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ASX RELEASE

26th October 2020

Kyckr enters FY21 with growth in Kyckr for Business

Highlights

- **Group revenue 16% higher than prior year with improved gross margins**
- **29% growth in Kyckr revenue for services to Corporate clients compared to prior year**
- **September 2020 monthly revenue highest in Kyckr's history**
- **Kyckr named Best KYC Solution Provider 2020 at 2020 FinTech Awards**
- **Imminent launch of Company Watch in Australia expected to accelerate growth**
- **Solid balance sheet with $8.6 million cash as of 30 September 2020**

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a regulatory technology (RegTech) company is pleased to provide an update on its activities for the quarter ended 30 September 2020.

Financial Overview

- Despite Covid-19 macroeconomic challenges, quarterly revenue up **16%** to $646k compared to prior year, and in line with June quarter.
- Kyckr's strategic focus has switched to corporate clients which saw a **29%** increase to $576K due to both new customer additions and increasing usage by existing customers. Key drivers were investments in strategic account management, evidenced by improved client engagement and ultimately increased usage of the services.
- **11%** increase in gross margin versus prior year.
- Cash position of **$8.6m** as at 30 September.

Business Update

A strategic decision has been taken to reduce the focus on Kyckr's "pay as you go" website retail activities and concentrate on much more lucrative annuity revenue opportunities with international corporate clients.

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Kyckr has also strategically pivoted from lower margin data provision to become a higher margin, recurring revenue software vendor. This is now advancing well with associated improvement in margin delivering an 11% gross margin increase over the same period last year.

New product developments have been driven by client demand with the planned extension of Kyckr's Company Watch (Perpetual KYC - ongoing compliance monitoring) beyond the UK & Ireland into Continental Europe and Australia. Kyckr's Ultimate Beneficial Owner (UBO) Discovery service is nearing market launch.

Long sales cycles with global financial institutions continue to be a challenge, but the Company is starting to see signs of sales cycle acceleration. In the last quarter, 6 new corporate customers signed up to Kyckr, and the agreements include recognised brand names. While the contracts are not sufficiently material in value to be disclosed as standalone announcements, they indicate the progress made and scope for growth.

Strategic partnerships, a core focus of the Company, have risen to 20 with a further 7 new partners approaching Kyckr during the period.

Kyckr is also experiencing growth from existing customers who are doing more business with the Company – on the back of investment in account management capability, reflecting the growing customer base, revenue from existing clients is up 35% quarter on quarter.

Building on client feedback, Kyckr developed new product capabilities, adding corporate data for China and enhanced data for the Cayman Islands to its global registry capability, both of which are amongst the highest growth areas of client and prospect demand, given the difficulty of accessing reliable information there.

Kyckr has led increased marketing efforts with lead-generating webinars particularly effective, resulting in new prospect pipeline at record levels.

Kyckr CEO, Ian Henderson, commented: "This has been a busy quarter for Kyckr with Know-Your-Customer compliance evolving and adapting through COVID-19. Despite the macro economic challenges, the need for reliable Know-Your-Customer solutions has continued to grow at a time of increasingly stringent anti-money laundering enforcement.

"Challenges in Know Your Customer, Anti-Money Laundering and Counter-Terrorism Financing consistently rank among the most serious risks faced in finance, insurance, payments and other regulated industries, where data fidelity and transparency is essential. The adoption of automated technology-driven solutions to manage regulatory monitoring will continue to increase as a result of higher levels of regulation.

"We are pleased by the progress made with Kyckr's transition to software services for international corporate clients and the significant marketing investments to raise brand awareness and generate quality inbound leads, resulting in September representing our strongest month ever in terms of revenue. This is an encouraging acceleration, given COVID 19.

"We look forward to expanding our Company Watch offering in a number of countries, including Australia, to help customers maintain key KYC data on a regular basis, avoiding the need for costly periodic remediation."

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Kyckr named Best KYC Solution Provider 2020

During the quarter Kyckr was named Best KYC Solution Provider 2020 by the Wealth & Finance Magazine, part of the Winners of the 2020 FinTech Awards. This is a great accolade which recognises firms that are redefining finance and banking.

Corporate

Kyckr will be holding its 2020 Annual General Meeting at 9:00am AEDT on Monday, 16 November 2020.

Related party payments of $188k were paid during the period, which represent Director fees paid from the shareholder-approved pool of fees.

Outlook

KYC, AML and CTF regulation is continuing to tighten, with a number of high-profile penalties applied to banks and financial institutions during the quarter across North America, Europe and Australasia. Kyckr sees this trend increasing and the Company will look to pursue more lucrative corporate opportunities.

The Company will also be looking to extend its reach beyond its traditional markets of banks and payments companies, to also include life assurance, investment management, funds administration, legal firms, and supply chain entity verification.

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 that provides the financial services sector and other regulated businesses with real-time company registry information to improve the efficiency and effectiveness of Know Your Customer (KYC) processes during the critical stage of customer verification and onboarding as well as post-onboarding customer monitoring (Perpetual KYC). Kyckr's solutions are connected to more than 180 regulated primary sources, in over 120 countries. Through its KYC and Company Watch (Perpetual KYC) solutions, Kyckr helps businesses and customers to prevent money laundering, fraud and financial crime.

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

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Appendix 4C

Quarterly Kyckr cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Kyckr Limited	
ABN	**Quarter ended ("current quarter")**
90 009 237 889	30-Sep-20

Consolidated statement of cash flows		**Current $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows related to operating activities**		
1.1	Receipts from customers	892	892
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(260)	(260)
	(c) advertising and marketing	(80)	(80)
	(d) leased assets	-	-
	(e) staff costs	(714)	(714)
	(f) administration and corporate costs	(1,043)	(1,043)
1.3	Dividends received	-	-
1.4	Interest received	14	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes benefit (paid)	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other transaction costs in acquisition of subsidiary	-	-
1.9	**Net cash from / (used in) operating activities**	(1,191)	(1,191)

2	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other noncurrent 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**	-	-

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,296	3,296
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(202)	(202)
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**	3,094	3,094

4.	**Net increase/ (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,658	6,658
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,191)	(1,191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,094	3,094
4.5	Effect of movemet in exchange rates on cash held	7	7
4.6	**Cash and cash equivalents at end of period**	8,568	8,568

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Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	8,566	6,658
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 4.6 above)**	8,566	6,658

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	188
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,191)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	8,568
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	8,568
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	7.2

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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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 does give a true and fair view of the matters disclosed.

Date 26 October 2020

Authorised by: Kyckr Limited Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. *This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so*

2. *If this quarterly cash flow 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 cash flow 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.*

4. *If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".*

5. *If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*