

21 April 2022

Media & ASX Market Announcement

Australian Securities Exchange

New Partnerships and Increased Customer Satisfaction

Q3 Highlights

- **Continued product development and new product lines**
- **South Korean B2B partnership delivers immediate results**
- **Significant and continuous improvement in customer satisfaction ratings**
- **Partnership with OliveX and the Sandbox to enable the Cycliq brand to enter the Metaverse**

Cycliq Group Ltd ('Cycliq' or 'the Company') (ASX: CYQ) has released its Appendix 4C Quarterly Report for the quarter ending 31 March 2022.

Q3 Performance

Traditionally a quiet quarter after the impact of Cyber Weekend and Christmas sales, Q3 sales were in line with budget. B2B sales recommenced into South Korea – with an order in excess of USD\$100,000 received and paid for by the distributor, with an expectation of continued sales into that market. Cycliq has previously found the South Korea B2C market difficult to penetrate in the past, principally due to language barriers. Cycliq consider the B2B strategy as the most effective approach to generating sales in South Korea.

Cycliq progressed its product development and product improvements, noting sales returns continue to decrease and customer satisfaction to increase – evidenced by the increase in the number of positive reviews.

Expenditure during the quarter was principally manufacturing costs to restock key product lines to ensure availability for sales initiatives during the year and leading into the next Cyber week event in November.

Opportunities and Outlook

As announced on 30 March 2022, the Company has joined forces with OliveX and the Sandbox to incentivise cyclists in the Fitness Metaverse. The partnership with OliveX looks to expand Cycliq community engagement and customer retention as Cycliq begins to develop virtual fitness products. The Olivex - Dustland Rider indoor cycling, move to earn (M2E), adventure will allow consumers an opportunity to improve their cycling fitness whilst building Cycliq brand equity in new territories and markets

New product lines are being developed with additional accessory lines due to come to market in Q4.

Corporate

As previously announced, Glory Horse Investment Holdings Limited (Glory Horse) has sought the sum of \$393,924.25 USD 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.

On 25 January 2022, Cycliq was pleased and reassured following the order from the court that \$300,924.25 USD of the total \$393,924.25 USD 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. The Company continues to defend the proceeding for the remaining balance.

Subsequent to the quarter end, on 6 April 2022, the Company issued 2,626,395 options as partial settlement for the Glory Horse dispute.

On 29 March 2022, the Company received \$30,000 from the Austrade Export Market Development Grant. A further payment of up to \$120,000 may be received once the final distribution has been finalised.

Additional ASX Information

Cycliq Group Ltd provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 4.7C.1: The Company's net cash inflow from operations for the quarter was \$881,000. The Company's operational expenses mainly comprised of product and manufacturing costs (\$577,000), administration and corporate costs (\$56,000) and staff costs (\$348,000).
2. ASX Listing Rule 4.7C.3: In item 6 of the attached Appendix 4C, payments to related parties of approximately \$50,000 comprising of Director services (\$47,000) and Non-Director Services – and registered office fees (\$3,000)

ENDS

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

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About Cycliq

Cycliq is a smart safety company based in Perth, Australia, manufacturing and marketing the world-first cycling light and camera safety systems, the Fly6 and Fly12.

Since the Company was founded in 2012, more than 100,000 of the Fly cycling light and camera safety systems have been shipped to over 50 countries around the world with key markets being the USA, UK, and AU. Cycliq has operations in Australia and China, with direct- to-consumer sales from the Company's website Cycliq.com and also Amazon.com.

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