

## ASX / Media Release

17 June 2019

ASX code: **K2F**

# Operational and Revenue Update

### Highlights:

- Revenue continues to grow
- Invoices raised in April 2019 increased 158% on pcp
- Invoices raised in May 2019 increased 67% on pcp
- RCubed acquisition now complete
- New Client for RCubed - Imerys
- Efforts being focused on RCubed and Infoscope sales pipeline
- Consulting work – two new named clients and contract extensions
- As at 13 June ~\$700k in cash and \$1M Aged Receivables

### Revenue and Cash

K2fly Limited (ASX: K2F) (**K2fly** or the **Company**) is pleased to report continued progress towards its corporate goal of growing revenue, including growing its own software business.

In April 2019 K2F raised invoices to the tune of approximately \$207K, as compared to \$80k in the previous corresponding period (pcp) of April 2018, an increase of about 158%.

In May 2019 K2F invoiced clients approximately \$718k, compared to \$430k in the pcp of May 2018, an increase of approximately 67%. Making May 2019 K2F's largest ever month for invoices raised.

Q4 is usually the largest revenue quarter for K2F and continuing with that trend K2F is currently on track to invoice clients in June for ~\$500k, resulting in invoices for Q4 2019 totalling significantly more than \$1m (in pcp Q4 2018, K2F invoiced \$978K).

As at 13 June K2F has more than \$700k in cash and more than \$1m in Aged Receivables from existing clients. Many of K2F's clients are Tier 1 clients from various sectors.

K2F is also happy to report that it has received a payment of approximately \$82k from the ATO as an R&D Tax Incentive.

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## RCubed Acquisition Complete

K2F has now completed the acquisition of the RCubed, resource governance software solution from South Africa (refer to ASX Announcement dated 3 June 2019 for additional details) and also acquired a new client in the form of Imerys from France. RCubed's major clients are Teck Resources and Anglo Gold Ashanti.

The acquisition is highly complementary to K2fly and strengthens its owned Software as a Service (SaaS) solution, Infoscope, targeting the Resources sector.

K2F is actively progressing the sales pipeline for RCubed with major mining entities, as RCubed is uniquely positioned as a commercial off the shelf software solution for mineral resource and reserve reporting. Although as always, whilst we are very optimistic of the opportunities for RCubed there are no guarantees until finally negotiated and contracts signed.

## Consulting

During May, K2F also started assignments with two new name clients in Queensland; New Hope Group and Stanwell Energy.

Additional assignments or contract extensions were also won in existing clients: Western Power, Arc Infrastructure, Fortescue Metals Group, Programmed and Westgold Resources.

Although each new assignment and contract extension are not material on their own, it reinforces that our staff are viewed as subject matter experts who bring leading edge advice to our clients.

Further details will be provided with the release of K2F's Appendix 4C for Q4 2019 and K2F also anticipates releasing a further operational update soon after the end of Q4 2019.

**ENDS**

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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 the following Software Solutions:

- **Mineral Resource Governance - RCubed** a resource and reserve reporting solution that supports reporting codes such as JORC, NI43101 and SAMREC across the major stock exchanges – including NYSE, LSE, TSX, ASX and JSE; and
- **Natural Resource Governance - Infoscope**, an Enterprise Land Management, Natural Resource Governance 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), Totalmobile (UK) 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.