Appendix 4E

1. Details of reporting period

Name of entity	CYCLIQ GROUP LIMITED
ABN	47 119 749 647
Reporting Year	**Year ended 30 June 2023**
Previous Corresponding Year	Year ended 30 June 2022

2. Results for announcement to the market

Key information	12 months ended 30 June 2023 AU $	12 months ended 30 June 2022 AU $	Increase/ (decrease) %	Amount change $
Revenues from ordinary activities	5,235,620	4,697,034	11.5%	538,586
Loss from ordinary activities after tax attributable to members	(446,256)	(829,102)	46.0%	382,846
Loss for the period attributable to members	(446,256)	(829,102)	46.0%	382,846
Net tangible asset/(deficiency) $ per share	0.0015	0.0023		

3. Consolidated statement of profit or loss and other comprehensive income

Refer to attached Annual Report

4. Consolidated statement of financial position

Refer to attached Annual Report

5. Consolidated statement of cash flows

Refer to attached Annual Report

6. Consolidated statement of changes in equity

Refer to attached Annual Report

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plans

N/A

9. Details of entities over which control has been gained or lost during the period

N/A

10. Details of associate and joint venture entities

N/A

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to attached Annual Report

12. Foreign entities

The Company's financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

13. Commentary on results for period and explanatory information

Refer Chairman's report in the attached Annual Report

14. Audit

Refer Independent auditor's report in the attached Annual Report

Non-Executive Chairman
Xavier Kris
22 August 2023

Cycliq Group Limited

ABN 47 119 749 647

ANNUAL REPORT

30 June 2023

CORPORATE DIRECTORY

Current Directors

Xavier Kris	Non-Executive Chairman
David Wheeler	Non-Executive Director
Chris Mews	Non-Executive Director

Company Secretary

Tim Slate	Joint Company Secretary	
Carla Healy	Joint Company Secretary	Appointed 24 January 2023

Registered Office

Address: Level 3, 101 St Georges Terrace
Perth, WA 6000
Telephone: +61 (8) 6558 0886
Facsimile: +61 (8) 6316 3337
Email: info@cycliq.com
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

Share Registry

Advanced Share Registry
Address: 110 Stirling Hwy,
Nedlands Perth WA 6009
Telephone: +61 (8) 9389 8033
Website: www.advancedshare.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
Address: 283 Rokeby Road
Subiaco WA 6008
Telephone: +61 (8) 9426 0666
Website: www.hallchadwickwa.com.au

ANNUAL REPORT
30 June 2023

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CHAIRMAN'S REPORT

Dear Shareholders,

FY23 in Review

The current year was one in which Cycliq continued to accelerate its sales performance and strengthen its global distribution. The launch of the Fly 12 Sport in September 2022 proved extremely successful as customers took advantage of its optimised battery life and new intelligent features. Sales of the Fly 12 Sport since launch date were $2.8 million.

The investment into new product lines, marketing strategies and distribution systems translated into improved top and bottom-line financial performance. Furthermore, the Company's balance sheet remains strong with a closing cash position at 30 June 2023 of $1 million and inventory of $0.53 million. Cash receipts from customers were 15% greater than the same period in the prior year, at $5.2 million and the Group achieved positive net cash inflows from operating activities of $0.47 million.

The Company received a $172,000 cash refund under the Federal Government's Research and Development Tax Incentive Scheme in October 2022 and a further $28,000 as part of the Australian Government EMDG Grant scheme. The Company continues to invest in research and development into other new product releases.

The Company remains in dispute with its joint venture partner in Hong Kong andcontinues to seek a final resolution and exit from the joint venture.

The Year Ahead

Investment in product development is continuing with a new "Hero" product due for launch in September 2023. This is being complemented by Cycliq's push into new distribution channels and industry partnerships internationally.

The integration of artificial intelligence models into our customer service operations will enable us to better serve our growing multi-national customer base and further streamline operations.

I would like to take this opportunity to thank the management team for their significant contributions during the year.

Xavier Kris

Chairman

DIRECTORS' REPORT

Your directors present their report on the Group, consisting of Cycliq Group Limited ("**Cycliq**" or the "**Company**") and its controlled entities (collectively the "**Group**"), for the year ended 30 June 2023.

Directors

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

Xavier Kris	Non-Executive Chairman
David Wheeler	Non-Executive Director
Chris Mews	Non-Executive Director

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

Company Secretary

Tim Slate	Joint Company Secretary	
Carla Healy	Joint Company Secretary	Appointed 24 January 2023

Principal Activities

Cycliq Group Limited ("Cycliq") is a Cycliq is a smart safety, action and sport cycling company based in, Australia, manufacturing and marketing the world-first cycling light and camera safety system the Fly6, Fly12 and Fly12 Sport.

Operating Results

The consolidated loss for the year amounted to $426,416 (2022: $770,832).

Material Business Risks

Manufacturer and supplier risk

Cycliq does not have internal manufacturing capabilities and relies on contractors to manufacture the products. Cycliq current relies manufacturers located in mainland China for its main product lines.

Any termination or significant damage to the arrangements with Cycliq's manufacturing partners could affect Cycliq's ability to manufacture its products and meet customer demand until a replacement contractor can be engaged.

Operational difficulties may arise with manufacturers, including reductions in the availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines, increases in manufacturing costs and increased lead times. Industrial action or workforce issues with contract manufacturers may lead to delays in the production of the products. The price of components for Cycliq products could also increase reducing the margin per product. If there are delays in product development due to contracted manufacturers or suppliers, it could mean a delay in the release of products which could have a negative effect on revenues.

The engagement of additional manufacturing contractors may assist Cycliq in managing and reducing some of these risks.

Whilst Cycliq does not control contracted manufacturers or suppliers, Cycliq requires contracted manufacturers and suppliers to comply with their formal supplier code of conduct and relevant standards and have ongoing audit programs in place to assess compliance with such requirements.

Litigation risk

Due to the nature of the Company's business it may be exposed to potential litigation in the ordinary course of its business from time to time. The Company remains in dispute with its joint venture partner in Hong Kong. The Company continues to seek a final resolution and exit from the joint venture.

As at the date of this report, there are no current legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company, other than as set out above.

Future capital needs

Additional funding may be required by the Company to effectively implement its business and operations plans in the future, to take advantage of other business opportunities, and to meet any unanticipated liabilities or expenses which it may incur.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its business. Further, if adequate funds are not available on acceptable terms, it may impact the ability of the Company to continue as a going concern.

Competition and new technologies
The industry in which Cycliq is involved is subject to increasing domestic and global competition which is fast paced and continuously changing. Whilst the Company will undertake all reasonable and appropriate due diligence prior to making business and operations decisions, Cycliq has no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's business operations.

The size and financial strength of some of Cycliq's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, Cycliq's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

Customer retention and attraction to the Cycliq technology
The Company's revenue is impacted by its ability to attract customers to the Cycliq technology. Various factors can affect the level of customers using the Cycliq technology, such as, marketing and promotions, reputation, and pricing. There is no guarantee that the Company's marketing strategies will continue to be successful to maintain and improve the take up of its products by customers in the future.

Staff risk
There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of the Company's intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as the Company has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by the Company to the maximum extent possible.

Foreign jurisdiction risk
The financial performance of each of the Company's operations in so far as they rely on suppliers from foreign jurisdictions may be adversely impacted by current or future fiscal or regulatory regimes, local laws and regulations or changes to the economic, political, judicial, administrative and security, climate or policies in those geographies.

Any operations of the Company are subject to a number of risks, including (but not limited to):

- Potential difficulties in enforcing agreements and collecting receivables in overseas jurisdictions;
- Potential difficulties in protecting rights and interests in assets;
- Changes in costs of shipping and transportation; and
- The imposition of quotas, tariffs or other taxes.

Inventory Risk
To ensure there is an appropriate amount of inventory for each of the product lines, Cycliq forecast the anticipated demand for each product in advance of demand. This means placing orders with suppliers well in advance of requiring the products. If inventory management is not managed correctly, it could lead to an inability to continue working with channel partners leading to lower levels of revenue. If demands levels are underestimated, it could require Cycliq to source increased production capacity which would incur greater than anticipated costs of components and production leading to lower business and operating results.

Product support and warranty
Cycliq offers a limited warranty on its products, depending on jurisdiction, and provides a product support division that addresses any support issues and determines if products are faulty or if the issue can be resolved directly with the customer. Every time a new product is introduced it will expose the Company to liability under the warranty. In addition, as the Company's products are innovative and constantly adapting to change there is a risk that a product may be faulty or require a recall.

Information systems and systems risk
The Company is increasingly dependent on information systems to operate its e-commerce website, process transactions, respond to customer enquiries, manage its supply chain and ship goods, maintain cost efficient operations and provide accurate financial reporting. Failures or interruptions in any of its information systems could affect the Company's ability to conduct and manage its operations.

Logistics and shipping
The Company's business relies on ensuring the efficient and timely delivery of goods to customers. Third party providers are relied upon for warehousing, storage, delivery, tracking, record keeping operations and systems. If any of these systems or operations were to be disrupted it would affect the Company's ability to maintain business operations.

Reliance on key personnel
The Company's success largely depends on the core competencies of its Directors and management and their ability to maintain and grow the Company's business operations.

Product development
The growth of the Company largely depends on the ability to anticipate consumer demand and deliver solutions in a timely manner. The cost and effort involved in product development is substantial and may continue to be a growing cost for the Company. Developing new and innovative products involves many unknown factors such as requiring materials not yet available for design and engineering challenges that could require substantial additional resources. There may not be commercially appropriate uses for these products.

New products
Developing related products and accessories to support the main Cycliq suite of products could divert consumer interest and internal human resources away from the core range of Cycliq products. The market might not readily accept the Company delivering new product ranges with new features and this carries substantial financial risk. Adjusting the product mix by bringing out lower costing products could ultimately reduce general revenues if there is greater demand for the related products.

Foreign exchange
The Company generates some of its revenue through product sales in jurisdictions other than Australia and in foreign currencies. A large portion of the Company's manufacturing and supply costs are also denominated in foreign currencies. Accordingly, fluctuations in foreign exchange rates and the Australian dollar will have a direct effect on the financial performance of the Company.

Intellectual property risk
Cycliq has intellectual property right protection in the form of trademarks, trade mark applications patents and patent applications. The patents and trademarks are only enforceable in the territories in which they are registered.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights varies across jurisdictions. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Cycliq technology is sold and may be sold in the future. Accordingly, despite its efforts, the Company may not be able to prevent third parties from copying, infringing upon or misappropriating its intellectual property.

The Company may be required to incur expenses in maintaining, monitoring and protecting its intellectual property rights for itself and/or any current and future licensees and distributors. The Company may initiate or otherwise be involved in legal proceedings against third parties to pursue infringement, or to establish, its intellectual property rights. Any legal proceedings could result in significant expense to the Company and cause a disruption to the Company's operations.

Insurance
The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure or obtain insurance against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons.

Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

Environmental regulations
The Company believes they are complying with all of the current environmental regulatory requirements. However, environmental regulations change from time to time and this could affect the Company's business operations and the use of materials in the future.

Technology sector risks
The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of the Company's securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the Company's operating performance.

Economic
General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Market conditions
Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- fear of global pandemics; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

Review of Operations

A detailed review of the Group's operations is set out in the Chairmans Report.

Financial Position

The net assets of the Group are $768,889 at 30 June 2023 (2022: $1,085,769)

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of Cycliq Group Limited and its controlled entities during the financial year ended 30 June 2023.

Subsequent Events

There are no events of a material nature or transaction, that have arisen since year 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.

Likely Developments

Comments on expected results of the operations of the Group are included in the Chairman's Report.

Disclosure of information regarding likely developments in the 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.

Information Relating to the Directors and Company Secretary

Xaiver Kris – Non-Executive Chairman
(Appointed as Non Executive Director on 31 August 2020; Appointed as Chairman on 16 June 2022)

Having successfully led technology business in the USA, Europe, South East Asia and Australia as an operational CEO in high growth environments, Mr Kris is a specialist in transforming single vertical, product-based businesses into international, recurring revenue, high gross margin, platform based enterprises.

As a director, advisor and executive in public and private companies, he has completed over 15 accretive acquisitions internationally and helped scale organisations organically through strategic partnerships and enterprises sales deals with global marquee clients.

Mr Kris holds 2,692,418 fully paid ordinary shares and 1,300,000 options at the date of this report. Please refer to the Remuneration report for further details.

Directorships held in other listed entities

Sky and Space Company Ltd – Non-Executive Director from July 2020 (delisted 30 August 2021)

OliveX Holdings Ltd – Non-Executive Director from October 2019 to August 2021

David Wheeler – Non-Executive Director
(Appointed 11 June 2021)

Mr Wheeler has more than 30 years Executive Management, Directorship and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients and ASX listed companies.

Mr Wheeler has successfully engaged in business projects in the USA, UK, Europe, New Zealand, China, Malaysia, Singapore and the Middle East. Mr Wheeler has been a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of directorships and advisory positions in Australian ASX listed companies.

Mr Wheeler holds nil fully paid ordinary shares and nil options at the date of this report. Please refer to the Remuneration report for further details.

DIRECTORS' REPORT

Directorships held in other listed entities

Protean Energy Ltd – Non-Exeucitve Chairman from May 2017

PVW Resources (previously Thred Ltd) - Non-Executive Chairman from August 2017

Ragnar Metals Ltd - Non-Executive Director from December 2017

Avira Resources Ltd - Non-Executive Chairman from September 2018

Tyranna Resources Ltd - Non-Executive Director - from October 2019

MOAB Ltd (previously Delecta Ltd) - Non-Executive Director from June 2020

Cradle Resources Ltd – Non -Executive Director from October 2021

ColorTv Limited – Non-Executive Director from 14 April 2022

OZZ Resources Ltd – Non-Executive Director from May 2022

Syntonic Ltd - Non-Executive Director - from November 2019 to May 2022

Blaze International Ltd - Non-Executive Chairman from March 2020 to November 2021

Athena Resources Ltd - Non-Executive Director from June 2021 to September 2022

Health House International Ltd - Executive Chairman from April 2021 to May 2023

Welfully Ltd – Non-Executive Director from January 2023 to June 2023

Chris Mews – Non-Executive Director
(Appointed 11 June 2021)

Mr Mews is an experiences non-executive director with over 20 years in the financial services sector having held senior positions in finance, corporate secretarial and compliance in listed and unlisted companies. Chris is currently the Chief Financial Officer and Company Secretary of Merchant Group Pty Ltd, a Perth based financial services firm that provides funds management and corporate finance services, with investment experience both in Australia and internationally. Prior to Merchant Group, he was the Chief Financial Officer and Company Secretary of listed biotech company Polynovo Ltd and Non-Executive Director of Auscann Group Holdings Ltd.

Mr Mews holds a Bachelor of Business majoring in Accounting and is a Certified Practising Accountant, a Chartered Company Secretary and a member of the Governance Institute of Australia.

Mr Mews holds 1,050,000 fully paid ordinary shares and nil options at the date of this report. Please refer to the Remuneration report for further details.

Directorships held in other listed entities

AusCann Group Holdings Ltd – Non-Executive Director from December 2019 to 29 June 2023

Health House International Ltd – Non-Executive Director from July 2020 to May 2023

DIRECTORS' REPORT

Tim Slate – Company Secretary

(Appointed 2 August 2021)

Mr Slate provides accounting, secretarial and corporate advice to a number of private and public companies. Mr Slate has over 15 years' experience in chartered accounting. Mr Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

Carla Healy – Company Secretary

(Appointed 24 January 2023)

Mrs Healy provides accounting and secretarial advice to private and public companies and has over 20 years' experience in chartered accounting. Mrs Healy has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, an Associate Member of the Governance Institute and a Graduate of the Australian Institute of Company Directors.

Meetings of Directors

At the date of this Directors' Report, there are no separate committees for remuneration, audit, nomination, finance, due diligence or operations. The Directors believe that the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the Board of Directors in its entirety.

	Number Board Meetings eligible to attend	Number of Board Meetings Attended
Xavier Kris	13	13
David Wheeler	13	12
Chris Mews	13	13

Interests in the shares and options of the Company and related bodies corporate

	Fully Paid Ordinary Shares Number	Options Number
Xavier Kris	2,692,418	1,300, 000
David Wheeler	-	-
Chris Mews	1,050,000	-

DIRECTORS' REPORT

Options

Unissued shares under option

As at 30 June 2023, there were 2,626,395 un-issued ordinary shares of Cycliq Group Limited under option (listed or unlisted) and 7,142,857 un-issued ordinary shares of Cycliq Group Limited under warrant. The details of the options are as follows:

	Number	Exercise Price $	Expiry Date
Options issued on 6 April 2022	2,626,395	$0.025	06-Apr-2025
Warrants issued to Partners For Growth	3,392,857	$0.14	29-Mar-2026
Warrants issued to Partners For Growth	3,750,000	$0.02	31-Oct-2026

Shares issued upon exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during the year or since the end of the year.

Performance shares

10,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares were granted during the period as follows:

Class A Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 12 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class A Performance Shares	5,000,000	5,000,000

Subsequent to the end of the financial year, 10,000,000 Class A Performance Shares vested following satisfaction of the vesting conditions.

Class B Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 24 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class B Performance Shares	5,000,000	10,000,000

Non-Audit Services

There were no non-audit services provided during the year by the auditor.

DIRECTORS' REPORT

Indemnifying Officers or Auditor

The Company has agreed to indemnify the directors of the Company, the directors of controlled entities and executive officers against all liabilities to other persons (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the year the Company paid insurance premiums to insure Directors and Officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Environmental Issues

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, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

Corporate Governance Statement

The Group's full Corporate Governance Statement can be found attached to the appendix 4G lodged on the ASX.

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 14 of this annual report.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Cycliq Group Limited for the financial year ended 30 June 2023, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 22nd day of August 2023

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

Remuneration Policy

The remuneration policy of Cycliq Group Limited has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Cycliq Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders. The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Board reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.
- Non-Executive Directors and Executives receive superannuation guarantee contributions as required by legislation and do not receive any other retirement benefits. All remuneration paid to Directors and executives is valued at cost and expensed. Options and performance shares given to Directors and employees are valued using Black-Scholes methodology. The Board's policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities.
- The Group has an incentive option and performance share scheme in place intended to incentivise the Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice may be sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the performance share and incentive option scheme which aims to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Details of Board Remuneration

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The table on the following page details the various components of remuneration for each member of the key management personnel of the Group. The term "Key Management Personnel" (or "**KMP**") (as defined in AASB 124 Related Party Disclosures) refers to those persons having authority and responsibility for planning, directing and controlling the activities of the group directly or indirectly including any Director (whether executive or otherwise) of the Group. The Key Management Personnel of the Group are the following Non-Executive and Executive Directors and officers of the Group.

- Xavier Kris — Non-Executive Chairman
- David Wheeler — Non-Executive Director
- Chris Mews — Non-Executive Director

No other employee had authority or responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, during the financial year.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

The tables below set out the summary information about the consolidated entity's earnings and movements in shareholder wealth for the year to 30 June 2023.

	2023 $	2022 $	2021 $	2020 $	2019 $
Revenue	5,235,620	4,697,034	3,576,589	3,872,109	4,703,539
Net loss before tax	(426,416)	(778,832)	(3,240,191)	(1,464,835)	(2,890,141)
Net loss after tax	(426,416)	(778,832)	(3,240,191)	(1,464,835)	(2,890,141)
	2023 $	2022 $	2021 $	2020 $	2019 $
Share price at the start of the year	0.010	0.001	0.001	0.001	0.013
Share price at the end of the year	0.006	0.010	0.03	0.001	0.001
Interim Dividend	-	-	-	-	-
Final Dividend	-	-	-	-	-
Basic and diluted loss per share (cents per share)	(0.13)	(0.24)	(0.13)	(0.08)	(0.33)

2023

	Short-term benefits				Post-employment Benefits		Equity-settled share-based payments		Total	Performance Related
	Salary, fees and leave $	Profit share and bonuses $	Non-monetary $	Other $	Superannuation	Termination Benefits $	Equity $	Options $	Total $	
Xavier Kris	120,000	-	-	-	-	-	-	-	120,000	-
David Wheeler	36,000	-	-	-	-	-	-	-	36,000	-
Chris Mews	36,000	-	-	-	-	-	-	-	36,000	-
Total	**192,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**192,000**	**-**

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

2022	Short-term benefits				Post-employment Benefits		Equity-settled share-based payments		Total	Performance Related
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Superannuation	Termination Benefits	Equity	Options	Total	
	$	$	$	$	$	$	$	$	$	
Xavier Kris	39,500	-	-	-	-	-	-	-	39,000	-
David Wheeler	40,000	-	-	-	-	-	-	-	40,000	-
Chris Mews	38,000	-	-	-	-	-	-	-	38,000	-
Craig Smith-Gander(i)	103,500	-	-	-	-	-	-	-	103,500	-
Total	**221,000**	-	-	-	-	-	-	-	**221,000**	-

(i) Mr Smith-Gander resigned as a Director on 16 June 2022 but remained involved in an executive capacity as Chief Cycling Officer. SG Underground Service Pty Ltd, a company of which Mr Smith-Gander is a director, charged the Company $4,500 for services relating to this role.

Service Agreements

Remuneration and other terms of employment for the following Key Management Personnel are formalised in employment agreements. The significant terms of employment at the date of this report are set out below:

Xavier Kris

Mr Kris' service agreement was revised in June 2022 upon his appointment as Chairman.

Other Details

Mr Kris' remuneration comprises director's fees of $120,000 per annum.

David Wheeler

Mr Wheeler's service agreement has been in place since his commencement of employment on 11 June 2021.

Other Details

Mr Wheeler's remuneration comprises director's fees of $36,000 per annum.

Chris Mews

Mr Mews' service agreement has been in place since his commencement of employment on 11 June 2021.

Other Details

Mr Mews' remuneration comprises director's fees of $36,000 per annum.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

Share-based Remuneration

Key Management Personnel Equity Holdings

a) Fully paid ordinary shares of Cycliq Group Limited held by each Key Management Personnel

2023	Opening balance	Received during the year	Other changes during the year	At resignation	Balance at end of year
	No.	No.	No.	No.	No
Xavier Kris	2,692,418	-	-	-	2,692,418
David Wheeler	-	-	-	-	-
Chris Mews	1,050,000	-	-	-	1,050,000
	3,724,418	-	-	-	3,724,418

b) Options in Cycliq Group Limited held by each Key Management Personnel

2023	Opening balance	Granted during the year	Exercised during the year	Other changes during the year (1)	At resignation	Balance at end of year	Vested and Exercisable
	No.	No.	No.	No.	No.	No.	No.
Xavier Kris	2,375,000	-	-	(1,075,000) (1)	-	1,300,000	1,300,000
David Wheeler	-	-	-	-	-	-	-
Chris Mews	500,000	-	-	(500,000) (1)	-	-	-
	2,875,000	-	-	(1,575,000)	-	1,300,000	1,300,000

(1) Expiry of quoted options, exercisable at $0.03 on 17 May 2023.

Other Transactions with Key Management Personnel

Equity-based Key Management Personnel Transactions

There were no equity-based key management personnel transactions during the current period.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

Loans to Key Management Personnel

There were no loans made to Directors or KMP during the period or as at 30 June 2023 (2022: nil)

Loan from Key Management Personnel

There were no loans from Directors or KMP during the period ending 30 June 2023 (2022: nil).

Transactions with Key Management Personnel or their Related Parties	2023 $	2022 $
All transactions with related parties are on commercial terms and under conditions no more favorable than those available to other parties unless otherwise stated.		
Related entity:		
Pathways Corporate Pty Ltd – Registered office services – (David Wheeler)	12,000	11,000
SG Underground Service Pty Ltd – Consulting Services – (Craig Smith-Gander)	-	4,500
	12,000	15,500

END OF AUDITED REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Xavier Kris

Non Executive Chairman

Dated this Tuesday, 22 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 $	2022 $
Continuing operations			
Revenue	2	5,235,620	4,697,034
Cost of Sales		(2,447,166)	(2,494,490)
Gross Profit		2,788,454	2,202,544
Other income	2	215,943	310,085
Administrative expenses		(180,944)	(178,362)
Advertising & Marketing expenses		(539,769)	(257,179)
Depreciation and amortisation	3	(247,046)	(257,890)
Employee related costs	3	(1,400,048)	(1,167,384)
Finance costs		(22,729)	(283,681)
Legal and consulting fees		(342,040)	(427,901)
Occupancy costs		(26,248)	(29,703)
Other operating expenses		(524,895)	(592,484)
Share-based payments expense	21	(109,592)	(47,950)
Research and development expenses		(37,502)	(40,927)
Loss before income tax		(426,416)	(770,832)
Income tax benefit / (expense)	5	-	-
Loss from continuing operations		(426,416)	(770,832)
Loss attributable to minority interests		19,840	58,270
Loss attributable to members of the parent entity		(446,256)	(829,102)
		(426,416)	(770,832)
Other comprehensive income, net of income tax			
Exchange difference on translating foreign operations		(56)	15,544
Other comprehensive income for the year, net of tax		(426,472)	(755,288)
Total comprehensive income / (loss)		(426,472)	(755,288)
Loss attributable to minority interests		19,840	58,270
Loss attributable to members of the parent entity		(446,312)	(813,558)
		(426,472)	(755,288)
Earnings per share:			
Basic and diluted loss per share (cents per share)		(0.13)	(0.24)

The 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 30 June 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	7	1,111,184	1,011,310
Trade and other receivables	8	64,770	35,554
Inventories	9	530,695	328,040
Prepayments	10	322,292	590,524
Total current assets		2,028,941	1,965,428
Non-current assets			
Trade and other receivables	8	8,663	8,663
Plant and equipment	11	18,781	11,904
Intangible assets	12	232,868	266,580
Right-of-use Assets	13	5,337	26,683
Total non-current assets		265,649	313,830
Total assets		2,294,590	2,279,258
Current liabilities			
Trade and other payables	15	1,394,469	992,029
Provisions	16	83,673	132,775
Borrowings	17	42,028	41,364
Lease liabilities	18	5,531	21,790
Total current liabilities		1,525,701	1,187,958
Non-current liabilities			
Lease liabilities	18	-	5,531
Total non-current liabilities		-	5,531
Total liabilities		1,525,701	1,193,489
Net assets		**768,889**	**1,085,769**
Equity			
Issued capital	19a	16,068,852	16,068,852
Reserves	20	4,273,436	4,163,900
Accumulated losses		(19,550,066)	(19,103,810)
Parent entity interest		**792,222**	**1,128,942**
Minority interest		**(23,333)**	**(43,173)**
Total equity		**768,889**	**1,085,769**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Note	Issued Capital $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Warrants Reserve $	Convertible Notes Reserve $	Accumulated Losses $	Minority Interest $	Total $
Balance at 1 July 2021		**15,568,852**	**10,130**	**3,965,551**	**103,575**	**21,150**	**(18,274,708)**	**(101,443)**	**1,293,107**
(Loss)/profit for the year		-		-	-	-	(829,102)	58,270	(770,832)
Other comprehensive loss		-	15,544	-	-	-	-	-	15,544
Total comprehensive loss		-	15,544	-	-	-	(829,102)	58,270	(755,288)
Conversion of convertible notes		500,000	-	-	-	-	-	-	500,000
Options Issued		-	-	47,950	-	-	-	-	47,950
Balance at 30 June 2022		**16,068,852**	**25,674**	**4,013,501**	**103,575**	**21,150**	**(19,103,810)**	**(43,173)**	**1,085,769**
Balance at 1 July 2022		**16,068,852**	**25,674**	**4,013,501**	**103,575**	**21,150**	**(19,103,810)**	**(43,173)**	**1,085,769**
(Loss)/profit for the year		-	-	-	-	-	(446,256)	19,840	(426,416)
Other comprehensive loss		-	(56)	-	-	-	-	-	(56)
Total comprehensive loss		-	(56)	-	-	-	(446,256)	19,440	(426,472)
Issue of performance shares		-	-	109,592	-	-	-	-	109,592
Balance at 30 June 2023		**16,068,852**	**25,618**	**4,123,093**	**103,575**	**21,150**	**(19,550,066)**	**(23,333)**	**768,889**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		5,204,668	4,471,569
Payments to suppliers and employees		(4,920,952)	(5,438,165)
Other income		215,941	297,489
Interest Received		2	37
Interest Paid		(22,729)	(13,205)
Net cash used in operating activities	7a	**476,930**	**(682,275)**
Cash flows from investing activities			
Purchase of intangible assets		(198,743)	(152,617)
Purchases of property, plant and equipment		(10,863)	(8,019)
Proceeds from sale of property, plant and equipment		-	1,667
Net cash used in investing activities		**(209,606)**	**(158,969)**
Cash flows from financing activities			
Repayment of borrowings		(283,392)	(337,902)
Proceeds from borrowings		284,056	41,364
Net cash provided by financing activities		**664**	**(296,538)**
Net (decrease)/ increase in cash held		267,988	(1,137,782)
Effects of exchange rate changes on the balance of cash held in foreign currencies		(168,114)	(97,590)
Cash at beginning of year		1,011,310	2,246,682
Cash at end of year	7	**1,111,184**	**1,011,310**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2023

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The separate financial statements of the parent entity, Cycliq Group Limited, have not been presented with this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 22 August 2023 by the Directors of the Company.

a) Basis of preparation

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the Corporations Act 2011 (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

ii. Financial position

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. The amounts presented in the financial statements have been rounded to the nearest dollar.

iii. Going Concern

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

During the year the Group incurred a net loss of $426,416 (2022: $770,832). Net assets at 30 June 2023 were $768,889 (30 June 2022: $1,085,769) and the Group held cash assets at 30 June 2023 of $1,111,184 (2022: $1,011,310). These factors indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The directors have prepared a cashflow forecast which indicates that the group will have sufficient cashflows to meet all commitments and working capital requirements for the 12-month period from the date of signing this report.

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

- The Group earned a net cash inflow from operations of $476,930 (2022: outflow $682,275);
- Management has 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 when they fall due;
- Management has demonstrated the ability to contain costs in all areas of the business;
- The company is intending to introduce new product lines in the coming year providing additional sales opportunities to the existing customer base and to new customers; and
- The ability to raise capital or loans from shareholders or related parties.

Based on the above, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group generating consistent profits during the next 12 months from existing operations and, if required, raising additional capital to meet any shortfall should the Group require.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

iv. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised and in any future periods affected.

Judgments made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1(n).

v. Comparative figures

Where required by AASBs comparative (2022) figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b) Principles of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered or left the Consolidated Group during the year, their operating results have been included or excluded from the date control was obtained or ceased.

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

  less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained at note 14 Controlled Entities.

iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, than such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d) Inventories

Inventories are measured at the lower of cost and net realisable value.

e) Plant and equipment

i. Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (impairment losses are discussed further in note 1i.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the asset's useful life to the consolidated group commencing from the time that the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

	2023 %	2022 %
Countertop Display advertising units	50%	50%
Computer equipment	33%	33%
Office furniture and equipment	33%	33%
Test Model	33%	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f) Intangibles

i. Intangible assets other than goodwill

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value as at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research costs are expensed in the period which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

g) Employee benefits

i. Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

ii. Short-term benefits

Liabilities for employee benefits for wages, salaries, superannuation and leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax. Liabilities for employee benefits expected to be settled in excess of the 12 months from reporting date are recognised as non-current liabilities.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by employees.

iii. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of the date when the Group can no longer withdraw the offer for termination benefits and the date when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefit that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

iv. Equity-settled compensation

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

h) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

ii. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The consolidated entity does not trade or hold derivatives.

Financial guarantees

The consolidated entity has no material financial guarantees.

iii. Classification and Subsequent Measurement

(1) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine (9) months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

(2) *Loans*

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) *Trade and other receivables*

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known or expected to be uncollectible. An impairment provision is raised for any doubtful amounts.

(4) *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

(5) *Share capital*

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

i) Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets (see accounting policy 1c) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

j) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

k) Revenue and other income

Interest revenue is recognised in accordance with note 1(h)ix Finance income and expenses.

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or there is a risk of return of goods or there is continuing management involvement with the goods.

All revenue is stated net of the amount of value added taxes (note 1l Goods and Services Tax).

l) Goods and Services Tax

Goods and Services Tax (**GST**) is the term for the broad-based consumption taxes that the Group is exposed to in Australia.

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

n) Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Key judgment: Going Concern

Refer Note 1(a)iii Going concern.

ii. Key estimate: Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. As a result of this review, the Group has determined that no material impairment was required.

iii. Key estimate: Provision for warranty claims

The group provides warranties to customers for a number of its products. Judgement is required in determining the warranty provision required to be recognised to fulfil any warranty claims. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate is based on historical experience and an understanding of the product base applied against sales within the warranty period.

iv. Key estimate: Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

v. Key estimate: Share-based payments

The value attributed to share options and remuneration shares issued is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value and volatility of the price of the underlying shares. Details of share-based payments assumptions are detailed in Note 21.

o) New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

p) Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2023, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2022. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ending 30 June 2023. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2023

NOTE 2 REVENUE AND OTHER INCOME

	2023 $	2022 $
a) Revenue		
Fly 12 sales	67,740	1,781,647
Fly 12 Sport sales	2,862,944	-
Fly 6 sales	1,348,377	2,194,811
Other accessories sales	703,486	521,475
Other	253,073	199,101
	5,235,620	4,697,034

	2023 $	2022 $
b) Other Income		
Interest Income	2	37
Grant income	214,285	297,489
Other Income	1,656	12,559
	215,943	310,085

NOTE 3 PROFIT / (LOSS) BEFORE INCOME TAX

	2023 $	2022 $
The following significant revenue and expense items are relevant in explaining the financial performance:		
Depreciation and amortisation		
Depreciation of plant and equipment	3,987	7,950
Amortisation of intangible assets	243,059	249,940
	247,046	257,890
Employment costs		
Key management personnel remuneration	192,000	221,000
General wages, salaries and superannuation	744,154	599,213
Other employment related costs	463,894	347,171
	1,400,048	1,167,384

NOTE 4 AUDITORS REMUNERATION

	2023 $	2022 $
Auditing or reviewing the financial reports		
Hall Chadwick WA Audit Pty Ltd	56,567	45,965
	56,567	45,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 5 INCOME TAX

	2023 $	2022 $
a) Income tax expense / (benefit)		
Current tax (benefit) / expense	-	-
Deferred tax expense / (benefit)	-	-
Income tax expense/(benefit) attributable to entity	-	-
Deferred income tax expense included in income tax expense comprises:		
(Increase)/ decrease in deferred tax assets resulting from origination/reversal of temporary differences	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Loss from continuing operations before income tax expense	(426,416)	(770,832)
Australian tax rate %	25.0	25.0
Tax amount at the Australian tax rate	(106,604)	(192,708)

	2023 $	2022 $
Add / (Less) the tax effect of:		
Non-deductible expenses	(13,468)	(25,542)
Effect of unrecognised temporary difference	95,777	17,844
International tax rate difference	(3,373)	(9,906)
Over/under provisions relating to prior years	(45,913)	757
Reduction in opening balance of deferred taxes resulting from change in tax rate	-	5,320
Tax losses previously not recognised	(95,779)	(5,709,730)
Deferred tax asset not brought to account	169,360	5,943,087
Total income tax expense/ (benefit)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

c) Deferred tax assets

The balance comprises temporary differences attributable to:		
Employee benefits	3,585	3,525
Borrowing Costs	54,966	92,056
Accrued expenses	61,978	3,750
Other provisions	20,918	33,194
Right of use asset/ AASB 16 lease liability	49	159
Unrealised foreign exchange gain	37,201	25,098
Patent Costs	1,689	1,970
Tax losses	6,067,928	5,965,867
Total deferred tax assets	6,248,314	6,125,619
Set-off deferred tax liabilities pursuant to set-off provisions	(86,023)	(43,459)
Less deferred tax assets not recognised	(6,162,291)	(6,082,160)
Net deferred tax assets	-	-

d) Deferred tax liabilities

The balance comprises temporary differences attributable to:		
Plant and equipment	(1,489)	(31,868)
Prepayments	(84,534)	(11,591)
Total deferred tax liabilities	(86,023)	(43,459)
Set-off deferred tax liabilities pursuant to set-off provisions	86,023	43,459
Net deferred tax liabilities	-	-

NOTE 6 EARNINGS PER SHARE (EPS)

	2023 $	2022 $
a) Reconciliation of earnings to profit or loss		
Loss used in the calculation of basic and diluted EPS	(446,256)	(829,102)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	347,516,959	347,104,871
Basic EPS (cents per share)	(0.13)	(0.24)

b) The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than average market price during the period ("out of the money"). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 30 June 2023 financial year, the Group had 2,626,395 unissued shares under option that were "out of the money" which were anti-dilutive (June 2022: 238,892,561).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 7 CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	1,111,184	1,011,310
a) **Reconciliation of cash flow from operations to loss after income tax**		
Loss after income tax	(426,416)	(770,832)
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	247,046	257,890
Share-based payments expense	109,592	47,950
Finance costs	22,729	283,681
Other operating expenses	191,398	318,824
Foreign currency gains/ (losses)	(41,523)	43,732
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(29,216)	91,373
(Increase)/decrease in inventories	(202,655)	(261,240)
(Increase)/decrease in prepayments	268,232	63,413
Increase/(decrease) in trade and other payables	402,440	(125,277)
Increase/(decrease) in provisions	(49,102)	(65,713)
Increase/(decrease) in unearned income	-	(291,327)
Increase/(decrease) in current borrowings	664	(296,539)
Increase/(decrease) in current leases	(16,259)	21,790
Cash flow from operations	476,930	(682,275)

b) **Credit standby facilities**

The Group has no credit standby facilities (2022: None).

c) **Non-cash transactions**

During the year, there were no non-cash transactions other than those detailed above.

NOTE 8 TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Current		
Trade debtors	34,505	15,430
Less: provision for Doubtful debts	(3)	(3)
Other receivables	23,632	11,754
Goods and Services Tax receivable	6,636	8,373
Non-current	64,770	35,554
Other receivables	8,663	8,663
	8,663	8,663

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26 Financial Risk Management. General terms for debtors are 30 days from invoice date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 9 INVENTORIES

	2023 $	2022 $
Finished goods	530,695	328,040
	530,695	328,040

NOTE 10 PREPAYMENTS

	2023 $	2022 $
Current		
Manufacturing prepayments	268,404	500,278
Shipping cost prepayments	-	41,301
Other prepayments	53,888	48,945
	322,292	590,524

NOTE 11 PLANT & EQUIPMENT

	2023 $	2022 $
Non-current		
Computer equipment at cost	72,256	61,393
Accumulated depreciation	(59,883)	(57,072)
	12,373	4,321
Office furniture and equipment at cost	35,044	35,044
Accumulated depreciation	(28,636)	(27,461)
	6,408	7,583
Total plant and equipment	18,781	11,904

NOTE 12 INTANGIBLE ASSETS

	2023 $	2022 $
Non-current		
Product development costs	1,924,173	1,725,430
Accumulated amortisation	(1,691,305)	(1,458,850)
Total Intangible assets	232,868	266,580
Movements for the year		
Opening balance	266,580	365,470
Additions	198,743	150,608
Amortisation	(243,060)	(249,229)
Foreign exchange movement	10,605	(269)
Closing balance	232,868	266,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Product development costs relate to development cost of the new product “Fly 6CEGen 3” that was launched during the year. The development costs useful life has been aligned to the expected product lifetime and as a result those development costs are amortised on a straight-line basis over the product lifetime period. The amortisation expense has been included in the line item “depreciation and amortisation” in the consolidated statement of profit and loss and other comprehensive income. The directors do not consider there have been any indicators of impairment of the acquired intangible assets during the year up until the date of this report.

NOTE 13 RIGHT-OF-USE-ASSETS

	2023 $	2022 $
Carrying value		
Cost	42,693	42,693
Accumulated depreciation	(37,356)	(16,010)
Carrying value as at 30 June	5,337	26,683
Reconciliation		
Opening balance	26,683	-
Additions	-	42,693
Depreciation expense	(21,346)	(16,010)
Closing balance	5,337	26,683

NOTE 14 CONTROLLED ENTITIES

a) **Legal parent entity**

Cycliq Group Limited is the ultimate parent of the Group

i. **Legal subsidiaries**

	Country of Incorporation	Class of Shares	Percentage Owned	
			30 June 2023	30 June 2022
Cycliq Products Pty Ltd	Australia	Ordinary	100%	100%
Cycliq Research and Development (HK) Ltd*	Hong Kong	Ordinary	50%	50%

b) **Accounting parent entity**

Cycliq Products Pty Ltd is the accounting parent of the Group

i. **Accounting subsidiaries**

	Country of Incorporation	Class of Shares	Percentage Controlled	
			30 June 2023	30 June 2022
Cycliq Group Limited	Australia	Ordinary	100%	100%
Cycliq Research and Development (HK) Ltd*	Hong Kong	Ordinary	50%	50%

*Cycliq Research and Development (HK) Ltd was incorporated on the 14th of November 2017 with 50-50 shareholdings by Cycliq Group Limited and Glory Horse Investment Holdings Limited, but controlled by Cycliq Group Limited.

Investments in subsidiaries are accounted for at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 15 TRADE AND OTHER PAYABLES

	2023 $	2022 $
Current		
Unsecured		
Trade payables	166,868	158,637
Accrued expenses	1,147,971	744,919
Other payables	79,630	88,473
	1,394,469	992,029

Trade payables are non-interest bearing and arise from the usual operating activities of the Group. Trade payables and other payables and accruals, except directors' fees, are usually settled within the lower of terms of trade or 30 days.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26 Financial risk management.

NOTE 16 PROVISIONS

	2023 $	2022 $
Current		
Provision for current employee benefits	51,819	61,440
Provision for warranty claims*	31,854	71,335
	83,673	132,775

*Refer note 1n(iii) for further details on warranty provision calculations.

NOTE 17 BORROWINGS

	2023 $	2022 $
Current		
Insurance premium funding	42,028	41,364
	42,028	41,364

	1 July 2022 $	Net Cash flows $	Non-cash changes Equity $	Non-cash changes Other $	30 June 2023 $
Insurance Premium Funding	41,364	(83,392)	-	84,056	42,028
Total	41,364	(83,392)	-	84,056	42,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Reconciliation of liabilities arising from financing activities

NOTE 18 LEASE LIABILITIES

	2023 $	2022 $
Carrying value		
Current liabilities	5,531	21,790
Non-current liabilities	-	5,531
	5,531	27,321
Reconciliation		
Opening balance	27,321	-
Additions	-	42,693
Interest	780	1,278
Principal repayments	(22,570)	(16,650)
Closing balance	5,531	27,321

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

	Lease payments due			
	< 1 year $	1 – 2 years $	2 – 5 years $	Total $
Lease payments	5,689	-	-	5,689
Interest	(158)	-	-	(158)
Net present value	5,531	-	-	5,531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 19 ISSUED CAPITAL

	2023 No.	2022 No.	2023 $	2022 $
Fully paid ordinary shares at no par value	347,516,658	347,516,658	16,068,852	16,068,852
a) Ordinary shares				
At the beginning of the period	347,516,658	6,450,339,176	16,068,852	15,568,852
Shares issued during the period	-	500,000,000	-	500,000
Share consolidation (20:1)	-	(6,602,822,518)	-	-
At reporting date	347,516,658	347,516,658	16,068,852	16,068,852

On 21 July 2021 a 20:1 share consolidation was completed.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Performance Shares

10,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares were granted during the year as follows:

Class A Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 12 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class A Performance Shares	5,000,000	5,000,000
Total Valuation	$90,000	
Expense recorded to 30 June 2023	$81,083	

Subsequent to the end of the financial year, 10,000,000 Class A Performance Shares vested following satisfaction of the vesting conditions.

Class B Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 24 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class B Performance Shares	5,000,000	10,000,000
Total Valuation	$67,500	
Expense recorded to 30 June 2023	$28,509	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

These shares have been valued using the share price at the date of issue and taking into account the probability that the vesting conditions are met. As at 30 June 2023, the Board applied a 100% probability that the performance shareholders will achieve the vesting conditions for the Class A Performance Shares and a 50% probability that the performance shareholders will achieve the vesting conditions for the Class B Performance Shares.

c) Warrants

	Number	Grant Date	Exercise Price	Expiry
Facility Agreement	3,392,857	18/07/2019	$0.14	29/03/2026
Deed of Forbearance	3,750,000	31/10/2019	$0.02	31/10/2026

d) Capital Management

The working capital position of the Group at balance date is as follows:

		2023 $	2022 $
Cash and cash equivalents	7	1,111,184	1,011,310
Trade and other receivables	8	64,770	35,554
Inventories	9	530,695	328,040
Prepayments	10	322,292	590,524
Trade and other payables	15	(1,394,469)	(992,029)
Provisions	16	(83,673)	(132,775)
Borrowings	17	(42,028)	(41,364)
Working capital position		508,771	799,260

NOTE 20 RESERVES

	2023 $	2022 $
Foreign currency translation reserve	25,618	25,674
Share-based payment reserve (Options)	3,873,501	3,873,501
Share-based payment reserve (Performance shares)	249,592	140,000
Convertible notes reserve	21,150	21,150
Warrants reserve	103,575	103,575
Total reserves	4,273,436	4,163,900

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and consultants. For details regarding share-based payments during the period, please refer to Note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Equity component of convertible note

The reserve represents the equity component of the $500,000 convertible noted issued during 2021.

Warrants reserve

The reserve represents equity benefit or warrants issued.

Transactions with non-controlling interests

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

NOTE 21 SHARE BASED PAYMENTS

The following share-based payments were made during the year ended 30 June 2023.

a. Performance shares

Refer to Note 20(b).

Share based payments expense in the profit or loss

The fair value of the performance shares recognised in the profit and loss for the year ended 30 June 2023 was $109,592.

b. Shares

During the period, the company did not issue any shares in lieu of cash in settlement of services provided to the Company.

Share based payments expense in the profit or loss

2,626,395 unlisted options were issued to Glory Horse Investments Holdings in partial settlement of a dispute. The fair value of the options was $47,950.

c. Options

The following share-based payment arrangements were in place during the current period:

Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Vesting date
2,626,395	06/04/2022	06/04/2025	$0.015	47,950	06/04/2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2023 No.	2022 No.
At the beginning of the period	238,892,568	4,815,894,745
Options Granted	-	2,626,395
Exercised	-	-
Expired	(236,266,173)	(4,528,572)
Share consolidation (20:1)	-	(4,575,100,000)
Balance	2,626,395	238,892,568
Options exercisable at balance date	2,626,395	238,892,568

The weighted average Exercise price of options on issue at balance date is $0.027 (2022: $0.03)

The fair value of the equity-settled share options granted during the year is estimated at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Dividend yield (%)	0%
Expected volatility (%)	159
Risk-free interest rate (%)	0.08
Expected life of option (years)	2
Exercise price (cents)	0.0015
Grant date share price	0.0015

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTE 22 KEY MANAGEMENT PERSONNEL COMPENSATION

The names and positions of Key Management Personnel ("KMP") during the period are as follows:

- Xavier Kris — Non-Executive Chairman
- David Wheeler — Non-Executive Director
- Chris Mews — Non-Executive Director

	2023 $	2022 $
Short-term employee benefits	192,000	221,000
Total	192,000	221,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2023

NOTE 23 RELATED PARTY TRANSACTIONS

	2023 $	2022 $
All transactions with related parties are on commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated.		
Pathways Corporate Pty Ltd – Registered office services – (David Wheeler)	12,000	11,000
SG Underground Service Pty Ltd – Consulting Services – (Craig Smith-Gander)	-	4,500
	12,000	15,500

NOTE 24 CONTINGENT LIABILITIES

The Company remains in dispute with its joint venture partner in Hong Kong. The Company recognises the risk for a potential liability to arise in connection to the a final resolution and exit from the joint venture.

There were no contingent liabilities not recognised in the financial statements of the parent entity and the consolidated entity as at 30 June 2023.

NOTE 25 OPERATING SEGMENTS

a) Identification of reportable segments

The Group operates predominantly in the technology industry, manufacturing HD Bike Cameras & Safety lights.

The Group has identified its operating segments based on the internal reports that are provided to the Board on a monthly basis that are used in determining the allocation of resources across the Group. Management has identified the group has four reporting segments.

Year ended 30 June 2023	USA $	Australia $	UK $	Other $	Total $
Revenue					
Revenue	1,704,330	738,529	1,161,156	1,631,605	5,235,620
Total Segment Revenue	1,704,330	738,529	1,161,156	1,631,605	5,235,620
Segment net profit from continuing operations before tax	907,714	393,335	618,424	868,981	2,788,454
Reconciliation of segment profit / (loss) to group profit / (loss):					
Amounts not included in segment results but reviewed by the board:					
Other income					215,943
Administrative expenses					(180,944)
Advertising & Marketing expenses					(539,769)
Depreciation and amortisation					(247,046)
Employment costs					(1,400,048)
Finance costs					(22,729)
Legal and consulting fees					(342,040)
Occupancy costs					(26,248)
Other operating expenses					(524,895)
Share-based payments					(109,592)
Research and development expenses					(37,502)
Net loss for the year					(426,416)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Year ended 30 June 2023	USA $	Australia $	UK $	Other $	Total $
Segment Assets	11,232	4,867	7,653	10,753	34,505
Reconciliation of segment assets to group assets:					
Unallocated assets					2,260,085
Total Assets					2,294,590
Segment Liabilities	-	-	-	-	-
Reconciliation of segment liabilities to group liabilities:					
Unallocated liabilities					1,525,701
Total Liabilities					1,525,701

Year ended 30 June 2022	USA $	Australia $	UK $	Other $	Total $
Revenue					
Revenue	1,417,069	914,580	893,306	1,472,079	4,697,034
Total Segment Revenue	1,417,069	914,580	893,306	1,472,079	4,697,034
Segment net profit from continuing operations before tax	664,495	428,867	418,891	690,291	2,202,544
Reconciliation of segment profit / (loss) to group profit / (loss):					
Amounts not included in segment results but reviewed by the board:					
Other income					310,085
Administrative expenses					(178,362)
Advertising & Marketing expenses					(257,179)
Depreciation and amortisation					(257,890)
Employment costs					(1,167,384)
Finance costs					(283,681)
Legal and consulting fees					(427,901)
Occupancy costs					(29,703)
Other operating expenses					(592,484)
Share-based payments					(47,950)
Research and development expenses					(40,927)
Net loss for the year					(770,832)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Year ended 30 June 2022	USA $	Australia $	UK $	Other $	Total $
Segment Assets	4,615	2,978	3,040	4,795	15,428
Reconciliation of segment assets to group assets:					
Unallocated assets					2,263,830
Total Assets					2,279,258
					-
Segment Liabilities	-	-	-	-	-
Reconciliation of segment liabilities to group liabilities:					
Unallocated liabilities					1,193,489
Total Liabilities					1,193,489

NOTE 26 FINANCIAL RISK MANAGEMENT

a) Financial risk management policies

This note presents information regarding the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below:

	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	2023 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	2022 Total $
Financial Assets								
Cash and cash equivalents	1,111,184	-	-	1,111,184	1,011,310	-	-	1,011,310
Trade and other receivables	-	-	64,770	64,770	-	-	35,554	35,554
Total Financial Assets	1,111,184	-	64,770	1,175,954	1,011,310	-	35,554	1,046,864
Financial Liabilities								
Current								
Trade and other payables	-	-	1,394,469	1,394,469	-	-	992,029	992,029
Short-term borrowings	-	42,028	-	42,028	-	41,364	-	41,364
Total Current Financial Liabilities	-	42,028	1,394,469	1,436,497	-	41,364	992,029	1,033,393
Total Financial Liabilities	-	42,028	1,394,469	1,436,567	-	41,364	992,029	1,033,393
Net Financial Assets	**1,111,184**	**(42,028)**	**(1,329,699)**	**(260,543)**	**1,011,310**	**(41,364)**	**(956,475)**	**13,471**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

b) Specific financial risk exposures and management

The main risks that the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency and equity price risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. Operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

i. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The objective of the Group is to minimise the risk of loss from credit risk. The Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

- *Credit risk exposures*

The maximum exposure to credit risk is to the Group's trade receivables and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, wherever possible.

- *Impairment losses*

The ageing of the Group's trade and other receivables at reporting date was as follows:

	2023 Gross $	2023 Past due but not mpaired $	2022 Gross $	2022 Past due but not impaired $
Trade receivables				
Not past due	27,375	-	14,074	-
Past due up to 3 months	4,746	-	(167)	-
Past due over 3 months	2,381	-	1,523	-
	34,502	-	15,430	-
Other receivables				
Not past due	30,268	-	20,124	-
Total trade and other receivables	64,770	-	35,554	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

ii. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring cash is available to meet the current and future commitments of the Group.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The financial liabilities of the Group are confined to trade and other payables and borrowings as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

- *Contractual Maturities*

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 year		Greater than 1 year		Total	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Financial Assets						
Cash and cash equivalents	1,111,184	1,011,310	-	-	1,111,184	1,011,310
Trade and other receivables	64,770	35,554	-	-	64,770	35,554
Total anticipated inflows	1,175,954	1,046,864	-	-	1,175,954	1,046,864
Financial Liabilities						
Trade and other payables	1,394,469	992,029	-	-	1,394,469	992,029
Borrowings	42,028	41,364	-	-	42,028	41,364
Total contractual outflows	1,436,497	1,033,393	-	-	1,436,497	1,033,393
Net (outflow) / inflow from financial instruments	**(260,543)**	**13,471**	**-**	**-**	**(260,543)**	**13,471**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts than presented.

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board meets on a regular basis and considers the Group's exposure to interest rate risk.

- *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

- *Foreign exchange risk*

  Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian Dollar presentation currency of the Group.

  Foreign exchange risk is naturally hedged with material trade and other receivables and trade and other payables both being held in USD.

- *Price risk*

  Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

iv. Sensitivity analyses

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Interest rates on borrowings	Profit Effect		Equity Effect	
	2023 $	2022 $	2023 $	2022 $
± 100 basis points change in interest rates	4,203	4,135	-	1

v. Net fair values

The fair values of financial assets and financial liabilities are presented in the table in this note and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 27 PARENT ENTITY DISCLOSURES

	2023 $	2022 $
a) Financial position of Cycliq Group Limited		
Current assets		
Cash and cash equivalents	28,665	29,463
Trade and other receivables	122,205	1,078,413
Prepayments	50,434	41,364
Total current assets	201,304	1,149,240
Total non-current assets	-	-
Total assets	201,304	1,149,240
Current liabilities		
Trade and other payables	40,360	29,359
Total current liabilities	40,360	29,359
Borrowings	42,028	41,364
Total liabilities	82,388	70,723
Net assets/(liabilities)	118,916	1,078,517
Equity		
Issued capital	87,710,276	87,710,276
Reserves	4,097,244	3,987,652
Accumulated losses	(91,688,604)	(90,619,411)
Total equity	118,916	1,078,517
b) Financial performance of Cycliq Group Limited		
Profit / (loss) for the year	(1,069,193)	(1,235,601)
Other comprehensive income		
Total comprehensive income	(1,069,193)	(1,235,601)

c) Guarantees entered into by Cycliq Group Limited

There are no guarantees entered into by Cycliq Group Limited for the debts of its subsidiaries as at 2023 (2022: none).

NOTE 28 EVENTS SUBSEQUENT TO REPORTING DATE

There are no events of a material nature or transaction, that have arisen since year 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 financial statements and notes, as set out on pages 20 to 51 are in accordance with the *Corporations Act 2001* (Cth) and:

    a) comply with Accounting Standards;

    b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and

    c) give a true and fair view of the financial position as at 30 June 2023 and of the financial performance for the year ended on that date of the Company and the Consolidated Group.

2. The Chief Executive Officer (equivalent) and Chief Finance Officer (equivalent) have each declared that:

    a) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001 (Cth);*

    b) the financial statements and notes for the financial year comply with the Accounting Standards; and;

    c) the financial statements and notes for the financial year give a true and fair view.

3. 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 and is signed for and on behalf of the directors by:

Xavier Kris

Non- Executive Chairman

Dated this Tuesday, 22 August 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CYCLIQ GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cycliq Group Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(ai).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1a(iii) in the financial report which indicates that the Consolidated Entity incurred a net loss of $426,416 during the year ended 30 June 2023. As stated in Note 1a(iii), these events or conditions, along with other matters as set forth in Note 1a(iii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition (Refer to Note 2) During the year the Group generated revenue of $5,235,620. Revenue recognition is considered to be a key audit matter due to the judgement and estimates involved in determining when the performance obligations are met and revenue is recognised.	Our audit procedures included but were not limited to: • Documenting the processes and assessing the internal controls relating to revenue processing and recognition; • Reviewing the revenue recognition policy for compliance with AASB 15 *Revenue from Contracts with Customers*; • Reviewing a sample of revenue to supporting contracts to ensure revenue was recognised in line with the revenue recognition policy; • Assessing cut-off of revenue at year end and ensuring revenue has been recorded in the correct reporting period; and • Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(ai) the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HALL CHADWICK

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Cycliq Group Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 22nd day of August 2023

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is required by the Australian Securities Exchange in respect of listed public companies:
The shareholder information set out below was applicable as at 17 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	FULLY PAID SHARES	
	No. of holders	Securities
1 to 1,000	380	24,057
1,001 to 5,000	68	216,132
5,001 to 10,000	54	412,973
10,001 to 100,000	247	10,283,446
100,001 and over	232	346,580,050
	981	**357,516,658**
Holding less than a marketable parcel	724	8,474,164

Unquoted securities

The number of unquoted securities on issue as at 17 August 2023:

	Number on issue	Exercise price	Expiry date
Unquoted options	2,626,395	$0.025	6/04/2025
Unquoted warrants(1)	3,750,000	$0.20	31/10/2026
Unquoted warrants(1)	3,392,857	$0.14	29/03/2026
Performance Shares(2)	15,000,000	-	12/03/2025

Persons holding more than 20% of a given class of unquoted securities as at 17 August 2023:

1) 100% held by Partners for Growth V LP
2) 33% held by Anthony Giacoppo; 67% held by Terrain Dynamics Pty Ltd

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
THE TRUST COMPANY (AUSTRALIA) LIMITD <MOF A/C>	65,184,126	18.23
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	19,916,416	5.57
SCINTILLA STRATEGIC INVESTMENTS LIMITED	10,057,142	2.81
MR PETER GERARD COOK AND MRS JOAN CHRISTINE COOK <COJO SUPER FUND A/C>	9,000,000	2.52
BNP PARIBAS NOMINEES PTY LTD	8,725,334	2.44
ZERRIN INVESTMENTS PTY LTD	7,300,000	2.04
GEORDIE BAY HOLDINGS PTY LTD	7,000,000	1.96
MAX ASSET HOLDINGS PTY LTD	6,580,000	1.84
MR MAOSEN ZHONG	6,290,271	1.76
MR YUEJIN LI	6,000,000	1.68
MR MAOSEN ZHONG	5,743,071	1.61
MR RYAN ANTHONY STEWART + MRS VANESSA ANN STEWART <STEWART SUPER FUND A/C>	5,000,000	1.40
ANTHONY JOSEPH GIACOPPO	5,000,000	1.40
TERRAIN DYNAMICS PTY LTD	5,000,000	1.40
2428 PTY LTD	5,000,000	1.40
TOWER HOLDINGS (WA) PTY LTD	4,920,000	1.38
PEPAANNE PTY LTD <THE CHAMPAN FAMILY A/C>	4,000,000	1.12
TELL CORPORATION PTY LTD	4,000,000	1.12
CRAZY DINGO PTY LTD	3,881,076	1.09
MR DANIEL TILLETT	3,750,000	1.05
	192,347,436	**53.80**

Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
	Number held	% of total shares issued
MERCHANT FUNDS MANAGEMENT PTY LTD	65,184,126	18.23
MR JASON PETERSON	19,916,416	5.57

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities

Securities Subject to Escrow

No securities are currently subject to any escrow provisions.

On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

Restricted Securities

There are no restricted securities currently on issue