



9 March 2017
ASX Market Announcement
Australian Securities Exchange

Cycliq Group Ltd to change Australian product distribution and marketing model

The Company is in the process of completing a Global Distribution and Marketing Review of Cycliq's current and future products in order to evaluate and ensure the methods of distributing and marketing across our global network are optimised in the context of sales volumes, sales price and distribution and marketing costs by geographic region.

The review has identified some immediate changes, which includes the Company internalising the distribution and marketing of our current and future products in Australia.

The review for Australia identified that a move to a direct house account and retailer distribution model which sells its products direct to retailers of both brick and mortar and online sales platforms should improve on all of the critical review criteria, being sales volumes, sale price and associated costs for distribution and marketing. Accordingly, the Company has ended its Australian exclusive distribution agreement with FE Sports effective immediately.

The Board is confident this change will gain immediate traction with Cycliq's on-the-ground sales presence in Australia. The change to an in-house model is forecast to result in higher unit sales and gross margins being achieved by the Company, allowing more funds to be allocated to sales and marketing initiatives to promote further growth.

The Board is continuing its Global Distribution and Marketing Review for other geographic regions and will keep shareholders informed as key changes are made.

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

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