

1. Company details

Name of entity:	Kyckr Limited
ABN:	38 609 323 257
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	12.2% to	2,399,295
Loss from ordinary activities after tax attributable to the owners of Kyckr Limited	down	19.9% to	(4,907,827)
Loss for the year attributable to the owners of Kyckr Limited	down	19.9% to	(4,907,827)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4,907,827 (30 June 2019: \$6,125,773).

Refer to the Chairman's and Chief Executive Officer's report for further detail.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.99	0.53

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Kyckr Limited for the year ended 30 June 2020 is attached.

12. Signed

As authorised by the Board of Directors

Signed

A handwritten signature in black ink, appearing to read "B Higgins".

Benny Higgins
Chairman
Sydney

Date: 27 August 2020

Kyckr Limited

ABN 38 609 323 257

Annual Report - 30 June 2020

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Dear shareholders,

On behalf of the Board of Kyckr Limited (Kyckr or the Company), it is our pleasure to present the annual report for the year ended 30 June 2020.

The past year has presented a unique and challenging set of circumstances with the onset of the COVID-19 pandemic. Kyckr has quickly adapted during this unprecedented period, ensuring the safety of employees while carefully working with clients to ensure business continuity.

The pandemic has confirmed the need for more robust customer verification solutions and an increased reliance on digital financial solutions.

To this extent, we are pleased to announce that Kyckr reported revenue growth in FY20 as the Company delivered on its strategy of building its Enterprise channel and strategic partnership model.

The total market for KYC solutions, comprising services such as business verification, will only continue to grow with a projected annual growth rate of 16% and expected to reach \$11.8 billion in 2022¹.

Increased demand for Know Your Customer (KYC) solutions as regulators tighten requirements for the provision of financial services

It's quite remarkable to think that Kyckr has developed the largest platform for corporate identification globally and is also the only platform with the ability to consistently access Know Your Customer information in real-time - from more than 180 regulated primary sources in over 120 countries.

What the Kyckr platform allows businesses to do is eliminate time-consuming manual regulatory compliance checks whilst bringing speed and accuracy to Know-Your-Customer authentication.

Digitised customer verification products are proving to be a critical solution for financial services providers and many other industries in light of tightening regulations globally relating to Anti-Money Laundering and Countering Terrorist Finance. The recent implementation of the European Union's Fifth Anti-Money Laundering Directive (5AMLD) in January 2020 requiring companies to undertake tighter client on-boarding and ongoing monitoring requirements to prevent financial crime, has led to a positive increase of activity for Kyckr.

To capitalise on regulatory tailwinds from 5AMLD, Kyckr made the strategic decision to expand from purely data sales driven customer authentication to **ongoing compliance monitoring** of customers with the launch of the Company Watch SaaS product, a first of its kind automated online monitoring solution for enterprises.

Financial Overview

For Kyckr, the financial year saw overall client and revenue growth, albeit with a slowdown in new customer onboarding by our clients in the final two months of the financial year as a result of COVID-19. This impacted revenues in May and June, after a very strong April, which was the best monthly performance in the Company's history (A\$260,000, up 39% on the prior year). Offsetting the related slowdown, the pandemic has confirmed the positive shift towards post-onboarding monitoring.

Looking at FY20, Kyckr delivered an increase in total revenue of 12.2% to \$2.4 million.

Growth was driven by the Enterprise division, with revenue up 24% to \$805k as a result of agreements signed with global tier-one banks, such as Citi Commercial Bank, in addition to a positive trend towards post-onboarding monitoring in the division.

Revenue for Kyckr for Business was up 14% to \$1.238 million, also on the back of an agreement with Germany's second largest bank, Commerzbank.

¹ OWI Labs Report 2018 <https://oneworldidentity.com/kyb-market-approach-12-billion-2022-owi-research-finds/>

Kyckr online revenue was down 6% to \$394k, due to weaker customer demand as a direct result of COVID-19. The Company launched the new and enhanced Kyckr.com platform during FY20 with initial strong uptake and a record 9,000 new registrations to the site. COVID-19 has impacted the demand for sole users to access the KYC online database – albeit this was offset by the strong adoption from Enterprise clients. The Company remains confident that the online platform will play a key role in supporting our plans to increase leads, users and sales.

The Company reported a reduced Net Loss After Tax of \$4.9m (FY19 \$6.1m) during the financial year.

To strengthen our balance sheet and provide growth funding, Kyckr completed two capital raisings. In September 2019 A\$5.2 million was raised, which saw Richard White, prominent technology entrepreneur, become a major investor in Kyckr, taking up a 19.6% stake in the Company, while in May 2020 the Company raised a further A\$8.7 million. Both raisings have allowed Kyckr to expand its sales team to take advantage of the opportunities ahead.

Kyckr is in a solid financial position to progress its current operations and strategy with cash on hand at end of July 2020 of \$9.2m, allowing the Company to fund its future growth and to manage the uncertain market conditions resulting from COVID-19.

During the year Non-Executive Directors Mr Robert Leslie and Mr Ben Cronin stepped down from the Kyckr Board to pursue other executive and business responsibilities. The Company also appointed a new company secretary, Mr Bill Hundy replacing Mr Karl Pechmann. Together with the rest of the Board, we would like to thank Rob, Ben and Karl's contributions to Kyckr.

Our Achievements

Strengthened team

A key focus of the leadership team was to build our Sales and Marketing functions to allow the business to enhance its offering and grow its enterprise channel. To this end, Kyckr strengthened its London office with key hires in Business Development, Account Management, Sales and Marketing. Significant marketing investments are being made to raise brand awareness and generate quality inbound leads.

The changes also allowed the Company to complete phase one of the cost reduction plan with the closure of the Dublin and Sydney sales offices to refocus on the European market where regulatory tailwinds are particularly strong.

Agreements signed with global tier-one banks Citi Commercial Bank and Commerzbank

Kyckr made solid progress in its Enterprise and Kyckr for Business divisions resulting in agreements with global banks.

Citi Commercial Bank

Citi Commercial Bank, part of long standing customer Citigroup, entered into an agreement to adopt Kyckr's services across additional business units. The value of the services is USD\$300,000 (A\$496,000) over a 12 to 18 month period, with the Kyckr technology to be used in 15 key countries where the bank operates. As part of the extension of services, Citi Commercial Bank will use our customer verification platform during the critical stage of client verification when bringing a new customer onboard.

Citigroup has been a long standing customer of Kyckr and we remain positive on further developing our relationship with the bank. The fact that our technology has been embedded into a number of Citi's core divisions, reaffirms the strength, reliability and importance of our solution, bringing speed and accuracy to regulatory compliance checks.

Commerzbank

We also strengthened our relationship with Germany's second largest bank, Commerzbank, shifting from a month-to-month pay as you go relationship to an annual agreement with a minimum value of A\$100,000 over an initial 12 month period. 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 the bank's operations in the UK.

These agreements are a further demonstration of the continued uptake of our technology by major banks.

Launch of Company Watch ongoing monitoring solution

A strategic decision was made during the year to shift the Company's revenue mix further in the direction of higher-margin, recurring subscription revenue, by expanding the Kyckr offering to provide not only customer verification but also ongoing customer monitoring, also known as Perpetual KYC, through the Kyckr Company Watch product.

Onboarding new clients when starting a new relationship is the first stage in customer verification, involving gathering vital information on the customer and conducting identity checks to comply with Know-Your-Customer regulations. This is then followed by the ongoing monitoring of those customers through Kyckr's new Company Watch product, enabling clients to perform ongoing monitoring of entities and facilitating continuing compliance.

Kyckr sees an extremely large opportunity with ongoing monitoring as firms have an obligation to continuously monitor customers to ensure their records are up to date.

Therefore the Perpetual KYC platform provides an enterprise solution combining one-off data remediation projects (Verify & Validate) with annual recurring revenue via ongoing monitoring of entities (Company Watch).

Increased Strategic Partnerships

Establishing strategic partnerships is part of Kyckr's strategy to fast track exposure to new customers and revenue growth, and during the year we've been pleased in the partnership portfolio built.

Kyckr sees strategic partners acting as resellers, embedding the Kyckr solution in their software and as a means to connect to large customer networks and speed up time to revenue.

Eight agreements have been signed this year with strategic partners and the Company is in discussions with 30 other potential partner organisations.

Reseller agreement with illion

On that note, a reseller agreement was signed with leading Australasian data and analytics services provider illion Australia Pty Ltd (illion). illion leverages its consumer and commercial credit registries, which comprise data on more than 25 million individuals and 2.5 million active companies.

The agreement enables illion to resell Kyckr's market-leading technology and solutions to new and existing customers across Australia and New Zealand.

Agreement with DemystData

Kyckr also signed a 2-year data provider agreement with global data platform DemystData, a leading provider and platform for integrating data. This agreement allows the Kyckr application programming-interface (API) to be accessible by DemystData's API customers, helping seamlessly evaluate, test and use the Kyckr network.

For Kyckr, the focus on partnerships is expected to help create market-leading propositions across multiple industries and sectors.

We see strategic partnerships as a natural, progressive step in capitalising on Kyckr's breadth of technologies and real-time global data and as a means to expand into a number of sectors.

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.

Agreement with AXA Singapore

Kyckr signed an agreement with one of the world's leading insurance companies, AXA Insurance Pte Ltd. The agreement is for AXA Singapore to adopt Kyckr's API to establish greater automation in the development of new insurance-related services, with initial revenue of \$380,000 SGD (\$400,000 AUD).

Technological Advancements

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

Outlook

Kyckr will continue to build on its strategy to drive its enterprise pipeline and extend strategic partnerships into FY2021; whilst raising awareness on the Kyckr Company Watch offering.

As evidenced by the latest regulations introduced, the need for strengthened Know Your Customer practices for online business verification is now more important than ever in the current COVID-19 environment.

We see robust longer-term opportunities for Kyckr; and we've been pleased that growth has continued with the Enterprise division experiencing an 11% revenue growth in the last two months post period-end with four new contracts signed. Kyckr also has a number of Perpetual KYC pilots currently underway with major banks as they accelerate their digital transformation journeys.

The Company has a clear strategy to deliver integrated technology and data solutions to help clients with compliance requirements. 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.

We remain cognisant of the ongoing potential impacts from COVID-19 and we continue to work closely with clients to minimise disruption and ensure strong business advancements.

On behalf of the Board, we would like to thank all of our shareholders, staff and clients for their continued support of our growing business.

We look forward to further developing our position in the KYC space and deliver our innovations across the financial markets.

A handwritten signature in dark ink, appearing to read "BHiggins".

Benny Higgins
Chairman

A handwritten signature in dark ink, appearing to read "Ian Henderson".

Ian Henderson
Chief Executive Officer

27 August 2020
Sydney

Directors	Benny Higgins John Van Der Wielen Karina Kwan Jacqueline Kilgour
Company secretary	Bill Hundy
Notice of annual general meeting	The details of the annual general meeting of Kyckr Limited are: Monday, 16 November 2020, 9:00am, at: Level 16, 1 Market Street Sydney NSW 2000
Registered office	Level 12, 680 George Street Sydney NSW 2000
Principal place of business	ArcLabs Research Centre, W.I.T. Campus, Carriganore, Waterford, Ireland, X91 P20H
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	Nexia Sydney Partnership Level 16, 1 Market Street Sydney NSW 2000
Stock exchange listing	Kyckr Limited shares are listed on the Australian Securities Exchange (ASX code: KYK)
Business objectives	Kyckr Limited has used cash and cash equivalents held at the time of listing and the time since listing to provide technology solutions to help protect against money laundering, fraud and tax evasion, in a way consistent with its stated business objectives. Kyckr aims to provide the pre-eminent automated technology solution to maintain up to date critical company identity information, in place of the traditional error and fraud prone manual people based processes.
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Kyckr Limited in an ethical manner and in accordance with the highest standards of corporate governance. Kyckr Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed was approved by the Board of directors at the same time as the Annual Report and can be found on the 'About us' page at http://www.kyckr.com/</p>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Kyckr Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Kyckr Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Benny Higgins - Non-Executive Chairman
Mr John Van Der Wielen - Non-Executive Director
Ms Karina Kwan - Non-Executive Director
Ms Jacqueline Kilgour - Non-Executive Director
Mr Benjamin Cronin - Executive Director (resigned on 24 April 2020)
Mr Robert Leslie - Non-Executive Director (resigned on 7 October 2019)

Principal activities

The principal activity of the Group during the period consisted of the provision of data and technology solutions to accelerate customer acquisition and protect against money laundering, fraud and tax evasion. Kyckr's solutions are connected to over 200 regulated primary sources, in over 120 countries, providing real-time company registry information for an estimated 80 million businesses globally. Kyckr provides automated technology solutions to improve the efficiency and effectiveness of Corporate Know Your Client ('KYC') processes.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$4,907,827 (30 June 2019: \$6,125,773).

Refer to the Chairman's and Chief Executive Officer's report for further detail.

Significant changes in the state of affairs

On 7 August 2019, the company issued 32,350,159 ordinary shares at a price of \$0.066 per share to institutional and sophisticated investors. The total proceeds from the issuance of these securities amounted to \$2,135,110 (before transaction costs).

On 13 September 2019, shareholders ratified the issue of securities at the Extraordinary General Meeting. In accordance with the approval by shareholders, the company issued 46,000,000 ordinary shares at a price of \$0.066 per share to institutional and sophisticated investors. The total proceeds of the issuance of these securities amounted to \$3,036,000 (before transaction costs).

On 1 June 2020, the company issued 58,676,527 ordinary shares at a price of \$0.08 per share to institutional, sophisticated and professional investors. The total proceeds from the issuance of these securities amounted to \$4,694,122 (before transaction costs).

On 26 June 2020, the company issued 9,143,750 ordinary shares at a price of \$0.08 per share to eligible shareholders pursuant to a share purchase plan. The total proceeds from the issuance of these securities amounted to \$731,500 (before transaction costs).

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 9 July 2020, the company issued 41,323,473 ordinary shares at a price of \$0.08 per share to institutional, sophisticated and professional investors. The total proceeds from the issuance of these securities amounted to \$3,305,878 (before transaction costs).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity are included in the Chairman's and Chief Executive Officer's Report on pages 2 to 7.

The directors have identified the following business risks which may impact on the future performance of the Group:

Competition

The Group's intellectual property rights are not protected by any registered patents in any jurisdiction. This may allow competitors to develop products functionally similar to the Group's existing products. The existence of competitors with products that are functionally similar to the Group's existing products could result in loss of customers and decline in revenue, each of which could adversely affect the Group's business and operating results.

Key Personnel Risk

The successful execution of the Group's business model depends on a management team with the necessary talent and experience to integrate and manage the Group's growth plans. The loss of key management personnel could adversely affect the Group's business, results of operations or financial conditions and performance.

Current and Exchange Rate Fluctuations

The financial contribution of the Group will depend on the movement in exchange rates between the Australian Dollar and a number of other foreign currencies. The exchange rate between various currencies may fluctuate substantially and the result of these fluctuations may have an adverse impact on the Group's operating results and financial position. The Group has not entered into forward exchange contracts to hedge its anticipated purchase and sale commitments denominated in foreign currencies.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr Benny Higgins
Title:	Non-Executive Chairman (previously Executive Chairman from 1 April 2018 to 31 December 2018)
Qualifications:	Benny holds a First Class Honour's degree in Mathematics from the University of Glasgow and is a Fellow of the Faculty of Actuaries. He is a Fellow of the Chartered Institute of bankers in Scotland and a Fellow of the Royal Society of Edinburgh. In 2018 he was announced as a Visiting Professor at Strathclyde University and the Edinburgh Business School based in Heriot-Watt University.
Experience and expertise:	<p>Benny has been a prominent international business leader for over 30 years, leading businesses in financial services and retail.</p> <p>Benny began his career at Standard Life in 1983 where he joined as an actuarial student and became a member of the Standard Life Group Executive in 1996. In 1997, he moved to RBS to become Chief Executive of Retail Banking. He was with RBS until 2015, during which time he led the successful integration of NatWest Retail Banking - one of the largest mergers ever undertaken in UK banking. He became Chief Executive Officer of HBOS plc in 2006 before joining Tesco Bank as Chief Executive in 2008.</p> <p>Under Benny's leadership, Tesco Bank grew to become one of the most established 'new' banks in the UK, serving more than 6 million customers and employing over 4,000 people in Edinburgh, Glasgow and Newcastle. In addition to his role at Tesco Bank, Benny was also the Group Strategy Director for Tesco PLC and was a member of the Tesco Executive Committee. Benny retired from Tesco in February 2018.</p> <p>In September 2017, Benny was asked by the Scottish Government to lead a project team to establish the creation of a Scottish National Investment Bank. In June 2018, Benny was announced as the strategic adviser of the Scottish National Investment Bank, leading its formation.</p> <p>Outside of financial services, Benny is Chairman of the National Galleries of Scotland, a Non-Executive Director of Glasgow Life, Non-Executive Director for the Buccleuch Group and a Prince's Trust Ambassador.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee
Interests in shares:	1,000,000 ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	None

Name: Mr John Van Der Wielen
Title: Non-Executive Director
Qualifications: MBA FAICD
Experience and expertise: John has over 30 years of experience in insurance, wealth management, private banking and investments including executive positions within several global financial services groups, commencing as Chief Executive Officer and Managing Director of HBF in May 2017. This involved leading a number of acquisitions, integration and restructuring programs and senior executive board membership of listed ASX, FTSE, European and Asian entities. John is experienced in fronting stock markets, liaising with direct investors and meeting analysts on company strategy and performance in many international markets.

John was previously CEO of Friends Life UK and International in London and prior to this he was the Managing Director Wealth at ANZ Bank in Sydney.

Most recently John has been a Senior Adviser for Blackstone in the financial services arena and an independent non-executive on several boards.

He holds an MBA from the University of Western Australia and has studied at London Business School and Oxford University. He is a Fellow of the Australian Institute of Company Directors.

John is an Advisory Member of the Business School for the University of Western Australia and has been appointed as a Non-Executive Director of the Royal Flying Doctor Service Western Australia.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chair of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee
Interests in shares: 1,157,109 ordinary shares
Interests in options: 2,000,000 options over ordinary shares
Interests in rights: None

Name: Karina Kwan
Title: Non-Executive Director
Qualifications: Karina holds a Bachelor of Economics from Sydney University, is a CPA Australia Fellow and a Graduate of the Australian Institute of Company Directors.
Experience and expertise: Karina has led an accomplished executive career spanning 30 years in the financial services industry, most recently as General Manager of Group Support Services Finance at the Commonwealth Bank of Australia. Prior to this, she spent 18 years with Citi, of which the last 3 years was in the role of Chief Financial Officer for Australia and New Zealand. During her time at Citi, she performed the role of Corporate Treasurer for 12 years, during which time she also chaired the Institutional Bank's New Product Approval Committee.

Karina is a Non-Executive director of: Nulis Nominees (Australia) Limited (trustee of the MLC superannuation funds); Newcastle Permanent Building Society Limited; WAM Active Limited (a member of the Wilson Asset Management group). She is also an Advisory Board member of: the University of Sydney Business School; Split Payments Pty Ltd; 1 Wordflow.

Other current directorships: Non-Executive Director of WAM Active Limited (ASX: WAA)
Former directorships (last 3 years): None
Special responsibilities: Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee
Interests in shares: 140,000 ordinary shares
Interests in options: 279,950 options over ordinary shares

Name: Jacqueline Kilgour
Title: Non-Executive Director
Qualifications: Jacqueline qualified as a Solicitor in England and Wales and is a member of the Law Society of England and Wales, Chartered Institute for Securities & Investment, Securities Industry and Financial Markets Association (SIFMA) and the Society of Trust and Estate Practitioners (STEP) and has passed New York Stock Exchange Series 14 (Compliance Official).
Experience and expertise: Jacqueline brings more than 30 years' financial services experience in regulatory compliance, anti-money laundering (AML) and corporate governance matters. She has successfully dealt with companies and regulators across a number of jurisdictions.

Jacqueline 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 plus a number of central Compliance functions.

In addition to her Citigroup experience, Jacqueline was European General Counsel and Company Secretary for Instinet, the institutional agency-only broker part of Nomura Group, where she was responsible for legal, compliance and corporate governance in Europe and Asia-Pacific. Prior to that, Jacqueline was Co-Head of European Compliance at Salomon Brothers and also worked in the Legal Department of a large energy utility.

She has practised law at Cameron Markby Hewitt (now CMS) in London and Blake Dawson Waldron (now Ashurst) in Melbourne, Australia. Jacqueline is currently is the Managing Director of a regulatory compliance and governance consultancy firm and acts as a Non-Executive Directors for two regulated entities in the UK and another in the US.

Other current directorships: Non-Executive Director of WAM Active Limited (ASX: WAA)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None
Interests in options: 279,950 options over ordinary shares

Name: Mr. Benjamin Cronin (resigned on 24 April 2020)
Title: Executive Director
Experience and expertise: Ben is the founder of Kyckr Ireland Limited (formerly Global Business Register Limited). He fulfils the combined roles of managing all operating activities, personnel and developing prospects and clients.

Ben has established relationships with numerous government registers and registrars over the last 10 years. His understanding of the Company register domain is extensive and he has presented at numerous register conferences over the years. Ben was a professional Rugby Union player, playing for Munster and Ireland.

Prior to setting up GBR, Ben was a successful property developer including bid management roles on Primary Healthcare Centre Projects and a Co-Location Hospital (Public Private Partnerships) Project.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 8,529,129 ordinary shares
Interests in options: None
Interests in rights: 6,500,000 performance rights over ordinary shares

Name: Mr Robert Leslie (resigned on 7 October 2019)
 Title: Non-Executive Director
 Qualifications: B. Eng. (Electronics)
 Experience and expertise: Robert is an electronics engineer by profession and a co- founder of Kyckr Ireland Limited (formerly Global Business Register Limited). Robert has worked internationally for Dell in Japan.

Rob is a mentor with Enterprise Ireland's network, providing support to high potential start-up entrepreneurs. He is also the founder of Sedicii, which has developed an identity platform that allows individuals to prove their identity to organisations without having to share any personal information in the process.

Rob is a source of innovation and strategy in technology products. He was recently selected by the World Economic Forum as a Technology Pioneer for 2015 and invited to talk at Davos.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in shares: 6,619,247 ordinary shares
 Interests in options: None
 Interests in rights: 6,500,000 performance rights over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Bill Hundy was appointed company secretary on 16 March 2020, replacing Karl Pechmann. He is a highly experienced company secretary and has held roles at major listed public companies for over three decades in the mining, energy and manufacturing industries including as company secretary and legal counsel for Origin Energy Limited, Email Limited, Placer Pacific Limited and Kidston Gold Mines Limited. He has extensive experience in company secretarial practice, corporate governance, communications, compliance and risk management.

Bill has been admitted as a solicitor to the Supreme Court of New South Wales and holds a Bachelor of Laws, Bachelor of Commerce (Economics), a Bachelor of Science (Physics, Geology and Geophysics) and a Diploma of Corporate Management. He is a Fellow of the Governance Institute of Australia and the Chartered Governance Institute and a Fellow of the Australian Institute of Company Directors.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Benny Higgins	6	7	-	-	2	2
John Van Der Wielen	7	7	-	-	2	2
Karina Kwan	7	7	-	-	2	2
Jacqueline Kilgour	7	7	-	-	-	-
Benjamin Cronin	3	4	-	-	-	-
Robert Leslie	-	1	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors are entitled to receive share options and performance rights.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. As set out in the IPO Prospectus, total aggregate remuneration available to non-executive directors was set at \$500,000 per annum. Non-executive director fees (directors' fees and committee fees, inclusive of superannuation) proposed for the year ending 30 June 2021 are summarised as follows:

Name	Fees
Benny Higgins	£65,000
John Van Der Wielen	\$65,000
Karina Kwan	\$65,000
Jacqueline Kilgour	\$65,000

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments in the form of options and performance rights.

On 1 September 2016, 4,000,000 unlisted options were granted to key management personnel. The exercise price of the options of \$0.30 was 50% higher than the Initial Public Offering price. The options are exercisable upon meeting certain revenue targets within four years from the date of grant. The contractual life of each option is four years.

On 1 September 2016, 20,000,000 performance rights were granted to certain directors and key management personnel. The performance rights are exercisable at nil value. The performance rights vest upon meeting the following conditions:

- 50% of the performance rights automatically convert upon the company achieving a turnover of \$5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and
- 50% of the performance rights automatically convert upon the company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to the ASX.

On 30 November 2016, 3,000,000 unlisted options exercisable at \$0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of \$0.30 was 22.45% higher than market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being two years from grant date. The contractual life of each option is four years.

On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the company. The exercise price of the options of \$0.20 was 48% higher than the market price of the shares on the date of grant. The options vested immediately and the contractual life of each option is four years.

On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the Company. The exercise price of the options of \$0.26 was 93% higher than the market price of the shares on the date of grant. The options vested on 1 March 2019 and the contractual life of each option is four years.

On 1 January 2019, 3,000,000 unlisted options were granted to Ian Henderson. The exercise price of the options of \$0.1005 was 50% higher than the market price of the shares at the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 3 years from grant date. The contractual life of each option is 4 years.

On 1 January 2019, 5,391,063 unlisted performance rights were granted to Ian Henderson in lieu of the first year's cash salary of £210,000. The performance rights have service-based vesting conditions only. The performance rights vested on 1 January 2020 and were all converted into ordinary shares on 13 March 2020.

On 27 November 2019, 279,950 unlisted options were granted to Jacqueline Kilgour, a director of the company. The exercise price of the options of \$0.29 was 87% higher than the market price of the shares on the date of grant. The options vest on 17 November 2020 and the contractual life of each option is four years.

On 27 November 2019, 279,950 unlisted options were granted to Karina Kwan, a Director of the company. The exercise price of the options of \$0.29 was 87% higher than the market price of the shares on the date of grant. The options vest on 17 November 2020 and the contractual life of each option is four years.

On 1 January 2020, 3,000,000 unlisted options were granted to Ian Henderson, the Chief Executive Officer of the company. The exercise price of the options of \$0.165 was 43% higher than the market price of the shares on the date of grant. The options vest on 1 January 2023 and the contractual life of each option is four years.

The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2020.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will contribute to future improvements in performance and will increase shareholder wealth over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2020, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')

At the 2019 AGM, 97.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in this section.

The key management personnel of the consolidated entity consisted of the following directors of Kyckr Limited:

- Benny Higgins
- John Van Der Wielen
- Karina Kwan
- Jacqueline Kilgour
- Benjamin Cronin (resigned on 24 April 2020)
- Robert Leslie (resigned on 7 October 2019)

And the following persons:

- Ian Henderson - Chief Executive Officer (appointed on 1 January 2019)
- Dharmendra Patel - Interim Finance Director (appointed on 23 April 2020)
- Karl Pechmann - Chief Financial Officer and Company Secretary (resigned on 16 March 2020)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
2020							
<i>Non-Executive Directors:</i>							
B Higgins	84,258	-	-	-	-	-	84,258
J Van Der Wielen	39,574	-	-	3,760	-	-	43,334
Karina Kwan	39,574	-	-	3,760	-	24,037	67,371
J Kilgour	43,333	-	-	-	-	24,037	67,370
R Leslie*	22,178	-	-	-	-	-	22,178
<i>Executive Directors:</i>							
B Cronin*	437,858	-	-	-	-	-	437,858
<i>Other Key Management Personnel:</i>							
I Henderson	197,072	-	-	-	-	255,293	452,365
D Patel*	29,538	-	-	-	-	-	29,538
K Pechmann*	179,146	-	-	14,963	-	(70,657)	123,452
	<u>1,072,531</u>	<u>-</u>	<u>-</u>	<u>22,483</u>	<u>-</u>	<u>232,710</u>	<u>1,327,724</u>

* represents remuneration from the date of appointment and/or up to the date of resignation

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
2019							
<i>Non-Executive Directors:</i>							
B Higgins	160,934	-	-	-	-	147,014	307,948
J Van Der Wielen	45,662	-	-	4,338	-	-	50,000
R Leslie	50,233	-	-	-	-	-	50,233
Karina Kwan*	36,604	-	-	3,477	-	-	40,081
J Kilgour*	23,507	-	-	-	-	-	23,507
A Wong*	22,831	-	-	2,169	-	25,855	50,855
<i>Executive Directors:</i>							
B Cronin	239,234	-	-	-	-	-	239,234
<i>Other Key Management Personnel:</i>							
I Henderson*	-	-	-	-	-	198,784	198,784
K Pechmann	220,538	-	-	19,950	2,792	(20,725)	222,555
	<u>799,543</u>	<u>-</u>	<u>-</u>	<u>29,934</u>	<u>2,792</u>	<u>350,928</u>	<u>1,183,197</u>

* represents remuneration from the date of appointment and/or up to the date of resignation

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2020	2019	2020	2019	2020	2019
<i>Non-Executive Directors:</i>						
B Higgins	100%	53%	-	-	-	47%
J Van Der Wielen	100%	100%	-	-	-	-
K Kwan	64%	100%	-	-	36%	-
J Kilgour	64%	100%	-	-	36%	-
R Leslie	100%	100%	-	-	-	-
A Wong	-	49%	-	-	-	51%
<i>Executive Directors:</i>						
B Cronin	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
I Henderson	44%	-	-	-	56%	100%
D Patel	100%	-	-	-	-	-
K Pechmann	157%	109%	-	-	(57%)	(9%)

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Ian Henderson
Title: Chief Executive Officer
Agreement commenced: 1 January 2019
Term of agreement: No fixed term
Details: Ian receives a base salary of £210,000 and is eligible to participate in the long term incentive plans of the consolidated entity. Either party can terminate the employment contract by giving 6 months' notice in writing.

Name: Dharmendra Patel
Title: Interim Finance Director
Agreement commenced: 23 April 2020
Term of agreement: No fixed term
Details: Dharmendra receives a base salary of £36,000 and is eligible to participate in the long term incentive plans of the consolidated entity. Dharmendra is entitled to terminate his employment contract by giving 3 months' notice in writing. The company is entitled to terminate his contract by giving 3 months' notice in writing and providing 12 months' pay.

Name: Benjamin Cronin (resigned on 24 April 2020)
Title: Head of Regulatory Development
Agreement commenced: 6 September 2016
Term of agreement: No fixed term
Details: Ben received a base salary of €150,000 and is eligible to participate in the long term incentive plans of the consolidated entity. Ben was entitled to terminate his employment contract by giving 3 months' notice in writing. The company was entitled to terminate his contract by giving 3 months' notice in writing and providing 12 months' pay.

Name: Karl Pechmann (resigned on 16 March 2020)
Title: Chief Financial Officer and Company Secretary
Agreement commenced: 6 September 2016
Term of agreement: No fixed term
Details: Karl received a base salary of \$210,000 plus superannuation and is eligible to participate in the long term incentive plans of the consolidated entity. Karl was entitled to terminate his employment contract by giving 3 months' notice in writing.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
B Higgins	1,000,000	10/08/2018	10/08/2018	10/08/2022	\$0.200	\$0.08
B Higgins	1,000,000	10/08/2018	10/08/2019	10/08/2022	\$0.260	\$0.07
I Henderson	3,000,000	01/01/2019	01/01/2022	01/01/2023	\$0.100	\$0.04
I Henderson	3,000,000	01/01/2020	01/01/2023	01/01/2024	\$0.165	\$0.06
J Kilgour	279,950	18/11/2019	17/11/2020	18/11/2023	\$0.290	\$0.14
K Kwan	279,950	18/11/2019	17/11/2020	18/11/2023	\$0.290	\$0.14

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested in directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
B Higgins	-	2,000,000	1,000,000	1,000,000
I Henderson	3,000,000	3,000,000	-	-
J Kilgour	279,950	-	-	-
K Kwan	279,950	-	-	-

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Expiry date	Fair value per right at grant date
D Cassidy	3,000,000	01/09/2016	01/09/2020	\$0.20
B Cronin	6,500,000	01/09/2016	01/09/2020	\$0.20
R Leslie	6,500,000	01/09/2016	01/09/2020	\$0.20
A Wong	3,000,000	01/09/2016	01/09/2020	\$0.20
K Pechmann	1,000,000	01/09/2016	01/09/2020	\$0.20
I Henderson	5,391,063	01/01/2019	01/01/2023	\$0.07

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to, vested and forfeited by directors and other key management personnel as part of compensation during the years ended 30 June 2020 and 30 June 2019 are set out below:

	Number of rights granted during the year 2020	Number of rights granted during the year 2019	Number of rights exercised during the year 2020	Number of rights exercised during the year 2019	Number of rights forfeited during the year 2020	Number of rights forfeited during the year 2019
I Henderson	-	5,391,063	5,391,063	-	-	-

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Exercise of performance rights	Additions	Disposals/ other*	Balance at the end of the year
<i>Ordinary shares</i>					
B Higgins	1,000,000	-	-	-	1,000,000
J Van Der Wielen	1,100,109	-	57,000	-	1,157,109
R Leslie	9,619,247	-	-	(9,619,247)	-
K Kwan	-	-	140,000	-	140,000
B Cronin	8,519,129	-	916,765	(9,435,894)	-
I Henderson	-	5,391,063	-	(746,317)	4,644,746
K Pechmann	151,812	-	-	(151,812)	-
	<u>20,390,297</u>	<u>5,391,063</u>	<u>1,113,765</u>	<u>(19,953,270)</u>	<u>6,941,855</u>

* Disposals/other may represent no longer being designated as a KMP, not necessarily a disposal of holding.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
<i>Options over ordinary shares</i>					
B Higgins	2,000,000	-	-	-	2,000,000
J Van Der Wielen	2,000,000	-	-	-	2,000,000
K Kwan	-	279,950	-	-	279,950
J Kilgour	-	279,950	-	-	279,950
I Henderson	3,000,000	3,000,000	-	-	6,000,000
K Pechmann	1,000,000	-	-	(1,000,000)	-
	<u>8,000,000</u>	<u>3,559,900</u>	<u>-</u>	<u>(1,000,000)</u>	<u>10,559,900</u>

* Expire/forfeited/other may represent no longer being designated as a KMP, it does not necessarily represent options that have expired or have been forfeited.

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
R Leslie	6,500,000	-	-	(6,500,000)	-
B Cronin	6,500,000	-	-	(6,500,000)	-
I Henderson	5,391,063	-	(5,391,063)	-	-
K Pechmann	1,000,000	-	-	(1,000,000)	-
	<u>19,391,063</u>	<u>-</u>	<u>(5,391,063)</u>	<u>(14,000,000)</u>	<u>-</u>

* Expire/forfeited/other may represent no longer being designated as a KMP, it does not necessarily represent options that have expired or have been forfeited.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Kyckr Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/09/2016	01/09/2020	\$0.200	4,000,000
01/09/2016	01/09/2020	\$0.300	4,000,000
30/11/2016	30/11/2020	\$0.300	2,722,222
30/11/2016	30/11/2020	\$0.300	2,000,000
02/01/2018	02/01/2022	\$0.300	2,000,000
10/08/2018	10/08/2022	\$0.200	1,000,000
10/08/2018	10/08/2022	\$0.260	1,000,000
01/01/2019	01/01/2023	\$0.100	3,000,000
01/01/2020	01/01/2024	\$0.165	3,000,000
18/11/2019	18/11/2023	\$0.290	559,900
			<u>23,282,122</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Kyckr Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
01/09/2016	01/09/2020	4,000,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Kyckr Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Shares issued on the exercise of performance rights

The following ordinary shares of Kyckr Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
13 March 2020	\$0.000	5,931,063

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Nexia Sydney Partnership


There are no officers of the company who are former partners of Nexia Sydney Partnership.

Auditor's independence declaration


A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in dark ink, appearing to read "B Higgins", written over a horizontal line.

Benny Higgins
Chairman

A handwritten signature in dark ink, appearing to read "J Van Der Wielen", written over a horizontal line.

John Van Der Wielen
Director

27 August 2020
Sydney

To the Board of Directors of Kyckr Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of Kyckr Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Partnership



Lester Wills

Partner

Date: 27 August 2020

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	Note	Consolidated 2020 \$	2019 \$
Revenue	5	2,399,295	2,138,671
Other income	6	314,980	1,871,855
Interest revenue calculated using the effective interest method		19,962	84,556
Expenses			
Direct costs and consumables used		(1,044,615)	(886,328)
Employee benefits expense	7	(3,195,523)	(2,964,872)
Share-based payments expense	7	24,483	(534,996)
Depreciation and amortisation expense	7	(400,847)	(62,655)
Impairment of intangible assets	7	-	(3,801,663)
Impairment of receivables	10	-	(89,196)
Consultancy and professional fees		(576,377)	(611,441)
Platform maintenance and implementation costs		(1,182,526)	-
Occupancy expenses		(126,339)	(142,203)
Travel expenses		(66,296)	(207,930)
Net foreign exchange loss		(41,981)	(5,050)
Listing related expenses		(368,374)	(248,219)
Other expenses		(652,495)	(653,168)
Finance costs	7	(11,174)	(13,134)
Loss before income tax expense		(4,907,827)	(6,125,773)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Kyckr Limited		(4,907,827)	(6,125,773)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		4,563	809
Other comprehensive income for the year, net of tax		4,563	809
Total comprehensive income for the year attributable to the owners of Kyckr Limited		<u>(4,903,264)</u>	<u>(6,124,964)</u>
		Cents	Cents
Basic earnings per share	34	(2.21)	(4.09)
Diluted earnings per share	34	(2.21)	(4.09)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	9	6,658,129	1,448,660
Trade and other receivables	10	604,714	418,286
Other	11	235,571	174,934
Total current assets		<u>7,498,414</u>	<u>2,041,880</u>
Non-current assets			
Property, plant and equipment	12	21,372	49,035
Intangibles	14	9,389,884	9,627,372
Total non-current assets		<u>9,411,256</u>	<u>9,676,407</u>
Total assets		<u>16,909,670</u>	<u>11,718,287</u>
Liabilities			
Current liabilities			
Trade and other payables	15	1,399,918	839,214
Contract liabilities	16	52,910	158,000
Borrowings	17	57,265	54,348
Employee benefits		-	21,434
Contingent consideration	18	-	214,500
Total current liabilities		<u>1,510,093</u>	<u>1,287,496</u>
Non-current liabilities			
Employee benefits	19	-	7,079
Total non-current liabilities		<u>-</u>	<u>7,079</u>
Total liabilities		<u>1,510,093</u>	<u>1,294,575</u>
Net assets		<u>15,399,577</u>	<u>10,423,712</u>
Equity			
Issued capital	20	31,702,245	21,798,633
Reserves	21	2,457,422	2,477,342
Accumulated losses		<u>(18,760,090)</u>	<u>(13,852,263)</u>
Total equity		<u>15,399,577</u>	<u>10,423,712</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	20,477,340	1,941,537	(7,726,490)	14,692,387
Loss after income tax expense for the year	-	-	(6,125,773)	(6,125,773)
Other comprehensive income for the year, net of tax	-	809	-	809
Total comprehensive income for the year	-	809	(6,125,773)	(6,124,964)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	1,321,293	-	-	1,321,293
Share-based payments (note 35)	-	534,996	-	534,996
Balance at 30 June 2019	<u>21,798,633</u>	<u>2,477,342</u>	<u>(13,852,263)</u>	<u>10,423,712</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	21,798,633	2,477,342	(13,852,263)	10,423,712
Loss after income tax expense for the year	-	-	(4,907,827)	(4,907,827)
Other comprehensive income for the year, net of tax	-	4,563	-	4,563
Total comprehensive income for the year	-	4,563	(4,907,827)	(4,903,264)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	9,903,612	-	-	9,903,612
Share-based payments (note 35)	-	(24,483)	-	(24,483)
Balance at 30 June 2020	<u>31,702,245</u>	<u>2,457,422</u>	<u>(18,760,090)</u>	<u>15,399,577</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,347,706	2,396,259
Payments to suppliers and employees (inclusive of GST)		(7,023,820)	(6,067,182)
		(4,676,114)	(3,670,923)
Government grants received	6	46,338	-
Interest received		19,962	84,556
Interest and other finance costs paid		(11,174)	(6,779)
Net cash used in operating activities	32	(4,620,988)	(3,593,146)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(3,605)	(24,217)
Payments for intangibles	14	-	(885,321)
Payments for security deposits		(159)	-
Net cash used in investing activities		(3,764)	(909,538)
Cash flows from financing activities			
Proceeds from issue of shares	20	10,596,732	1,407,878
Share issue transaction costs	20	(693,120)	(86,585)
Repayment of lease liabilities		(72,308)	-
Proceeds from borrowings		112,317	106,601
Repayment of borrowings		(109,400)	(52,253)
Net cash from financing activities		9,834,221	1,375,641
Net increase/(decrease) in cash and cash equivalents		5,209,469	(3,127,043)
Cash and cash equivalents at the beginning of the financial year		1,448,660	4,575,703
Cash and cash equivalents at the end of the financial year	9	<u>6,658,129</u>	<u>1,448,660</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Kyckr Limited as a consolidated entity consisting of Kyckr Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Kyckr Limited's functional and presentation currency.

Kyckr Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 12, 680 George Street
Sydney
NSW 2000

Principal place of business

ArcLabs Research Centre,
W.I.T. Campus, Carriganore,
Waterford, Ireland,
X91 P20H

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Interpretation 23 Uncertainty over Income Tax

The consolidated entity has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists. The interpretation requires: the consolidated entity to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the consolidated entity to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the consolidated entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Interpretation 23 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening accumulated losses as at 1 July 2019.

Note 2. Significant accounting policies (continued)

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

When adopting AASB 16 from 1 July 2019, the consolidated entity has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on the statement of financial position as at 1 July 2019 was as follows (increase/(decrease)):

	1 July 2019 \$
Assets	
Right-of-use assets (AASB 16)	174,321
Liabilities	
Lease liabilities - current (AASB 16)	39,508
Lease liabilities - non-current (AASB 16)	134,813
Total liabilities	174,321
Equity	
Accumulated losses	-
Total equity	-

Reconciliation from operating lease commitments disclosure at 30 June 2019 to the right-of-use assets at 1 July 2019:

	1 July 2019 \$'000
Operating lease commitments as at 1 July 2019 (AASB 117)	189,635
Operating lease commitments discount based on the weighted average incremental borrowing rate of 10% (AASB 16)	(15,314)
Right-of-use assets as at 1 July 2019	174,321

Note 2. Significant accounting policies (continued)

AASB 2020-4 Amendment to Australian Accounting Standards - Covid-19-Related Rent Concessions

The consolidated entity has early adopted the amendment to AASB 16 from 1 July 2019. The amendment provides a practical expedient for lessees to account for COVID-19-related rent concessions that: result in lease payments that are substantially the same as, or less than, the consideration for the lease immediately prior to the change; where any reduction in the lease payments affects only payments originally due on or before 30 June 2021; and where there is no substantive change to other terms and conditions of the lease. The practical expedient allows an entity not to assess rent concessions meeting the criteria as a lease modification. As a result, to the extent that lease concessions represent a forgiveness or waiver of lease payments, such concessions are treated as variable lease payments recognised in profit or loss with a corresponding adjustment to the lease liability. To the extent that the lease concession in substance represents a delay in lease repayments such that lease consideration is not changed, the lease liability is not extinguished. Interest continues to accrue for that period. The consolidated entity has applied the practical expedient to all rent concessions that meet the abovementioned criteria.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kyckr Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Kyckr Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Kyckr Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of services

Online revenue is recognised at a point in time when an online document search and purchase service is provided to the customer. Enterprise revenue is recognised at a point in time when services are provided including automation and perpetual validation of customer 'Know your client' data, timing differences in invoicing for services and completion of performance obligations are recognised as contract liabilities.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 2. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	2-5 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 2. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Computer software and development

Significant costs associated with computer software and development are deferred and amortised on a straight-line basis over the period of their expected benefit and once the asset has been brought into use, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Liabilities for employee entitlements which have vested in the employee at reporting date are recognised as current liabilities notwithstanding that they are not expected to be settled within 12 months of reporting date as the consolidated entity does not have an unconditional right to defer settlement.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kyckr Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model which takes into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

The Group operates in one operating segment, being the provision of Know Your Customer ('KYC') services. The operating segment identified is based on the internal reports that are reviewed and used by the Directors of the Board (who are identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'), adjusted for impairment. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Major customers

During the year ended 30 June 2020 approximately 36% (2019: 36%) of the consolidated entity's external revenue was derived from sales to 2 customers (2019: 3 customers).

Geographical information

	Sales to external customers		Geographical non-current assets	
	2020 \$	2019 \$	2020 \$	2019 \$
Australia	-	-	8,448,416	8,452,328
Ireland	2,399,295	2,138,671	1,022,503	1,224,079
	<u>2,399,295</u>	<u>2,138,671</u>	<u>9,470,919</u>	<u>9,676,407</u>

A reconciliation of the loss after income tax expense to EBITDA is as follows:

Note 4. Operating segments (continued)

	Consolidated 2020 \$	2019 \$
Loss after tax	(4,907,827)	(6,125,773)
add: depreciation and amortisation	400,847	62,655
add: impairment of goodwill	-	3,801,663
Less: interest revenue	(19,962)	(84,556)
add: finance costs	11,174	13,134
EBITDA	<u>(4,515,768)</u>	<u>(2,332,877)</u>

Note 5. Revenue

	Consolidated 2020 \$	2019 \$
Sales of services	<u>2,399,295</u>	<u>2,138,671</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2020 \$	2019 \$
<i>Major product lines</i>		
Online revenue	1,594,171	1,487,492
Enterprise revenue	805,124	651,179
	<u>2,399,295</u>	<u>2,138,671</u>

Refer to note 4 'Operating segments' for analysis of revenue by geographical region.

During the financial year ended 30 June 2020 and 30 June 2019, all revenue was recognised based on services provided at a point in time.

Note 6. Other income

	Consolidated 2020 \$	2019 \$
Net fair value gain on financial liability (refer to note 18)	214,500	1,871,855
Government grants (COVID-19)	46,338	-
Gain on cancellation of lease	54,142	-
Other income	<u>314,980</u>	<u>1,871,855</u>

Government grants (COVID-19) represents grants received from the Government comprising of cash boost support payments. During the year the consolidated entity received payments from the Australian Government as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the consolidated entity will comply with any conditions attached.

Note 7. Expenses

	Consolidated	
	2020	2019
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Right-of-use assets (refer to note 13)	120,151	-
Computer equipment (refer to note 12)	29,908	32,811
Total depreciation	150,059	32,811
<i>Amortisation</i>		
Computer software and development (refer to note 14)	250,788	29,844
Total depreciation and amortisation	400,847	62,655
<i>Impairment</i>		
Goodwill	-	3,801,663
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	4,875	6,779
Interest and finance charges paid/payable on lease liabilities	6,299	-
Unwinding of the discount on contingent consideration (refer to note 17)	-	6,355
Finance costs expensed	11,174	13,134
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	41,981	5,050
<i>Leases</i>		
Minimum lease payments (AASB 17)	-	140,859
Short-term lease payments	52,743	-
	52,743	140,859
<i>Share-based payments expense</i>		
Share-based payments expense (refer to note 21)	(24,483)	534,996
<i>Employee benefits expense</i>		
Employee benefits expense excluding superannuation	3,171,025	2,918,590
Defined contribution superannuation expense	24,498	46,282
Total employee benefits expense	3,195,523	2,964,872

Note 8. Income tax expense

	Consolidated 2020 \$	Consolidated 2019 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(4,907,827)	(6,125,773)
Tax at the statutory tax rate of 27.5%	(1,349,652)	(1,684,588)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	(6,605)	1,193,363
Non-assessable income	(58,988)	(514,760)
Capital deductions	(63,559)	(24,873)
	(1,478,804)	(1,030,858)
Current year tax losses not recognised	864,587	684,750
Difference in overseas tax rates	614,217	346,108
Income tax expense	-	-
	Consolidated 2020 \$	Consolidated 2019 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carried forward tax losses benefit	3,358,821	2,437,755
Temporary differences	65,815	34,618
Total deferred tax assets not recognised	3,424,636	2,472,373

The above potential tax benefit, which includes tax losses and temporary differences has not been recognised in the statement of financial position as recovery of this benefit is not probable. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at 30 June 2020 was \$18,717,842 (2019: \$12,981,159). Utilisation of these tax losses is dependent on the company satisfying certain tests at the time the losses are recouped.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2020 \$	Consolidated 2019 \$
Cash at bank	6,658,129	1,448,660

Note 10. Current assets - trade and other receivables

	Consolidated 2020 \$	2019 \$
Trade receivables	521,721	240,681
Less: Allowance for expected credit losses	-	(3,241)
	<u>521,721</u>	<u>237,440</u>
Other receivables	39,084	60,351
GST receivable	43,909	120,495
	<u>604,714</u>	<u>418,286</u>

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2019: a loss of \$83,925) in profit or loss in respect of impairment of receivables for the year ended 30 June 2020.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$
Not overdue	-	-	155,512	110,374	-	-
0 to 3 months overdue	-	-	300,217	106,424	-	-
3 to 6 months overdue	-	-	65,992	11,508	-	-
Over 6 months overdue	-	26.19%	-	12,375	-	3,241
			<u>521,721</u>	<u>240,681</u>	<u>-</u>	<u>3,241</u>

The consolidated entity has not increased credit risks in relation to the Coronavirus ('COVID-19') pandemic due to the core client base is in Financial Services or related industry which is not deemed at high risk compared to other industries or sectors.

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2020 \$	2019 \$
Opening balance	3,241	8,512
Additional provisions recognised	-	83,925
Receivables written off during the year as uncollectable	(3,241)	(89,196)
Closing balance	<u>-</u>	<u>3,241</u>

Note 11. Current assets - other

	Consolidated 2020 \$	Consolidated 2019 \$
Prepayments	219,207	158,729
Security deposits	16,364	16,205
	<u>235,571</u>	<u>174,934</u>

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2020 \$	Consolidated 2019 \$
Computer equipment - at cost	98,079	104,616
Less: Accumulated depreciation	(76,707)	(55,581)
	<u>21,372</u>	<u>49,035</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer equipment \$
Balance at 1 July 2018	56,670
Additions	24,217
Exchange differences	959
Depreciation expense	<u>(32,811)</u>
Balance at 30 June 2019	49,035
Additions	3,605
Disposals	(1,970)
Exchange differences	610
Depreciation expense	<u>(29,908)</u>
Balance at 30 June 2020	<u>21,372</u>

Note 13. Non-current assets - right-of-use assets

During the year ended 30 June 2020 and as a direct result of the COVID-19 pandemic, the consolidated entity cancelled the leases for its Sydney and Dublin offices. At the date the leases were cancelled, the carrying value of the right-of-use asset (\$59,663) and the lease liability (\$113,805) were derecognised through the statement of profit or loss. The net gain on cancellation of the leases (\$54,142) is included in 'other income' (see note 6).

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Note 13. Non-current assets - right-of-use assets (continued)

	Land and buildings right-of-use \$
Consolidated	
Balance at 1 July 2019 - initial recognition	174,321
Exchange differences	5,493
Depreciation expense	(120,151)
Cancellation of lease	(59,663)
	<u>-</u>
Balance at 30 June 2020	<u>-</u>

Note 14. Non-current assets - intangibles

	Consolidated 2020 \$	2019 \$
Goodwill - at cost	12,250,079	12,250,079
Less: Impairment	(3,801,663)	(3,801,663)
	<u>8,448,416</u>	<u>8,448,416</u>
Computer software and development - at cost	1,312,846	1,292,552
Less: Accumulated amortisation	(371,378)	(113,596)
	<u>941,468</u>	<u>1,178,956</u>
	<u>9,389,884</u>	<u>9,627,372</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill \$	Computer software and development \$	Total \$
Consolidated			
Balance at 1 July 2018	12,250,079	315,124	12,565,203
Additions	-	885,321	885,321
Exchange differences	-	8,355	8,355
Impairment of assets	(3,801,663)	-	(3,801,663)
Amortisation expense	-	(29,844)	(29,844)
	<u>8,448,416</u>	<u>1,178,956</u>	<u>9,627,372</u>
Balance at 30 June 2019	8,448,416	1,178,956	9,627,372
Exchange differences	-	13,300	13,300
Amortisation expense	-	(250,788)	(250,788)
	<u>8,448,416</u>	<u>941,468</u>	<u>9,389,884</u>
Balance at 30 June 2020	<u>8,448,416</u>	<u>941,468</u>	<u>9,389,884</u>

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the one cash generating unit ('CGU'), Kyckr Ireland Limited.

Note 14. Non-current assets - intangibles (continued)

The Group tests whether goodwill has suffered any impairment on at least an annual basis or at each reporting period where an indicator of impairment exists. The Group has performed an impairment test at 30 June 2020. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board covering a four year period with revenue growth assumptions projected to be between 15% and 165% during this period. Cash flows beyond the four year period are extrapolated into perpetuity using estimated terminal growth rates showing below. The following table sets out the key assumption used for value-in-use calculations:

- One to four year revenue growth rates between 15% and 165% (2019: 30%)
- Long term growth rate 5% (2019: 5%)
- Weighted average cost of capital 20.5% (2019: 15%)

Impairment charge:

Based on the value-in-use calculation methodology and assumptions stated above, no impairment was recognised at 30 June 2020 (30 June 2019: impairment charge of \$3,801,663).

Impact of possible changes in assumptions:

If the weighted average cost of capital was to exceed 23% and all other assumptions remained constant, this would result in an additional impairment loss to the CGU.

Note 15. Current liabilities - trade and other payables

	Consolidated 2020 \$	2019 \$
Trade payables	815,993	395,289
Accrued expenses	453,682	273,130
Other payables	130,243	170,795
	<u>1,399,918</u>	<u>839,214</u>

Refer to note 23 for further information on financial instruments.

Note 16. Current liabilities - contract liabilities

	Consolidated 2020 \$	2019 \$
Contract liabilities	<u>52,910</u>	<u>158,000</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2020 \$	2019 \$
Opening balance	158,000	69,800
Payments received in advance	225,817	494,254
Transfer to revenue	<u>(330,907)</u>	<u>(406,054)</u>
Closing balance	<u>52,910</u>	<u>158,000</u>

Note 16. Current liabilities - contract liabilities (continued)

Performance obligations relating to future periods

The aggregate amount of the transaction price allocated to the performance obligations that are deferred at the end of the reporting period was \$52,910 as at 30 June 2020 (\$158,000 as at 30 June 2019) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2020 \$	2019 \$
Within 6 months	52,910	158,000

Note 17. Current liabilities - borrowings

	Consolidated 2020 \$	2019 \$
Interest bearing liability - insurance premium funding	57,265	54,348

Refer to note 23 for further information on financial instruments.

Note 18. Current liabilities - contingent consideration

	Consolidated 2020 \$	2019 \$
Contingent consideration	-	214,500

Contingent consideration

Contingent consideration relates to the acquisition of Kyckr Ireland Limited on 1 September 2016 and represents 13,000,000 performance shares that were issued which will convert to fully paid ordinary shares on a one-for-one basis upon meeting the following vesting conditions:

- 50% of the performance shares automatically convert upon the company achieving a turnover of \$5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and
- 50% of the performance shares automatically convert upon the company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to the ASX.

The performance shares expire four years from the date of acquisition in the event that the above vesting conditions are not met.

As the contingent consideration vests no earlier than two years from the date of issue, the amount has been discounted by the two-year government bond rate of 1.46% p.a. The finance costs incurred during the period with respect to the unwinding of the discount was \$nil (2019: \$6,355) and is included in finance costs, which in addition to a fair value movement of \$214,500 (2019: \$1,871,855) gives a balance at 30 June 2020 of \$nil (2019: \$214,500).

During the financial year ended 2020, the fair value of the contingent consideration was reduced to \$nil as it is no longer probable that the vesting conditions will be met.

Note 19. Non-current liabilities - employee benefits

	Consolidated 2020 \$	2019 \$
Long service leave	-	7,079

Note 20. Equity - issued capital

	2020 Shares	Consolidated 2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	302,526,389	150,964,890	31,702,245	21,798,633

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	140,908,619		20,477,340
Share placement	10 August 2018	10,056,271	\$0.140	1,407,878
less share issue costs (net of taxation)		-	\$0.000	(86,585)
Balance	30 June 2019	150,964,890		21,798,633
Shares issued	7 August 2019	32,350,159	\$0.066	2,135,110
Shares issued	19 September 2019	46,000,000	\$0.066	3,036,000
Shares issued on the exercise of performance rights	13 March 2020	5,391,063	\$0.000	-
Shares issued	1 June 2020	58,676,527	\$0.080	4,694,122
Shares issued	26 June 2020	9,143,750	\$0.080	731,500
Less: share issue costs (net of taxation)		-	\$0.000	(693,120)
Balance	30 June 2020	302,526,389		31,702,245

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 20. Equity - issued capital (continued)

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Note 21. Equity - reserves

	Consolidated 2020 \$	2019 \$
Foreign currency reserve	12,097	7,534
Share-based payments reserve	2,445,325	2,469,808
	<u>2,457,422</u>	<u>2,477,342</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2018	6,725	1,934,812	1,941,537
Foreign currency translation	809	-	809
Share-based payments	-	534,996	534,996
Balance at 30 June 2019	7,534	2,469,808	2,477,342
Foreign currency translation	4,563	-	4,563
Share-based payments	-	(24,483)	(24,483)
Balance at 30 June 2020	<u>12,097</u>	<u>2,445,325</u>	<u>2,457,422</u>

Note 22. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures, however as at 30 June 2020 and 30 June 2019 there were no derivative financial instruments in place. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign denominated financial commitments in a timely and cost-effective manner. The consolidated entity will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors as at 30 June 2020 were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as not being significant.

At 30 June 2020, the carrying value of foreign currency denominated cash and cash equivalents are as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
Consolidated	\$	\$	\$	\$
US dollars	16,927	22,589	-	-
Euros	51,793	69,718	-	-
Pound Sterling	851,097	20,488	-	-
	<u>919,817</u>	<u>112,795</u>	<u>-</u>	<u>-</u>

The consolidated entity had cash denominated in foreign currencies of \$919,817 as at 30 June 2020 (30 June 2019: \$112,795). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (30 June 2019: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit after tax for the year would have been \$91,982 higher/\$91,982 lower (30 June 2019: \$11,280 higher/\$11,280 lower). The percentage change is the expected overall volatility of the significant currencies, based on management's assessment of reasonable possible fluctuations.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any interest rate risk.

Note 23. Financial instruments (continued)

Credit risk

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits.

The consolidated entity has no significant credit risk exposure and the maximum exposure at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2020						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	815,993	-	-	-	815,993
Other payables	-	130,243	-	-	-	130,243
<i>Interest-bearing - fixed rate</i>						
Borrowing	7.80%	57,265	-	-	-	57,265
Total non-derivatives		1,003,501	-	-	-	1,003,501

Note 23. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2019						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	395,289	-	-	-	395,289
Other payables	-	170,795	-	-	-	170,795
Contingent consideration	-	214,500	-	-	-	214,500
<i>Interest-bearing - fixed rate</i>						
Borrowing	7.90%	54,348	-	-	-	54,348
Total non-derivatives		834,932	-	-	-	834,932

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 2020				
<i>Liabilities</i>				
Contingent consideration	-	-	-	-
Total liabilities	-	-	-	-
Consolidated - 2019				
<i>Liabilities</i>				
Contingent consideration	-	-	214,500	214,500
Total liabilities	-	-	214,500	214,500

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of the contingent consideration is estimated using a discounted cash flow model and is based on the probability of meeting all of the vesting conditions under the terms of the Kyckr (Ireland) Share Purchase Agreement.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The fair value of the contingent consideration is estimated based on a probability of meeting all of the vesting conditions relating to these shares under the terms of the Share Purchase Agreement.

Note 24. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Contingent consideration \$
Consolidated	
Balance at 1 July 2018	2,080,000
Gains recognised in profit or loss	(1,871,855)
Unwinding of the discount*	6,355
	<hr/>
Balance at 30 June 2019	214,500
Gains recognised in profit or loss	(214,500)
	<hr/>
Balance at 30 June 2020	-
	<hr/> <hr/>

* Included as part of finance costs in the Statement of profit or loss and other comprehensive income

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	1,072,531	799,543
Post-employment benefits	22,483	29,934
Long-term benefits	-	2,792
Share-based payments	232,710	350,928
	<hr/>	<hr/>
	1,327,724	1,183,197
	<hr/> <hr/>	<hr/> <hr/>

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Partnership, the auditor of the company:

	Consolidated	
	2020	2019
	\$	\$
<i>Audit services - Nexia Sydney Partnership</i>		
Audit or review of the financial statements	39,700	35,000
	<hr/>	<hr/>

Note 27. Contingent liabilities

The consolidated entity has no contingent liabilities at 30 June 2020 and 30 June 2019.

Note 28. Commitments

	Consolidated	
	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	118,522
One to five years	-	71,113
	-	189,635

Operating lease commitments includes contracted amounts for properties under non-cancellable operating leases expiring within 1 to 2 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Operating lease commitments were disclosed under the requirements of AASB 117 'Leases'. AASB 117 was superseded by AASB 16 'Leases' effective 1 July 2019. Operating leases commitments are no longer disclosed under AASB 16.

Note 29. Related party transactions

Parent entity

Kyckr Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020	2019
	\$	\$
Profit/(loss) after income tax	(10,345,314)	222,837
Total comprehensive income	(10,345,314)	222,837

Note 30. Parent entity information (continued)

Statement of financial position

	Parent	
	2020	2019
	\$	\$
Total current assets	17,918,848	8,505,132
Total assets	19,717,375	20,294,257
Total current liabilities	355,166	458,784
Total liabilities	355,166	465,863
Equity		
Issued capital	31,702,245	21,798,633
Share-based payments reserve	2,445,325	2,469,808
Accumulated losses	(14,785,361)	(4,440,047)
Total equity	19,362,209	19,828,394

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020	2019
		%	%
Kyckr Ireland Limited	Ireland	100.00%	100.00%
Kyckr UK Limited	UK	100.00%	100.00%

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 \$	2019 \$
Loss after income tax expense for the year	(4,907,827)	(6,125,773)
Adjustments for:		
Depreciation and amortisation	400,847	62,655
Impairment of goodwill	-	3,801,663
Net loss on disposal of property, plant and equipment	1,970	-
Share-based payments	(24,483)	534,996
Foreign exchange differences	(3,048)	(8,505)
Non-cash finance costs	-	6,355
Fair value gain on contingent consideration	(214,500)	(1,871,855)
Cancellation of lease	(54,142)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(186,428)	(52,116)
Increase in prepayments	(60,478)	(50,351)
Increase in trade and other payables	560,704	7,915
Increase/(decrease) in contract liabilities	(105,090)	88,200
Increase/(decrease) in employee benefits	(28,513)	13,670
Net cash used in operating activities	<u>(4,620,988)</u>	<u>(3,593,146)</u>

Note 33. Changes in liabilities arising from financing activities

	Interest bearing liability - insurance premium funding \$	Lease liabilities \$	Total \$
Consolidated			
Balance at 1 July 2018	-	-	-
Net cash from financing activities	54,348	-	54,348
Balance at 30 June 2019	54,348	-	54,348
Net cash from/(used in) financing activities	2,917	(72,308)	(69,391)
Additions	-	174,321	174,321
Other changes	-	(102,013)	(102,013)
Balance at 30 June 2020	<u>57,265</u>	<u>-</u>	<u>57,265</u>

Note 34. Earnings per share

	Consolidated 2020 \$	2019 \$
Loss after income tax attributable to the owners of Kyckr Limited	<u>(4,907,827)</u>	<u>(6,125,773)</u>

Note 34. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	222,544,764	149,859,806
Weighted average number of ordinary shares used in calculating diluted earnings per share	222,544,764	149,859,806
	Cents	Cents
Basic earnings per share	(2.21)	(4.09)
Diluted earnings per share	(2.21)	(4.09)

For the purpose of calculating the diluted earnings per share, the calculation has excluded the number of options and performance rights as the effect would be anti-dilutive.

Note 35. Share-based payments

The following options and performance rights were issued during the years ended 30 June 2020, 30 June 2019 and 30 June 2018:

- On 1 September 2016, 4,000,000 unlisted options were granted to brokers associated with the Initial Public Offering ('IPO') of the company. The exercise price of the options of \$0.20 was equal to the IPO price. The contractual life of each option is four years.
- On 1 September 2016, 4,000,000 unlisted options were granted to key management personnel. The exercise price of the options of \$0.30 was 50% higher than the Initial Public Offering price. The options are exercisable upon meeting certain revenue targets within four years from the date of grant. The contractual life of each option is four years.
- On 1 September 2016, 20,000,000 performance rights were granted to certain directors and key management personnel. The performance rights are exercisable at nil value. 50% of the performance rights automatically convert upon the company achieving a turnover of \$5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and 5% of the performance rights automatically convert upon the company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to the ASX. The contractual life of each performance right is four years.
- On 30 November 2016, 2,000,000 unlisted options exercisable at \$0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of \$0.30 was 22.45% higher than market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being two years from grant date. The contractual life of each option is four years.
- On 30 November 2016, 3,000,000 unlisted options exercisable at \$0.30 were granted to non-executive directors as approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of \$0.30 was 22.45% higher than market price of the shares on the date of grant.
- On 2 January 2018, 2,000,000 unlisted options exercisable at \$0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of \$0.30 was 42.86% higher than the market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 1 November 2019.
- On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the company. The exercise price of the options of \$0.20 was 48% higher than the market price of the shares on the date of grant. The options vested immediately and the contractual life of each option is four years.
- On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the company. The exercise price of the options of \$0.26 was 93% higher than the market price of the shares on the date of grant. The options vest on 1 March 2019 and the contractual life of each option is four years.
- On 10 August 2018, 1,000,000 unlisted options were granted to other management personnel. The exercise price of the options of \$0.30 was 122% higher than the market price of the share at the date of the grant. The vesting of these options is conditional on continued employment until the vesting date, being 18 months from grant date. The contractual life of each option is four years.
- On 17 November 2018, the Board waived the employment condition attaching to performance rights issued to Mr Albert Wong who resigned as a director of the company. Vesting conditions relating to the turnover of the Company remain with these rights and remain unvested as at 30 June 2020.
- On 3 December 2018, 1,500,000 unlisted options were granted to other management personnel. The exercise price of the options of \$0.129 was 50% higher than the market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 3 years from grant date. The contractual life of each option is four years.
- On 1 January 2019, 3,000,000 unlisted options were granted to Ian Henderson, the Chief Executive Officer of the company. The options are exercisable at \$0.1005 expiring 1 January 2023 under the terms of the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The vesting of these options is conditional on continued employment until the vesting date, being three year from grant date. The exercise price of \$0.1005 was 50% higher than the market price of the shares on the date of grant.
- On 1 January 2019, 5,391,063 unlisted performance rights were granted to Ian Henderson in lieu of the first year's cash salary of £210,000. The performance rights have service-based vesting conditions only. The performance rights vested on 1 January 2020 and were all converted into ordinary shares on 13 March 2020.
- On 27 November 2019, 279,950 unlisted options were granted to Jacqueline Kilgour, a director of the company. The exercise price of the options of \$0.29 was 87% higher than the market price of the shares on the date of grant. The options vest on 17 November 2020 and the contractual life of each option is four years.
- On 27 November 2019, 279,950 unlisted options were granted to Karina Kwan, a director of the company. The exercise price of the options of \$0.29 was 87% higher than the market price of the shares on the date of grant. The options vest on 17 November 2020 and the contractual life of each option is four years.

Note 35. Share-based payments (continued)

- On 1 January 2020, 3,000,000 unlisted options were granted to Ian Henderson, the Chief Executive Officer of the company. The exercise price of the options of \$0.165 was 43% higher than the market price of the shares on the date of grant. The options vest on 1 January 2023 and the contractual life of each option is four years.

Set out below are summaries of options granted under the plan:

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/01/2020	01/01/2024	\$0.165	-	3,000,000	-	-	3,000,000
27/11/2019	18/11/2023	\$0.290	-	559,900	-	-	559,900
01/01/2019	01/01/2023	\$0.100	3,000,000	-	-	-	3,000,000
10/08/2018	10/08/2022	\$0.200	1,000,000	-	-	-	1,000,000
10/08/2018	10/08/2022	\$0.260	1,000,000	-	-	-	1,000,000
02/01/2018	02/01/2022	\$0.300	2,000,000	-	-	-	2,000,000
30/11/2016	30/11/2020	\$0.300	2,722,222	-	-	-	2,722,222
30/11/2016	30/11/2020	\$0.300	2,000,000	-	-	-	2,000,000
01/09/2016	01/09/2020	\$0.300	4,000,000	-	-	-	4,000,000
01/09/2016	01/09/2020	\$0.200	4,000,000	-	-	-	4,000,000
			<u>19,722,222</u>	<u>3,559,900</u>	<u>-</u>	<u>-</u>	<u>23,282,122</u>
Weighted average exercise price			\$0.240	\$0.185	\$0.000	\$0.000	\$0.233
2019							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/01/2019	01/01/2023	\$0.100	-	3,000,000	-	-	3,000,000
03/12/2018	03/12/2022	\$0.130	-	1,500,000	-	(1,500,000)	-
10/08/2018	10/08/2022	\$0.200	-	1,000,000	-	-	1,000,000
10/08/2018	10/08/2022	\$0.260	-	1,000,000	-	-	1,000,000
10/08/2018	10/08/2022	\$0.300	-	1,000,000	-	(1,000,000)	-
02/01/2018	02/01/2022	\$0.300	2,000,000	-	-	-	2,000,000
30/11/2016	30/11/2020	\$0.300	2,722,222	-	-	-	2,722,222
30/11/2016	30/11/2020	\$0.300	2,000,000	-	-	-	2,000,000
01/09/2016	01/09/2020	\$0.300	4,000,000	-	-	-	4,000,000
01/09/2016	01/09/2020	\$0.200	4,000,000	-	-	-	4,000,000
			<u>14,722,222</u>	<u>7,500,000</u>	<u>-</u>	<u>(2,500,000)</u>	<u>19,722,222</u>
Weighted average exercise price			\$0.270	\$0.170	\$0.000	\$0.000	\$0.240

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2020 Number	2019 Number
10/08/2018	10/08/2022	2,000,000	2,000,000
02/01/2018	02/01/2022	2,000,000	-
30/11/2016	30/11/2020	4,722,222	2,722,222
30/11/2016	01/09/2020	8,000,000	8,000,000
		<u>16,722,222</u>	<u>12,722,222</u>

The weighted average share price during the financial year was \$0.10.

Note 35. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.31 years (2019: 2.08 years).

Set out below are summaries of performance rights granted under the plan:

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2016	01/09/2020	\$0.000	7,000,000	-	-	(3,000,000)	4,000,000
01/01/2019	01/04/2020	\$0.000	5,391,063	-	(5,391,063)	-	-
			12,391,063	-	(5,391,063)	(3,000,000)	4,000,000
2019							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2016	01/09/2020	\$0.000	7,000,000	-	-	-	7,000,000
01/01/2019	01/04/2020	\$0.000	-	5,391,063	-	-	5,391,063
			7,000,000	5,391,063	-	-	12,391,063

No performance rights are exercisable at the end of the year.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.17 years (2019: 0.99 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/11/2019	18/11/2023	\$0.155	\$0.290	176.76%	-	0.75%	\$0.14
01/01/2020	01/01/2024	\$0.115	\$0.165	87.89%	-	1.04%	\$0.06

Note 36. Events after the reporting period

On 9 July 2020, the company issued 41,323,473 ordinary shares at a price of \$0.08 per share to institutional, sophisticated and professional investors. The total proceeds from the issuance of these securities amounted to \$3,305,878 (before transaction costs).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors


Benny Higgins
Chairman
John Van Der Wielen
Director

27 August 2020
Sydney

Independent Auditor's Report to the Members of Kyckr Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kyckr Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of goodwill <i>Refer to note 14</i> The carrying value of the Group's intangible assets included goodwill of \$8,448,416 arising from the	Our procedures included, amongst others: <ul style="list-style-type: none"> ▪ We evaluated management's process for developing the cash flow forecasts; ▪ We tested the mathematical accuracy of the underlying 'value-in-use' calculations; ▪ We assessed and challenged the appropriateness of the inputs into management's calculations as follows:

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Key audit matter	How our audit addressed the key audit matter
<p>acquisition of Kyckr Ireland during the 2017 financial year.</p> <p>The assessment of recoverability of the goodwill required a significant degree of management judgement given the short trading history of the Group, the early lifecycle stage, and the inherent uncertainties in the key assumptions used in the assessment of future cash flows in particular revenues, earnings before interest and the discount rate.</p>	<ul style="list-style-type: none"> – Comparing and calculating revenue and expense cash flows with historical performance and new business avenues announced to the market; – Comparing the forecasted cash flows estimated in prior periods to financial performance during the current financial year; – Comparing growth rates with the performance of other IT start-ups; – Recalculating the discount rate using the most current risk free rates, market alpha, beta and risk premium estimates; <ul style="list-style-type: none"> ▪ We performed sensitivity calculations for changes to the key inputs to management's model; ▪ We compared the net assets of the Group to the Group's market capitalisation, including consideration of the factors impacting the share price and activities undertaken by the Group.

Other information

The directors are responsible for the other information. The other information comprises the information in Kyckr Limited's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 20 of the directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Kyckr Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The Nexia logo is a stylized, handwritten-style wordmark in blue ink.

Nexia Sydney Partnership

A handwritten signature in blue ink, appearing to read 'Lester Wills'.

Lester Wills
Partner

Dated: 27 August 2020
Sydney

The shareholder information set out below was applicable as at 26 August 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	% of holders of ordinary shares	Number of holders of options and rights over ordinary shares
1 to 1,000	45	-	-
1,001 to 5,000	334	0.34	-
5,001 to 10,000	515	1.22	-
10,001 to 100,000	1,180	12.75	-
100,001 and over	313	85.69	18
	2,387	100.00	18

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
Mr Richard John White	55,635,000	16.18
CS Third Nominees Pty Limited (HSBC Cust Nom Au Ltd 13 A/C)	25,050,000	7.29
National Nominees Limited	21,977,955	6.39
HSBC Custody Nominees (Australia) Limited	21,341,598	6.21
Bell Potter Nominees Ltd (Bb Nominees A/C)	9,868,573	2.87
Mr Benjamin Cronin	9,096,352	2.65
Dixon Trust Pty Limited	7,312,500	2.13
Mr Robert Henry Leslie	7,046,470	2.05
Citicorp Nominees Pty Limited	5,553,971	1.62
Mr Ian Arthur Henderson	5,072,249	1.48
BNP Paribas Nominees Pty Ltd (IB Au Noms Retailclient Drp)	4,706,409	1.37
Mr David Cassidy (Cassidy Family A/C)	4,530,211	1.32
J P Morgan Nominees Australia Pty Limited	3,616,025	1.05
Coolpanda Pty Ltd (Coolpanda Family Super A/C)	3,600,000	1.05
Fusheng Investments Limited	3,300,000	0.96
Muhlbauer Investments Pty Ltd (Muhlbauer Family A/C)	2,923,251	0.85
Mr Giovanni Bernard Stagno	2,500,000	0.73
Yucaja Pty Ltd (The Yoegiar Family A/C)	2,456,539	0.71
Bnp Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd (Drp A/C)	2,450,142	0.71
Mr Peter Howells	2,275,000	0.66
	200,312,245	58.28

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	23,282,122	13
Performance rights over ordinary shares	13,000,000	5

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Mr Robert Leslie	Performance Rights	6,500,000
Mr Benjamin Cronin	Performance Rights	6,500,000
Mr Ian Henderson	Options	6,000,000

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares % of total shares issued
Number held	
Mr Richard John White	55,635,000 16.18
Regal Funds Management Pty Ltd	25,000,000 7.27

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.