

Kyckr Reports Record Revenue in March Quarter

Highlights

- **Kyckr reported record total revenues of \$645K for Q3 FY21, up 10% on Q3 FY20 (\$587K) and up 3% on prior quarter (\$625K) despite the ongoing impact of Covid-19 on global corporate onboarding activity**
- **March 2021 revenue of \$274K was also best ever monthly revenue performance, 39% up on March 2020.**
- **Revenue growth continues to be driven by Kyckr's Enterprise business, where Q3 revenue was up 22% on the prior year and 5% up on prior quarter.**
- **UBO Verify product development is almost complete and marketing activity has ramped up in advance of May product launch**
- **Increased enterprise and partnership engagements with new client and partner wins**
- **Cash position of \$5.7 million as of 31 March 2021**

Kyckr Limited (ASX:KYK) (Kyckr or the Company), a B2B information services company is pleased to provide an update on its activities for the quarter ended 31 March 2021.

Financial Overview

- Quarterly revenue of \$645K (unaudited) up 10% on prior year and up 3% on prior quarter.
- Enterprise revenues up 22% on prior year and up 5% on prior quarter.
- Enterprise Annual Recurring Revenue (ARR) or minimum contract value up 13% on prior quarter.
- Website revenue was \$55K lower than prior year caused by reduced individual client activity due to the impact of Covid-19.
- First annual Ultimate Beneficial Owner (UBO) data sale achieved in the quarter - \$155K for one partner, in advance of the launch of the *UBO Verify* service.

Business Update

Despite the ongoing challenges of corporate client onboarding caused by the global pandemic, the March quarter saw the highest ever level of client and prospect engagement. This is reflected in the revenue numbers, with record quarterly revenue of \$645K and record monthly revenue in March of \$274K.

Enterprise revenue in the month, Kyckr's primary focus, continued to grow, up 39% on prior year with 4 new client/partner wins in the quarter, which also demonstrated Kyckr's entrance into new markets beyond the traditional banking and payments sectors. To provide more certainty to future revenues the efforts to transition existing clients away from a transactional pay-as-you-go model have continued with more clients converting to minimum contracts.

Web-based revenue for individual clients has been the most impacted by Covid-19, with revenue from the March quarter now accounting for 6% of total quarterly revenue. As a result of the pandemic, Kyckr made a conscious decision to reduce the emphasis on non-enterprise online activities, and focus more on the more lucrative annual recurring revenue opportunities in the enterprise segment. Nonetheless, Kyckr is experiencing some early signs of progress with successively higher website revenue in each month in the quarter.

Kyckr CEO, Ian Henderson, commented: “Despite the challenges posed to our clients and prospects by Covid-19 we have continued to see good engagement with existing and prospective clients and partners in the quarter. Even with a significant reduction in global client on-boarding activity by banks and payment firms this is reflected in the best revenue numbers generated by Kyckr to date and the increasing proportion of this revenue that is based on minimum value annual recurring revenue contracts. All new business generated in the quarter was on a minimum annual contract basis, therefore indicating Kyckr’s potential for sustained higher revenue growth.

“A primary focus in the quarter was completing the development of the *UBO Verify* service for launch in May. Initial coverage is driven by a combination of current UBO data availability and indicative client/prospect demand. This is the hottest topic currently in the Know Your Customer space with increasing obligations to uncover beneficial owners when new customers are on-boarded. Despite various government commitments to establish UBO registers, very few are in place and those that are have limited data.

“Partly driven by our UBO discovery capability partner interactions have continued to increase as evidenced by our most recent partnerships with BAE Systems Applied Intelligence and FrankieOne. Kyckr continues to be integrated into partner platforms enabling their end-clients easy access to Kyckr-generated data and services which are set to become a very important source of future revenue growth”.

Corporate

Related party payments of \$80K were paid during the period, which represent Director fees paid from the shareholder-approved pool of fees.

Outlook

The adoption of automated technology-driven solutions to manage regulatory compliance, verification and monitoring will continue to grow. Penalties given to financial institutions as a result of increased regulations show no sign of abating with USD3.2 billion of fines levied by regulators on financial organisations in 2020. Kyckr will continue to promote its product offerings in key jurisdictions as the adoption of KYC technology rises. As evidenced by the Company’s most recent contract updates, the business is well positioned for the anticipated increase in onboarding activity associated with the uptick in economic activity that will follow the easing of international lockdown restrictions.

Ends.

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

About Kyckr Limited

Kyckr is a B2B information services company that aggregates, organises and structures the world’s primary source company data to help businesses reduce the risks associated with counterparty relationships. Unlike traditional data companies which source data from multiple, secondary sources, Kyckr provides accurate data with trusted, legally-authoritative provenance. This helps organisations to avoid the significant regulatory and commercial costs associated with using poor quality data. Through the combination of accurate data with innovative technology, Kyckr’s solutions help businesses to succeed in the fight against fraud, money laundering 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

38 609 323 257

Quarter ended ("current quarter")

31-Mar-21

Consolidated statement of cash flows	Current \$A'000	Year to date (9 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	672	2,162
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(359)	(915)
(c) advertising and marketing	(145)	(361)
(d) leased assets	-	-
(e) staff costs	(704)	(2,273)
(f) administration and corporate costs	(958)	(2,613)
1.3 Dividends received	-	-
1.4 Interest received	2	30
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	(1,492)	(3,970)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(9)
(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 (9 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	-	(9)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
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

4. Net increase/ (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	7,206	6,658
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,492)	(3,970)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(9)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	3,094
4.5 Effect of movemet in exchange rates on cash held	(12)	(71)
4.6 Cash and cash equivalents at end of period	5,702	5,702

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	5,702	7,207
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)	5,702	7,207

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	80
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 <i>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.</i>	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.		

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

8. Estimated cash available for future operating activities	\$A'000
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8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,492)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,702
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	5,702

8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.8
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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.

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 21 April 2021

Authorised by: The 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.*