



Investor Update

May 2022

ASX: K2F

Authorised by the K2fly Board of Directors

Resource Governance Solutions (SaaS) for 'net positive impact' in mining & asset intensive industries

- ESG, compliance and disclosure
- Technical assurance



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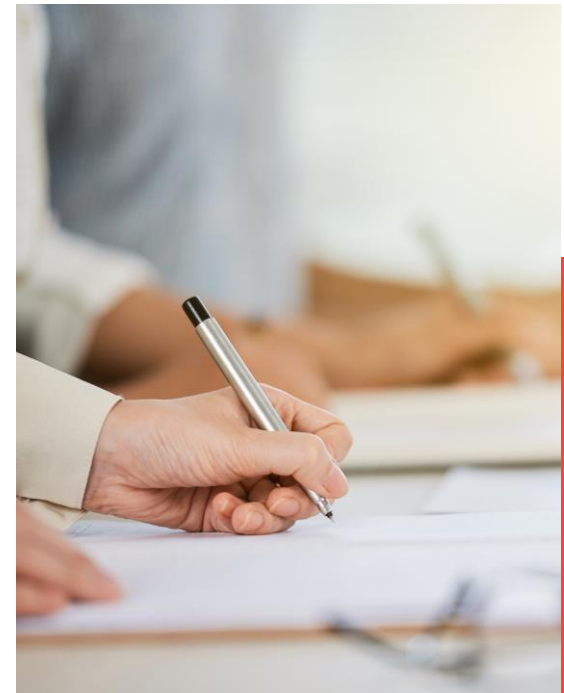
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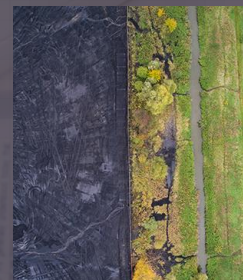
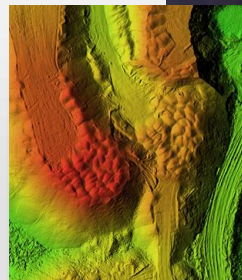
Industry Update

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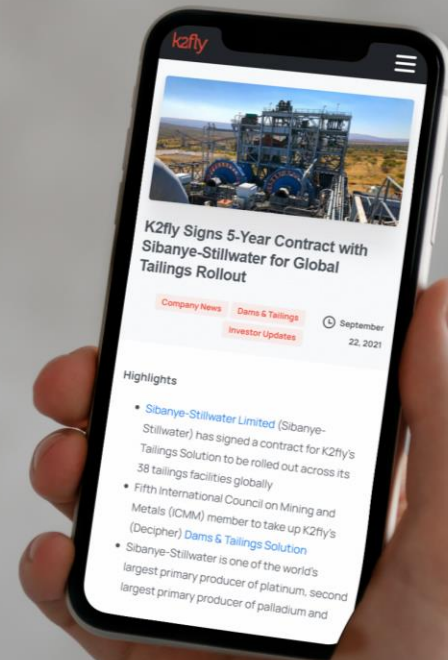
K2fly Strategy

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Summary



K2fly Overview



Meet K2fly [Video]



About K2fly

K2fly Limited (ASX: K2F) is an ASX listed technology provider of enterprise-level **Resource Governance solutions** to asset intensive and extractive industries. Our current focus is on mining.

Our solutions drive towards 'net positive impact' in ESG compliance, disclosure and technical assurance, through platform-based SaaS cloud solutions.

Our Purpose

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

Our Mission

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

Business Snapshot



K2fly Solutions



Community & Heritage



Land Access & Monitoring



Ground Disturbance



Dams & Tailings



Rehabilitation & Closure



Resource Inventory & Reconciliation



Block Model Management

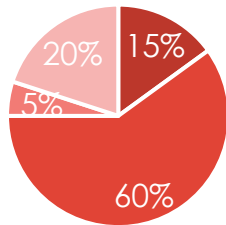


Automated Ore Blocking



Mine Geology Data Management

Global Business Distribution by ARR



■ Africa ■ Australia ■ Europe ■ Americas

Sites >500

Commodities 45

Countries 54

Clients 27



Client sites using our solutions



K2fly Offices & Representatives
Staff numbers: 70

Newmont

RioTinto

GLENCORE

Teck



GOLD FIELDS



Sibanye Stillwater

ANGLO GOLD ASHANTI

nexa



WESTGOLD RESOURCES LIMITED

COEUR MINING



ATKINS

westernpower

Member of the SNC-Lavalin Group

Clients using our solutions (not limited to)

The Board & Executive Team



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



Peter Johnson
Non-Executive Director

Maptek Chairman; 20+ years in development and application of technology in global mining



Nic Pollock
Chief Executive Officer

25 years of experience in enterprise software business and professional services



Sara Amir-Ansari
Chief Financial Officer

15 years' experience in asset intensive and service-based industries (including digital), ASX-listed, private and government owned



John Jessop
Chief Product Officer

25+ years' experience across a variety of technical mining industry software



Mark Forster
Chief Development Officer

Experience in the design, construction and implementation of large complex systems for mining organisations



Heath Arvidson
Chief Geoscientist

30 years of experience in reconciliation, Resource and Mining Geology, Mine Value Chain Reconciliation, and Mining and Reserves reporting



Basil Lenzo
Customer Success

25 years Managing Director/CEO across a broad range of markets



David Glynn
Sales Director

25 years of experience in enterprise software having worked in multiple global roles

K2fly Summary

**Resource Governance Solutions (SaaS)
for 'net positive impact' in mining & asset
intensive industries**

- ESG, compliance and disclosure
- Technical assurance



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,).

48.0% Institutional backing: Regal Funds, Tribeca and First Sentier, Wesfarmers (CSBP). Maptek 13.2%.

Global Drivers of Change

Pressure on resource companies



Finite, declining resources



Increasing transparency



Increased expectations



Ethical investing



Sustainability reporting demands

Top Risks for the Mining Industry

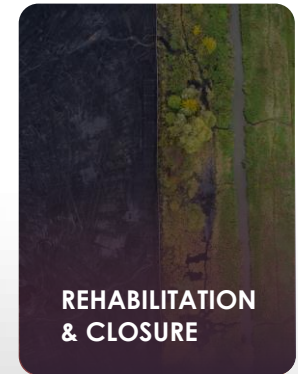
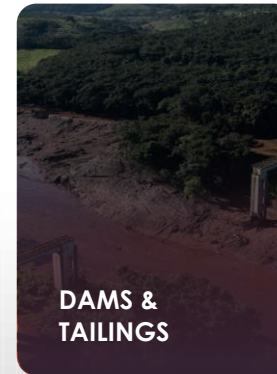
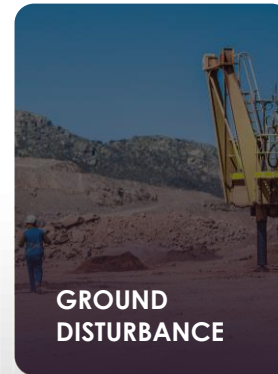
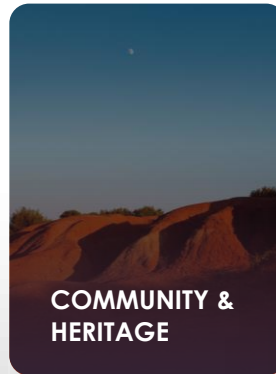
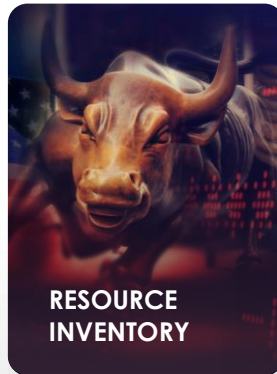
The Top 10 Risks for the mining industry according to the KPMG Global Mining Outlook 2022 report.

1. Environmental risks, including new regulations
2. Commodity price risk
3. Community relations & social license to operate
4. Political instability/nationalisation
5. Global trade conflict
6. Ability to access and replace reserves
7. Permitting risk
8. Supply chain risks
9. Talent crisis
10. Regulatory and compliance changes/burden

How does K2fly address these challenges?

Resource company value creation & impact from value destruction

K2fly Solutions



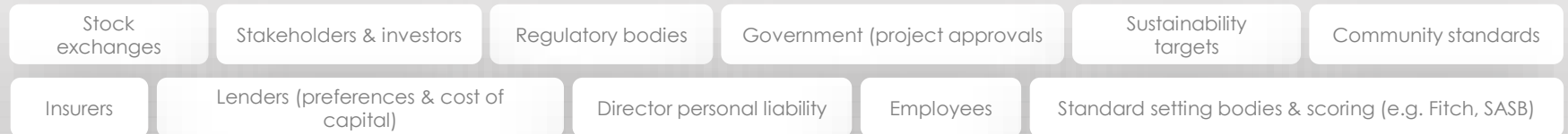
TRADITIONAL VALUATION

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 and Community Expectations Factor Evaluation

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

Drives of Change



K2fly Solution Suite

Natural
Resource
Governance

Community & Heritage

Improve stakeholder and custodian engagement.

Land Access & Monitoring

Address the multifaceted challenges of accessing land.

Ground Disturbance

Apply, approve, track, report and submit closure of permits surrounding ground disturbance activities.

Dams & Tailings

Improve compliance and provide visibility to reduce risks and support accurate closure.

Rehabilitation & Closure

Improve relinquishment, tracking of closure and achieving rehabilitation goals.

Mineral
Resource
Governance

Resource Inventory & Reconciliation

Accurately report resources and reserves to the stock exchange.

Block Model Management & Governance

Better predict outcomes for mine planning scenarios with accuracy.

Technical
Assurance

Automated Ore Blocking

Enable unprecedented efficiencies and increase the value of ore recovery.

Mine Geology Data Management

Streamline pit block outs, spatial data, logging, sampling and assay data.

Acquisitions

- Decipher
- SATEVA
- RCubed
- Infoscope

Corporate Overview

Revenue FY2021

AU\$7.0m +24% on FY2020

AU\$4.6m for 1H FY2022

Ordinary Shares on Issue

172,714,020

Market Capitalisation

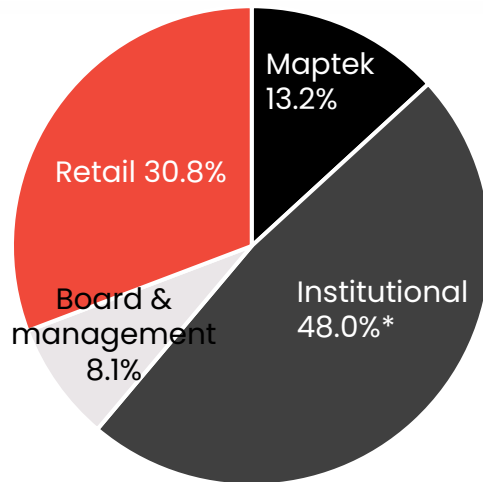
\$39.7m @ \$0.22
2 May 2022

Cash at 31 March 2022

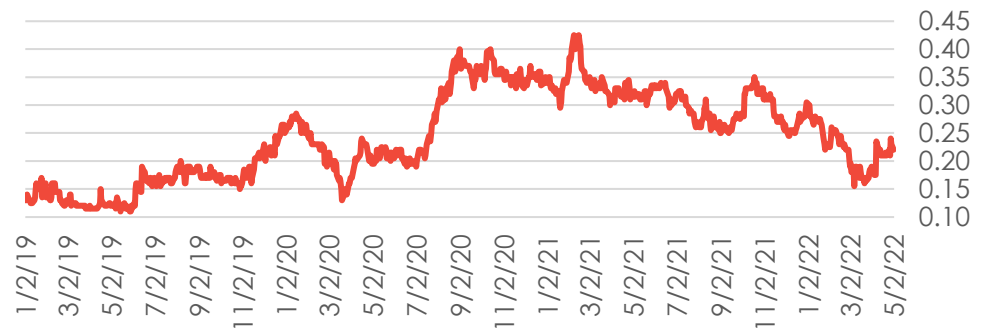
\$1.5m plus

- \$6.2m Placement proceeds (before costs), received post quarter end
- \$3.2m Trade receivables (31/3)

Shareholder Distribution

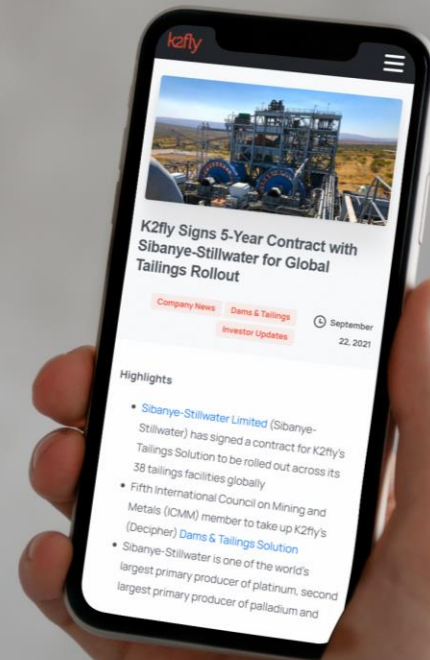


Share Price



* Institutional includes substantial holders: Tribeca, First Sentier, Regal and CSBP/Wesfarmers

Results Q3 FY2022



Quarterly Results

Q3 FY2022 (March)

Nic Pollock CEO of K2fly said

“Q3 was another quarter where operational and strategic milestones were achieved. We invoiced more than \$3m (\$3.3m) for the quarter and we drove past \$5m in ARR (\$5.2m). We landed a prestigious new client in Freeport-McMoRan, and we successfully expanded the use of our Tailings solution by in South32 to all operations globally.

We completed a strategic capital raising in April 2022 and have brought on Maptek, the world's largest private mining software group as a strategic investor.

We have also appointed a new Non-Executive Director to our Board, Peter Johnson, Chairman of Maptek who has deep experience in mining software. In undertaking the placement, our balance sheet is in a healthy position for us to pursue our global growth ambitions to be the leader in Resource Governance solutions.”

Quarterly Results – Highlights (March Q3 FY2022)

Record Quarterly Invoicing; ARR exceeds \$5m; Capital Raising and Strategic investment by Maptek post quarter end raising \$6.2m

TCV and ARR

- ARR - \$5.2m Q3 FY22
+78.9% v Q3 FY2021
- TCV - \$16.6m Q3 FY22
+81.4% v Q3 FY2021

Contracts

- Two material contracts signed on 3-year terms
- South32 (TCV \$781k / ARR \$180k)
- Freeport-McMoRan (TCV \$768k / ARR \$200k)

Strategy Update

- Track record growing to acquire businesses with complementary intellectual property to existing solutions and growing them rapidly is delivering very strong ARR growth in short timeframes
 - Revised commercial offering better leverages greater scale and value of opportunities resulting in av. annual license fees on new deals 3x higher in FYQ3 year to date
 - Continue to land new clients and then expand our offerings, growing our moat
- (only Commercial of the Shelf-COTS provider)

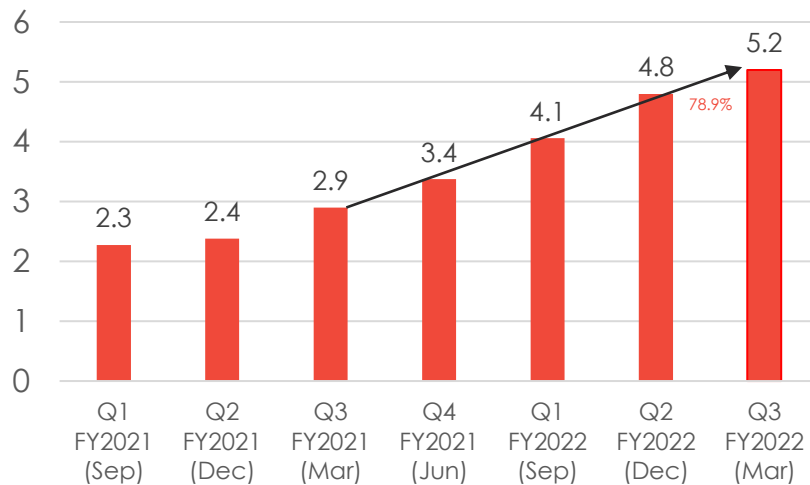
Maptek & Placement

- Capital raising (placement) of \$6.2m before costs – post quarter end ([announcement 8 April 2022](#))
- Maptek makes 13.2% strategic investment in K2fly (largest global private mining software group)
- Maptek's Chairman Peter Johnson appointed to K2fly's Board as Non-Executive Director

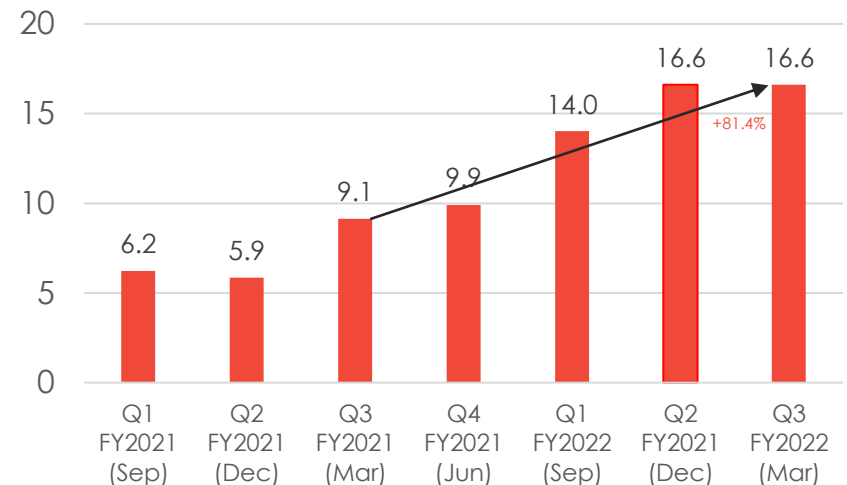
Quarterly Results

Key Metrics

ARR \$m



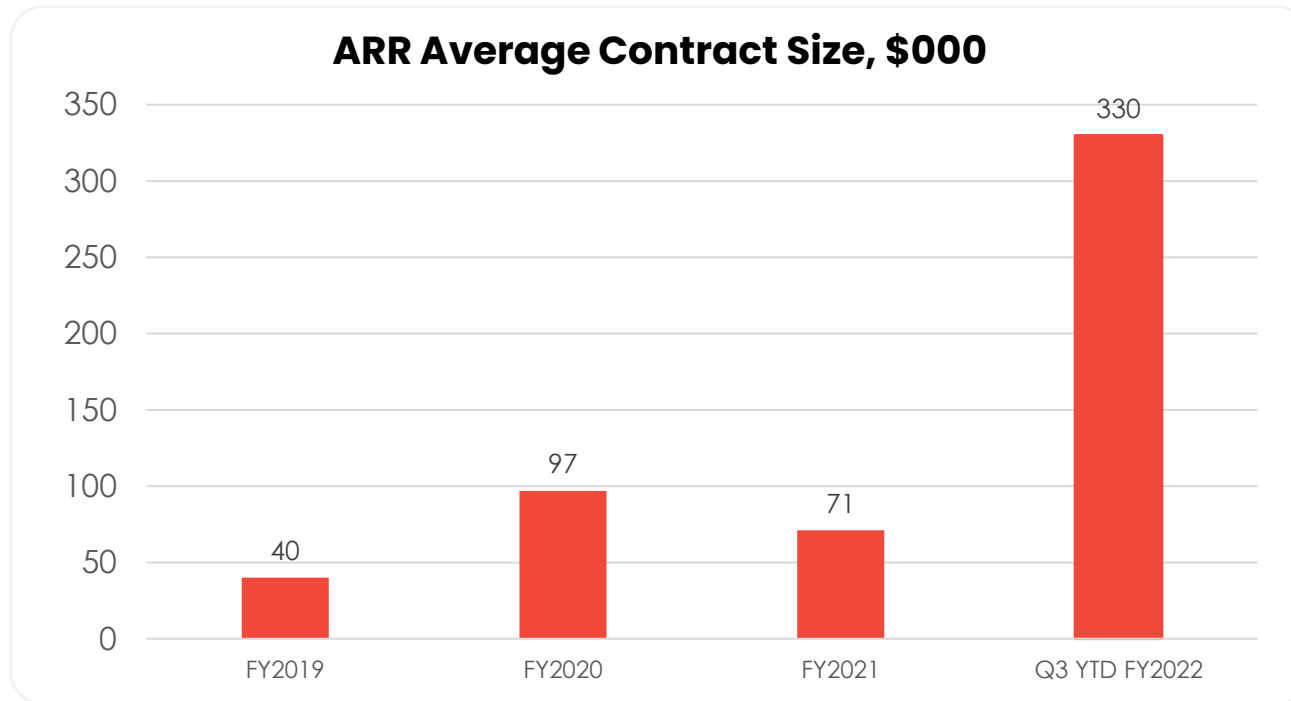
TCV \$m



- Two major contracts were signed during the March quarter, Q3 FY2022
 - South32 (3-year contract) – TCV of \$781k and ARR \$180k
 - Freeport-McMoRan (3-year contract) – TCV of \$768k and ARR \$200k
- Significant double-digit growth in ARR of 78.9% and TCV of 81.4% in the quarter compared to compared to Q3 FY2021

Average ARR Deal Growth

Strong growth in average size of new contracts signed

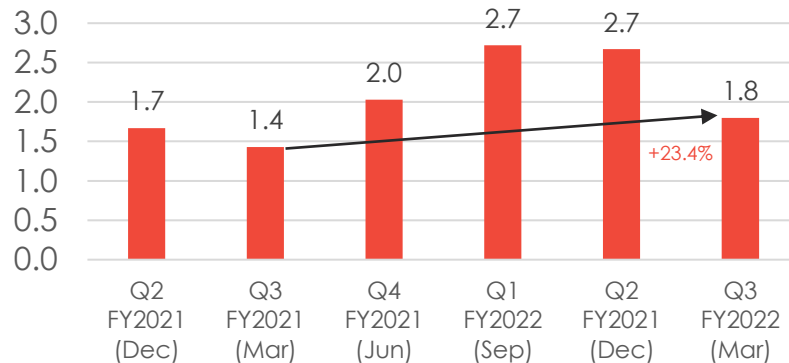


- Over the last three financial years, the annual average size of new contracts signed has grown threefold to >\$330k in the first half of FY2022, from less than \$100k.

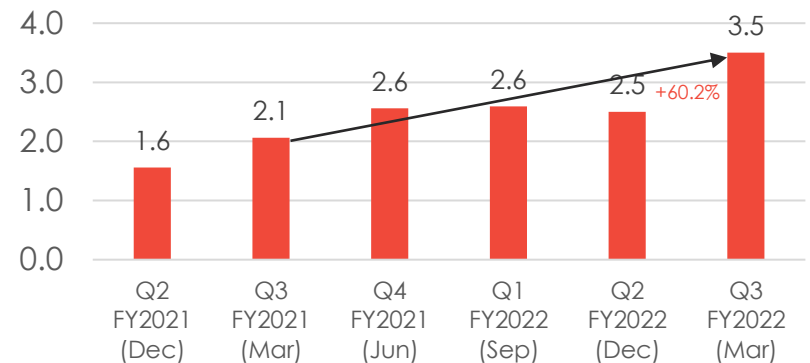
Quarterly Results

Q3 FY2022 (Mar)

Cash Receipts from Customers \$m



Invoices Raised \$m



- **Cash Receipts** from Customers in Q3 FY2022 were \$1.8m, up 23.4% compared to Q3 FY2021

- **Invoices Raised** in Q3 FY2022 were \$3.5m, up 60.2% compared to Q3 FY2021

Cash Receipts were down on the prior quarter due to the timing of billings, which were concentrated in March 2022, and payment terms.

Billings, and subsequently Cash Receipts vary by month and quarter due to the anniversary dates of client contracts (annual billing cycle), and the timing of implementation fees against project milestones.

--- 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.

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									
									
									
GLENCORE									
Newmont									
Global Aluminium Producer									
									
									
Teck									

Go to Market Strategy – SaaS business



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



Integration into leading ERP, spatial, INSAR, AI and cloud platforms



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



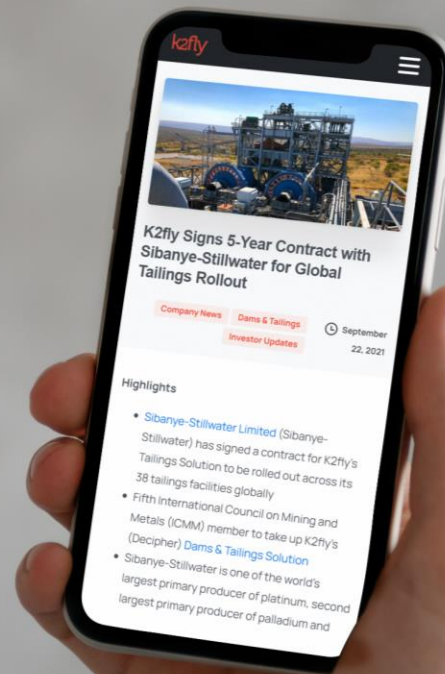
Rehabilitation

- 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

Continued 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.

High Calibre Team



K2fly has built a world class team of experienced executives and board members that can deliver on strong capability in fast growth technology companies in the METS sector (Mining Engineering Technology Services) of which Australia is a leading global player.

Demonstrated Acquisitions Success



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

Industry Dynamics



Community expectations, ESG, regulatory and technology changes are surging demand. Tailings, heritage and ground disturbance are in high demand due to ESG, corporate reputational risk and social license concerns.

Rapid 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.

Sticky Recurring Revenues



With our current and near-term customer base and the nature of our enterprise systems K2fly is set up already to be deploying systems across major miners well beyond the current 5-year terms. Deal sizes (ARR and TCV) are also growing at record levels

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