

K2FLY 2022 ANNUAL GENERAL MEETING CHAIR'S ADDRESS

K2fly Limited (K2F, K2fly or the Company) (ASX: K2F), is the leading provider of Resource Governance solutions for 'net positive impact' in Environmental, Social and Governance (ESG) compliance, disclosure and technical assurance. We focus on the operations of mining and asset intensive industries through our platform-based SaaS cloud solutions.

Good morning ladies and gentlemen, I'm Jenny Cutri, welcome to the 2022 Annual General Meeting of K2fly and my final address as Chair.

Firstly, I would like to express the Company's thanks to all our shareholders for your continued support in what has particularly been a turbulent year for the broader capital markets and more specifically, the technology sector, to which K2F has not been immune.

However, despite this backdrop, FY22 was an extremely positive year of growth for the Company, backed multi-year contracts, which included the following highlights:

- Revenues grew 44% year on year, achieving a record of \$10M. Growth was a function of winning new clients including BHP and growing the range of software and services sold to existing clients such as Rio Tinto (which demonstrates the success of our land and expand strategy), and increased sales prices.
- Annual recurring revenue (ARR) was \$6.0m at 30 June 2022, 76% higher than 30 June 2021. This continues to grow, since the end of FY22 we have announced further contracts with FMG, ImerySA, Mineral Resources Limited, Rio Tinto and ArcelorMittal.
- Notwithstanding the Company's growth aspirations and the market opportunity, we remain committed to operating in a financially sustainable manner by growing our ARR from existing and new clients and managing our cost base, while we sustain investment in our products and our service capacity.
 - Cash used in operating activities was a net outflow of \$0.85m during FY22, it was 48% less than the prior year (30 June 2021: \$1.64m) and comprised a net outflow of \$1.25m for the half year ended 31 December 2021 and a net inflow of \$0.4m in the half year ended 30 June 2022.
 - Investment to enhance the Company's SaaS product suite was \$2.7m during FY22, 144% higher than the prior year (30 June 2021: \$1.11m). This investment includes developing the new Resource Reporting solution, the technical assurance solutions (Ore Blocker and Mine Geology), and enhancing the functionality of the Natural Resource Governance offerings.
- In April 2022, the Company successfully completed a placement to raise \$6.2m (before costs). The Placement was led by strategic investor, Maptek, a leading international mining software services business. As a result of the Placement, Maptek became a 13.2% shareholder in the Company.
- Since the investment by Maptek and addition of Maptek's Peter Johnson to the Board, we have collaborated with Maptek and integrated our Mineral Resource Governance Solution with

Maptek Vulcan – their global class leading product. Over the coming years we will work to continue to develop this collaboration. Since his appointment Pete has proved to be a valuable addition to the Board working arduously and offering his years of experience to the Board and Executive team.

- We did have one or two bumps along the road including fraud by a former employee of the Group's South African registered subsidiary which result in provisional recognition of \$0.76m liability.
- FY22 saw the appointment of Nic Pollock as Chief Executive Officer, internally promoted into the role from Chief Commercial Officer, and Sara Amir-Ansari as our inaugural Chief Financial Officer. The executive and broader team have delivered exceptional results in FY22 and positively sales / new contracts as well as new products and solutions have continued into the commencement of FY23.
- There have been changes at Board level with the progressive transition of Brian Miller from Chief Executive Officer to Executive Director and very recently, Pauline Vamos joined the Board as Non-Executive Director. In terms of retirement following this AGM, James Deacon and I will be stepping down as Non-Executive Directors. Pauline Vamos will hopefully be re-elected today and will step into the role of Chair. Having known Pauline for a number of years and given her extensive experience I am sure she will be an incredible asset to K2F. On behalf of the Board and all staff at K2fly, I would like to take this opportunity to thank James for his invaluable contribution and tireless work over the last 5 years, including in his role as Chair of the Remuneration Committee.

FY23 and beyond:

We believe resources are precious and it is the responsibility of those that have tenure of those resources to manage them appropriately. With that in mind our mission continues to be a trusted partner of choice to customers in to resource and land intensive industries, with our people and our software contributing to a more sustainable and transparent world.

This is supported by our values of: Customer Focused; Growth; Integrity; Collaboration; and Curiosity.

Our future strategic objectives include:

- **Product Leadership** define and thought lead the resource governance enterprise software space, globally and deliver to our customers an integrated, modular suite of solutions
- **Sales Execution** continue to grow our ARR and TCV
- **Become financially sustainable**
- **Customer Success** provide greater customer experiences and leverage and realised global rollout opportunities with Tier 1 accounts
- **Attract and retain the right people for our business**

I would like to thank our team for their hard work, focus on excellence in all areas of our business and their high level of customer service including the desire to find innovative and practical solutions for our clients.

On culture, "One K2fly" remains a continued focus and investment of the Company. We truly believe with the Board, management and staff of K2fly dedicated to our purpose and vision, and working as "One K2fly", this will steer our Company to reach its full potential.

Finally, I would like to thank my fellow board members and the company secretaries for their incredible contribution to K2F over the years and for their support.

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It has been an absolute pleasure being a Non-Executive Director of K2F for the past 5 years and 4 of those in the role of Chair. In this time K2F has transitioned from being a Company with largely a consultancy business to a single client, to today being a growing powerhouse offering enterprise-level resource governance solutions in environmental, social and governance compliance, disclosure and technical assurance, through platform-based software as a service (**SaaS**) cloud solutions, servicing an incredible stable of Tier 1 resource companies globally. I am sure the trajectory for K2F remains incredibly bright.

Jenny Cutri
Chair – K2F

Announcement released with authority of K2fly Board.

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About K2fly

K2fly Limited (ASX: K2F) is an ASX listed technology provider of enterprise-level Resource Governance solutions for '**net positive impact**' 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.

Our solutions address many industry challenges and help manage risk around clients' social license to operate concerning reporting & governance, reputation and disclosure demands.

Product & service offering: We deliver a suite of solutions across three key areas on a single platform:

- Natural Resource Governance
- Mineral Resource Governance
- Technical Assurance

Customers: Spanning all continents, our customer base includes multinational Tier-1 and Tier-2 mining clients operating in 54 countries.

Strategy: Through acquisition, development, and partnerships, K2fly have assembled a unique platform that aims to generate high margin SaaS recurring revenues, being rolled out globally. Our strategy is to 'land and expand' our offering with clients over time whereby additional solutions are rolled out to support central operational management and efficiency gains.

K2fly works closely with peak industry bodies, regulators, and our own industry advisory groups on ESG topics that are driven by rapidly changing regulations, community and investor expectations to build fit for purpose industry solutions that adhere to recognised codes and standards.

Strategic alliances: K2fly has strategic alliances with global technology companies such as Esri (USA), SAP (Germany), Hitachi-ABB (Japan) and Descartes Labs (USA).

Platform [overview](#)

Area	Solution	Related Acquisition
Natural Resource Governance	Heritage Management	Infoscope
	Land Access	Infoscope
	Ground Disturbance	Infoscope
	Tailings Management	Decipher
	Mine Rehabilitation	Decipher
Mineral Resource Governance	Resource Disclosure	RCubed

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	Model Manager Mine Reconciliation	RCubed, Sateva RCubed
Technical Assurance	Ore Blocker Mine Geology	Sateva Sateva