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ASX / Media Release

ASX code: **K2F**

2019 ANNUAL GENERAL MEETING CHAIR'S ADDRESS

Good morning ladies and gentlemen, welcome to the 2019 Annual General Meeting of K2fly Ltd (**K2fly**, **K2F** or **Company**).

Firstly, I would like to express the Company's thanks to all our shareholders for your continued support during the past financial year.

FY2019 was a positive year for the Company. In FY2019 the Company's revenue continued to grow to a record level; we purchased the RCubed software solution and immediately signed a new client; demand for our Infoscope solution increased; we obtained significant contract extensions and new clients for our consultancy work and for our third party software solutions; we cemented key partnership relationships; we implemented an Employee Incentive Plan; successfully completed two capital raisings (including a fully underwritten rights issue and placement); and in the process we increased our geographical footprint.

In FY2019 our revenue increased to \$3.79M, an increase of 50% year on year compared to FY2018. We also continued to increase our revenue, quarter on quarter compared to the previous corresponding periods in FY2018. More recently K2F raised invoices for approximately \$1.43m, which was an improvement of 44% over the equivalent quarter in FY19.

At the end of FY18 K2fly made the strategic decision to no longer focus on owned software products: ADAM, Novin, Docman, Tagman, and the other acquired technology assets from K2 Technology Pty Ltd, as there was little demand or interest for those products. K2F decided to focus on Infoscope, which it had previously acquired, and to consider appropriate acquisitions.

In May 2019 we completed the acquisition of RCubed Resources and Reserves Reporting software solution. The acquisition is highly complementary to K2F's owned software solution, Infoscope.

With what appears to be the alignment of a perfect storm:

- changes introduced by the US Securities and Exchange Commission to the reporting and disclosure requirements of mining companies operating in the US or listed on the New York Stock Exchange (NYSE); and
- the increasing demand for companies to be ESG (Environmental, Social and Governance) compliant, we are seeing an increase in demand for our own software products. We consider our products to be uniquely positioned to enable companies to comply with their reporting requirements and demonstrate their "social licence" to operate.

With this backdrop, our own software solutions (RCubed and Infoscope) are proving to be transformative for K2F on a number of levels as we now have:

- an office in Centurion, near Johannesburg, South Africa;
- signed contracts with a number of major mining entities Fortescue Metals Group, Teck Resources Ltd, Anglo Gold Ashanti and in 2019 the following contracts were signed: in February – Mineral

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Resources Ltd; in March – Panoramic Resources Ltd; in June - Imerys SA; in August - Glencore Canada Corporation; in September - Newcrest Mining Ltd; in October - Nexa Resources; and most recently in November – Rio Tinto; and

- increased Annual Recurring Revenues (ARR) from software subscriptions.

Signed contracts with the calibre of these mining companies, including Tier 1 - Rio Tinto, in our view demonstrates our RCubed software solution is 'best in class'. Also, we are pleased our ARR from software subscriptions is approaching \$1.5M.

In addition to new name SaaS clients acquired in the 2019 calendar year we're pleased, as well as contract wins with current clients, to have been engaged to work on consultancy assignments with a range of new clients including: EDF Energy, Queensland Urban Utilities, Stanwell Energy, South Australian Water and New Hope Group.

FY20:

We will continue with our 3 lines of business: own software sales; consultancy; and sales of third-party software solutions.

Our purpose is to provide solutions which contribute to a more transparent and sustainable world, so that:

- Our Customers benefit from improved and transparent relationships with their stakeholders.
- We help guide our Partners with thought leadership and innovative solutions for our shared customers.
- Our People feel they are contributing in helping provide better communities, environment and governance for all.
- We all feel valued and respected and grow personally and professionally together.

Our strategy is to:

- Maintain our aggressive growth trajectory, particularly revenue from SaaS, by:
 - targeting NYSE RCubed prospects by having a dedicated sales resource in the Americas;
 - exploring broadening our current software solutions from existing product lines to reporting other aspects of the resource sector and to other industry sectors; and
 - considering acquisitions of complementary software or products.
- Move to positive cash flow from operations, resulting from disciplined cost control and focus on cash collection from customers.
- Reposition K2fly software along industry lines and over time into functional industry solutions and modules.

Jenny Cutri

Chair / Non Executive Director

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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.