



Investor Update

Authorised by the K2fly Board of Directors

April 2021

ASX:K2f

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Agenda

- 1 Corporate Overview and Capital Raise
- 2 K2fly Update
- 3 Industry Update
- 4 K2fly Strategy



1. Corporate Overview and Capital Raise

Capital Raising Overview

Equity Capital Raising	<ul style="list-style-type: none">▶ \$7.25 million Placement to institutional and sophisticated investors▶ 25 million new shares to be issued at \$0.29 per share, representing a:<ul style="list-style-type: none">▪ 10.8% discount to the last close (15 April 2021) of \$0.325 per share▪ 9.7% discount to the 5-day VWAP of \$0.321 per share
Use of Funds	<ul style="list-style-type: none">▶ Funds raised pursuant to the Offer will be applied towards acceleration of the Company's SaaS solutions by way of:<ul style="list-style-type: none">▪ product development;▪ sales & marketing;▪ corporate growth opportunities; and▪ general working capital.
New Shares	<ul style="list-style-type: none">▶ The New Shares will be listed on ASX and will rank pari-passu with the existing fully paid ordinary shares in the Company. New Shares issued under the Placement will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A.▶ The New Shares will be issued to Eligible Investors without disclosure. A cleansing notice under section 708A of the Corporations Act will be issued at the time of applying for quotation of the New Shares on ASX.
Indicative Timing	<ul style="list-style-type: none">▶ Friday 16 April 2021 – Trading Halt▶ Monday 19 April 2021 – Announcement of the results of the Placement▶ Tuesday 27 April 2021 – Anticipated Placement DvP Settlement Date
Lead Manager	<ul style="list-style-type: none">▶ Argonaut Securities Pty Ltd is acting as Lead Manager to the Equity Raising

Corporate Overview Post Raise



Invoices and Revenue

FY 20 AU\$6.75m +60% on FY19

FY 21 Half Year Revenue +29%



New shares to be issued in Capital Raising

25 million shares @29cps

Shares on Issue – Post Capital Raise

137,154,068



15 Day VWAP

\$0.3188 (as at 15 April)

Post Raise Cash & Receivables

\$7.25M (proceeds of raise before costs)
+ \$1.52M Cash (31 March 21)
+ \$1.58M Receivables (31 March 21)



Board of Directors

Brian Miller
Chief Executive Officer

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

Neil Canby
Non Executive Director

25 years Chartered Accountant
IT, utilities and energy

James Deacon
Non Executive Director

25 years IT advisory services,
airlines, utilities and mining

Jenny Cutri
Non Executive Chair

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

K2FLY Ltd

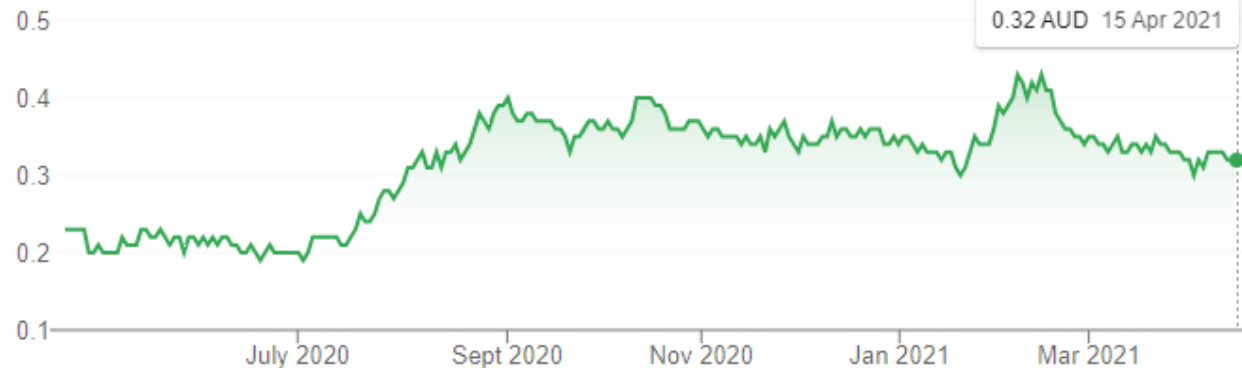
0.32 AUD

0.00 (0.00%)

15 Apr, 2:19 pm AEST · Disclaimer

ASX: K2F

1 day | 5 days | 1 month | 6 months | YTD | 1 year | 5 years | Max



2. K2fly Update

K2fly Summary

K2fly provides technical assurance enterprise software that delivers environmental, social and governance (ESG) outcomes to its clients



Resource Focused

We bring our shareholders exposure to the global resource sector and in particular Tier 1 and Tier 2 global miners



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 Endorsement

Global mining clients and partners (SAP & ESRI)



Key Management



Brian Miller

Chief Executive Officer

A 30-year veteran of the IT sector primarily in software and services arena, Brian has an extensive network and experience with enterprise level solutions for asset intensive sectors.



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.



Anthony Walker

Chief Product Officer

Anthony has extensive cross-functional experience within mining, oil and gas, agriculture, health, government and telecommunications sectors. He is experienced in client services, strategy, product management, project management, process improvement and executive level leadership.



Nic Pollock

Chief Commercial 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 and Financial Services.



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.



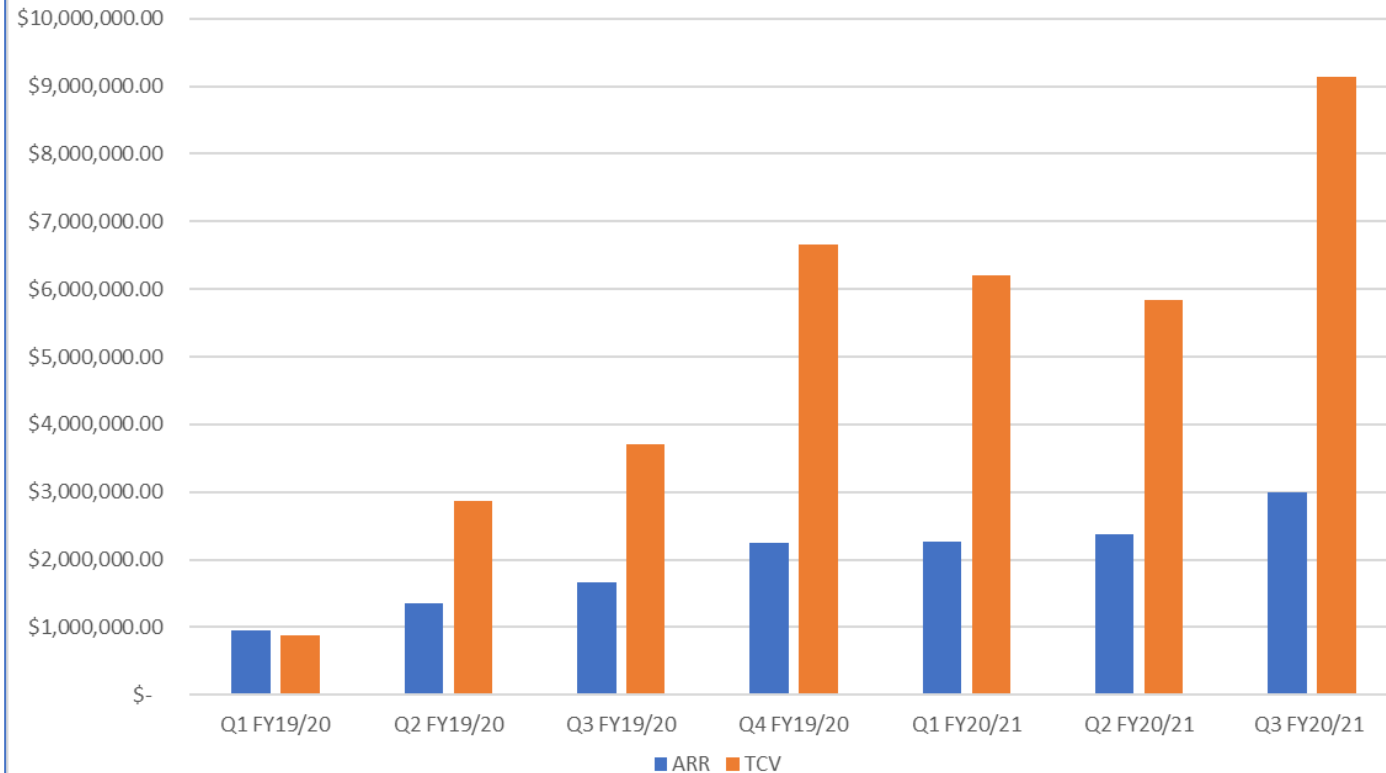
Brian Spence

Head of Service Delivery (Acting)

Brian has extensive experience with application lifecycle management, digital transformation, agile development, outsourced managed services, enterprise architecture, lean portfolio management, systems implementation and integration, change management, service delivery, and business process improvement.

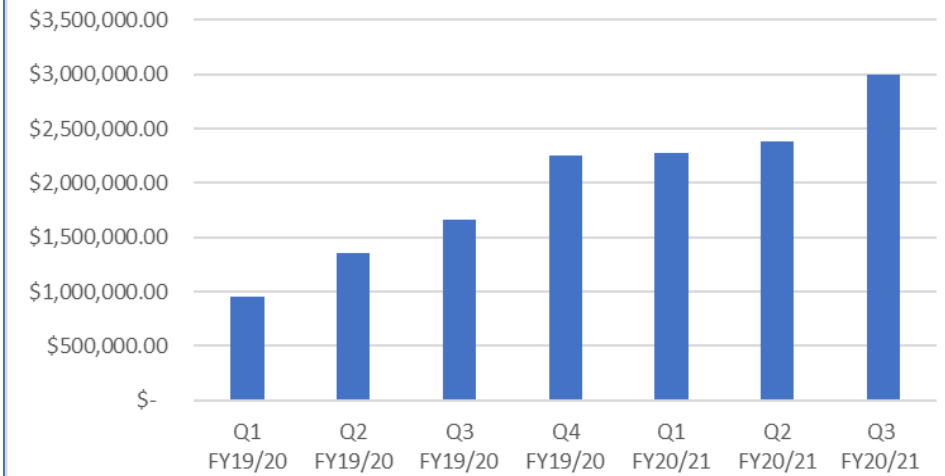
Key Metrics

TCV* has grown 56% since Q2 FY 21

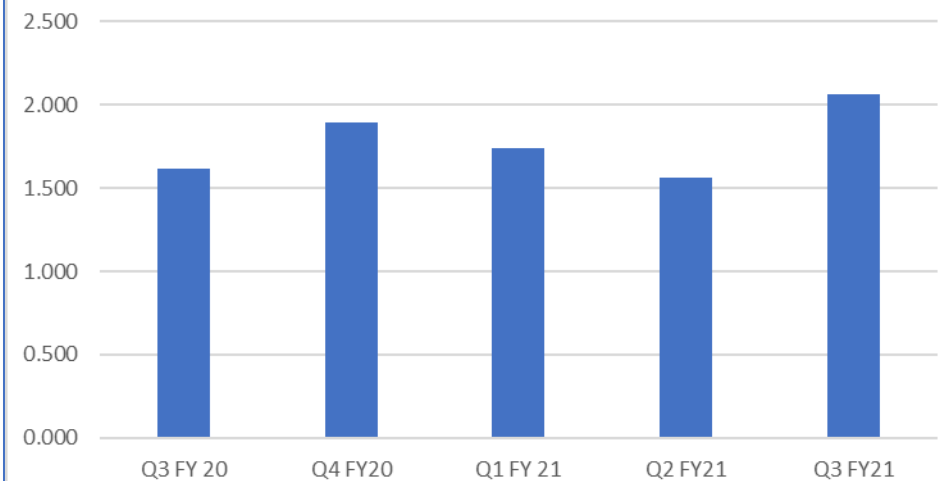


*TCV - Total Contract Value *ARR – Annual Recurring Revenue

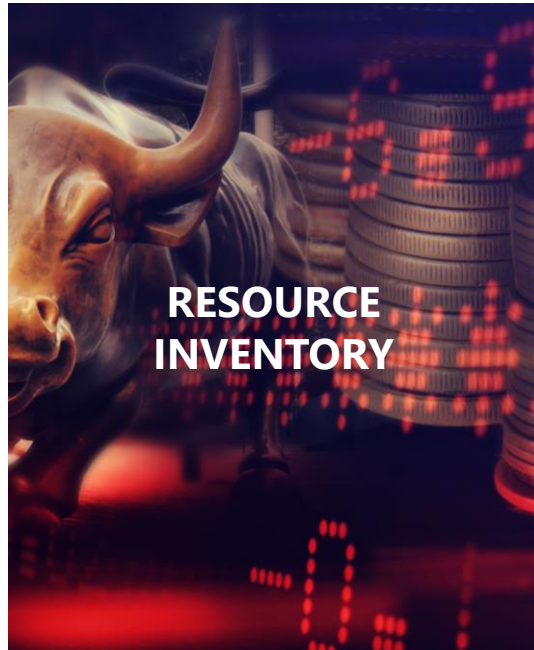
Quarterly ARR* Growth 26% from Q2 FY21



K2fly Quarterly Invoicing



Fundamental change in value creation and destruction



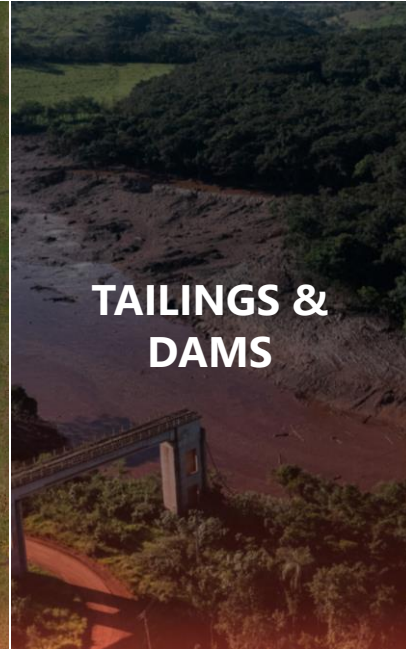
**RESOURCE
INVENTORY**



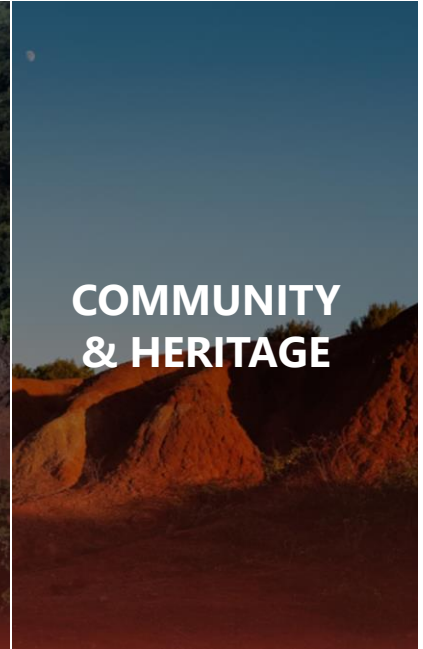
**LAND
ACCESS**



**MINE
REHABILITATION**



**TAILINGS &
DAMS**



**COMMUNITY
& HERITAGE**

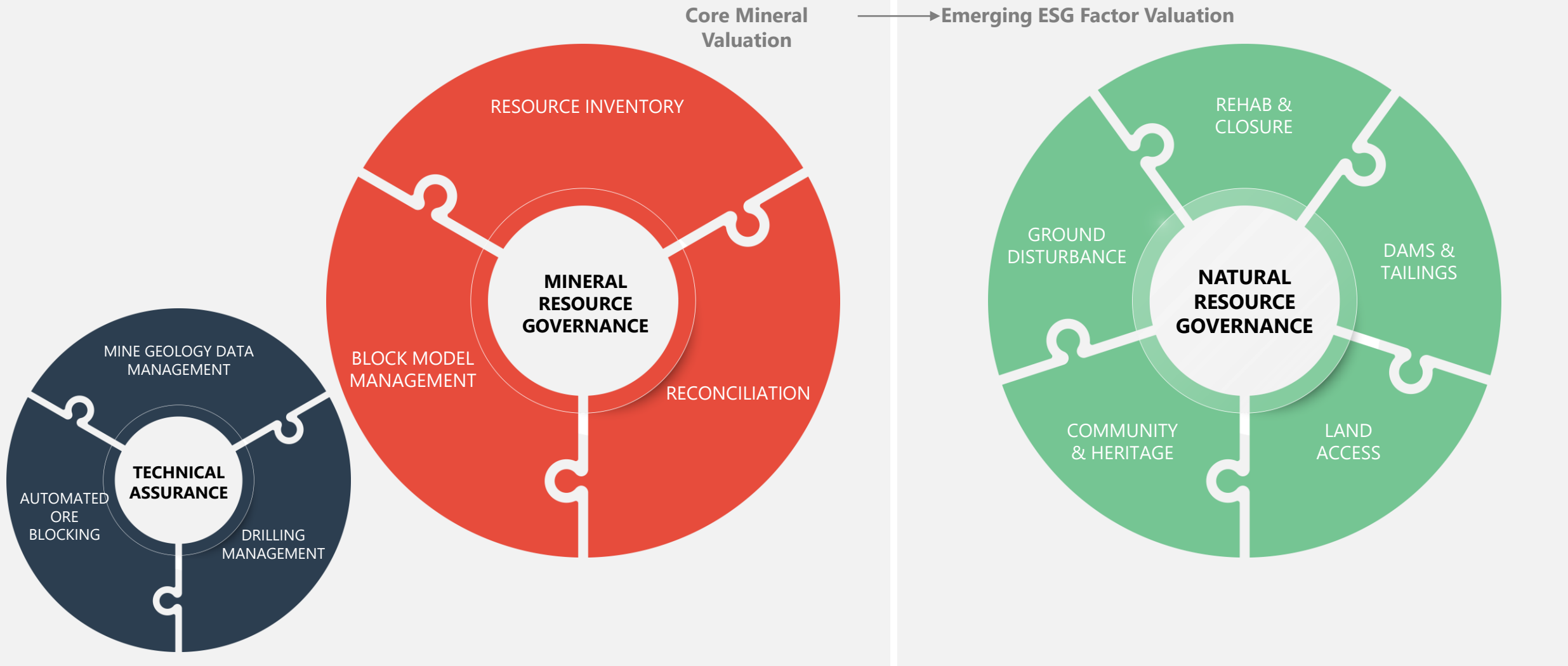
TRADITIONAL VALUATION

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

ESG FACTOR EVALUATION

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

Our Solution Suite

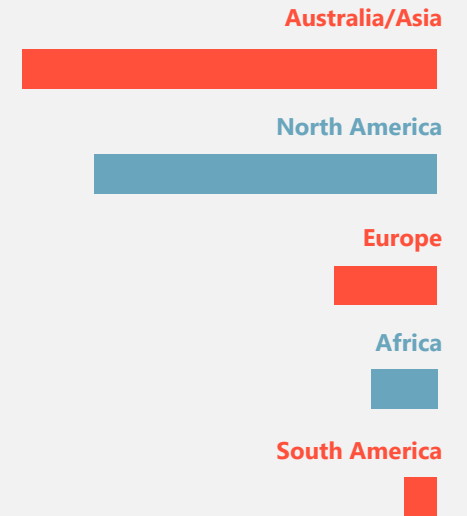


Global Reach

- 1 Australia**
Rio Tinto
Roy Hill
FMG
South32
Mineral Resources
Newcrest
Westgold
API Management
Panoramic Resources
The Keeping Place
Griffith University
 - 2 North America**
Newmont
Teck
Glencore
Kinross
Alcoa
Coeur Mining
 - 3 South America**
Vale
Nexa
 - 4 Europe**
Sibelco
Orano
Imerys
 - 5 Africa**
AngloGold Ashanti
Goldfields
- K2Fly Offices & Representatives**
Perth, Western Australia (Head Office)
Highveld, Centurion, South Africa
Denver, Colorado, USA



Global Customer Base



Sites

> 500

Commodities

45

Countries

54

K2fly Market Position

K2fly has won vendor status with many Tier 1 and Tier 2 global miners in a short time and is now well positioned to expand our solution offerings across our growing range of solutions

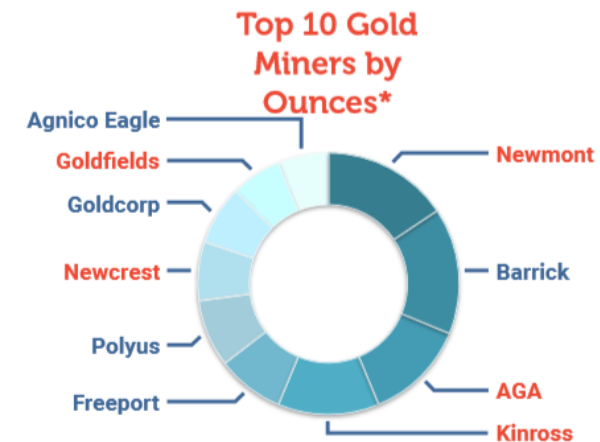
4 Big Iron Ore Miners

Use K2fly for technical assurance, mineral inventory and/or land management including Heritage and Ground Disturbance



5/10 Top Global Gold Majors

Use K2fly to report their mineral inventory to the stock market



3. 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.

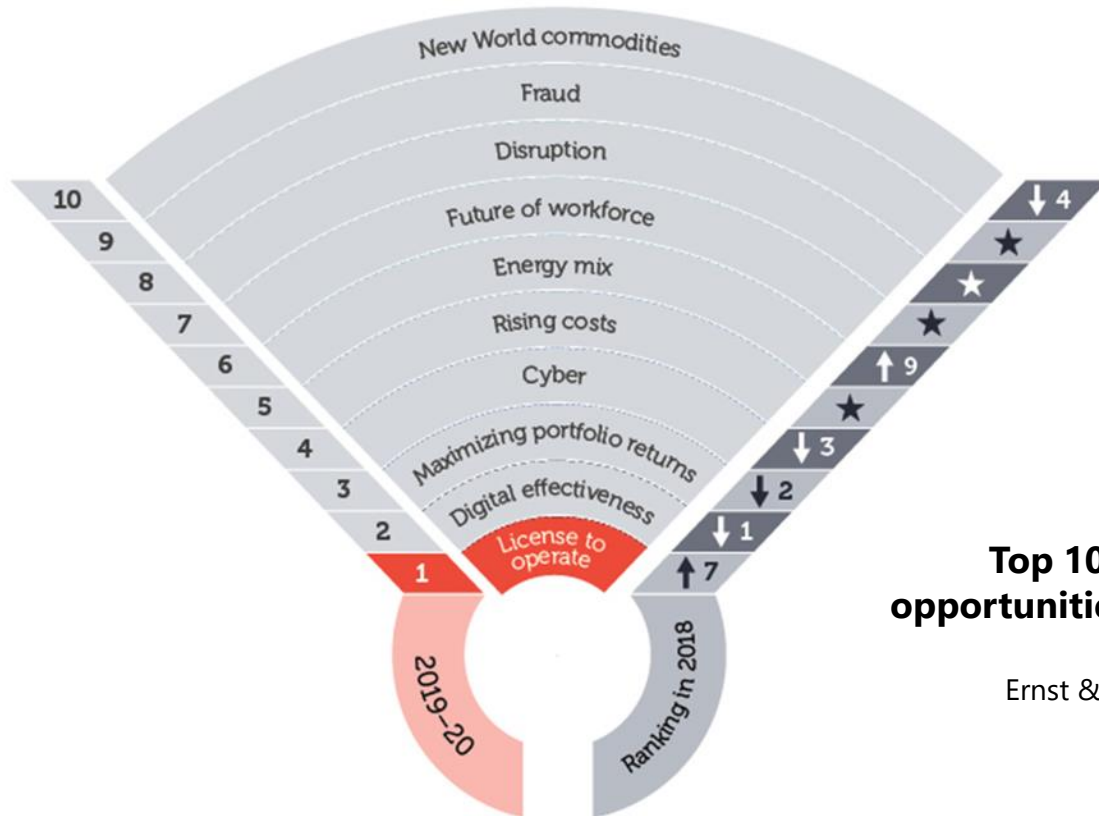


Disclosure Demands

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.

Social License to Operate

The #1 risk for mining CEOs 2 years running according to Ernst & Young

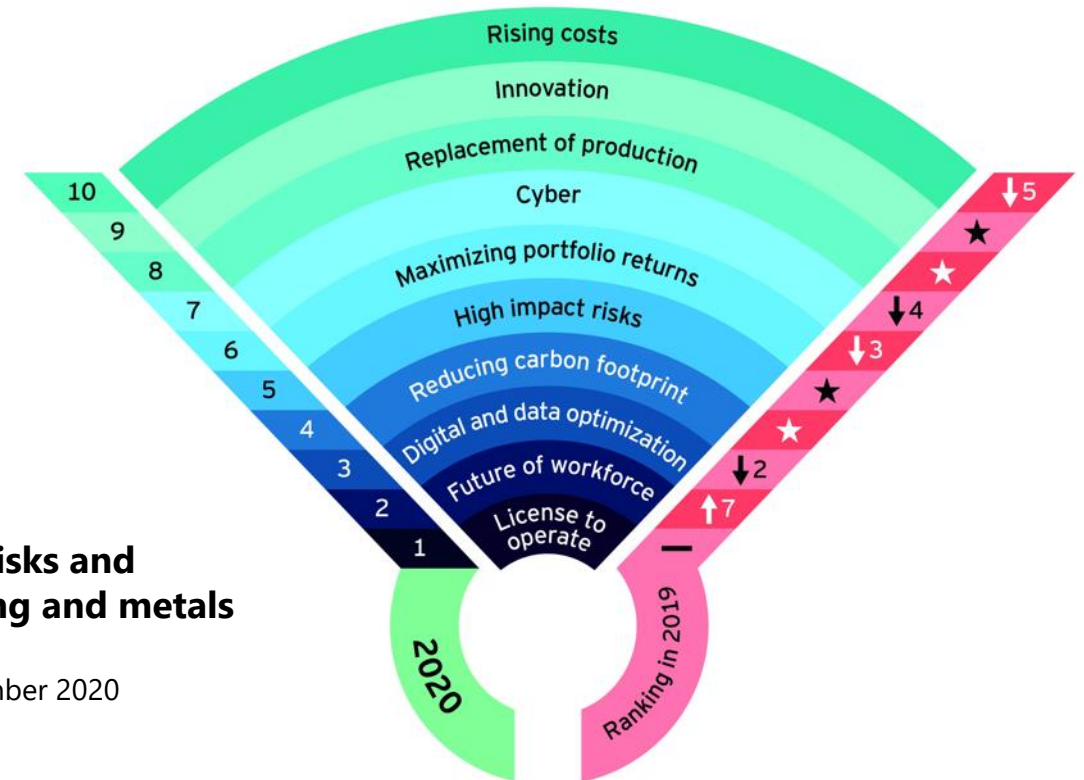


↑ Up from 2018 ↓ Down from 2018 — Same as 2018 ★ New to the radar

EY

Top 10 business risks and opportunities for mining and metals in 2021

Ernst & Young September 2020



↑ Up from 2019 ↓ Down from 2019 — Same as 2019 ★ New to the radar

Global Drivers of Change

Pressure on resource companies



Finite, declining resources



Increasing transparency



Increased expectations



Ethical investing

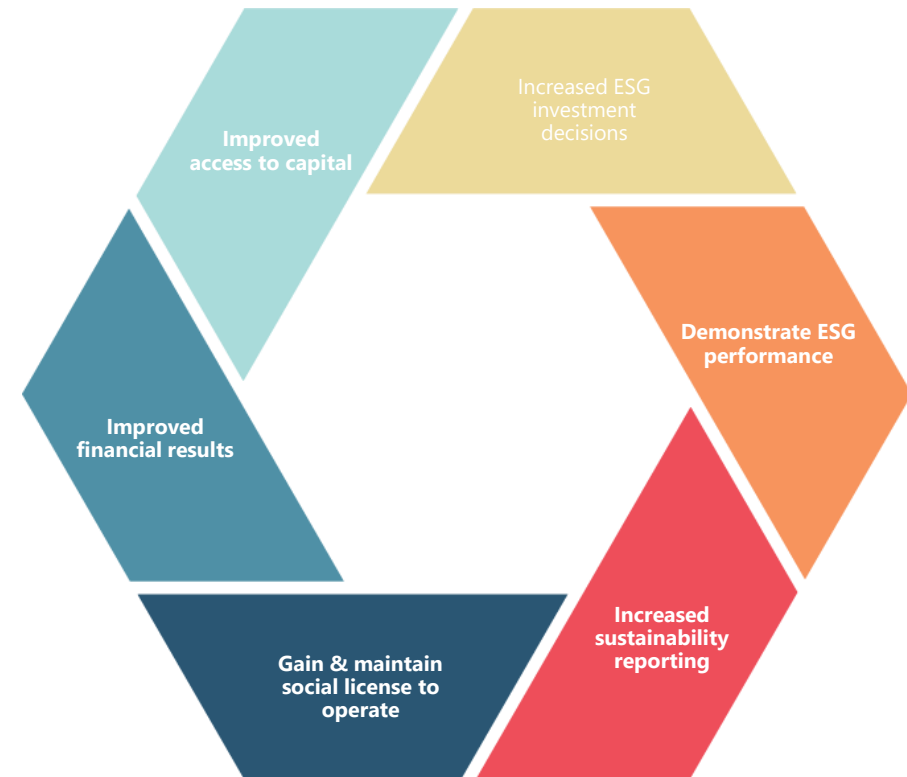


Sustainability reporting demands

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



4. K2fly's Strategy

K2fly Go to Market Strategy – SaaS business

Direct Sales to Customers

Land and Expand

Targeting large Tier 1 and mid-cap global resource companies and new industry use cases via our global network of Account Directors

Australia, North America, Germany

South Africa

Stakeholders & Influencers

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



Channel Partners

Integration into third party ERP systems and other platforms

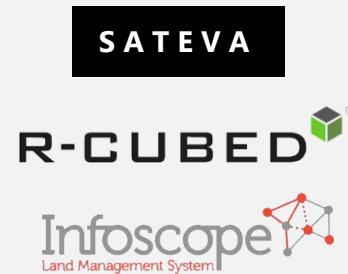


K2fly Acquisition Strategy

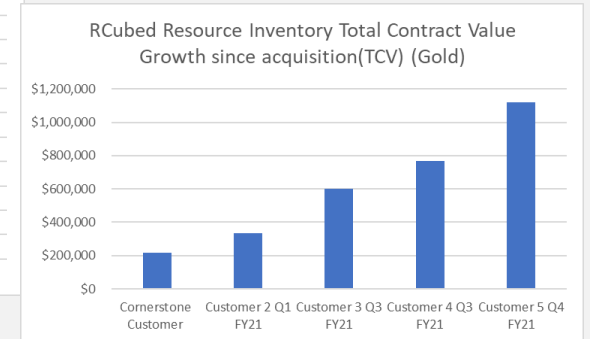
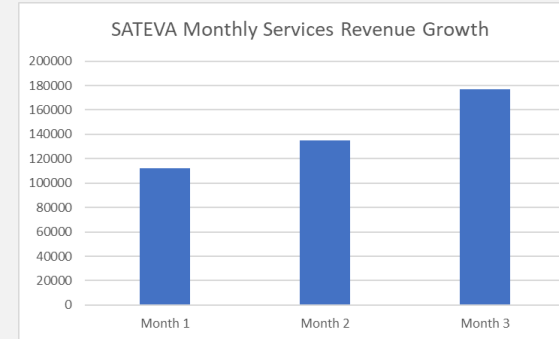


1. We Acquire Complementary Blue Ocean Offerings

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

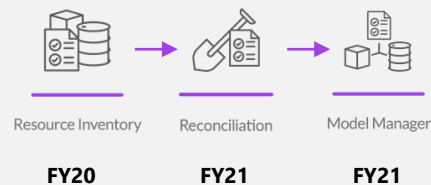


2. We Grow Them with Tier 1 and 2 Global Clients



3. We Expand the Offering

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

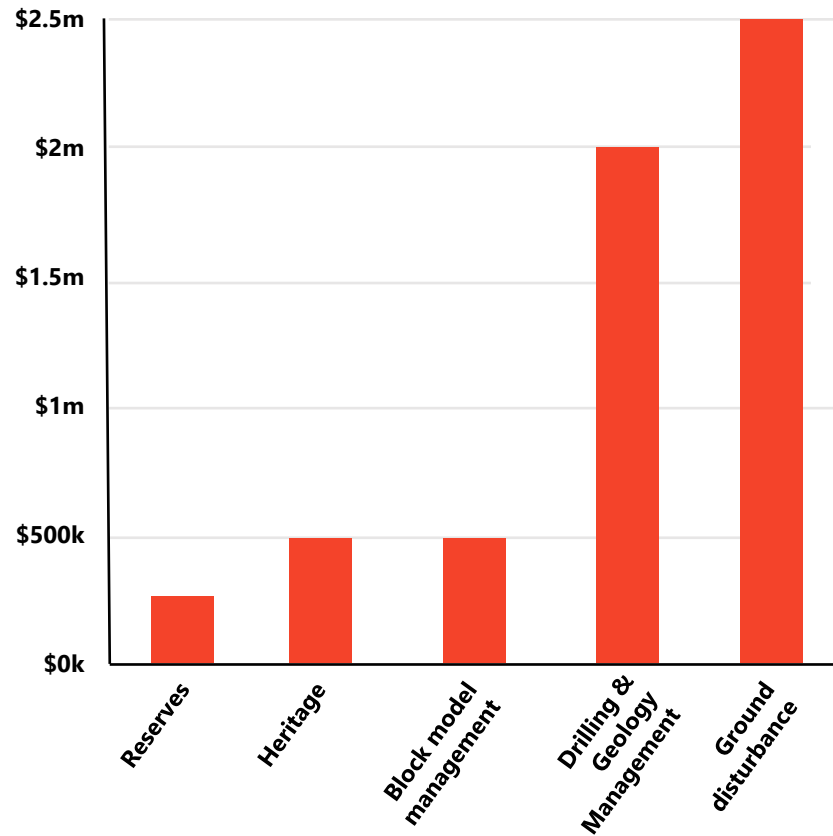


4. We Land & Expand

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



Land and Expand



Single Customer Expansion Strategy

■ Annual Recurring Revenue (ARR)

Path to \$20m Annual Recurring Revenue (ARR)



Entry Strategy

Resource Inventory 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

Sample Clients and Expansion Opportunity

Considerable white space exists for our solutions to grow within our global customer base

	 Resource Inventory	 Dams & Tailings	 Rehabilitation	 Community & Heritage	 Land Access	 Ground Disturbance	 Model Manager	 Automated Ore Blocking	 Drill Tracker	 Reconciliation
										
										
										
GLENCORE										
Newmont										
										
										
										

K2fly Acquisition Detail

	<div>INFOSCOPE</div> <div>JUL 2017</div> <div>    </div> <div> Community & Heritage Land Access Ground Disturbance </div>	<div>RCUBED</div> <div>MAY 2019</div> <div>   </div> <div> Resource Inventory Reconciliation </div>	<div>SATEVA</div> <div>OCT 2020</div> <div>    </div> <div> Model Manager Automated Ore Blocking Drill Tracker </div>	<div>DECIPHER</div> <div>MAR 2021</div> <div>   </div> <div> Dams & Tailings Rehabilitation </div>
STRATEGY	<ul style="list-style-type: none"> Enter the SaaS market with proven software with proven customers (FMG) and revenues. Blue ocean offering – no competition 	<ul style="list-style-type: none"> Adjacent SaaS offering Only Commercial off the shelf solution in market –blue ocean market Targets a corporate tier 1 and 2 audience globally 	<ul style="list-style-type: none"> Service our Corporate RCubed customers with a deeper solution via Model Manager solution 1:2 X Revenue potential During Covid lockdown pivot to get more exposure to local WA Iron Ore Miners – RTIO, FMG and Roy Hill Expand our Solution offerings via SATEVA suite 	<ul style="list-style-type: none"> Leverage K2fly global client list Deepen our Tailings and Rehab offerings and increase pace to market Tier 1 global clients.
SPILLOVER	<ul style="list-style-type: none"> Enormous interest and growth in Land Management and ESG solutions Allowed K2fly to break Infoscope up into discrete solutions for more sales leverage 	<ul style="list-style-type: none"> Regulatory Change in US SEC Perfect Tier 1 and 2 Entry point Customer profile is very contingent with Infoscope solutions at a corporate level 	<ul style="list-style-type: none"> Much higher demand for some SATEVA applications than we had anticipated particularly in Drill Tracker and Auto Ore Blocker Blue Ocean Offerings Deeper development expertise inhouse with offshoring experience & skills Very high growth in consulting services in line with Iron Ore prosperity 	<ul style="list-style-type: none"> Can utilize Decipher UI across our next gen land management solutions and increase time to market Dramatically improve K2fly marketing capacity across all solutions
RESULTS	<ul style="list-style-type: none"> Recent announcement for Rio Tinto Heritage win Growth with FMG internationally and Mineral Resources Basis for Tailings Solution and SAP Certified Premium apps >100% ARR Growth 	<ul style="list-style-type: none"> Delivered 12 new tier 1 and 2 corporate customers in 18 months. Additional \$1.8m ARR 	<ul style="list-style-type: none"> >\$1m in Purchase Orders from existing customers in less than 6 months – >40% revenue growth >\$3.5m ARR in qualified solution pipeline 	<ul style="list-style-type: none"> •ARR increased 63% QoQ •TCV (Total Contract Value) increases 122% QoQ

K2fly's Sweet Spot – mining only, not only mining

Current focus on mining but use cases across asset and land intensive industries

	 TIER 1 >\$30b	 TIER 2 <\$30b >\$200m	 TIER 3 <\$200m
Addressable ARR	\$60m Top 6 <i>sweet spot</i>	\$100m Top 50 <i>sweet spot</i>	\$332m Total (mining only)
K2fly 3 year Target	2* \$4m 2* \$2m 2* \$1m	10* \$500k 10* \$250k 10* \$100k	10* \$100k
K2fly Customers	5	12	5
Customer vs Solution Penetration	83% / 1%	24% / 1%	

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 potential 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.


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