

ASX / Media Release

3 June 2019

ASX code: **K2F**

K2fly completes acquisition of RCubed and signs New Client

Highlights

- K2fly has completed the acquisition of Resource Governance Software Solution, RCubed
- Acquisition strengthens K2F's SaaS offerings targeting the Resources sector:
 - RCubed solution for Mineral Resource Governance
 - Infoscope solution for Natural Resource Governance, Enterprise Land Management and Stakeholder Relations.
 - K2F immediately signs Imerys SA as a client for RCubed Software
 - Imerys SA is a French multinational company which specialises in the production and processing of industrial minerals
 - RCubed Software to be used for reporting on its mineral sand operations from more than 80 sites spread across 25 countries worldwide
 - Implementation to commence immediately

Completion of Acquisition RCubed

As previously announced K2fly Limited (ASX: K2F) (**K2fly** or **the Company**) entered into a binding agreement to acquire the assets of Prodmark Pty Ltd (**Prodmark**) (a South African company) and associated entities, relating to the RCubed Resources and Reserve Reporting software (**RCubed**) (refer to ASX announcement on 7 May 2019 for further details). The binding agreement was subject to a number of condition precedents which were required to be satisfied or waived.

K2F is extremely pleased to announce that the acquisition of RCubed is now complete.

The acquisition is highly complementary to K2fly and strengthens its owned Software as a Service (SaaS) solution targeting the Resources sector. As part of the acquisition K2F has established a South African entity which will take on the twelve existing staff and the existing office facilities in Centurion, outside Johannesburg.

Brian Miller, K2F CEO said, "We are delighted with this acquisition. It is an extremely good fit for K2F and our strategic direction. We believe that we can achieve market leadership in RCubed's target market with this solution as well as grow our combined offerings across the resources vertical. It is a

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market leader and we are excited to work with our new colleagues in South Africa. This software fits so well with our Infoscope solution and positions K2F to become a major player in the global resources sector. We are developing a strategy which will see us cross-selling our two software solutions, and can already see enthusiastic responses in the marketplace”

Johannes de Kock, Director of Operations, K2fly South Africa Pty Ltd commented, “We are all looking forward to the future and working as part of K2fly. The RCubed product has a bright future and we have a strong pipeline of opportunities across the Resources sector. I’m very confident that with the additional support provided by K2fly, RCubed will quickly become the standard for Resource and Reserve Reporting, globally.”

Imerys SA Contract

Following completion of the acquisition of RCubed, an agreement has been signed with Imerys SA to provide the RCubed Software solution for its mineral sand operations in more than 80 locations in 25 countries worldwide.

Imerys SA is a French multinational company which specialises in the production and processing of industrial minerals. Imerys SA has revenues of over €4.5 billion per annum and has more than 18,000 employees. Imerys SA is listed on the Paris Stock Exchange.

This is a SaaS based software contract and with implementation costs is for more than AU\$150,000 in the first year. Implementation is to commence immediately, and there will be recurring revenues on an annual basis.

As with all RCubed implementations, each operation is captured at a base level with a high degree of governance which is extremely strategic for K2fly and our ability to offer complementary offerings within that network.

Brian Miller, K2F CEO commented, “The immediate signing of this major, new name client demonstrates a demand for this product from global multinational mining houses and is consistent with our strategy of growing our SaaS revenues. We have a significant sales pipeline for the RCubed solution and this is a very encouraging start.”

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About Imerys

The world leader in mineral-based specialty solutions for industry with €4.6 billion revenue and 18,000 employees in 2017, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its knowledge of applications, technological expertise and its material science know-how to deliver resources based on beneficiation of its mineral resources, synthetic minerals and formulations. These contribute essential properties to customers' products and performance, including refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and repellancy. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.

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.

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