



## ASX Release

31 August 2018

# FY18 Results Announcement

## Highlights

- Full-year revenue of \$1.8 million with strong online revenue growth
- Acquisition of global blue-chip clients such as first Australian Financial Institution, Bloomberg, IBM and global banking and payment firms
- Strong support from investors with successful equity raises in October 2017 and June 2018
- \$4.57m in cash holdings as of 30 June 2018
- July and August 2018 revenue recording an increase of 90% compared to the prior corresponding period

**Kyckr Limited (ASX:KYK)** (Kyckr or the Company), a regulatory technology company is pleased to announce its preliminary final report results for the year ended 30 June 2018.

## Financial Overview

The published results include the revenue contribution of Kyckr Ireland Limited in the prior year for the period of September 2017 to the end of June 2018 (10-month period). To simplify statements below, references to performance are based on 12 months revenue contribution from Kyckr Ireland for comparative information where provided.

Kyckr's full revenue result of \$1.8m was an increase of 3% on the previous full year, with growth represented across our online and enterprise solutions. This includes:

- B2C online sales revenue grew 58% to \$283k in FY18 whilst post-billed online revenue grew 16% to \$737k.
- New enterprise revenue grew by \$400k compared to the previous year, representing 23% of total revenue for FY18.

Following a period of solid growth, revenue has now reduced to a normalised level for Bank of Ireland in FY18. We expect to secure the renewal of this contract in the near future as a result of the success and support from this cornerstone client.

The management team was pleased with the strong growth achieved in FY18 for online and post billed revenue and continues to focus on growing revenue organically.

We remain optimistic in revenue growth from new enterprise client signings and prospects. We are pleased with the significant investments made in managing complex and prolonged procurement onboarding with several clients and we look to reap the rewards from these accounts in FY19.

The loss before income tax for the year ended 30 June 2018 of \$3.5 million has been impacted by non-cash share-based payment expenses of \$338k. The management team continue to carefully manage the expenses of the Company to ensure costs are targeted appropriately towards revenue generating activities and continued technological improvements.

## Operational Overview

Operationally, we expanded our global footprint, with significant new clients and partnerships, new offices established, new resources appointed, and additional registry capabilities acquired during the year - strengthening our position as a leading global provider for company intelligence. We are grateful to our continued support from investors to support our growth plans.

### Growth Through Blue-Chip Clients

This past financial year saw the acquisition of key blue-chip clients such as Kyckr's first Australian Financial Institution, Bloomberg, IBM, a global payments provider and global US based bank. Increasing adoption of our services globally reflects strong commercial validation of Kyckr's technology, people and solutions.

#### *Bloomberg*

Bloomberg completed its integration of Kyckr's technology into Bloomberg's global network of terminals under a multi-year collaboration agreement, signaling the commencement of revenue and cash generation.

#### *IBM*

Kyckr signed a global content agreement with multinational technology company IBM, which will use Kyckr's services in its customer projects worldwide. This agreement includes integration with the IBM Watson platform used for Artificial Intelligence and performance analytics. Kyckr will earn project-based revenues as IBM utilises the Company's primary source registry data to assist with customer data cleansing, on-boarding and on-going company monitoring processes. IBM has already identified several its customers that require Kyckr's data remediation services.

#### *Australian Financial Services Client*

Kyckr was pleased to sign its first Australian Financial Institution in September 2017, working closely to provide solutions for decreasing risk and saving costs. We are continuing to work with this client to further develop revenue in FY19.

#### *Global US Bank*

Kyckr announced that it had signed a 5-year data license agreement with a global US based bank. The agreement provides automated access of Kyckr's data (API) to their global division in commercial and consumer banking products and services. The bank will now become an enterprise grade client through the new agreement.

#### *Global Payments Provider*

In January, Kyckr signed an agreement to provide KYC onboarding services to a global payments provider. Revenue commenced earlier this year under an agreement with a fixed subscription value. We will be working with the client to help improve KYC compliance obligations and further maximise revenue opportunities.

### Improved Coverage and New Relationships

Kyckr was able to extend its data capabilities, adding improved access to Russia, the Commonwealth of Independent States (CIS) and China to its current global coverage. A 4-year agreement with Russian corporate information supplier Seldon 2 LLC (Seldon), enabled Kyckr to access high quality intelligence on Russian and CIS companies and individuals.

In addition, Kyckr also added a credible source of Chinese company registry data to its capabilities covering all 30 provinces.

Kyckr commenced a collaborative relationship with Norton Rose Fulbright Australia (NRF), as legal advisors to market services across Australia. The collaboration focusses on providing clients with specialised end-to-end solutions to meet AML and Counter-Terrorism Financing (CTF) obligations.



### New Website Experience

Earlier this year, Kyckr commenced the process of redesigning its website to provide an improved, richer user experience.

Supported by extensive research on our customer journey, the new website will debut an all-new design centred around our client needs and behaviours, helping users navigate our global registry access quickly and easily. Improved functionality allows users and teams to manage their compliance obligations with more confidence than ever before.

The new website will also include comprehensive information and content for our customers, prospects, investors and partners to better understand Kyckr's global positioning in the KYC/AML space.

The new Kyckr website will look to provide an informative experience for our users as we continue to grow our brand and market presence.

### GDPR: Working Towards Compliance

In May, Kyckr made changes to its policies in alignment with its commitment to data privacy. With the General Data Protection Regulation (GDPR) coming into enforcement, we were able to bring increased transparency and honesty around the handling of information and the strict security measures in place to protect our customers.

As always, Kyckr remains committed in only ever offering solutions and services that demonstrate compliance within GDPR.

### **Corporate Overview**

#### Investment in Expertise

Kyckr continued its pursuit of strengthening its global team, people and culture. This financial year, we hired expertise to help support our strategic global growth plans.

Benny Higgins, former CEO of Tesco Bank, stepped into the role of Executive Chairman of Kyckr. With over 30 years of experience in financial services and global banking, Benny has been responsible for strategic guidance and growth of the business, remaining as Executive Chairman of the Company until the appointment of a European-based CEO. Benny will remain on the Board as Non-Executive Chair once a new CEO is appointed. In the short time since commencing, Benny has played an active role in the management and leadership of Kyckr. Earlier in April, he visited Australia conducting a range of shareholder briefings in Perth, Melbourne and Sydney and will continue to be actively involved in building client relationships with existing and potential clients.

Kyckr appointed David Reid as Chief Technology Officer. David's career has been focused on growing technology businesses, leading companies from early stage start-ups to highly scalable global businesses that meet the highest demands of customers. David is an entrepreneurial and driven Chief Technology Officer and was a founder of several companies. He is a facilitator and builder of world-class technology management and product development teams, with specialty in both start-up and scaled growth stages. David's background and experience will be instrumental to the continued development of Kyckr's solutions and services.

Additional business development and digital marketing resources commenced in support of our strategic growth plans. This will assist with greater focus in the UK, the US and a redesign and relaunch of the Kyckr website.



## Continued Validation from Investors

Kyckr continued to attract quality investors throughout the financial year, reinforcing our global positioning within Anti Money Laundering and Know Your Customer (KYC) sector.

In October last year, Kyckr announced that it had raised \$2 million via an institutional share placement, providing additional funds to capitalise on the significant revenue opportunity presented by the signing of US based clients including Bloomberg and IBM. The offer received strong support from new and existing institutional, sophisticated and professional investors and closed oversubscribed.

It also included the addition of 3 very high-quality fund managers experienced in tech investments.

In June this year, we announced a successful Placement to institution and sophisticated investors to raise A\$5 million (after costs).

The proceeds from the Placement will be used towards additional resources (Business Development and Account Management), the continued investment of Kyckr's products (including the development of Machine Learning and Artificial Intelligence applications) and general working capital purposes.

## **Outlook**

The Company remains focused on providing its customers with solutions that support their ever-increasing challenges to adhere to their KYC/AML obligations.

The revenue performance of the Company for July and August 2018 is encouraging, with revenue up more than 90% on the same corresponding period next year. Management are focused on continuing this growth with the launch of our new website and by working closely with our key customers.

In addition, we are confident the new CEO will be in place by the end of the year. Based in London, the appointment will play a vital role in the operations and delivery across our key international markets.

The regulatory industry is changing and with increasingly complex regulatory requirements, Kyckr will continue to deliver costs savings and risk mitigating solutions through primary source intelligence and Perpetual KYC solutions, streamlining compliance and onboarding obligations.

In a global market where regulatory technology continues to evolve rapidly, Kyckr's range of solutions continue to resonate strongly as our coverage increases to over 200 company registries, 120 countries and over 80 million legal entities.

Kyckr would like to thank all its shareholders, staff and clients for their ongoing loyalty and support. We look forward to another year of exciting innovation and world-class solutions for our clients and shareholders.

Ends.

## **About Kyckr Limited**

Kyckr is a global regulatory technology (RegTech) business, providing data and technology solutions. Kyckr's solutions are connected to over 200 regulated primary sources, in over 120 countries, providing real-time company registry information on over an estimated 80 million businesses globally. Kyckr provides automated technology solutions to improve the efficiency and effectiveness of Corporate KYC.

To learn more about Kyckr, visit [www.kyckr.com](http://www.kyckr.com)

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