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Media & ASX Market Announcement

Australian Securities Exchange

Cycliq Group sales soar to new record in December quarter

Highlights for the Quarter

- Total unit sales increased 11% QoQ
- Q2 revenue A\$1,066,891 - a QoQ increase of 26%
- Q2 FY2018 revenue - a 71% increase to Q2 FY2017
- Launch of new Connected Edition (CE) products
- Record margins achieved on sales of new models

Perth, 25 January 2018 – Cycliq Group Ltd (CYQ) has released its Appendix 4C Quarterly Report for the quarter ending 31 December 2017.

The Perth-based supplier of unique “dash cam for your bike” products has reported a new record for sales volumes and revenue in the December quarter.

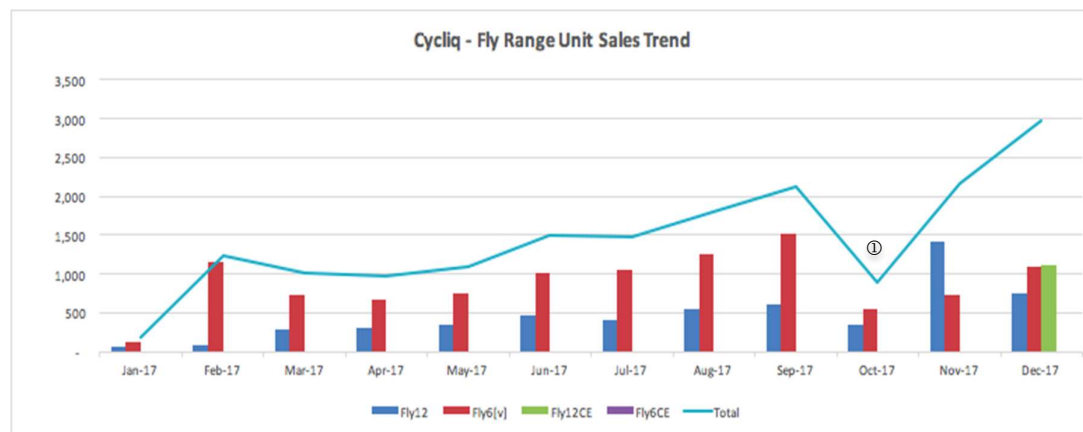
Consecutive quarterly sales records

Cycliq has reported consecutive quarterly sales records as the company continues to build its sales platforms.

Total unit sales rose 11 per cent in the December quarter, surpassing the previous record, achieved during the September quarter.

“Cycliq is pleased with the result as we are beginning to see a strong upward trend in our sales volumes. It indicates that our product design, marketing and distribution strategies are producing tangible sales results,” said Cycliq Executive Chairman Chris Singleton.

The following chart shows the month-on-month unit sales trending upwards:



①- October sales dip coincided with the announcement of the coming Fly12CE and Fly6CE products

Revenue for the quarter was generated from sales of Cycliq's new Fly12 CE devices, in combination with the sales from the earlier model Fly6 and Fly12 devices. Sales of the earlier models benefited from promotional strategies pursued with channel partners to increase their stock turn.

New products to market

Cycliq introduced its new Fly6 and Fly12 Connected Edition (CE) range to the market during the quarter, which generated significant interest across the company's entire product range.

All pre-ordered Fly12 CE products were shipped to customers before 31 December, accounting for about a third of total sales for the quarter. The Fly6 CE product sales will be recognised in the March quarter, with the first products being shipped on the 10th of January 2018.

"Cycliq's new product range has been very well received by consumers and channel partners. The devices are smaller, more feature rich, lighter, and are being offered at the right price point," said Mr Singleton.

Cycliq intentionally designed the new CE product range to be smaller and more compact, firstly addressing feedback received on earlier models, whilst also making them easier to distribute via the company's growing online sales network.

"We used to sell one Fly12 for every two Fly6's, but with the pre-orders for the Fly12 CE and Fly 6 CE, this improved to a ratio of 2:3. Not only are our sales volumes improving overall, we are now selling more of our higher value Fly12 devices," said Mr Singleton.

Cycliq expects another strong performance in the March 2018 quarter, as production levels of the CE range increase to meet the demand from consumers and retail partners.

"The quarter on quarter trend is pleasing to see, with the June quarter expected to be another exciting time for the business with the anticipated delivery of our first products designed and developed in our new manufacturing joint venture," said Mr Singleton.

Sales pipeline strengthening

Cycliq is continuing to build its global distribution footprint and sales pipeline.

"The last six months we've really focused on building our channels and over the next few months we will be seeking to push our new product offering through our established networks," said Mr Singleton.

Cycliq will also continue its strategy of expanding distribution channels, with a focus on the United States and Europe, where the company is in advanced discussions with multiple new channel partners.

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 with the added benefit of sound stabilisation 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.

Cycliq has engineered its batteries to be small enough, yet last up to 8 hours - longer than a bike ride. Cycliq's range of Fly6 and Fly12 models 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 Flys keep an eye on the road so that cyclists can enjoy the journey.

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

Media Contact

Heidi Cuthbert

Heidi.cuthbert@multiplier.com.au

+61 411 272 366