



Investor Update

8 April 2022

ASX: K2F

Solutions (SaaS) for net positive impact in

- ESG, compliance and disclosure
- Technical assurance



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Capital Raising Overview – April 22

Equity Capital Raising

- \$6.2 million Placement to institutional and sophisticated investors including a strategic investor, Maptek Pty Limited (Maptek), and K2fly management
- 34.5 million new shares to be issued at \$0.18 per share, representing a:
 - 2.8% premium to the last close (5 April 2022) of \$0.175 per share
 - 4.1% premium to the 15-day VWAP of \$0.173 per share

Strategic Investor

- Commitment from Maptek to take a strategic investment of \$4.05m:
- Maptek is a world-leading provider of innovative software and services for the global mining industry
 - Maptek Chairman Peter Johnson will join K2fly's Board as a non-executive director
 - Maptek will enter a 12-month Standstill Agreement limiting their ability to acquire shares above 19.9% without K2fly board approval
 - After the Placement Maptek will hold 13.2% of K2F outstanding shares

Use of Funds

- Funds raised pursuant to the Offer will be applied to deliver continued growth; product development and working capital requirements.

New Shares

- 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

- Wednesday 6 April 2022 – Trading Halt
- Friday 8 April 2022 – Announcement of the results of the Placement
- Thursday 14 April 2022 – Anticipated Placement DvP Settlement Date

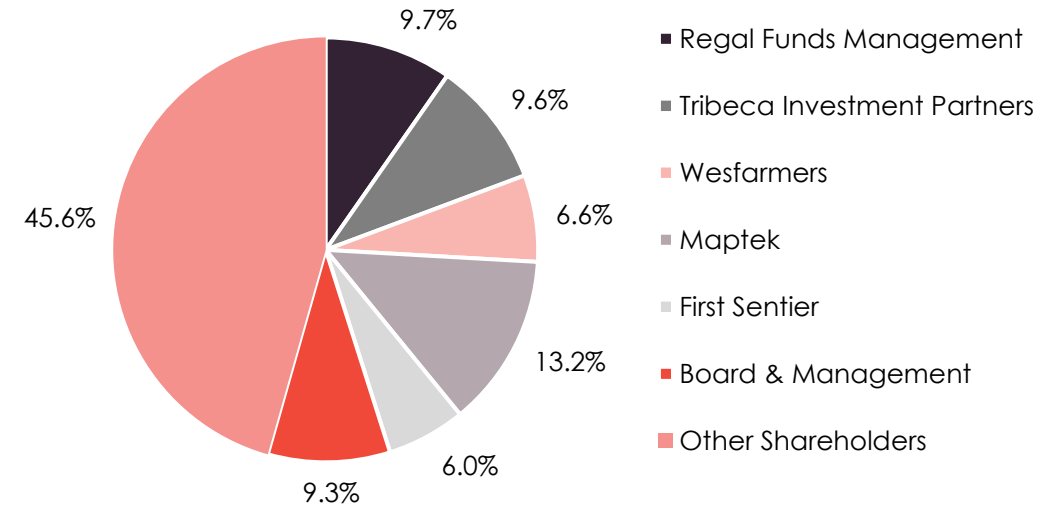
Lead Manager

- Argonaut Securities Pty Ltd is acting as Lead Manager to the Equity Raising

Corporate Overview – Post April 2022 Raise

Capital Structure - Undiluted	
ASX Ticker	K2F
Share Price (5 April 22)	\$0.175
Shares on Issue (Pre Raise)	138.2m
New Shares to be issued April 22	34.5m
Total Shares on Issue (Post Raise)	172.7m
Market Capitalisation	\$30.2m
Cash (Post Raise)	~\$7.7m (Pre-Transaction Costs)
Debt	Nil
Enterprise Value	\$22.5m
Issued Options & Performance Rights	23.4m

Indicative Shareholder Ownership



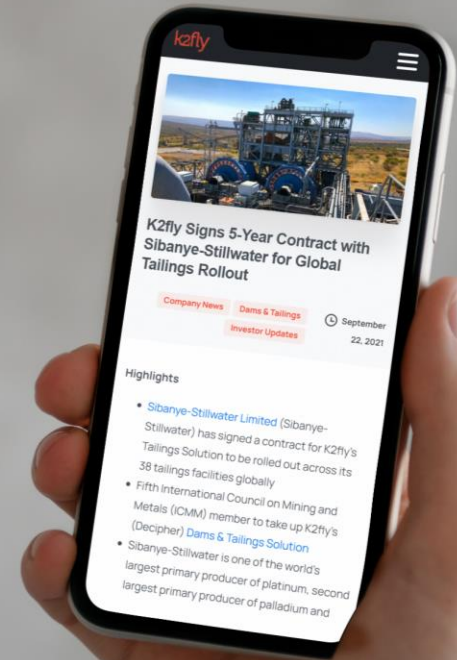
Share Price Performance (LTM)



Board and Senior Management

Brian Miller	Executive Director
Jenny Cutri	Non-Executive Chairperson
James Deacon	Non-Executive Director
Neil Canby	Non-Executive Director
Peter Johnson	Director Elect
Nic Pollock	Chief Executive Officer (CEO)
Sara Amir-Ansari	Chief Financial Officer (CFO)

K2fly Overview



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)

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

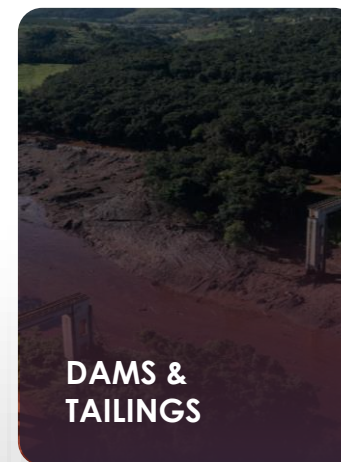
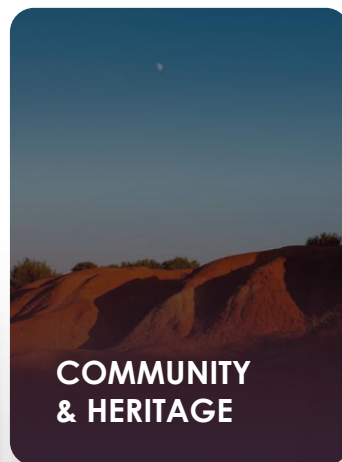
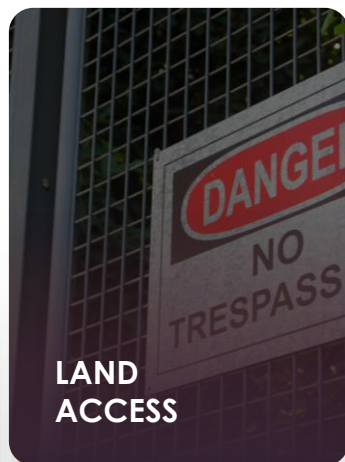
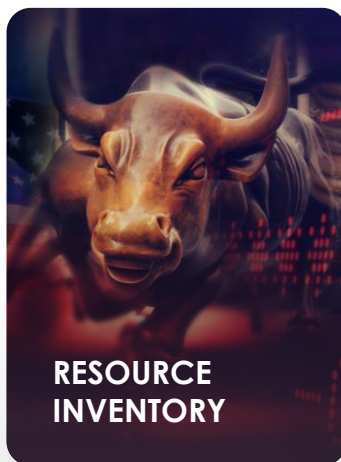


Mining companies are under increasing scrutiny to disclose more information to regulators, shareholders, ratings agencies and their external stakeholders (indigenous partners) in order to maintain their social license to operate.

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

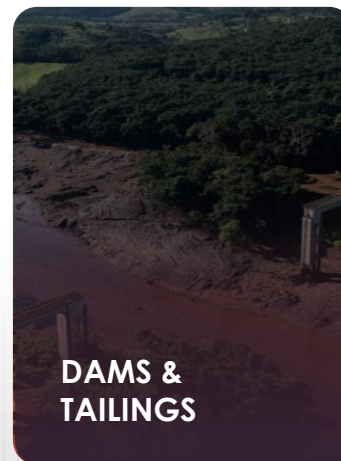
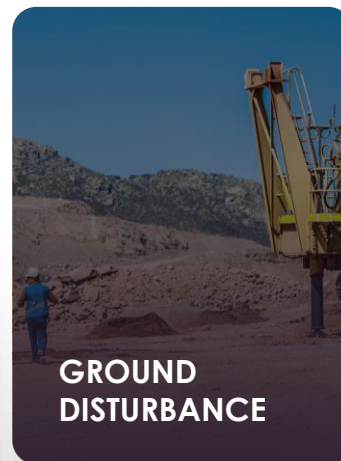
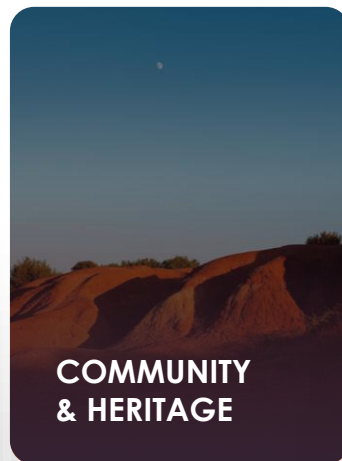
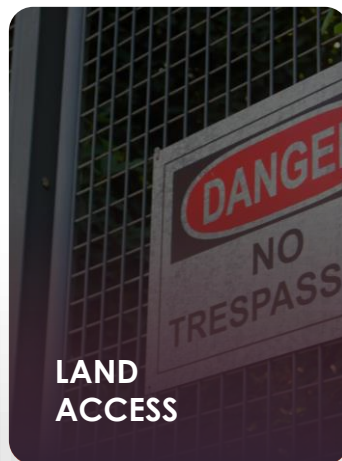
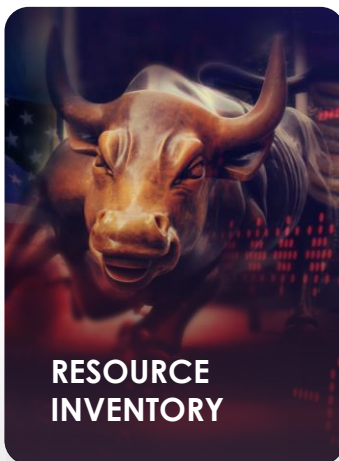
Employees

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

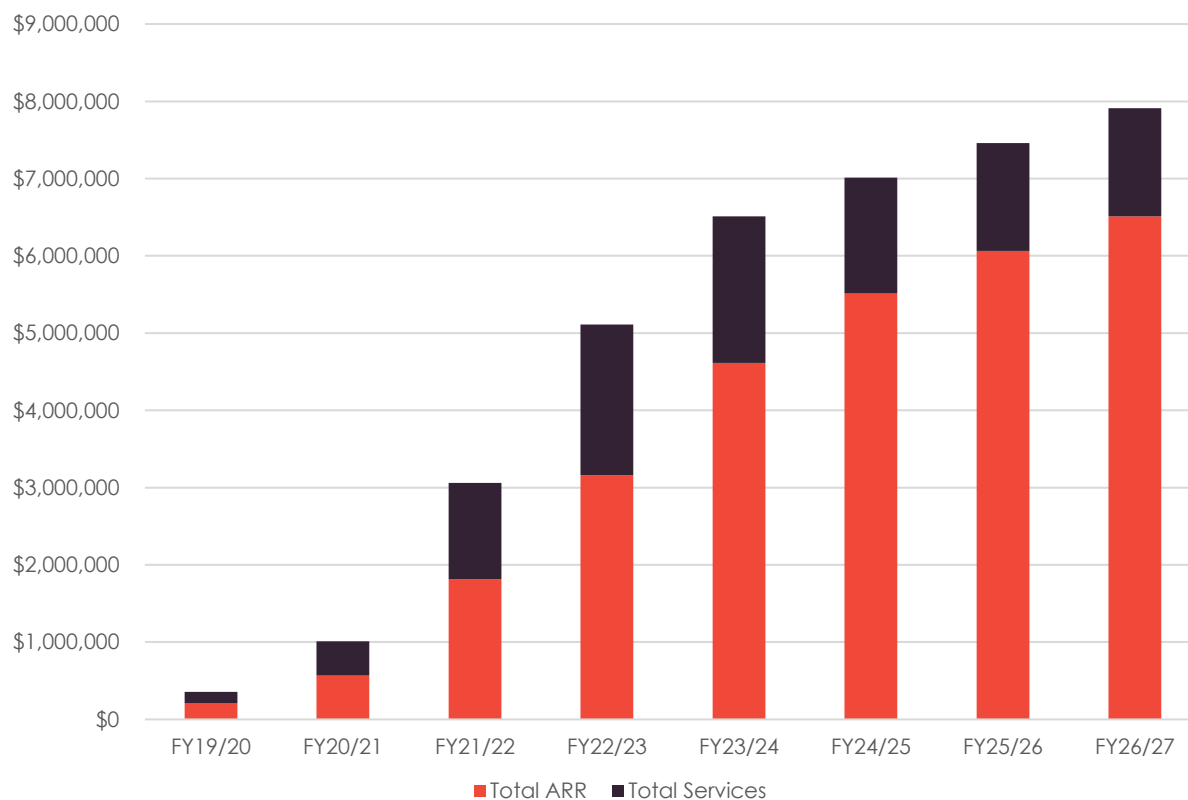
We build, buy and partner enterprise SaaS solutions that operationalize improved ESG and Technical assurance processes.

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
RioTinto									
FMG									
SOUTH32									
GLENCORE									
Newmont									
Global Aluminium Producer									
Sibanye Stillwater									
ROY HILL									
Teck									

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

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.

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