

ASX RELEASE

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## 2021 Half Year Results

# Solid enterprise growth offset by Covid-19 related decline in non-enterprise online transaction volumes

**Kyckr Limited (ASX:KYK)** (Kyckr or the Company), a regulatory technology (RegTech) company, is pleased to announce the release of its financial results for the half year ended 31 December 2020. Revenue for 1H FY21 was \$1.27 million, a 9% rise on the prior corresponding period.

### Key Highlights

- Overall Group revenue of \$1.27 million (up 9% pcp) was negatively impacted by temporary Covid-19 related decline in online transactional business.
- Enterprise revenue grew by 20%, of which 40% is Annual Recurring Revenue (ARR) (up 38% pcp), with 11 new Enterprise client wins in the period.
- Strong growth and contract renewals from existing customers with 138% Net Revenue Retention (NRR) (up 68% pcp).
- Transactional website revenue down 47% pcp, reflecting decline in business formation and transfers arising from Covid-19 shutdowns in key Kyckr markets.
- Four new partners have integrated Kyckr information feeds into their service offering (up 40% pcp) and a further 12 partners are in various stages of negotiation.
- Perpetual KYC (*Company Watch*) and prototype *UBOverify* products released in H1FY21 (first revenues occurring in H2FY21). New registry coverage added (notably China and Japan) increasing market leadership position.
- Well-positioned for post-Covid economic recovery.

**Commenting on the results, Kyckr CEO Ian Henderson said** "While we have continued to successfully transition Kyckr from a data transaction business to one which is recurring licence fee based, Covid-19 shutdowns negatively impacted our growth aspirations for the half year.

"Notwithstanding, we were able to offset the significant decline in online transaction volumes from non-enterprise customers with continued wins in the enterprise segment (ARR) while also extending our share of wallet with existing enterprise customers (NRR).

"Long sales cycles with global financial institutions continue to be a challenge, and contracts that were expected to be concluded in H1FY21 have experienced Covid-19 related delays in completion. However, we remain confident of deal closure.

"We were able to roll out two new product releases *Company Watch* and a *UBOVerify* prototype as well as new information feeds for China, Japan, South Africa and the Cayman Islands. Our global registry capability was extended to provide additional information for European Union designated high risk third countries. These initiatives were in direct response to client and prospect demand.

"This strengthened capability means the business is extremely well positioned to benefit from future economic recovery".

## Operational Overview

### Enterprise

Enterprise reported first half revenue of \$1.13 million (up 20% pcp). The growth in enterprise revenue for the first half came from a combination of new client wins and increased usage from existing customers.

Since 1 July 2020 all new client contracts and contract renewals have minimum annual revenue commitments, with new client and global Top 10 legal firm Clifford Chance, extending Kyckr's presence beyond financial services. A further 10 enterprise clients concluded contracts in the period. In addition, established enterprise clients extended their utilisation of Kyckr's services. This has contributed to Net Revenue Retention in the first half of 138% (up 68% pcp).

Contracted ARR at the end of the first half of FY21 is currently circa \$60,000 per month and this will grow as new enterprise contract discussions and contract renewals, which have experienced delays in closure due to Covid-19 shutdowns in key markets, are finalised in the second half of FY21.

### Partners

Further growth is forecast from the expansion of Kyckr's enterprise partner network resulting in new end users having access to Kyckr information services, as evidenced by the contract extension with NTT, a long-standing client since 2015. Kyckr also recently established a partnership engagement with FrankieOne, a leading platform for banks, fintechs and financial institutions in the Australian market. FrankieOne's clients can now access Kyckr's extensive global registry information sources. Partner activity is continuing to expand in the second half of FY21, with new relationships and an increase in existing partner activity.

### kyckr.com

In light of the Covid-19 induced trends seen during 2020 a strategic decision was taken to reduce the focus on non-enterprise online activities and concentrate on the more lucrative annuity revenue opportunities from international enterprise clients.

### Corporate

As part of a \$8 million Placement and subsequent Share Purchase Plan, on 9 July 2020, the Company issued 41,323,473 ordinary shares to new and existing shareholders at a price of \$0.08 per share. The total proceeds from the issuance were \$3,305,878 (before transaction costs). The funds have enabled Kyckr to build out its product capability and expand its sales team to take full advantage of the sales opportunities ahead.

Two Board changes also occurred during the half year, with Non-Executive Director, John Van Der Wielen, stepping down from the Board following his recent appointment to Chair the Western Australia Future Health Research and Innovation Fund (FHRI). Coinciding with the resignation, Mr Rajarshi (Raj) Ray was appointed Non-Executive Director, bringing extensive international executive experience in Financial Services and SaaS.

### Outlook

Having completed the strategic re-orientation of the Company to valued-added information services, the focus will be firmly on Annual Recurring Revenue generation from new enterprise client wins, existing clients switching their contractual arrangements to minimum annual commitments and from new business generated by the growing network of partners.

### Investor Webinar

An investor webinar will be scheduled for late March. Full details will be provided shortly.

Ends.

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

### About Kyckr Limited

Kyckr is a B2B information services company that aggregates, organises and structures the world's primary source company data to help businesses reduce the risks associated with counterparty relationships. Unlike traditional data companies which source data from multiple, secondary sources, Kyckr provides accurate data with trusted, legally-authoritative provenance. This helps organisations avoid the significant regulatory and commercial costs associated with using poor quality data. Through the combination of accurate data with innovative technology, Kyckr's solutions help businesses to succeed in the fight against fraud, money laundering and financial crime.

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

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