



ASX RELEASE

9 July 2018

APPENDIX 4C QUARTERLY REPORT PERIOD ENDED 30 JUNE 2018

Highlights

- June quarterly revenue of \$0.42 million, up 13% on the same quarter in the prior year
- Strong growth in non-enterprise services
- Customer cash receipts of \$0.48 million received during the quarter
- Global US based bank signs 5-year data license agreement
- Kyckr's commitment to data privacy ensures seamless implementation of the GDPR regime
- Kyckr demonstrates its capabilities at the AUSTRAC RegTech Showcase
- \$5.3 million raised via a Share Placement positions Kyckr well to develop new technologies to meet client needs
- Commercial discussions continue to advance with several potential large enterprise customers

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a regulatory technology company, is pleased to provide the following market update and information for the quarter ended 30 June 2018.

Financial Overview

Quarter ended 30 June 2018

For the quarter, Kyckr recorded revenue of \$0.42 million, an increase of 13% on the June quarter in the prior year.

Kyckr's non-enterprise online services continued to deliver strong revenue growth, with online revenue for the quarter 181% higher than the same quarter last year, and post-billed services up 97% from the same quarter in the prior year. Strong growth is expected to continue in FY19 with the re-launch of Kyckr's website, the launch of new product solutions and an increase in sales and marketing investment planned.

Kyckr continues to invest in valuable enterprise opportunities, fostering existing relationships and ensuring its prospects remain engaged. Originally expected to commence in the June quarter, Kyckr will continue to progress its current opportunities, aligning closely with our clients' requirements, processes and teams to deliver on revenue expectations.

For the quarter, total cash receipts were \$0.48 million and cash at the end of 30 June 2018 was \$4.59 million.

Operational Update

Global US Based Bank Signs 5-Year Data License Agreement

A 5-year data license agreement was signed with a global US based bank, helping strengthen the effectiveness and efficiency of the firm's corporate KYC.

Kyckr's automated access (API) to over 200 official registries globally, will become available to their global division in commercial and consumer banking products and services.



The collaboration has resulted to the bank becoming an enterprise grade client through the new agreement.

Kyckr and GDPR: Commitment to Data Privacy

In May, Kyckr shared new changes to its policies in alignment with its commitment to data privacy.

The General Data Protection Regulation (GDPR) came into enforcement on 25 May 2018, bringing changes around how consent and data is handled for citizens in Europe.

Kyckr updated its Privacy Policy and Terms and Conditions to provide greater transparency around how personal information is handled and the security measures in place to protect data.

Kyckr remains fully committed to offering solutions and services that demonstrate compliance within GDPR.

Kyckr Demonstrates at AUSTRAC's RegTech Showcase

Kyckr was selected to demonstrate its technology and solutions at the AUSTRAC RegTech Showcase, an event held to discuss ways to harness technology to combat the AML/CTF challenge.

AUSTRAC is Australia's financial intelligence agency with regulatory responsibility for anti-money laundering and counter-terrorism financing.

The event aimed to provide a platform for collaboration and to generate new ideas around streamlining compliance and better assessing risks. Industry and AUSTRAC panel discussions spoke about the expectations, pain points, interests and overall outlook in AML RegTech today.

Kyckr demonstrated its Perpetual KYC solution, an event-based management of risk where intelligence is used to monitor and capture changes around a company's attributes. These changes can include changes in a company status, legal name, director changes and/or shareholder changes.

Through a product simulation, Kyckr's technology and approach was on display, including its data cleansing solutions and event-based monitoring platform, Company Watch.

The event was attended by approximately 120 people from across the financial and gaming sectors, industry groups and anti-money laundering (AML) service providers.

Corporate Overview

\$5.3 million raise via a share placement

Kyckr announced that it had successfully completed a Placement to institution and sophisticated investors to raise A\$5 million (after costs).

The proceeds from the Placement will be used towards additional resources (Business Development and Account Management), the continued investment of Kyckr's products (including the development of Machine Learning and Artificial Intelligence applications) and general working capital purposes. During the quarter, the first Tranche of the share placement was completed, resulting in cashflow from the issue of equity of \$3.68 million after costs.

An Extraordinary General Meeting will be held on Monday 6 August 2018 in Sydney to approve the second tranche of the placement as well as the participation by Executive Chairman Benny Higgins of 1 million shares under the same terms. The approval of this placement will result in a further \$1.4 million in equity being issued in August 2018 and will be reflected in the next quarterly report.

Outlook

Kyckr remains focussed on providing its customers with innovative solutions that help them meet the constantly increasing challenges driven by global regulation. The Company continues to focus its direct sales channel on large scale customers and prospects which require deep relationships and a



requirement to pursue complex onboarding procurement processes to enable strong revenue growth. We continue to see our primary source data offering and perpetual KYC solution to resonate strongly in all markets.

Online portal growth is expected to continue to grow strongly, with a re-launch of the existing web-based offering planned for Q1 FY19. The re-launch will provide users with an easier to use interface, new products and will be supported by marketing activity to drive product and brand awareness and sales.

Additionally, Management continues to advance commercial discussions with several large enterprise customers, which if secured, would be significant in increasing Kyckr's profile.

Ends.

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 80 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

For further enquiries, please contact:

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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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	475	1,828
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(234)	(536)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(889)	(2,968)
(f) administration and corporate costs	(371)	(1,849)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,012)	(3,492)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(97)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(88)	(111)
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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	(103)	(208)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,928	5,928
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	(243)	(375)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
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	3,685	5,553

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	2,028	2,671
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,012)	(3,492)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(103)	(208)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,685	5,553

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(22)	52
4.6	Cash and cash equivalents at end of quarter	4,576	4,576

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	4,576	2,028
5.2	Call deposits	-	-
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)	4,576	2,028

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**

97

-

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**

-

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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	(175)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(885)
9.6 Administration and corporate costs	(395)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,455)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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:



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Company secretary

Date: 9th July 2018

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.