



# Investor Update

July 2022

ASX: K2F

## Solutions (SaaS) for net positive impact in

- Resource Governance
- ESG, compliance and disclosure
- Technical assurance

Authorised by the K2fly Chair and CEO



# 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 Overview

2

Results – Q4 FY2022

3

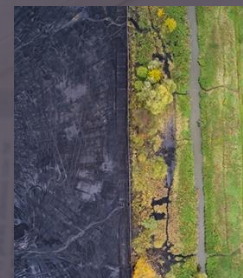
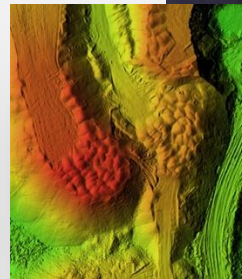
Industry Update

4

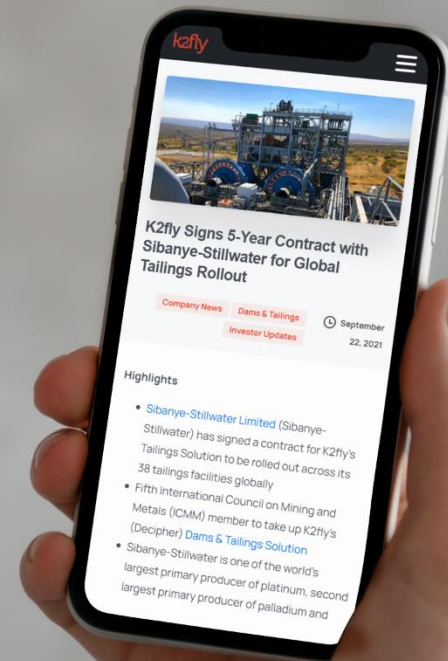
K2fly Strategy

5

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.



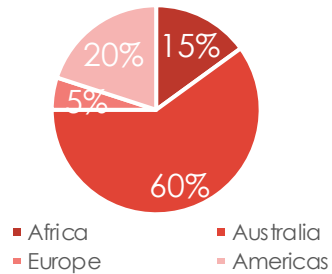
# Business Snapshot

k2fly

K2fly Solutions



Global Business Distribution by ARR



Sites	>500
Commodities	45
Countries	54
Clients	27



Client sites using our solutions

**K2fly Offices & Representatives**  
Staff numbers: 70

GLENCORE **Newmont**

**RioTinto** **BHP**

**NEWCREST**  
MINING LIMITED

**FMG**

**SOUTH32**

**GOLD FIELDS**

**Teck**

**ROY HILL**

**Sibanye**  
**Stillwater**  
**nexa**

**MINERAL RESOURCES**

**ANGLOGOLD**  
ASHANTI

**WESTGOLD**  
RESOURCES LIMITED

**The Keeping Place**

**BRISTOL**  
WATER

**ATKINS**  
Member of the SNC-Lavalin Group

**westernpower**

Clients using our solutions (not limited to)

# The Board & Executive Team



**Jenny Cutri**  
**Non-Executive Chair**

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



**Neil Canby**  
**Non-Executive Director**

25 years Chartered Accountant, IT, utilities and energy



**James Deacon**  
**Non-Executive Director**

25 years IT advisory services, airlines, utilities & mining



**Peter Johnson**  
**Non-Executive Director**

20+ years in development and application of technology in global mining



**Brian Miller**  
**Non-Executive Director**

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



**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



**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 - Record 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

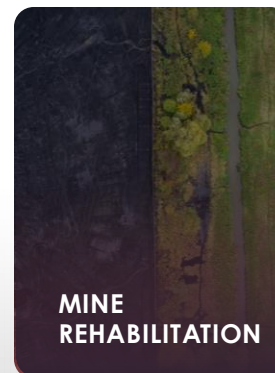
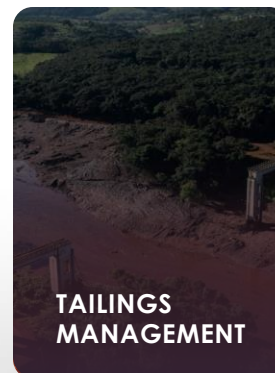
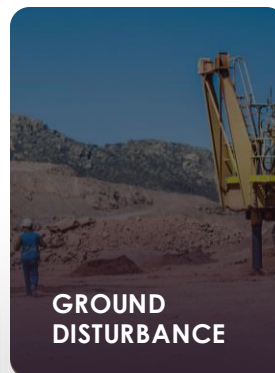
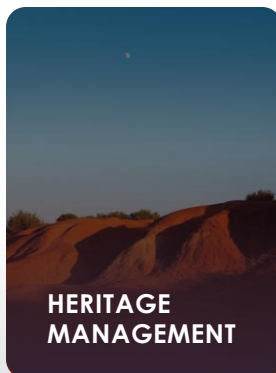
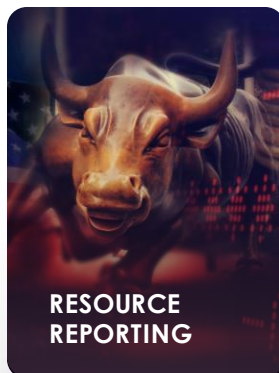
9. Talent crisis

10. Regulatory and compliance changes/burden

# How does K2fly address these challenges?

Resource company value creation & impact from value destruction

K2fly Solutions



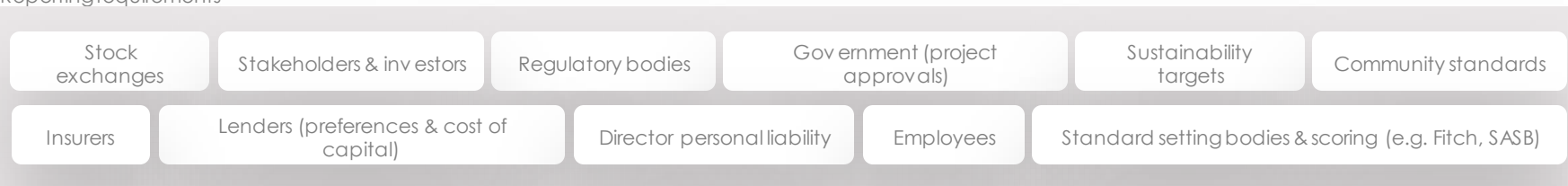
## TRADITIONAL VALUATION

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

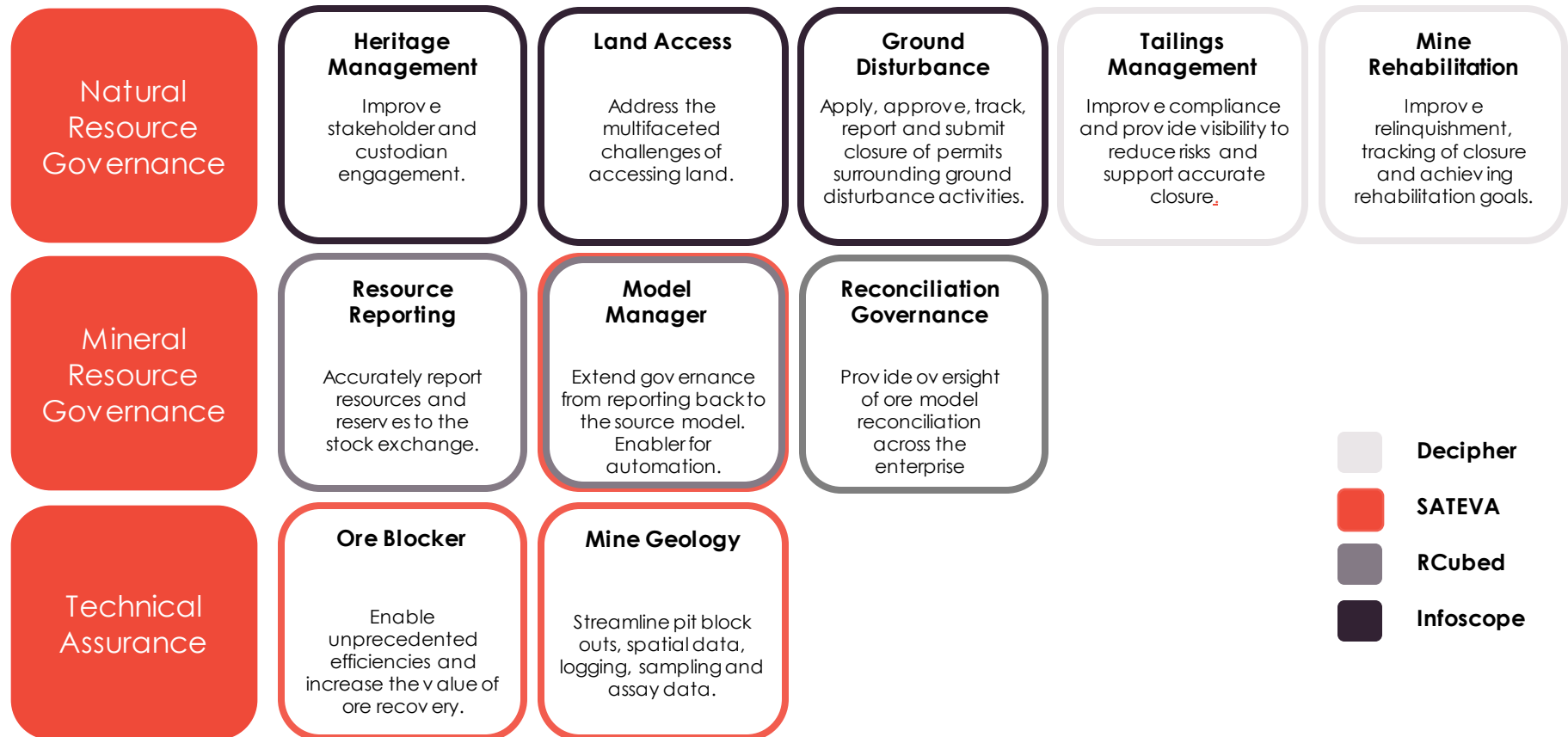
## ESG Factor Evaluation

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

Drives of Change



# K2fly Current Solution Footprint



# Corporate Overview

## Annual Recurring Revenue (ARR) FY2022

AU\$6.0m, +76% on FY2021\*

## Ordinary Shares on Issue

173,804,223

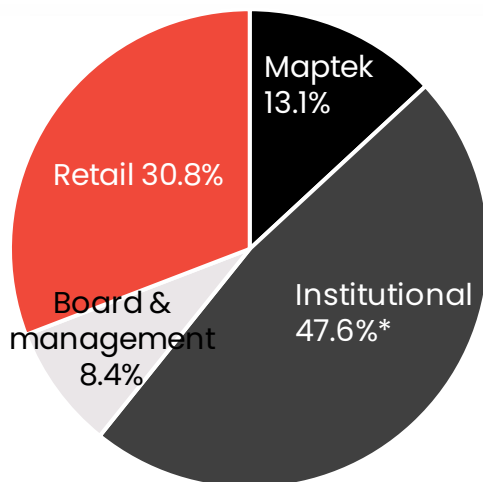
## Market Capitalisation

\$33.0m @ \$0.19  
21 July 2022

## Cash at 30 June 2022

\$8.3m  
(no debt)

## Shareholder Distribution



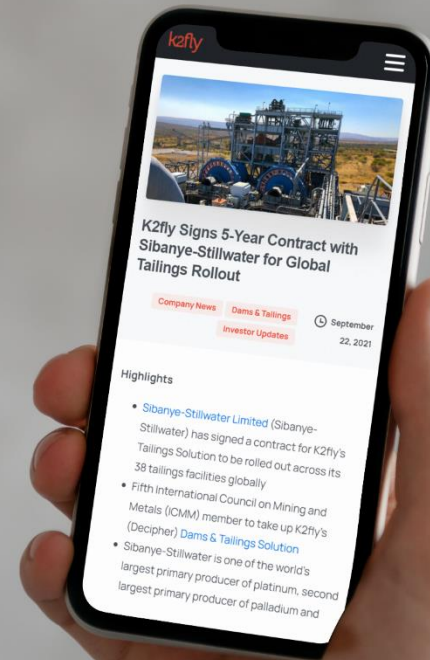
## Share Price \$



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



# Results Q4 FY2022



## Highlights

- **Sibanye-Stillwater Limited** (Sibanye-Stillwater) has signed a contract for K2fly's Tailings Solution to be rolled out across its 38 tailings facilities globally
- Fifth International Council on Mining and Metals (ICMM) member to take up K2fly's (Decipher) **Dams & Tailings Solution**
- Sibanye-Stillwater is one of the world's largest primary producer of platinum, second largest primary producer of palladium and



# Quarterly Results

Q4 FY2022 (June)

## Nic Pollock CEO of K2fly said

“We are very pleased with the quarterly and annual growth achieved across our key financial metrics in closing out the financial year FY2022 to record levels. Our management team is demonstrating a strong track record of delivering high growth whilst implementing ongoing business improvement initiatives across sales, product, delivery, and finance. Consequently, we delivered a record quarterly invoicing amount, new milestones in ARR and TCV and a positive June quarter net operating cash flow (+\$1.7m) which reduced our annual net operating cash flow deficit to just over one million dollars for the financial year end. This sets a pathway for the business to achieve a net positive operating cash position on an annualised basis.

We are extremely proud to now count BHP as another one of the global Tier 1 customers to the K2fly list having signed our first contract in the quarter. This shows strong relevance of our solutions to Tier 1 miners and beyond. Annual Recurring Revenue base has grown to \$6.0m from \$3.4m in FY2021.

In line with our other Tier 1 clients, we see considerable potential to win further work with BHP. More broadly, we will continue to focus on Tier 1 and 2 miners globally for which we see a strong runway within our existing customer base to roll out our additional, complimentary solutions. There remains great scope to service and penetrate, more broadly geographically and more deeply into, commodity types of our existing customers.

Our strong expectation of future growth is underpinned by our leading solutions being more relevant to our customers than ever. This is driven by a growing expectation among our customers' key stakeholders of seeing a more sustainable mining sector. We remain bullish on the thematic that integrating ESG solutions into their businesses is no longer a choice but a necessity being driven by investors, community expectations and regulators.”

# Q4 FY2022 Quarterly Results – Highlights

Record Growth in Key Metrics for Q4 June Quarter and Financial Year FY2022 (unaudited)

Net operating cash flow positive (+\$1.7m) in June quarter

Capital Raising and Strategic investment by Maptek raising \$6.2m (before costs)

## ARR and TCV

- ARR - \$6.0m at end of Q4 FY2022

+76% v Q4 FY2021

+15% v Q3 FY2022

- TCV - \$17.8m at end of Q4 FY2022

+80% v Q4 FY2021

+7% v Q3 FY2022

Growth in ARR / TCV contributing to positive net operating cash flow quarter (+\$1.7m), setting pathway to achieve positive net operating cash position on an annualised basis

## Contracts

- BHP Iron Ore (TCV \$2.12m / ARR \$620k)

First contract signed with BHP and deemed material to K2fly ([ASX announcement 9 May 2022](#))

- Rio Tinto (purchase order) – \$423k (non-material)
- Asarco (subsidiary of Grupo Mexico) TCV (\$468k / ARR \$145k), 3-year contract (non material)

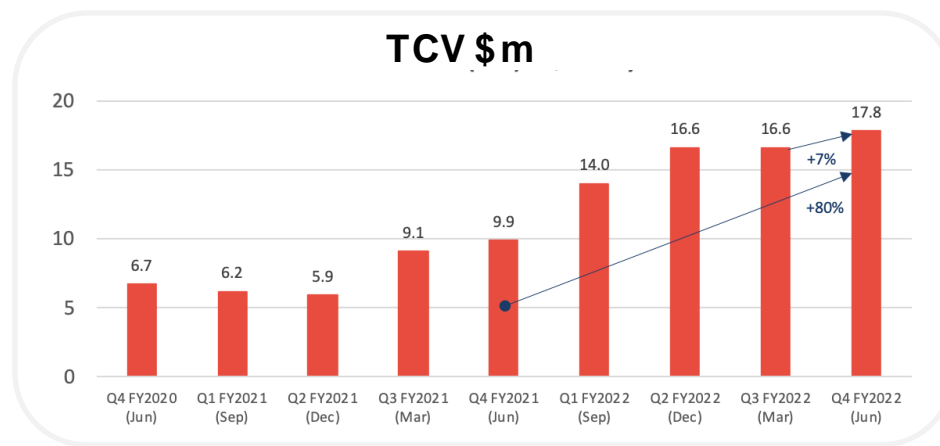
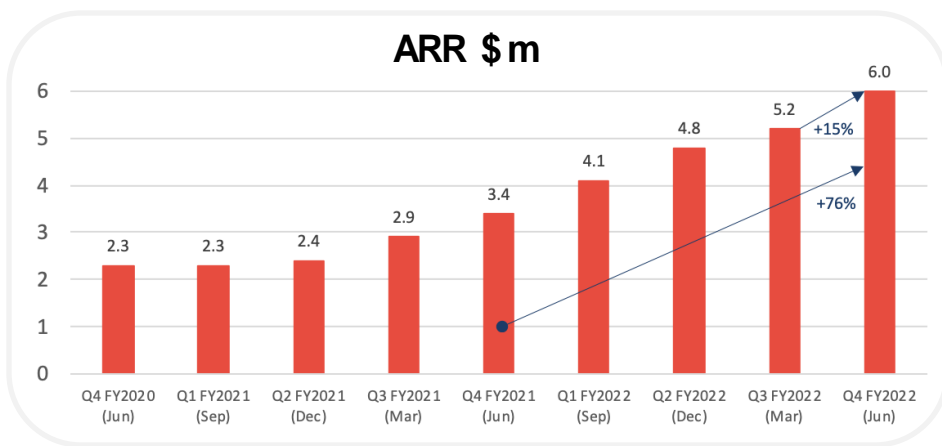
## Maptek & Placement

- Capital raising (placement) of \$6.2m before costs ([ASX 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 Q4 FY2022 (June)

Unaudited



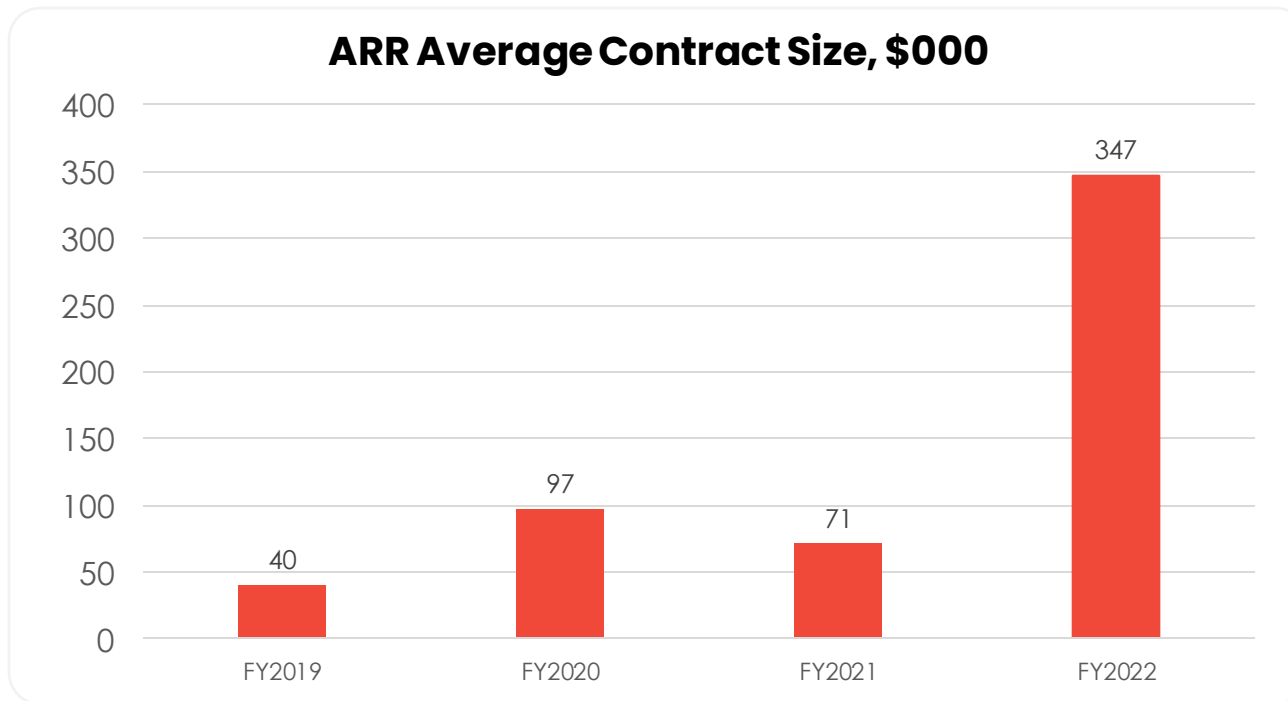
- Three major contracts were signed during the June quarter:

- BHP Iron Ore – TCV of \$2.12m and ARR \$620k (this contract was deemed material to K2fly; see ASX announcement [9 May 2022](#))
- Rio Tinto (purchase order) – \$423k (non-material)
- Asarco (subsidiary of Grupo Mexico), 3-year contract – TCV of \$468k and ARR \$145k (non-material)

- Record growth in ARR of 76% and TCV of 80% at the end of the June quarter, Q4 FY2022 compared to end of Q4 FY2021

# Average ARR Deal Growth

Strong growth in size of new (license) contracts signed, before adding in additional services fees



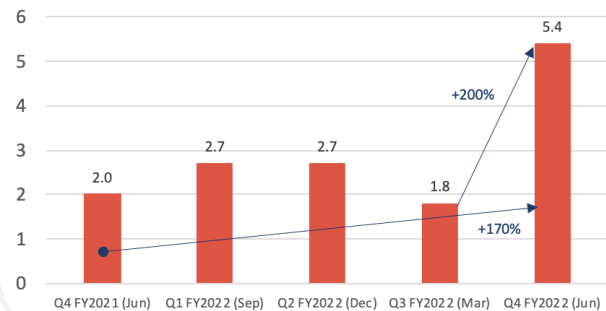
- Annual average size of new license contracts signed has grown almost fivefold to \$347k in FY2022, compared to the previous year of 71k, and prior years.

# Quarterly Results

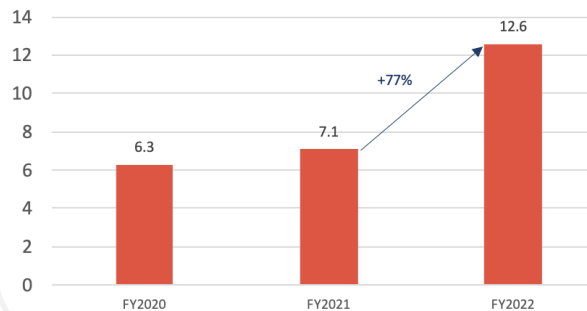
## Q4 FY2022 (June)

Unaudited

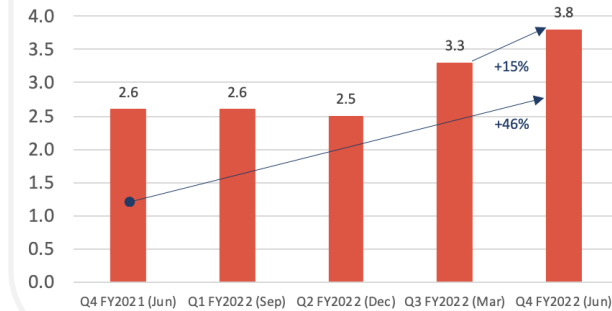
**Cash Receipts from Customers  
Quarterly - \$m**



**Cash Receipts from Customers  
Annual - \$m**



**Invoices Raised  
Quarterly - \$m**



- **Cash Receipts** from Customers in Q4 FY2022 were \$5.4m:
  - up 200% compared to Q3 FY2022
  - up 170% on Q4 FY2021
  - up 77% full year FY2022 on FY2021
- **Invoices Raised** from Customers in Q4 FY2022 were \$3.8m:
  - up 15% compared to Q3 FY2022
  - up 46% on Q4 FY2021

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 are leading and creating a new sector called Resource Governance

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.

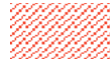
Our close customer relationships and intimate industry knowledge give us the ability to identify new and complementary solutions for our customers.





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.

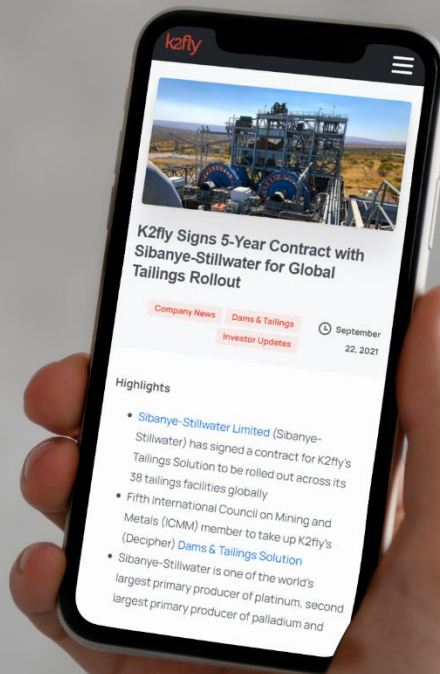
# Sample Clients & Expansion

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



K2FLY SOLUTION PENETRATION									
	Resource Reporting	Land Access	Heritage Management	Ground Disturbance	Tailings Management	Mine Rehabilitation	Model Manager	Ore Blocker	Mine Geology
<b>RioTinto</b>	Shaded		Shaded	Shaded	Shaded				Shaded
		Shaded	Shaded	Shaded					
	Shaded				Shaded				
<b>GLENCORE</b>	Shaded								
<b>Newmont</b>	Shaded								
Global Aluminium Producer	Shaded				Shaded				
					Shaded				
							Shaded	Shaded	Shaded
<b>Teck</b>	Shaded				Shaded				

# Summary



# K2fly Current Position

## Record Growth in Key Metrics (ARR/ TCV)



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.



# 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.

## NATURAL RESOURCE GOVERNANCE

[Heritage Management](#)

[Land Access](#)

[Ground Disturbance](#)

[Tailings Management](#)

[Mine Rehabilitation](#)

## MINERAL RESOURCE GOVERNANCE

[Resource Reporting](#)

[Model Manager](#)

## TECHNICAL ASSURANCE

[Ore Blocker](#)

[Mine Geology](#)

[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

Direct: 303-725-4903

## South Africa

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



[www.k2fly.com](http://www.k2fly.com)



**Nic Pollock**

Chief Executive Officer  
[nic.p@k2fly.com](mailto:nic.p@k2fly.com)