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Media & ASX Market Announcement

Australian Securities Exchange

Cycliq Group looks to execute trade finance facility – withdraws resolution on additional capital raising capacity

Perth, 30 November 2017: Cycliq Group Limited is pleased to announce it has received several trade finance facility offers to meet immediate working capital needs and therefore removing Resolution 11 from today's AGM agenda.

The decision was made to address Cycliq's previously outlined challenge of matching relatively high cash outflows on product purchases when compared to cash inflows from product sales.

A trade finance facility directly manages this disconnect whilst still maintaining a competitive and commercial gross margin on sale.

"Our previous trade arrangements with vendors and customers meant the company was effectively operating with one hand tied behind its back. A reduced upfront cash flow requirement under a trade finance facility, once executed, we can now focus on delivering the activities that will provide the greatest value to shareholders," said Cycliq Executive Chairman, Chris Singleton.

Given Cycliq's relatively short trading history and size, vendors were requiring up to 50 per cent upfront payment.

"The 12-week lead times to product delivery, in combination with credit terms provided to large retailers, meant there was a significant lag from the first dollar down on deposit, to the last dollar received from that production run," said Mr Singleton.

Upon finalizing the trade financing arrangement, the facility will provide Cycliq with the ability to unlock significant value in the company by freeing up working capital previously tied up in inventory and prepayments for stock. This will enable Cycliq to better allocate its resources.

The company is pleased with the amount of interest received in providing the new facility and as a consequence has substantially reduced Cycliq's anticipated capital financing requirements. This prompted the Board's decision to withdraw of Resolution 11 at today's AGM to approve the issue of up to an additional 300,000,000 shares.

"This financing solution contemplated means that the additional equity raising capacity will not be required. We have a solution which provides the company with the ability to grow quickly without being limited by the availability of working capital," said Mr Singleton.

Offering an immediate remedy to working capital pressures, the trade finance arrangement complements the more complete solution offered by Cycliq's manufacturing joint venture - which has recently commenced operations.

Upon the trade finance arrangement being executed, further details will be provided to the market.

About Cycliq

Cycliq is a consumer technology company that produces electronic safety accessories for cyclists. Our leading range of integrated bike cameras include the rear-facing Fly6 and front-facing Fly12.

Cycliq's bike cameras are highly engineered with multiple safety functions to give cyclists peace of mind so they can enjoy their ride.

The design emphasis focuses on four principal components: video, lights, battery and utility. The video (with audio) functions to record the ride whether for training, competition, travel or the daily commute.

In the event of an incident, the cameras act as dash cams, recording all that happens for later review. The powerful lights provide safety and visibility.

We've engineered our batteries to be small enough, yet last up to 10 hours - longer than a bike ride. The Fly6 and Fly12 are simple to use and durable enough to survive all sorts of conditions.

Cycliq's aim is to produce a durable digital trip recording device for all cyclists at an affordable price. The long-term goal is to see bike cameras as an everyday piece of cycling equipment along with the helmet, sunglasses and water bottle.

The Flies keep an eye on the road so that cyclists can enjoy the journey.

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

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