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ASX code: K2F

K2fly Executes Milestone Partnering Agreement with US-based OBI Partners

Highlights:

- K2fly executes milestone partnering agreement with US-based OBI Partners for the licencing of Operational Business Intelligence Solutions within Australia

- OBI's experience includes successful deployments of Operational Business Intelligence solutions within electric and gas distribution companies as well as power generation - ranging from Hydro to Nuclear

- K2fly continues to work with major WA-based utility and will look to introduce the OBI technology as part of the K2fly expanded service offering

- K2fly is well positioned to win additional contracts within the vertical markets of electricity, gas, water and rail

- 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 executed a milestone partnering agreement with major US-based OBI Partners, based in Atlanta, Georgia.

OBI Partners is an advanced Operational Business Intelligence Solutions provider focused on the utilities industry. The OBI solutions leverage a utilities' growing data in order to provide real-time "actionable intelligence" resulting in increased reliability, lower cost of operations and improved customer communications and satisfaction.

OBI Partner's experience includes successful deployments of Operational Business Intelligence Solutions within electric and gas distribution companies as well as power generation, ranging from Hydro to Nuclear. Some of the past customer deployments of OBI Partners include: ConEdison of New York, Exelon, Northern Ireland Electric and Southern Company, amongst others.

Pursuant to the partnering agreement, K2fly has a two-year exclusive arrangement, with the right to extend for a further year, to licence the OBI Partners Business Intelligence Solutions within Australia and will be targeting new contracts within the utilities and rail sector.

Commenting on the partnership, K2fly CEO and Executive Chairman Brian Miller stated,

"OBI Partners is led by a group of outstanding professionals with decades of operational experience within the utilities space. By partnering with a global player such as OBI, K2fly is continuing to build its capability to deliver services and solutions to this important vertical market. We intend to make the utilities sector a significant part of our business in 2017 and beyond."

K2fly is currently receiving sales and solution training from OBI Partners at their offices in Atlanta, and has two Australian prospects currently seeking a system to manage the type of complex Network Operations information that the OBI Partners Business Intelligence Solutions can deliver.

With the proliferation of Advanced Metering Infrastructure (**AMI**) throughout Australia, the addition of terabytes of data creates new opportunities for operational efficiencies and challenges. This is the market that K2fly will be targeting through the partnership with OBI Partners.

Ray Kasten, President of OBI Partners explained,

"There is no doubt that the investments and forward-thinking utilities in the States have been looking for additional knowledge when making mission-critical decisions in the operational space. OBI has been fortunate in serving these companies."

"Our focus has been to supply solutions for utilities to make accurate proactive decisions based on near real-time data. With the availability of information and technology, domestic customers now expect and demand service as well as answers to their questions. We are delighted to partner with K2fly, as we see the Australian marketplace as one undergoing significant change. This transformation will undoubtedly bring opportunities for both of our companies."

K2fly was awarded an important contract in December 2016 with a major WA-based utility. That award and this recent partnering with OBI Partners leaves K2fly well positioned to exploit the attractive utilities market.

Brian Miller added,

"In the last six-months we have been building relationships with several consultancy houses and engineering firms who work within the Australian utilities sector. A number of interesting sales opportunities have presented themselves and while these situations are obviously competitive, I feel confident that we are operating in the right sectors, with the right solutions. The relationship with OBI can only strengthen our presence."

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.

About OBI Partners Business Intelligence Solutions

An overview of the OBI Partners' Business Intelligence Solutions is outlined below. Further information can be found at www.obipartners.com.

Network Operations

Network Operations provides analytical information related to outages and events for the CEO to the Customer Service Representative on a near real-time frequency.

Information includes; outages, customers affected, durations, pending ERT expirations, affected equipment, causes, and much more. Information is presented through charting, tabular, and spatial formats.

The Network Operations solution includes OpsView dashboards available across multiple platforms including the desktop, tablets, smartphones and large format display walls.
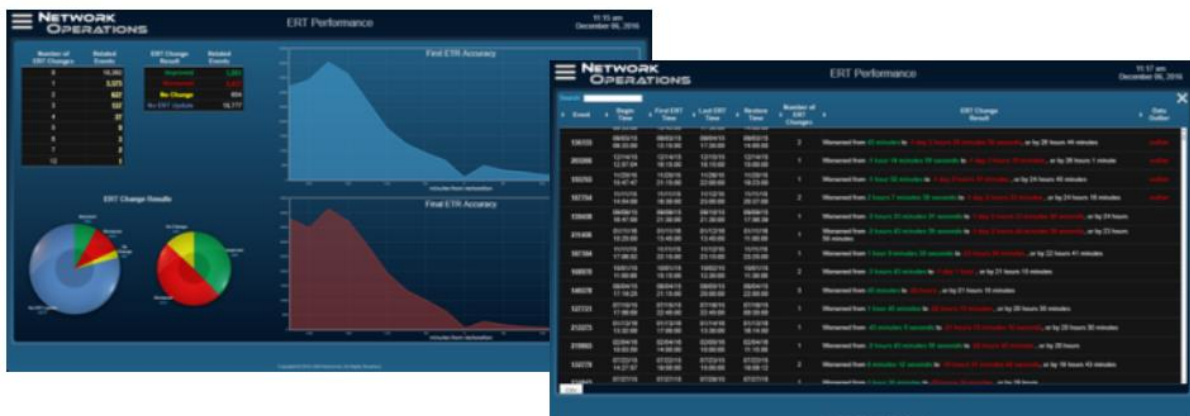
OpsView mobile takes all the information that is available on the desktop and provides it on smartphones and tablets in a self-evident manner.

Automatic resizing of screens and touch sensitive support makes the mobile solution very easy to navigate.

Charts, tabular, spatial views are fully supported. Targeting and colour utilisation alert users of pending activities that warrant attention.
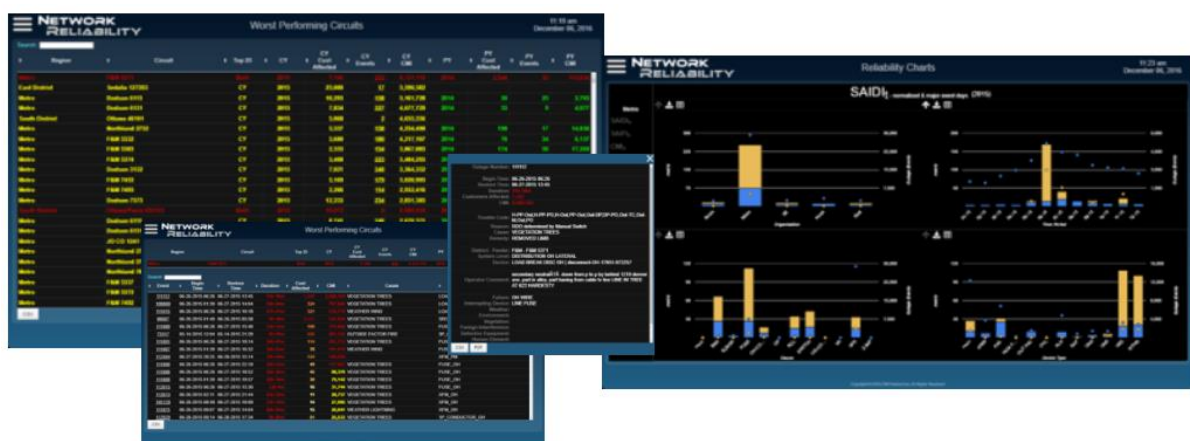
The **Network Operations** solution also provides insight into operations performance and customer satisfaction areas such as Emergency Response Time (**ERT**) Performance

ERT Performance provides intelligence on estimated restoration times so that utilities can accurately communicate with their customers. Often, Operations is focused on getting customers restored so their attention to ERT's may not be a priority. By analysing history, along with conditions and other criteria, OBI can refine the accuracy of ERTs.

Network Reliability

Network Reliability provides intelligence from the individual device to the circuit with multiple organisational levels supported. IEEE 1366 Reporting is available through reports and interactive dashboards. Worst Performing circuits provides drill down/thru information all the way to the event/ outage including customers affected, causes, failures and remedies.

Vegetation Performance

Vegetation Performance provides analytical information related to how the utility's vegetation management program is performing from a planned, target, approved, actual, and forecasted basis.

Benefits achieved can be tracked by SAIDI, SAIFI, by organisation, device, cause and time. Vendor performance is also tracked by the aforementioned statistics along with other cost and quality metrics. Detail is provided to the work order and outage / event levels.

Customer Communications

Customer Communications provides near real-time information to the Customer Care group as well as to the customer if they request automatic notifications.

CSRs are able to track the critical customers that must have positive contact, groups that need additional support and other relevant information.

Outage information along with estimated restoration times and customer history is available within a single dashboard.

This information keeps the CSR informed while keeping Operations focused on restorations.

Stakeholder Communications

Stakeholder Communications provides near real time information to municipalities, towns and public safety agencies.

With this information, agencies can collaborate more efficiently with the utilities, focusing on specific areas affected by the outages, and managing programs for critical customers such as hospitals or life support residents.

Information also includes Estimated Restoration Times, current durations, locations where assistance may be needed, amongst other core statistics.

Data Integrity

Data Integrity provides continual checking on customer's data so that inaccurate or untrustworthy data is not communicated throughout the organisation and beyond.

There are several categories of data integrity that are tracked including, conformity, consistency, completeness, process, duplication and logic. Data Integrity enables utilities to focus on analysis versus data clean-up.

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.

ENDS

For further information, please contact:

Brian Miller
Executive Chairman
K2fly Limited
T: +61 422 227 489
E: brian@k2fly.com

Gino D'Anna
Non-Executive Director
K2fly Limited
T: +61 400 408 878
E: gino@k2fly.com

<u>Lead Manager</u>
Greg Wood
K S Capital Pty Ltd
T: +61 416 076 377
E: g.wood@kscapital.com.au

<u>Media and Investor Inquiries</u>
James Moses
Mandate Corporate
T: +61 420 991 574
E: james@manadatecorporate.com.au

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.