

ASX / Media Release

3 March 2017

ASX code: **K2F**

K2fly Executes Milestone Partnering Agreement with Capita plc

Highlights:

- K2fly has entered into a milestone partnering agreement with UK/Europe-based FTSE-100 company Capita plc to licence Capita Affinity Mobile Solutions within Australia
- K2fly has a three-year exclusive Agreement with the right to extend on a year-by-year basis to licence Capita's Affinity Fieldreach and Affinity GeoField Digital Mobile Solutions
- K2fly will target new contracts in the utilities, rail, electricity, water and telecommunications sectors and the Capita Agreement leaves it well placed to drive new business
- Capita has operated in the infrastructure and energy industries for more than 25 years, leading the adoption of Enterprise Asset Management software in asset intensive industries
- Capita services billion dollar organisations in the infrastructure and energy industries and clients include; Thames Water, United Utilities, Western Power, National Grid, Centrica, London Underground Limited, Network Rail and The National Health Service
- Trusted partners of Capita include global leaders in the Enterprise Asset Management sector including an NYSE listed Fortune 500 company ranked in the top 25.
- Capita has more than 1,000 business development executives in Europe working with some of the world's largest multinational organisations operating in asset intensive industries

Enterprise asset management technology company K2fly Limited (**ASX: K2F**) is pleased to announce that it has executed a milestone partnering agreement with major UK / Europe based Capita plc.

K2fly Limited ACN 125 345 502

@ info@k2fly.com

Registered Office Level 1, Grand Central, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

Pursuant to the Agreement, K2fly has a three-year exclusive arrangement, with the right to extend on a year-by-year basis, to licence Capita's Affinity Fieldreach and Affinity GeoField Digital Mobile Solutions within Australia. **Further information on Capita's Affinity Mobile Solutions is appended to this announcement.**

K2fly will be targeting new contracts within the utilities, rail, electricity, water and telecommunications sectors and the Agreement with Capita will see it in a position to promote a leading-edge solution which is licensed on more than 50,000 mobile devices.

K2F sees a number of different opportunities in Australia for the Affinity Mobile offerings. Prospective clients need only to look at the current client list of AMT-Sybex / Capita to appreciate that water, electricity, gas, rail and construction companies can all benefit from this application. K2F is currently responding to a number of tenders where this pedigree of software has a key role to play in the decision-making process.

K2fly is currently receiving sales and solution training from Capita at their offices in the UK, and has three Australian prospects currently seeking a system that the Capita Affinity Mobile Solutions can deliver.

Capita is a FTSE-100 company and has worked in the infrastructure and energy industries since 1990, leading the adoption of Enterprise Asset Management software in asset intensive industries.

The Capita solutions leverage a utilities' growing data to provide real-time "insight and analytics" which help make processes smarter, organisations more efficient and customer experiences better.

Capita works with clients across a range of sectors, including local government, central government, education, transport, health, life and pensions, insurance, and other private sector organisations. Capita is able to support its client base with expertise from across the business – in customer and property management, software and hardware, back and front office operations, recruitment and training – working together to provide a seamless, multidisciplinary solution.

Capita has been servicing billion dollar organisations in the infrastructure and energy industries for over 25 years with clients including Thames Water, United Utilities, Western Power, National Grid, Centrica, London Underground Limited, Network Rail and The National Health Service. Trusted partners of Capita include global leaders in the Enterprise Asset Management sector including an NYSE listed Fortune 500 company ranked in the top 25.

Capita has several clients in the UK water sector including: Scottish Water, Affinity Water, Southern Water, South East Water, Northern Ireland Water, South West Water and Bristol Water.

K2F will be targeting the water sector within Australia as a high priority focus as the Company seeks to be awarded additional contracts through the licencing of Capita's Affinity suite to new clients.

The Affinity Mobile solutions are targeted at being agile and flexible. They can be deployed to capture anything, integrate with anything and work on any device. Invariably the system is owned by the business users.

K2fly Limited ACN 125 345 502

@ info@k2fly.com

Registered Office Level 1, Grand Central, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

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

"This is a wonderful opportunity for K2F to work with an acknowledged leader in this fast-growing space. Digital Mobile Solutions have become the backbone of many infrastructure companies internationally. Capita has a long-standing presence in this arena, with proven technologies and a large user base. Capita has worked successfully in a variety of industries including electricity, gas, water, transport and construction. These are all sectors in which K2F operates and the match is perfect for us."

Managing Director of AMT-Sybex, a wholly owned subsidiary of Capita, John McKeown explained,

"The Water sector has been a strong environment for AMT-Sybex over the last two decades. Having typically sold Enterprise Asset Management solutions to these clients it has been gratifying to see how enthusiastically they have then migrated to include our Affinity Mobile offerings. We see the advent of packaged digital solutions for mobile workers as being mission critical in the water industry."

The success of mobility offerings in industrial settings is due, in part, to the fact that the business perceives that it owns the solution. Traditional desktop implementations of ERP and EAM systems such as SAP, Ellipse, Oracle and Maximo are often seen as being "owned" by IT. A key point of differentiation with offerings like Capita's Affinity Mobile, is that these types systems actually deliver 'ownership' back to the business owner.

Colin Challenger, Product Manager for Affinity Mobile, said:

"Our approach is all about flexibility and using portable digital processes to deliver a range of mobile apps. We focus on capturing high-quality data and exploiting map-based workflows. It's about driving efficiency in to the fieldworkers wearing Hi-Vis jackets who are doing the tough work every day. Our technologies streamline the processes and reduce the amount of re-work and re-entry of data enforcing a consistent digital process."

K2fly provides enterprise software and services to the asset-intensive industries of Oil & Gas, Utilities, Mining, Rail and Government. It 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. The Company is also working with its international partners providing the company with access to additional systems and software solutions, allowing it 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.

ENDS

K2fly Limited ACN 125 345 502

@ info@k2fly.com

Registered Office Level 1, Grand Central, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

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

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

Media and Investor Inquiries
James Moses
Mandate Corporate
T: +61 420 991 574
E: james@amanadatecorporate.com.au

About Capita Affinity Mobile Solutions

An overview of the Capita Affinity Mobile Solutions is outlined below. Further information can be found at www.capita.com.

AFFINITY SUITE
fieldreach
Intelligent Mobile Working

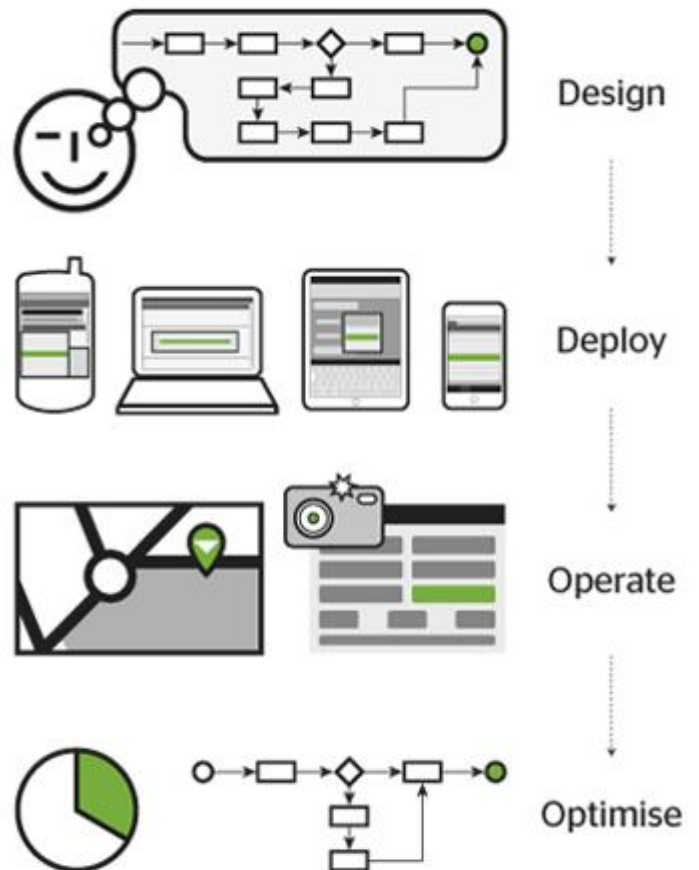


Affinity Fieldreach is an enterprise mobility solution. It is licensed on over 50,000 devices in leading organisations such as Network Rail, National Grid, Transport for London, and Electricity Northwest Limited. It delivers the most flexible enterprise-rated mobile experience available today and is available as an out-of-the-box solution to enable vital mobile processes including: asset management, work management but crucially is easily integrated with all major enterprise systems.

Fieldreach has been designed with an "outside in" approach to the mobile process, with the field user's needs placed at the heart of the design. This is a result of our position at the forefront of enterprise mobility, having successfully designed and implemented mobile solutions since 1999 and Fieldreach roll outs, across all platforms, enjoy a very high degree of user acceptance with a low incidence of help desk calls.

Fieldreach has the capability to:

- Increase business efficiency and agility
- Enable business decision making
- Plan work and meet regulatory requirements
- Generate accurate visual data



AFFINITY SUITE geofield

Geofield, is a powerful fieldwork management, mapping and data collection solution, designed for both disconnected and connected use.

Geofield provides the basis for comprehensive redlining, blacklining, imaging and network tracing and is underpinned by the ability to view map and asset data via an intuitive interface. It provides live status awareness of in-progress field activities allowing fieldworkers to collaborate by sharing information, providing situational awareness and the seamless information exchange for chained tasks.

Geofield is fully integrated with Capita's fieldwork solution Fieldreach, allowing customers to have the very best capabilities from both products tailored to their needs.

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.

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.