

31 July 2018

Media & ASX Market Announcement

Australian Securities Exchange

Cycliq announces 210% increase in annual revenue, 250% increase in unit sales

Q4 & FY18 Highlights

- **210% increase in annual revenue to \$4.9M**
- **250% increase in annual unit sales to 27k**
- **209% increase in revenue for Q4 FY18 compared to Q4 FY17**
- **52% increase in H2 FY18 revenue compared to H1 FY18**
- **29% increase in average unit sales revenue for Q4 FY18 compared to Q4 FY17**
- **60% reduction in EBITDA loss in H2 FY18 to \$0.69M**

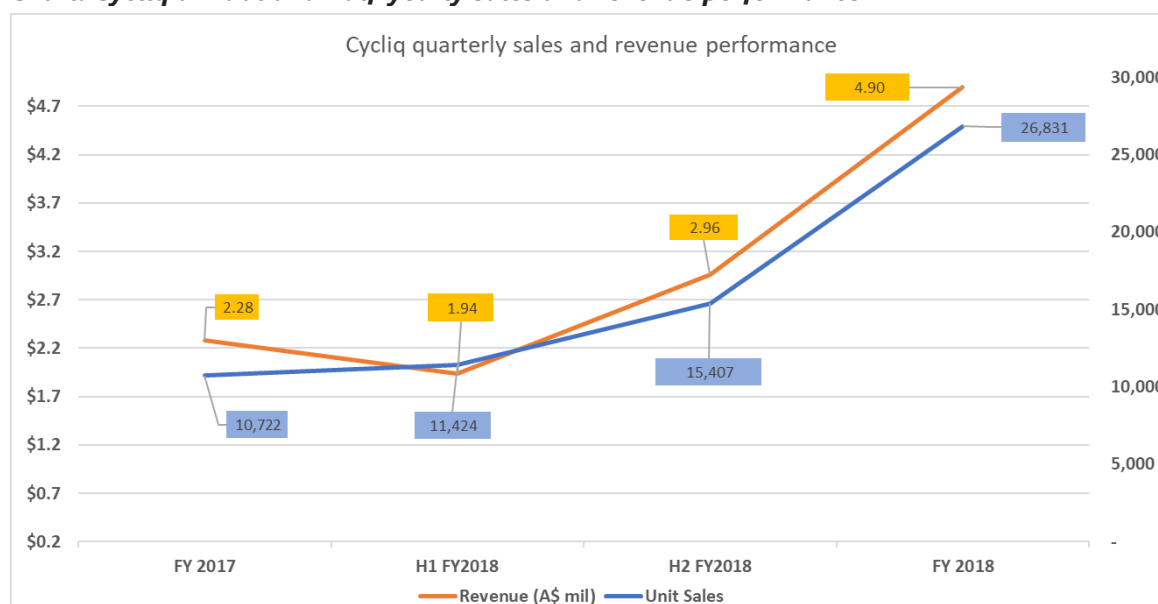
Cycliq Group Ltd (ASX:CYQ) has released its Appendix 4C Quarterly Report for the quarter ending 30 June 2018.

Consistent organic growth and improving average unit sales revenue (up 29% year on year for the quarter) have combined to increase revenue 210% year on year to \$5M.

Increases in unit sales and margin throughout FY18 point to achieving a sustainable operating position over the coming year (inclusive of major marketing campaign activity into the USA). Continued growth is expected to come from further expansion into newly entered markets (USA, EU) as well as in existing UK, Australian, and Asian markets (Korea, Japan, Taiwan, Singapore).

The improving operating position has been further supported by the introduction of a trade finance facility of up to \$2M for stock purchasing; funding the major operating outflow for the business and freeing up working capital to support FY19 growth objectives.

In addition, the timing of cash receipts from R&D tax incentives and Export Market Development Grants from year ended FY18 are expected to provide a material cash inflow in H1 FY19.

Chart: Cycliq annual and half-yearly sales and revenue performance

Cycliq key operating metrics summary

Key Metrics	FY17	H1 FY2018	H2 FY2018	Q4 FY2018	FY2018
Unit Sales	10,722	11,424	15,407	6,776	26,831
Revenue (A\$ mil)	2.28	1.94	2.96	0.85	4.90
EBITDA* (A\$ mil)	(3.21)	(1.69)	(0.68)	(0.41)	(2.37)
Marketing (A\$ mil)	0.91	0.65	0.43	0.29	1.07
CAC** (A\$)	85	57	28	43	40

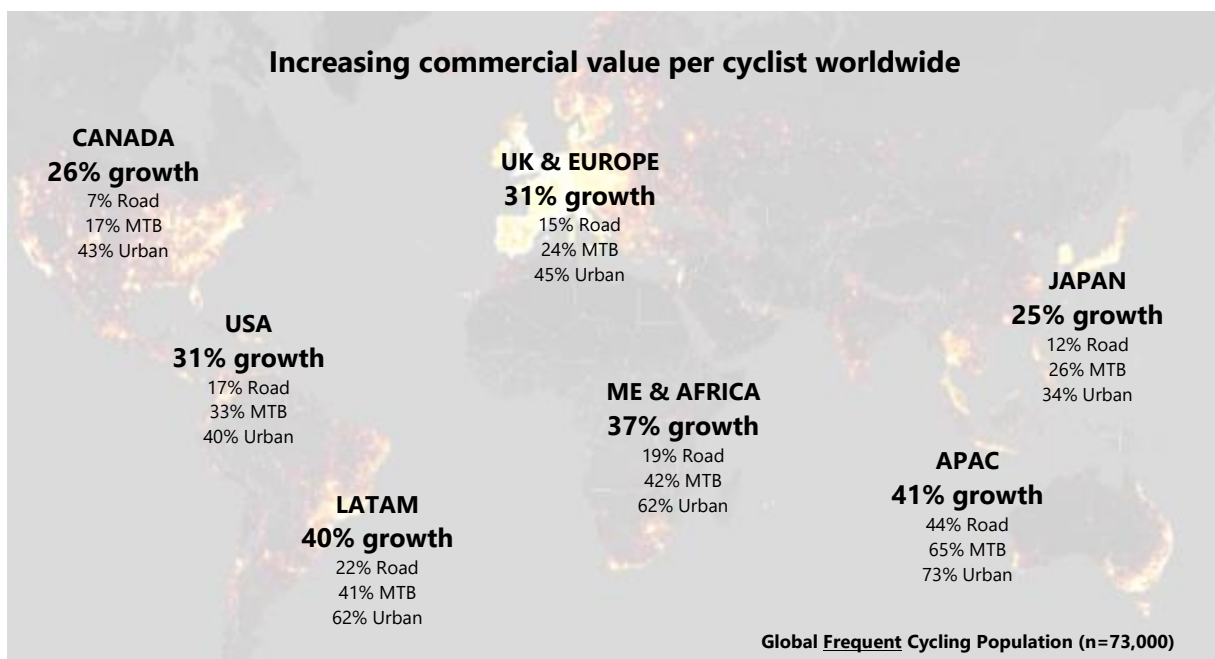
* the EBITDA number excludes share based payments and foreign exchange movements.

** CAC (customer acquisition cost) is calculated as marketing spend amortised across total unit sales.

Q4 sales consolidated at 6,776 units after strong pre-order performance for the 'Connected Edition' flowed into Q3 sales (8,631 units). Strategic distribution of the superseded models of core products was completed in H2 through a deal with Wiggle to purchase all remaining stock of the Fly 12 and Fly6[v] direct from Cycliq.

With an 18% increase in marketing spend in FY18, Cycliq achieved a 53% reduction in average CAC over the year. Further reductions in CAC are expected over FY19 as advocacy, PR and targeted marketing campaigns drive growth in key markets.

Market snapshot: global opportunity to drive significant sales growth



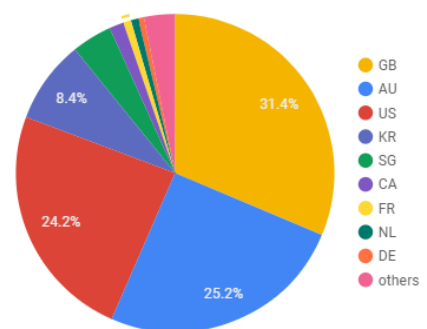
Source: Strava Heat Map (Jul 2018); Bicycles: A Global Strategic Business Report (Apr 2018), NPD

The commercial value per cyclists worldwide is growing, with spending up across all regions, and heavily over-indexed in Urban & Commuter segments; safety conscious and utility focused.

The release of new products in FY19 aimed at this market will further cement Cycliq's position. The current Fly CE range has appealed predominantly to 'Road' cyclists and while this segment is still increasing in value and demand is strong, the Urban segment is clearly a large opportunity to drive mass market consumer appeal.

ENDS

Cycliq B2B Sales Distribution* (FY18)



*Note: excludes all direct to consumer and Amazon sales.

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About Cycliq

Cycliq is a consumer technology company based in Perth, Australia, that produces electronic safety accessories designed for cyclists; the world-first dashcam for bikes, the rear-facing Fly6 and front-facing Fly12.

The Fly bike cameras integrate powerful safety lights and are engineered with multiple safety functions to give cyclists peace of mind so they can enjoy their ride. In the event of an incident, the HD cameras act as dashcams, recording everything that happens for later review; from accidents and near-misses, to spectacular scenery. The powerful safety lights provide improved visibility on the roads.

The latest 'Connected Edition' range was released in December 2017. More than 60,000 of the Fly bike dashcams have been shipped around the world to over 50 countries since the company was founded in 2012. Cycliq has operations in North America, Australia and China, with direct to consumer sales from the company website and Amazon, and access to more than 6,000 retail points of presence through a network of regional distribution and retail partners in the USA, Asia-Pacific, EU and UK, as well as major online players including Wiggle (global) and Backcountry.com (USA).

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