

## 1. Company details

Name of entity:	Kyckr Limited
ABN:	38 609 323 257
Reporting period:	For the year ended 30 June 2017
Previous period:	For the year ended 30 June 2016

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	9170.9% to	1,381,728
Loss from ordinary activities after tax attributable to the owners of Kyckr Limited	up	371.1% to	(3,447,237)
Loss for the year attributable to the owners of Kyckr Limited	up	371.1% to	(3,447,237)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,447,237 (30 June 2016: \$731,808).

Refer to Market announcement issued on 31 August 2017 for further commentary.

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.03)	1.94

## 4. Control gained over entities

Name of entities (or group of entities)	Kyckr Ireland Limited
Date control gained	1 September 2016

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(802,566)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	(84,588)

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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## 7. Dividend reinvestment plans

Not applicable.

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## 8. Details of associates and joint venture entities

Not applicable.

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## 9. Foreign entities

### *Details of origin of accounting standards used in compiling the report:*

Not applicable.

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## 10. Audit qualification or review

### *Details of audit/review dispute or qualification (if any):*

The financial statements are in the process of being audited and an unqualified opinion is expected to be issued.

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## 11. Attachments

### *Details of attachments (if any):*

The Preliminary Financial Report of Kyckr Limited for the year ended 30 June 2017 is attached.

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## 12. Signed

Signed  \_\_\_\_\_

John Van Der Wielen  
Chairman  
Sydney

Date: 31 August 2017

**Kyckr Limited**

**ABN 38 609 323 257**

**Preliminary Financial Report - 30 June 2017**

**Kyckr Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2017**



		<b>Consolidated</b>	<b>Period from</b>
		<b>30 June 2017</b>	<b>16 November</b>
		<b>\$</b>	<b>2015 to 30</b>
	<b>Note</b>		<b>June 2016</b>
			<b>\$</b>
<b>Revenue</b>	1	1,381,728	14,904
Other income	2	27,328	-
<b>Expenses</b>			
Direct costs and consumables used		(451,932)	-
Employee benefits expense		(1,784,696)	-
Share-based payments expense		(1,108,730)	-
Depreciation and amortisation expense		(49,784)	-
Consultancy and professional fees		(506,424)	(143,000)
Travel expenses		(302,600)	-
Acquisition expenses	16	(240,524)	(359,525)
IPO related expenses		(99,264)	(212,878)
Other expenses		(287,334)	(31,309)
Finance costs		(25,005)	-
<b>Loss before income tax expense</b>		<b>(3,447,237)</b>	<b>(731,808)</b>
Income tax expense	3	-	-
<b>Loss after income tax expense for the year attributable to the owners of Kyckr Limited</b>		<b>(3,447,237)</b>	<b>(731,808)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(26,091)	-
Other comprehensive income for the year, net of tax		(26,091)	-
<b>Total comprehensive income for the year attributable to the owners of Kyckr Limited</b>		<b>(3,473,328)</b>	<b>(731,808)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	19	(3.92)	(2.23)
Diluted earnings per share	19	(3.92)	(2.23)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,670,859	266,943
Trade and other receivables	4	180,686	19,671
Financial assets	5	-	188,346
Other	6	116,127	181,344
Total current assets		<u>2,967,672</u>	<u>656,304</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	26,259	-
Intangibles	8	12,321,017	-
Financial assets	9	-	161,439
Total non-current assets		<u>12,347,276</u>	<u>161,439</u>
<b>Total assets</b>		<u>15,314,948</u>	<u>817,743</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	410,926	146,585
Provisions	11	26,080	-
Deferred revenue		32,164	-
Total current liabilities		<u>469,170</u>	<u>146,585</u>
<b>Non-current liabilities</b>			
Deferred consideration	12	2,556,322	-
Total non-current liabilities		<u>2,556,322</u>	<u>-</u>
<b>Total liabilities</b>		<u>3,025,492</u>	<u>146,585</u>
<b>Net assets</b>		<u>12,289,456</u>	<u>671,158</u>
<b>Equity</b>			
Issued capital	13	14,897,543	1,402,966
Reserves	14	1,570,958	-
Accumulated losses		(4,179,045)	(731,808)
<b>Total equity</b>		<u>12,289,456</u>	<u>671,158</u>

The above statement of financial position should be read in conjunction with the accompanying notes

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 16 November 2015	-	-	-	-
Loss after income tax expense for the year	-	-	(731,808)	(731,808)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(731,808)	(731,808)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	1,402,966	-	-	1,402,966
Balance at 30 June 2016	1,402,966	-	(731,808)	671,158
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2016	1,402,966	-	(731,808)	671,158
Loss after income tax expense for the year	-	-	(3,447,237)	(3,447,237)
Other comprehensive income for the year, net of tax	-	(26,091)	-	(26,091)
Total comprehensive income for the year	-	(26,091)	(3,447,237)	(3,473,328)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	13,494,577	488,319	-	13,982,896
Share-based payments	-	1,108,730	-	1,108,730
Balance at 30 June 2017	14,897,543	1,570,958	(4,179,045)	12,289,456

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

		<b>Consolidated</b>	<b>Period from</b>
		<b>30 June 2017</b>	<b>16 November</b>
		<b>\$</b>	<b>2015 to 30</b>
	<b>Note</b>	<b>\$</b>	<b>June 2016</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,587,854	-
Payments to suppliers and employees (inclusive of GST)		<u>(3,580,343)</u>	<u>(43,846)</u>
		(1,992,489)	(43,846)
Interest received		<u>25,653</u>	<u>4,003</u>
Net cash used in operating activities	18	<u>(1,966,836)</u>	<u>(39,843)</u>
<b>Cash flows from investing activities</b>			
Cash flow from purchase of subsidiary, net of cash acquired	16	50,525	-
Payment for expenses relating to acquisitions		(240,524)	(359,525)
Payments for property, plant and equipment	7	(19,045)	-
Payments for intangibles	8	(5,074)	-
Convertible notes provided		<u>-</u>	<u>(349,785)</u>
Net cash used in investing activities		<u>(214,118)</u>	<u>(709,310)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	13	5,192,437	1,501,966
Cancellation of shares		(591)	-
IPO transaction costs		(99,264)	(212,878)
Share issue transaction costs		(317,458)	(272,992)
Repayment of borrowings		<u>(190,254)</u>	<u>-</u>
Net cash from financing activities		<u>4,584,870</u>	<u>1,016,096</u>
Net increase in cash and cash equivalents		2,403,916	266,943
Cash and cash equivalents at the beginning of the financial year		<u>266,943</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year		<u><u>2,670,859</u></u>	<u><u>266,943</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Revenue

	30 June 2017 \$	Consolidated Period from 16 November 2015 to 30 June 2016 \$
<i>Sales revenue</i>		
Sales of services	1,356,075	-
<i>Other revenue</i>		
Interest	25,653	14,904
Revenue	<u>1,381,728</u>	<u>14,904</u>

## Note 2. Other income

	30 June 2017 \$	Consolidated Period from 16 November 2015 to 30 June 2016 \$
Net foreign exchange gain	<u>27,328</u>	<u>-</u>

## Note 3. Income tax expense

	30 June 2017 \$	Consolidated Period from 16 November 2015 to 30 June 2016 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,447,237)	(731,808)
Tax at the statutory tax rate of 27.5% (2016: 30%)	(947,990)	(219,542)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	338,690	172,008
Non-assessable income	-	(3,270)
Capital deductions	(122,029)	(40,284)
	(731,329)	(91,088)
Current year tax losses not recognised	610,945	91,088
Difference in overseas tax rates	120,384	-
Income tax expense	<u>-</u>	<u>-</u>



### Note 3. Income tax expense (continued)

	Consolidated 30 June 2017 \$	30 June 2016 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carried forward tax losses benefit	1,077,377	74,269
Temporary differences	51,984	174,687
Total deferred tax assets not recognised	<u>1,129,361</u>	<u>248,956</u>

The above potential tax benefit, which includes tax losses and temporary differences has not been recognised in the balance sheet as recovery of this benefit is not probable. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at 30 June 2017 was \$5,432,460 (2016: \$247,564). Utilisation of these tax losses is dependent on the Company satisfying certain tests at the time the losses are recouped.

### Note 4. Current assets - trade and other receivables

	Consolidated 30 June 2017 \$	30 June 2016 \$
Trade receivables	133,204	-
Less: Provision for impairment of receivables	(1,486)	-
	<u>131,718</u>	<u>-</u>
Other receivables	33,638	10,901
BAS receivable	15,330	8,770
	<u>180,686</u>	<u>19,671</u>

### Note 5. Current assets - financial assets

	Consolidated 30 June 2017 \$	30 June 2016 \$
Convertible note	-	188,346

Refer to note 9 for further information on the convertible note.

### Note 6. Current assets - other

	Consolidated 30 June 2017 \$	30 June 2016 \$
Prepayments	101,268	181,344
Security deposits	14,859	-
	<u>116,127</u>	<u>181,344</u>

**Note 7. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Computer equipment - at cost	32,668	-
Less: Accumulated depreciation	(6,409)	-
	<u>26,259</u>	<u>-</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Computer equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>		
Balance at 16 November 2015	-	-
Balance at 30 June 2016	-	-
Additions	19,045	19,045
Additions through business combinations (note 16)	13,767	13,767
Exchange differences	(144)	(144)
Depreciation expense	(6,409)	(6,409)
Balance at 30 June 2017	<u>26,259</u>	<u>26,259</u>

**Note 8. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	12,250,079	-
Computer software and development - at cost	114,313	-
Less: Accumulated amortisation	(43,375)	-
	<u>70,938</u>	<u>-</u>
	<u>12,321,017</u>	<u>-</u>

## Note 8. Non-current assets - intangibles (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Computer software and development \$	Total \$
Balance at 16 November 2015	-	-	-
Balance at 30 June 2016	-	-	-
Additions	-	5,074	5,074
Additions through business combinations (note 16)	12,250,079	109,239	12,359,318
Amortisation expense	-	(43,375)	(43,375)
Balance at 30 June 2017	<u>12,250,079</u>	<u>70,938</u>	<u>12,321,017</u>

## Note 9. Non-current assets - financial assets

	Consolidated 30 June 2017 \$	30 June 2016 \$
Convertible notes	-	161,439

The convertible note was issued to Kyckr Ireland Limited (formally Global Business Register Limited) (the borrower) prior to the acquisition of the entity. During the year ended 30 June 2017 and subsequent to the acquisition of Kyckr Ireland Limited, the convertible note has been terminated and converted into an intercompany loan which has been eliminated for consolidation purposes.

## Note 10. Current liabilities - trade and other payables

	Consolidated 30 June 2017 \$	30 June 2016 \$
Trade payables	189,690	87,428
Accrued expenses	161,468	-
Other payables	59,768	59,157
	<u>410,926</u>	<u>146,585</u>

## Note 11. Current liabilities - provisions

	Consolidated 30 June 2017 \$	30 June 2016 \$
Annual leave	24,290	-
Long service leave	1,790	-
	<u>26,080</u>	<u>-</u>

## Note 12. Non-current liabilities - deferred consideration

	Consolidated 30 June 2017	30 June 2016
	\$	\$
Deferred consideration	<u>2,556,322</u>	<u>-</u>

Refer to note 16 for further information on deferred consideration.

## Note 13. Equity - issued capital

	30 June 2017 Shares	30 June 2016 Shares	Consolidated 30 June 2017 \$	30 June 2016 \$
Ordinary shares - fully paid	<u>100,962,186</u>	<u>34,615,385</u>	<u>14,897,543</u>	<u>1,402,966</u>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	16 November 2015	-		-
Shares issued		34,615,385	\$0.43	1,501,966
less share issue costs (net of taxation)		-	\$0.00	(99,000)
Balance	30 June 2016	34,615,385		1,402,966
Share cancellation	1 July 2016	(5,912,885)	\$0.10	(591)
Shares issued on acquisition of Kyckr Ireland Limited	1 September 2016	45,278,873	\$0.20	9,055,775
Shares issued at IPO	7 September 2016	25,962,186	\$0.20	5,192,437
Shares issued on acquisition of Kyckr Ireland Limited	23 November 2016	1,018,627	\$0.20	203,725
less share issue costs (net of taxation)*		-	\$0.00	(956,769)
Balance	30 June 2017	<u>100,962,186</u>		<u>14,897,543</u>

\*included in share issue costs is \$488,319 of share-based payments granted to the brokers in exchange for services provided in connection with the IPO.

## Note 14. Equity - reserves

	Consolidated 30 June 2017	30 June 2016
	\$	\$
Foreign currency reserve	(26,091)	-
Share-based payments reserve	<u>1,597,049</u>	<u>-</u>
	<u>1,570,958</u>	<u>-</u>

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

#### Note 14. Equity - reserves (continued)

##### *Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Foreign currency \$	Share-based payments \$	Total \$
Balance at 16 November 2015	-	-	-
Balance at 30 June 2016	-	-	-
Foreign currency translation	(26,091)	-	(26,091)
Share-based payments	-	1,597,049	1,597,049
Balance at 30 June 2017	<u>(26,091)</u>	<u>1,597,049</u>	<u>1,570,958</u>

#### Note 15. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Note 16. Business combinations

### *Acquisition of Kyckr Ireland Limited (formerly Global Business Register Limited)*

On 1 September 2016, the Company acquired 97.59% of the issued share capital and voting rights of Kyckr Ireland Limited (formerly Global Business Register Limited), a Company based in Ireland, followed by the remaining 2.41% of the issued share capital and voting rights on 23 November 2016. The objective of the acquisition is to invest in business development and technical resources in order to realise the Company's KYC technology solutions. The goodwill of \$12,250,079, can be attributed to the synergies expected to be derived from the combination and the value of the workforce and industry relationships of Kyckr Ireland Limited. Goodwill is not deductible for tax purposes. Kyckr Ireland Limited contributed \$1,356,075 and \$802,566 to the Group's revenues and loss respectively, for the date of the acquisition to 30 June 2017. Had the acquisition occurred on 1 July 2016, the Group's revenue for the year to 30 June 2017 would have been \$1,541,574 and the Group's loss for the period would have been \$3,936,146. The values identified in relation to the acquisition of Kyckr Ireland Limited are final as at 30 June 2017.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	50,525
Trade receivables	291,680
Plant and equipment	13,767
Intangible assets	109,239
Trade and other payables	(253,009)
Deferred revenue	(145,570)
Borrowings	(531,500)
Net liabilities acquired	(464,868)
Goodwill	12,250,079
Acquisition-date fair value of the total consideration transferred	<u>11,785,211</u>
Representing:	
Kyckr Limited shares issued to vendor	9,259,500
Contingent consideration	2,525,711
	<u>11,785,211</u>
Acquisition costs expensed to profit or loss	<u>240,524</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	11,785,211
Less: cash and cash equivalents	(50,525)
Less: shares issued by company as part of consideration	(9,259,500)
Less: contingent consideration	(2,525,711)
Net cash received	<u>(50,525)</u>

#### Note 16. Business combinations (continued)

46,297,500 fully paid ordinary shares were issued to the vendors of Kyckr Ireland Limited in consideration for the acquisition. In addition, 13,000,000 Performance Shares were issued and will convert to fully paid ordinary shares on a one-for-one basis upon meeting the following vesting conditions:

- 50% of the Performance Shares automatically convert upon the Company achieving a turnover of \$5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and
- 50% of the Performance Shares automatically convert upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to the ASX.

As the deferred consideration vests no earlier than two years from the date of issue, the amount has been discounted by the two-year government bond rate of 1.46% p.a. The finance costs incurred during the period with respect to the unwinding of the discount was \$30,611 and is included in finance costs, which in addition to the \$2,525,711 gives a balance at 30 June 2017 of \$2,556,322. The Performance Shares expire four years from the date of acquisition in the event that the above vesting conditions are not met.

#### Note 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Note 18. Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2017 \$	Consolidated Period from 16 November 2015 to 30 June 2016 \$
Loss after income tax expense for the year	(3,447,237)	(731,808)
Adjustments for:		
Depreciation and amortisation	49,784	-
Share-based payments	1,108,730	-
Foreign exchange differences	(25,947)	-
IPO transaction costs	99,264	212,878
Costs associated with acquisitions	240,524	359,525
Non-cash finance costs	30,611	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	115,806	(27,024)
Decrease in prepayments	80,076	-
Increase/(decrease) in trade and other payables	(244,527)	146,586
Increase in employee benefits	26,080	-
Net cash used in operating activities	<u>(1,966,836)</u>	<u>(39,843)</u>

#### Note 19. Earnings per share

	30 June 2017 \$	Consolidated Period from 16 November 2015 to 30 June 2016 \$
Loss after income tax attributable to the owners of Kyckr Limited	<u>(3,447,237)</u>	<u>(731,808)</u>

**Note 19. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	87,847,758	32,773,280
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>87,847,758</u>	<u>32,773,280</u>
	Cents	Cents
Basic earnings per share	(3.92)	(2.23)
Diluted earnings per share	(3.92)	(2.23)

For the purpose calculating the diluted earnings per share the calculation has excluded the number of options as the effect would be anti-dilutive.