

ASX / Media Release

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K2F Provides Q1 2017 Operational Update

Enterprise asset management technology company K2fly Limited (**ASX: K2F**) is pleased to provide its shareholders and investors an operational update for the first half of Q1 2017.

The first two months of 2017 have seen K2F exceed most of its corporate objectives. The strategic direction of the Company has continued to evolve as K2F demonstrates its growth potential through aligning itself with large multi-national partners and becoming an exclusive value-added reseller of some of the most successful integrated software solutions in the asset management sector targeting asset intensive industries.

In January and February 2017, K2F staff have been trained in new technologies in the USA following its re-seller agreement signed with OBI Partners in the US. This agreement has provided excellent opportunities for the K2F in a number of vertical markets, especially utilities, and the Company is currently in four sales negotiations requiring the use of these technologies.

Brian Miller, K2F Executive Chairman and CEO commented,

"We currently find ourselves involved in 4 sales negotiations with major Australian utility companies who are looking for a mobile field working solution. The fact that K2F is now being invited to tender for contracts direct from the potential client is a clear sign that we have made our presence known. This is encouraging at a time when most utilities are out in the market looking for tried and tested business solutions."

In addition K2F, along with its collaboration partners, is currently demonstrating the features and functionality of its own real-time analytical platform ADAM to a number of Tier 1 Australian commodity and oil & gas companies.

The opportunities in the resources sector are currently increasing in line with the renewed interest in the resources sector, and the Company is now receiving enquiries from existing clients and new prospects. This has resulted in a significant increase in the level of requests for demonstrations of the ADAM platform.

K2F has made substantial investments in ADAM with its Indonesian partner Mitrais, and the product now has a new and contemporary look and feel about it.

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K2F also recently exhibited at the 2017 Australian Oil & Gas conference in Perth, and the Company received an enthusiastic reception for its software offerings including its mobile works management system, Fieldreach. A number of Tier 1 companies have requested Fieldreach demonstrations over the coming months.

Fieldreach is the original 'any device, any back-end system, any operating system' solution so potential clients are not constrained by existing IT decisions. It can capture anything and integrate with anything – and provides a flexible, robust works management solution.

The K2F owned Novin real-time, cloud based inspection solution is also undertaking further development work sponsored by our partner in Singapore, Archer Systems. Archer are driving the product to new and improved levels of business use, and have a number of key clients in Singapore who want to utilise the Novin solution as a Software-As-A-Service (SAAS) offering.

Brian Miller suggests,

"The Archer team have provided some great insight in to what their clients want and need. We are delighted to enhance our Novin solution to provide even greater customer service, and our partnership with Archer continues to grow."

In addition to providing enhanced software offerings and its growing pipeline of sales opportunities, the K2F consultancy business continues to grow. At the current run rate, K2F is likely to achieve a 2017 calendar year turnover of in excess of \$1 million attributable to the consultancy division alone. This is in addition to the revenue being derived from the K2F software sales division.

K2F has been delivering consultancy services to electricity, automation, mining services and facilities management companies in Q1 2017. K2F is also bidding for additional consultancy work in the rail and government sectors via Invitations To Tender.

The Company is encouraged by the fact that major clients are turning to K2F for guidance and advice in the asset management sector. K2f has just appointed a new Director of Work and Asset Management, who will join the Company in March. From that point, K2F plan to further grow its consultancy business.

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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.

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