non-controlling interest		32,105	58,748
▪ Members of the parent entity		(76,378)	(1,732,212)
		(44,273)	(1,673,464)
Earnings per share:		(cents)	(cents)
Basic and diluted loss per share (cents per share)	5	(0.0253)	(0.430)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		1,697,750	2,246,682
Trade and other receivables	6	66,567	126,928
Inventories	7	355,061	66,800
Prepayments	8	488,678	653,937
Total current assets		2,608,056	3,094,347
Non-current assets			
Trade and other receivables		8,663	-
Plant and equipment	9	6,456	7,838
Intangible assets	10	404,876	365,470
Right-of-use Assets	11	37,356	-
Total non-current assets		457,351	373,308
Total assets		3,065,407	3,467,655
Current liabilities			
Trade and other payables	12	1,054,093	1,117,307
Unearned Revenue		-	291,327
Provisions	14	224,847	198,488
Borrowings	13	-	567,426
Lease liabilities	15	20,978	-
Total current liabilities		1,299,918	2,174,548
Non-current liabilities			
Lease liabilities	15	16,655	-
Total non-current liabilities		16,655	-
Total liabilities		1,316,573	2,174,548
Net assets / (deficiency)		1,748,834	1,293,107
Equity			
Issued capital	16	16,068,852	15,568,852
Reserves		4,111,841	4,100,406
Accumulated losses		(18,362,521)	(18,274,708)
Parent entity interest		1,818,172	1,394,550
Minority interest		(69,338)	(101,443)
Total equity		1,748,834	1,293,107

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES
ABN 47 119 749 647

CYCLIQ
INTERIM FINANCIAL REPORT

31 December 2021

Consolidated statement of changes in equity

for the half-year ended 31 December 2021

Note

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Share Based Payments Reserve \$	Warrants Reserve \$	Convertible Notes Reserve \$	Minority Interest \$	Total \$
Balance at 1 July 2020	14,110,649	(15,057,162)	23,000	273,933	103,575	-	(78,798)	(624,803)
Loss for the half-year attributable owners of the parent	-	(1,707,146)	-	-	-	-	58,748	(1,648,398)
Other comprehensive income	-	-	(25,066)	-	-	-	-	(25,066)
Total comprehensive income for the half-year attributable owners of the parent	-	(1,707,146)	(25,066)	-	-	-	58,748	(1,673,464)
Transaction with owners, directly in equity								
Shares issued during the half-year	773,862	-	-	-	-	-	-	773,862
Performance shares issued	-	-	-	225,773	-	-	-	225,773
Warrants Issued	-	-	-	-	-	-	-	-
Transaction costs	(77,130)	-	-	-	-	-	-	(77,130)
Balance at 31 December 2020	14,807,381	(16,764,308)	(2,066)	499,706	103,575	-	(20,050)	(1,375,762)
Balance at 1 July 2021	15,568,852	(18,274,708)	10,130	3,965,551	103,575	21,150	(101,443)	1,293,107
Loss for the half-year attributable owners of the parent	-	(87,813)	-	-	-	-	32,105	(55,708)
Other comprehensive income:	-	-	11,435	-	-	-	-	11,435
Total comprehensive income/(loss) for the half-year attributable owners of the parent	-	(87,813)	11,435	-	-	-	32,105	(44,273)
Transaction with owners, directly in equity								
Conversion of convertible notes	500,000	-	-	-	-	-	-	500,000
Balance at 31 December 2021	16,068,852	(18,362,521)	21,565	3,965,551	103,575	21,150	(69,338)	1,748,834

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

Consolidated statement of cash flows

for the half-year ended 31 December 2021

Note	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Receipts from customers	2,751,196	2,579,084
Other income received	223,000	233,500
Interest and borrowing costs received	35	220
Interest and borrowing costs paid	(9,244)	(15,470)
Payments to suppliers and employees	(3,040,701)	(2,648,455)
Net cash used in operating activities	(75,714)	148,879
Cash flows from investing activities		
Purchase of intangible assets (capitalised development costs)	(108,526)	-
Purchase of plant and equipment	-	(3,274)
Net cash used in investing activities	(108,526)	(3,274)
Cash flows from financing activities		
Net proceeds from issue of shares	-	418,000
Proceeds from borrowings	-	787,897
Repayment of borrowings	(338,879)	(542,143)
Net cash provided by financing activities	(338,879)	663,754
Net increase in cash held	(523,119)	809,359
Foreign exchange effects on cash balances held	(25,813)	(84,352)
Cash and cash equivalents at the beginning of the half-year	2,246,682	658,786
Cash and cash equivalents at the end of the half-year	1,697,750	1,383,793

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Cycliq Group Limited (**Cycliq** or **the Company**) and controlled entities (collectively **the Group**). Cycliq is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 22 February 2022 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Cycliq Group Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2021 together with any public announcements made during the half-year.

All amounts are presented in Australian Dollars unless otherwise noted. For the purposes of preparing the report, the half year has been treated as a discrete reporting period.

i. Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ii. Going concern

The half year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$55,708 (31 December 2020: \$1,648,398 loss) and a net operating cash in-flow of \$75,714 (31 December 2020: \$148,879 in-flow). At 31 December 2021 the Group had net assets of \$1,748,834 (30 June 2021: net assets of \$1,293,107).

The Directors are confident of the Group's ability to continue as a going concern for the following reasons:

- Management have prepared a cashflow forecast for the next 12 months that indicates the operating cash inflows will be sufficient to meet expenses and other financial obligations as and when they are due;
- Management believe Cycliq's market opportunity is significant which the group is continuing to generate increasing revenue; and
- Management are confident of generating sufficient revenue from the sale of Fly6, Fly12's and the complementary purchase opportunities for customers.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

iii. Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 1 Statement of significant accounting policies**b. Use of estimates and judgments**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2021.

c. New and amended standards adopted by the Group

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

i. Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2 Revenue and other income**a. Revenue**

	31 December 2021 \$	31 December 2020 \$
Fly6 sales	(90)	(92)
Fly12 CE sales	1,173,793	(126)
Fly6 CE sales	1,449,360	644,346
Other accessories sales	242,295	91,454
Other	103,702	225
	2,969,060	735,807

b. Other income

Grant income	223,000	316,345
Interest income	35	220
ATO cashflow boost & Jobkeeper payments	-	101,000
Other income	12,126	17,500
	235,161	435,065

Notes to the consolidated financial statements

for the half-year ended 31 December 2021

Note 3 Expenses

31 December 2021	31 December 2020
\$	\$

The following significant revenue and expense items are relevant in explaining the financial performance:

a. Administrative expenses:

▪ Consultants expenses	100,774	196,529
▪ Audit fee expenses	21,417	33,393
▪ Legal expenses	68,657	117,763
▪ ASX operating expenses	26,261	18,042
▪ Share registry expenses	18,566	9,110
▪ Other administrative expenses	35,751	18,956
	271,426	393,793

b. Employee related expenses:

▪ Salaries and wages	226,212	358,545
▪ Annual Leave expenses	16,711	21,814
▪ Superannuation costs	22,351	33,806
▪ Sub-contractor costs	198,692	497,300
▪ Directors fees	114,000	95,000
▪ Other	7,722	(10,437)
	585,688	996,028

c. Other operating costs

▪ Travel & Accommodation expenses	142	22,431
▪ Foreign currency gains and losses	37,249	73,379
▪ IT costs	34,983	23,793
▪ Insurance	32,197	28,496
▪ Rental expense	16,125	24,726
▪ Other operating expenses	212,658	104,352
	333,354	277,177

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 4 Share based payments**a. Performance shares**

There has been no change to the valuation methodology applied to 10,000,000 performance shares issued to employees and consultants in previous periods. The performance milestones and valuation methodology are outlined in the notes to the 30 June 2017 consolidated financial statements.

b. Shares and options

After receiving shareholder approval at the General Meeting dated 7 July 2021, the Company completed the following:

1. Conversion of all Convertible Notes outstanding by issuing 500,000,000 fully paid ordinary shares along with 250,000,000 free attaching CYQOA Quoted Options; and
2. Issuing 2,300,000,000 CYQOA Quoted Options to CPS Capital (or their nominees).

Note 5 Earnings per share (EPS)**a. Reconciliation of earnings to profit or loss**

Loss for the half-year attributable to members of the parent entity

Loss used in the calculation of basic and diluted EPS

31 December 2021 \$	31 December 2020 \$
(87,813)	(1,707,146)
(87,813)	(1,707,146)

b. Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS

31 December 2021 No.	31 December 2020 No.
346,697,287	4,013,811

c. Earnings per share

Basic and diluted EPS (cents per share) ⁽¹⁾

31 December 2021 ¢	31 December 2020 ¢
(0.0253)	(0.43)

(1) The loss per share for 2020 has been restated for the 1:20 consolidation which occurred on 13 July 2021

- d. At the end of the half-year ended 31 December 2021 the Group had 236,614,350 unissued shares under options (Dec 2020: 202,571,430) and 7,142,857 unissued shares under warrant (Dec 2020: 142,857,143).

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 6 Trade and other receivables

Trade debtors
Less: provision for Doubtful debts
Other receivables
Goods and Services Tax receivable

31 December 2021 \$	30 June 2021 \$
24,764	16,945
(3)	(3)
42,499	65,543
(693)	46,443
66,567	126,928

Note 7 Inventories

Finished goods

31 December 2021 \$	30 June 2021 \$
355,061	66,800
355,061	66,800

Note 8 Prepayments**Current**

Manufacturing prepayments
Shipping costs prepayments
Other prepayments

31 December 2021 \$	30 June 2021 \$
433,756	535,872
-	79,049
54,922	39,016
488,678	653,937

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 9 Property, plant, and equipment

	31 December 2021 \$	30 June 2021 \$
Computer equipment at cost	58,548	58,488
Accumulated depreciation	(56,576)	(56,026)
	1,972	2,462
Dummy units at cost	3,498	3,498
Accumulated depreciation	(3,498)	(3,498)
	-	-
Office furniture and equipment at cost	29,844	42,139
Accumulated depreciation	(26,750)	(38,153)
	3,094	3,986
Leasehold improvements	4,823	4,823
Accumulated depreciation	(3,433)	(3,433)
	1,390	1,390
Point of Presence countertop display units at cost	503,367	503,367
Accumulated depreciation	(503,367)	(503,367)
	-	-
Total property, plant, and equipment	6,456	7,839

Note 10 Intangible assets

	31 December 2021 \$	30 June 2021 \$
Non-current		
Product development costs	1,680,901	1,574,822
Accumulated amortisation	(1,276,025)	(1,209,352)
Total Intangible assets	404,876	365,470
Movement for the period		
Opening Balance	365,470	246,969
Additions for capitalised development costs	95,277	209,689
Amortisation	(63,966)	(90,014)
FX movement	8,095	(1,174)
Total Intangible assets	404,876	365,470

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 11 Right-of-use Assets**Carrying value**

Cost

Accumulated depreciation

Carrying value as at 31 December 2021

31 December
2021
\$*Premises*

42,693

(5,337)

37,356**Reconciliation**

Opening balance

Additions

Depreciation expense

Closing balance

-

42,693

(5,337)

37,356**Note 12 Trade and other payables****Current***Unsecured*

Trade payables

Accrued expenses

Other payables

31 December
2021
\$30 June
2021
\$

168,516

810,128

75,449

1,054,093

271,407

791,030

54,870

1,117,307**Note 13 Borrowings****Current**

Insurance premium funding

Timelio Funding Facility

Convertible notes

31 December
2021
\$30 June
2021
\$

-

-

-

-

42,324

295,578

229,524

567,426**Note 14 Provisions****Current**

Provision for current employee benefits

Provision for warranty claims

31 December
2021
\$30 June
2021
\$

58,303

166,544

224,847

41,592

156,896

198,488

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 15 Lease liabilities

	31 December 2021 \$
Carrying value	<i>Premises</i>
Current liabilities	20,978
Non-current liabilities	16,655
	37,633
Reconciliation	
Opening balance	-
Additions	42,693
Interest	490
Principal repayments	(5,550)
Closing balance	37,633

Underling assets serve as a security for the related lease liabilities A maturity analysis of future minimum lease payments is presented below:

	Lease payments due			Total
	< 1 year	1 – 2 years	2 – 5 years	
31 December 2021	\$	\$	\$	\$
Lease payments	22,293	17,066	-	39,359
Interest	(1,314)	(412)	-	(1,726)
Net present value	20,979	16,654	-	37,633

Note 16 Issued capital

	31 Dec 21 No.	30 Jun 21 No.	31 Dec 21 \$	30 Jun 21 \$
Fully paid ordinary shares at no par value	347,516,658	6,450,339,176	16,068,852	15,568,852
a. Ordinary shares				
At the beginning of the period	6,450,339,176	1,873,792,482	15,568,852	14,110,649
Shares issued during the period:	500,000,000	209,000,000	500,000	418,000
Share consolidation (20:1)	(6,602,822,518)	-	-	-
Shares issued under Entitlement Offer	-	4,146,646,613	-	4,146,647
Shares issued to key management personnel	-	85,937,500	-	85,937
Shares issued to consultants & employees	-	134,962,581	-	269,925
Share based payment	-	-	-	(3,105,000)
Transaction costs relating to share issues	-	-	-	(357,306)
At reporting date	347,516,658	6,450,339,176	16,068,852	15,568,852

b. Options

At the end of the half-year ended 31 December 2021 the Group had 236,614,350 unissued shares under options (Dec 2020: 202,571,430) and 7,142,857 unissued shares under warrant (Dec 2020: 142,857,143).

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 17 Operating segments**a. Segment Performance****Half-Year ended 31 December 2021**

Revenue

▫ Revenue

Total segment revenue

Total group revenue and other income

Segment net profit from continuing operations before tax

Reconciliation of segment loss to group loss

(i) Amounts not included in segment results but reviewed by Board:

▫ Other income

▫ Administrative expenses

▫ Advertising & Marketing expenses

▫ Employee related expenses

▫ Research and development expenses

▫ Depreciation and amortisation

▫ Other operating expenses

(ii) Unallocated items

▫ Share-based payments

▫ Interest and finance costs

Profit before income tax

USA \$	Australia \$	UK \$	Other \$	Total \$
821,920	689,683	562,749	894,708	2,969,060
821,920	689,683	562,749	894,708	2,969,060
				2,969,060
370,966	311,282	253,922	403,888	1,340,058
				235,161
				(271,426)
				(67,203)
				(585,688)
				(23,034)
				(70,502)
				(333,354)
				-
				(279,720)
				(55,708)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2021

Note 17 Operating segments (cont.)

Half-Year ended 31 December 2020	USA \$	Australia \$	UK \$	Other \$	Total \$
Revenue					
▫ Revenue	371,670	93,669	86,607	183,861	735,807
Total segment revenue	371,670	93,669	86,607	183,861	735,807
Total group revenue and other income					735,807
Segment net profit from continuing operations before tax	119,683	30,163	27,889	57,321	235,056
<i>Reconciliation of segment loss to group loss</i>					
(iii) Amounts not included in segment results but reviewed by Board:					
▫ Other income					435,065
▫ Administrative expenses					(393,793)
▫ Advertising & Marketing expenses					(283,562)
▫ Employee related expenses					(996,028)
▫ Research and development expenses					(7,013)
▫ Depreciation and amortisation					(12,095)
▫ Other operating expenses					(277,177)
(iv) Unallocated items					
▫ Share-based payments					(220,348)
▫ Interest and finance costs					(128,503)
Loss before income tax					(1,648,398)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2020

Note 17 Operating segments (cont.)**b. Segment Assets and Liabilities**

As at 31 December 2021	USA	Australia	UK	Other	Total
	\$	\$	\$	\$	\$
Segment Assets	6,584	5,524	4,507	8,149	24,764
Reconciliation of segment to group assets					3,040,643
▫ Unallocated assets					
Total assets					3,065,407
Segment Liabilities					
Reconciliation of segment to group liabilities					1,316,573
▫ Unallocated liabilities					
Total liabilities					1,316,573

As at 30 June 2021	USA	Australia	UK	Other	Total
	\$	\$	\$	\$	\$
Segment Assets	15,400	(379)	2,819	(895)	16,945
Reconciliation of segment to group assets					
▫ Unallocated assets					3,450,710
Total assets					3,467,655
Segment Liabilities	-	-	-	-	-
Reconciliation of segment to group liabilities					
▫ Unallocated liabilities					2,174,548
Total liabilities					2,174,548

Note 18 Commitments

There is no significant change in the Company's commitments since the half-year ended 31 December 2021 to date of this report.

Note 19 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

Note 20 Financial Instruments

The Group's cash, receivables, and payables are carried at the carrying value which is considered to be the same as their fair values at report date.

Note 21 Events subsequent to reporting date

On 17 February 2022, the Company announced a substantial rejection of the claim brought by Glory Horse Investment Holdings (Glory Horse) in 2021. As announced on 23 June 2021, Glory Horse sought the sum of US\$393,924 plus other ancillary relief including interest and costs against Cycliq Group Limited. On 16 September 2021, the Company instructed its solicitors to file an application for an interlocutory order that the action and all claims against it be wholly set aside and dismissed with costs to be summarily assessed.

The application was part-heard by the Court on 24 December 2021 and adjourned to 25 January 2022 for final determination. On 25 January 2022, Cycliq was pleased and reassured following the order from the court that US\$300,924 of the total US\$393,924 claimed by Glory Horse be set aside with Glory Horse to pay 50% of the costs of the Company's application.

Glory Horse did not appeal the decision and the Company continues to defend the proceeding for the remaining balance.

There are no other events of a material nature or transaction, that have arisen since the period end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 4 to 19, are in accordance with the *Corporations Act* 2001 and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the half-year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act* 2001 and is signed for and on behalf of the directors by:

**CRAIG SMITH-GANDER**

Non-Executive Chairman

Dated this Tuesday, 22 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CYCLIQ GROUP LTD

Conclusion

We have reviewed the accompanying half-year financial report of Cycliq Group Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cycliq Group Ltd and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Cycliq Group Ltd financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Cycliq Group Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA

Partner

Dated in Perth, Western Australia this 22nd day of February 2022