

Kyckr Investor Presentation

Kyckr (ASX:KYK) are technology and data specialists providing Know Your Customer (KYC) solutions through global real-time client verification, helping prevent money laundering and financial crime.



CEO: Ian Henderson
July 2019

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Glossary of Terms

4AMLD	The European Union 4 th Anti-Money Laundering Directive which places greater emphasis on UBOs as part of the KYC, expanded requirements when looking at people as shareholders and directors and now includes the gambling sector.	CDD	Customer Due Diligence which is a full KYC check on a business customer.
5AMLD	Proposed amendments to the 4AMLD where businesses have the obligations to hold beneficial ownership records with their authority in their country of registration and also ownership is now examined at 10%+ (currently 25%+).	CTF	Counter-Terrorism Financing.
AML	Anti Money Laundering. This is majority source of legislation relevant to KYC.	CMGR	Compound Monthly Growth Rate
API	Application Program Interface which a cloud based means of accessing our services and information. This does not require the provision of code or programs to customers.	EDD	Enhanced Due Diligence which is required for high risk companies.
B2B	Business to Business. Services and products requiring sales personnel to sell direct.	GDPR	General Data Protection Regulation which is a EU law on data privacy and protection
B2C	Business to Consumers which are online services and do not require sales personnel but require digital marketing.	KYC	Know Your Customer which for Kyckr is specific to companies, funds and entities (i.e. not people).
		Perpetual KYC	Perpetual KYC is a means of providing event driven KYC where the event refers to changes to company attributes.
		p.c.p	Previous Corresponding Period
		RegTech	Regulatory Technology business.
		UBO	Ultimate Beneficial Owners which is a map of the shareholders and if a shareholder is a company who their shareholders are all the way through to the final people based shareholders.

Who We Are

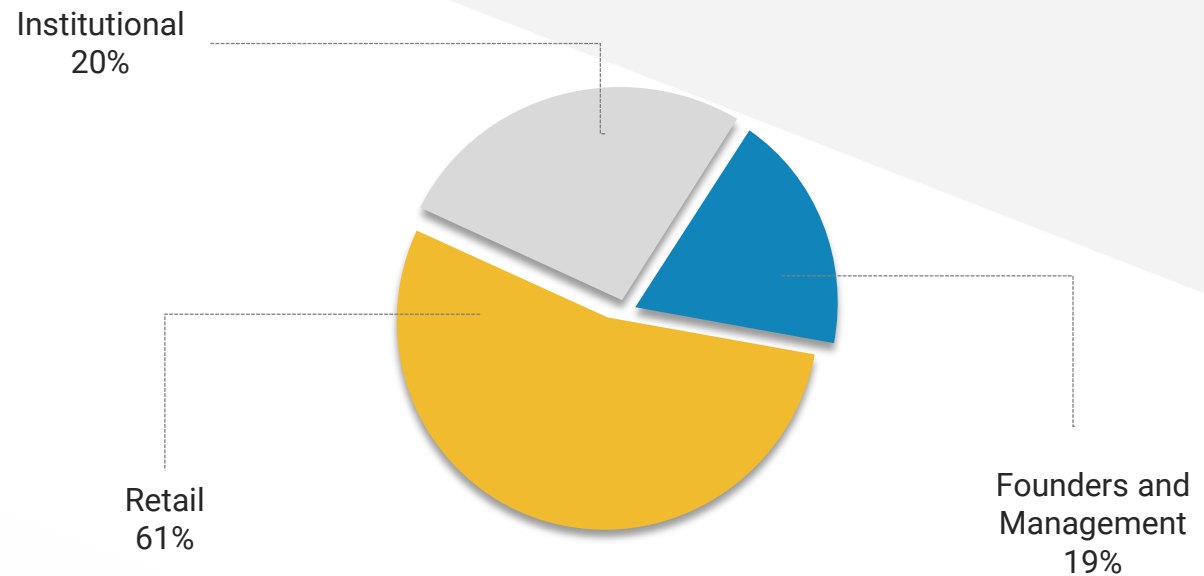


Corporate Overview

Corporate Overview

- ASX code: KYK
 - Listed: Sep 2016
 - Shares issued: 150m
 - Share price: \$0.05*
 - Market cap: \$7.5m
- *As at 3 July 2019

Shareholder Composition



About Kyckr

Technology and data specialists

Kyckr (ASX:KYK) are technology and data specialists providing Know Your Customer (KYC) solutions through global real-time client verification, helping prevent money laundering and financial crime.

Kyckr holds one of the largest global networks for customer verification

- Regulators demand firms keep customer information consistently up to date.
- Connected to 200+ regulated primary sources, 120+ countries, providing real-time company registry information on over 170 million businesses globally.
- Used for onboarding new customers and on-going monitoring of customer information.
- Enabling users to instantly find company profiles, credit reports and filings.

Trusted by Solid Blue Chip Client Base



Bloomberg

Diversified Client Revenue

Australia
Europe
USA



What drives the demand for Know Your Customer technology?

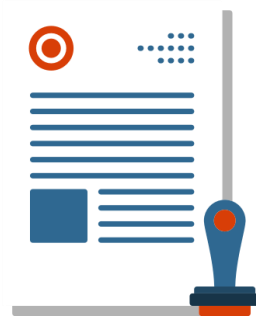
The Risks for Non-Compliance

- In the 10 years post financial crisis, US banks alone have been fined over US\$120B in compliance related fines
- In February 2019, regulators in US, Sweden, Estonia, Lithuania are probing **Swedbank** after internal documents showed over **\$200 billion** in “high risk non-resident money flowed through its Estonian branch from 2007-2015
- In 2018, Denmark’s largest lender **Danske Bank** been was charged on **four counts** of violating anti-money laundering laws relating to its Estonian branch scandal
- In 2018, **Commonwealth Bank of Australia** was fined **\$700m** for serious breaches with regard to its AML/CTF obligations
- Tier one banks are spending well in excess of \$640 million a year on compliance-related costs.¹



¹ Thomson Reuters, 18.

What drives the demand for Know Your Customer technology?



Data Quality

- Companies are obliged to update company information in a company registry to prevent money-laundering.
- Other data providers are not obliged to keep information up to date.
- Compliance decisions are affected through poor quality data.



Changes in Global Regulations Driving Growth

- Global obligations to access “*current, accurate and objective*” information in AML.
- GDPR compliance is met through live, primary source data.
- Primary source data is legally reliable.

Why We're Different



Data Veracity

Unlike others, we uniquely access registries live at every search, meaning information from Kyckr is the most current and accurate available.



Legally Authoritative

We help access company registries that operate under legally binding obligations to keep their information up to date.



Ease Of Data Refresh

Company Watch perpetually maintains the quality of customers – every day, week and month.



Manage Your Costs

Automation to remove manual tasks, reduce costs and drive efficiencies. Flexible pricing and tools to help only pay for what is used.



Compliance Best Practice

Data that promotes best practice and aligns with data privacy (GDPR), AML/CTF regulation and compliance around the world.



Global Scope

Our global network is the largest for corporate identification and verification, helping verify the identities of customers, suppliers and partners.

The KYC Market

Growth Expected to Double by 2023

KYC services comprises services such as **business verification**, **beneficial ownership identification**, and **risk assessment**. The total market for KYC solutions has a projected annual growth rate of **16%** and is expected to reach **\$16.4 billion** in 2023.

According to Thomson Reuters, it is estimated that Large financial institutions spend up to **\$640 million annually** on KYC and CDD².



Source: (1) OWI Labs, 2017; (2) Thomson Reuters, 2018.

Why it's Growing



Increasing Regulation

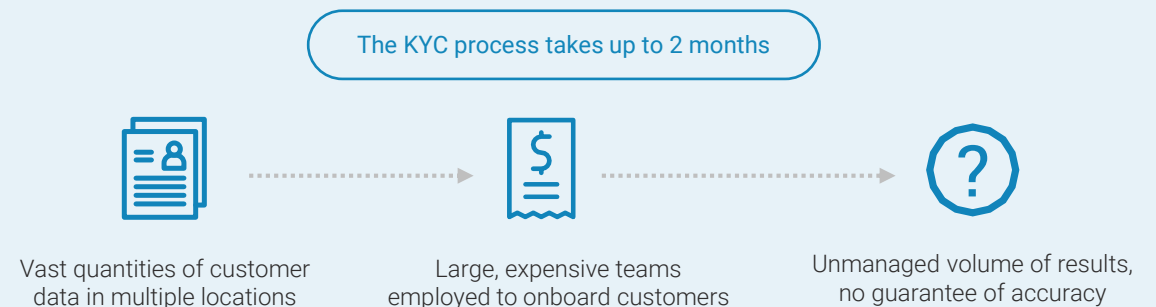


Technological Advancements



Costs associated with KYC

Current KYC processes are ineffective



Challenges of KYC Compliance

Existing solutions are slow, costly, manual and poorly managed

73%

of financial institutions reported losing up to 4% of prospective customers because of friction during onboarding⁴

Increased Customer Friction

Customer on-boarding has become a complex process with a recent study finding that over **12% of companies switched banks due to KYC issues⁴**.

27%

of risk and regulator experts think data is not updated frequently enough⁵

Data Management

Current solutions are not effectively managing data, with a small, yet crucial, subset of KYC databases needing to be real-time to reflect material changes. Those that store crucial KYC data are falling behind, providing real-time, primary and authoritative data is critical for compliance.

27%

of financial institutions executives believe high cost is the main driver for outsourcing KYC⁴

Burdening Compliance Costs

The average cost of KYC for global financial firms is increasing by a CAGR of **22%** since **2010** and is expected to increase at a similar pace until at least 2020².

The costs of meeting compliance obligations for major financial institutions can be up to **\$640m annually³**.

38%

of commercial banking executives plan to replace existing AML systems for more pro-active solutions⁶

Need for Advanced (Automated) Intelligence

Automated KYC solutions eliminate the need for time-consuming manual regulatory compliance checks.

The average annual spend for non-financial corporations (including labor and third-party costs) is **\$61m for KYC solutions²**.

Source; (1) Thomson Reuters, 2017; (2) Forbes, 2018; (3) Thomson Reuters, 2018; (4) LexisNexis, 2017; (5) Deloitte, 2017; (6) CEB, 2016

Revolutionising the KYC process

Kyckr's unrivalled real-time, primary source data enables compliance with all KYC processes for AML regulations. Our range of technology helps you perpetually monitor your customer risk from start to finish.

Kyckr Perpetual KYC



Online Document Search & Purchase

Search and download from over 200 corporate registries from the Kyckr website, with dashboard reporting, admin tools and team management.



Client Onboarding

Kyckr's low-cost KYC solutions provide successful and faster client onboarding, therefore accelerating customer revenue.



Data Cleanse & Validation

Verify & Validate fully automates to cleanse, remediate and verify existing corporate records, enabling data management compliance.



Company Watch

Active online monitoring service to notify changes to corporate data. Alerts can be daily, weekly or monthly.



Client Offboarding

Equipped with new information, existing relationships can be easily offboarded removing AML, CTF and Fraud risk.

Our Solutions

WEB-BASED SOLUTIONS

For individuals



Kyckr.com

Website access to over 200 registries globally

For teams



Kyckr for Business

Dashboard admin features, reporting and spend limits

ENTERPRISE SOLUTIONS

Multi-product solutions for enterprise



Company Watch

- Monitoring captures changes at the registry
- Custom alerts and risk levels
- Monitors and maintains data quality ongoingly



Kyckr API

- Automated access to Kyckr data
- Direct integration into existing systems
- Test Sandbox



Perpetual KYC

- Verify and Validate aligns information against registries
- Customer data is assessed for quality against Kyckr sources
- Company Watch monitors and perpetually maintains quality

Kyckr.com

Growing web platform that connects to global data

Why businesses use Kyckr.com & Kyckr for Business

- ✓ Ensure regulatory data compliance
- ✓ One of the largest platforms globally for KYC data
- ✓ Streamlined online access to over 200 registries – legally authoritative primary source
- ✓ Direct and always up to date real time access to data – maintaining quality of customers – every day, week and month
- ✓ Instantly find company profiles, credit reports and filings



Our Customers



+34% growth in new registrations
across web-based solutions

Kyckr.com, H219 vs H218



Financial
Services



Legal
Firms



Accounting
Firms



Operations/
Logistics

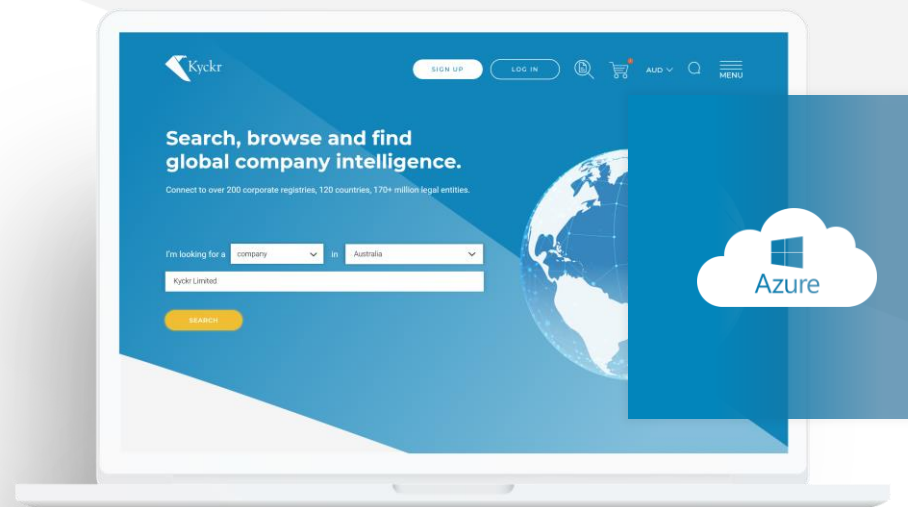
2019: Investments in Technology

Investment in Technology Partner

Continual investment in technology by partnering with Microsoft expert Codec.

Strong Security

Enhanced security and accreditation through ISO27001 compliant Microsoft infrastructure



Smarter, Digital Data

Investments in Elastic Search (Google), AI and data intelligence for better insights and optimised delivery

UI/UX Expertise

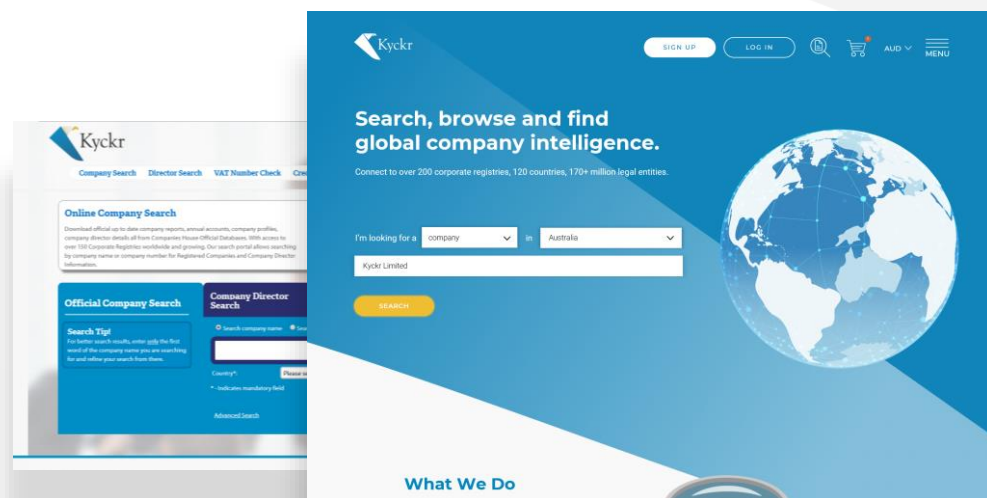
User Interface and User Experience experts engaged to improve usability and design – all aligned with the relaunch of web platforms

Scalability through Cloud

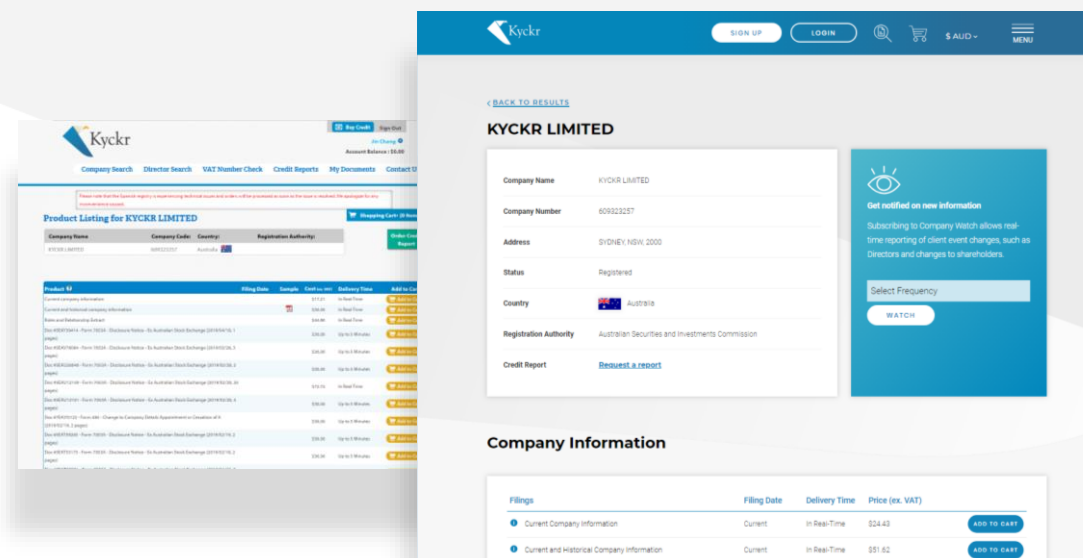
Investing in a framework that allows us to deploy new features and functionality to our clients quicker than ever before

The new Kyckr.com experience

REDESIGNED SEARCH AND HOME



COMPREHENSIVE COMPANY SEARCHES



- Launched in May 2019
- Improved digital platform for customer verification
- Enhanced functionality and user experience set to attract new users and accelerate online revenue
- Increased momentum expected from this channel

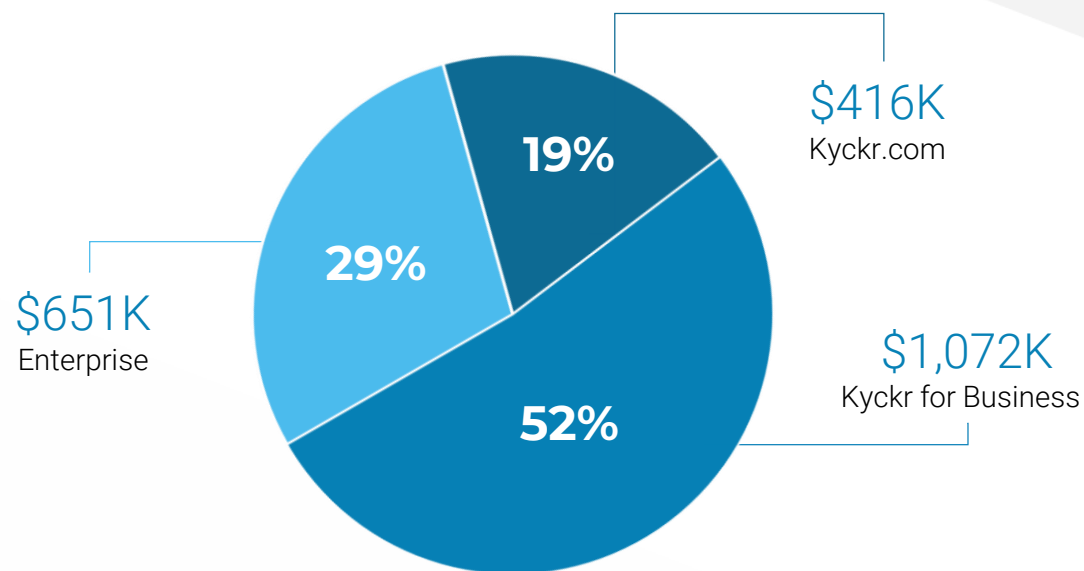
Kyckr's Financial Performance

Unaudited FY19 Results



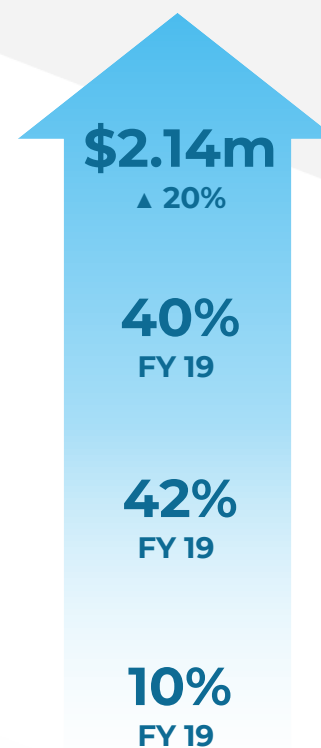
Making progress across the group's segments

FY19



	\$A'000
Operating and investing cash outflow FY18	3,667
Operating and investing cash outflow FY19	4,459
Cash holdings Q3 FY19	2,286

Continual growth from FY18 to FY19



Record revenue of \$2.14m for FY19
▲ 20% compared to FY18

Growth – **Kyckr for Business** online sales
Growth compared to p.c.p
FY 18 ▲ 16%
FY 19 ▲ 40%

Growth – **Kyckr.com Sales**
Growth compared to p.c.p
FY 18 ▲ 58%
FY 19 ▲ 42%

Greater **Enterprise** customer diversification resulting in lower reliance on key customer Bank of Ireland
17% for FY 18
10% for FY 19

Kyckr.com

Increased compliance requires legally authoritative information direct from registries

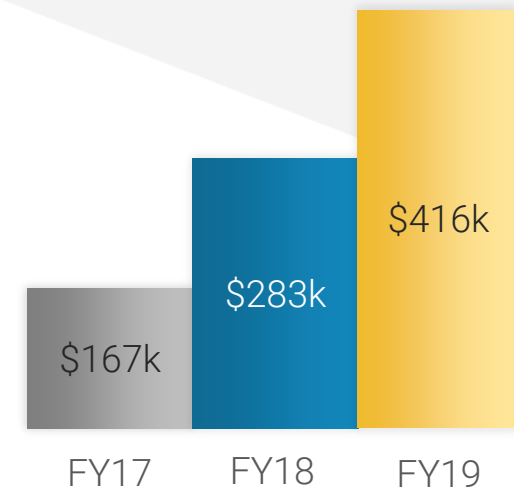


- ✓ Access over 200+ official corporate registries from one platform
- ✓ Pay online via Credit Card
- ✓ View online or via email

What's next?

- Post launch digital marketing campaigns to increase awareness
- Expected increase revenue substantially from current performance

Revenue Performance



▲ 42% vs p.c.p

Kyckr for Business

Businesses seek a streamlined platform for accessing global information

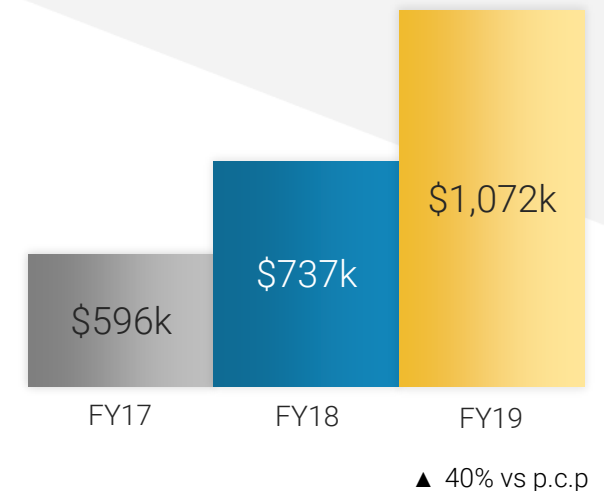


- ✓ Dashboard admin features, reporting and spend limits
- ✓ Create teams and monitor spend
- ✓ Monthly billing, team invoicing, no credit cards

What's next?

- Expand platform services for richer compliance management
- Stronger engagement with existing customers for migration and revenue opportunities
- Strategic B2B targeting and positioning

Revenue Performance



Enterprise

Portfolio of various enterprise solutions



Perpetual KYC



Company Watch



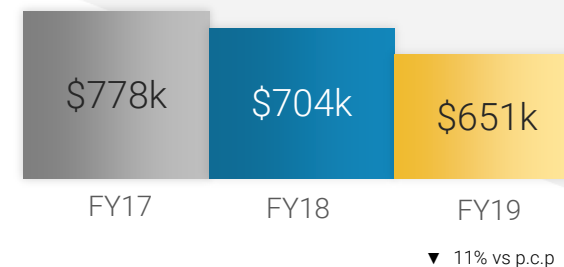
Kyckr API

What's next?

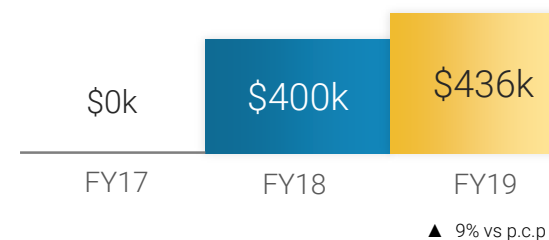
- Continued development and innovation of products to optimise digital data delivery our source of our most profitable revenue
- Build on strategic partnerships to accelerate Enterprise revenue

Revenue Performance

WITH BANK OF IRELAND CONTRIBUTION



NON-BANK OF IRELAND CONTRIBUTION



Strategy and Outlook



Strategic Highlights

Achievements

- ✓ Improved geographic diversification in sales – less dependant on Europe and more diversification from the US
- ✓ Bank of Ireland (Enterprise client) extends for 3 years
- ✓ Appointment of new CEO Ian Henderson and Board expertise growth
- ✓ Expanded Development team to enhance technology
- ✓ Improved new Kyckr.com website released in May 2019

Clear strategy for revenue growth

1 Partnerships

Engaging strategic partners

- Current enterprise relationships reliant on direct communication between the end client
- Long sales cycles and procurement processes an obstacle to faster revenue growth
- Strategic shift to employ a partner strategy to create new revenue growth channels
- Collaborate with leading global firms to embed Kyckr's unique registry network (as shown by recent ESC win)
- Reduces time to revenue, decreases set-up time/costs, and connect to large customer networks



2 Enterprise

Continued enterprise focus

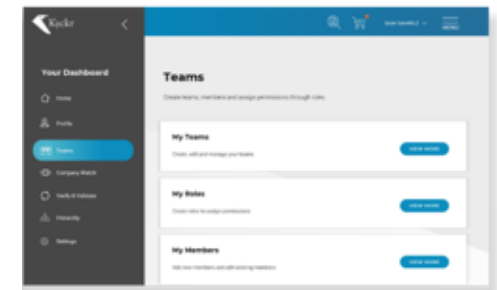
- Contact renewals have successfully extended into a further year
- Continue to increase the number of fixed price contracts with minimum annual usage
- Continue to fulfil procurement obligations and onboarding assessments of our clients and pilot prospects – taking up to 12 months for some clients
- Perpetual KYC pilots proposed with major banks and working to procurement and stakeholder needs



3 Kyckr.com

New and enhanced technology

- Improved digital platform for customer verification
- Enhanced functionality and user experience set to attract new users and accelerate online revenue
- Increase online portal growth from new Kyckr.com digital platform



FY20 Priorities - Strategy to build on

Well positioned for growth in FY20

- Sign opportunities for strategic partnerships, including with global data providers and credit bureaus
- Focus on current and prospect enterprise clients
- Increase online growth from new Kyckr.com digital platform
- Continue geographic diversification in revenue
- Building on the rapid growth in the RegTech industry

Well established Global Board and Executive Team

Highly Experienced with proven track record



Ian Henderson

Chief Executive Officer
London, UK

Highly experienced chief executive with 30 years banking experience.

Former CEO RBS International and COO Barclays Wealth.



Benny Higgins

Executive Chairman
London, UK

Global banking executive with 30+ years of financial services experience.

Former Tesco Bank CEO.



Jacqueline Kilgour

Non-Executive Director
London, UK

Senior executive with over 30 years financial services experience.

Former MD at Citigroup responsible for Anti Money Laundering.



Karl Pechmann

Chief Financial Officer & Company Secretary

Sydney, Australia

Chartered Accountant and Chartered Secretary with 15+ years business experience. Former audit, business and financial professional at KPMG.



Edward Doyle

Chief Customer Officer
Dublin, Ireland

Compliance professional with 15+ years experience.

Former VP Financial Crime at BAE Systems.



Karina Kwan

Non-Executive Director
Sydney, Australia

Accomplished executive with 30 years experience across banking sector in Australia/NZ.

Former CFO of Citigroup for Australia and New Zealand.

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