



Solutions for net
positive impact

INVESTOR UPDATE

JANUARY 2023

ASX: K2F

Leading Resource Governance Solution Providers

- ESG, Compliance and Disclosure
- Technical Assurance

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Agenda



K2fly Overview



Results – December, Q2 FY2023



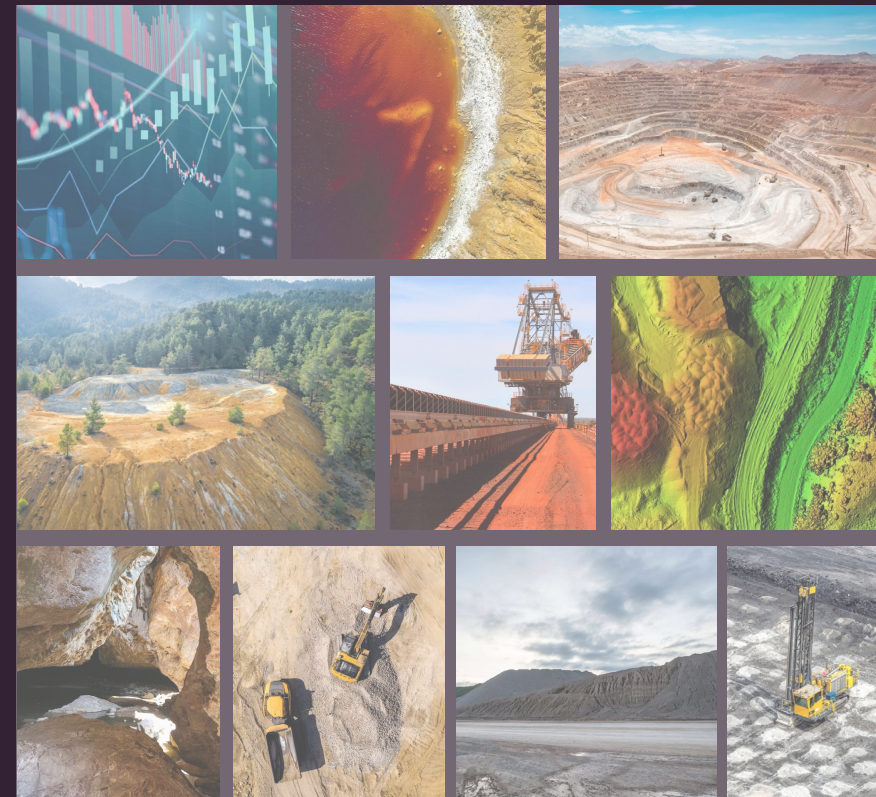
Industry Update



K2fly Strategy



Summary





K2FLY OVERVIEW



Meet K2fly



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.

WHAT WE DO

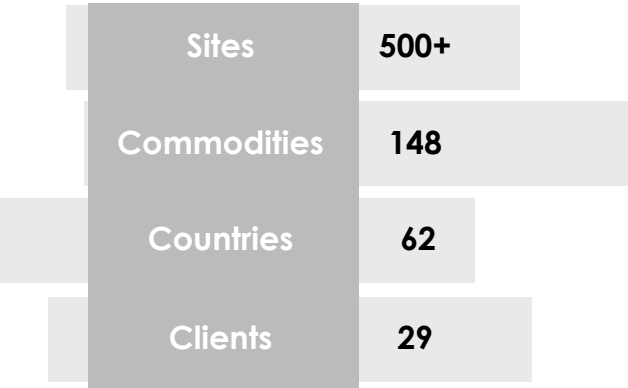
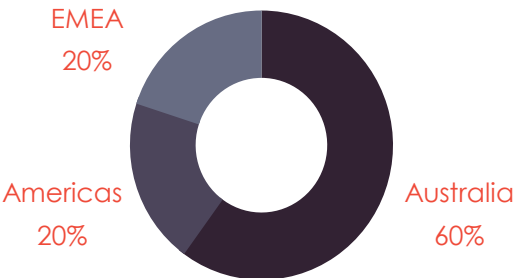
We deliver enterprise software solutions in Resource Governance (RG) to major mining and land-intensive clients.

WHY WE MATTER

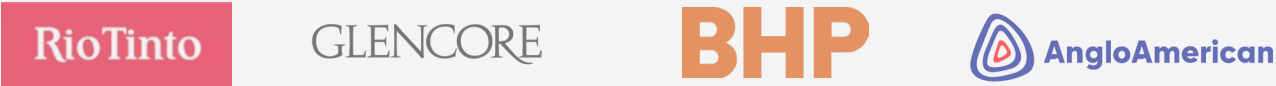
Our software and our people contribute to a more sustainable and transparent world.

Business Snapshot

Global Business Distribution by ARR



Global Resource Leaders



Clients by Commodity



Utilities Clients



K2fly Resource
Governance
Solutions



Land
Access



Heritage
Management



Ground
Disturbance



Tailings
Management



Mine
Rehabilitation



Resource
Disclosure



Mine
Reconciliation



Model
Manager



Ore
Blocker



Mine
Geology

The Board & Executive Team



Pauline Vamos
**Non-Executive
Director**

Experienced director and
chair with ESG expertise



Neil Canby
**Non-Executive
Director**

25 years Chartered
Accountant, IT, utilities and
energy



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



Basil Lenzo
Chief Customer Success

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



Sara Amir-Ansari
Chief Financial Officer

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



Sean Helm
General Manager Industry Solutions

27 years' experience in the exploration, mining and
evaluation of ore deposits.

Top Risks for the Mining Industry



Deloitte.

1	ESG <small>k2fly</small>	Environmental risks, including new regulations <small>k2fly</small>	Aligning capital allocation to ESG <small>k2fly</small>
2	Geopolitics	Commodity price risk	Reshaping traditional value chains <small>k2fly</small>
3	Climate change	Community relations and social license to operate <small>k2fly</small>	Operating in the new super-cycle
4	License to operate <small>k2fly</small>	Political Instability/Nationalisation	Embedding ESG into organisations <small>k2fly</small>
5	Productivity and costs <small>k2fly</small>	Global trade conflict	Evolving mining's world of work
6	Supply chain	Ability to access and replace reserves <small>k2fly</small>	Establishing a new paradigm for Indigenous relations
7	Workforce	Permitting risk <small>k2fly</small>	Continuing the journey toward innovation-led organisations
8	Capital <small>k2fly</small>	Supply chain risks	Unlocking value through integrated operations <small>k2fly</small>
9	Digital innovation <small>k2fly</small>	Talent crisis	Closing the IT-OT vulnerability
10	New business models	Regulatory and compliance changes/burdens <small>k2fly</small>	Preparing operations for climate change

According to the EY Top 10 Business Risks and opportunities for mining and metals in 2023 report.

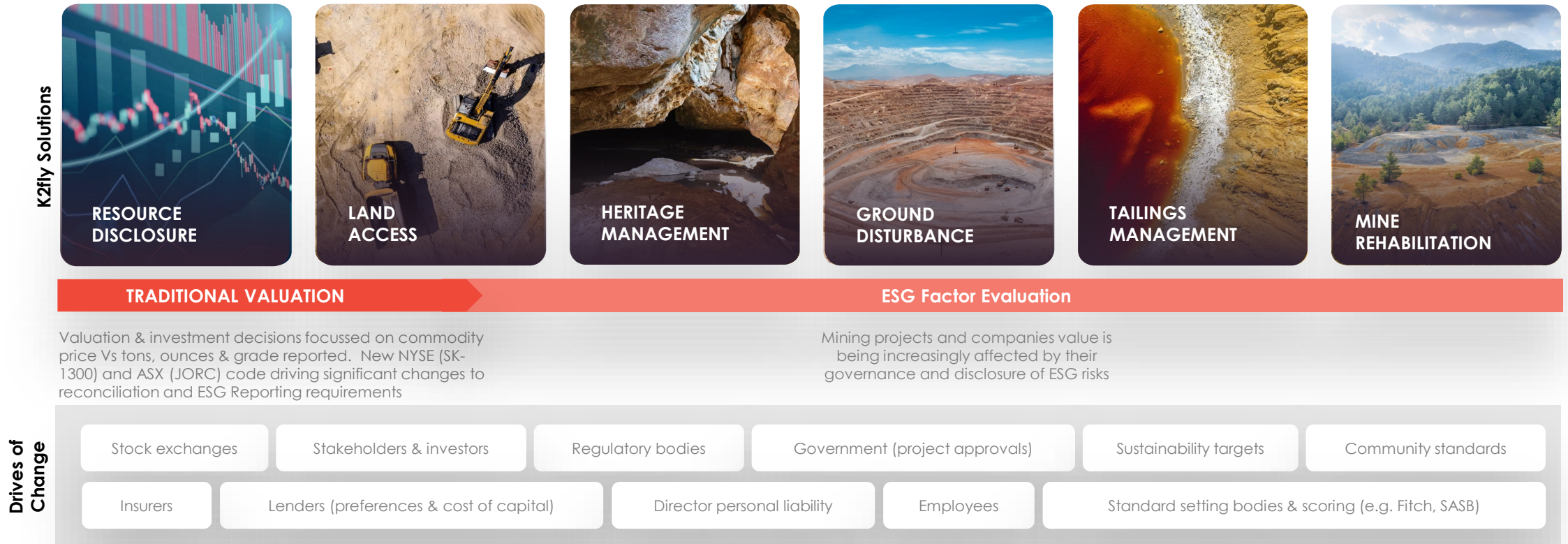
According to the KPMG Global Mining Outlook 2022 report.

According to the Deloitte Tracking the Trends 2022 report.

k2fly Denotes challenges and risks that K2fy solutions address

How does K2fly Resource Governance address these challenges?

Resource company value creation & impact from value destruction



Regulatory, Community and Industry Standards Driving ESG Demand

K2fly Solutions



Greenwashing Regulations

- Being captured by multiple laws and regulations globally
- Includes consumer protection laws on false product claims, stock exchange regulators on investment product claims, company laws on director liability and advocacy group directives
- Fast evolving space with new laws on the way including in with US, Europe and Australia



ASIC
Australian Securities & Investments Commission



Peak Industry Bodies



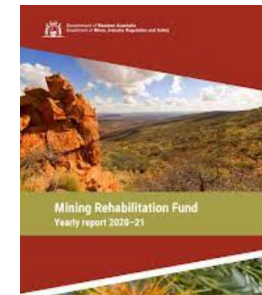
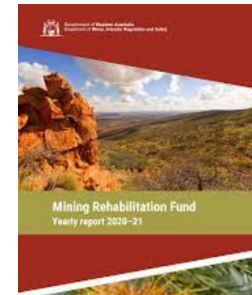
Regional Reporting Standards



S-K 1300



Aboriginal Cultural Heritage Act 2021





What makes our Resource Governance solutions invaluable to our clients?

Our solutions operationalise ESG performance from the ground up

Protect license to operate and social license

Replace and Improve outdated operational systems for rapidly changing ESG demands

Speed up mining approval processes

Reduce potential for “greenwashing” - Disclose with confidence that data is verifiable and auditable

Provide deep knowledge and capability around mining processes

Adherence of regulatory and industry standards



K2fly Current Solution Footprint

Natural
Resource
Governance

Mineral
Resource
Governance

Technical
Assurance

Heritage Management

Improve stakeholder and custodian engagement.

Land Access

Address the multifaceted challenges of accessing land.

Ground Disturbance

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

Tailings Management

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

Mine Rehabilitation

Improve relinquishment, tracking of closure and achieving rehabilitation goals.

Resource Disclosure

Accurately report resources and reserves to the stock exchange.

Model Manager

Extend governance from reporting back to the source model. Enabler for automation.

Mine Reconciliation

Provide oversight of ore model reconciliation across the enterprise

Ore Blocker

Enable unprecedented efficiencies and increase the value of ore recovery.

Mine Geology

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

The challenge for mining companies is 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.

K2fly's solutions provide internal performance and risk management of operations and a disclosure mechanism.



Corporate Overview

Annual Recurring Revenue (ARR) Q2 FY2023

AU\$6.9m, +44% on Q2 FY22*

Ordinary Shares on Issue

174,375,478

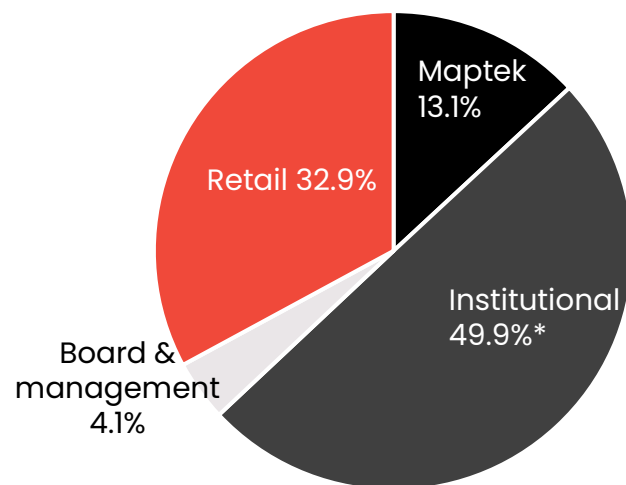
Market Capitalisation

\$29.6m @ \$0.17
23 January 2023

Cash at 31 December 2022

\$5.0m
No debt

Shareholder Distribution



Share Price \$



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



RESULTS December, Q2 FY2023

Q2 FY2023 Quarterly Results - Highlights

Strong Uptake of New Resource Governance Platform Leading to Significant Tier-1 Contract Wins
and Continued Growth in Key Financial Metrics

ARR / TCV

- **ARR** - \$6.9m at end of Q2 FY2023
+6% v Q1 FY2023
+44% v Q2 FY2022
- **TCV** - \$19.5m at end of Q2 FY2023
+4% v Q1 FY2023
+17% v Q2 FY2022

Contracts

- **Rio Tinto** (Reconciliation solution); 3-years - TCV \$360k / ARR \$75k
- **Mineral Resources Limited** (Model Manager solution); 3-years - TCV \$1.75m / ARR \$475k
- **ArcelorMittal Mining UK** (Resource Disclosure & Model Manager solutions); 5-years - TCV \$1.9m / ARR \$332k
- **Anglo American plc** (Resource Disclosure solution); 3-years - TCV \$1.44m / ARR \$375k
- **Rio Tinto** - mutual discontinuation of Ground Disturbance license and implementation project (Pilbara region of Western Australia); contract TCV of \$2.6m and ARR of \$620k

Platform Solution

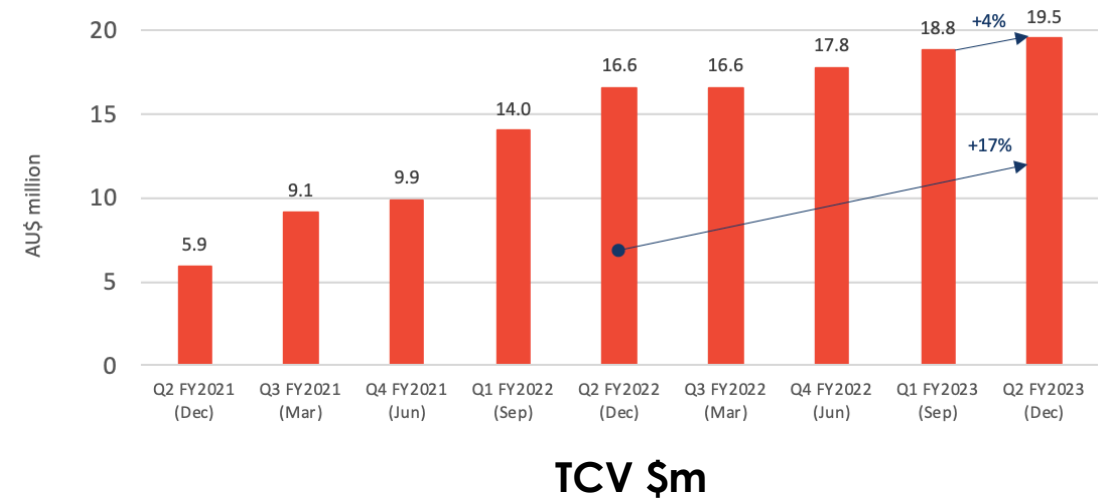
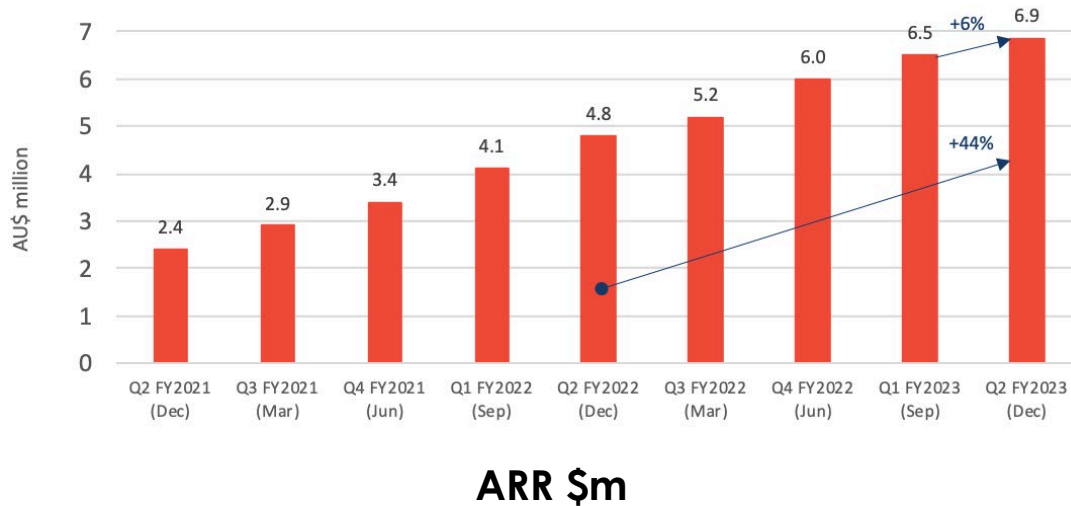
- New Resource Governance Platform launched in December 2022 including upgraded Mineral Resource Reporting solution (RCubed), integrated with Maptek Vulcan

Board Changes

- Pauline Vamos joined K2fly Board and was appointed Chair; Directors Jenny Cutri (outgoing Chair) and James Deacon retired after the November AGM

Quarterly Results

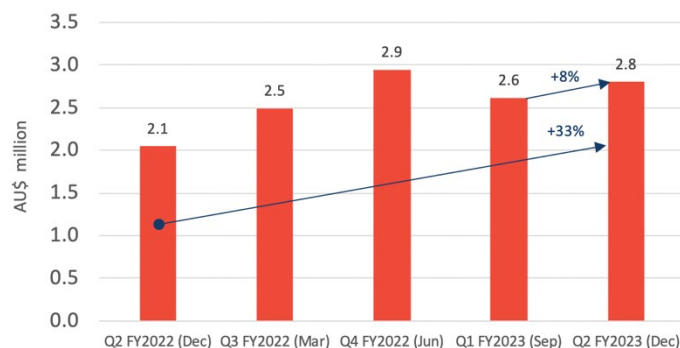
Key Metrics Q2 FY2023 (December)



- Record growth in ARR of 44% and TCV of 17% at end of the Dec quarter, Q2 FY2023 compared to end of Q2 FY2022
- Four major contracts were signed during the December quarter:
 - Rio Tinto** (Reconciliation solution); 3-years - TCV \$360k / ARR \$75k
 - Mineral Resources Limited** (Model Manager solution); 3-years - TCV \$1.75m / ARR \$475k
 - ArcelorMittal Mining UK** (Resource Disclosure & Model Manager solutions); 5-years - TCV \$1.9m / ARR \$332k
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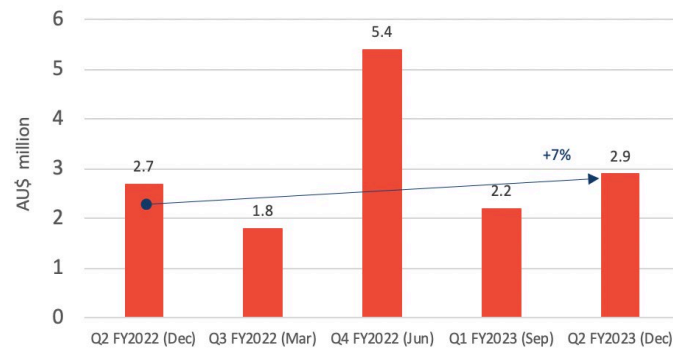
Quarterly Results

Q2 FY2023 (December)



Revenue
Quarterly - \$m

- Revenue in Q2 FY2023 was \$2.8m:
 - up 8% compared to Q1 FY2023
 - up 33% on Q2 FY2022



Cash Receipts from Customers
Quarterly - \$m

- Cash Receipts from Customers in Q2 FY2023 were \$2.9m:
 - up 7% on Q2 FY2022

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.

CEO Nic Pollock said,

"Q2 FY23 was a pivotal quarter for K2fly with the new platform release coupled with significant new tier-1 customer acquisition and continued fiscal discipline. Unfortunately, the record growth in new customer ARR and TCV was offset by the mutual discontinuation of the Rio Tinto ground disturbance project in the Pilbara.

Our ongoing investment in our platforms and solutions is paying dividends and attracting mining majors like Anglo American plc. This confirms that K2fly is on the right path and capitalising on a once in a generation investment by global majors to enhance their public disclosures to maintain and strengthen their ESG credentials. Our new platform will open more opportunities for our customers to leverage that investment and for K2fly to offer more adjacent solutions.

Our key metrics continue to trend in the right direction as we manage the balance between our continued investment in growth coupled with our increased focus on costs positioning us on the path to operational cash flow breakeven. There remains lumpiness in invoicing and cash collections across quarters, which are due to the annual invoicing cycle, but overall, the trends are in the right direction and variability will stabilise as K2fly grows its revenue base. It's also encouraging that we know that the second half of the financial year is contractually stronger than the first half, due to many invoicing anniversary dates and collections falling into the June quarter.

We are really pleased to welcome Pauline Vamos as our new Chair, and we are already benefiting from Pauline's energy, experience, and new perspectives on our business."

* See Q2 FY2023 Quarterly Report for full quote.



Investment Highlights

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



K2FLY STRATEGY

Strategy FY22-27

Purpose

What we believe

All Resources are precious. It is the responsibility of those that have tenure of those resources to manage them with appropriate levels of Resource Governance for all stakeholders.

What we do

We deliver enterprise software solutions in Resource Governance (RG) to major mining and land-intensive clients.

Why we matter

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

Where we want to be

To be a trusted partner of choice to enterprise customers in resource and land intensive industries.

Strategic Objectives

Product Leadership

Define and thought lead the resource governance enterprise software space, globally.

Deliver customers an integrated, modular suite of solutions.

Sales Execution

Maintain Strong Top line Growth (Land).

Continued high ARR and TCV YoY growth.

Customer Success

Provide great customer experiences .

Leverage and realise global roll out opportunities with Tier 1 accounts in Land Management.

Become Financially Sustainable

No requirement for external capital other than for potential acquisitions.

Attract and Engage Stars

Continue to attract, engage and recognise the right people into our business.

One Team culture One K2fly.

Values



Customer Focused



Growth



Integrity



Collaboration



Curiosity

Land & Expand Strategy

	K2fly Solution Penetration									
	Land Access	Heritage Management	Ground Disturbance	Tailings Management	Mine Rehabilitation	Resource Disclosure	Mine Reconciliation	Model Manager	Ore Blocker	Mine Geology
										
										
										
										
										
										
										
										
										
										
										

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

About K2fly

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NATURAL RESOURCE GOVERNANCE

[Heritage Management](#)

[Land Access](#)

[Ground Disturbance](#)

[Tailings Management](#)

[Mine Rehabilitation](#)

MINERAL RESOURCE GOVERNANCE

[Resource Disclosure](#)

[Model Manager](#)

[Mine Reconciliation](#)

TECHNICAL ASSURANCE

[Ore Blocker](#)

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Contact Us

Nic Pollock

Chief Executive Officer



nic.p@k2fly.com



k2fly.com



Head Office - Perth, WA

Level 4, 502 Hay Street?Subiaco WA 6008

North America

Direct: 303-725-4903

South Africa

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