

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 2016
- Previous corresponding period: Six month period ended 31 December 2015

| | | Percentage Change | | 31 December 2016 \$'000s | 31 December 2015 \$'000s |
|---|------|-------------------|----|-----------------------------|-----------------------------|
| Revenue | Up | 199.7% | to | 1,180 | 591 |
| Other Income | Up | 100.0% | to | 2 | - |
| Profit/(Loss) before tax | Down | 482.6% | to | (2,681) | (460) |
| Profit/(Loss) after tax | Down | 482.6% | to | (2,681) | (460) |
| EBITDA (excl transaction costs, impairment) | Down | 330.3% | to | (1,669) | (388) |
| n.m. – not meaningful (change is over 300%) | | | | | |

Dividends

Current period:

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

Previous corresponding period:

- Interim Dividend Nil N/A

Net Tangible Assets (NTA) per Security Dividends

| | | | | 31 December 2016 C | 30 June 2016 C |
|--------------------------------|----|--------|----|-----------------------|-------------------------|
| NTA backing per ordinary share | Up | 167.8% | to | 0.4719 | (0.6955) ^(a) |

^(a) The number of shares used to calculate 30 June 2016 NTA backing per share was determined by applying the ratio as described in note 6 Earnings per share paragraph 6e to the balance of shares on hand at 30 June 2016 as stated in note 14a .

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

Refer to note 5 Business combinations and acquisitions .

Commentary on Results

Full commentary on the results for the reporting period can be found in the Director's Report and the consolidated financial statements for the half-year ended 31 December 2016.

ANDREW HAGEN

Managing Director

Dated this Tuesday, 28 February 2017

Cycliq Group Limited

ABN 47 119 749 647

(Previously known as Voyager Global Group Limited)

INTERIM FINANCIAL REPORT **for the half-year ended 31 December 2016**

The information contained in this condensed report is to be read in conjunction with Cycliq Products Pty Ltd's 2016 annual report and announcements to the market by Cycliq Group Limited since the time of re-listing on the 8th of December 2016 to the half-year period ending 31 December 2016

CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES

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(Previously known as Voyager Global Group Limited)

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Corporate directory**Current Directors**

| | | |
|------------------|-----------------------------------|--|
| Chris Singleton | <i>Non-Executive Chairman</i> | Appointed 30 November 2016 |
| Andrew Hagen | <i>CEO and Managing Director</i> | Appointed 30 November 2016 |
| Kingsley Fiegert | <i>COO and Executive Director</i> | Appointed 30 November 2016 |
| Piers Lewis | <i>Non-Executive Director</i> | Appointed 22 February 2016 |
| Mike Young | <i>Non-Executive Director</i> | Appointed 9 February 2017 (subsequent to period end) |

Company Secretary

| | | |
|-------------|--------------------------|----------------------------|
| Piers Lewis | <i>Company Secretary</i> | Appointed 22 February 2016 |
|-------------|--------------------------|----------------------------|

Registered Office

| | |
|------------|--|
| Address: | C/O SmallCap Corporate - Suite 6, 295 Rokeby Road, Subiaco, WA, 6008 |
| Telephone: | +61 (8) 6555 2950 |
| Facsimile: | +61 (8) 6166 0261 |
| Email: | info@cycliq.com |
| Website: | www.cycliq.com |

Principal place of business

| | |
|----------|--|
| Address: | Level 2, 646 Newcastle Street, Leederville, WA, 6007 |
| Email: | info@cycliq.com |
| Website: | www.cycliq.com |

Securities Exchange

Australian Securities Exchange
ASX Code: CYQ.AX

Share Registry

| |
|---|
| Computershare Investor Services Pty Ltd |
| Address: Level 11, 172 St Georges Terrace, Perth WA 6000 |
| Telephone: +61 (3) 9415 4000 |
| Website: www.computershare.com/au |

Auditors

| |
|---|
| Bentleys |
| Address: London House Level 3, 216 St Georges Terrace, Perth WA 6000 |
| Telephone: +61 (8) 9226 4500 |
| Facsimile: +61 (8) 9226 4300 |
| Website: www.bentleys.com.au |

INTERIM FINANCIAL REPORT

31 December 2016

CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 47 119 749 647

(Previously known as Voyager Global Group Limited)

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Directors' report

Your directors present their report on the consolidated entity, consisting of Cycliq Group Limited (**Cycliq** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2016.

1. Directors

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

- | | |
|--------------------|--|
| ▪ Chris Singleton | Non-executive Chairman (<i>Appointed 30 November 2016</i>) |
| ▪ Andrew Hagen | CEO & Managing Director (<i>Appointed 30 November 2016</i>) |
| ▪ Kingsley Fiegert | COO & Executive Director (<i>Appointed 30 November 2016</i>) |
| ▪ Piers Lewis | Non-executive Director |
| ▪ Mike Young | Non-executive Director (<i>Appointed 9 February 2017</i>) |
| ▪ Gary Roper | Non-executive Chairman (<i>Resigned 29 November 2016</i>) |
| ▪ Roderick Corps | Non-executive Director (<i>Resigned 29 November 2016</i>) |

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

During the half-year ended 31 December 2016, the Company completed a reverse acquisition of Cycliq Products Pty Ltd (then named Federation Enterprises (WA) Pty Ltd, as described in note 5a). As a result of the transaction the Company changed its nature and scale, becoming a provider of bicycle lighting and camera combinations, and other bicycle accessories.

Post listing, Cycliq's strategy is to generate growth for shareholders through selling Cycliq products into existing sales channels, and opening up new channels across a number of identified geographies. This is to be achieved through targeted advertising, working with key industry bodies, specific marketing campaigns, user generated content, influencer marketing with individuals and teams, as well as key industry events both in Australia and overseas. These initiatives are designed also to achieve growth in Cycliq's brand equity and widespread product awareness. In addition to these efforts, Cycliq has engaged in extensive qualitative and quantitative research which will refine Cycliq's marketing and selling initiatives to achieve greater results for less spend.

In addition to sales of its products, Cycliq is looking at potential recurring revenue streams such as cloud based subscription services to supplement revenue for the company.

Product innovation and investment in research and development will be a key competitive advantage for Cycliq. Accordingly, Cycliq has developed a product roadmap of proposed new products, supporting accessories and software applications to ensure a strong supply of innovative solutions for our customers which will not only function for the cycling market but other vertical markets within the broader action camera segment.

As part of the reverse acquisition, the Company successfully completed a re-compliance capital raising of \$3,250,000 net of listing and costs, issuing 187,500,000 ordinary shares.

As part of transaction, the Group also settled \$487,500 in liabilities through the issue of 24,375,000 ordinary shares.

2.2. Financial Review

a. Operating results

The Group delivered a 31 December 2016 loss before tax of \$2,681,448 (Dec 2015: \$460,255 loss), representing a decline in profitability. This was largely driven by the commencement of upscaling the Group's product development, distribution, marketing and advertising spend post re-listing in line with the Group strategy as outlined above. This was also contributed to by the significant corporate and overhead spend to facilitate the reverse takeover transaction.

The financial statements have 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. Details of the Company's assessment in this regard can be found in Note 1 Statement of significant accounting policies: Going Concern.

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CYCLIQ GROUP LIMITED

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(Previously known as Voyager Global Group Limited)

Directors' report

b. Financial position

The net liability position of the Group at 30 June 2016 has changed to a net asset position of \$3,114,043 at 31 December 2016 (June 2016: \$(1,288,058) net liability position).

As at 31 December 2016, the Group's cash and cash equivalents increased to \$1,741,512 at 31 December 2016 (June 2016: \$757,395) and had working capital of \$2,295,788 (June 2016: \$(1,583,411) working capital).

2.3. Events Subsequent to Reporting Date

The Group announced the appointment of Mike Young to the Board as a Non-Executive Director on 9 February 2017. There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at note 23: Events subsequent to reporting date.

2.4. Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

3. 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 2016 has been received and can be found on page 3 of the Interim Financial Report.

A handwritten signature in blue ink, appearing to read "AH", enclosed within a blue oval.

ANDREW HAGEN

Managing Director

Dated this Tuesday, 28 February 2017

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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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 2016, 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



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Director

Dated at Perth this 28th day of February 2017

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CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 47 119 749 647

(Previously known as Voyager Global Group Limited)

Condensed consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2016

| | Note | 31 December 2016 \$ | 31 December 2015 (re-stated) * \$ |
|--|------|---------------------------|---|
| Continuing operations | | | |
| Revenue | 3a | 1,179,883 | 590,923 |
| Costs of sales | | (785,141) | (368,105) |
| Gross Profit | | 394,742 | 222,818 |
| Other income | 3b | 2,023 | 1 |
| Administrative expenses | 4a | (245,879) | (238,957) |
| Distribution expenses | 4b | (300,683) | (111,497) |
| Employee related costs | 4c | (629,166) | (64,806) |
| Share based payments expense | | (627,850) | - |
| Research and development expenses | | (38,244) | (19,139) |
| Depreciation and amortisation | | (67,453) | (15,012) |
| Impairment expenses | | (8,600) | - |
| Other operating expenses | 4d | (221,725) | (176,279) |
| Corporate transaction accounting expense | 5iii | (843,596) | - |
| Finance costs | | (95,017) | (57,384) |
| Loss before tax | | (2,681,448) | (460,255) |
| Income tax benefit / (expense) | | - | - |
| Net (loss) / profit for the half-year | | (2,681,448) | (460,255) |
| Other comprehensive income, net of income tax | | | |
| ▪ Exchange difference on translating foreign operations | | 7,467 | (1,062) |
| Other comprehensive income for the half-year, net of tax | | 7,467 | (1,062) |
| Total comprehensive income attributable to members of the parent entity | | (2,673,981) | (461,317) |
| Earnings per share: | | (cents) | (cents) |
| Basic and diluted loss per share (cents per share) | 6 | (0.9870) | (0.2851) |

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

* - The 31 December 2015 statement of profit and loss comparatives have been restated due to a change in accounting policy – refer to Note 1p. for details.

CYCLIQ GROUP LIMITED

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(Previously known as Voyager Global Group Limited)

INTERIM FINANCIAL REPORT

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Condensed consolidated statement of financial position

as at 31 December 2016

| | Note | 31 December 2016 \$ | 30 June 2016 (re-stated) * \$ |
|----------------------------------|------|---------------------------|-------------------------------------|
| Current assets | | | |
| Cash and cash equivalents | 7 | 1,741,512 | 757,395 |
| Trade and other receivables | 8 | 271,156 | 75,486 |
| Inventories | | 415,830 | 60,027 |
| Prepayments | | 342,048 | 121,016 |
| Total current assets | | 2,770,546 | 1,013,924 |
| Non-current assets | | | |
| Plant and equipment | 10 | 537,477 | 53,342 |
| Intangible assets | 11 | 280,778 | 242,011 |
| Total non-current assets | | 818,255 | 295,353 |
| Total assets | | 3,588,801 | 1,309,277 |
| Current liabilities | | | |
| Trade payables | 12 | 398,013 | 154,993 |
| Provision for unearned income | | 59,440 | - |
| Other Provisions | | 17,305 | 8,715 |
| Borrowings | 13 | - | 2,433,627 |
| Total current liabilities | | 474,758 | 2,597,335 |
| Total liabilities | | 474,758 | 2,597,335 |
| Net assets / (deficiency) | | 3,114,043 | (1,288,058) |
| Equity | | | |
| Issued capital | 14 | 8,109,722 | 1,173,640 |
| Reserves | 15 | 138,343 | (9,124) |
| Accumulated losses | | (5,134,022) | (2,452,574) |
| Total equity | | 3,114,043 | (1,288,058) |

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

* - The 30 June 2016 balance sheet comparatives have been restated due to a change in accounting policy – refer to Note 1p. for details.

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CYCLIQ GROUP LIMITED

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ABN 47 119 749 647

(Previously known as Voyager Global Group Limited)

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2016

| | Note | Issued Capital \$ | Accumulated Losses \$ | Foreign Currency Translation Reserve \$ | Share Based Payments Reserve \$ | Total \$ |
|---|------|-------------------------|-----------------------------|---|---|------------------|
| Balance at 1 July 2015 | | 2 | (1,130,359) | (1,570) | - | (1,131,927) |
| Loss for the half-year attributable owners of the parent | | - | (460,255) | - | - | (460,255) |
| Other comprehensive income: | | | | | | |
| Foreign exchange gains / (loss) on consolidation | | - | - | (1,062) | - | (1,062) |
| Total comprehensive income for the half-year attributable owners of the parent | | - | (460,255) | (1,062) | - | (461,317) |
| Transaction with owners, directly in equity | | - | - | - | - | - |
| Shares issued during the half-year | | - | - | - | - | - |
| Balance at 31 December 2015* | | 2 | (1,590,614) | (2,632) | - | (1,593,244) |
| Balance at 1 July 2016 | | 1,173,640 | (2,452,574) | (9,124) | - | (1,288,058) |
| Loss for the half-year attributable owners of the parent | | - | (2,681,448) | - | - | (2,681,448) |
| Other comprehensive income: | | | | | | |
| Foreign exchange gains / (loss) on consolidation | | - | - | 7,467 | - | 7,467 |
| Total comprehensive income for the half-year attributable owners of the parent | | - | (2,681,448) | 7,467 | - | (2,673,981) |
| Transaction with owners, directly in equity | | | | | | |
| Shares issued during the half-year | 14a | 7,321,525 | - | - | - | 7,321,525 |
| Performance shares issued | | - | - | - | 140,000 | 140,000 |
| Transaction costs | | (385,443) | - | - | - | (385,443) |
| Balance at December 2016 | | 8,109,722 | (5,134,022) | (1,657) | 140,000 | 3,114,043 |

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

* - The 31 December 2015 comparative Equity balances have been restated due to a change in accounting policy – refer to Note 1p. for details.

CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES

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Condensed consolidated statement of cash flows

for the half-year ended 31 December 2016

| Note | 31 December 2016 \$ | 31 December 2015 \$ |
|--|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 1,081,663 | 758,658 |
| Interest received | - | 1 |
| Other income received | 2,023 | - |
| Interest and borrowing costs paid | (95,017) | (57,384) |
| Payments to suppliers and employees | (2,817,308) | (676,490) |
| Net cash used in operating activities | (1,828,639) | 24,785 |
| Cash flows from investing activities | | |
| Purchase of subsidiary, net of cash acquired | 34,764 | - |
| Purchase of intangible assets | (83,527) | - |
| Purchase of plant and equipment | (394,411) | (2,671) |
| Net cash used in investing activities | (443,174) | (2,671) |
| Cash flows from financing activities | | |
| Net proceeds from issue of shares | 3,750,000 | - |
| Payment made in respect to issue of shares | (385,443) | - |
| (Repayment of) / Proceeds from borrowings | (108,627) | 26,884 |
| Net cash provided by financing activities | 3,255,930 | 26,884 |
| Net increase in cash held | 984,117 | 48,998 |
| Cash and cash equivalents at the beginning of the half-year | 757,395 | 56,645 |
| Cash and cash equivalents at the end of the half-year | 1,741,512 | 105,643 |

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

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

These are the condensed 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 28 February 2017 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 2016, together with any public announcements made during the half-year.

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.

ii. Going Concern

The 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 half-year of \$2,681,448 (December 2015: \$460,255 loss) and net operating cash out-flows of \$1,828,639 (December 2015: \$24,785 in-flows). The net assets of the Group have improved by \$4,402,101 increasing from a net liability position at 30 June 2016 to a net asset position of \$3,114,043 at 31 December 2016 (June 2016: \$1,288,058 net liability position). As at 31 December 2016, the Group's cash and cash equivalents increased from 30 June 2016 by \$984,117 to \$1,741,512 at 31 December 2016 (June 2016: \$757,395) and had a working capital surplus of \$2,295,788 (June 2016: \$1,583,411 working capital deficit).

Whilst the Group is in a net asset and net working capital surplus position, the incurred losses and operating cash outflows indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. The Directors however have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because the Group:

- has successfully raised \$3.25m (net of capital raising and acquisition costs) from the issue of 187.5m ordinary shares at \$0.02 per share in December 2016;
- expects to start generating positive operating cash flows for the next 12 month period from existing businesses; and will also look to launch two new product lines during this time to complement existing product offerings.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the consolidating entity generating consistent profits during the next 12 months from existing operations, and if required raising additional capital to meet any shortfall should the consolidated entity require it. Should the Group not achieve these results or be unable to raise additional capital, there is material uncertainty whether the consolidated entity would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts 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 classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

iii. Reverse acquisition

Cycliq Group Limited (formerly Voyager Global Group Limited) is listed on the Australian Securities Exchange. The Company completed the legal acquisition of Cycliq Products Pty Ltd (formerly Federation Enterprises (WA) Pty Ltd – ABN 19 119 804 974) on 8 December 2016.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

Cycliq Products Pty Ltd (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Cycliq Group Limited (accounting subsidiary). Accordingly, the consolidated financial statements of Cycliq Group Limited have been prepared as a continuation of the financial statements of Cycliq Products Pty Ltd. Cycliq Products Pty Ltd (as the deemed acquirer) has accounted for the acquisition of Cycliq Group Limited from 8 December 2016. The comparative information presented in the consolidated financial statements is that of Cycliq Products Pty Ltd.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The condensed consolidated statement of profit or loss and other comprehensive income:
 - for the half-year to 31 December 2016 comprises six months of Cycliq Products Pty Ltd and 1 months of Cycliq Group Limited; and
 - for the comparative period comprises 1 July 2015 to 31 December 2015 of Cycliq Products Pty Ltd.
- The condensed consolidated statement of financial position:
 - as at 31 December 2016 represents both Cycliq Products Pty Ltd and Cycliq Group Limited as at that date; and
 - as at 30 June 2016 represents Cycliq Products Pty Ltd as at that date.
- The condensed consolidated statement of changes in equity:
 - for the half-year ended 31 December 2016 comprises Cycliq Products' balance at 1 July 2016, its loss for the half-year and transactions with equity holders for six months. It also comprises Cycliq Group transactions within equity for the one month ended 31 December 2016 and the equity value of Cycliq Products and Cycliq Group at 31 December 2016. The number of shares on issue at the end of the half-year represent those of Cycliq Group only.
 - for the comparative period comprises 1 July 2015 to 31 December 2015 of Cycliq Products' changes in equity.
- The condensed consolidated statement of cash flows:
 - for the half-year ended 31 December 2016 comprises the cash balance of Cycliq Products, as at 1 July 2015, the cash transactions for the six months (six months of Cycliq Products and the period from 8 December 2016 to 31 December of Cycliq Group) and the cash balances of Cycliq Products and Cycliq Group as at 31 December 2016.
 - for the comparative period comprises 1 July 2015 to 31 December 2015 of Cycliq Products.

iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, 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 judgements 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 in which the estimate is revised and in any future periods affected.

Judgements 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 1n.

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 (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

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 in Note 9 Controlled Entities of the financial statements.

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, then 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

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 as 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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

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. Property, plant, and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see note 1j Impairment of non-financial assets).

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 property, 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 property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, 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 property, 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 property, 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 estimated useful lives of each part of an item of property, plant and equipment, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

| | 31 December 2016 % | 30 June 2016 % |
|--|--------------------------|----------------------|
| ▪ Countertop Display advertising units | 33.3% | 33.3% |
| ▪ Office furniture and equipment | 33.3% | 33.3% |
| ▪ Computer equipment | 33.3% | 33.3% |
| ▪ Test Model | 33.3% | 33.3% |

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

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

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value 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 de-recognition 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.

Customer contract intangible assets are amortised on a straight-line basis over the period of their expected benefit, being their expected life of six years.

Product development costs (new accounting policy – refer Note 1p. for effect of change)

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project / product 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, being the assessed finite product / application life.

Intangible assets' residual values and useful lives are under a process of continual review by the Board, and adjusted if appropriate, at the end of each reporting period.

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 and annual 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.

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 the employees.

iii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than definite benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

h. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

i. Financial instruments

i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

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*

Trade and other receivables are stated at amortised cost. Receivables are usually settled within 60 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known 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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

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. De-recognition

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.

j. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets 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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

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.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

l. Revenue and other income

Interest revenue is recognised in accordance with note 1i.ix Finance income and expenses.

Revenue from the sale of goods 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 1m Goods and Services Tax).

m. 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 the 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 net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Critical Accounting Estimates and Judgments

The following critical estimates and judgements have been employed in the preparation of the 30 June 2016 financial report:

i. Key judgements and estimates – Business Combinations

Refer note 5 Business combinations.

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.

Notes to the consolidated financial statements

for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

iii. 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.

o. New or revised standards and interpretations that are first effective in the current reporting period

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 their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- *AASB 2016-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

The adoption of the above standards has not had a material impact on this half-year financial report.

p. Change in Accounting Policies and Disclosures

Product Development Expenditure

In the current reporting period, the Accounting Policy for the recognition of product and applications development expenditure has changed. All product and application expenditure incurred in the development of new projects / products are now capitalised in accordance with the following disclosure. The Directors are of the opinion that the change in the accounting policy is both in line with Australian Accounting Standards and provides the users with reliable and relevant information. The change in policy was designed to more appropriately match the expense profile of development costs to be in line with the forecast benefits to be realised over the respective product / application useful life.

Revised Policy:

Development costs are capitalised when it is probable that the project / product 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, being the assessed finite product / application life.

Product development spend includes:

- All direct costs incurred in the process of developing a product. This shall include such items as:
 - o Non-recoverable engineering costs
 - o Tooling costs (development of tools used in manufacturing process)
 - o Development of moulds (form fitting moulds used in the manufacturing process)
 - o Firmware development
- Administration and overhead costs that can be directly attributed to a product / application shall be capitalised as appropriate product development expenditure. Administration costs that are not directly attributable to a specific product or application are to be expensed as incurred.
- This policy specifically excludes expenditure incurred in the research phase in accordance with the accounting standards. All expense of a research nature shall be expensed as incurred.

Please refer overleaf for the effect of change in the Accounting Policy for Product Development Expenditure.

CYCLIQ GROUP LIMITED

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ABN 47 119 749 647

(Previously known as Voyager Global Group Limited)

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for the half-year ended 31 December 2016

Note 1 Statement of significant accounting policies

Effect of Change in Accounting Policy for Product Development Expenditure

Had the new accounting policy in relation to Product Development expenditure always been applied, the following table demonstrates the effect of this change.

| | Restated 30 June 2016 \$ | Change \$ | Previously reported 30 June 2016 \$ |
|---|--------------------------------|--------------|---|
| <i>Consolidated Statement of Financial Position</i> | | | |
| Intangible Assets | 242,011 | 242,011 | - |
| Accumulated losses | (2,452,574) | 242,011 | (2,694,585) |
| <i>Consolidated Statement of Comprehensive Income</i> | | | |
| Cost of sales | (1,238,800) | 92,399 | (1,331,199) |
| Research & Development expenses | (91,037) | 15,111 | (106,148) |
| Other Operating Costs | (614,923) | 144,236 | (759,159) |
| Depreciation and amortisation | (40,785) | (33,608) | (7,177) |
| Loss for the year | (1,322,214) | 218,138 | (1,540,352) |
| <i>Consolidated Statement of Financial Position</i> | | | |
| Intangible Assets | 11,937 | 11,937 | - |
| Accumulated losses | (1,590,614) | 23,875 | (1,566,739) |
| <i>Consolidated Statement of Comprehensive Income</i> | | | |
| Cost of sales | (368,105) | - | (368,105) |
| Research & Development expenses | (19,139) | | (19,139) |
| Other Operating Costs | (176,279) | | (176,279) |
| Depreciation and amortisation | (15,012) | (11,937) | (3,075) |
| Loss for the year | (460,255) | (11,937) | (448,318) |

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(Previously known as Voyager Global Group Limited)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2016

Note 2 Company details

a. Registered Office

Address: C/O SmallCap Corporate - Suite 6,
295 Rokeby Road, Subiaco, WA, 6008

Telephone: (08) 6555 2950

Facsimile: (08) 6166 0261

Email: info@cycliq.com

Website: www.cycliq.com

b. Principal place of business

Address: Level 2, 646 Newcastle Street,
Leederville, WA, 6007

Email: info@cycliq.com

Website: www.cycliq.com

Note 3 Revenue and other income

a. Revenue

Fly 12 sales

Fly6 sales

Other accessories sales

Other

| | 31 December 2016 \$ | 31 December 2015 \$ |
|-------------------------|---------------------------|---------------------------|
| Fly 12 sales | 693,129 | - |
| Fly6 sales | 451,654 | 588,060 |
| Other accessories sales | 21,614 | 2,863 |
| Other | 13,486 | - |
| | 1,179,883 | 590,923 |

b. Other Income

Interest income

| | | |
|-----------------|--------------|----------|
| Interest income | 2,023 | 1 |
| | 2,023 | 1 |

Note 4 Loss before income tax

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

a. Administrative expenses:

- Consultants expenses
- Audit fee expenses
- Legal expenses
- Bad debt expense
- ASX operating expenses
- Capital raising expenses
- Share registry expenses
- Other administrative expenses

| | | |
|-------------------------------|---------------------------|---------------------------|
| | 31 December 2016 \$ | 31 December 2015 \$ |
| Consultants expenses | 134,575 | 201,068 |
| Audit fee expenses | 12,600 | 17,000 |
| Legal expenses | 47,755 | 1,519 |
| Bad debt expense | - | 12,500 |
| ASX operating expenses | 520 | - |
| Capital raising expenses | 32,460 | - |
| Share registry expenses | 1,405 | - |
| Other administrative expenses | 16,564 | 6,870 |
| | 245,879 | 238,957 |

b. Distribution expenses:

- Advertising and marketing expenses
- Shipping, freight & courier costs

| | | |
|------------------------------------|----------------|----------------|
| Advertising and marketing expenses | 184,214 | 47,957 |
| Shipping, freight & courier costs | 116,469 | 63,540 |
| | 300,683 | 111,497 |

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for the half-year ended 31 December 2016

Note 4 Loss before income tax

| 31 December 2016 | 31 December 2015 |
|---------------------|---------------------|
| \$ | \$ |

c. Employee related expenses:

| | | |
|-------------------------|---------|--------|
| Salaries and wages | 487,930 | - |
| Annual Leave expenses | 8,591 | - |
| Superannuation costs | 33,134 | - |
| Sub-contractors costs | 83,944 | 64,806 |
| Staff training expenses | 1,400 | - |
| Directors fees | 14,167 | - |
| | 629,166 | 64,806 |

d. Other operating costs:

| | | |
|--------------------------------------|----------|---------|
| Travel & Accommodation expenses | 63,223 | 72,160 |
| Foreign currency gains and losses | 21,154 | 1,240 |
| IT costs | 70,987 | 23,395 |
| Kickstarter expenses (crowd funding) | 6,462 | - |
| Public relations expenses | 43,412 | 34,966 |
| Quality Assurance costs | 8,302 | - |
| Rental expenses | 26,065 | 25,038 |
| Other operating costs / (recoupment) | (17,880) | 19,480 |
| | 221,725 | 176,279 |

Note 5 Business combinations and acquisitions

Cycliq Group Limited

On 8 December 2016, Cycliq Group Limited (formerly Voyager Global Group Limited) (**Cycliq Group**), acquired 100% of the ordinary share capital and voting rights in Cycliq Products Pty Ltd (formerly Federation Enterprises (WA) Pty Ltd (**Cycliq Products**)) as detailed in the prospectus and supplementary prospectus announced by the Company on the 29th of September, and 26th of October 2016 respectively.

Under AASB 3 *Business Combinations* (**AASB 3**) this is treated as a 'reverse acquisition', whereby the accounting acquirer is deemed to be Cycliq Products and Cycliq Group is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at note 1a.iii Reverse acquisition on page 8.

i. Acquisition consideration

As consideration for the issued capital of Cycliq Products, Cycliq Group issued 195,607,500 shares, and 9,300,000 performance shares to the shareholders of Cycliq Products at \$0.02, and applying a 50% probability of success to the performance shares, for a total consideration of \$4,005,150. No cash was paid as part of the acquisition consideration.

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ii. Fair value of consideration transferred

Under the principles of AASB 3, the transaction between Cycliq Group and Cycliq Products is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Cycliq Products, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Cycliq are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Cycliq Products Pty Ltd) in the form of equity instruments issued to the shareholders of the legal parent entity (Cycliq Group Limited). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Cycliq Products Pty Ltd) would have issued to the legal parent entity Cycliq Group Limited to obtain the same ownership interest in the combined entity.

iii. Goodwill (Corporate transaction accounting expense)

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the legal parent, being Cycliq. Details of the transaction are as follows:

| | Fair value \$ |
|---|------------------|
| Fair value of consideration transferred | 758,675 |
| <i>Fair value of assets and liabilities held at acquisition date:</i> | |
| ▫ Cash | 34,764 |
| ▫ Other current assets | 11,011 |
| ▫ Non-current assets | 27,000 |
| ▫ Current liabilities | (155,375) |
| ▫ Non-current liabilities | (2,321) |
| Fair value of identifiable assets and liabilities assumed | (84,921) |
| Goodwill (Corporate transaction accounting expense) | 843,596 |

The goodwill calculated above represents goodwill in Cycliq; however this has not been recognised. Instead the deemed fair value of the interest in Cycliq Products Pty Ltd issued to existing Cycliq shareholders to effect the combination (the consideration for the acquisition of the public shell company) was recognised as an expense in the income statement. This expense has been presented as a "Corporate transaction accounting expense" on the face of the consolidated statement profit or loss and comprehensive income.

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Notes to the condensed consolidated financial statements

Note 6 Earnings per share(EPS)

a. Reconciliation of earnings to profit or loss

(Loss) / profit for the half-year

(Loss) / profit used in the calculation of basic and diluted EPS

Note

31 December
2016
\$31 December
2015
\$

(2,681,448)

(460,255)

(2,681,448)

(460,255)

31 December
2016
No.31 December
2015
No.

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

6e

271,689,365

161,451,928

31 December
2016
¢31 December
2015
¢

c. Earnings per share

Basic and diluted EPS (cents per share)

6d

(0.9870)

(0.2851)

d. At the end of the half-year ended 31 December 2016, the Group had no unissued shares under options (Dec 2015: Nil). The Group does not report diluted earnings per share on annual losses generated by the Group.

e. As noted in 1a.iii, the equity structure in these consolidated financial statements following the reverse acquisition reflects the equity structure of Cycliq Group Limited, being the legal acquirer (the accounting acquiree), including the equity interests issued by Cycliq Group Limited to effect the business combination.

i. In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2016 the number of ordinary shares outstanding for the half-year ended 31 December 2016 shall be the actual number of ordinary shares of Cycliq Group Limited outstanding during that period.

ii. The basic EPS for the half-year ended 31 December 2015 shall be calculated by dividing:

- (1) the profit or loss of Cycliq Products attributable to ordinary shareholders in each of those periods by
- (2) the Cycliq Products' historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

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Notes to the condensed consolidated financial statements

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Note 7 Cash and cash equivalents

Cash at bank

| 31 December 2016 \$ | 30 June 2016 \$ |
|---------------------------|-----------------------|
| 1,741,512 | 757,395 |
| 1,741,512 | 757,395 |

a. Credit standby facilities

The Group has no credit standby facilities.

b. Non-cash investing and financing activities

- i. In conjunction with acquisition described in note 5a, the Group settled liabilities to the value of \$487,500 through the issue of capital, increasing share capital by the same amount.

c. Acquisition of entities

Note

i. Cycliq Group Limited (Cycliq Group)

On 8 December 2016, Cycliq Group acquired 100% of the ordinary share capital and voting rights in Cycliq Products Pty Ltd (**Cycliq Products**) as described in note 5:

(1) Purchase consideration:

Theoretical equity consideration issued under a reverse acquisition

5iii

758,675

Total consideration

758,675

(2) Cash acquired:

Cash held by Cycliq Group at date of acquisition

5iii

34,764

Cash in-flow on acquisition

34,764

(3) Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flow:

Trade and other receivables

5iii

38,011

Trade and other payables

5iii

(157,696)

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Note 8 Trade and other receivables

| | 31 December 2016 \$ | 30 June 2016 \$ |
|-----------------------------------|---------------------------|-----------------------|
| Current | | |
| Trade receivables | 158,375 | - |
| Less: provision for impairment | - | - |
| Goods and Services Tax receivable | 104,583 | 75,486 |
| Other receivables | 8,198 | - |
| | 271,156 | 75,486 |

Note 9 Controlled entities

a. Legal parent entity

Cycliq Group Limited is the ultimate parent of the Group (refer to note 1a.iii).

i. Legal subsidiaries

| | Country of Incorporation | Class of Shares | Percentage Owned | |
|-----------------------------|-----------------------------|--------------------|------------------|--------------|
| | | | 31 December 2016 | 30 June 2016 |
| ▫ Cycliq Products Pty Ltd | Australia | Ordinary | 100% | - |
| ▫ BSA International Limited | British Virgin Islands | Ordinary | 100% | - |

b. Account parent entity

Cycliq Group Pty Ltd is the accounting parent of the Group (refer to note 1a.iii).

i. Accounting subsidiaries

| | Country of Incorporation | Class of Shares | Percentage Controlled | |
|-----------------------------|-----------------------------|--------------------|-----------------------|--------------|
| | | | 31 December 2016 | 30 June 2016 |
| ▫ Cycliq Group Limited | Australia | Ordinary | 100% | - |
| ▫ BSA International Limited | British Virgin Islands | Ordinary | 100% | 100% |

c. Investments in subsidiaries are accounted for at cost.

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Note 10 Property, plant, and equipment

Non-current

Computer equipment at cost

Accumulated depreciation

Office furniture and equipment at cost

Accumulated depreciation

Test Model at cost

Accumulated depreciation

Point of Presence countertop display units at cost

Accumulated depreciation

Total property, plant, and equipment

| 31 December 2016 \$ | 30 June 2016 \$ |
|---------------------------|-----------------------|
| 34,408 | 6,315 |
| (5,188) | (1,028) |
| 29,220 | 5,287 |
| 34,713 | 59,346 |
| (15,828) | (11,291) |
| 18,885 | 48,055 |
| 77,188 | 77,188 |
| (77,188) | (77,188) |
| - | - |
| 503,367 | - |
| (13,995) | - |
| 489,372 | - |
| 537,477 | 53,342 |

Note 11 Intangible assets

Non-current

Product development costs

Accumulated amortisation

Total Intangible assets

| 31 December 2016 \$ | 30 June 2016 \$ |
|---------------------------|-----------------------|
| 381,181 | 297,654 |
| (100,403) | (55,643) |
| 280,778 | 242,011 |
| 280,778 | 242,011 |

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Note 12 Trade and other payables

Current

Unsecured

Trade payables

Accrued expenses

Other payables

| 31 December 2016 \$ | 30 June 2016 \$ |
|---------------------------|-----------------------|
| | |
| 325,514 | 80,250 |
| 21,598 | 50,500 |
| 50,901 | 24,242 |
| 398,013 | 154,993 |

Note 13 Borrowings

Current

Convertible Notes

| 31 December 2016 \$ | 30 June 2016 \$ |
|---------------------------|-----------------------|
| | |
| - | 2,433,627 |
| - | 2,433,627 |

The convertible notes balance above consisted of \$2,325,000 principal, and \$108,627 of accrued interest. The interest was paid subsequent to the 30 June 2016 period end, and the principal was converted into ordinary shares in Cycliq Group Limited for noteholders at the time of the reverse take-over transaction described in Note 5.

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Note 14 Issued capital

Note

| | 31 December 2016 No. | 30 June 2016 No. | 31 December 2016 \$ | 30 June 2016 \$ |
|---|---|--|--|---------------------------------------|
| Fully paid ordinary shares at no par value | 600,433,730 | 5,000,000 | 8,109,722 | 1,173,640 |
| | 6 months to 31 December 2016 No. | 12 months to 30 June 2016 No. | 6 months to 31 December 2016 \$ | 12 months to 30 June 2016 \$ |
| a. Ordinary shares | | | | |
| At the beginning of the period | 5,000,000 | 2 | 1,173,640 | 2 |
| Shares issued during the period: | | | | |
| ▪ Issue of shares | - | 4,999,998 | - | 1,173,638 |
| <i>Balance before reverse acquisition</i> | <i>5,000,000</i> | | <i>1,173,640</i> | |
| ▪ Elimination of existing legal acquiree (Cycliq Products) shares | (5,000,000) | - | - | - |
| ▪ Shares of legal acquirer (Cycliq Group) at acquisition date | 37,933,730 | - | - | - |
| ▪ Issue of shares to Cycliq Products vendors | 195,607,500 | - | 758,675 | - |
| ▪ Settlement of accrued liabilities | 24,392,500 | - | 487,850 | - |
| ▪ Conversion of notes | 155,000,000 | - | 2,325,000 | - |
| ▪ Proceeds from shares issued under public offer | 187,500,000 | - | 3,750,000 | - |
| Transaction costs relating to share issues | - | - | (385,443) | - |
| At reporting date | 600,433,730 | 5,000,000 | 8,109,722 | 1,173,640 |

b. Options

There were no unlisted options on issue at the balance date

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Note 15 Reserves

Foreign currency translation reserve

Share based payments reserve (Performance Shares)

| Note | 31 December 2016 \$ | 30 June 2016 \$ |
|------|---------------------------|-----------------------|
| | (1,657) | (9,124) |
| | 140,000 | - |
| | 138,343 | (9,124) |

Performance shares

As part of the reverse take-over transaction, the Company issued 10,000,000 performance shares on the 8th of December 2016 (the "Issue Date"). Of this balance, 9,300,000 performance shares were issued as part of the acquisition of Cycliq, and have been treated in accordance with Note 5: Business combinations and acquisitions (refer Note 5.i).

The remaining 700,000 performance shares were issued to corporate advisors as part of their compensation for services rendered during the reverse take-over transaction.

These shares have been valued in line with the Conversion of Performance Shares denoted below. At the date of this report, the board has applied a 50% probability that the company will achieve the milestone requirements of the performance shares.

Milestones

The Performance Shares convert into Shares as at the date the Company satisfies any one of the following milestones:

- the Company reporting consolidated earnings before interest, tax, depreciation and amortisation of at least \$3,000,000 from the Cycliq assets and business and any derivatives thereof; or
- the Company reporting consolidated revenue of at least \$30,000,000;

based on the Company's consolidated audited accounts, provided that the milestones is satisfied by no later than 30 June of the fourth 4 financial year following the issue date (not including the financial year in which the issue date occurs).

Conversion of Performance Shares

In the event a milestone is satisfied, all of the performance shares held by the holder will convert into ordinary shares and the number of shares into which each performance share is converted shall be equal to:

- the total number of ordinary shares that are issued upon conversion of the performance shares (assuming that all performance shares are converted), which must have an aggregate value equivalent to \$4,000,000 based a deemed issue price of the higher of:
 - o \$0.02; and
 - o the 20 day VWAP for ordinary shares, calculated over the 20 trading days on which trades in the Company's shares are recorded immediately before a milestone is satisfied; divided by
- 10,000,000 (being the total number of performance shares issued at settlement).

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Note 16 Operating segments

a. Segment Performance

Half-Year ended 31 December 2016

| | USA \$ | Australia \$ | UK \$ | Other \$ | Total \$ |
|--|-----------|-----------------|----------|-------------|-------------|
| Revenue | | | | | |
| ▫ Revenue | 440,376 | 241,600 | 397,015 | 100,892 | 1,179,883 |
| Total segment revenue | 440,376 | 241,600 | 397,015 | 100,892 | 1,179,883 |
| Total group revenue and other income | | | | | 1,179,883 |
| Segment net profit from continuing operations before tax | 147,332 | 80,830 | 132,825 | 33,755 | 394,742 |
| <i>Reconciliation of segment loss to group loss</i> | | | | | |
| (i) Amounts not included in segment results but reviewed by Board: | | | | | |
| ▫ Other income | | | | | 2,023 |
| ▫ Administrative expenses | | | | | (245,879) |
| ▫ Distribution expenses | | | | | (300,683) |
| ▫ Employee related expenses | | | | | (629,166) |
| ▫ Research and development expenses | | | | | (38,244) |
| ▫ Depreciation and amortisation | | | | | (67,453) |
| ▫ Impairment expenses | | | | | (8,600) |
| ▫ Other operating expenses | | | | | (221,725) |
| (ii) Unallocated items | | | | | |
| ▫ Share-based payments | | | | | (627,850) |
| ▫ Corporate transaction accounting expense | | | | | (843,596) |
| ▫ Interest | | | | | (95,017) |
| Loss before income tax | | | | | (2,681,448) |

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for the half-year ended 31 December 2016

| Half-Year ended 31 December 2015 | USA \$ | Australia \$ | UK \$ | Other \$ | Total \$ |
|--|-----------|-----------------|----------|-------------|-------------|
| Revenue | | | | | |
| ▫ Revenue | 199,330 | 198,074 | 121,931 | 71,588 | 590,923 |
| Total segment revenue | 199,330 | 198,074 | 121,931 | 71,588 | 590,923 |
| Total group revenue and other income | | | | | 590,923 |
| Segment net profit from continuing operations before tax | 75,161 | 74,687 | 45,976 | 26,994 | 222,818 |
| <i>Reconciliation of segment loss to group loss</i> | | | | | |
| (iii) Amounts not included in segment results but reviewed by Board: | | | | | |
| ▫ Other income | | | | | 1 |
| ▫ Administrative expenses | | | | | (238,957) |
| ▫ Distribution expenses | | | | | (111,497) |
| ▫ Employee related expenses | | | | | (64,806) |
| ▫ Research and development expenses | | | | | (19,139) |
| ▫ Depreciation and amortisation | | | | | (15,012) |
| ▫ Impairment expenses | | | | | - |
| ▫ Other operating expenses | | | | | (176,279) |
| (iv) Unallocated items | | | | | |
| ▫ Share-based payments | | | | | - |
| ▫ Corporate transaction accounting expense | | | | | - |
| ▫ Interest | | | | | (57,384) |
| Loss before income tax | | | | | (460,255) |

b. Segment Assets and Liabilities

| As at 31 December 2016 | USA \$ | Australia \$ | UK \$ | Other \$ | Total \$ |
|---|-----------|-----------------|----------|-------------|-------------|
| Segment Assets | 40,949 | 61,817 | 55,609 | - | 158,375 |
| <i>Reconciliation of segment to group assets</i> | | | | | |
| ▫ Unallocated assets | | | | | 3,430,426 |
| Total assets | | | | | 3,588,801 |
| Segment Liabilities | - | - | - | - | - |
| <i>Reconciliation of segment to group liabilities</i> | | | | | |
| ▫ Unallocated liabilities | | | | | 474,758 |
| Total liabilities | | | | | 474,758 |

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for the half-year ended 31 December 2016

| As at 30 June 2016 | USA \$ | Australia \$ | UK \$ | Other \$ | Total \$ |
|--|-----------|-----------------|----------|-------------|------------------|
| Segment Assets | - | - | - | - | - |
| <i>Reconciliation of segment to group assets</i> | | | | | |
| ▫ Unallocated assets | | | | | 1,309,277 |
| Total assets | | | | | 1,309,277 |
| Segment Liabilities | - | - | - | - | - |
| <i>-Reconciliation of segment to group liabilities</i> | | | | | |
| ▫ Unallocated liabilities | | | | | 2,597,335 |
| Total liabilities | | | | | 2,597,335 |

Note 20 Financial Instruments and fair value

The Group's financial instruments consist of trade and other receivables, and trade and other payables. These financial instruments are measured at amortised costs, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

Note 21 Commitments

There is no significant change in the Company's commitments or contingencies since the year ended 30 June 2016 to date of this report.

Operating leases

Operating leases relate to the office lease with a lease term of 3 years. This lease is due to expire in November 2017, resulting in a non-cancellable operating lease commitment of \$41,143, all due within 12 months.

Note 22 Contingent liabilities

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

Note 23 Events subsequent to reporting date

There were no material events subsequent to reporting date.

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Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 4 to 30, 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 2016 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 HAGEN**

Managing Director

Dated this Tuesday, 28 February 2017

Independent Auditor's Review Report

To the Members of Cycliq Group Limited

We have reviewed the accompanying half-year financial report of Cycliq Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2016 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. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independent Auditor's Review Report

To the Members of Cycliq Group Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

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 is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 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.

Emphasis of Matter – Going Concern

Without qualifying our conclusion, we draw attention to Note 1a.ii. in the financial report which indicates that the Consolidated Entity incurred a loss of \$2,681,448. This condition, along with other matters as set forth in Note 1a.ii., indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 28th day of February 2017

