

K2fly Ltd

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K2fly advances resources-focused software-as-a-service model

K2fly offers consulting services to companies such as resource industry operators

It has the Infoscope land information management system as a service offering

K2fly resells access to other companies' software and will integrate resource governance pick-up RCubed into its software offering

What does K2fly do?

K2fly Ltd (ASX:K2F) is a consulting systems integration and Australian technology Company focused on process improvement and digital transformation.

The company targets clients in a number of industries such as the energy, resources, water and oil & gas industries with its software and consulting services.

K2fly resells software for a number of vendors from across the world — which have included SAP SE (FRA:SAP) (NYSE:SAP) (ETR:SAP) (SWX:SAP), General Electric Company (NYSE:GE) (ETR:GEC) (SWX:GE) (BMV:GE), Capita PLC (LON:CPI) (FRA:CTAA) (OTCMKTS:CTAGF), ABB Ltd (NYSE:ABB) (SWX:ABBN) (STO:ABB) (ETR:ABJ) (OTCMKTS:ABLZF), OBI Partners and Kony.

Subiaco-based K2fly is moving towards a software-as-a-service model, picking up a new resource governance software acquisition in June 2019 as it adopts the model.

K2fly's South African acquisition RCubed names AngloGold Ashanti Limited (NYSE:AU), Imerys SA (EPA:NK) and Teck Resources Ltd (TSE:TECK) on its client list.

The now subsidiary company is named for its lead software, RCubed.

Australian company K2fly is led by chief executive officer Brian Miller, a 30-year veteran of the information technology industry who has a deep connection to both sport and business.

Miller has successfully grown a number of software and services businesses over the decades, assisting tier-one clients pursue IT strategy.

He has a postgraduate psychology degree and has been involved with 10 Olympic games, having worked with more than 120 Olympic medallists from four countries.

Price: A\$0.17

Market Cap: A\$12.81M

1 Year Share Price Graph



Share Information

Code: K2F

Listing: ASX

52 week **High** **Low**
A\$0.39 A\$0.11

Sector: Tech

Website: www.k2fly.com

Company Synopsis:

K2fly Ltd (ASX:K2F) targets asset intensive industries and supplies people, products and strategic alliances focussed on solving problems for clients.

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What does K2fly own?

A lead asset for K2fly is the Infoscope land management system which collates corporate data to provide insight to a business' assets and perspective.

The data collaboration visualisation tool tracks compliance with land-use access restrictions, allowing its users or clients to consider two parts of the triple bottom line considered by government agencies when assessing licensing and permit applications — social and environment considerations.

Infoscope can help out with stakeholder management, tenement management considerations, cultural heritage considerations or limitations on land use, and track native title or title applications over land.

The information management system can also be used for environmental management and life-cycle ground disturbance management processes.

K2fly's other offerings fall into the mobility solutions, Internet of Things (IoT), smart grid and meters and asset management and solutions categories.

The company boosted quarterly invoices by 52% to \$1.5 million in the June 2019 quarter, when compared to the corresponding quarter in 2018.

Financial year invoicing is now about \$4.2 million, a 62% increase on 2017-18.

This including an \$82,000 R&D tax refund from the Australian Government received in the June quarter.

The company had \$1.06 million on June 30, 2019 and about \$850,000 in aged receivables, including a lion's share from tier-one clients.

Inflection points

- Continued evolution to a software-as-a-service model
- Signification transactions, such as acquisitions
- Cross-selling of RCubed services to K2fly client base
- Cross-selling of K2fly services and vendor offerings to key RCubed clients
- Integration of the two businesses and rationalisation of duplicate corporate services
- Refinement of global strategy
- Financing milestones

K2fly reports "record" financials, confirms CEO Brian Miller

"We had a record quarter last quarter for the quarter just closed," K2fly chief executive officer Brian Miller told Proactive Investors a week ago.

"Got up to about \$1.5 million invoicing. The previous (quarter) last year would have been in the high nine-hundreds, so more than a 50% increase.

"For the overall year, we were previously around the two-and-a-half mill mark for invoicing and we're now up to nearly \$4.2 (million), that's give or take a 60% increase, so we're happy with that.

"From a cash position we've got more than a million dollars in the bank at the moment and about \$850k of Asia receivables and something like \$50k worth of work in progress, so ... very happy with the turnout thank you."

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