



ASX RELEASE

28 February 2020

2020 Half Year Results Announcement

Highlights

- Significant focus on top priority Enterprise solutions with a 39% revenue increase compared to the prior corresponding period
- Group service revenue for 1H FY20 of \$1.15 million, an increase of 8% on the prior corresponding period
- Good progress with the development and deployment of Kyckr's Perpetual KYC solution – with early traction seen from the investments made in this technology and sales channels
- Positive sales growth momentum expected to continue with a stronger 2H FY20

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a regulatory technology company, is pleased to announce the release of its financial results for the half year ended 31 December 2019. Services revenue for 1H FY20 was \$1.15 million, an 8% rise compared to the prior corresponding period.

The highlight from the Half Year Results was the growth in the Enterprise division with a 39% increase in revenues to \$441,888. The rise was led by stronger engagement from existing customers, contract renewals extended into a further year and new client wins.

The strong increase was also a reflection of Kyckr's continued efforts in building its sales channels capabilities with 5 new London-based hires during the period. The Company expects to see continued benefits from the expanded business development and marketing resources.

Kyckr CEO, Ian Henderson, commented: "Kyckr's strategic initiatives have started to bear fruit. We've been building the London team, which is our priority market due to the proximity to Europe, and where we can react much more quickly to sales leads.

"The hires made with the expansion of our marketing and sales team, have contributed to the growth in our Enterprise division. The addition of Business Development and Account Management resources in London is expected to open up more Enterprise revenue opportunities in the UK and Europe.

"We are also focused on bringing our Kyckr for Business division back to positive growth following the termination of one client contract during the period. Despite the short term revenue implications this action was in Kyckr's long term interests. We are confident this can be replaced and added to, given our business development efforts, and the early traction we have received.

"Our online platform is the largest platform for corporate identification globally, bringing speed and accuracy, and eliminating time-consuming manual regulatory compliance checks. As firms across the world take strong action to improve KYC, AML and fraud prevention policies, we remain well placed to deliver technology solutions that support our customers meet their KYC and AML obligations."



The agreement comes off the recent launch of the new Kyckr online platform www.kyckr.com which provides enhanced functionality for customer verification, improving the overall customer experience.

Operational Overview

Enterprise

Enterprise reported 1H'20 revenue of \$441,888, up 39% on the \$317,831 achieved in 1H'19.

Growth in Enterprise revenue for the first half resulted from new revenue from recent client signings, as well as increased data usage from a long-time existing Enterprise payment services provider where the client has expanded the use of Kyckr's global access to corporate identity verification.

The business development resources in London over the past few months have been working on building out pipeline opportunities in the United Kingdom and look forward to closing new deals in the coming half of the year.

Kyckr for Business

The Kyckr for Business division reported revenue of \$492,944, a 13% decrease on the prior corresponding period. This was due to one client relationship being terminated by Kyckr following a breach of terms and conditions. Despite the short-term revenue implication, this action was taken in Kyckr's long term interests. In addition, one significant global client closed down part of its business with a consequent loss of revenue. Kyckr maintains a good relationship with the client's other business units.

Kyckr is looking to replace this business with higher margin customers, and the Company is in active discussion with a number of leads.

Kyckr.com

One of Kyckr's most notable highlights in 2019 was the launch of the new online Kyckr.com digital portal to enhance the consumer experience and improve customer verification. The platform launch led to increased awareness with a trend in new monthly visitors, resulting in subscriber growth. Growth continued in this division with revenue increasing 7% on the prior corresponding period to \$217,917.

Since the launch of Kyckr.com, there have been more than 8,000 new registrations on the platform. This is a strong indicator of increasing awareness in Kyckr's marketplace, ultimately linked to client growth. The new website is expected to play a key role in supporting the Company's strategy to increase leads, users and sales globally.

Corporate

The Company raised \$5.2 million via a share placement in July where Mr Richard White, CEO of WiseTech Global, became a cornerstone investor with a 19.6% holding. The funds raised are being used to facilitate Kyckr's commercialisation plans and applied towards delivering technology solutions, specifically Perpetual KYC, and building its sales channels and business development capabilities.

At a Board level, Kyckr underwent some changes with Non-Executive Director Robert Leslie retiring to pursue his other executive responsibilities, while Benjamin Cronin moved from an Executive Director to a Non-Executive Director role at Kyckr.



Outlook

Kyckr's focus will remain on the expansion of current and prospective enterprise clients, whilst establishing strategic partnerships to fast-track and connect to a wider customer base.

The Company has also invested in its Perpetual KYC solution with a number of pilots proposed with major banks and other regulated businesses.

Heavy emphasis will be placed on building stronger engagement with existing customers and new prospects for Kyckr for Business with a number of discussions currently underway.

In addition, efforts will continue to increase market awareness and customer retention from the Kyckr.com digital platform.

Overall, the Company expects a positive trend within its global business development pipeline, driving client opportunities across Europe, North America and Asia, leading to stronger momentum expected in 2H FY20.

Ends.

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

About Kyckr Limited

Kyckr is a global regulatory technology (RegTech) business, providing technology solutions. Kyckr's solutions are connected to over 200 regulated primary sources, in over 120 countries, providing real-time company registry information on over an estimated 170 million businesses globally. Kyckr provides automated technology solutions to improve the efficiency and effectiveness of Corporate KYC.

To learn more about Kyckr, visit www.kyckr.com.

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