For personal use only

k2fly Solutions for net positive impact

Quarterly update Q1 FY2022

October 2021

ASX: K2F

Solutions for net positive impact in

- ESG, compliance and disclosure
- Technical assurance



Authorised by the K2fly Board of Directors

For personal use only

Disclaimer – Important Information

This presentation has been prepared by K2fly Limited 'K2fly' or 'K2F'. By receiving this presentation, you acknowledge and represent to K2F that you have read, understood and accepted the terms of this disclaimer. It is the responsibility of all recipients of this presentation to obtain all necessary approvals to receive this presentation and receipt of this presentation will be taken by K2F to constitute a representation and warranty that all relevant approvals have been obtained.

This presentation contains summary information about K2fly and its activities which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in K2fly or that would be required in a prospectus, product disclosure statement or other offering document prepared in accordance with the requirements of Australian law or the laws of any other jurisdiction. This presentation also does not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to securities. In particular, this presentation does not constitute an offer to sell, or a solicitation to buy, securities in the United States of America.

K2fly does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

This presentation may contain statements, opinions, projections, forecasts and other material forward looking statements, based on various assumptions. Those assumptions may or may not prove to be correct. None of K2fly, its respective officers, employees, agents, advisers or any other person named in this presentation makes any representation or warranty as to the accuracy or likelihood of fulfilment of any forward-looking statements or any of the assumptions upon which they are based. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein. K2fly disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

This presentation is not intended to be used for the basis of making an investment decision. The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not investment or financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation and, if necessary, seek independent professional advice.

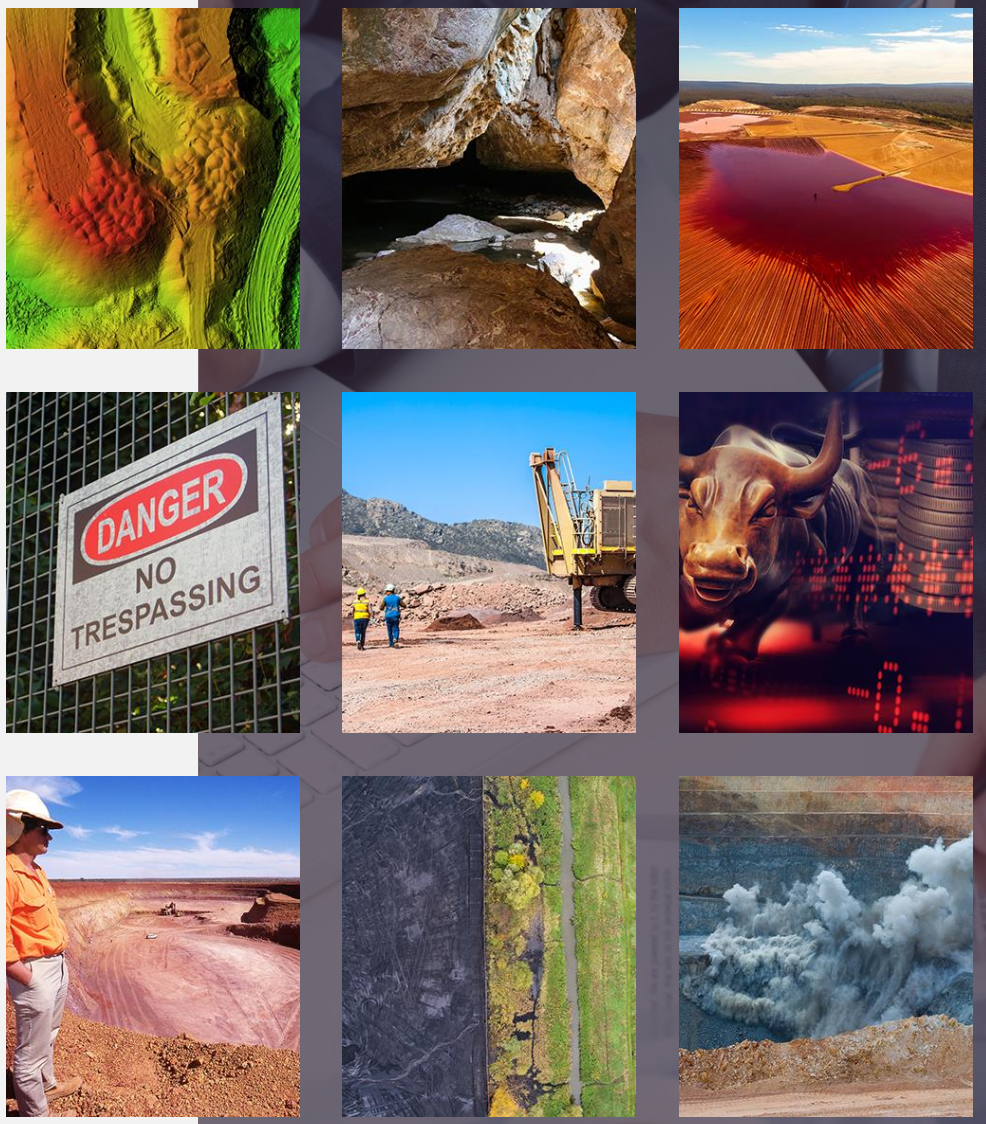
K2fly, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the respective officers, employees, agents and advisers of those entities give no warranty, representation or guarantee, express or implied. as to the accuracy, completeness or reliability of the information, opinions and conclusions contained in this presentation.

To the maximum extent permitted by law, none of K2fly, its related bodies corporate and the respective officers, employees, agents and advisers of those entities accept any responsibility or liability, including, without limitation, for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.



Agenda

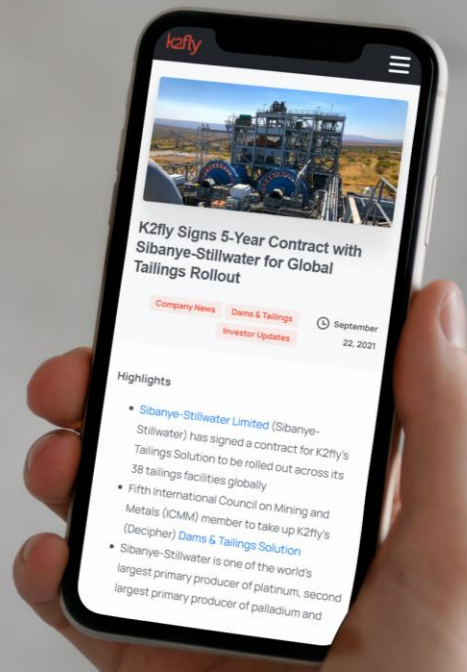
1. K2fly Update
2. Industry Update
3. K2fly Strategy

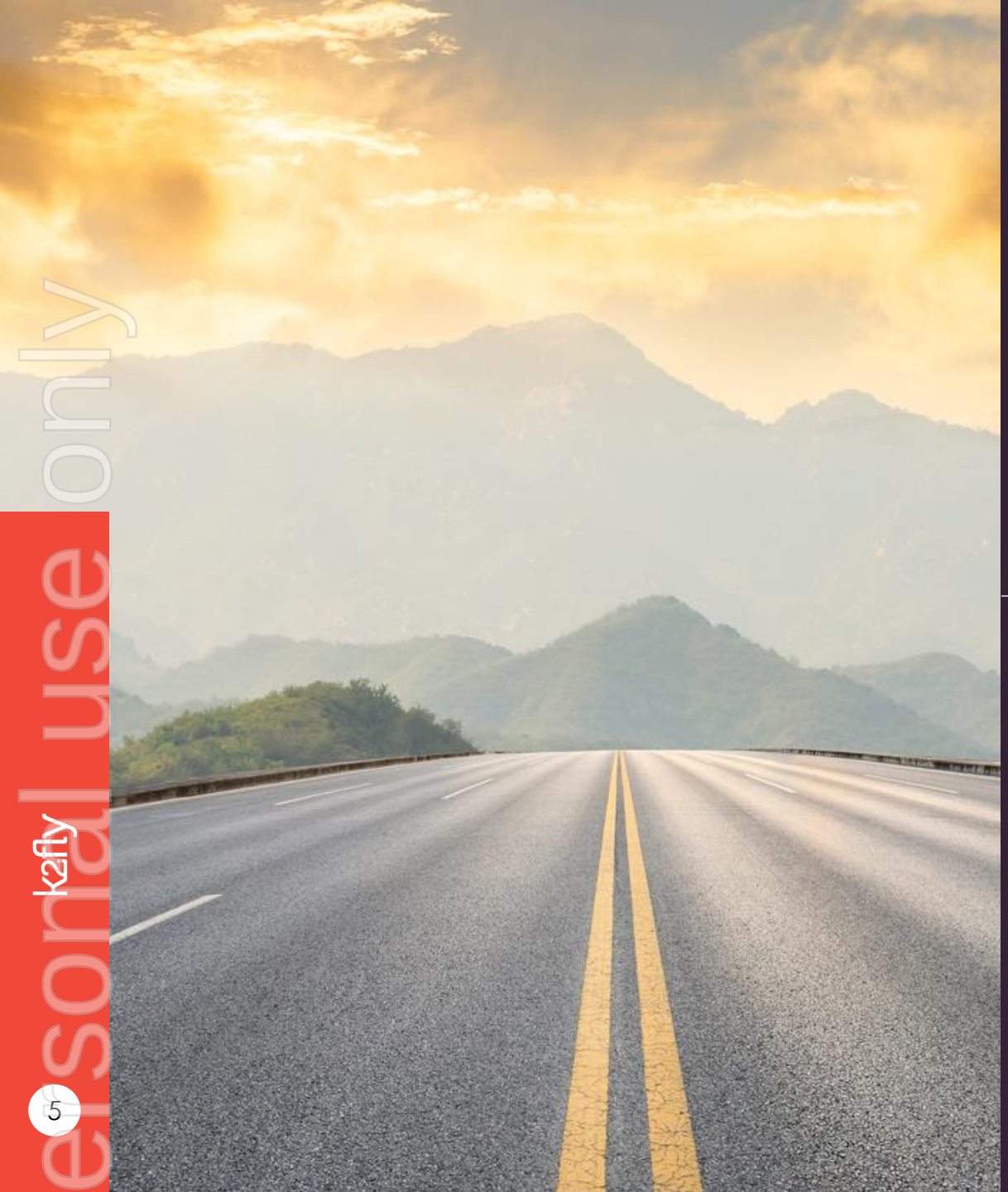


For personal use only
k2fly

For personal use only

K2fly Update





For personal use only

Our Purpose

Our software and our people will contribute to a more sustainable and transparent world

Our Mission

To be a trusted partner of choice to enterprise customers in mining and asset-intensive industries



personal use only

K2fly Summary

Natural Resource, Mineral Resource and Technical Assurance enterprise software delivering Environmental, Social and Governance (ESG) outcomes

Resource Asset Intensive Focused

We bring our shareholders exposure to the global resource sector and in particular tier 1 and tier 2 global miners and extend into asset intensive industries.

Strong Recurring Revenue Growth

Recurring Revenue streams via Annual Recurring Revenues and Total Contract Values are growing steadily @50% p.a. We are also growing our business inorganically via acquisition. Four acquisitions to date.

Environmental, Social & Corporate Governance (ESG)

We bring additional exposure to ESG issues which are front of mind for investors, regulators and the public.

SaaS Technology

We bring exposure to high margin SaaS technology that can be rolled out globally.

Industry and Institutional Endorsement

Global mining clients and key partners (SAP, ESRI, Hitachi, Descartes Labs, Cyient). 30% Institutional backing: Wesfarmers (CSBP) Regal Funds Management, Tribeca and First Sentier.

Corporate Overview

Revenue FY21

AU$7.0m +24% on FY2020

Ordinary Shares on Issue

138,033,208

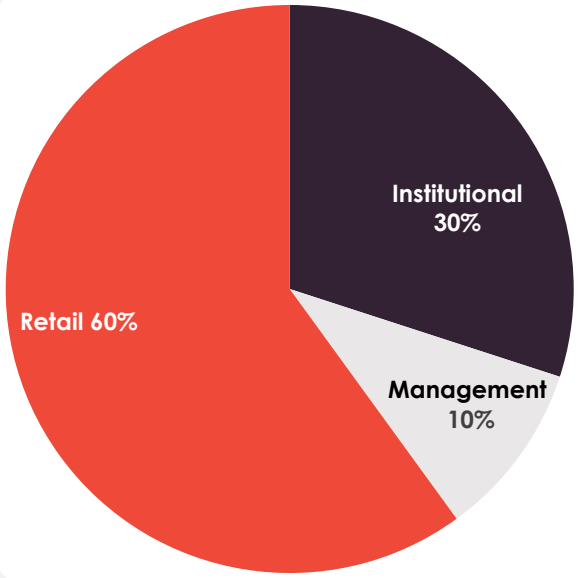
Management 10%
CSBP/Wesfarmers & Institutions 31%

Market Capitalisation

$48m @ $0.35
19 Oct 2021

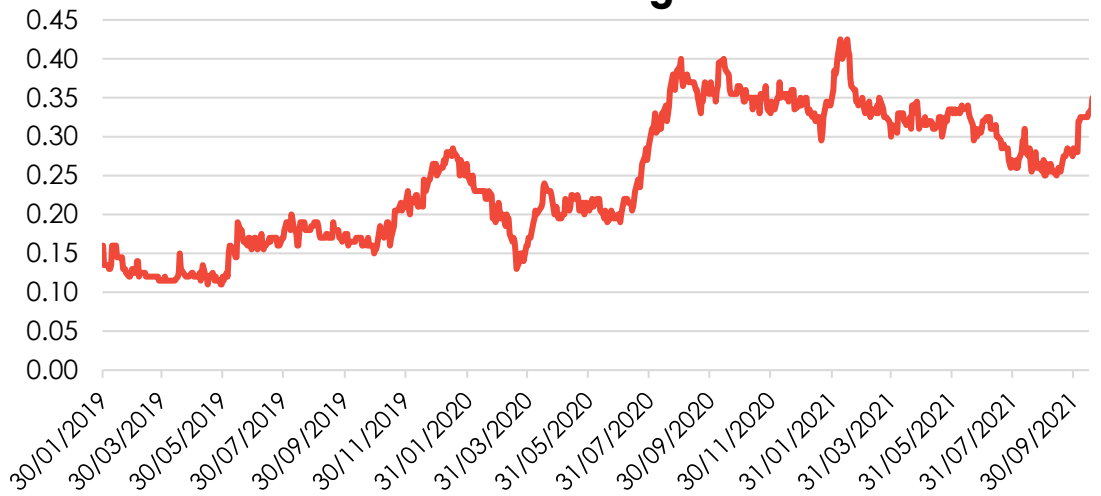
Cash at

30 September 2021
$5.7m
15 October 2021
$6.25m (following significant payments received)



Shareholder distribution

Latest Trading



For personal use only

personal use only

The Board



Brian Miller
Executive Director

30 years software and services, UK and Australian utilities & elite sport



Jenny Cutri
Non-Executive Chair

25 years Corporate Lawyer Co-sec, listed company, ASX and ASIC



James Deacon
Non-Executive Director

25 years IT advisory services, airlines, utilities & mining



Neil Canby
Non-Executive Director

25 years Chartered Accountant, IT, utilities and energy



Nic Pollock
Chief Executive Officer

Nic has over 25 years of experience in enterprise software business and professional services, with more than 20 years in global, APAC and regional senior leadership roles across Asset Intensive, Global Supply Chains, Financial Services and Mining.
Post Grad Certifications in Corporate Sustainability studies in Resources.

Executive Team



Nic Pollock
Chief Executive Officer

Nic has over 25 years of experience in enterprise software business and professional services, with more than 20 years in global, APAC and regional senior leadership roles across Asset Intensive, Global
Supply Chains Financial Services and Mining
Post Grad in Mining Sustainability



Sara Amir-Ansari
Chief Financial Officer

A versatile senior professional and qualified accountant with experience establishing and leading teams during transformational change, Sara has over 15 years' experience in asset intensive and service-based industries (including digital), ASX-listed, private and government owned.



John Jessop
Chief Product Officer

John has 25+ years' experience across a variety of technical mining industry software. John founded Karjeni, an ISV specialising in geological and metallurgical data management and following its acquisition, moved into the VP Global Mining Solutions role at Mincom. More recently, John is also an advisor for mining technology companies. John holds a Bachelor of Science in Geophysics.



Mark Forster
Chief Development Officer

Before joining K2fly, Mark was the founder and managing director of mining technology and consulting company SATEVA. Mark has significant experience in the design, construction and implementation of large complex systems for mining organisations including Rio Tinto Iron Ore, BHP Billiton Iron Ore, BMA coal, Rio Tinto Exploration and Hamersley Iron.



Heath Arvidson
Chief Geoscientist

Heath brings over 30 years of experience in reconciliation, Resource and Mining Geology, Mine Value Chain Reconciliation, and Mining and Reserves reporting. Heath has worked across a variety of commodities including gold, iron ore, mineral sands, silver, nickel, diamonds, and coal. He also has five years of experience as a Competent Person.



David Glynn
Sales Director

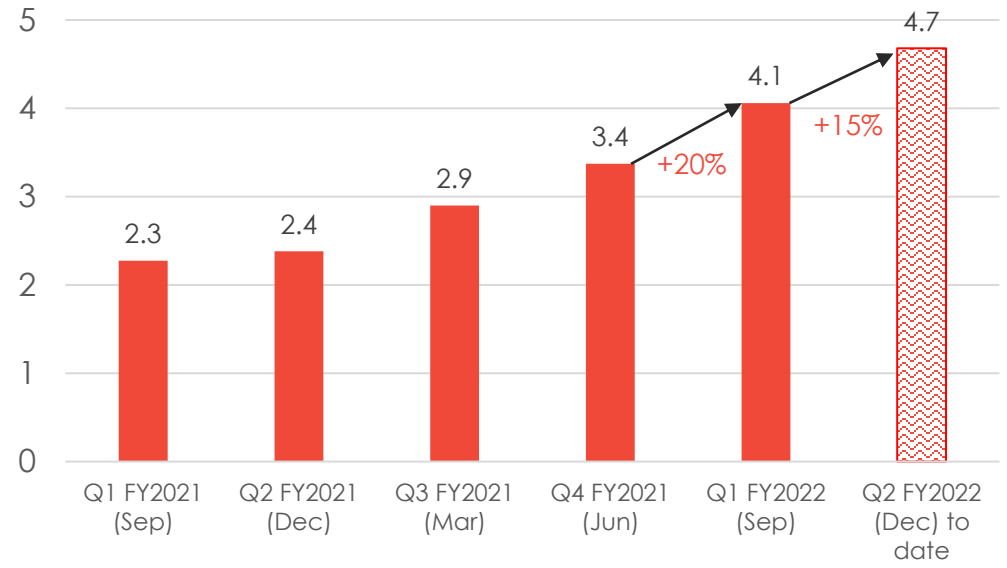
David has over 25 years of experience in enterprise software having worked in multiple global roles. Most recently, David spent 16 years at IBM managing Enterprise Software Sales teams and business partners. David has strong skills in strategic leadership, complex sales and solutions and experience across global markets, organisational operations and business strategies. David has an MBA from Bond University.

Personal use only

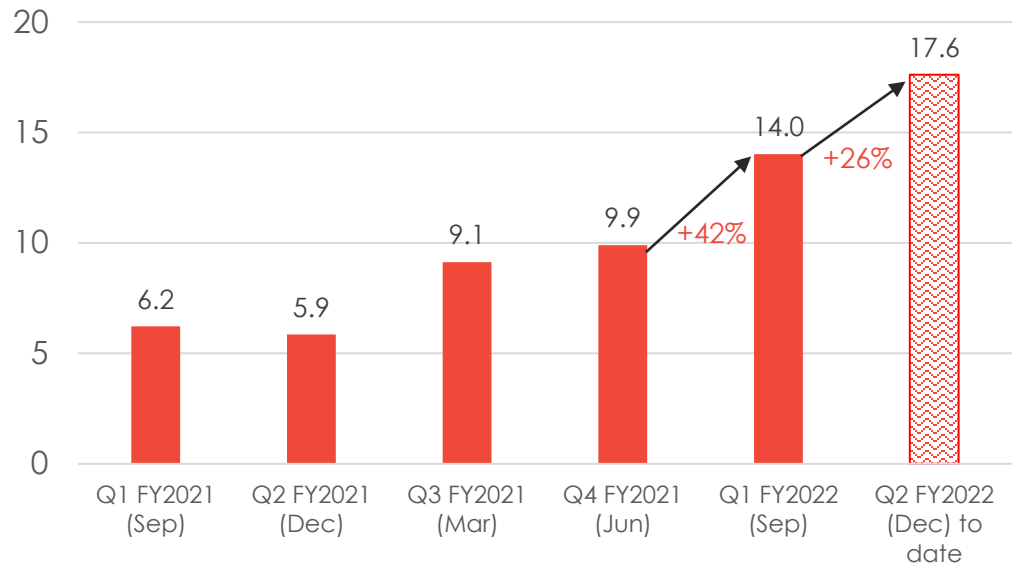
Key Metrics

Announced Q2 FY222 (post quarter end)
Rio Tinto (5/10/2021) ARR $620k TCV $3.44m

ARR $m



TCV $m



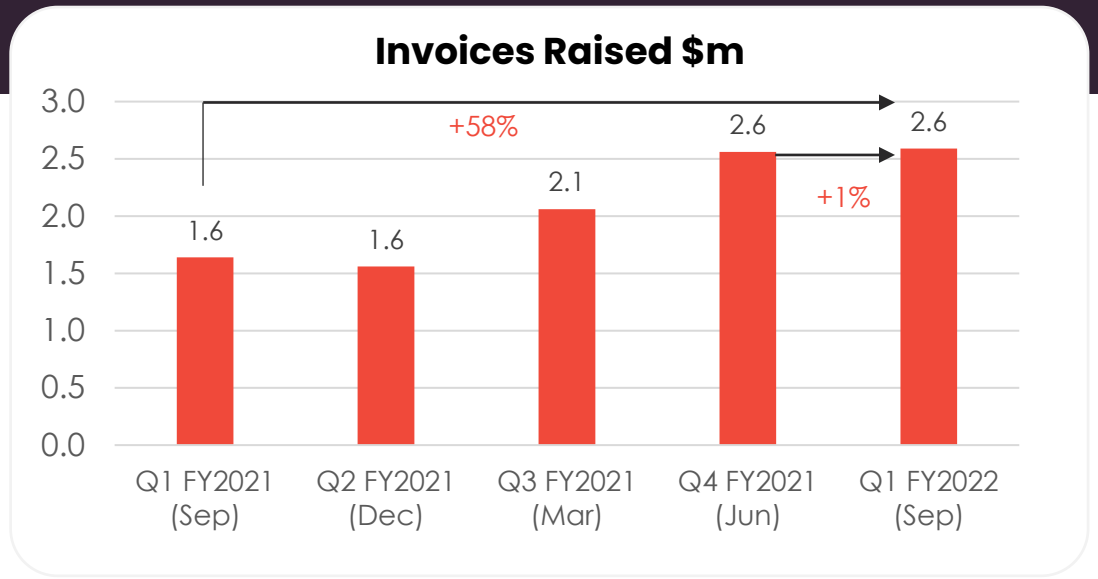
- Three major contracts were signed during the September quarter, Q1 FY2022 (Int. Mining & industrial leader, Newmont and Sibanye-Stillwater)
- Significant double-digit growth in TCV of 42% and ARR of 20% in the quarter compared to the prior quarter (Q4 FY2021) and up 125% and 79% respectively compared to Q1 FY2021
- Post quarter end, K2fly signed its largest contract to date with Rio Tinto resulting in TCV of $17.6m and ARR $4.7m, growth of 26% and 15% respectively, already achieved to date in the current December quarter (Q2 FY2022)

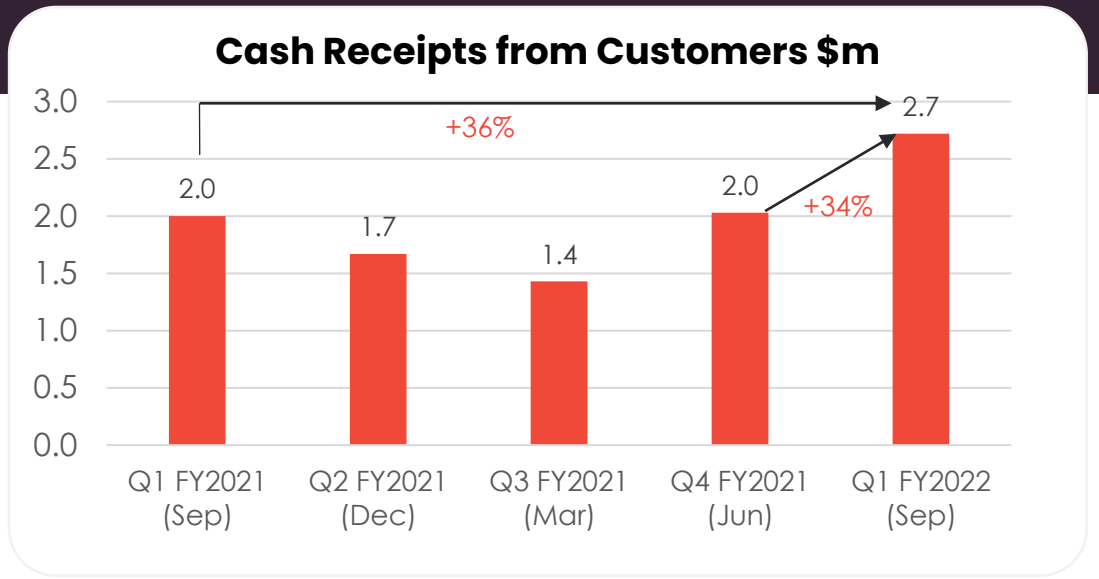
ARR | Annual Recurring Revenue TCV | Total Contract Value

personal use only

Quarterly Results

Q1 FY2022 (Sep)





- **Invoices Raised** in Q1 FY2022 grew 1% to $2.59m compared to the prior quarter and grew 58% compared to Q1 FY2021
- Invoicing is cyclical due to being mostly based on an annual billing cycle, with clients paying in advance
- The first quarter of the financial year is traditionally a low invoicing quarter based on relatively fewer annual invoices being raised in this quarter across the spread of K2fly's current clients

- **Cash Receipts** from Customers grew 34% to $2.72m, compared to Q4 FY2021and grew 36% compared to Q1 FY2021
- Growth in Cash Receipts is the result of invoicing of new contracts signed in recent quarters and is also influenced by an annual invoicing cycle

personal use only

Quarterly Results
Q1 FY2022 (Sep)

Summary of Major New Contracts Signed

Client	TCV (AU$)	ARR (AU$)	Term (Years)	Solution Area
Int. mining & industrial leader*	1.50m	180-250k	5	Tailings
Newmont	1.30m		5	Resource Governance
Sibanye-Stillwater	2.85m	475k	5	Tailings
Total Q1 FY2022	**5.65m**	**655k**		
Rio Tinto (post quarter end)	3.44m	620k	5	Ground Disturbance

- Largest contract signed to date with Rio Tinto, post quarter end

* ASX announcement 6 August 2021

For personal use only

Quarterly Results
Q1 FY2022 (Sep)

For personal use only

Corporate Executive Restructure

- Brian Miller former CEO moved into an Executive Director role
- Nic Pollock former Chief Commercial Officer promoted into CEO role

Operating Model Review

- Sara Amir-Ansari appointed as inaugural CFO

Acquisition Update Decipher Tailings Solution

- Acquisition has proved to be a highly successful and complementary (announced 1 February 2021)
- New contracts for Decipher have been signed with further global tier 1 and tier 2 miners totalling TCV of $5.02m and ARR of $904k

Strategy Delivering Growth

- Go to market strategy targeting tier 1 and tier 2 global miners proving very successful
- Good traction with sales process leading with **Resource Inventory Reconciliation Solution** under 'land and expand' growth strategy
- ICMM focused sales strategy now signed up 5 out of 28 members

Quarterly Results

Q1 FY2022 (Sep)

For personal use only

Nic Pollock CEO, K2fly commented



"We have achieved record growth in TCV and ARR this quarter from three major contract signings all on 5-year terms, which will flow through to growth in future Invoices Raised and Cash Receipts.

Having completed a number of acquisitions in the past few years to broaden and deepen our platform of 9 ESG solutions, our offering has never been stronger. The acquisition of the Decipher Tailings Solution earlier this calendar year is showing a very strong contribution to our overall TCV and ARR growth. We are seeing increasing focus and spend on ESG solutions by the mining industry to which K2fly's offering is showing strong take-up.

We anticipate a continuation of further strong growth in the December quarter having recently signed a 5-year contract with Rio Tino post quarter end for our Ground Disturbance solution amounting to our largest single contract value signed to date of $3.44m, bringing our TCV to $17.6m post quarter end at the date of this report. Our strategy to 'land and expand' is progressing well as evidenced by this contract, with Rio now using 5 out of our 9 platform solutions."

For personal use only

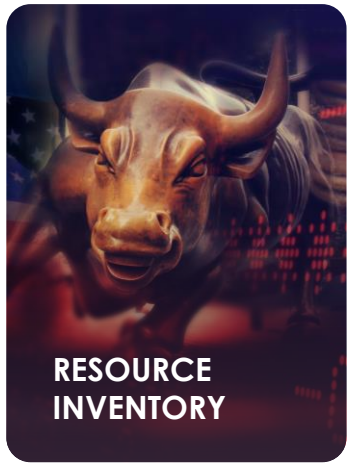
Social License to Operate & ESG

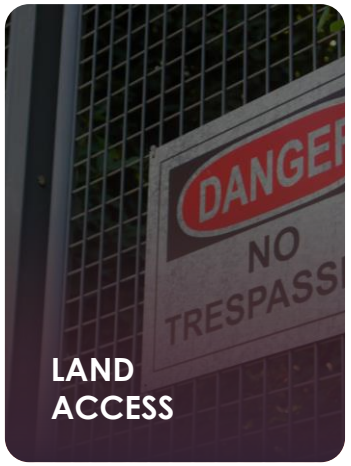
Top 3 featured risks, 3 years running

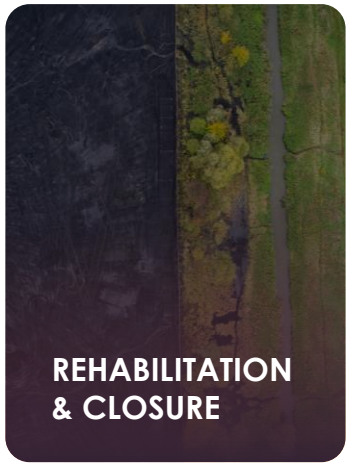


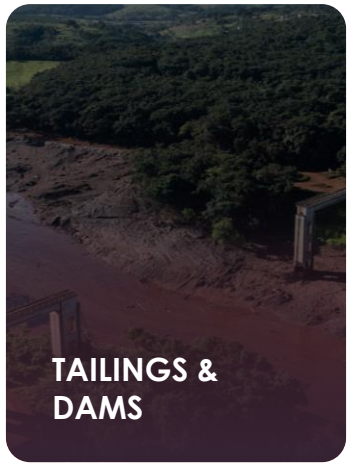
k2fly

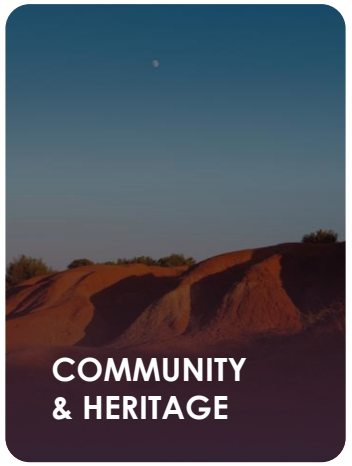
Fundamental change in value creation & destruction

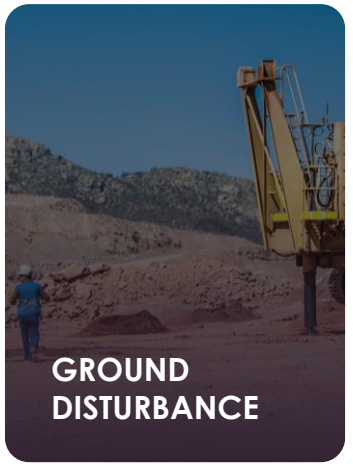












TRADITIONAL VALUATION → **ESG Factor Evaluation**

Valuation and investment decisions focussed on commodity price Vs tons, ounces and grade reported as JORC Compliant Resources and Reserves

Mining projects and companies value is being increasingly affected by their governance and disclosure of ESG risks

For personal use only
k2fly

Global Reach

1 Australia
- Rio Tinto
- Roy Hill
- FMG
- South32
- Mineral Resources
- Newcrest
- Westgold
- API Management
- Panoramic Resources
- The Keeping Place
- Evolution Mining
- Heathgate Resources
- Bengalla Mining

2 North America
- Newmont
- Teck
- Glencore
- Alcoa
- Coeur Mining

3 South America
- Vale
- Nexa

4 Europe
- Sibelco
- Orano
- Imerys

5 Africa
- AngloGold Ashanti
- Goldfields
- Sibanye Stillwater

K2Fly Offices & Representatives
- Perth, Western Australia (H/O)
- Highveld, Centurion, South Africa
- Denver, Colorado, USA



Global Customer Base

Australia/Asia

North America

Europe

Africa

South America

Sites	>500
Commodities	45
Countries	54

personal use only
k2fly

Sample Clients & Expansion

Implemented

K2FLY SOLUTION PENETRATION

	Resource Inventory & Reconciliation	Dams & Tailings	Rehabilitation & Closure	Community & Heritage	Land Access & Monitoring	Ground Disturbance	Block Model Management & Governance	Automated Ore Blocking	Mine Geology Data Management
Rio Tinto	■	■		■		■			■
FMG			■	■	■	■			
South32	■	■							
Glencore	■								
Newmont	■								
Sibanye Stillwater		■							
Roy Hill							■	■	■
Teck	■								

personal use only

For personal use only

Industry Update



K2fly is Addressing Industry Challenges



Reporting & Governance

Every company is faced with the same reporting and governance challenges with ever increasing ESG scrutiny from multiple stakeholders.

Reputation

The ESG reputation of the mining industry is already poor which has been further tarnished by recent disasters in cultural heritage destruction and tailings dam failures with catastrophic loss of life.

Disclosure Demands

Mining companies are under increasing scrutiny to disclose more information to regulators, shareholders, ratings agencies and their external stakeholders (indigenous partners) in order to maintain their social license to operate.

Personal use only

Global Drivers of Change

Pressure on resource companies

- Finite, declining resources
- Increasing transparency
- Increased expectations
- Ethical investing
- Sustainability reporting demands

Capital is flowing more readily to sustainable assets

$1 in $4 invested (or USD$30T) is now ESG or impact driven

According to The US SIF Foundation's 2019 biennial Report on US Sustainable, Responsible and Impact Investing Trend

- Improved access to capital
- Increased ESG investment decisions
- Demonstrate ESG performance
- Increased sustainability reporting
- Gain & maintain social license to operate
- Improved financial results

Personal use only
k2fly

For personal use only

K2fly Strategy



Go to Market Strategy



Targeting large Tier 1 and mid-cap global resource companies with sales representation across Australia, Africa, Europe and North America.



Integration into third party ERP systems and other platforms

Microsoft Silver Partner

esri Partner Network Silver

SAP Endorsed App Premium Certified



Regulators, boards, proxy advisors, industry bodies, investor community, stock markets, legal, mining and environmental, consultants

srk consulting

CSA Global Mining Industry Consultants an ERM Group company

GHD

ICMM International Council on Mining & Metals

CRC TiME Transformations in Mining Economies

JORC

personal use only
k2fly

K2fly Acquisition Strategy



1. We Acquire Complementary Blue Ocean Offerings

Acquiring boutique technology firms who can add to our stable of adjacent products and solutions



2. We Grow Them

We look at how we can increase the total contract value to ensure revenue growth



3. We Expand the Offering

Add new functionality and expand our solution portfolio to existing customer and prospective clients



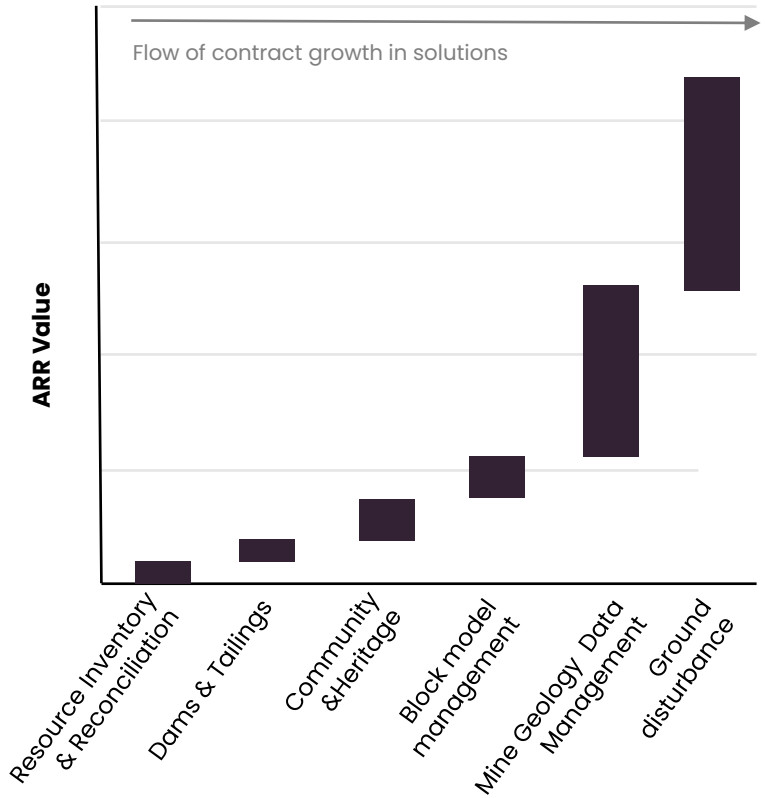
4. We Land & Expand

"Land & Expand" strategy. Keep delivering great additional benefits to our customers through adjacent offerings

Personal use only

For personal use only

Land & Expand Strategy (Example)



Single Customer Expansion Strategy
Annual Recurring Revenue (ARR)

Path to growing Annual Recurring Revenue (ARR)

Entry Strategy

Resource Inventory & Reconciliation, one of 9 K2fly's solutions, has been the perfect catalyst to enter global corporate relationships with major miners

Enterprise Solutions

Our customers are closely associated with technical assurance, global land and ESG risk management and are looking for better enterprise solutions at a corporate level

In Demand

Operators in the market are increasingly wanting standard software over bespoke solutions due to costs and flexibility

For personal use only

K2fly's Sweet Spot

(Mining Only)

	TIER 1 >$30b	TIER 2 <$30b, >$200m	TIER 3 <$200m
Addressable ARR based on Market Capitalization	$100m	$100m	$332m
Addressable Customers	13	163	500+
K2fly Contracted Customers	5	12	5

K2fly Current Position

Strong Sales

K2fly has experienced rapid global sales growth with Tier 1 & 2 miners across all commodities. Our enterprise top down global sales model is very rare and is a key differentiator.

Market Leader

K2fly is the clear leader in Technical Assurance for inventory management as the only COTS software available today. K2fly can become the major player in enterprise mining software and grow into other vertical segments.

Acquisitions & Market Share

The SATEVA acquisition puts K2fly in a strong position to add adjacent solutions and further market share in Iron Ore. The Decipher acquisition deepens our offerings and provides killer combination for Tailings leadership.

Driving Demand

Community expectations, regulatory and technology changes are surging demand. Tailings and heritage are similar blue ocean offerings in high demand due to corporate ESG and social license concerns.

Growth Opportunities

Future opportunities to further improve technical assurance, governance and public disclosures across environmental and sustainability reporting, mineral endowment as well as adjacent expansion into oil and gas. Further global growth opportunities now supported as a SAP Endorsed App.

Solid Pipeline

Numerous current opportunities to grow our international customer base to address rapidly evolving land access, tailings and ESG reporting requirements.

Personal use only
k2fly

About K2fly

K2fly Limited (ASX: K2F) is an ASX listed technology provider of enterprise-level 'net positive impact' solutions in Environmental, Social, and Governance (ESG) compliance, disclosure and technical assurance, to operations of mining and asset intensive industries through its platform-based SaaS cloud solutions.

SOLUTIONS

Natural Resource Governance

Community & heritage
Land access & monitoring
Ground disturbance
Dams & tailings
Rehabilitation & closure

Mineral Resource Governance

Resource inventory & reconciliation
Block model management & governance

Technical Assurance

Automated ore blocking
Mine geology data management

SUBSCRIBE TO INVESTOR UPDATES

INVESTOR CENTRE

VISIT WEBSITE

For personal use only
k2fly

For personal use only

Contact Us

Head Office – Perth, WA

Level 4, 502 Hay Street
Subiaco WA 6008 (08) 6333 1833

North America

South Africa

Europe

www.k2fly.com

Brian Miller
Executive Director
brian@k2fly.com