

ASX / Media Release

24 January 2018

ASX code: **K2F**

K2Fly Raises \$1.2m in Over-Subscribed Placement

Highlights:

- K2Fly has agreed to place 4,897,209 shares to sophisticated investors at a price of \$0.25 per share to raise approximately \$1.2m before costs
- For every three shares subscribed one listed K2FOA option will be issued
- Funds raised will be used to grow the business. This will include strengthening and developing existing staff as well as recruiting additional employees whose focus will be on driving sales and implementation services of Infoscope through the SAP S/4 HANA platform, and for other working capital purposes including the training of people with Kony and Fieldreach capabilities
- The shares will be issued using the company's existing 15% placement capacity
- Canary Capital acted as lead manager to the placement

K2Fly Limited (**K2fly** or **the Company**) is pleased to announce that it has received firm commitments to raise approximately \$1.2m via an over-subscribed share placement at a price of \$0.25 per share. The issue price represents a discount of approximately 10% to K2fly's last closing price of \$0.28 and a discount of 16.5% to the 5 day volume weighted average price (VWAP).

Funds raised from the placement will be used to grow the business, including employing additional business development staff to support the sales roll out of the Infoscope land management software within the SAP S/4 HANA Enterprise Resource Planning (ERP) system, and for other working capital purposes relating to the training and developing of staff in advance of implementation projects.

The placement of 4,897,209 shares at a price of \$0.25 per share will raise \$1,224,302 before costs. For every three shares subscribed one listed 20 cent option (ASX Code: K2FOA) will be issued. The placement is being made using K2F's existing 15% placement capacity under ASX listing rule 7.1 and therefore shareholder approval will not be required. A placement fee of 6% is payable on funds raised.

Commenting on the placement, K2F's Executive Chairman Brian Miller said "We are delighted to have received strong demand for the placement from both existing and new sophisticated investors who are very supportive of our future plans. The placement will enable the company to exploit its exciting opportunity by recruiting additional business development employees whose focus will be on making sales of K2Fly's Infoscope land management software within the SAP S/4 HANA ERP system. Porting of Infoscope onto the SAP Cloud Platform (SCP) is on schedule and is expected to be completed in February with a go live date in March. We will also be able to train and develop staff who will be involved in various Infoscope, Kony and Fieldreach projects in 2018 and beyond."

K2fly Limited ACN 125 345 502

E info@k2fly.com

Registered Office Level 1, 26 Railway Road, Subiaco WA 6008

www.k2fly.com

K2F looks forward to providing regular updates on its business over coming months as further progress is made.

ENDS

For further information, please contact:

Brian Miller
Executive Chairman
K2fly Limited
T: +61 422 227 489
E: brian@k2fly.com

Lead Manager
Greg Wood
K S Capital Pty Ltd
T: +61 416 076 377
E: g.wood@kscapital.com.au

Investor Inquiries
Paul Hart
Canary Capital
T: +61 421 051 474
E: phart@canarycapital.com.au

About K2fly

K2fly Ltd is an ASX listed Technology company which targets asset intensive industries. It supplies people and products, and has strategic alliances focussed on solving problems for clients.

K2fly owns the following technologies for use in Tier 1 companies:

Infoscope: A Data Collaboration solution

ADAM: Asset Data Analysis Management

NovIn: Real Time Asset Inspection Management App

DocMan: Mobility Solution: Task Management App

TagMan: Mobility Solution: Asset Verification App

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) and Capita plc (UK), where they have an outstanding track record of delivering benefits to clients. K2fly has strategic alliances with global technology companies such as: GE(USA) and SAP (Germany).

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.

K2fly Limited ACN 125 345 502

E info@k2fly.com

Registered Office Level 1, 26 Railway Road, Subiaco WA 6008

www.k2fly.com