

CYCLIQ GROUP LIMITED

ABN 47 119 749 647

Appendix 4D

Half-Year Report Period

Results

Reporting Periods

- | | |
|----------------------------------|---|
| ▪ Current period: | Six-month period ended 31 December 2022 |
| ▪ Previous corresponding period: | Six-month period ended 31 December 2021 |

		Percentage Change		31 December 2022 \$'000s	31 December 2021 \$'000s
▪ Revenue	Down	2.5%	to	2,894	2,969
▪ Other Income	Down	21%	to	186	235
▪ Profit/(Loss) before tax	Up	2%	to	(55)	(55)
▪ Profit/(Loss) after tax	Up	2%	to	(55)	(55)
▪ EBITDA	Down	74%	to	78	294

Dividends

Current period:

- | | Amount per security
\$ | Franked amount
\$ |
|---|---------------------------|----------------------|
| ▪ Interim Dividend | Nil | N/A |
| ▪ Date the Dividend is Payable: | N/A | N/A |
| ▪ Record Date for determining entitlements to the Dividend: | N/A | N/A |

Previous corresponding period:

- | | | |
|--------------------|-----|-----|
| ▪ Interim Dividend | Nil | N/A |
|--------------------|-----|-----|

Net Tangible Assets (NTA) per Security Dividends

				31 December 2022 ¢	30 June 2022 ¢
NTA backing per ordinary share	-	0%	to	0.0023	0.0023

Commentary on Results

The Group achieved a strong operating result for the period with a gross profit of \$1.5 million – an 11% increase compared to the same period last year. A reduced cost base streamlined, shipping operations and a targeted marketing strategy continue to deliver solid fundamentals.

The Company retains good stock levels enabling it to deploy aggressive marketing strategies targeted at Northern hemisphere markets during their spring months.

The newly launched Fly12 Sport leads the way in sales as consumers enjoy the benefits of its higher specification offering. The Fly12 Sport has a retail price point 30% higher than that of the Fly6 Gen3 and validates Cycliq's innovation and product development strategy.



XAVIER KRIS

Non-Executive Chairman

Dated this Thursday, 16 February 2023

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Cycliq Group Limited

ABN 47 119 749 647

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2022

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CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES
ABN 47 119 749 647

CYCLIQ INTERIM FINANCIAL REPORT

31 December 2022

Corporate directory

Current Directors

Xavier Kris	<i>Non-Executive Chairman</i>
David Wheeler	<i>Non-Executive Director</i>
Chris Mews	<i>Non-Executive Director</i>

Company Secretary

Tim Slate	<i>Joint Company Secretary</i>
Carla Healy	<i>Joint Company Secretary</i>

Registered Office

Address: Level 3, 101 St Georges Terrace
Perth, WA 6000

Telephone: +61 (8) 6558 0886

Facsimile: +61 (8) 6316 3337

Email: info@cycliq.com

Website: www.cycliq.com

Securities Exchange

Australian Securities Exchange
ASX Code: CYQ.AX

Share Registry

Advanced Share Registry

Address: 110 Stirling Hwy,
Nedlands Perth WA 6009

Telephone: +61 (8) 9389 8033

Website: www.advancedshare.com.au

Principal place of business

Address: Unit 14, 513 Hay Street,
Subiaco, WA, 6008

Email: info@cycliq.com

Website: www.cycliq.com

Auditors

Hall Chadwick WA Audit Pty Ltd

Address: 283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (8) 9426 0666

Website: www.hallchadwickwa.com.au

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Directors' report

Your directors present their report on the consolidated entity, consisting of Cycliq Group Limited (**Cycliq** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2022.

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Xavier Kris Non-Executive Chairman
- David Wheeler Non-Executive Director
- Chris Mews Non-Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Operations Review

The Group achieved a strong operating result for the period with a gross profit of \$1.5 million – an 11% increase compared to the same period last year. A reduced cost base streamlined shipping operations and a targeted marketing strategy continue to deliver solid fundamentals.

Cycliq returned a significantly stronger cashflow during the period ending 31 December 2022, compared to the same period last year, achieving a net positive operating cash flow of \$274,968.

The Company retains good stock levels enabling it to deploy aggressive marketing strategies targeted at Northern hemisphere markets during their spring months.

The newly launched Fly12 Sport leads the way in sales as consumers enjoy the benefits of its higher specification offering. The Fly12 Sport has a retail price point 30% higher than that of the Fly6 Gen3 and validates Cycliq's innovation and product development strategy. As a result, Research and Development into other new product releases continues at pace.

On 18 October 2022, the Company announced the receipt of \$172,000 cash refund under the Federal Governments Research and Development Tax incentive Scheme.

2.2. Financial Review

a. Operating results

For the period ended 31 December 2022 the Group delivered a net loss of \$66,163 (31 December 2021: loss of \$44,273).

b. Financial position

The net assets of the Group have decreased marginally from \$1,085,769 at 30 June 2022 to \$1,057,968 at 31 December 2022.

3. Events Subsequent to Reporting Date

There are no events of a material nature or transaction that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or its state of affairs.

4. Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore this information has not been disclosed in the report.

5. Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current period. The Directors will reassess this position when the need arises.

Directors' report

6. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2022 has been received and can be found on page 3 of the Interim Financial Report.



XAVIER KRIS

Non-Executive Chairman

Dated this Thursday, 16 February 2023

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Cycliq Group Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick



HALL CHADWICK WA AUDIT PTY LTD

CHRIS NICOLOFF cA
Director

Dated 16th day of February 2023
Perth, Western Australia

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Condensed consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Continuing operations			
Revenue	2a	2,894,232	2,969,060
Costs of sales		(1,402,614)	(1,629,002)
Gross Profit		1,491,618	1,340,058
Other income	2b	186,285	235,161
Administrative expenses	3a	(285,330)	(271,426)
Advertising & Marketing expenses		(266,358)	(67,203)
Employee related costs	3b	(742,521)	(585,688)
Share based payments expense	4	(38,362)	-
Research and development expenses		(11,779)	(23,034)
Depreciation and amortisation		(113,183)	(70,502)
Other operating expenses	3c	(255,983)	(333,354)
Finance costs		(19,121)	(279,720)
Loss before tax		(54,734)	(55,708)
Income tax benefit / (expense)		-	-
Loss for the half-year		(54,734)	(55,708)
Loss after income tax for the half-year attributable to:			
▪ Non-controlling interest		6,458	32,105
▪ Members of the parent entity		(61,192)	(87,813)
		(54,734)	(55,708)
Other comprehensive (loss)/income, net of income tax			
▪ Exchange difference on translating foreign operations attributable to Parent		(11,429)	11,435
Other comprehensive (loss)/ income for the half-year, net of tax		(11,429)	11,435
Total comprehensive loss for the half year		(66,163)	(44,273)
Total Comprehensive income/(loss) for the half-year attributable to:			
▪ Non-controlling interest		6,458	32,105
▪ Members of the parent entity		(72,621)	(76,378)
		(66,163)	(44,273)
Earnings per share:		(cents)	(cents)
Basic and diluted loss per share (cents per share)	5	(0.0176)	(0.0253)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

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CYCLIQ GROUP LIMITED

AND CONTROLLED ENTITIES
ABN 47 119 749 647

CYCLIQ

INTERIM FINANCIAL REPORT

31 December 2022

Condensed consolidated statement of financial position

as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents		1,051,684	1,011,310
Trade and other receivables	6	44,415	35,554
Inventories	7	536,488	328,040
Prepayments	8	620,424	590,524
Total current assets		2,253,011	1,965,428
Non-current assets			
Trade and other receivables	6	8,663	8,663
Plant and equipment	9	15,922	11,904
Intangible assets	10	252,441	266,580
Right-of-use Assets	11	16,010	26,683
Total non-current assets		293,036	313,830
Total assets		2,546,047	2,279,258
Current liabilities			
Trade and other payables	12	1,277,060	992,029
Provisions	14	194,364	132,775
Borrowings	13	-	41,364
Lease liabilities	15	16,655	21,790
Total current liabilities		1,488,079	1,187,958
Non-current liabilities			
Lease liabilities	15	-	5,531
Total non-current liabilities		-	5,531
Total liabilities		1,488,079	1,193,489
Net assets / (deficiency)		1,057,968	1,085,769
Equity			
Issued capital	16	16,068,852	16,068,852
Reserves		4,190,833	4,163,900
Accumulated losses		(19,165,002)	(19,103,810)
Parent entity interest		1,094,683	1,128,942
Minority interest		(36,715)	(43,173)
Total equity		1,057,968	1,085,769

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2022

Note	Issued Capital \$	Foreign Currency Translation Reserve \$	Share Based Payments Reserve \$	Warrants Reserve \$	Convertible Notes Reserve \$	Accumulated Losses \$	Minority Interest \$	Total \$
Balance at 1 July 2021	15,568,852	10,130	3,965,551	103,575	21,150	(18,274,708)	(101,443)	1,293,107
Loss for the half-year attributable owners of the parent	-	-	-	-	-	(87,813)	32,105	(55,708)
Other comprehensive income	-	11,435	-	-	-	-	-	11,435
Total comprehensive income for the half-year attributable owners of the parent	-	11,435	-	-	-	(87,813)	32,105	(44,273)
Transaction with owners, directly in equity								
Conversion of convertible notes	500,000	-	-	-	-	-	-	500,000
Balance at 31 December 2021	16,068,852	21,565	3,965,551	103,575	21,150	(18,362,521)	(69,338)	1,748,834
Balance at 1 July 2022	16,068,852	25,674	4,013,501	103,575	21,150	(19,103,810)	(43,173)	1,085,769
Loss for the half-year attributable owners of the parent	-	-	-	-	-	(61,192)	6,458	(54,734)
Other comprehensive income:	-	(11,429)	-	-	-	-	-	(11,429)
Total comprehensive income/(loss) for the half-year attributable owners of the parent	-	(11,429)	-	-	-	(61,192)	6,458	(66,163)
Transaction with owners, directly in equity								
Issue of performance shares	-	-	38,362	-	-	-	-	38,362
Balance at 31 December 2022	16,068,852	14,245	4,051,863	103,575	21,150	(19,165,002)	(36,715)	1,057,968

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

CYCLIQ GROUP LIMITEDAND CONTROLLED ENTITIES
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INTERIM FINANCIAL REPORT

31 December 2022

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2022

Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Receipts from customers	2,870,459	2,751,196
Other income received	186,285	223,000
Interest and borrowing costs received	-	35
Interest and borrowing costs paid	(19,121)	(9,244)
Payments to suppliers and employees	(2,762,655)	(3,040,701)
Net cash from/(used in) operating activities	274,968	(75,714)
Cash flows from investing activities		
Purchase of intangible assets (capitalised development costs)	(90,839)	(108,526)
Purchase of plant and equipment	(5,718)	-
Net cash used in investing activities	(96,557)	(108,526)
Cash flows from financing activities		
Repayment of borrowings	(41,364)	(338,879)
Net cash used in financing activities	(41,364)	(338,879)
Net increase/(decrease) in cash held	137,047	(523,119)
Foreign exchange effects on cash balances held	(96,673)	(25,813)
Cash and cash equivalents at the beginning of the half-year	1,011,310	2,246,682
Cash and cash equivalents at the end of the half-year	1,051,684	1,697,750

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 1 Statement of significant accounting policies

These are the consolidated financial statements and notes of Cycliq Group Limited (**Cycliq** or **the Company**) and controlled entities (collectively **the Group**). Cycliq is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 16 February 2023 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Cycliq Group Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2022 together with any public announcements made during the half-year.

All amounts are presented in Australian Dollars unless otherwise noted. For the purposes of preparing the report, the half year has been treated as a discrete reporting period.

i. Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ii. Going concern

The half year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$54,734 (31 December 2021: \$55,708 loss) and a net operating cash in-flow of \$274,968 (31 December 2021: \$75,714 out-flow). At 31 December 2022 the Group held cash assets of \$1,051,684 with current liabilities of \$1,488,079 (30 June 2022 cash assets of \$1,011,310 with current liabilities of \$1,187,958). These factors indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The directors have prepared a cashflow forecast which indicates that the group will have sufficient cashflows to meet all commitments and working capital requirements for the 12-month period from the date of signing this report.

The Directors are confident of the Group's ability to continue as a going concern for the following reasons:

- Management have prepared a cashflow forecast for the next 12 months that indicates the operating cash inflows will be sufficient to meet expenses and other financial obligations as and when they are due;
- Management believe Cycliq's market opportunity is significant which the group is continuing to generate revenue;
- Management are confident of generating sufficient revenue from the sale of Fly6, and Fly12 Sport and the complementary purchase opportunities for customers; and
- The ability to raise capital or loans from shareholders or related parties.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate for this financial report.

Should the Group's cash flow deviate from the cash flow forecast, a material uncertainty will exist that cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

iii. Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 1 Statement of significant accounting policies**b. Use of estimates and judgments**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2022.

c. New and amended standards adopted by the Group

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

i. Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2 Revenue and other income**a. Revenue**

Fly12 Sport sales
Fly12 CE sales
Fly6 Gen 3 sales
Other accessories sales
Other

	31 December 2022 \$	31 December 2021 \$
Fly12 Sport sales	1,535,850	-
Fly12 CE sales	69,043	1,173,793
Fly6 Gen 3 sales	733,600	1,449,360
Other accessories sales	423,209	242,295
Other	132,530	103,612
	2,894,232	2,969,060

b. Other income

Grant income
Interest income
Other income

Grant income	186,285	223,000
Interest income	-	35
Other income	-	12,126
	186,285	235,161

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Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022**Note 3 Expenses**

The following significant revenue and expense items are relevant in explaining the financial performance:

a. Administrative expenses:

- Consultants expenses
- Audit fee expenses
- Legal expenses
- ASX operating expenses
- Share registry expenses
- Other administrative expenses

b. Employee related expenses:

- Salaries and wages
- Annual Leave expenses
- Superannuation costs
- Sub-contractor costs
- Directors fees
- Other

c. Other operating costs

- Travel & Accommodation expenses
- Foreign currency gains and losses
- IT costs
- Insurance
- Rental expense
- Other operating expenses

	31 December 2022 \$	31 December 2021 \$
	140,492	100,774
	30,069	21,417
	51,997	68,657
	13,495	26,261
	6,355	18,566
	42,922	35,751
	285,330	271,426
	322,706	226,212
	15,297	16,711
	38,073	22,351
	269,922	198,692
	96,000	114,000
	523	7,722
	742,521	585,688
	513	142
	59,457	37,249
	35,557	34,983
	41,364	32,197
	12,822	16,125
	106,270	212,658
	255,983	333,354

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 4 Share based payments**Performance shares**

10,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares were granted during the period as follows:

Class A Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 12 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class A Performance Shares	5,000,000	5,000,000
Total Valuation	\$81,000	
Expense recorded to 31 December 2022	\$27,585	
Class B Performance Shares		
Grant Date	12 September 2022	
Vesting conditions	Vest on providing continual services over 24 months from 1 August 2022	
Expiry Date	12 March 2025	
	Anthony Giacoppo	Terrain Dynamics Pty Ltd
Number of Class B Performance Shares	5,000,000	10,000,000
Total Valuation	\$67,500	
Expense recorded to 31 December 2022	\$10,777	

These shares have been valued using the share price at the date of issue and taking into account the probability that the vesting conditions are met. At the date of this report, the Board has applied a 90% probability that the performance shareholders will achieve the vesting conditions for the Class A Performance Shares and a 50% probability that the performance shareholders will achieve the vesting conditions for the Class B Performance Shares.

There has been no change to the valuation methodology applied to 10,000,000 performance shares issued to employees and consultants in previous periods. The performance milestones and valuation methodology are outlined in the notes to the 30 June 2017 consolidated financial statements.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022**Note 5 Earnings per share (EPS)****a. Reconciliation of earnings to profit or loss**

Loss for the half-year attributable to members of the parent entity

Loss used in the calculation of basic and diluted EPS

31 December 2022 \$	31 December 2021 \$
(61,192)	(87,813)
(61,192)	(87,813)

b. Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS

31 December 2022 No.	31 December 2021 No.
347,516,959	346,697,287

c. Earnings per share

Basic and diluted EPS (cents per share)

31 December 2022 ¢	31 December 2021 ¢
(0.0176)	(0.0253)

d. At the end of the half-year ended 31 December 2022 the Group had 233,792,586 unissued shares under options (Dec 2021: 236,614,350) and 7,142,857 unissued shares under warrant (Dec 2021:7,142,857).**Note 6 Trade and other receivables****Current**

Trade debtors

Less: provision for Doubtful debts

Other receivables

Goods and Services Tax receivable

31 December 2022 \$	30 June 2022 \$
12,996	15,430
(3)	(3)
37,961	11,754
(6,539)	8,373
44,415	35,544
8,663	8,663
8,663	8,663

Non-current

Other receivables

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 7 Inventories

	31 December 2022 \$	30 June 2022 \$
Finished goods	536,488	328,040
	536,488	328,040

Note 8 Prepayments

	31 December 2022 \$	30 June 2022 \$
Current		
Manufacturing prepayments	523,837	500,278
Shipping costs prepayments	41,301	41,301
Other prepayments	55,286	48,945
	620,424	590,524

Note 9 Property, plant, and equipment

	31 December 2022 \$	30 June 2022 \$
Computer equipment at cost	67,110	61,393
Accumulated depreciation	(58,180)	(57,072)
	8,930	4,321
Office furniture and equipment at cost	35,044	35,044
Accumulated depreciation	(28,052)	(27,461)
	6,992	7,583
Total property, plant, and equipment	15,922	11,904

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INTERIM FINANCIAL REPORT

31 December 2022

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 10 Intangible assets**Non-current**

Product development costs

Accumulated amortisation

Total Intangible assets

	31 December 2022 \$	30 June 2022 \$
	1,816,269	1,725,430
	(1,563,828)	(1,458,850)
	252,441	266,580

Movement for the period

Opening Balance

Additions for internal developments

Amortisation

Foreign exchange movement

Closing balance

	266,580	365,470
	90,839	150,608
	(111,482)	(249,229)
	6,504	(269)
	252,441	266,580

Note 11 Right-of-use Assets**Carrying value**

Cost

Accumulated depreciation

Carrying value

	31 December 2022 \$	30 June 2022 \$
	<i>Premises</i>	<i>Premises</i>
	42,693	42,693
	(26,683)	(16,010)
	16,010	26,683

Reconciliation

Opening balance

Additions

Depreciation expense

Closing balance

	26,683	-
	-	42,693
	(10,673)	(16,010)
	16,010	26,683

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INTERIM FINANCIAL REPORT

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 12 Trade and other payables**Current***Unsecured*

Trade payables

Accrued expenses

Other payables

	31 December 2022 \$	30 June 2022 \$
	197,557	158,637
	877,121	744,919
	202,382	88,473
	1,277,060	992,029

Note 13 Borrowings**Current**

Insurance premium funding

	31 December 2022 \$	30 June 2022 \$
	-	41,364
	-	41,364

Note 14 Provisions**Current**

Provision for current employee benefits

Provision for warranty claims

	31 December 2022 \$	30 June 2022 \$
	76,736	61,440
	117,628	71,335
	194,364	132,775

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 15 Lease liabilities

	31 December 2022 \$	30 June 2022 \$
Carrying value		
Current liabilities	16,655	21,790
Non-current liabilities	-	5,531
	16,655	27,321

Reconciliation

Opening balance	27,321	-
Additions	-	42,693
Interest	527	1,278
Principal repayments	(11,193)	(16,650)
Closing balance	16,655	27,321

Underlying assets serve as a security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

	Lease payments due			Total \$
	< 1 year \$	1 – 2 years \$	2 – 5 years \$	
31 December 2022				
Lease payments	17,067	-	-	17,067
Interest	(412)	-	-	(412)
Net present value	16,655	-	-	16,655

Note 16 Issued capital

	31 Dec 22 No.	30 Jun 22 No.	31 Dec 22 \$	30 Jun 22 \$
Fully paid ordinary shares at no par value	347,516,658	347,516,658	16,068,852	16,068,852
a. Ordinary shares				
At the beginning of the period	347,516,658	6,450,339,176	16,068,852	15,568,852
Shares issued during the period:	-	500,000,000	-	500,000
Share consolidation (20:1)	-	(6,602,822,518)	-	-
At reporting date	347,516,658	347,516,658	16,068,852	16,068,852

b. Options

At the end of the half-year ended 31 December 2022 the Group had 233,792,586 unissued shares under options (Dec 2021: 236,614,350) and 7,142,857 unissued shares under warrant (Dec 2021: 7,142,857).

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**Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022****Note 17 Operating Segments****a. Segment Performance****Half-Year ended 31 December 2022**

	USA \$	Australia \$	UK \$	Other \$	Total \$
Revenue					
▫ Revenue	1,020,399	395,600	669,445	808,788	2,894,232
Total segment revenue	1,020,399	395,600	669,445	808,788	2,894,232
Total group revenue and other income					2,894,232
Segment net profit from continuing operations before tax	203,883	525,889	345,016	416,830	1,491,618
<i>Reconciliation of segment loss to group loss</i>					
(i) Amounts not included in segment results but reviewed by Board:					
▫ Other income					186,285
▫ Administrative expenses					(285,330)
▫ Advertising & Marketing expenses					(266,358)
▫ Employee related expenses					(742,521)
▫ Research and development expenses					(11,779)
▫ Depreciation and amortisation					(113,183)
▫ Other operating expenses					(255,983)
(ii) Unallocated items					
▫ Share-based payments					(38,362)
▫ Interest and finance costs					(19,121)
Loss before income tax					(54,734)

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Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2022**Note 17 Operating segments (cont.)**

Half-Year ended 31 December 2021	USA \$	Australia \$	UK \$	Other \$	Total \$
Revenue					
▪ Revenue	821,920	689,683	562,749	894,708	2,969,060
Total segment revenue	821,920	689,683	562,749	894,708	2,969,060
Total group revenue and other income					2,969,060
Segment net profit from continuing operations before tax	370,966	311,282	253,922	403,888	1,340,058
<i>Reconciliation of segment loss to group loss</i>					
(i) Amounts not included in segment results but reviewed by Board:					
▪ Other income					235,161
▪ Administrative expenses					(271,426)
▪ Advertising & Marketing expenses					(67,203)
▪ Employee related expenses					(585,688)
▪ Research and development expenses					(23,034)
▪ Depreciation and amortisation					(70,502)
▪ Other operating expenses					(333,354)
(ii) Unallocated items					
▪ Share-based payments					-
▪ Interest and finance costs					(279,720)
Loss before income tax					(55,708)

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

Note 17 Operating segments (cont.)**b. Segment Assets and Liabilities**

As at 31 December 2022	USA \$	Australia \$	UK \$	Other \$	Total \$
Segment Assets	4,582	1,776	3,006	3,632	12,996
<i>Reconciliation of segment to group assets</i>					
▫ Unallocated assets					2,533,051
Total assets					2,546,047
Segment Liabilities	-	-	-	-	-
<i>Reconciliation of segment to group liabilities</i>					
▫ Unallocated liabilities					1,488,079
Total liabilities					1,488,079

As at 30 June 2022	USA \$	Australia \$	UK \$	Other \$	Total \$
Segment Assets	4,615	2,978	3,040	4,795	15,428
<i>Reconciliation of segment to group assets</i>					
▫ Unallocated assets					2,263,830
Total assets					2,279,258
Segment Liabilities	-	-	-	-	-
<i>Reconciliation of segment to group liabilities</i>					
▫ Unallocated liabilities					1,193,489
Total liabilities					1,193,489

Note 18 Commitments

There is no significant change in the Company's commitments since the year ended 30 June 2022 to date of this report.

Note 19 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

Note 20 Financial Instruments

The Group's cash, receivables, and payables are carried at the carrying value which is considered to be the same as their fair values at report date.

Note 21 Events subsequent to reporting date

There are no events of a material nature or transaction that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or its state of affairs.

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 4 to 19, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half-year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:



XAVIER KRIS

Non-Executive Chairman

Dated this Thursday, 16 February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CYCLIQ GROUP LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Cycliq Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cycliq Group Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Cycliq Group Limited financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.a.ii in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$54,734 during the half year ended 31 December 2022. As stated in Note 1.a.ii, these events or conditions, along with other matters as set forth in Note 1.a.ii, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Cycliq Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated 16th day of February 2023
Perth, Western Australia

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