



## ASX ANNOUNCEMENT

28<sup>TH</sup> APRIL 2017

### APPENDIX 4C QUARTERLY REPORT: PERIOD ENDED 31 MARCH 2017

#### HIGHLIGHTS

- Revenue for the March 2017 quarter was \$0.46 million
- Signed an exclusive alliance with MYDATA in Malaysia
- First revenues received from Citigroup with month on month growth of 20% for the quarter with the number of users also increasing
- Kyckr portal revenue increased 55% on the December 2016 quarter
- The pipeline of opportunities continues to grow with several major institutions currently under negotiation on terms and agreements, which is anticipated to consummate shortly

Kyckr Limited (Kyckr, ASX: KYK) is pleased to provide the following market update and information regarding the quarter ended 31 March 2017.

#### **Operations**

During the quarter, the Company achieved \$0.46 million of revenue for the period which is in line with the December 2016 quarter. The highlight of the quarter was strong Kyckr portal revenue growth of 55% against the December 2016 quarter from individual and corporate accounts. The primary driver of this increase was the continued rollout of the Kyckr platform within Citigroup, which has increased by a month on month rate of 20% per month during the quarter. The number of users within Citigroup accessing Kyckr's services has also increased. Kyckr expects monthly revenue to continue to grow in the coming months.

In January 2017 Kyckr signed an exclusive alliance with MYDATA in Malaysia to promote each other's services and capabilities in Malaysia and internationally. Kyckr's alliance with MYDATA is expected to be launched in the next couple of months and should provide Kyckr with additional revenue generating channels in South East Asia commencing in the next quarter.

In April 2017 Kyckr signed an agreement with Elavon, a credit card payments processing merchant. The initial project is surrounding the on-boarding (sign-up) of new corporate customers with the project commencing in July 2017. Elavon is recognised as a leading industry global payments processor. Their patronage of Kyckr's services provides further validation of our customer on-boarding and Know Your Client (KYC) services.

During the month of April 2017 Kyckr also signed an exclusive alliance with a partner in Bahrain to promote Kyckr's capabilities in the Middle East and North Africa (MENA) region. This alliance should increase Kyckr's revenue opportunities within the MENA region in the second half of calendar 2017.

Cash receipts for the quarter was \$0.21 million and the Company retains \$2.95m in net cash.

#### **Strategy and Outlook**

The Company believes its technology and product suite has distinct competitive advantages compared to systems currently used in the Compliance segment. Kyckr continues to focus on business development. The pipeline of opportunities continues to grow with several major institutions currently under negotiation on terms and agreements, which is anticipated to consummate shortly.

Kyckr expects to launch an updated website with added functionality in the coming months. These improvements are expected to increase Kyckr's portal revenue in all locations worldwide.

In addition, Business Development personnel in Asia will focus on forming more strategic alliances in the Asian region to drive revenue.



The Company has a significant pipeline of customer opportunities it has been developing and continues to strengthen. Kyckr remains confident that it will deliver new customers in the second half of Financial Year 2017.

Managing Director David Cassidy commented "The recent signing of MYDATA and Elavon creates new opportunities for the Company to increase revenue. Kyckr will continue to seek further strategic alliances with partners in various regions of the world to drive revenue. Further technical capabilities and products are being developed which should assist in converting various pipeline opportunities in 2017."

**For more information, contact:**

**David Cassidy**  
**Managing Director**  
**Kyckr Limited**  
**Contact No: +61 418 618 032**

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Kyckr Limited

**ABN**

38 609 323 257

**Quarter ended ("current quarter")**

31 March 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	221	624
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(98)	(166)
(c) advertising and marketing	-	(2)
(d) leased assets	-	-
(e) staff costs	(559)	(1,200)
(f) administration and corporate costs	(327)	(954)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – transaction costs in acquisition of subsidiary and IPO transaction costs	-	(133)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(753)</b>	<b>(1,814)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(20)
(b) businesses (see item 10)	-	49
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(8)</b>	<b>29</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	5,192
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(451)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(190)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>4,551</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,783	267
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(753)	(1,814)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	29
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,551

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(69)	(80)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>2,953</b>	<b>2,953</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	91	67
5.2	Call deposits	2,862	3,716
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,953</b>	<b>3,783</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$A'000

238

-

Directors' fees and consulting fees at normal commercial rates

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter  
\$A'000

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(101)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(653)
9.6 Administration and corporate costs	(286)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,040)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	Kyckr Ireland Limited	-
10.2 Place of incorporation or registration	Ireland	-
10.3 Consideration for acquisition or disposal	Issued \$9.26m in equity with an additional \$2.6m in deferred consideration shares. Nil cash consideration	-
10.4 Total net assets	(\$465k)	-
10.5 Nature of business	KYB (KYC on business) services	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....

Company secretary

Date: 28<sup>th</sup> April 2017

Print name: Karl Pechmann

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.