

ASX / Media Release

9 October 2020

ASX code: **K2F**

Q1 FY 2021 – Update

Highlights

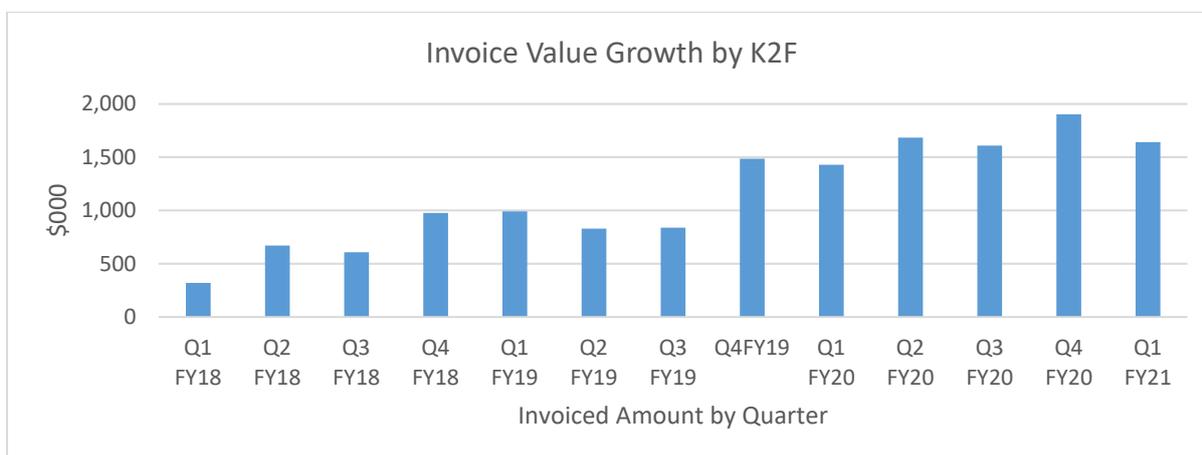
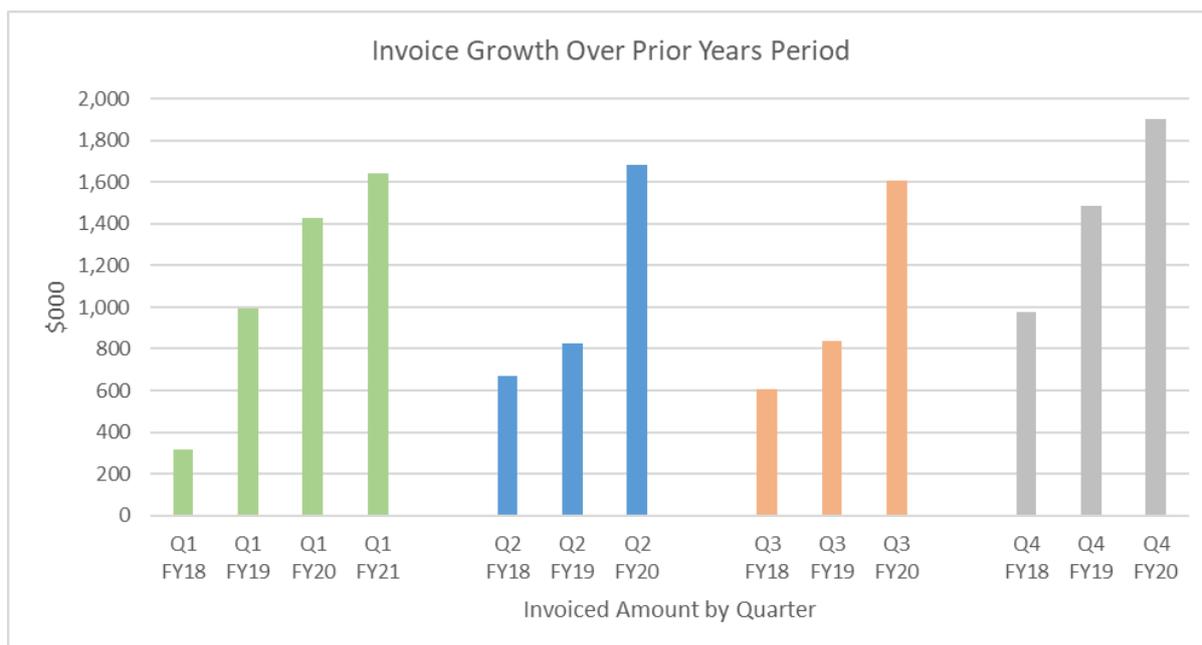
- Invoices for Q1 FY21 increased 15% from Q1 FY20 (\$1.64M v. \$1.43M)
- K2F cash flow positive from operations for Q1 FY21 (approx. \$0.37M cash positive)
- Existing clients signing up for paid Proof of Concepts with additional or new K2F solutions
- Five-year contract for RCubed signed with Orano SA in July
- On 30 September cash at bank was \$3.1M with approximately \$0.88M in receivables, no debt

Billing and Cash Flow

K2fly Limited (ASX: K2F) (**K2fly** or **the Company**) is pleased to announce that it has raised invoices for \$1.64M in the Q1 FY21 quarter, which is an improvement of 15% over the equivalent quarter in FY20.

As at 30 September 2020, the cash available was \$3.1M. In addition, there was \$0.88M in receivables predominantly from Tier 1 clients. These numbers reflect that during Q1 FY21, K2F's current operations achieved net positive cashflows of approx. \$0.37M. This flows on from being cash flow positive in the previous quarter (Q4 FY20) by \$0.7M.

Also based on a comparative of the previous corresponding quarter (Q1 FY19), in which K2F had negative operating cash flows of (\$0.565M), this is an increase of 167%.



Sales and Marketing Update

Software Solutions

K2F in July announced that it had signed a contract with Orano SA (Orano), formerly known as Areva SA. Orano is a multinational nuclear fuel cycle company with uranium mining operations, and is headquartered in France. Orano signed a five-year contract to implement the RCubed resource governance solution, and the total contract value was in excess of AU\$300k.

A number of major K2F customers have signed for Proof of Concept (POC) and scoping studies on additional K2fly SaaS offerings. Imerys is conducting a paid POC study to implement our land management solution across their 200+ sites globally. In addition, other Australian-based mining customers are conducting feasibility studies on K2F heritage solutions in light of recent indigenous heritage site issues.

Teck Resources in Canada, along with two other global mining companies, have started paid POCs on a new K2F reconciliation solution.

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K2F is also finalising a paid second phase development plan for The Keeping Place project which will enhance current capabilities by including advanced mapping functionality and a mobile application.

Whilst the contract amounts for the POC are not material, the POC are significant in that they demonstrate the demand for K2F products and also K2F's ability to expand its sales and offer additional products to existing clients.

K2F is confident that there will be more new name client announcements to be made in 2020. Of course, until signed, there are no guarantees that these contracts will be finalised.

Tailings Management and Governance Solution

K2fly is continuing to progress a new Tailings Management and Governance Solution (Tailings Management Solution) with our partners SAP and Decipher, which is part of Wesfarmers Group.

A total of 15 detailed interviews and presentations have been conducted with senior executives of global Tier 1 and 2 miners with a view to defining the Tailings Management Solution.

Announcement released with authority of K2F board.

ENDS

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About us – Investors

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 governance and compliance, stakeholder engagement and permits and obligations services for clients covering:

- Land Access
- Community and heritage
- Rehabilitation
- Dams & Tailing
- Resources Inventory
- Ground Disturbance

Underpinning K2Fly's Software as a Service offering are its proprietary technologies:

- **RCubed**, a mineral resource and reserve reporting solution supporting JORC, NI43101 and SAMREC reporting codes across the major stock exchanges, including NYSE, LSE, TSX, ASX and JSE
- **Infoscope**, a solution supporting Enterprise Land Management, Natural Resource Governance and Stakeholder Relations

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

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

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