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ASX code: K2F

K2fly Awarded Contract Extension with Tier-1 WA-Based Mining Services Organisation

Highlights:

- K2fly awarded contract extension with a tier-1 WA-based mining services organisation which provides Build-Own-Operate-Transfer (BOOT) and turnkey solutions to the mining industry with projects located around the world

- K2fly will continue to provide asset-specific data management and analysis as well as efficient asset maintenance profiling.

- K2F is well placed to win even more contracts within this important sector

- K2fly continues to work with existing Australian clients and an expanding new business pipeline to generate additional sales

Enterprise asset management technology company K2fly Limited (ASX: K2F) is pleased to announce that it has been awarded a significant contract extension with a tier-1 WA-based mining services enterprise which provides turnkey mine site solutions and BOOT solutions for mining projects located around the globe.

This is the second contract extension with this major enterprise and signifies the strength in the relationship between K2fly and its clients. The contract engagement is likely to increase significantly in the first half of 2017 and will see K2fly well placed to win even more contracts within this important sector.

Pursuant to the contract extension, K2fly will continue to provide asset-specific data management and analysis as well as efficient asset maintenance profiling.

Commenting on the award of this contract extension, Executive Chairman and CEO of K2fly, Mr Brian Miller stated:

"The global mining industry is showing significant signs of improvement with a number of major mines restarting operations and a number of brownfield and greenfield expansions currently underway. The mining industry in general is at a really interesting stage of its development. There is a massive capital investment underway at several operating mines

and new mines continue to be commissioned around the world. K2Fly has the software, subject matter expertise and credibility to make significant contributions to these vertical markets. The recent win in WA is encouraging because it demonstrates that K2fly can work alongside major industry specialists while assisting asset-intensive enterprises to maximise their investment in technology."

Mr Brian Miller further stated:

"Organisations who have an obligation to keep operating mines in steady-state production, minimise safety concerns and increase mine profitability and efficiency in a safe operating environment need to know the condition of their assets on a minute-by-minute basis. Their assets are their life blood and they invest heavily to ensure they have optimum performance out in the field. They have large blue-collar workforces working on assets daily, and the quality of information available to those workers is absolutely mission critical. K2fly and its partners provide software and services to help provide effective decision-making and efficient delivery of physical work."

K2fly provides enterprise software and services to the asset-intensive industries of Oil & Gas, Utilities, Mining, Rail and Government. K2fly operates a Software-as-a-Service (**SaaS**) business model and seeks to develop, market, sell and implement leading edge software in large enterprise-scale companies who rely upon the performance of their assets.

K2fly licences its own proprietary software including the real-time analytical platform, ADAM, as well as a suite of mobile field working solutions. K2fly is also working with its international partners providing the company with access to additional systems and software solutions, allowing K2fly to enhance its own software offering and become a value-added reseller in Australia.

K2fly derives revenue from multiple channels including software licencing, consulting, support and configuration.

Sales Pipeline

Combined with the potential footprint delivered by its major European and UK distribution partner, its strengthened relationship with ASAEN partner, Mitrais, and the delivery of additional new business in Australia, K2fly has a strong and growing pipeline of prospective partners and clients.

The Company continues to work with existing Australian clients using its asset management technology solution in the mining and mineral processing industry as well as oil and gas and utilities. Existing clients of K2fly include Mineral Resources Limited, Hyundai Heavy Industries, K2 Technology and Upstream Production Solutions.

K2fly is currently expanding its Australian presence having recruited an established business development executive to drive new business in other asset-intensive industry verticals. It is also working with an additional partner in Australia, which if successful will allow the Company to collaborate and tender for major public utilities contracts across Australia and ensure that K2fly continues to be at the forefront of the real-time software analytics industry.

The enterprise asset management sector is one that continues to grow, particularly on the backdrop of aging infrastructure, reductions in capital expenditure and a drive to increase

Return on Investment (ROI). These partnerships and key strategic relationships will ensure that K2fly is able to tender for large comprehensive contracts, and become a trusted supplier.

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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
NovIn Real Time Asset Inspection Management App
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.