

30 April 2019

ASX / Media Release

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Q3 FY 2019 - Appendix 4C Update

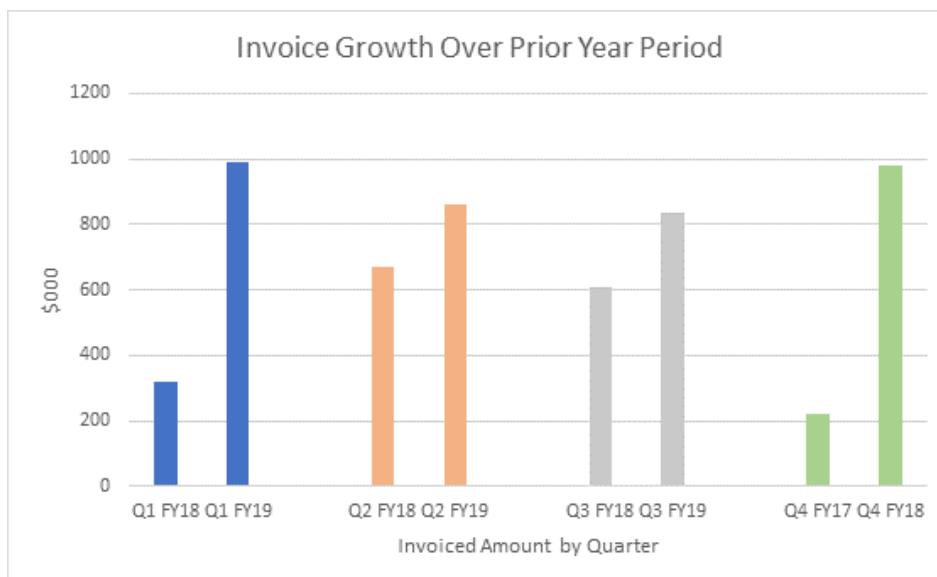
Highlights:

- A strong quarter with invoices raised of \$838k. Approximately 38% greater than the equivalent quarter for previous year
- Invoices raised to date for FY 2019 total \$2.69M – which exceeds total revenue for FY 2018
- As at 31 March 2019: \$705K cash; \$821K in receivables and \$100K WIP
- Revenue continues to grow with the outlook for remainder of FY 2019 remaining positive
- 4 new clients signed in the quarter, including 2 new Infoscope clients
- K2F continues to build on a number of strategic relationships, including SAP and Esri to promote Infoscope
- New opportunities arising for Infoscope solution with The Keeping Place

K2Fly Limited (ASX: K2F) (K2F, K2fly or the Company) continues to develop the business in line with our strategic plan, and management is extremely pleased to report that significant progress is being made against our long-term strategy.

REVENUES AND COST

In the March quarter (Q3 FY2019) K2F raised invoices to the value of approximately \$838k. This number was approximately 38% greater than the equivalent quarter last year where the number for Q3 FY2018 was approximately \$607k. Invoices raised to date in FY 2019 are around \$2,692k which exceeds the entire total invoices raised in the FY 2018.



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In terms of Q4, in Q4 2018 K2F raised invoices on \$978K. The sales pipeline for 2019 and beyond continues to grow, and K2F is confident of achieving further sales growth across a number of clients and different product offerings.

FINANCIAL POSITION

As at 31 March 2019, the available cash at hand was approximately \$705k. In addition, there was \$821k in aged receivables from Tier 1 clients and \$100k in work in progress with existing clients to be invoiced on delivery.

Management is closely monitoring its cash position and expenditure. The financial position of Company reflects the fact that K2fly's current operations are steadily moving towards achieving its strategic goal, which is to grow revenue and move to net positive cashflows.

NEW CLIENTS IN THE QUARTER

During the quarter, as previously announced, K2F signed new Infoscope software license contracts with WA based mining companies Mineral Resources Limited and Panoramic Resources Limited. Both implementations have commenced.

K2F signed a consulting services contract with ABB, expected to generate approximately \$1.5m in consulting revenue in 2019. K2F are working closely with ABB to expand this relationship, where K2F supplement ABB delivery teams with our consulting expertise.

K2F also signed a consulting service contract with Totalmobile, for approximately \$100k, to assist them with the implementation of the Totalmobile product at EDF Energy's nuclear business unit in the UK.

STRATEGIC PARTNERSHIPS

K2F continues to build a number of strategic partnerships, aimed at long term growth and sustainability of the K2F business.

K2F continue to work with both SAP and Esri to jointly position the Infoscope software product suite to both existing and new clients. The Board and Management believe these partnerships are essential to achieve a longer term global expansion of the Infoscope client base, as well as securing clients in industries beyond mining.

K2F continue to work with The Keeping Place, which houses our indigenous heritage repatriation program sponsored by BHP, Rio Tinto and FMG. A new fit-for-purpose entity is being formed (previously was part of the National Trust WA), and there are more than 20 Indigenous communities looking to join The Keeping Place.

K2F continue to work closely with its 3rd party Mobile Software partners; Capita, Kony and Totalmobile. These partnerships are seeing K2F working alongside our partners in key accounts, such as working with Kony in FMG and working with Totalmobile in EDF Energy.

K2F continue to develop long term partnerships in consulting. The contract with ABB to support them on a key project is typical of the partnerships we are seeking to develop in consulting services, where K2F becomes a key partner to much larger organisations to assist them in the execution of large complex projects.

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About K2fly

K2fly Ltd is an ASX listed technology company which targets asset intensive industries. It supplies people, products and strategic alliances focussed on solving problems for clients.

K2fly owns **Infoscope** a Land Management and Stakeholder Relations solution for the Energy and Resources market.

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

K2fly also re-sells market leading software which has been developed by industry leaders in the USA, Australia, Europe and the UK. These solutions come from OBI Partners (USA), Kony (USA), Pointerra Limited (Aus), ABB (Switzerland) and Capita plc (UK), where they have an outstanding track record of delivering benefits to clients.

In addition, K2fly provides cutting edge advice, consultancy and services when it deploys its subject matter experts who have extensive domain knowledge in such areas as Rail, Electricity, Gas, Water, Mining, Oil & Gas, Facilities Management, Aviation and Defence.

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