

28 July 2017

Media & ASX Market Announcement

Australian Securities Exchange

Cycliq Group builds sales momentum in Q4 FY2017

Highlights for the Quarter

- Total unit sales increased 46% QOQ.
- International sales accounted for 81% of revenue.
- Q4 revenue A\$664,118 - a QOQ increase of 52%.

Perth, 28 July 2017 – Cycliq Group Ltd has released its Appendix 4C Quarterly Report for the quarter ending 31 July, 2017.

The Perth-based supplier of cycling safety and action camera devices has focused on building brand awareness to increase unit sales in Australia and overseas markets.

Increase in total unit sales

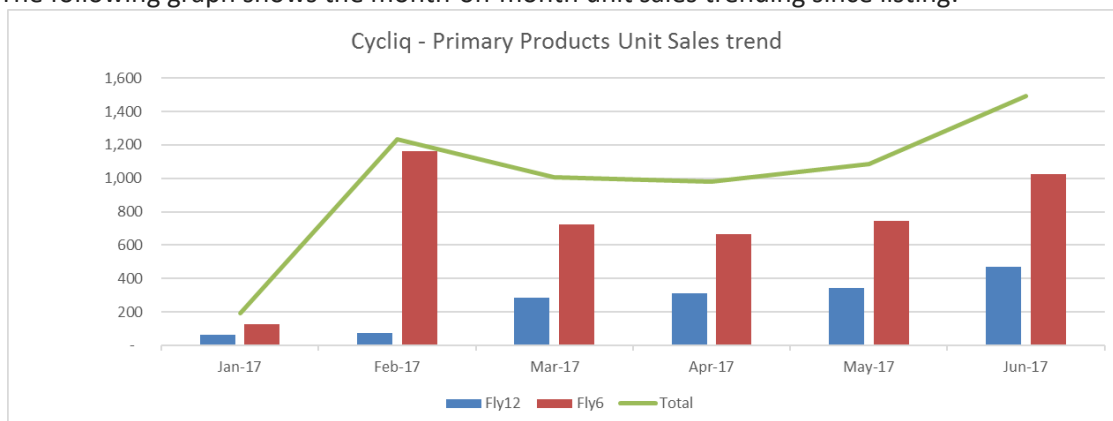
Cycliq grew total unit sales of its Fly6 and Fly12 devices by 46 per cent in the quarter as the company successfully leveraged its expanding network of sales channels.

Cycliq added more than ten new sales channels in Q3, which provided the foundation for positive sales momentum in Q4.

In Australia, the transition to the House Account / Retailer sales model has shown traction, with the large corporates Pushys, 99 Bikes and Bikebug underpinning the lift in Australian sales volumes.

Overseas, Korea, the United Kingdom, and the United States jurisdictions are the primary contributors to the strengthening international sales results.

The following graph shows the month-on-month unit sales trending since listing:



Strong international revenue pipeline

International sales accounted for about 81 per cent of Cycliq's total revenue for the quarter.

The result reflects the growing awareness and popularity of Cycliq's devices among cyclists in key overseas markets.

It also coincides with the Northern Hemisphere summer, in which cycling is particularly prominent due to high profile professional races such as the Tour de France.

Cycliq is strengthening its geographical reach with initiatives including registering for VAT in the Eurozone to remove barriers into European markets.

Growing brand awareness

Global awareness of the Cycliq brand is increasing due to greater investment in marketing activities in new jurisdictions. Growing familiarity and trust in the Cycliq brand is converting to sales, which are trending upwards.

Cycliq signed professional cyclist Caleb Ewan as a brand ambassador during the quarter, which was leveraged to generate positive media coverage and high levels of engagement across social media networks.

The company is also ramping up digital marketing across all jurisdictions with the roll out of its "They'll see you and you'll see them" advertising campaigns.

New products pipeline

Cycliq is continuing to invest in product development, including improvements to the Fly6 and Fly12 devices and R&D for entirely new products.

The investment in building Cycliq's brand awareness is a critical pillar of the company's growth strategy ahead of the roll out of new products during the next financial year.

The proposed joint venture with Thompson & Kenneth Cheung - the founding shareholders of Glory Horse Industries Limited - will also reduce the cost of new product development and the overall manufacturing costs of Cycliq products, with the benefits forecast to start being realized in the second half of FY2018.

Financing cash flows

Cycliq successfully completed capital raising activities in the quarter with the \$2 million placement and \$1.5 million rights issue during the quarter.

The funds will be used for new product development, and continue to support Cycliq's expansion and marketing activities into new regions.

**About Cycliq**

Cycliq is the number one brand in HD camera and lighting combinations, delivering cycling safety and action camera solutions for commuters, mountain bikers, racers and professional cyclists alike. Cycliq products are aimed at helping our customers around the globe to enjoy their journey safely.

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

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