

ASX/Media Release
23 November 2016

ASX code: K2F

K2fly Business Update

Highlights:

- K2fly currently working with major UK and European channel partner to generate additional sales contracts for the Company's Technology platforms
 - Additional multi-national partners currently being evaluated by K2fly - will allow it to sell its technology platforms to different vertical industry segments globally, including power, telecommunications and public utilities
 - Executive Chairman, Mr Brian Miller, currently in the UK with key channel partner to secure access for K2fly to additional Capita technologies to licence in Australia
 - K2fly continues to work with existing Australian based clients using the technology platform and generate additional sales
 - Company has a strong and growing pipeline of existing and prospective partners and clients
 - Loyalty Options Offer to take place 4 months post listing on a 1-for-5 pro-rata basis to all Shareholders at the Record Date, each option having an exercise price of 25 cents per share and a three (3) year term
 - ASX code to change to **K2F** from Thursday, 24 November 2016
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Enterprise asset management technology company K2fly Limited (ASX: K2F) is pleased to provide an update on its business operations following the successful completion of its IPO capital raising and listing on the ASX.

K2fly acquired its enterprise asset management technology platforms in May 2015. Since that time it has successfully implemented its Software-as-a-Service (SaaS) business model and has aggressively built a strong pipeline of sales contracts with major organisations in Australia and international markets.

Channel Distribution Partners

In addition to expanding its client footprint through direct sales opportunities, K2fly has successfully implemented an international partnering strategy in key global markets for third parties to distribute and sell K2fly's suite of asset management technology and services, with minimal operational cost to K2fly.

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European Partnering Agreement

In Europe the Company has entered into an international Partnering and Channel Distribution Agreement with a FTSE-100 conglomerate that is a renowned global leader in the enterprise asset management space with significant blue chip clients across Europe and the United Kingdom.

The partnering agreement provides K2fly with the ability to leverage its software portfolio utilising the vast reach and resources of this major distribution partner to facilitate and drive sales of the K2fly asset management and maintenance software to major organisations throughout Europe and the UK.

Our UK and European major distribution partner has a business development team of more than 2,500 in Europe and the UK with direct contacts into some of the largest multinational organisations operating in asset intensive industries. Under the Partnering Agreement, K2fly will be able to leverage off the existing business development contacts, and the major distribution partner will also be able to offer K2fly's asset management and asset maintenance software to its existing and new clients.

This is an ideal partnering arrangement for K2fly, opening up new markets in Europe and the UK with minimal investment from K2fly. Our major distribution partner has been involved in the infrastructure and energy industries since 1990 and is focused on three major areas; (i) Mobility; (ii) Smart Energy; and (iii) Enterprise Asset Management.

Our UK and European partner has worked in close partnership with major organisations in the infrastructure and energy industries for over 23 years, with clients including Thames Water, Scottish Water, United Utilities, Western Power, National Grid, Centrica, UK Power Networks, London Underground Limited, Network Rail, The National Health Service and the Australian Defence Force.

Trusted partners of the major distribution partner include IBM, ABB, O2, Kaifa and SAP.

ASEAN Partnering Agreement

K2fly also has a Partnering Agreement for the sale of its technology across South East Asia with Mitrais, a major player in the enterprise asset management sector in Asia. The Mitrais agreement covers Singapore, Indonesia, Malaysia and Vietnam, and provides K2fly with the opportunity to rapidly grow market share and revenue in the region from Mitrais's deep base of large scale clients across the utilities, mining, infrastructure and transport industries. K2fly and Mitrais will work together to have K2fly's asset management technology software sold directly into Mitrais's clients.

Mitrais has operated in the EAM sector for in excess of 25 years and has more than 400 staff and in excess of 100 current clients operating predominantly in asset intensive industries.

Technology Partners

As an additional facet of the business to further develop the Company's technology platforms for commercialisation in wider asset intensive industry verticals, K2fly has partnered with two major technology partners with the aim of enhancing its product offering and providing K2fly with access to the global eco-system of major players in the software industry.

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The first technology partner, Kony, is an industry leader in the mobility solutions sector. It is working with K2fly to facilitate the migration of K2fly's TagMan, DocMan, HandoverNotes and PropertyInspector technology platforms to the Kony software and licencing platform.

This will provide K2fly with direct access to the Kony eco-system whereby the K2fly technology platforms will be accessible to Kony clients globally. Also, existing and new clients of K2fly can be assured that they are accessing the latest software updates, via the Kony eco-system. This will improve efficiency of K2fly's technology platforms and ensure that clients are accessing a unified software solution with seamless integration into their existing enterprise software solutions.

The second technology partner is Salesforce.com, an industry leader in the cloud software and cloud computing sector. It is working with K2fly to facilitate the development of ADAM as a pure-play cloud Technology platform, in line with the requirements of a number of tenders which K2fly is seeking to secure - where it is stipulated that a pure-play cloud software offering must be available.

The technology partnership with Salesforce.com delivers K2fly an operating solution for ADAM to become pure-play cloud and also allows ADAM to become part of the Salesforce.com ecosystem, which will deliver similar to the benefits from the Kony partnership, facilitating ADAM to become accessible to clients across the globe.

This is also another step forward for K2fly in the launch of the SME version of ADAM_{LITE} which K2fly is seeking to launch in 2017.

Sales Pipeline

In addition to building sales opportunities through channel distribution partners and technology partners, K2fly is pursuing a number of direct sales opportunities. It recently employed an additional business development executive to help drive and maximise sales growths.

The Company is also working with an additional collaboration partner which will provide it with access to larger-scale tenders and enable K2fly to implement its technology platforms as part of a comprehensive contract offering. One of these tenders is with a major water utilities service provider.

K2fly Executive Chairman and CEO, Mr Brian Miller, is currently in the UK working with Capita to secure additional sales opportunities for K2fly. K2fly and Capita are also jointly working on the delivery of a technology implementation and support services contract for a major domestic electricity and power utilities service provider located in Western Australia.

Capita and K2fly are also exploring opportunities for K2fly to become an Australian distributor of additional proprietary technology developed by Capita. This technology has broad applications across asset intensive industries, including aviation, defence, rail, port, power, telecommunications and public and private utilities.

K2fly continues to work diligently to pursue and realise sales and new business opportunities across all of its sales and distribution channels, and looks forward to further updating the market on its progress in due course.

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Loyalty Options Offer

Following the successful Listing of K2fly on the ASX, the Company is preparing to undertake a Loyalty Options Offer to Shareholders that are on the share register as at the Record Date, anticipated to be 4 months from the date of Official Quotation.

Shareholders in K2fly will be offered 1 option for every 5 shares held at the Record Date with each Option having an exercise price of 25 cents per share and a term to expiry of three (3) years from the date of issue.

ENDS

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About K2fly

K2fly Limited is an ASX listed Enterprise Asset Management technology company, which specialises in the provision of infrastructure asset management to asset intensive industries via a software technology platform and services. K2fly's technology allows an organisation to manage and maintain its asset data and deliver more effective and efficient outcomes via a single, centralised system. The technology has a strong track record of empowering organisations to make better informed long term decisions in relation to the operation, management and maintenance of its physical assets.

K2fly's technology is scalable and modular, which will enable the Company to aggressively pursue a broad base of target markets including SMEs, multi-nationals and corporate conglomerates.

K2fly owns the following proprietary asset management and asset maintenance technologies for use in vertically-integrated asset intensive industries:

ADAM Asset Data Analysis Management

DocMan Mobility Solutions: Task Management App

TagMan Mobility Solutions: Asset Verification App

HandoverNotes Mobility Solutions: Electronic Information Sharing App

PropertyInspector Mobility Solutions: Asset Inspection App

K2fly's technology has been used to deliver operational and maintenance efficiencies to blue chip clients in Australia, North America and South-East Asia with clients including BHP Billiton, Woodside, Leighton, Origin, Port Authority of New South Wales, Visy, Apache and Petronas.

K2fly is seeking to deploy its asset management and asset maintenance technology within vertical market segments and industries with the dominant position to grow market share, taking advantage of the growing need for asset management and asset maintenance technology. These industries include Pharmaceuticals, Hospitality and Tourism, Healthcare, Defence, Telecommunications, Public and Private Utilities, Maintenance and Service Contract Industry, Aviation Industry, Energy Sector and Food Manufacturing.

About ADAM

ADAM, also known as Asset Data Analysis Management, is a single-source integrated technology for the development and optimisation of asset management information, including data capture, maintenance analysis and build, spares identification, which is configurable for upload to any asset management system. ADAM has been developed as a software agnostic platform, meaning that it can interface with any existing CMMS platform being used by the clients including SAP, Oracle, JD Edwards or Maximo.

The technology incorporates a web-enabled client-server system that can be run autonomously allowing clients to capture, manipulate and prepare asset, spares and maintenance information from anywhere in the world.

ADAM has been designed to complement the existing Enterprise Resource Planning (ERP) and Computerised Maintenance Management Systems (CMMS) platforms and enhance the data analytic capabilities of asset intensive organisations.

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The intuitive interface of ADAM means that asset management data can now be captured and analysed in real-time and the data outputs are accessible to more personnel within an organisation. This leads to better data management and analysis and in turn ensures that decisions can be made based on real time data and analysis rather than static data sheets.

The aim of the K2fly Technologies is to offer a digital data management system that allows organisations to better manage the data that is captured and analyse the data in real-time.