



ASX RELEASE

28th August 2020

Kyckr reports FY20 results with continued revenue growth

Highlights

- FY20 Revenue up 12.2% to \$2.4 million
- Enterprise revenue up 20% to \$0.8 million, Kyckr for Business up 14% to \$1.2 million
- Reported Loss After Tax down 19% to \$4.9m (FY19 \$6.1m)
- Continued focus and growth in building Enterprise channel and partnership model
- COVID-19 has resulted in some slowdown in customer onboarding by our clients, offset by a positive trend towards post-onboarding monitoring via Kyckr's latest solution, Company Watch
- Strong balance sheet with cash on hand at end of July 2020 of \$9.2m

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a regulatory technology (RegTech) company is pleased to announce its financial results for the financial year ended 30 June 2020.

Kyckr's online platform is the largest platform for corporate identification globally, bringing speed and accuracy to Know-Your-Customer authentication and ongoing monitoring, whilst eliminating time-consuming manual regulatory compliance checks.

Financial Overview

During FY20 the Company's strategic focus was on building its enterprise channel and partnership model. Kyckr strengthened its London office with key hires with significant enterprise SaaS experience – Sales, Marketing, Account Management, Product Development and Finance. This allowed further focus on customer and geographic diversification.

COVID-19 significantly impacted global markets in the second half, and Kyckr was proactive in implementing required protocols to protect its employees and business operations.

For Kyckr, the financial year saw overall client and revenue growth, albeit with a slowdown in customer onboarding by our clients in the final two months of the financial year as a result of COVID-19. This was after a very strong April, which was the best monthly performance in the Company's history. Offsetting the COVID-19 related slowdown was a positive shift towards post-onboarding monitoring, specifically in the Company's **Enterprise** division.

The financial year also saw a further uptake in collaborations with European and international partners with a number of partnership deals secured.

Kyckr delivered an increase in revenue of **12.2% to \$2.4 million** for FY20. Enterprise revenue was up 20% to \$814k and Kyckr for Business revenue was up 14% to \$1.238 million. Revenue from Kyckr online was down 6% to \$394k, due to weaker customer demand during the early months of COVID-19.



The Company reported a reduced Net Loss After Tax \$4.9m (FY19 \$6.1m). The Company raised a total of \$13.9m during the year and had cash on hand as at 31st July 2020 of \$9.2m. Kyckr remains well positioned to fund its future growth and to manage the uncertain market conditions resulting from COVID-19.

Enterprise: The Company made solid progress in the division with a number of agreements signed including with global tier one bank Citi Commercial Bank, for the value of USD\$300,000 (A\$496,000) over a 12 to 18 month period. The agreement is to access Kyckr's customer verification platform during the critical stage of client verification when bringing a new customer onboard.

The implementation of the European Union's Fifth Anti-Money Laundering Directive (5AMLD) in January 2020 has also led to a positive increase in Kyckr's activity. To capitalise on this, the Company made the strategic decision to expand from purely data sales driven customer onboarding to ongoing compliance monitoring of customers with the launch of the Company Watch SaaS product, an automated online monitoring service for enterprises to acquire the most accurate customer information. In addition, the data sources captured have been extended, leading to an increase in the amount of structured data made available to clients. This will be further enhanced through the development of software to facilitate uncovering ownership structures internationally.

Post-period end, in the last two months alone, Kyckr experienced an 11% revenue growth in the Enterprise division with four new contracts signed. The contracts are not sufficiently material in value to be disclosed as standalone announcements but are a great indication of the progress made in this division. The agreements include a subsidiary of a global tier one bank and the European arm of a Fortune 500 company - with further expansion expected to follow. Kyckr is also pleased to report a number of Perpetual KYC pilots currently underway with major banks as they accelerate their digital transformation journeys. Two global tier one banks are currently evaluating Kyckr as an integral component of their KYC transformation programmes. To capitalise on this, significant marketing investments are being made to raise brand awareness and generate quality inbound leads.

Kyckr for Business: A new agreement was also signed with Germany's second largest bank, Commerzbank, converting from a month-to-month pay as you go to an annual agreement with a minimum value of A\$100,000. The Kyckr technology will be used to provide automatic access to primary source data and documents during the critical stage of customer verification, primarily for Commerzbank's operations in the UK.

Kyckr online: The Company launched its new and enhanced Kyckr.com platform during FY20. Initial uptake was a record 9,000 new registrations on the site as the Company continued to build awareness of the platform. However, COVID-19 has impacted the demand for sole users to access the KYC online database – albeit this has been offset by the strong adoption from Enterprise clients.

Strategic Partnerships

Strategic partnerships are a key focus of the Company to fast track exposure to new customers and revenue growth. Further software partners have been added to the growing partnership portfolio. These partners will be reselling the Kyckr solutions within their software as a value added service to their established customer bases, which is expected to drive further revenue for Kyckr

Eight agreements have been signed to date with strategic partners and the Company is in discussions with 30 other potential partner organisations. Through these partners, a number of pilots are currently underway with major banks, although the purchase cycle may take longer in these large organisations and is additionally subject to COVID-19 related delay.



The Company continues to place strong emphasis on technological enhancements, and was pleased to have received ISO 27001 accreditation, which validates Kyckr's technology systems in handling sensitive data.

Kyckr CEO, Ian Henderson, commented: "We have continued to build on our strategy during FY20, driving our enterprise pipeline and extending our strategic partners. The agreements with Citi Commercial Bank and Commerzbank demonstrate the demand and uptake for Kyckr's technology by major banks, and are a great indication of our ability to capture significant opportunities that exist within large financial services organisations.

"As with the rest of the industry, we were impacted by COVID-19 during H2 FY20, which resulted in a drop in Kyckr.com online uptake. Despite this, the pandemic has heightened the need for robust digital customer verification solutions, and the demand for automated KYC intelligence, which eliminates the need for time-consuming manual regulatory compliance checks.

"The total market for KYC solutions is continuing to grow and we have moved our offering not only to customer onboarding but also ongoing compliance monitoring. We are well positioned for FY21, and the investments made in our sales and marketing team will allow us to take full advantage of the sales opportunities ahead to drive revenue acceleration and diversification."

Corporate

During FY20, the Company completed two capital raisings. In September 2019 A\$5.2 million were raised which saw Richard White, prominent technology entrepreneur, become a major investor in Kyckr, taking up a 19.6% stake in the Company. In May 2020 Kyckr raised a further A\$8.7 million. Both raisings have allowed Kyckr to expand its sales team to take advantage of the opportunities ahead.

Changes also occurred at a Board level with Non-Executive Directors Mr Robert Leslie and Mr Ben Cronin stepping down from the Board to pursue other executive and business responsibilities. The Company also appointed a new company secretary, Mr Bill Hundy replacing Mr Karl Pechmann.

Kyckr remains in a solid financial position to progress its current operations and strategy with cash on hand at end of July 2020 of \$9.2m.

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.

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