

ASX / Media Release

8 July 2021

ASX code: **K2F**

Q4 FY21 Flash Financial and Operating Update

Highlights:

- Invoices for FY21 total \$7.8M, an increase of 18% on previous corresponding period (FY20: \$6.6M)
- Q4 FY21 record invoices of \$2.54M raised (34% increase from Q4 FY20)
- ARR* (Annual Recurring Revenue) \$3.38M increases 50% (from Q4 FY20)
- TCV* (Total Contract Value) \$9.90M increases 48% (from Q4 FY20)
- Milestone Agreement signed in Q4 with Roy Hill for Mine Technical Assurance suite. 5-year agreement TCV \$2.44M
- Additional sales include expansion of Rio Tinto Iron Ore for Maximum Return mine data management solution. TCV of \$750k over three years
- Heathgate Resources takes the Decipher Solution for Land Access. TCV of over \$200k.
- Cash available on 30 June 2021 was \$6.90M, \$2.13M in receivables and no debt

Billing and Cash Flow

K2fly Limited (ASX: K2F) (**K2F**, **K2fly** or **the Company**) is pleased to announce that it had a record invoicing quarter, raising invoices for \$2.54M in the Q4 FY21 (vs. \$1.90M in the equivalent previous corresponding period (pcp) in FY20). This means that invoices raised for FY21 were \$7.8M, which is a 18% increase on invoices raised for FY20 (\$6.6M).

As at 30 June 2021, the cash available was \$6.90M. In addition, there was \$2.13M in receivables predominantly from Tier 1 clients. K2F has no debt.

Software as a Service (SaaS)

Q4 saw our software division continuing to invest in strategic products: a major new release of our highly successful RCubed solution due in the new calendar year; the further enhancement of the Mine Technical Assurance Suite; and the Tailings solution.

Our investments are working towards creating both new products and capability to meet our rapidly growing pipeline. The new offerings form part of our well-advertised "land & expand" strategy. We are confident that these investments will add immediate and long-term value to K2F.

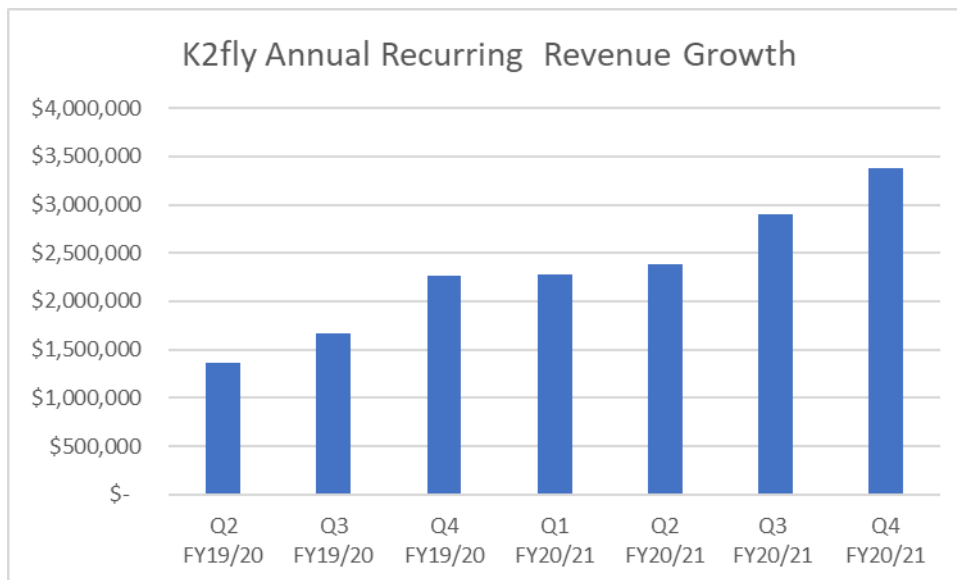
As announced on 24 May in Q4 FY21 K2fly made its inaugural sale of the full Mine Technical assurance suite from the SATEVA acquisition in September 2020. The five-year agreement is worth \$2.44M and we are positive this is the beginning of a long-term partnership with Roy Hill.

*TCV and ARR may be affected by exchange rate fluctuations.

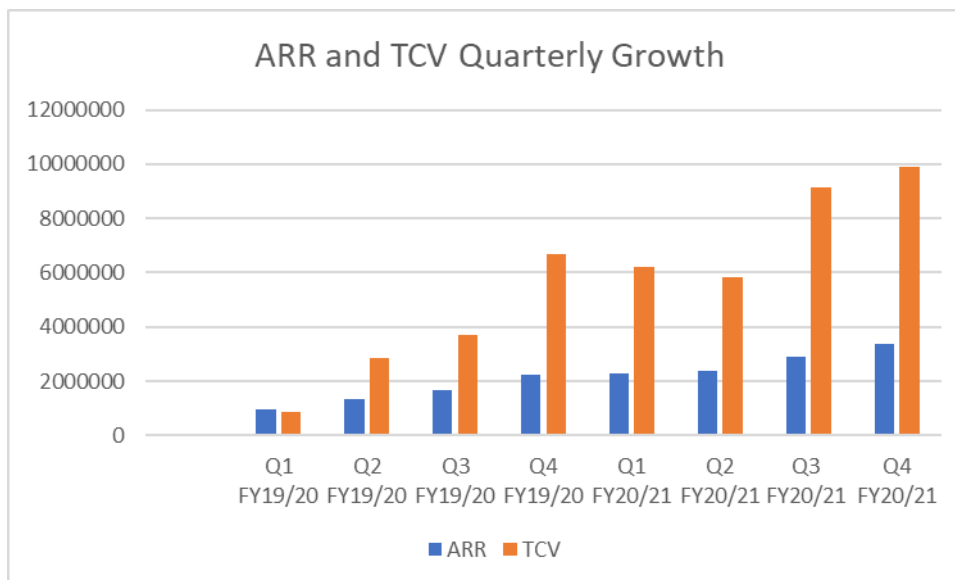
In June K2fly expanded its relationship with Rio Tinto Iron Ore with a new agreement to implement its Maximum Return, Geology Data Management solution. The initial 3-year agreement is valued at \$750k.

K2fly have also contracted with Heathgate Resources Pty Ltd out of South Australia to implement a land access and monitoring solution at its Beverley and Beverley North mine site in South Australia. The agreement is for 5 years with a TCV value of over \$200k.

ARR¹ grew strongly in Q4 FY21 (50%) from Q4 FY20



TCV² grew strongly in Q4 FY21 (48%) from Q4 FY20



^{1, 2} TCV and ARR may be affected by exchange rate fluctuations.

Announcement released with authority of K2F board.

ENDS

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About K2fly

K2fly Ltd (K2F) is an ASX listed technology company providing enterprise-level technical assurance and reporting solutions across all aspects of the Environmental, Social and Governance functions.

Servicing the mining, oil & gas, utilities and agriculture sectors, K2fly delivers a suite of solutions in governance and compliance, stakeholder engagement and permits and obligations services for clients covering:

- Land Access
- Community and Heritage
- Rehab
- Dams & Tailings
- Resources Inventory and Mine Geology Systems
- Ground Disturbance

Underpinning K2fly's Software as a Service (SaaS) offering are its proprietary technologies: RCubed, Infoscope, the SATEVA Suite and Decipher.

K2fly has strategic alliances with global technology companies such as Esri (USA), SAP (Germany) and Hitachi-ABB (Japan).

In addition, K2fly provides cutting edge business consultancy services with subject matter experts across Rail, Electricity, Gas, Water, Mining, Oil & Gas, and Facilities Management.