



## ASX RELEASE

29<sup>th</sup> July 2020

### Kyckr continues Enterprise growth in Q4

#### Highlights

- June Quarter unaudited revenue of **\$648k**, up from **\$627k** in March quarter following strong growth in both Kyckr for Business and Enterprise channels.
- Positive revenue growth maintained despite weaker customer onboarding as a result of COVID-19.
- Contracts signed for the extension of services with Citi Commercial Bank and annual contractual agreement with Commerzbank.
- Completion of A\$8.7 million capital raise to drive Kyckr's enterprise sales channels and strategic partnerships.
- Cash balance of **A\$6.66 million** as of 30 June 2020, with tranche 2 of the capital placement received post 30 June 2020 (additional A\$3.13 million).

**Kyckr Limited (ASX:KYK)** (Kyckr or the Company), a regulatory technology (RegTech) company is pleased to provide an update on its activities for the quarter ended 30 June 2020. Kyckr's technology is used by financial services and other regulated businesses to provide automatic access to primary source data and documents during the critical stage of customer verification and onboarding and for ongoing monitoring of these customers after they have been onboarded (Perpetual KYC).

#### Financial Overview

Kyckr continued to see growth in its core **Enterprise** and **Kyckr for Business** division with a number of engagements secured during the quarter. The Company recorded its strongest ever sales month in April, which was up 39% on the prior year and was driven by contracts signed with Citi Commercial Bank and Commerzbank.

Kyckr delivered a year to date increase in revenue of **12% to \$2.4 million**. Key FY20 numbers include:

- Enterprise revenue up 20% year to date to **\$814k**.
- Kyckr for Business up 14% year to date to **\$1.238 million**.
- Kyckr online revenue down 6% year to date to \$394k. This was due to weaker customer on-boarding during the early months of COVID-19.

Kyckr CEO, Ian Henderson, said "Like many industries, the financial services sector was impacted by COVID-19 during the quarter, with lower levels of customer on-boarding by our clients in May and June after a very strong April, the best monthly performance in the Company's history. We are seeing signs that the pandemic has heightened the need for robust digital customer verification services and, with that, the trend towards digital transformation is accelerating. This will lead to longer term opportunities for Kyckr. We had already taken the strategic decision to extend Kyckr's established capability



underpinning customer on-boarding into Perpetual KYC with the build-out of our Company Watch service. This takes Kyckr beyond the world of customer onboarding to **on-going compliance monitoring** in line with the increased obligations from recent AML regulations.

“The successful capital raise completed during the quarter also puts us in a strong position for growth in FY21 as we continue to build our enterprise pipeline and extend our partner strategy”, Mr Henderson added.

### Operational Update

Kyckr’s continued engagement with existing customers resulted in the extension of the agreement with Citi Commercial Bank, a division of U.S. multinational Citigroup, a long-standing client of Kyckr. The value of the services is c.USD\$300,000 (A\$496,000), over a 12 to 18 month period with Kyckr’s customer verification technology being used in 15 key countries where the bank operates.

Kyckr also signed a contract with Commerzbank AG, Germany’s second-largest bank, with an approximate minimum value of A\$100,000 for the Kyckr for Business portal in the UK over the first period of 12 months.

Commerzbank had previously been using Kyckr’s customer verification platform on a pay-as-you-go basis. The new contract extends the Company’s relationship with Commerzbank to an annual contractual commitment for the Kyckr for Business Portal.

Kyckr’s partnership strategy is progressing well. Six agreements have been signed to date and the Company is in discussions with 30 other potential partner organisations. A number of pilots are currently underway with major banks and strategic partners, though the purchase cycle may take longer in these large organisations and is additionally subject to COVID-19 related delay.

The implementation of the European Union’s Fifth Anti-Money Laundering Directive (5AMLD) in January 2020 is also positive for Kyckr’s strategic partner pipeline. To capitalise on regulatory tailwinds from 5AMLD, Kyckr launched its ‘Company Watch’ product, an automated online monitoring service for enterprises to retain the most accurate customer information, receiving encouraging early traction.

### Corporate

During the Quarter, the Company successfully completed a Placement to raise \$8 million (before costs) at an issue price of \$0.08 per share. A Share Purchase Plan was also undertaken with shareholders contributing an additional \$0.73 million. The Placement enables Kyckr to further pursue international opportunities whilst expanding its enterprise sales team to build on enterprise growth, extend global partnerships, and undertake further product development of the Kyckr technology.

Related party payments of \$382k were paid during the period, which represent Director fees paid from the approved pool of fees, as approved by shareholders.

The Company remains in a solid financial position to progress its current operations and strategy with a cash balance of **A\$6.66 million** as of 30 June 2020, **with tranche 2 of the capital raise received post 30 June 2020 (an additional A\$3.13 million).**

### Outlook

Kyckr is well positioned to capitalise on the associated demand for Know Your Customer technology solutions and the significant increase in demand for real-time primary source data.

The Company will continue to prioritise and focus on its Enterprise business, engage strategic partners and extend its target market beyond regulated businesses and financial services to drive its revenue acceleration.



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 that provides the financial services sector and other regulated businesses with real-time company registry information to improve the efficiency and effectiveness of Know Your Customer (KYC) processes during the critical stage of customer verification and onboarding as well as post-onboarding customer monitoring (Perpetual KYC). Kyckr's solutions are connected to more than 180 regulated primary sources, in over 120 countries. Through its KYC and Company Watch (Perpetual KYC) solutions, Kyckr helps businesses and customers to prevent money laundering, fraud and financial crime.

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

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## Appendix 4C

### Quarterly Kyckr cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Kyckr Limited

**ABN**

90 009 237 889

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

30-Jun-20

<b>Consolidated statement of cash flows</b>		<b>Current \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows related to operating activities</b>			
1.1 Receipts from customers		492	2,574
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(213)	(908)
(c) advertising and marketing		-	(25)
(d) leased assets		-	-
(e) staff costs		(1,441)	(4,460)
(f) administration and corporate costs		(430)	(1,978)
1.3 Dividends received		-	-
1.4 Interest received		5	42
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes benefit (paid)		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other transaction costs in acquisition of subsidiary		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(1,587)</b>	<b>(4,755)</b>

<b>2 Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	(2)
(d) investments		-	-
(e) intellectual property		-	-
(f) other noncurrent assets		-	-

Consolidated statement of cash flows		Current \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other noncurrent assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	(2)

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares (excluding convertible debt securities)	5,436	10,607
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(258)	(616)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>5,178</b>	<b>9,991</b>

<b>4. Net increase/ (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,160	1,449
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,587)	(4,755)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,178	9,991
4.5 Effect of movement in exchange rates on cash held	(93)	(25)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>6,658</b>	<b>6,658</b>

**Appendix 4C**

**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>5. Reconciliation of cash and cash equivalents</b> (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	6,658	3,160
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal 4.6 above)</b>	<b>6,658</b>	<b>3,160</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
382
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 Total financing facilities

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>

- 7.5 Unused financing facilities available at quarter end

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

**Appendix 4C**

**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,587)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,658
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	6,658
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	4.2

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

### 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 does give a true and fair view of the matters disclosed.

Date 29-July-2020

Authorised by: The Kyckr Board of Directors  
(Name of body or officer authorising release – see note 4)

### Notes

1. *This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.*
2. *If this quarterly cash flow 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 cash flow 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.*
4. *If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".*
5. *If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*