

ASX ANNOUNCEMENT**19TH JANUARY 2017****APPENDIX 4C QUARTERLY REPORT: PERIOD ENDED 31 DECEMBER****2016 HIGHLIGHTS**

- Revenue grew strongly during the quarter to \$0.46 million, up 53% on the September 2016 quarter
- Secured major global bank Citigroup as a new customer with access for over 500 compliance users in APAC, Europe and the US.
- Focus of the Company now turns to business development and revenue growth – A significant pipeline of advanced opportunities exist for the Company's technology and product suite
- Messrs John Van Der Wielen and Patrick Curry have joined the Board and serve as Chairman and Non-executive Director respectively

Kyckr Limited (Kyckr, ASX: KYK) is pleased to provide the following information regarding the December 2016 quarter and a market update.

Operations

During the quarter, the Company achieved strong growth with revenue reaching \$0.46 million representing a 53% on the September 2016 quarter. Notably, our Bank of Ireland revenue continues to grow as we continue to increase our presence within the organisation. Citigroup is a significant endorsement for the Company and an opportunity expected to grow further over time. Cash receipts for the quarter was \$0.26 million and the Company retains \$3.8m in net cash.

Strategy and Outlook

The Company believes its technology and product suite has distinct competitive advantages compared to systems currently used in the Compliance segment. Kyckr's focus now turns to business development and continued revenue growth with the appointment of some key staff.

Our Business Development team now includes Ed Doyle head of Business Development and Delivery for Europe. Ed has many years of success in the Anti Money Laundering (AML) sector and is well respected by Kyckr's peers and customers. John Varnay has been appointed head of Business Development Asia. John is very experienced in business development in Asia having successfully built his own technology business and which resulted in a public listing.

The Company has a significant pipeline of customer opportunities it has been developing and continues to strengthen. With these new competencies now in place, our pipeline is cleaner and Kyckr is confident that it will deliver new blue chip customers in the second half of Financial Year 2017.

The Company continues to develop its blockchain capabilities where we have built an agnostic platform to deliver Corporate Identities, to date built on BitCoin, Ethereum and Credits. This capability has been recognised globally where we have won prizes at the following three events against global peers.





Corporate

Kyckr successfully listed on the ASX on 7th September 2016 following a capital raising of \$5.2m.

Two new non-executive Directors were added to our board to increase the level of independence. They include:

- John Van Der Wielen who amongst other roles is on the board of a number of international financial institutions and an advisor to the Blackstone Group. John is now our Chairman.
- Patrick Curry who is an international influencer in blockchain technology and who's work include papers on blockchain for government bodies internationally. He is also an advisor to Interpol and Europol.

The Company also appointed Patersons Securities Limited as its Corporate Advisor.

Managing Director David Cassidy commented "The Board and management are delighted with the progress of the company since the IPO in September. We believe we have best in class products and the above outcomes illustrate the executive team's competence and our technological capabilities. Whilst still in the infancy of a strategic plan to grow the business significantly based on our technology capabilities, our pipeline of opportunities will continue to progress and we look forward to continued expansion and growth in revenue."

For more information, contact:

David Cassidy
Managing Director
Kyckr Limited
Contact No: +61 418 618 032

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Kyckr Limited

ABN

38 609 323 257

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	260	403
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(48)	(68)
(c) advertising and marketing	-	(2)
(d) leased assets	-	-
(e) staff costs	(545)	(641)
(f) administration and corporate costs	(365)	(627)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – transaction costs in acquisition of subsidiary and IPO transaction costs	(47)	(133)
1.9 Net cash from / (used in) operating activities	(741)	(1,061)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(12)
(b) businesses (see item 10)	-	49
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	37

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	5,192
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(74)	(451)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(190)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(74)	4,551

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,603	267
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(741)	(1,061)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	37
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(74)	4,551

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(11)
4.6	Cash and cash equivalents at end of quarter	3,783	3,783

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	67	132
5.2	Call deposits	3,716	4,471
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,783	4,603

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

238

-

Directors' fees and consulting fees at normal commercial rates

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(144)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(657)
9.6 Administration and corporate costs	(266)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,067)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Kyckr Ireland Limited	-
10.2 Place of incorporation or registration	Ireland	-
10.3 Consideration for acquisition or disposal	Issued \$9.26m in equity with an additional \$2.6m in deferred consideration shares. Nil cash consideration	-
10.4 Total net assets	(\$465k)	-
10.5 Nature of business	KYB (KYC on business) services	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 19th January 2017

Print name: Karl Pechmann

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.