



# **ASX / Media Release**

2 December 2019 ASX code: **K2F** 

# K2fly RCubed Acquisition Passes Year 1 Recurring Revenue Performance Milestone in 6 months

#### **Highlights of RCubed contracts:**

- The RCubed software solution has exceeded its initial annual revenue milestone in less than 6 months
- New or additional RCubed Annual Recurring Revenues (ARR) have reached AU\$665,000 since acquisition in May 2019
- The Total Contract Value (TCV) of contracts signed is > \$2M as more customers take up three and five year contracts
- Total ARR from RCubed contracts now stands at AU\$900k
- Additional consulting revenue contracted for implementations is a minimum of AU\$568,000
- Year 1 new ARR milestone was AU\$500k. This was surpassed in November when Rio Tinto and Nexa Resources were signed
- High level of interest from NYSE listed companies continues as US SEC regulation changes come into effect in 2021

K2fly Ltd (ASX: K2F) is delighted to announce that the RCubed acquisition has passed its first contracted annual revenue milestone in under 6 months with the signing of Rio Tinto.

Nic Pollock K2fly Chief Commercial Officer said that "In November 2019 K2fly has achieved some significant milestones including further validation by a tier 1 mining client (Rio Tinto) and our first customer based in Brazil (Nexa Resources) combining to exceed the contracted first year revenue performance milestones significantly ahead of schedule."

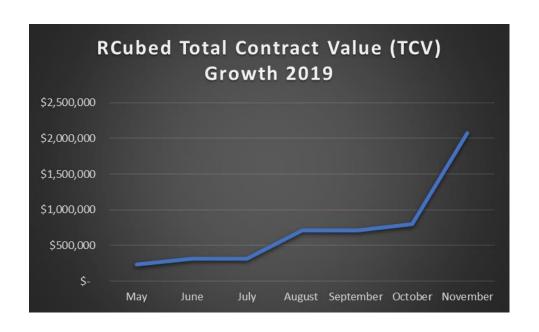
The Nexa and Rio contracts further increase the strong ARR growth that K2fly SaaS business is experiencing of 140% CAGR over the last 4 quarters, in which Q1 was up by 29% from Q4 FY19. To date, in Q2 FY20 K2fly ARR has already grown a further 34%.

Total Contract Value (TCV) has risen sharply by 159% in November to more than AU\$2m as the contract terms extend. This trend is expected to continue with further multi-year contracts in the pipeline. Although these potential contracts are still in negotiations and until complete there are no guarantees. We will update the market in due course.

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#### **ENDS**

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## Announcement released by board of K2fly Limited

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#### **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.