

K2FLY LIMITED

ABN 69 125 345 502

Appendix 4E

Preliminary Final Report – 30 June 2023

This report has been prepared in compliance
with ASX Listing Rule 4.3A

Pursuant to ASX Listing Rule 4.3A, the Company makes the following statement:

The financial statements contained in the Appendix 4E are based on audited accounts.

For personal use only

Appendix 4E Preliminary Final Report

Name of entity
K2fly Limited

ABN or equivalent company reference	Preliminary final (tick)	Financial year ended ('current period')
69 125 345 502	✓	30 June 2023

Results announced to the market				
(This information should be read in conjunction with the last annual report and any announcements to the market by K2fly Limited during the period)				
	Year Ended 30 Jun 22 \$A	Year Ended 30 Jun 22 \$A	Amount change \$A	Percentage change %
Revenue from ordinary activities	12,845,444	10,017,475	2,827,969	28.23%
Loss from ordinary activities after tax attributable to members	(2,215,418)	(4,621,080)	2,405,662	(52.06%)
Net loss for the year attributable to members	(2,215,418)	(4,621,080)	2,405,662	(52.06%)

Comment
<p>During the financial year ended 30 June 2023 (FY23), revenue grew by 28% to \$12.8m (FY22 \$10.0m) – a function of securing new clients throughout the financial year, growing the range of software and services sold to existing clients and price increases.</p> <p>The Group has on ongoing focus on prudent cost management which, in conjunction with scale economies delivered through revenue growth, contributed to a 65% improvement in earnings before interest, depreciation, amortisation and tax (EBITDA)¹ during FY23 to (\$1.7m), from (\$5.0m).</p> <p>As the Group grew its serviced revenue base, cost of sales grew, but at a lower rate than revenue growth (20% vs. 28% revenue growth) due to the benefit of economies of scale and diligent cost management. General expenses² have declined by 10% to \$8.9m (FY22: \$9.9m) a result of cost management and the inclusion of non-recurring costs in FY22. Amortisation expenses (non-cash) were \$1.5m (FY22: \$1.1m) due to the capitalisation of internally developed software and its amortisation through the income statement.</p> <p>Net operating cash outflow for the full year was \$0.6m, a 25% improvement on the prior year. The Group generally bills licence fees annually in advance and billings are weighted towards the second half of the financial year. The net operating cash for the 6 months to 30 June 2023 was an inflow of \$0.9m, 125% higher than the 6 months to 31 December 2023 (inflow of \$0.4m).</p>

¹ Stated before the benefit of the revaluation of provisions for contingent consideration (\$1.3m in FY23 and \$0.9m in FY22).

² Excluding depreciation, amortisation and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Dividends (distributions)

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 30 June 2023.

Net tangible asset per ordinary security	30 June 2023	30 June 2022
Net tangible assets	(3,035,003)	(360,535)
Number of shares on issue at reporting date	175,314,801	173,189,505
Net tangible asset per ordinary security	(1.73) cents	(0.21) cents

Control Gained or Lost over Entities

Not Applicable

Associates and joint ventures

Not Applicable

Foreign Entities Accounting Framework

Not Applicable

Released with the authority of the K2fly Board
29 August 2023

The information required by listing rule 4.3A is contained in this Appendix 4E.

For personal use only