



Investor Update

February 2021

ASX: K2F

Solutions (SaaS) for net positive impact in

- ESG, compliance and disclosure
- Technical assurance



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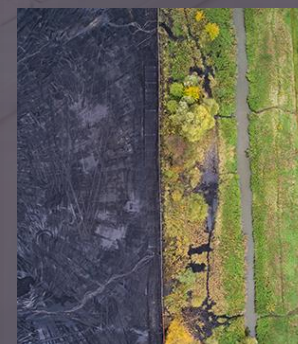
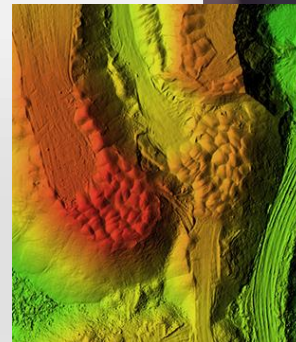
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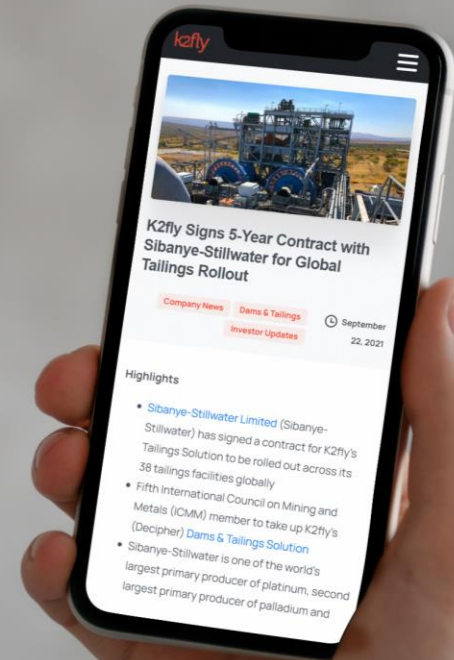
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Summary



K2fly Overview



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 positive 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. 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: Regal Funds, Tribeca and First Sentier and Wesfarmers (CSBP)

Corporate Overview

Revenue FY2021

AU\$7.0m +24% on FY2020

Ordinary Shares on Issue

138,097,038

Management 10%
CSBP/Wesfarmers & Institutions
30%

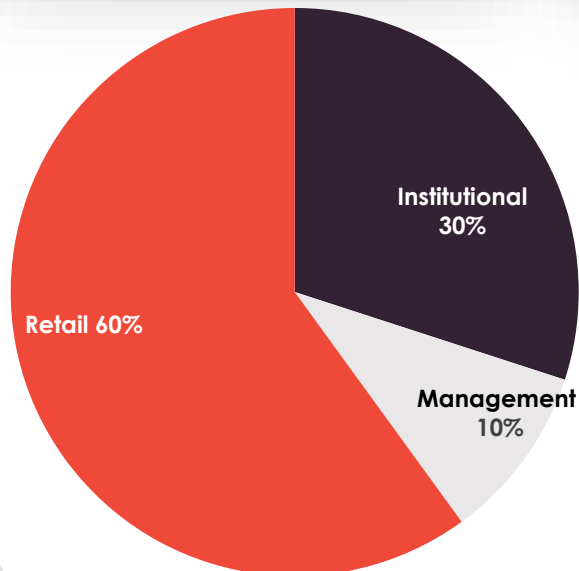
Market Capitalisation

\$31.8m @ \$0.23
28 January 2022

Cash at 31 December 2021

\$3.6m

Trade receivables of \$1.5m
Work in progress of \$1.2m
(un-invoiced implementation revenue)

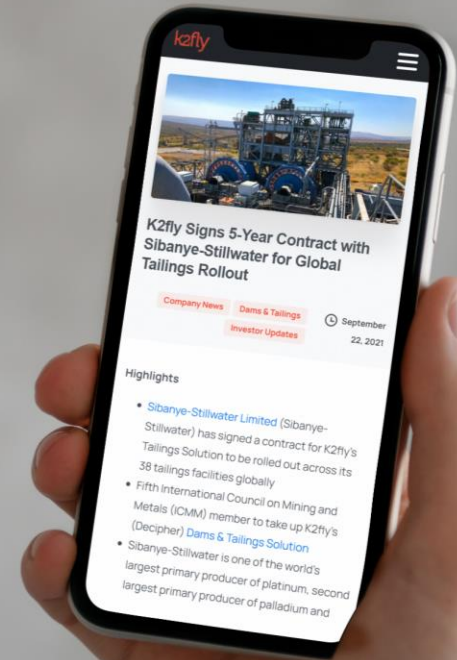


Shareholder distribution

Share Price



Results Q2 FY2022



Quarterly Results

Q2 FY2022 (December)

Nic Pollock CEO of K2fly said

"In this quarter, we achieved the signing of our largest contract to date on a 5-year term with Rio who have continued to take up more of our solutions.

We added an additional \$800k of ARR in the quarter which is a new record from last quarter (\$700k) which is helped by a dramatic increase in our average ARR deal size to \$373k up from \$100k in FY20.

The ESG thematic and ongoing focus by leading international mining companies to manage risk continues to build.

We continue to execute on our land and expand strategy with clients and solutions coupled by being the sole COTS supplier of many of the ESG solutions we offer – Mineral Inventory, Heritage and Ground Disturbance to name a few.

We have continued to expand the team to meet new, larger contracts and to scale to meet anticipated new contracts with tier 1 clients.

We remain focused on our strategy to 'land and expand' our solutions with existing and new clients. Our sales and development pipeline of new logo contracts and customer expansion will continue to drive the rapid ARR and TCV growth.

Quarterly Results – Highlights

Q2 FY2022 (December)

Continued growth in TCV & ARR following signing of record contracts

TCV and ARR

- TCV
+18.1% to \$16.6m
v prior quarter
+182.9% v Q2 FY2021
- ARR
+18.0% to \$4.8m
v prior quarter
+101.2% v Q2 FY2021

Contracts

- Largest contract signed to date (Rio Tinto) on 5-year terms (TCV \$3.44m / ARR \$620k)
- Average deal size grew to >370k in 1H FY2022 (refer to slide 12)
- Smaller contracts signed
- Seriti Power (Pty) Limited 5-year contract signed
- New PO from Rio Tinto to scope next phase of 'Heritage 2' project

Solutions Update

- Ground Disturbance Solution – increasing interest by large mining companies linked to heritage
- Decipher Tailings Solution – sales pipeline ready for calendar 22 execution in Americas – Global Tailings standard due Aug 23
- Resource Inventory NYSE new regs take effect calendar 22 reporting and new JORC end of 22 (est.)

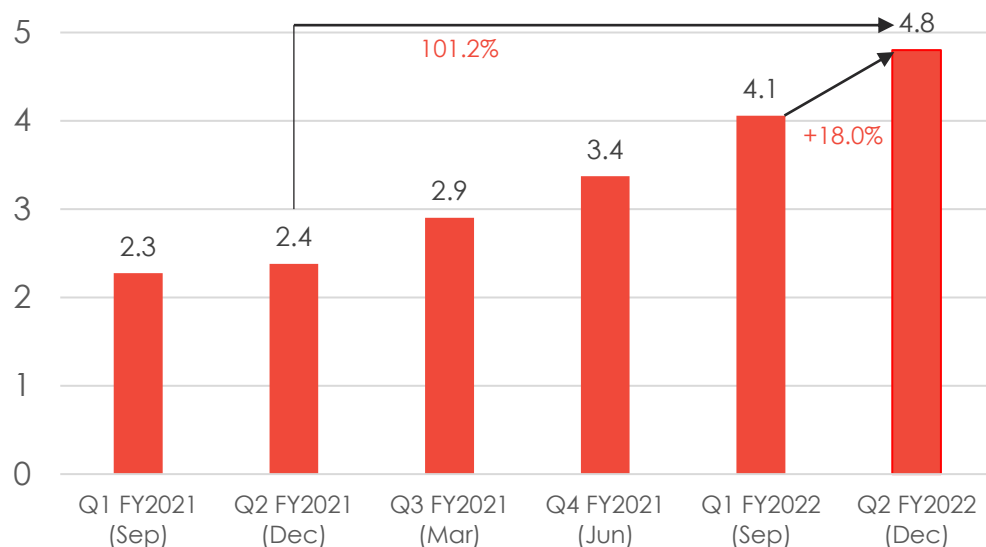
Cost Management

- Labour & recruitment cost inflation
- Additional investment to scale team and solutions to meet contracted and future demand for new and existing project expansion
- We are balancing resources across different cost jurisdictions: Perth, South Africa and Eastern Europe

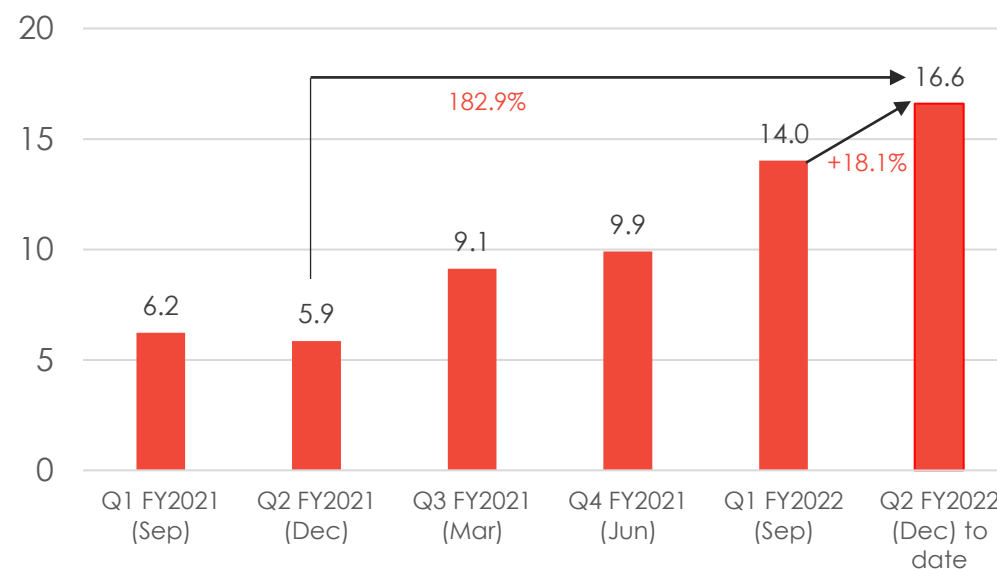
Quarterly Results

Key Metrics

ARR \$m



TCV \$m

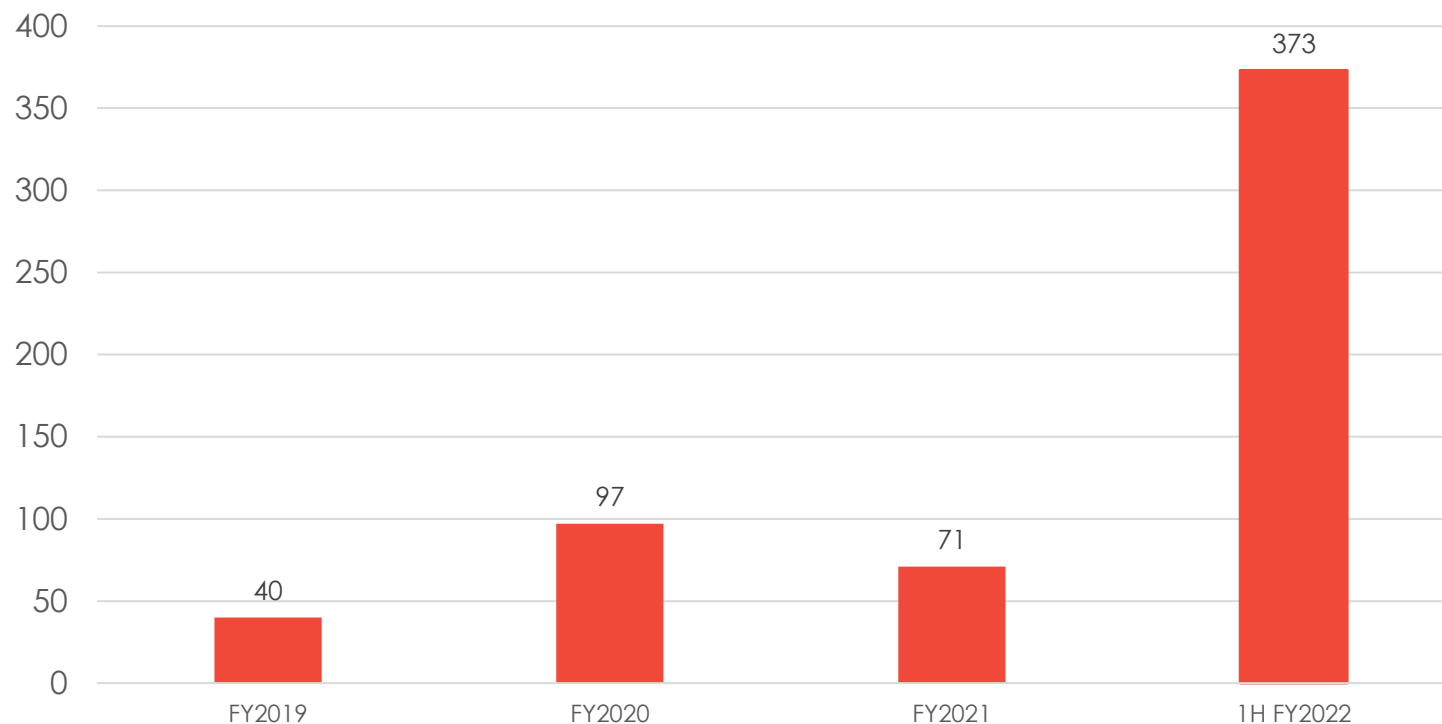


- Two major contracts were signed during the December quarter, Q2 FY2022, with Rio being the largest contract signed to date
 - Rio Tinto (5-year contract) – TCV of \$3.44m and ARR \$620k
 - Glencore Canada Corporation (2-year extension) – TCV of \$443k and ARR \$130k
- Significant double-digit growth in TCV of 18.1% and ARR of 18.0% in the quarter compared to the prior quarter (Q4 FY2021) and up 182.9% and 101.2% respectively compared to Q1 FY2021

Average ARR Deal Growth

Strong growth in average size of new contracts signed

ARR Average Contract Size, \$000

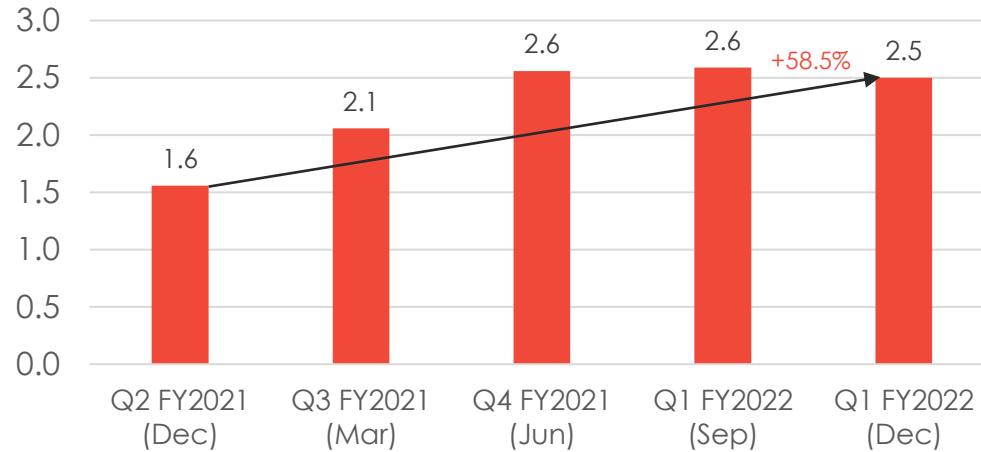


- Over the last three financial years, the annual average size of new contracts signed has grown threefold to >\$370k in the first half of FY2022, from less than \$100k.

Quarterly Results

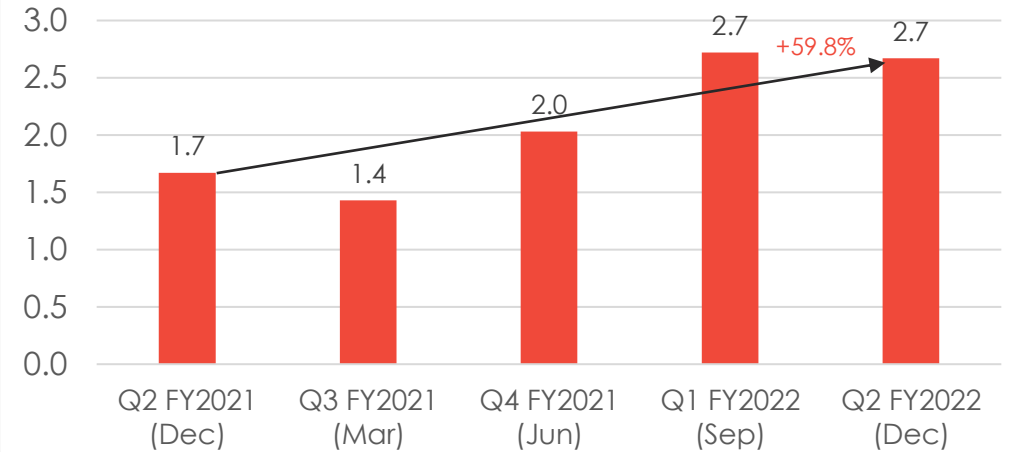
Q2 FY2022 (December)

Invoices Raised \$m



- **Invoices Raised** in Q2 FY2022 were \$2.5m, down 3.3% compared to the prior quarter and up 58.5% compared to Q2 FY2021

Cash Receipts from Customers \$m



- **Cash Receipts** from Customers in Q2 FY2022 were \$2.7m, down 1.9% compared to the prior quarter and up 59.8% compared to Q2 FY2021

Invoices Raised and Cash Receipts vary due to the anniversary dates of the client contracts, and the timing of implementation fees. License and SaaS fees are billed annually, in advance.

Industry Update



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 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.



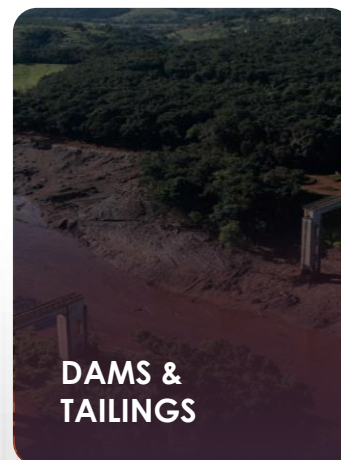
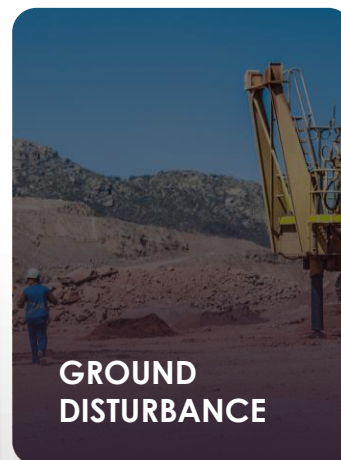
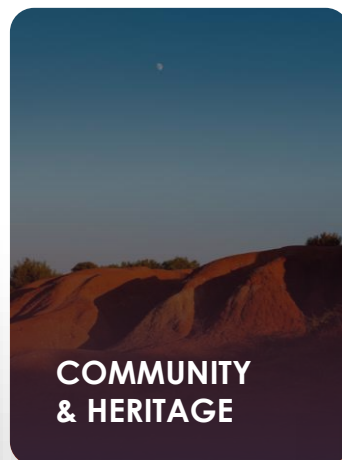
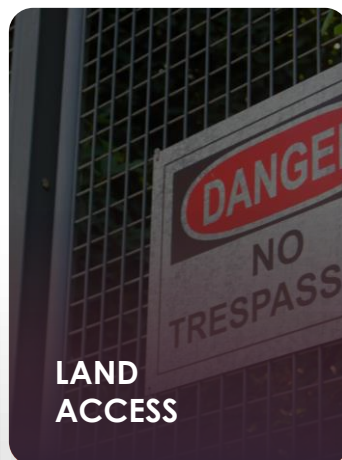
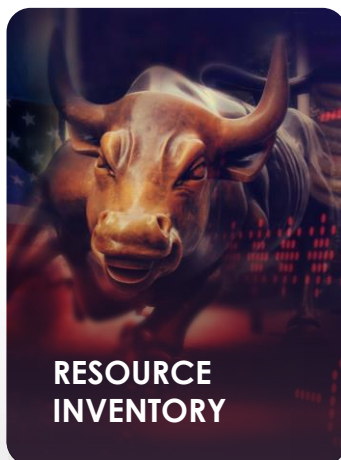
Disclosure Demands

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.

How does K2fly address these challenges?

Resource company value creation & impact from value destruction

K2fly Solutions



TRADITIONAL VALUATION

Valuation & investment decisions focussed on commodity price Vs tons, ounces & grade reported.
New NYSE (SK-1300) and ASX (JORC) code driving significant changes to reconciliation and ESG Reporting requirements

ESG Factor Evaluation

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

Drives of Change

Stock exchanges

Stakeholders & investors

Regulatory bodies

Government (project approvals)

Sustainability targets

Community standards

Insurers

Lenders (preferences & cost of capital)

Director personal liability

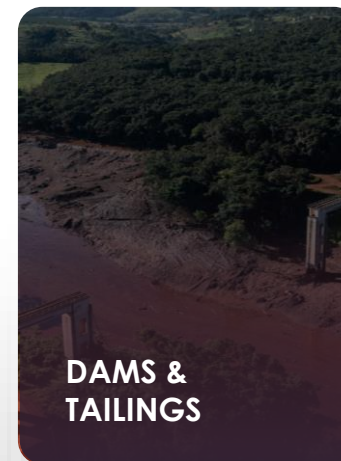
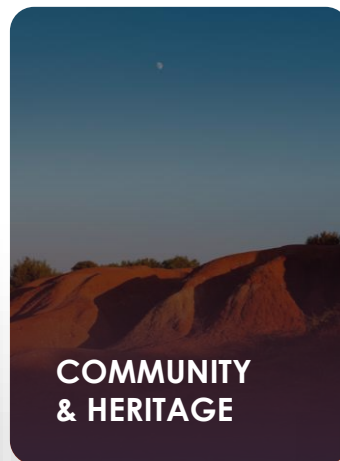
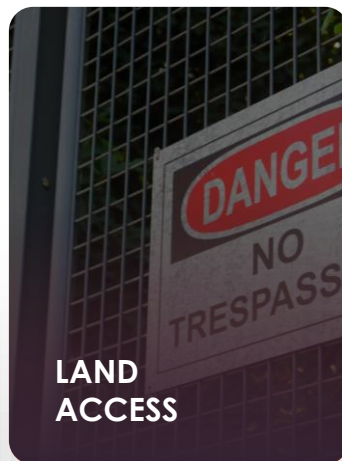
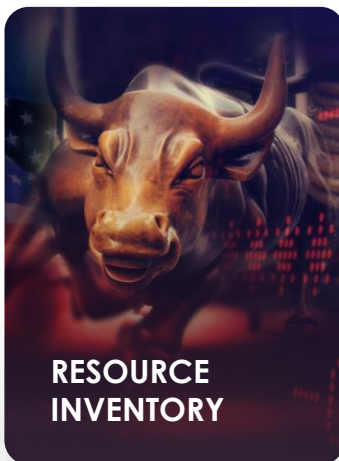
Employees

Standard setting bodies & scoring (e.g. Fitch, SASB)

Outlook near to mid term

Outlook remains incredibly strong and growing

K2fly Solutions



TRADITIONAL VALUATION

ESG Factor Evaluation

Market Outlook

New NYSE (SK-1300) and ASX (JORC) code driving significant regulatory changes to reporting, reconciliation and ESG Reporting requirements
New version of solution coming in mid 22
K2fly only COTS* solution

Destruction of cultural heritage and increased transparency has placed heavy emphasis on the ground disturbance process across mining majors as key ESG risk
K2fly provide only COTS* solution

New global industry standard on tailings management (GISTM) committed to implementation by August 23 for ICMM** members.
K2fly only end to end solution in support of this.

K2fly Strategy



K2fly Strategy

We build, buy and partner enterprise SaaS solutions that operationalize improved ESG and Technical assurance processes.

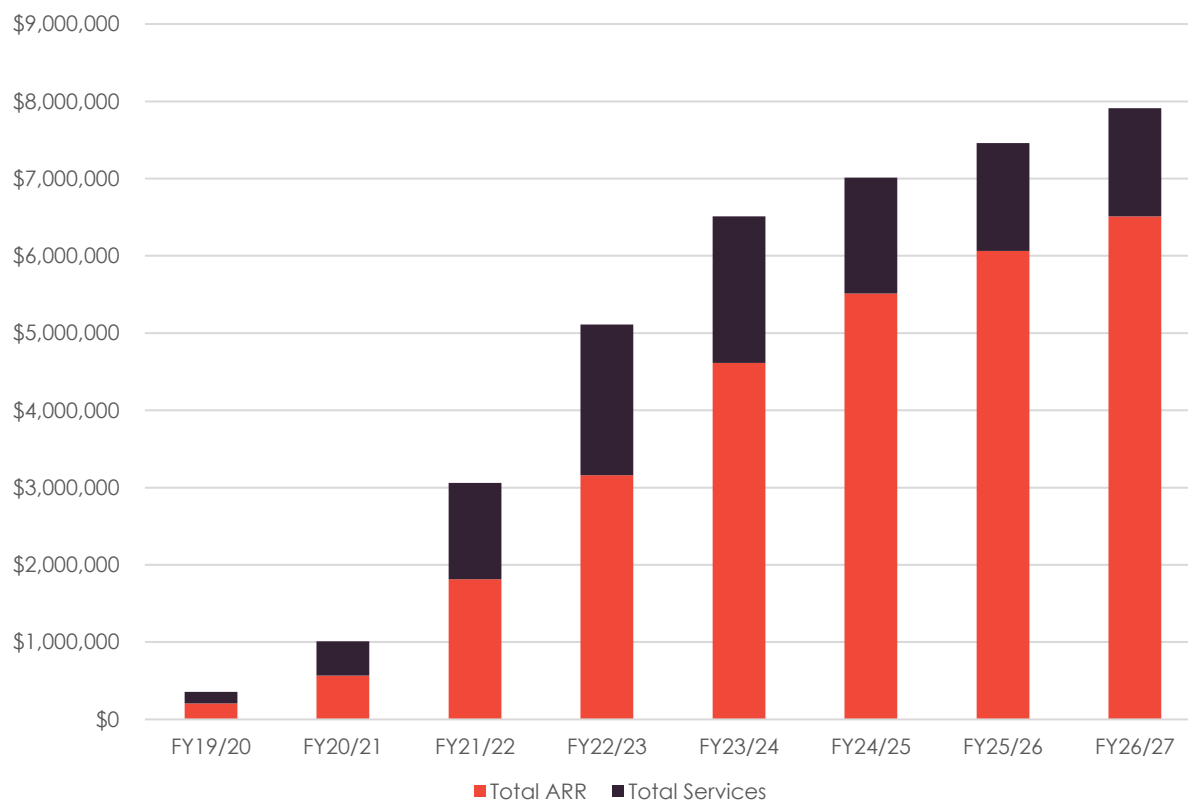
Our current focus is on Tier 1 and 2 global mining and resources companies, but we intend to move into other vertical markets.

Our close customer relationships and intimate industry knowledge give us the ability to identify new and complementary solutions for our customers.

This in turn allows us to land and expand our customer base and grow our footprint in large customers at corporate level.

We grow the solutions we acquire or build rapidly both in scale and revenue by identifying the right opportunities and executing on them.

Land & Expand Strategy (Example)



Hypothetical Single Customer Expansion Strategy

Annual Recurring Revenue (ARR) by Year

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

Tier one operators in the market are increasing wanting to replace bespoke solutions with standard commercial software solutions that can scale efficiently across global operations delivering lower total cost and improved governance

Sample Clients & Expansion

Shading denotes the product currently contracted relative to the total solution opportunity across the client operations

	K2FLY SOLUTION PENETRATION								
	Resource Inventory & Reconciliation	Land Access & Monitoring	Community & Heritage	Ground Disturbance	Dams & Tailings	Rehabilitation & Closure	Block Model Management & Governance	Automated Ore Blocking	Mine Geology Data Management
									
									
									
									
									
									
									
									
									

Go to Market Strategy – SaaS business



Direct Sales to Customers

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



Channel Partners

Integration into leading ERP, spatial, INSAR, AI and cloud 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 and adjacent Offerings

Acquiring boutique technology firms who can add to our SaaS 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

K2fly Acquisition Strategy

INFOSCOPE

JUL 2017



Community & Heritage



Land Access



Ground Disturbance

STRATEGY

- Enter the SaaS market with proven software, with proven customers (Fortescue Metals Group) and revenues
- Blue ocean offering – no competition

SPILLOVER

- Enormous interest and growth in Land Management and ESG solutions
- Allowed K2fly to break Infoscope up into discrete solutions for more sales leverage

RESULTS

- Recent announcement for Rio Tinto Heritage and Ground Disturbance win
- Growth with Fortescue Metals Group internationally
- Basis for Natural Resource Governance solutions and largest deals

RCUBED

MAY 2019



Resource Inventory



Reconciliation

- Adjacent SaaS offering
- Only Commercial Off The Shelf solution in the market –Blue ocean market
- Targets are corporate Tier 1 and 2 global audiences

- Constant Regulatory changes e.g.US SEC and JORC
- Perfect Tier 1 and 2 Entry point
- Customer profile is very contingent with Infoscope solutions at a corporate level

- 15 out of 25 K2fly customers use RCubed Resource Inventory solution
- Largest ARR >\$1.5m

SATEVA

OCT 2020



Model Manager



Automated Ore Blocking



Drill Tracker

- Service our Corporate RCubed customers with a deeper solution via the Model Manager solution 1:2 X Revenue potential
- During Covid lockdown, pivot to get more exposure to local WA Iron Ore Miners – Rio Tinto, Fortescue Metals Group and Roy Hill
- Expand our Solution offerings via SATEVA suite

- Much higher demand for some SATEVA applications than we had anticipated particularly in Drill Track and Ore Blocker
- Blue Ocean Offerings
- Deeper development expertise inhouse with offshoring experience & skills
- Solid consulting revenues from Tier 1 customers

- ARR increase of 492% in 15 months

DECIPHER

MAR 2021



Dams & Tailings



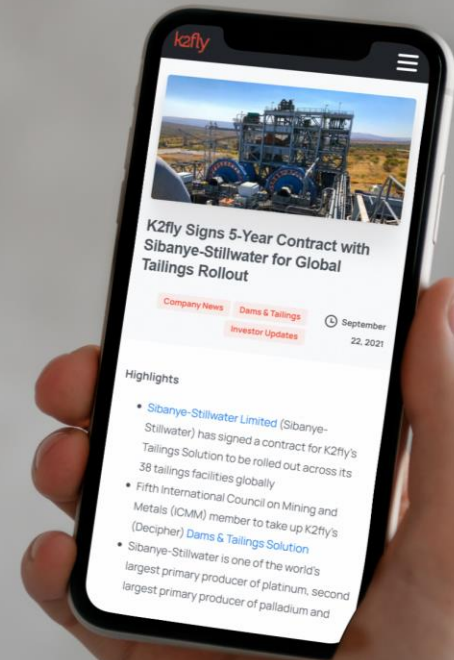
Rehabilitation

- Leverage K2fly global client list
- Deepen our Tailings and Rehab offerings and increase pace to market
- Tier 1 global clients in Rio Tinto and South 32

- Can utilise Decipher UI across our next gen land management solutions and increase time to market
- Dramatically improve K2fly marketing capacity across all solutions

- ARR increase of 445% in 9 months

Summary



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 Mineral Resource Governance and Natural Resource Governance. K2fly is becoming a major player in enterprise mining software and can grow into other vertical segments.

Acquisitions & Market Share



K2fly's ability to identify "blue ocean" solutions and IP that complement our suite of solutions, integrate them and grow them is a key differentiator.

Driving Demand



Community expectations, ESG, 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 SAP Endorsed App.

Solid Pipeline



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

Contact Us

Head Office – Perth, WA

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

North America

151 W. 1st Avenue
Denver, CO 80223
Direct: 303-725-4903

South Africa

Unit 5, Berkley Office Park
8 Bauhinia St, Highveld
Technopark Centurion South
Africa 0167



www.k2fly.com



Brian Miller

Executive Director
brian@k2fly.com