



ASX RELEASE

30 August 2019

KYCKR ADVANCES FY19 REVENUE GROWTH

Highlights

- FY19 revenue of \$2.2 million up 25% over the prior corresponding period
- Online Kyckr.com revenue increased 40% compared to prior year
- Continued emphasis on strategic partnerships and collaborations including ESC during the period, and recent wins including AXA Singapore and DemystData
- Cash of \$1.4 million as of 30 June 2019, and proforma \$6.6m following \$5.2m capital raising in July for the acceleration of Kyckr's global commercialisation plans

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a regulatory technology (RegTech) company is pleased to announce its preliminary final report results for the year ended 30 June 2019.

Kyckr provides real-time Know Your Customer (KYC) products for financial services firms to verify the identity and ongoing monitoring of their clients, and to help prevent money laundering and financial crime. High profile incidents have led regulators from across the world to take strong action to improve KYC, AML and fraud prevention policies, including the adoption of emerging technologies.

The Kyckr online platform is the largest KYC platform for customer identification, accessing real time data from over 200 company registries in 120 countries, enabling users to instantly find company profiles, credit reports and filings.

FY19 Financial Overview

Kyckr made significant progress across its segments in FY19 reporting a 25% increase in group revenue to a record \$2.2 million, from \$1.7 million on the previous full year.

Online revenue of \$1.4 million was the primary contributor, increasing 40% on the \$1.0 million reported in the prior year. Kyckr experienced a 50% growth in new registrations across its web-based solution in FY19 compared to the prior corresponding year and the Company's re-launched website is expected to facilitate future sales.

Revenue from the Company's Enterprise solutions was 8% lower to \$0.65 million, primarily as a result of a lower contribution from the Bank of Ireland contract as it moved to a normalised basis after the initial upfront activities. Enterprise revenue excluding the Bank of Ireland was up 9% reflecting an increase in revenue diversification across the segment. Contact renewal rates have successfully extended into a further year and Perpetual KYC pilots have been proposed with major banks in FY20. A key business priority is greater customer and geographic diversification and Kyckr is focused on bolstering strategic partnerships with companies across the financial, data and technology space to help drive exposure and opportunities for further expansion.



As previously flagged in the Half Year 2019 results announcement, Kyckr recorded a non-cash goodwill impairment charge of A\$3.8m, partially driven by the delay in achieving significant revenue growth in commercialising the platform with clients. Management is confident the strengthening fundamentals of Kyckr, as evidenced by the improvement in revenue during the period, means asset valuations are now appropriate.

Kyckr's CEO, Ian Henderson, commented: "In FY19, we invested heavily in our technology and developed a strategic partnership with Codec, Ireland's leading tech developers, resulting in the launch of our improved Kyckr.com platform. Encouragingly we've seen early signs of benefits from this investment through growth in online sales, and our aim is to continue to drive sales generation from this channel.

"In our Enterprise division we have improved the geographic diversification in sales and are now less dependent on Europe, with more growth coming from new geographies including the US.

"One of our key strategic pillars, which we've started to implement in FY19, is to build partnerships with firms across the financials, data and technology space to accelerate our revenue. Our recent efforts have culminated in signing an agreement with one of the world's largest insurers, AXA Singapore, in addition to ESC in Canada and DemystData over the past few months.

"The opportunity continues to grow as Know Your Customer, Anti-Money Laundering and Fraud Prevention procedures are increasingly required by financial institutions and other regulated organisations, including automated client identity verification, to comply with regulators and to reduce risk surrounding Know-Your-Customer identification and monitoring. Existing solutions are slow, costly and manual and there is a growing need and demand for automated KYC intelligence which eliminates the need for time-consuming manual regulatory compliance checks. This is where Kyckr comes in and we are confident in our growth acceleration, driven by global regulatory demands; whilst we continue to deliver legally accurate information for customer verification."

Operational Overview

New Kyckr.com platform launch to accelerate growth

The much anticipated [Kyckr.com](https://www.kyckr.com) website was re-launched in May 2019 to provide an easy-to-use platform for businesses and individuals to find global, real time Know Your Customer information. The aim of the new platform is to enhance the user experience and functionality, and ultimately increase leads, new users and sales.

The website contains improved features and dashboard functionalities to facilitate the user experience. For firms with multiple users, improved administration features now include allowing users to create administrators, manage teams, set spend limits and create custom permissions.

Kyckr has experienced an acceleration in revenue through the platform and in only 30 days since its launch, over 9,000 new visitors visited the site with positive early signs of subscriber growth.

Building strategic partnerships to generate new revenue channels

Kyckr's strategy under the management team's new leadership includes developing relationships with global data providers and firms across the financial and technology space, to accelerate the development of automation onto their clients and suppliers. These channels are eventually expected to fast-track Kyckr's network and client base.

In a short period of time, the Company signed a number of collaborations including a three-year agreement with ESC Corporate Services Ltd. (ESC), a leading Canadian compliance provider with over 8,000 clients including banks, law firms, fin-techs, and institutions. Under the agreement, ESC and its clients will be able to access Kyckr's US data from its global registry network in real-time.



Post period end, Kyckr signed an agreement with one of the world's leading insurance firms, AXA Singapore. Kyckr is to receive initial revenue of \$380,000 SGD (\$400,000 AUD) incorporating technology services and the provision of digital data, with additional revenue from services to follow with the expansion across Asia. Revenue is expected to be realised from Q1 FY20 with AXA Singapore anticipated to roll out its first project in the first half of FY20.

Also after the end of the reporting period, the Company signed a two-year agreement with global data provider DemystData to adopt the Kyckr API for existing and new clients. DemystData provides financial institutions, including tier-one banks, insurers and lenders with API access to discover, access and test corporate data in combatting fraud. The partnership will allow DemystData customers to evaluate and test Kyckr's registry network with the aim of adoption to reduce both onboarding times and cost.

Enterprise clients - extension of services with Bank of Ireland

Kyckr is pleased to report that during the period services to Bank of Ireland were extended to September 2021. The Bank has been an enterprise client of Kyckr since 2015 and the extension is a validation of the Company's technology.

The agreement provides a minimum contractual commitment of A\$660k over the three-year period and covers the provision of data to facilitate Corporate Know Your Customer Due Diligence (KYC DD) Services, including onboarding new customers and on-going monitoring of corporate customer information.

Corporate Overview

Management team strengthened with CEO appointment and senior hires

Kyckr strengthened its management team during the FY19 with the appointment of London-based banking executive, Ian Henderson, as Kyckr CEO from 1 January 2019. Bringing more than 30 years' senior expertise in the financial services sector, Mr Henderson held former CEO positions at Shawbrook Bank and RBS International, where he led each firms' profit growth during his tenure.

Kyckr also strengthened its IT development capability through the establishment of a strategic relationship with Codec, Ireland's leading IT development house. This gives Kyckr access to a much larger Development team and support resources, with a view to accelerating the development cycles.

Appointment of Non-Executive Directors

As part of advancing the Board's expertise, senior compliance executives Karina Kwan and Jacqueline Kilgour were appointed as Non-Executive Directors to the Board.

Ms Kwan brings exceptional experience in risk and corporate governance following a career where she was also CFO for Citigroup Australia and New Zealand.

While Ms Kilgour has over 30 years' experience in regulatory compliance having held the role of Managing Director in Citigroup's Corporate and Investment Banking division in New York where she had responsibility globally for anti-money laundering, and compliance for Global Transaction Services in over 100 countries.

As part of the Board changes, Albert Wong stepped down as Non-Executive Director, and Benny Higgins moved into a Non-Executive Chairman role, commencing 1 January 2019.

Placement

In July 2019, Kyckr announced a \$5.2 million capital raising via a share placement to institutional and private investors to support the acceleration of its global commercialisation plans. The Company received encouraging support for the Placement and as Kyckr continues to scale up, the proceeds from



the Placement are intended to be applied towards additional resources (Business Development and Account Management), continued investment of Kyckr's products and general working capital purposes.

Outlook

In FY20, Kyckr will continue to focus on driving strategic partnerships, including with global data providers and credit bureaus, in addition to increasing online growth from the new Kyckr.com digital platform.

Enterprise business remains a key priority amongst current and prospective enterprise clients, and the Company has currently several partnership discussions underway with enterprise grade prospective customers. Kyckr will be strengthening its business development and account management capability in support of this priority.

As we experience rapid growth in the RegTech industry, Kyckr is optimistic on its long-term outlook and remains focused on strengthening its offering across global customers and markets.

About Kyckr Limited

Kyckr is a global regulatory technology (RegTech) business, providing 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 170 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.

For further enquiries, please contact:

Karl Pechmann, Company Secretary

Kyckr Limited

Email: investor.relations@kyckr.com

Phone: +61 401 085 399