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Media & ASX Market Announcement
Australian Securities Exchange

Strong Fly6 pre-order demand continues, stable operating position ahead of new product shipments

Q1 Highlights

- **$0.6m of customer receipts during Q1 as pre-order and back order sales continue in line with forecast through direct to consumer channels.**
- **Gross Merchandise Value of current pre-orders and back orders of $2.5m at 27 October 2020.**
- **Net operating cash flow of ($0.1m) ahead of shipping direct to consumer and distributor orders in Q2 FY21.**

Cycliq Group Ltd (ASX:CYQ) has released its Appendix 4C Quarterly Report for the quarter ending 30 September 2020.

Q1 Performance
Sales continued well throughout Q1, with the pre-order sales volumes of the new Fly6 Generation 3 representing a Gross Merchandise Value[1] (GMV) of $1.8m, and the Fly12 back order tracking at a GMV of $0.7m (as at 27 October 2020).

Both the Fly6 and Fly12 were placed on back order with manufacturers during Q1 due to COVID delays however unit sales have not been impacted and are in line with budget. As the products sold in Q1 were not shipped in the same period, the sales were classified as unearned revenue. The total unearned revenue at end of Q1 was $1.31m with cash receipts in Q1 of $0.6m.

With shipping of the Fly6 Generation 3 starting in Q2 and shipping of the Fly12 commencing early in the new year, operating cash flows will improve as distributors are invoiced once shipping takes place.

Operating costs were in line with historical performance and forecast.

Opportunities and outlook
With strong sales momentum for Cycliq core products and in cycling generally, fueled in part by the global COVID-19 pandemic, the outlook for the business is positive.

The appointment of Xavier Kris as Non-executive Director and Craig Smith-Gander as Chairman during August has brought a renewed focus on the new strategy to deliver sustainable growth and profitability.

The Company will continue its focus on shipping the new flagship Fly6 Generation 3 in Q2. In addition, the Company will move to develop new revenue streams which leverage core technology by seeking to license it to other manufacturers. The Company will also seek to further develop the Upride smart video platform to scale the business and develop strong recurring revenues from subscription and data licensing.

[1] Gross Merchandise Value is calculated by multiplying all firm pre-order and back-order commitments and the retail price in Australian Dollars.

Related Party Payments

Payments noted in section 6.1 of the CYQ June 2020 Appendix 4C were payments made to SmallCap Corporate – an entity associated with (former) 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 smart safety company based in Perth, Australia, manufacturing and marketing the world-first cycling light and camera safety system the Fly6 and Fly12.

More than 100,000 of the Fly bike cameras have been shipped around the world to over 50 countries since the company was founded in 2012. Cycliq has operations in 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 Backountry.com (USA).

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

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