

30 April 2020

Media & ASX Market Announcement

Australian Securities Exchange

Cash flow and operating costs stable, new product releases on track for Q4

Q3 Highlights

- Core operations remain cash flow positive / neutral – Q3 had a positive operating cash flow of \$0.19m.
- Cash balance maintained in line with Q2 at \$0.49m.
- Customer receipts of \$0.89m consistent with previous quarters despite initial impacts from COVID-19 in China supply chain during February.
- EBITDA loss FY20 YTD of \$0.25m – with \$0.04m loss in Q3 – compares favorably to the FY19 EBITDA loss of \$2.3m.

Cycliq Group Ltd (ASX:CYQ) has released its Appendix 4C Quarterly Report for the quarter ending 31 March, 2020.

COVID-19 pandemic impact

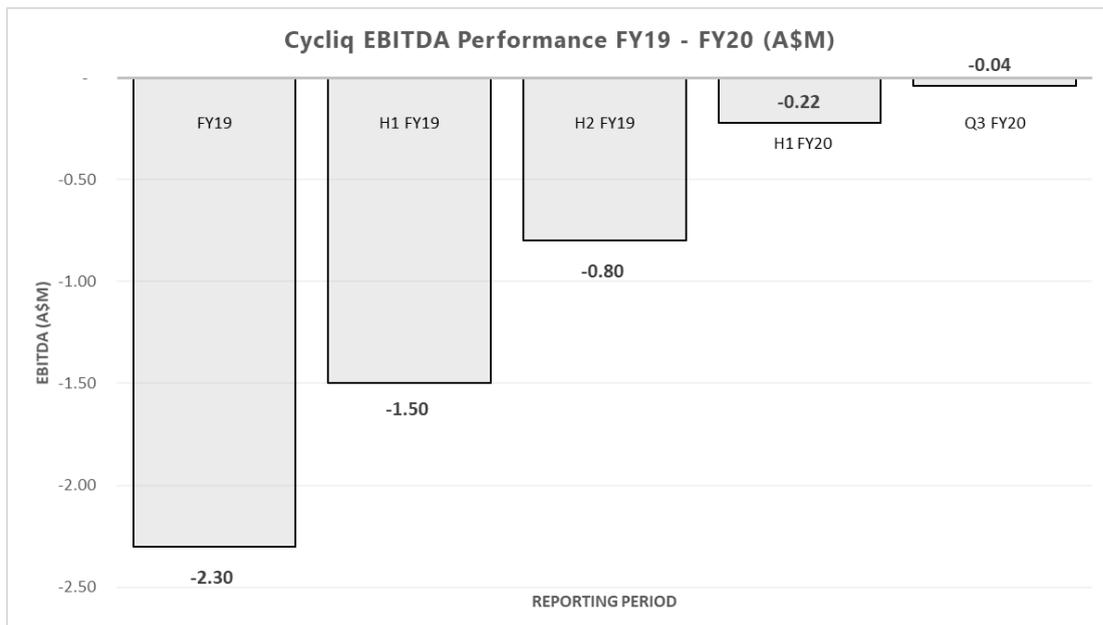
The COVID-19 pandemic had the potential to significantly impair the operations of Cycliq, but with careful management of supply chain and distribution partners and further refining the go to market channel mix to develop Cycliq’s direct to consumer sales, Cycliq has been able to navigate the challenges successfully to date.

While still rigorously managing the ongoing risks associated with the pandemic in day to day operations, it is not expected that there will be a meaningful negative impact on the business. And while the impact on the broader cycling industry is at this stage unclear, early signs point to an increase in cycling activity which may have positive downstream implications for demand of Cycliq’s safety products.

Q3 performance

The EBITDA improvements seen year to date in the half yearly accounts have been maintained in Q3, with a marginal EBITDA loss of below \$0.04m in Q3. This has the Cycliq business on track to achieve the turnaround position anticipated 12 months ago as an outcome of the operational review and execution of the turnaround plan by executive management. The business is now well placed to capitalise on the coming launch of new products in Q4, and further new releases in Q1 FY21.

The historical P&L performance can be seen in the chart below – demonstrating the significant reduction in EBITDA loss since the turnaround plan was initiated in early CY2019.



Related Party Payments

Payments noted in section 6.1 of the CYQ March 2020 Appendix 4C were payments made to SmallCap Corporate – an entity associated with Director Piers Lewis for the provision of company secretarial services provided to CYQ on ordinary commercial terms.

ENDS

This announcement has been authorised by the board of directors of the Company.

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About Cycliq

Cycliq is a cycling safety products company based in Perth, Australia, that produces the world-first integrated camera and light safety system 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 75,000 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 – including online – in the USA, Asia-Pacific, EU and UK.

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