

1. Company details

Name of entity:	Kyckr Limited
ABN:	38 609 323 257
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	39.0% to	1,759,671
Loss from ordinary activities after tax attributable to the owners of Kyckr Limited	up	11.3% to	(3,063,894)
Loss for the half-year attributable to the owners of Kyckr Limited	up	11.3% to	(3,063,894)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,063,894 (31 December 2020: \$2,753,525).

Refer to the Review of operations in the Directors' report for further detail.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.58</u>	<u>1.91</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Kyckr Limited for the half-year ended 31 December 2021 is attached.

12. Signed

Signed  _____

Date: 24 February 2022

Rajarshi Ray
Chairman
Sydney



Kyckr Limited

ABN 38 609 323 257

Interim Report - 31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Kyckr Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Kyckr Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Rajarshi Ray - Chairman (appointed Chair on 18 August 2021)
Ms Karina Kwan - Non-Executive Director
Mr George Venardos - Non-Executive Director (appointed on 18 August 2021)
Mr Benny Higgins - Non-Executive Chairman (resigned on 18 August 2021)
Ms Jacqueline Kilgour - Non-Executive Director (resigned on 18 August 2021)

Principal activities

The principal activities of the Group are the provision of business data and software solutions for "Know Your Business" purposes. These solutions support critical compliance, regulatory and business-related processes. They protect against and disrupt money laundering, terrorism finance; modern-day slavery; fraud; and tax evasion.

Kyckr's platform is connected to over 200 regulated primary sources in over 120 countries, providing real-time company registry information for over 170 million businesses globally.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

In the period, the Group continued to successfully execute its transformation from a provider of PDF registry filings to a value-added business information services organisation. This is in line with its mission to provide trusted, structured business information - directly to end clients or embedded in partner platforms - to support critical compliance-focused and business-related workflows.

The realisation of the benefits associated with this transition to a SaaS model were seen in Annualised Recurring Revenues growing to \$2.292m on 31 December 2021. This was up 206% on the prior corresponding period ('PCP'). The growth came from both existing customers and partners, with the consistent trend of 100% customer/partner retention continuing.

The Group is well-positioned, with a cash balance of \$10.555m at 31 December 2021. This follows a successful share placement to institutional, sophisticated and professional investors and an offer to existing shareholders, which was eight times oversubscribed. These funds continue to be carefully deployed in sales, technology and product development.

EBITDA disclosures have been added as Kyckr believes they provide useful information for understanding its underlying performance. While EBITDA ('earnings before interest, taxation, depreciation and amortisation') is a financial measure not prescribed by Australian Accounting Standards ('AAS'), it does represent the profit under AAS, adjusted for specific non-cash items, interest revenue, finance costs, tax expenses and significant items.

	31 Dec 2021 \$	31 Dec 2020 \$	Change \$	Change %
Operating revenue	1,754,554	1,237,783	516,771	42%
Direct costs and consumables used	(792,383)	(646,976)	(145,407)	22%
Other operating costs	(3,499,596)	(3,190,621)	(308,975)	10%
Share-based payments expenses	(94,270)	(82,672)	(11,598)	14%
Foreign exchange gain/(loss)	(16,131)	4,957	(21,088)	N/A
Underlying EBITDA	(2,647,826)	(2,677,529)	29,703	(1%)
Government grants	-	46,338	(46,338)	N/A
One-off data costs for IT development	(300,000)	-	(300,000)	N/A
EBITDA	(2,947,826)	(2,631,191)	(316,635)	12%
add: Interest revenue	5,117	28,244	(23,127)	(82%)
less: Depreciation and amortisation	(121,185)	(149,211)	28,026	(19%)
less: Finance costs	-	(1,367)	1,367	N/A
Loss after tax	(3,063,894)	(2,753,525)	(310,369)	11%

The Group's revenue was \$1,754,554, up 42% on PCP, driven by enterprise and partner revenues of \$1,678,189, up 49% on the PCP. Narrow-margin online revenues continue to be managed down. Direct costs and consumables used increased by 22%, significantly less than the 42% revenue growth, as the Group drove economies of scale and optimised its sales mix.

Other operating costs increased by \$308,975, up 10% on the PCP, as a result of the acceleration of targeted investment to drive future revenue growth and cost out, including:

- development and delivery of a ultimate beneficial ownership service (UBO Verify) beyond the current minimum viable product;
- creation of a new Kyckr Enterprise Portal. All existing customers are expected to be migrated, which will provide noticeable improvements in performance, speed and functionality;
- enhanced API capability to facilitate faster integration with technology partners and provide an enhanced user experience; and
- new pricing model enabling partners to expand quickly and deliver increased revenues to Kyckr.

This accelerated investment, including record spending on IT development, is driving current and future revenue growth. Given this level of incremental investment, there has been a parallel focus on cost management in other areas of the business. As a result, the Group reported a consolidated underlying EBITDA loss of \$2,647,826 consistent with the PCP.

Significant changes in the state of affairs

During the first half of the 2022 financial year, the company issued 193,749,987 ordinary shares for \$0.04 per share to institutional, sophisticated and professional investors and through an offer to existing shareholders. The total proceeds from the issuance of these securities amounted to \$7,749,999 before transaction costs.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 20 January 2022, 6,140,350 unlisted performance rights were granted to employees under the Kyckr Limited Long Term Incentive Plan. The performance rights are to vest in three equal instalments. Each performance right will convert into one fully paid ordinary share in the company subject to continued employment at the vesting dates and the achievement of the respective performance hurdles. The performance hurdles applied to the grant were revenue and gross margin targets for financial years ending 30 June 2022, 2023 and 2024.

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the consolidated entity, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the consolidated entity's operations going forward. The consolidated entity now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Handwritten signature of Rajarshi Ray in blue ink.

Rajarshi Ray
Chairman

Handwritten signature of Karina Kwan in blue ink.

Karina Kwan
Director

24 February 2022
Sydney

To the Board of Directors of Kyckr Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

As lead audit director for the review of the interim financial statements of Kyckr Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Yours sincerely,



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Date: 24 February 2022

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Kyckr Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue	4	1,754,554	1,237,783
Other income	5	-	46,338
Interest revenue calculated using the effective interest method		5,117	28,244
Expenses			
Direct costs and consumables used		(792,383)	(646,976)
Development and software maintenance expenses		(1,323,826)	(673,870)
Employee benefits expense		(1,652,304)	(1,527,917)
Share-based payments expense	15	(94,270)	(82,672)
Depreciation and amortisation expense		(121,185)	(149,211)
Consultancy and professional fees		(395,017)	(459,444)
Occupancy expenses		(16,122)	(95,295)
Travel expenses		(10,484)	(512)
Net foreign exchange gain/(loss)		(16,131)	4,957
Investor relations, registry and listing expenses		(82,241)	(65,727)
Other expenses		(319,602)	(367,856)
Finance costs		-	(1,367)
Loss before income tax expense		(3,063,894)	(2,753,525)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Kyckr Limited		(3,063,894)	(2,753,525)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(16,406)	(66,037)
Other comprehensive income for the half-year, net of tax		(16,406)	(66,037)
Total comprehensive income for the half-year attributable to the owners of Kyckr Limited		(3,080,300)	(2,819,562)
		Cents	Cents
Basic earnings per share	16	(0.67)	(0.80)
Diluted earnings per share	16	(0.67)	(0.80)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		10,555,353	5,340,332
Trade and other receivables	6	343,312	686,555
Other	7	164,718	207,025
Total current assets		<u>11,063,383</u>	<u>6,233,912</u>
Non-current assets			
Property, plant and equipment		17,189	15,655
Intangibles	8	9,003,136	9,126,235
Total non-current assets		<u>9,020,325</u>	<u>9,141,890</u>
Total assets		<u>20,083,708</u>	<u>15,375,802</u>
Liabilities			
Current liabilities			
Trade and other payables	9	1,528,701	1,491,541
Employee benefits		54,095	64,697
Contract liabilities	10	1,021,615	751,546
Total current liabilities		<u>2,604,411</u>	<u>2,307,784</u>
Non-current liabilities			
Employee benefits		1,722	-
Total non-current liabilities		<u>1,722</u>	<u>-</u>
Total liabilities		<u>2,606,133</u>	<u>2,307,784</u>
Net assets		<u>17,477,575</u>	<u>13,068,018</u>
Equity			
Issued capital	11	42,237,705	34,842,118
Reserves		1,042,354	964,490
Accumulated losses		(25,802,484)	(22,738,590)
Total equity		<u>17,477,575</u>	<u>13,068,018</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Kyckr Limited
Statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	31,702,245	2,457,422	(18,760,090)	15,399,577
Loss after income tax expense for the half-year	-	-	(2,753,525)	(2,753,525)
Other comprehensive income for the half-year, net of tax	-	(66,037)	-	(66,037)
Total comprehensive income for the half-year	-	(66,037)	(2,753,525)	(2,819,562)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,139,873	-	-	3,139,873
Share-based payments	-	82,672	-	82,672
Balance at 31 December 2020	<u>34,842,118</u>	<u>2,474,057</u>	<u>(21,513,615)</u>	<u>15,802,560</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	34,842,118	964,490	(22,738,590)	13,068,018
Loss after income tax expense for the half-year	-	-	(3,063,894)	(3,063,894)
Other comprehensive income for the half-year, net of tax	-	(16,406)	-	(16,406)
Total comprehensive income for the half-year	-	(16,406)	(3,063,894)	(3,080,300)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	7,395,587	-	-	7,395,587
Share-based payments	-	94,270	-	94,270
Balance at 31 December 2021	<u>42,237,705</u>	<u>1,042,354</u>	<u>(25,802,484)</u>	<u>17,477,575</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2021 \$	31 Dec 2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,716,016	1,598,523
Payments to suppliers and employees (inclusive of GST)		<u>(4,880,417)</u>	<u>(4,130,353)</u>
		(2,164,401)	(2,531,830)
Government grants received		-	46,338
Interest received		5,117	28,244
Interest and other finance costs paid		<u>-</u>	<u>(1,367)</u>
Net cash used in operating activities		<u>(2,159,284)</u>	<u>(2,458,615)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(7,282)</u>	<u>(11,125)</u>
Net cash used in investing activities		<u>(7,282)</u>	<u>(11,125)</u>
Cash flows from financing activities			
Proceeds from issue of shares	11	7,749,999	3,305,878
Share issue transaction costs	11	(354,412)	(166,005)
Repayment of borrowings		<u>-</u>	<u>(57,265)</u>
Net cash from financing activities		<u>7,395,587</u>	<u>3,082,608</u>
Net increase in cash and cash equivalents		5,229,021	612,868
Cash and cash equivalents at the beginning of the financial half-year		5,340,332	6,658,129
Effects of exchange rate changes on cash and cash equivalents		<u>(14,000)</u>	<u>(58,000)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>10,555,353</u></u>	<u><u>7,212,997</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Kyckr Limited as a consolidated entity consisting of Kyckr Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Kyckr Limited's functional and presentation currency.

Kyckr Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 16
1 Market Street
Sydney
NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Comparatives

Certain comparatives have been reclassified to conform with current half-year presentation. This has not had any impact on the financial position of the consolidated entity at 30 June 2021 or the results for the financial half-year ended 31 December 2020.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

The Group operates in one operating segment being the provision of corporate registry data to vendors who as part of their customer onboarding and monitoring processes have an ongoing requirement to validate customer data to primary data sources as required by regulators. The operating segment identified is based on the internal reports that are reviewed and used by the Chief Operating Decision Maker ('CODM') who is the Chief Executive Officer.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Note 3. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	30 Jun 2021
	\$	\$	\$	\$
Australia	-	-	8,448,416	8,448,416
Ireland	1,754,554	1,237,783	571,909	693,474
	<u>1,754,554</u>	<u>1,237,783</u>	<u>9,020,325</u>	<u>9,141,890</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

A reconciliation of the loss after income tax expense to EBITDA is as follows:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Loss after tax	(3,063,894)	(2,753,525)
add: depreciation and amortisation	121,185	149,211
less: interest revenue	(5,117)	(28,244)
add: finance costs	-	1,367
EBITDA	<u>(2,947,826)</u>	<u>(2,631,191)</u>

Note 4. Revenue

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Sales of services	<u>1,754,554</u>	<u>1,237,783</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Enterprise and partner revenue	1,678,189	1,126,099
Online revenue	<u>76,365</u>	<u>111,684</u>
	<u>1,754,554</u>	<u>1,237,783</u>

Refer to note 3 'Operating segments' for analysis of revenue by geographical region.

During the financial year ended 30 June 2020, Kyckr moved most of its customers to annual contracts which had payments in advance rather than the actual usage basis that it has used historically. For the half-year ended 31 December 2021, 54% of revenue relates to the advance contract basis (31 December 2020: 27%).

Note 5. Other income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Government grants (COVID-19)	-	46,338
	<u> </u>	<u> </u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Trade receivables	312,451	601,535
Other receivables	20,000	61,222
GST receivable	10,861	23,798
	<u> </u>	<u> </u>
	<u>343,312</u>	<u>686,555</u>

Note 7. Current assets - other

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Prepayments	149,120	191,208
Security deposits	15,598	15,817
	<u> </u>	<u> </u>
	<u>164,718</u>	<u>207,025</u>

Note 8. Non-current assets - intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Goodwill - at cost	12,250,079	12,250,079
Less: Impairment	(3,801,663)	(3,801,663)
	<u>8,448,416</u>	<u>8,448,416</u>
Computer software and development - at cost	1,255,949	1,283,873
Less: Accumulated amortisation	(701,229)	(606,054)
	<u>554,720</u>	<u>677,819</u>
	<u>9,003,136</u>	<u>9,126,235</u>

Note 8. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$	Computer software and development \$	Total \$
Balance at 1 July 2021	8,448,416	677,819	9,126,235
Exchange differences	-	(7,662)	(7,662)
Amortisation expense	-	(115,437)	(115,437)
Balance at 31 December 2021	<u>8,448,416</u>	<u>554,720</u>	<u>9,003,136</u>

Note 9. Current liabilities - trade and other payables

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Trade payables	848,079	780,995
Accrued expenses	391,398	502,744
Other payables	289,224	207,802
	<u>1,528,701</u>	<u>1,491,541</u>

Note 10. Current liabilities - contract liabilities

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Contract liabilities	<u>1,021,615</u>	<u>751,546</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial half-year are set out below:

Opening balance	751,546	52,910
Payments received in advance	915,219	1,374,179
Transfer to revenue	(645,150)	(675,543)
Closing balance	<u>1,021,615</u>	<u>751,546</u>

Contract liabilities at 31 December 2021 and 30 June 2021 consists of unearned revenue received in advance.

Note 10. Current liabilities - contract liabilities (continued)

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,021,615 as at 31 December 2021 (\$751,546 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Within 6 months	545,769	532,800
6 to 12 months	475,846	218,746
	<u>1,021,615</u>	<u>751,546</u>

Note 11. Equity - issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>537,599,849</u>	<u>343,849,862</u>	<u>42,237,705</u>	<u>34,842,118</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	343,849,862		34,842,118
Issue of shares	30 August 2021	85,962,465	\$0.040	3,438,499
Issue of shares	29 September 2021	43,749,987	\$0.040	1,749,999
Issue of shares	1 October 2021	64,037,535	\$0.040	2,561,501
less share issue costs (net of taxation)				(354,412)
Balance	31 December 2021	<u>537,599,849</u>		<u>42,237,705</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 14. Related party transactions

Parent entity

Kyckr Limited is the parent entity.

Note 14. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 31 Dec 2021	31 Dec 2020
	\$	\$
Other transactions:		
Shares issued to key management personnel	125,924	194,200

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Share-based payments

	Consolidated 31 Dec 2021	31 Dec 2020
	\$	\$
Share-based payments expense	<u>94,270</u>	<u>82,672</u>

The following options were issued during the half year ended 31 December 2021:

- On 23 November 2021, 2,111,540 unlisted options were granted to Rajarshi Ray, a Director of the company. The \$0.069 exercise price of the options was 150% of the closing share price on 5 October 2021, when the options were set, and 117% of the closing price on the date of the grant. The options vest on 15 November 2022, and the contractual life of each option is four years.
- On 23 November 2021, 2,111,540 unlisted options were granted to George Venardos, a Director of the company. The \$0.069 exercise price of the options was 150% of the closing share price on 5 October 2021, when the options were set, and 117% of the closing price on the date of the grant. The options vest on 15 November 2022, and the contractual life of each option is four years.
- On 23 November 2021, 703,847 unlisted options were granted to Karina Kwan, a Director of the company. The \$0.069 exercise price of the options was 150% of the closing share price on 5 October 2021, when the options were set, and 117% of the closing price on the date of the grant. The options vest on 15 November 2022, and the contractual life of each option is four years.

Note 16. Earnings per share

	Consolidated 31 Dec 2021	31 Dec 2020
	\$	\$
Loss after income tax attributable to the owners of Kyckr Limited	<u>(3,063,894)</u>	<u>(2,753,525)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>456,160,392</u>	<u>342,053,189</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>456,160,392</u>	<u>342,053,189</u>

Note 16. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.67)	(0.80)
Diluted earnings per share	(0.67)	(0.80)

For the purpose of calculating the diluted earnings per share the calculation has excluded the number of options as the effect would be anti-dilutive.

Note 17. Events after the reporting period

On 20 January 2022, 6,140,350 unlisted performance rights were granted to employees under the Kyckr Limited Long Term Incentive Plan. The performance rights are to vest in three equal instalments. Each performance right will convert into one fully paid ordinary share in the company subject to continued employment at the vesting dates and the achievement of the respective performance hurdles. The performance hurdles applied to the grant were revenue and gross margin targets for financial years ending 30 June 2022, 2023 and 2024.

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the consolidated entity, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the consolidated entity's operations going forward. The consolidated entity now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Rajarshi Ray
Chairman

24 February 2022
Sydney



Karina Kwan
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kyckr Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kyckr Limited and its controlled entities (the 'Group'), which comprises the Statement of Financial Position as at 31 December 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kyckr Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001*

including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Date: 24 February 2022