

## ASX / Media Release

23 March 2020

ASX code: **K2F**

### K2fly's RCubed Software Contracts Pass Year 2 Recurring Revenue Performance Acquisition Milestone in 9 months

Highlights of RCubed contracts:

- **RCubed Software Solution contracts have exceeded the second-year net new annual revenue acquisition performance milestone in less than 9 months since acquisition**
- **With the recent Newmont contract awarded in March 2020 new or additional RCubed Annual Recurring Revenues (ARR) have reached AU\$1,017,352 since acquisition in May 2019**
- **Additional contracted implementation revenue is a minimum of AU\$1,031,600**
- **Year 1 new ARR acquisition performance milestone of AU\$500k was surpassed in November 2019, with the signing of Rio Tinto and Nexa Resources**
- **75% of current contracts for RCubed are in USD**

Highlights of K2F's SaaS contracts:

- **Total K2fly SaaS ARR now stand at AU\$1,834,250, a 247% compound annual growth rate (CAGR)**
- **Total Contract Value (TCV) for SaaS contracts signed is now > AU\$4.7M, as more customers take up three- and five-year contracts, a CAGR of 793%**
- **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, with the signing of Newmont Inc, that new contracts for the RCubed Software Solution have now passed the second contracted 'net new annual revenue' acquisition performance milestone. This has been achieved in under 9 months from the date of acquisition of RCubed, completed in May 2019.

Nic Pollock K2fly Chief Commercial Officer said that "In Q3 FY20 K2fly has achieved further validation for its RCubed SaaS solution including new contracts with Gold Fields Australia, Newmont as well as a 3-year extension by Anglo Gold Ashanti and contracts for proof of concepts designs with South 32 and Vale. The most recent signing of new contracts for the RCubed Software Solution combined to exceed the contracted first and second year 'net new annual revenue' acquisition performance milestones, which is significantly ahead of schedule."

"Despite recent global headwinds, demand and interest in the RCubed Software Solution has not waned, as it is regulatory driven and companies still have ongoing reporting obligations for their mineral resources and ore reserves. Importantly, our implementations require little to no time on site and can be adapted to be fully implemented remotely, accommodating the current world

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circumstances. Furthermore, 75% of our contracts for RCubed are in US dollars, which is highly beneficial with the depreciating AUD, and given most of our costs are in AUD and ZAR.”

This trend is expected to continue with negotiations for further multi-year contracts in the pipeline. Although it should be noted that these potential contracts are still in negotiations and until complete, there are no guarantees. We will update the market in due course.

Announcement released with authority of K2fly Board.

**ENDS**

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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 Esri (USA), SAP (Germany) and ABB (Switzerland).

K2fly also re-sells market leading software which has been developed by industry leaders in the USA, Europe and the UK. These solutions come from Kony (USA), ABB (Switzerland), 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, and Facilities Management.

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