

30 October 2018
Media & ASX Market Announcement
 Australian Securities Exchange

Positive quarter, revenue up 87% year on year

Q1 FY19 Highlights

- **Net operating cashflow \$77k for Q1**
- **87% increase in revenue Q1 FY19 compared to Q1 FY18**
- **47% increase in average unit sales revenue for Q4 FY19 year on year**
- **Strong organic sales ahead of busy Christmas retail period**
- **Innovation continues with urban commuter products slated for launch in early 2019**

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

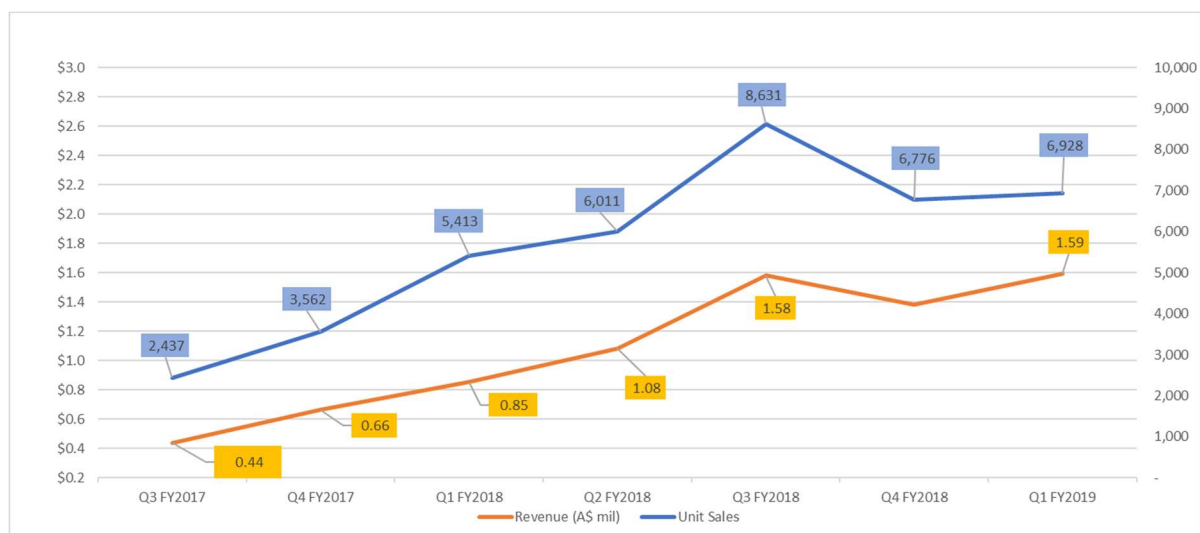
Strong organic direct to consumer and channel partner sales post the launch of the new range of 'Connected Edition' products in FY18 have seen strong and stable revenues during Q1 FY19 at \$1.59M, up 87% compared to Q1 FY18 and 15% higher than the previous quarter (Q4 FY18). This is attributed to an ongoing improvement in the average unit sales value (up 47% to \$230 compared to \$157 in Q1 FY18), and increased unit sales volume, although Q1 is traditionally a quieter period leading in to the strong retail buying ahead of Christmas that commences in October and bolsters Q2 results.

"Cycliq is continuing to show sustained quarterly sales growth as well as a significant uplift in unit margins. We are going from strength to strength as the Cycliq brand becomes recognisable among cyclists all over the world," said Executive Chairman Chris Singleton.

Rigorous inventory management throughout the quarter ensured that the stock purchases could be made without the need for the trade finance facility to be drawn against.

The move to drive higher margin and improved product innovation continues with manufacturing operations for new commuter products executed with joint venture partner Glory Horse. New products aimed specifically at the urban commuter market are well advanced in pre-production and are scheduled for release in early 2019.

Chart: Cycliq quarterly sales and revenue performance



Cycliq key operating metrics summary

Key Metrics	Q1 FY2018	Q2 FY2018	Q3 FY2018	Q4 FY2018	Q1 FY2019
Unit Sales	5,413	6,011	8,631	6,776	6,928
Revenue (A\$ mil)	0.85	1.08	1.58	1.38	1.59
EBITDA* (A\$ mil)	(0.70)	(1.00)	(0.27)	(0.41)	(0.55)
Marketing (A\$ mil)	0.26	0.38	0.14	0.29	0.28
CAC** (A\$)	49	64	16	43	41

* 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.

Q1 sales continued steady at 6,928 units with ongoing demand from direct to consumer channels and retail partners maintained in Q1, ahead of an expected strong Q2 supported by direct to consumer retail promotion in line with Black Friday and Cyber Monday and strong channel commitments ahead of Christmas.

"Cycliq is looking forward to the Black Friday sales period in the United States as well as the lead up to Christmas. Our Cycliq cameras are the perfect price point for a Christmas gift and we will be focusing our marketing activities on driving sales during this important promotional period," said Mr Singleton.

ENDS

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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.

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