



ASX RELEASE

22 January 2020

KYCKR ADVANCES GROWTH STRATEGY

Highlights

- Quarterly revenue of \$601k, up from \$551k in the September quarter, with increased growth from Enterprise segment
- Staff hires to strengthen key London office
- Continued focus on enterprise clients, strategic partnerships and digital platform to boost global growth of Kyckr technology
- Achieved technology security standard ISO 27001 accreditation, a requirement for many enterprise clients
- Well-funded to execute strategy with \$4.5 million cash at end-quarter

Regulatory technology company, **Kyckr Limited (ASX:KYK)** (Kyckr or the Company), is pleased to provide its activities update for the quarter ended 31 December 2019.

Kyckr CEO, Ian Henderson, said the December quarter saw Kyckr progress on a number of fronts, both from a technology and commercialisation standpoint with an extension of client contracts and new pilots proposed.

"We had a busy second half of 2019 advancing our commercialisation strategy with a 76% revenue growth in our Enterprise revenue compared to the prior year from existing and newly on-boarded clients. We see significant opportunity in the enterprise client segment given heightened regulatory pressure.

"We have also seen further benefits from our strategic partnerships and from our Kyckr.com platform which continues to experience a rise in the number of self-generating web enquiries leading to growth in subscriber rates.

"We have continued to invest in our technology capability with a significant investment during H1 in our Perpetual KYC Solutions which have the ability to add significant value to clients by removing the need for costly manual KYC monitoring activity. We are engaging with clients and prospects to promote this capability.

"We are providing these efficient solutions in a growing sector with rising compliance-related spend where changes in global regulations and a drive for increased automation/digitisation are creating a greater need for our products. With the increasing opportunities in the European market, we have bolstered our London hub with a number of staff hires where a core part of our business and revenue leads are generated. As part of this, we have also decided to move our Finance administration to London, which will result in our CFO Karl Pechmann stepping down from Kyckr following a transition period. I would like to take the opportunity to thank Karl for his contribution and guidance within the business over the years.



"Changes have also occurred at a Board level, with former Non-Executive Director Rob Leslie stepping down from that role. On behalf of the Board, I want to thank Rob for his hard work and counsel throughout the years and wish him well in his future business endeavours.

"We enter 2020 with momentum and continue to advance our commercialisation strategy, whilst remaining well-funded to execute on our plans to assist businesses and individuals identify and maintain real-time accurate information on their customers."

Financial Overview

Kyckr recorded revenue for the quarter of \$601k, a 16% increase on the prior December quarter, and a 9% growth on the September quarter.

Kyckr's enterprise revenue increased 76% year-on-year as the Company experienced a growth in enterprise client engagements.

Kyckr's online revenue for the quarter decreased 7% compared to the prior corresponding period. Online revenue in the prior year was aided by a single large one-off client engagement. The recent addition of business development and marketing resources is expected to grow this revenue segment.

During the quarter, Kyckr invested in its technology capability, incurring additional expenses to achieve the ISO 27001 certification. In addition, the Company incurred costs relating to the hiring of new resources in its London office to better meet local client needs.

Total cash receipts were \$740k, and cash at the end of 31 December 2019 was \$4.5 million.

Operational Update

Increased Enterprise Focus

During the quarter Kyckr's Enterprise revenue was up 76% compared to the previous corresponding period and was also up 35% compared to the September quarter. Kyckr has been working closely with both existing clients and recently announced clients to increase their usage of Kyckr's enterprise solutions.

The addition of Business Development and Account Management resources in London is expected to open up more Enterprise revenue opportunities in the UK and Europe which is a key market for Kyckr's services considering the tightening regulatory environment and the demand for Know-Your-Customer solutions.

Strengthened Executive Team and Staff Changes

Appointments were made to bolster the London team with hires including Business Development and Account Management, Marketing, Product Delivery and Data Science.

The new staff are based in London to be closer to the Company's growing customer base and leads. Kyckr welcomes the new hires which will provide a valuable skill set to strengthen the London hub with business development and marketing resources.

Kyckr also informs that Karl Pechmann will be stepping down from his role of Chief Financial Officer and Company Secretary at Kyckr. Mr Pechmann will remain with Kyckr to assist with the transition of the finance function to London. He is supportive of the pivot of the business and operations to London to further meet client demands.



Technology Security Accreditation Received

Kyckr received Technology Security Standard ISO 27001 accreditation during the period. ISO 27001 is an international risk-based certification designed to help organisations effectively manage information security by systematically examining an organisation's information security risks.

Data protection is Kyckr's most valuable asset and the accreditation is a great validation of the Company's technology in handling sensitive data. Kyckr will continue to ensure the highest level of security is held to meet clients' needs and holding the certification is expected to fast track the Company's discussions with key clients and partners.

Corporate Update

Board Changes

During the period, Kyckr underwent Board changes with Non-Executive Director Robert Leslie retiring from the Board to pursue his other executive responsibilities, while Benjamin Cronin moved from an Executive Director to a Non-Executive Director role at Kyckr.

Outlook

Kyckr remains well positioned to capitalise on the demand for Know Your Customer technology, whilst focusing on growing direct revenue, underpinned by recent client successes.

The Company will continue to focus on the execution of commercial agreements from existing enterprise clients and prospects, and strategic partners while increasing online growth from the new Kyckr.com platform.

Kyckr remains confident on its ability to capitalise on the increase in regulatory requirements driving demand for primary source data.

Ends.

This ASX announcement was authorised for release by the Kyckr Limited Board of Directors

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.



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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 December 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		740	1,243
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(268)	(452)
(c) advertising and marketing		(13)	(25)
(d) leased assets		-	-
(e) staff costs		(901)	(1,597)
(f) administration and corporate costs		(501)	(886)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		16	24
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other		-	-
1.9 Net cash from / (used in) operating activities		(927)	(1,693)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		-	-
(b) businesses (see item 10)		-	-
(c) investments		-	-
(d) intellectual property		-	-
(e) other non-current assets		-	-
2.2 Proceeds from disposal of:			
(a) property, plant and equipment		-	-
(b) businesses (see item 10)		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	5,171
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	-	(358)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	4,813

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,498	1,449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(927)	(1,693)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,813
4.5	Effect of movement in exchange rates on cash held	(16)	(14)
4.6	Cash and cash equivalents at end of quarter	4,555	4,555

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	247	283
5.2 Call deposits	4,308	5,215
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,555	5,498

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**

109

-

Directors' 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. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

- 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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(248)
9.3 Advertising and marketing	(35)
9.4 Leased assets	-
9.5 Staff costs	(925)
9.6 Administration and corporate costs	(425)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,633)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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: 22 January 2020

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.