



Quarterly update Q1 FY2022

October 2021

ASX: K2F

Solutions for net positive impact in

- ESG, compliance and disclosure
- Technical assurance



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

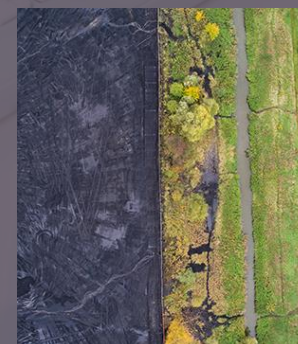
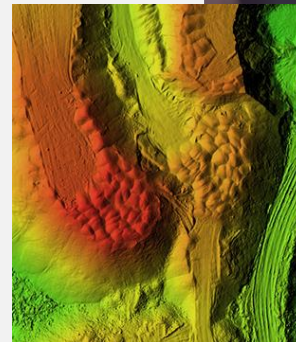
K2fly Update

2

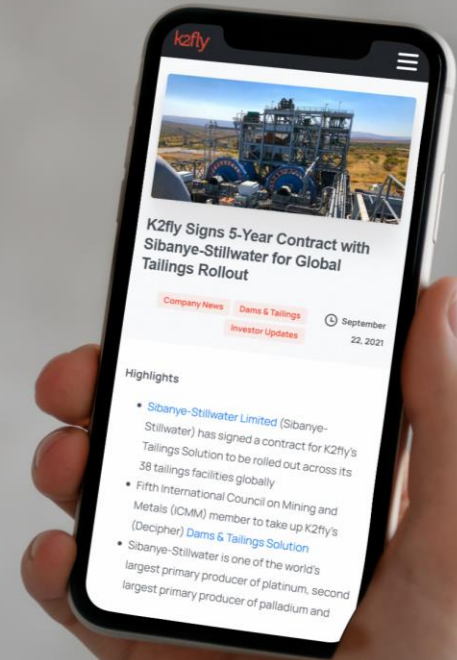
Industry Update

3

K2fly Strategy



K2fly Update



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

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

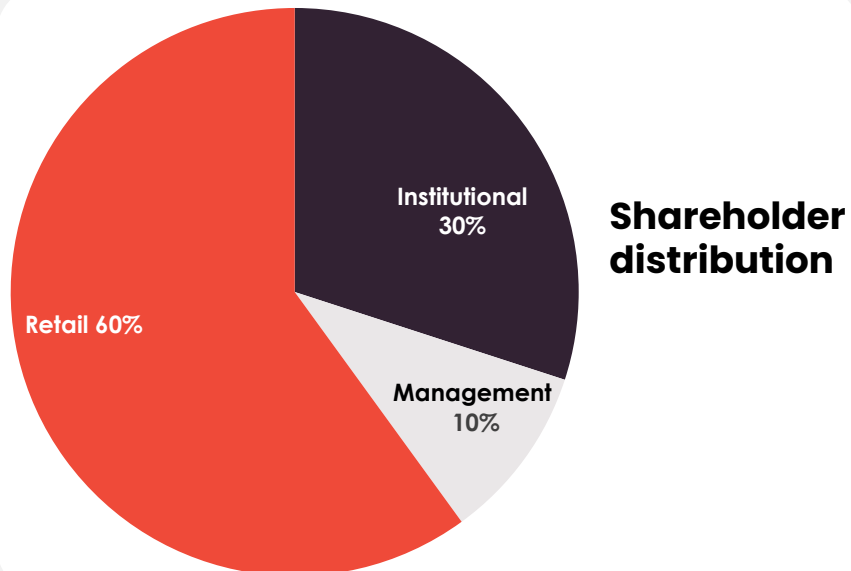
Cash at

30 September 2021

\$5.7m

15 October 2021

\$6.25m (following significant
payments received)



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.

Key Metrics

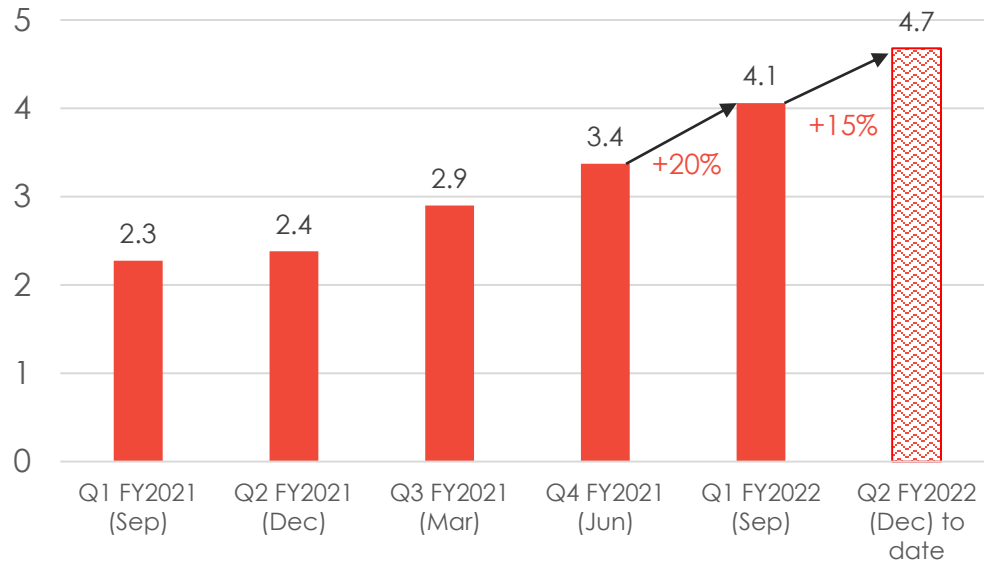
Announced Q2 FY222 (post quarter end)

Rio Tinto (5/10/2021)

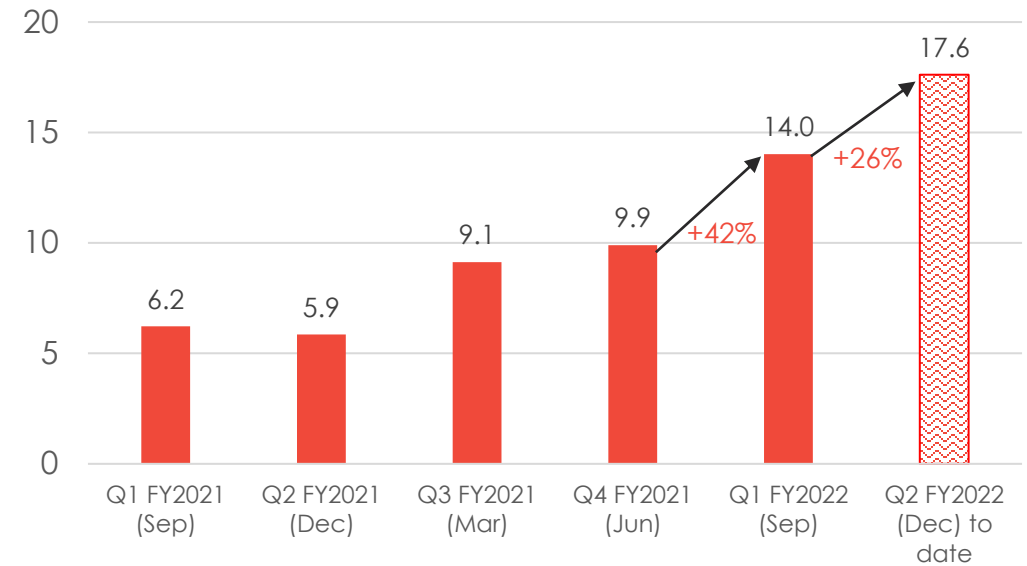
ARR \$620k

TCV \$3.44m

ARR \$m



TCV \$m

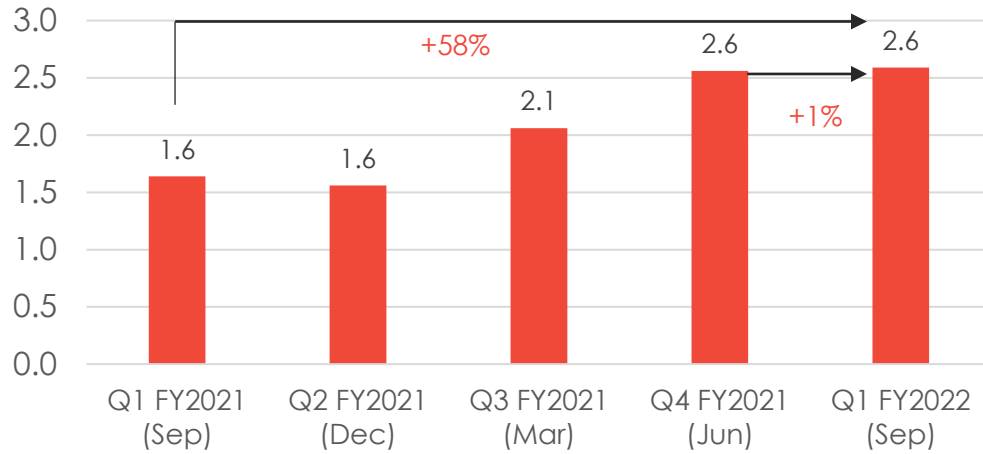


- Three major contracts were signed during the September quarter, Q1 FY2022 (Int. Mining & industrial leader, Newmont and Sibanye-Stillwater)
- Significant double-digit growth in TCV of 42% and ARR of 20% in the quarter compared to the prior quarter (Q4 FY2021) and up 125% and 79% respectively compared 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)

Quarterly Results

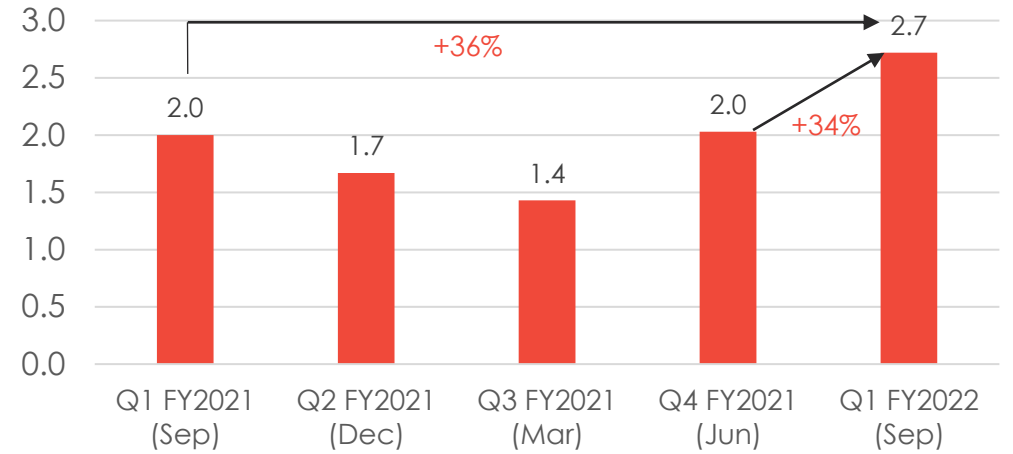
Q1 FY2022 (Sep)

Invoices Raised \$m



- **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 \$m



- **Cash Receipts** from Customers grew 34% to \$2.72m, compared to Q4 FY2021 and 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

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

Quarterly Results

Q1 FY2022 (Sep)

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
- ICMC focused sales strategy now signed up 5 out of 28 members

Quarterly Results

Q1 FY2022 (Sep)

Nic Pollock CEO, K2fly commented



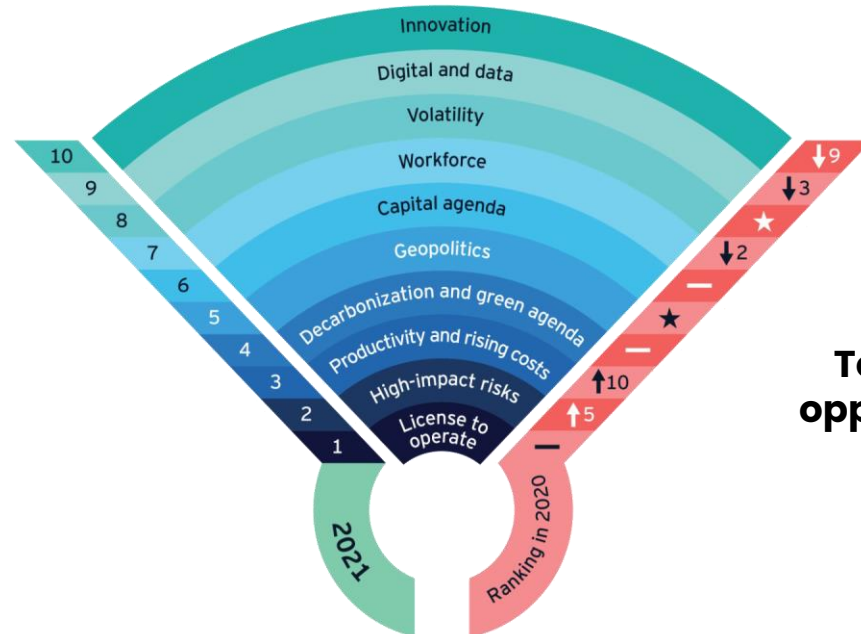
"We have achieved record growth in TCV and ARR this quarter from three major contract signings all on 5-year terms, which will flow through to growth in future Invoices Raised and Cash Receipts.

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 Tinto 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."

Social License to Operate & ESG

Top 3 featured risks, 3 years running

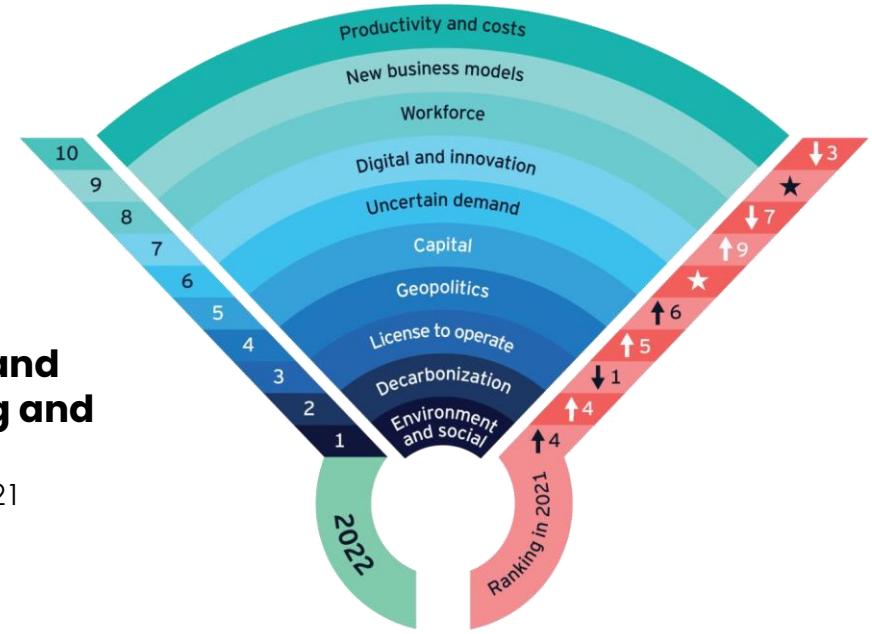


↑ Up from 2020 ↓ Down from 2020 — Same as 2020 ★ New to the radar



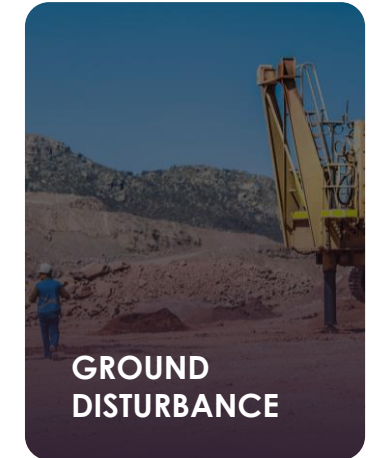
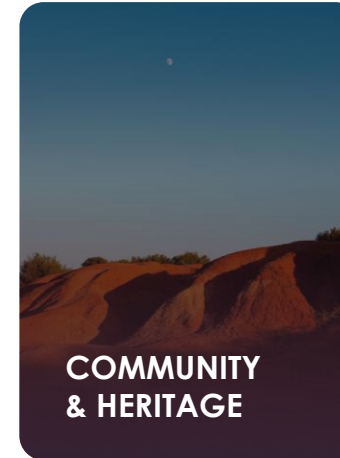
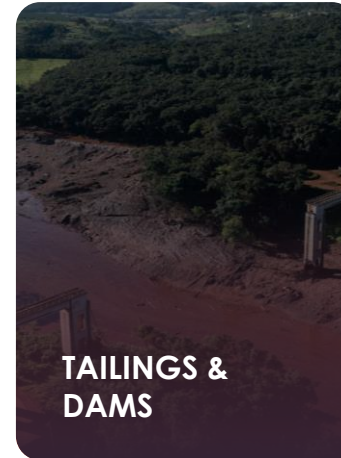
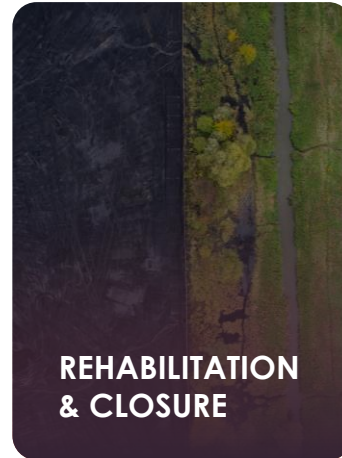
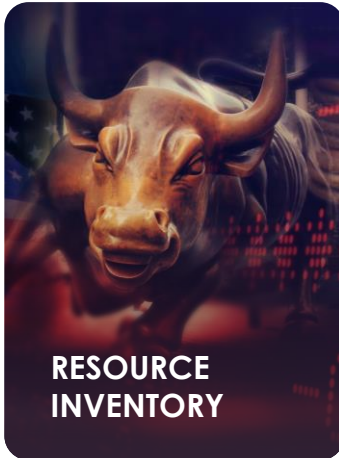
Top 10 business risks and opportunities for mining and metals in 2022

Ernst & Young, October 2021



↑ Up from 2021 ↓ Down from 2021 — Same as 2021 ★ New to the radar

Fundamental change in value creation & destruction



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

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


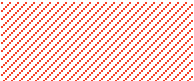
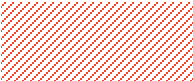
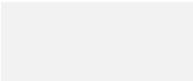
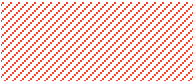
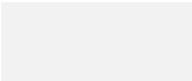
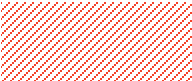
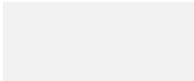
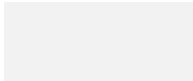
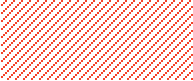

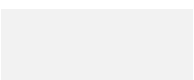
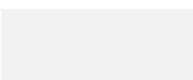
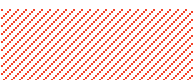
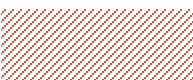
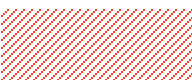
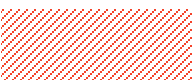
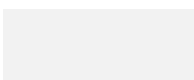
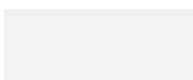
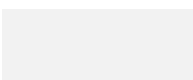




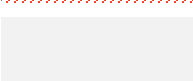

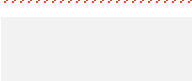
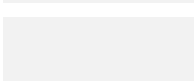
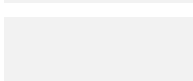
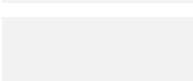

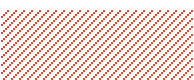
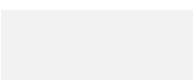
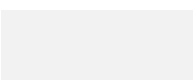
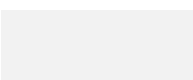
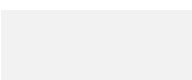
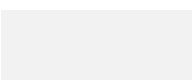
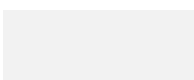
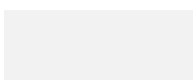
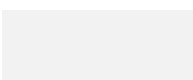

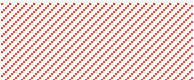
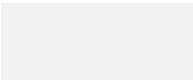
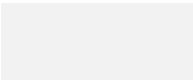
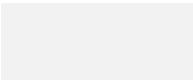
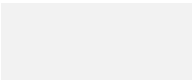
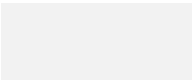
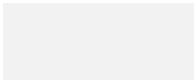
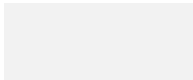
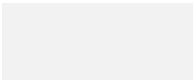

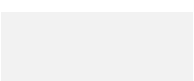

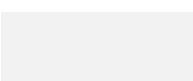
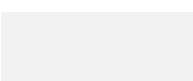
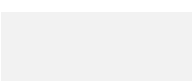
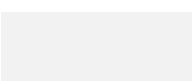
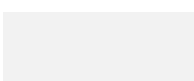
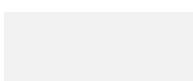
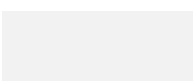

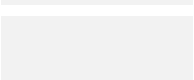

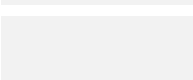
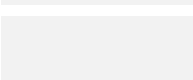
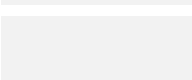
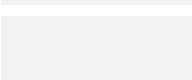




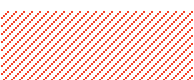
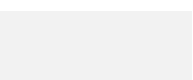
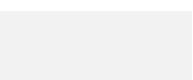
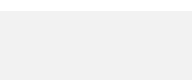
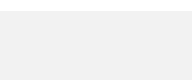
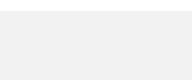
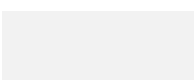
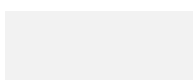
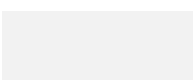
45

Countries

54

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
									
									
									
									
									
									
									
									

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.

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

K2fly Strategy



Go to Market Strategy



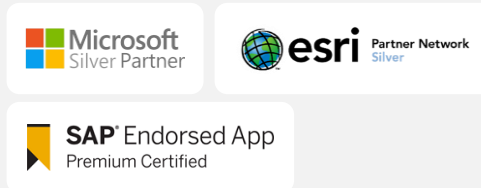
Direct Sales to Customers

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



Channel Partners

Integration into third party ERP systems and other platforms



Stakeholders & Influencers

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



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

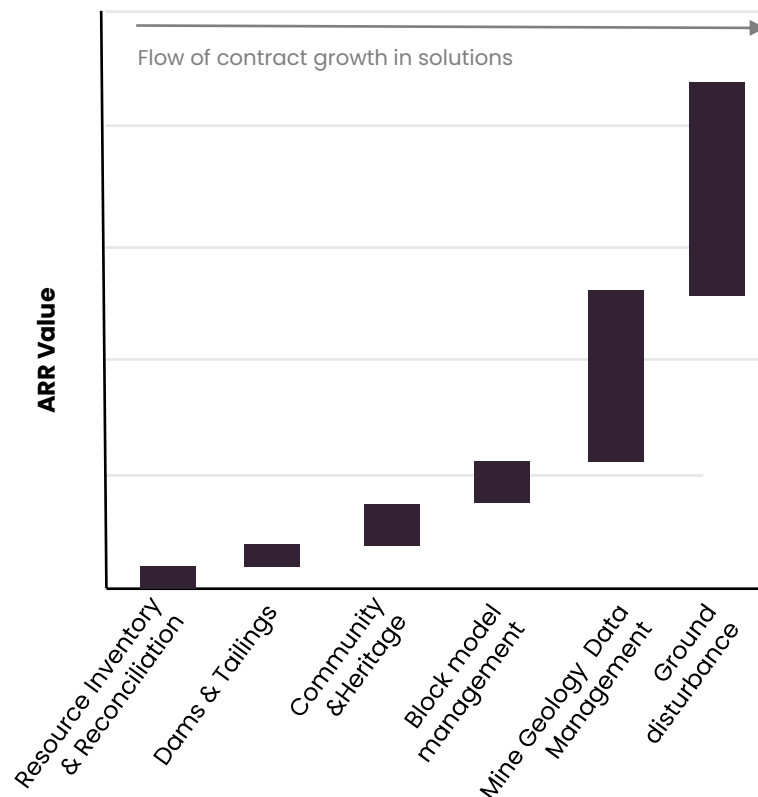
Add new functionality and expand our solution portfolio to existing customer and prospective clients



4. We Land & Expand

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

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

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



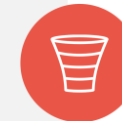
Community expectations, regulatory and technology changes are surging demand. Tailings and heritage are similar blue ocean offerings in high demand due to corporate ESG and social license concerns.

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.

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

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