

CYCLIQ GROUP LIMITED

ABN 47 119 749 647

Appendix 4D

Half-Year Report Period

Results

Reporting Periods

- Current period: Six-month period ended 31 December 2023
- Previous corresponding period: Six-month period ended 31 December 2022

		Percentage Change		31 December 2023 \$'000s	31 December 2022 \$'000s
▪ Revenue	Down	12%	to	2,524	2,894
▪ Other Income	Up	32%	to	246	186
▪ Profit/(Loss) before tax	Down	318%	to	(230)	(55)
▪ Profit/(Loss) after tax	Down	318%	to	(230)	(55)
▪ EBITDA	Down	178%	to	(61)	78

		Amount per security \$	Franked amount \$
Dividends			
Current period:			
▪ Interim Dividend		Nil	Nil
▪ Date the Dividend is Payable:		N/A	N/A
▪ Record Date for determining entitlements to the Dividend:		N/A	N/A
Previous corresponding period:			
▪ Interim Dividend		Nil	N/A

	31 December 2023 ¢	30 June 2023 ¢
Net Tangible Assets (NTA) per Security Dividends		
NTA backing per ordinary share	0.0057	0.0015

Commentary on Results

The period to 31 December 2023 delivered consistent performance for the Cycliq Group with gross revenue of \$2.5 million for the period. Cycliq continues to hold strong inventory reserves (\$571,788) and had a closing cash position of \$943,783 at the end of the calendar year.



ANDREW CHAPMAN

Non-Executive Interim Chairman

Dated this Thursday, 15 February 2024

Cycliq Group Limited

ABN 47 119 749 647

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2023

Corporate directory**Current Directors**

Andrew Chapman	<i>Non-Executive Interim Chairman</i>
David Wheeler	<i>Non-Executive Director</i>
Chris Mews	<i>Non-Executive Director</i>

Company Secretary

Tim Slate	<i>Joint Company Secretary</i>
Carla Healy	<i>Joint Company Secretary</i>

Registered Office

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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

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Auditors

Hall Chadwick WA Audit Pty Ltd

Address: 283 Rokeby Road
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Telephone: +61 (8) 9426 0666

Website: www.hallchadwickwa.com.au

Contents

Directors' report	3
Auditors independence declaration	5
Condensed consolidated statement of profit or loss and other comprehensive income	6
Condensed consolidated statement of financial position	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated financial statements	10
Directors' declaration	23
Independent auditor's review report	24

Directors' report

Your directors present their report on the consolidated entity, consisting of Cycliq Group Limited (**Cycliq** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2023.

1. Directors

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

- Andrew Chapman Non-Executive Interim Chairman (appointed 30 January 2024)
- David Wheeler Non-Executive Director
- Chris Mews Non-Executive Director
- Xavier Kris Non-Executive Chairman (resigned 30 January 2024)

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

2. *Operating and financial review*

2.1. *Operations Review*

The period to 31 December 2023 delivered consistent performance for the Cycliq Group with gross revenue of \$2.5 million for the period. Cycliq continues to hold strong inventory reserves (\$571,788) and had a closing cash position of \$943,783 at the end of the calendar year.

Cycliq continues to observe a shift in cycling consumer spending which mirrors the current sentiment in the cycling industry. Consumer purchasing behaviour in this segment has changed with Cycliq noting a growing focus by consumers seeking to acquire specific products rather than a bundled product offering.

However, consumer sentiment towards the brand continues to steadily improve with an increase in the TrustPilot rating to 4.1/5 stars - up from 2.4 stars in November 2022. This is a testament to the Company's continued focus on quality and service through all aspects of its operation.

On 19 September 2023, the Company announced the receipt of a \$244,000 cash refund under the Federal Governments Research and Development Tax Incentive Scheme.

During the period, the Board and management made a strategic decision to postpone the launch of the new "Hero" product to Q3 FY24. This has allowed for the inclusion of additional features prior to launch and the sale and inventory reduction of existing product lines during the holiday season.

2.2. *Financial Review*

a. Operating results

For the period ended 31 December 2023 the Group delivered a net loss of \$230,695 (31 December 2022: loss of \$66,163).

b. Financial position

The net assets of the Group have decreased from \$768,889 at 30 June 2023 to \$568,856 at 31 December 2023.

3. Events Subsequent to Reporting Date

On 30 January 2024, the Company announced the appointment of Mr Andrew Chapman as Non-Executive Interim Chair. The appointment coincided with the resignation of Mr Xavier Kris.

Mr. Andrew Chapman serves as Managing Director at Merchant Group. With 20 years of experience in the industry, he has been exposed to numerous market cycles that have shaped his views on active portfolio management and risk, enabling him to offer a specialised investment management service to a select group of high-net-worth clients. Andrew has Graduate and Post Graduate qualifications in Business, Finance and Hospitality. He established Merchant Group in 2011, after spending 9 years with one of Perth's leading private wealth managers.

Other than the above, 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.

4. Future Developments, Prospects and Business Strategies

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

Directors' report**5. Environmental Regulations**

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

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

6. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2023 has been received and can be found on page 5 of the Interim Financial Report.

**ANDREW CHAPMAN**

Non-Executive Interim Chairman

Dated this Thursday, 15 February 2024

To the Board of Directors

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

As lead audit Director for the review of the financial statements of Cycliq Group Limited for the half year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated 15th day of February 2024
Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Continuing operations			
Revenue	2a	2,524,485	2,894,232
Costs of sales		(1,235,782)	(1,402,614)
Gross Profit		1,288,703	1,491,618
Other income	2b	246,597	186,285
Administrative expenses	3a	(264,962)	(285,330)
Advertising & Marketing expenses		(375,877)	(266,358)
Employee related costs	3b	(660,702)	(742,521)
Share based payments expense	4	(36,249)	(38,362)
Research and development expenses		(5,434)	(11,779)
Depreciation and amortisation		(165,711)	(113,183)
Other operating expenses	3c	(253,345)	(255,983)
Finance costs		(3,715)	(19,121)
Loss before tax		(230,695)	(54,734)
Income tax benefit / (expense)		-	-
Loss for the half-year		(230,695)	(54,734)
Loss after income tax for the half-year attributable to:			
▪ Non-controlling interest		5,222	6,458
▪ Members of the parent entity		(235,917)	(61,192)
		(230,695)	(54,734)
Other comprehensive (loss)/income, net of income tax			
▪ Exchange difference on translating foreign operations attributable to Parent		(5,587)	(11,429)
Other comprehensive (loss)/ income for the half-year, net of tax		(5,587)	(11,429)
Total comprehensive loss for the half year		(236,282)	(66,163)
Total Comprehensive income/(loss) for the half-year attributable to:			
▪ Non-controlling interest		5,222	6,458
▪ Members of the parent entity		(241,504)	(72,621)
		(236,282)	(66,163)
Earnings per share:		(cents)	(cents)
Basic and diluted loss per share (cents per share)	5	(0.0665)	(0.0176)

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

Condensed consolidated statement of financial position

as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		943,783	1,111,184
Trade and other receivables	6	56,720	64,770
Inventories	7	571,788	530,695
Prepayments	8	427,772	322,292
Total current assets		2,000,063	2,028,941
Non-current assets			
Trade and other receivables	6	8,663	8,663
Plant and equipment	9	15,853	18,781
Intangible assets	10	160,392	232,868
Right-of-use Assets	11	21,624	5,337
Total non-current assets		206,532	265,649
Total assets		2,206,595	2,294,590
Current liabilities			
Trade and other payables	12	1,537,708	1,394,469
Provisions	14	78,299	83,673
Borrowings	13	-	42,028
Lease liabilities	15	21,732	5,531
Total current liabilities		1,637,739	1,525,701
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		1,637,739	1,525,701
Net assets		568,856	768,889
Equity			
Issued capital	16	16,158,852	16,068,852
Reserves		4,214,098	4,273,436
Accumulated losses		(19,785,983)	(19,550,066)
Parent entity interest		586,967	792,222
Minority interest		(18,111)	(23,333)
Total equity		568,856	768,889

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

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2023

Note	Issued	Foreign	Share	Warrants	Convertible	Accumulated	Minority	Total
	Capital	Currency Translation Reserve	Based Payments Reserve	Reserve	Notes Reserve	Losses	Interest	
	\$	\$	\$	\$	\$	\$	\$	\$
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 for the half-year attributable owners of the parent	-	-	-	-	-	(61,192)	6,458	(54,734)
Other comprehensive income	-	(11,429)	-	-	-	-	-	(11,429)
Total comprehensive income for the half-year attributable owners of the parent	-	(11,429)	-	-	-	(61,192)	6,458	(66,163)
Transaction with owners, directly in equity								
Issue of performance shares	-	-	38,362	-	-	-	-	38,362
Balance at 31 December 2022	16,068,852	14,245	4,051,863	103,575	21,150	(19,165,002)	(36,715)	1,057,968
Balance at 1 July 2023	16,068,852	25,618	4,123,093	103,575	21,150	(19,550,066)	(23,333)	768,889
Loss for the half-year attributable owners of the parent	-	-	-	-	-	(235,917)	5,222	(230,695)
Other comprehensive income:	-	(5,587)	-	-	-	-	-	(5,587)
Total comprehensive income/(loss) for the half-year attributable owners of the parent	-	(5,587)	-	-	-	(235,917)	5,222	(236,282)
Transaction with owners, directly in equity								
Conversion of performance shares	90,000	-	(90,000)	-	-	-	-	-
Issue of performance shares	-	-	36,249	-	-	-	-	36,249
Balance at 31 December 2023	16,158,852	20,031	4,069,342	103,575	21,150	(19,785,983)	(18,111)	568,856

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

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2023

Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities		
Receipts from customers	2,526,534	2,870,459
Other income received	246,597	186,285
Interest and borrowing costs paid	(3,715)	(19,121)
Payments to suppliers and employees	(2,775,291)	(2,762,655)
Net cash from/(used in) operating activities	(5,875)	274,968
Cash flows from investing activities		
Purchase of intangible assets (capitalised development costs)	(86,942)	(90,839)
Purchase of plant and equipment	-	(5,718)
Net cash used in investing activities	(86,942)	(96,557)
Cash flows from financing activities		
Repayment of borrowings	(42,028)	(41,364)
Net cash used in financing activities	(42,028)	(41,364)
Net increase/(decrease) in cash held	(134,845)	137,047
Foreign exchange effects on cash balances held	(32,556)	(96,673)
Cash and cash equivalents at the beginning of the half-year	1,111,184	1,011,310
Cash and cash equivalents at the end of the half-year	943,783	1,051,684

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

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 1 Statement of significant accounting policies

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

The financial statements were authorised for issue on 15 February 2024 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Cycliq Group Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2023 together with any public announcements made during the half-year.

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

i. Statement of compliance

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

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

ii. Going concern

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

The Group incurred a loss for the period of \$230,695 (31 December 2022: \$54,734 loss) and a net operating cash out-flow \$5,875 (31 December 2022: \$274,968 in-flow). At 31 December 2023 the Group held cash assets of \$943,783 with current assets of \$2,000,063 (30 June 2023 cash assets of \$1,111,184 with current assets of \$2,028,941). 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:

- Management have prepared a cashflow forecast for the next 12 months that indicates the operating cash inflows will be sufficient to meet expenses and other financial obligations, including management's estimate of the Company's net exposure to joint venture liabilities;
- Management believe Cycliq's market opportunity is significant which the group is continuing to generate revenue;
- Management are confident of generating sufficient revenue from the sale of Fly6, Fly12 Sport, the new "Hero" product and the complementary purchase opportunities for customers; and
- The ability to raise capital or loans from shareholders or related parties.

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

Should the Group's cash flow deviate from the cash flow forecast, a material uncertainty will exist that cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

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

iii. Accounting policies

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

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

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

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

In preparing these interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2023.

c. New and amended standards adopted by the Group

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

i. Other standards not yet applicable

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

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

Fly12 Sport sales
Fly6 Gen 3 sales
Other accessories sales
Other

	31 December 2023 \$	31 December 2022 \$
	1,416,483	1,535,850
	666,175	733,600
	346,136	423,209
	95,691	201,573
	2,524,485	2,894,232
b. Other income		
Grant income	246,597	186,285
	246,597	186,285

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2023**Note 3 Expenses**

31 December 2023	31 December 2022
\$	\$

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

a. Administrative expenses:

□ Consultants expenses	134,015	140,492
□ Audit fee expenses	25,343	30,069
□ Legal expenses	41,692	51,997
□ ASX operating expenses	9,482	13,495
□ Share registry expenses	7,817	6,355
□ Other administrative expenses	46,613	42,922
	264,962	285,330

b. Employee related expenses:

□ Salaries and wages	268,904	322,706
□ Annual Leave expenses	3,410	15,297
□ Superannuation costs	38,640	38,073
□ Sub-contractor costs	253,748	269,922
□ Directors fees	96,000	96,000
□ Other	-	523
	660,702	742,521

c. Other operating costs

□ Travel & Accommodation expenses	23,514	513
□ Foreign currency gains and losses	7,712	59,457
□ IT costs	25,863	35,557
□ Insurance	50,434	41,364
□ Rental expense	13,570	12,822
□ Other operating expenses	132,252	106,270
	253,345	255,983

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 4 Share based payments**Performance shares**

10,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares were granted in September 2022 as follows:

Class A Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vested and converted into fully paid ordinary shares	
Expiry Date	N/A	
	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 31 December 2023	\$14,618	
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	\$81,000	
Expense recorded to 31 December 2023	\$21,631	

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. The performance milestones relating to the Class A Performance Shares were achieved in August 2023. At the date of this report, the Board has applied a 60% probability that the performance shareholders will achieve the vesting conditions for the Class B Performance Shares.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2023**Note 5 Earnings per share (EPS)****a. Reconciliation of earnings to profit or loss**

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

(235,917)

(61,192)

Loss used in the calculation of basic and diluted EPS

(235,917)

(61,192)

	31 December 2023 \$	31 December 2022 \$
	(235,917)	(61,192)
	(235,917)	(61,192)

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

355,003,298

347,516,959

	31 December 2023 No.	31 December 2022 No.
	355,003,298	347,516,959

c. Earnings per share

Basic and diluted EPS (cents per share)

(0.0665)

(0.0176)

	31 December 2023 ¢	31 December 2022 ¢
	(0.0665)	(0.0176)

d. At the end of the half-year ended 31 December 2023 the Group had 2,626,395 unissued shares under option (Dec 2022: 233,792,586) and 7,142,857 unissued shares under warrant (Dec 2022:7,142,857).**Note 6 Trade and other receivables****Current**

Trade debtors

15,607

34,505

Less: provision for Doubtful debts

(3)

(3)

Other receivables

40,480

23,632

Goods and Services Tax receivable

636

6,636

56,720**64,770****Non-current**

Other receivables

8,663**8,663**

	31 December 2023 \$	30 June 2023 \$
	15,607	34,505
	(3)	(3)
	40,480	23,632
	636	6,636
	56,720	64,770
	8,663	8,663

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 7 Inventories

	31 December 2023 \$	30 June 2023 \$
Finished goods	571,788	530,695
	571,788	530,695

Note 8 Prepayments

	31 December 2023 \$	30 June 2023 \$
Current		
Manufacturing prepayments	388,740	268,404
Other prepayments	39,032	53,888
	427,772	322,292

Note 9 Property, plant, and equipment

	31 December 2023 \$	30 June 2023 \$
Computer equipment at cost	72,196	72,256
Accumulated depreciation	(62,161)	(59,883)
	10,035	12,373
Office furniture and equipment at cost	35,044	35,044
Accumulated depreciation	(29,226)	(28,636)
	5,818	6,408
Total property, plant, and equipment	15,853	18,781

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 10 Intangible assets**Non-current**

Product development costs

Accumulated amortisation

Total Intangible assets

	31 December 2023 \$	30 June 2023 \$
Product development costs	1,989,897	1,924,173
Accumulated amortisation	(1,829,505)	(1,691,305)
Total Intangible assets	160,392	232,868

Movement for the period

Opening Balance

Additions for internal developments

Amortisation

Foreign exchange movement

Closing balance

Opening Balance	232,868	266,580
Additions for internal developments	77,605	198,743
Amortisation	(150,297)	(243,060)
Foreign exchange movement	216	10,605
Closing balance	160,392	232,868

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

Cost

Accumulated depreciation

Carrying value

	31 December 2023 \$	30 June 2023 \$
	<i>Premises</i>	<i>Premises</i>
Cost	71,526	42,693
Accumulated depreciation	(49,902)	(37,356)
Carrying value	21,624	5,337

Reconciliation

Opening balance

Additions

Depreciation expense

Closing balance

Opening balance	5,337	26,683
Additions	28,832	-
Depreciation expense	(12,545)	(21,346)
Closing balance	21,624	5,337

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 12 Trade and other payables**Current***Unsecured*

Trade payables

Accrued expenses

Other payables

	31 December 2023 \$	30 June 2023 \$
	355,446	166,868
	1,065,565	1,147,971
	116,697	79,630
	1,537,708	1,394,469

Note 13 Borrowings**Current**

Insurance premium funding

	31 December 2023 \$	30 June 2023 \$
	-	42,028
	-	42,028

Note 14 Provisions**Current**

Provision for current employee benefits

Provision for warranty claims

	31 December 2023 \$	30 June 2023 \$
	55,229	51,819
	23,070	31,854
	78,299	83,673

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 15 Lease liabilities

	31 December 2023 \$	30 June 2023 \$
Carrying value		
Current liabilities	21,732	5,531
Non-current liabilities	-	-
	21,732	5,531

Reconciliation

Opening balance	5,531	27,321
Additions	28,832	-
Interest	458	780
Principal repayments	(13,089)	(22,570)
Closing balance	21,732	5,531

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

	Lease payments due			Total \$
	< 1 year \$	1 – 2 years \$	2 – 5 years \$	
31 December 2023				
Lease payments	22,200	-	-	22,200
Interest	(468)	-	-	(468)
Net present value	21,732	-	-	21,732

Note 16 Issued capital

	31 Dec 23 No.	30 Jun 23 No.	31 Dec 23 \$	30 Jun 23 \$
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	347,516,658	16,068,852	16,068,852
Shares issued during the period:				
- Performance shares vesting	10,000,000	-	90,000	-
At reporting date	357,516,658	347,516,658	16,158,852	16,068,852

b. Options

c. At the end of the half-year ended 31 December 2023 the Group had 2,626,395 unissued shares under option (Dec 2022: 233,792,586) and 7,142,857 unissued shares under warrant (Dec 2022:7,142,857).

**Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2023****Note 17 Operating Segments****a. Segment Performance**

Half-Year ended 31 December 2023	USA \$	Australia \$	UK \$	Other \$	Total \$
Revenue					
▫ Revenue	826,508	341,324	573,767	782,885	2,524,484
Total segment revenue	826,508	341,324	573,767	782,885	2,524,484
Total group revenue					2,524,484
Segment net profit from continuing operations before tax	421,917	174,240	292,898	399,648	1,288,703
<i>Reconciliation of segment loss to group loss</i>					
(i) Amounts not included in segment results but reviewed by Board:					
▫ Other income					246,597
▫ Administrative expenses					(264,962)
▫ Advertising & Marketing expenses					(375,877)
▫ Employee related expenses					(660,702)
▫ Research and development expenses					(5,434)
▫ Depreciation and amortisation					(165,711)
▫ Other operating expenses					(253,345)
(ii) Unallocated items					
▫ Share-based payments					(36,249)
▫ Interest and finance costs					(3,715)
Loss before income tax					(230,695)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

Note 17 Operating segments (cont.)

Half-Year ended 31 December 2022	USA \$	Australia \$	UK \$	Other \$	Total \$
Revenue					
▫ Revenue	1,020,399	395,600	669,445	808,788	2,894,232
Total segment revenue	1,020,399	395,600	669,445	808,788	2,894,232
Total group revenue					2,894,232
Segment net profit from continuing operations before tax	203,883	525,889	345,016	416,830	1,491,618
<i>Reconciliation of segment loss to group loss</i>					
(i) Amounts not included in segment results but reviewed by Board:					
▫ Other income					186,285
▫ Administrative expenses					(285,330)
▫ Advertising & Marketing expenses					(266,358)
▫ Employee related expenses					(742,521)
▫ Research and development expenses					(11,779)
▫ Depreciation and amortisation					(113,183)
▫ Other operating expenses					(255,983)
(ii) Unallocated items					
▫ Share-based payments					(38,362)
▫ Interest and finance costs					(19,121)
Loss before income tax					(54,734)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

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

As at 31 December 2023	USA \$	Australia \$	UK \$	Other \$	Total \$
Segment Assets	5,110	2,110	3,547	4,840	15,607
<i>Reconciliation of segment to group assets</i>					
▫ Unallocated assets					2,190,988
Total assets					2,206,595
Segment Liabilities	-	-	-	-	-
<i>Reconciliation of segment to group liabilities</i>					
▫ Unallocated liabilities					1,637,739
Total liabilities					1,637,739

As at 30 June 2023	USA \$	Australia \$	UK \$	Other \$	Total \$
Segment Assets	11,232	4,867	7,653	10,753	34,505
<i>Reconciliation of segment to group assets</i>					
▫ Unallocated assets					2,260,085
Total assets					2,294,590
Segment Liabilities	-	-	-	-	-
<i>Reconciliation of segment to group liabilities</i>					
▫ Unallocated liabilities					1,525,701
Total liabilities					1,525,701

Note 18 Commitments

There is no significant change in the Company's commitments since the year ended 30 June 2023 to date of this report.

Note 19 Contingent liabilities

As previously disclosed, the Company remains in dispute with its joint venture partner in Hong Kong and continues to seek a final resolution or settlement of that dispute. Management considers the joint venture liabilities have been adequately provided for within the financial statements. In the event a resolution or settlement is not achieved, and legal or other proceedings against the Company are pursued, this may impact the Company's cash flow.

Note 20 Financial Instruments

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

Note 21 Events subsequent to reporting date

On 30 January 2024, the Company announced the appointment of Mr Andrew Chapman as Non-Executive Interim Chair. The appointment coincided with the resignation of Mr Xavier Kris.

Mr. Andrew Chapman serves as Managing Director at Merchant Group. With 20 years of experience in the industry, he has been exposed to numerous market cycles that have shaped his views on active portfolio management and risk, enabling him to offer a specialised investment management service to a select group of high-net-worth clients. Andrew has Graduate and Post Graduate qualifications in Business, Finance and Hospitality. He established Merchant Group in 2011, after spending 9 years with one of Perth's leading private wealth managers.

Other than the above, 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 condensed financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



ANDREW CHAPMAN

Non-Executive Interim Chairman

Dated this Thursday, 15 February 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Cycliq Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(ii) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$230,695 during the half year ended 31 December 2023. As stated in Note 1(a)(ii), these events or conditions, along with other matters as set forth in Note 1(a)(ii), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated 15th day of February 2024
Perth, Western Australia