



Investor Update & Quarterly Results

APRIL 2023

ASX: K2F

Leading Resource Governance Solution Providers

- ESG, Compliance and Disclosure
- Technical Assurance

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Agenda



K2fly Overview



Industry Update



Q3 FY23 Quarterly Results



K2fly Strategy

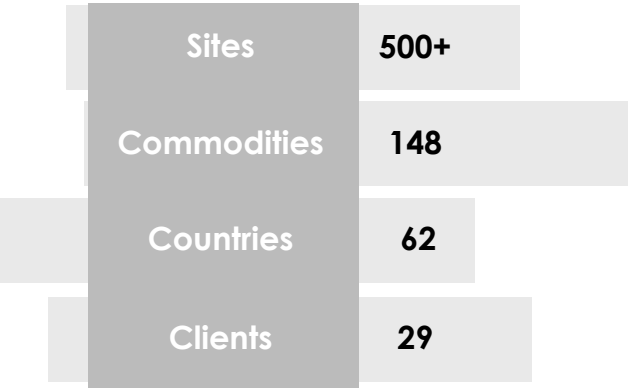
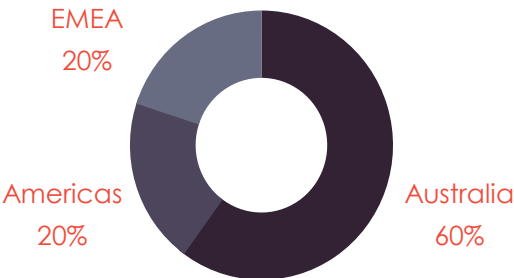


Summary

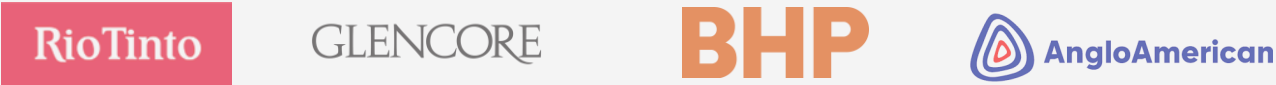


Business Snapshot

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
Chair

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



Sara Amir-Ansari
Chief Financial Officer

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



Boz Elloy
Chief Product Officer

25 years technology leadership, with 12 years at Silicon Valley NASDAQ majors, plus with 13 years driving digital transformation in mining.



Basil Lenzo
Chief Customer Success

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



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

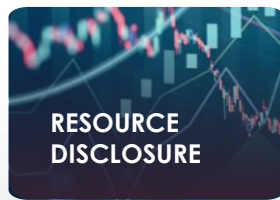
How does K2fly Resource Governance address these challenges?

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



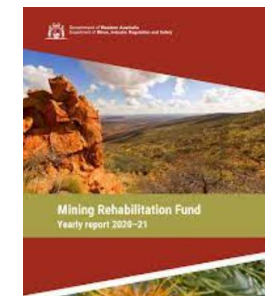
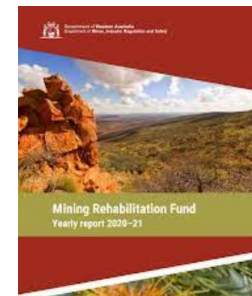
Regional Reporting Standards



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

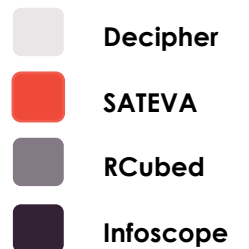
Enable unprecedented efficiencies and increase the value of ore recovery.

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) Q3 FY2023

AU\$7.0m*

Ordinary Shares on Issue

175,314,801

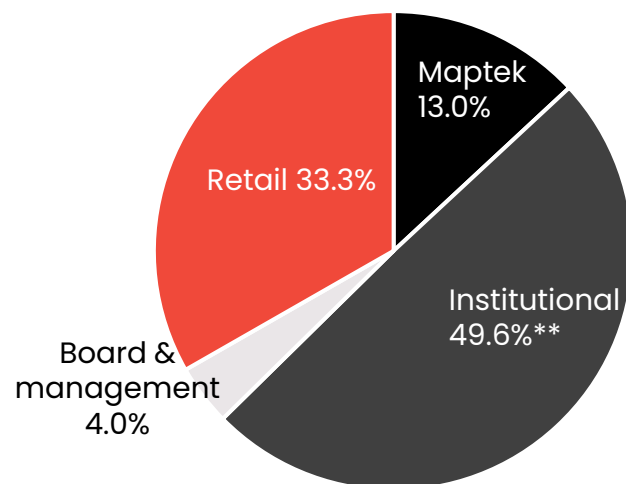
Market Capitalisation

\$21.0m @ \$0.12
18 April 2023

Cash at 31 March 2023

\$4.1m
No debt

Shareholder Distribution



Share Price \$





RESULTS

March, Q3 FY2023

Q3 FY2023 Quarterly Results - Highlights

Strong Revenue Growth Supports Focus on Operating Cash Breakeven

CEO Nic Pollock said,

"Q3 was a flat quarter for new contract sales on the back of a record Q2 of \$1.52m new ARR. The strong deal flow in Q2 was impetus for strong revenue growth in Q3 of 19% from last quarter and 35% pcp. The Company delivered significantly in milestone project "go lives" with majors such as BHP and Rio Tinto.

Revenue growth coupled with cost control supports the Company's focus on achieving operating cash breakeven. The go live for of our Ground Disturbance solution in a large and complex operation in the Pilbara is our biggest single project to date and a significant milestone for K2fly. This project creates a template for which other resource industry players can use K2fly systems to demonstrate sector leadership in Land Management and Natural Resource Governance. We are extremely proud of this milestone and the collaboration between K2fly and the client's team.

Managing a reconciliation plan to actual is a real challenge for the resource industry and is critical to managing performance. We are very pleased to offer a commercial off the shelf (COTS) solution which addresses this critical industry challenge. We currently have 18 customers of K2fly's RCubed or Resource Disclosure solution which can now leverage this important module. The module is also attracting new customers as a standalone entry offering"

ARR / TCV

- **ARR** - \$7.0m at end of Q3 FY2023
+2% v Q2 FY2023
+35% v Q3 FY2022
- **TCV** - \$17.1m at end of Q3 FY2023
-12% v Q2 FY2023
+3% v Q3 FY2022

Contracts

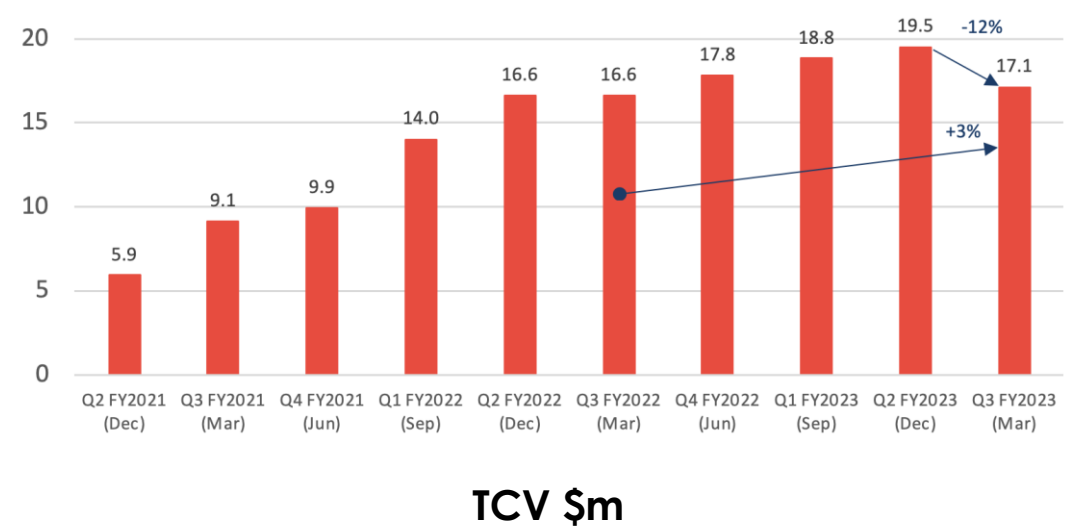
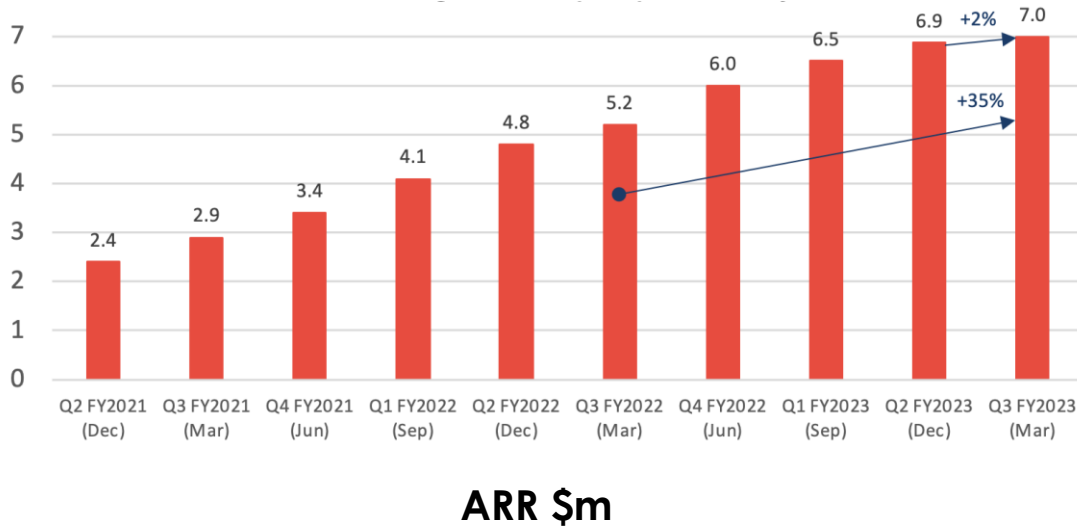
- **Implementation go lives** of K2fly Solutions with BHP Iron Ore (Ground Disturbance) and Rio Tinto (Reconciliation)
- **BHP Iron** Ore Ground Disturbance solution implementation in its WA Iron Ore (WAIO) operations in the Pilbara of Western Australia has gone live.
- **Rio Tinto** Reconciliation module implementation has gone live, utilised across 24 reporting sites

Pathway to Positive Operating Cash

- **Cash Receipts from Customers** was up 21% at the end of Q3 year to date, up 24% at \$3.6m in Q3 compared to Q2 FY2023 and up 100% compared to Q3 FY2022
- Higher receipts are a function of growth in the revenue base, the timing of billings including the achievement of implementation milestones, and payment terms
- **Net Operating Cash Outflow** improved 36% at the end of Q3 year to date at \$1.8m compared to the end of Q3 FY2022 year to date at \$2.8m
- A function of cash receipts on the back of revenue growth. Cost management remains a focus.

Quarterly Results

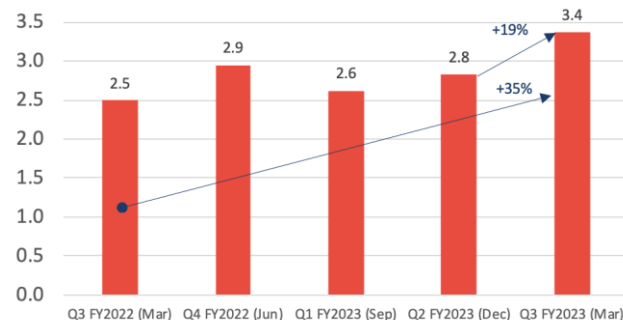
Key Metrics Q3 FY2023 (March)



- ARR growth of 2% and TCV decline of 12% at end of the March quarter, Q3 FY2023 compared to end of Q2 FY2023
 - TCV is lower than Q2 FY2023 due to contract depletion across all existing contracts, including due to the achievement and billing of implementation milestones, outweighing the value of new contracts
- Material contracts update - implementation go lives of K2fly Solutions
 - **BHP Iron Ore** Ground Disturbance solution implementation in its WA Iron Ore (WAIO) operations in the Pilbara of Western Australia has gone live
 - **Rio Tinto** Reconciliation module implementation has gone live, utilised across 24 reporting sites

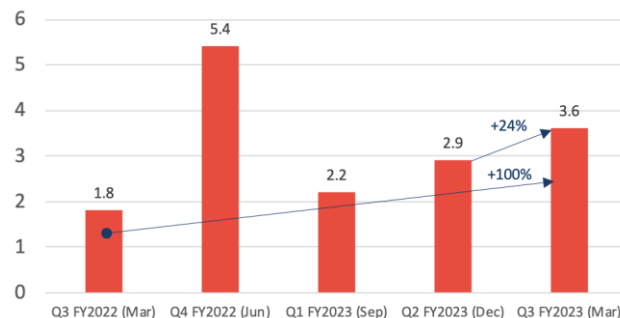
Quarterly Results

Q3 FY2023 (March)

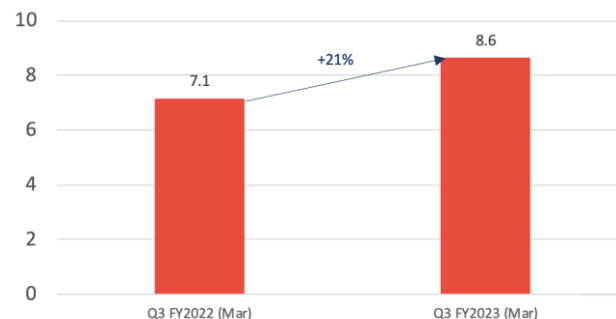


Revenue Quarterly - \$m

- Revenue in Q3 FY2023 was \$3.4m:
 - up 19% compared to Q2 FY2023
 - up 35% on Q3 FY2022

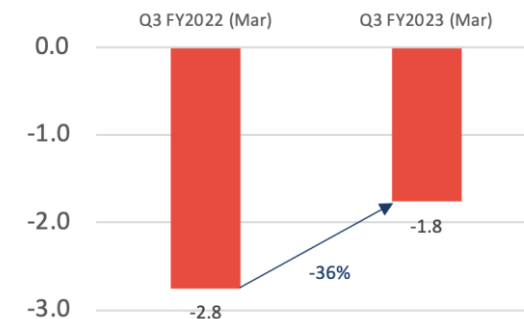


Cash Receipts from Customers
Quarterly - \$m



Cash Receipts from Customers
Q3 YTD - \$m

- Cash Receipts from Customers in Q3 FY2023 were \$3.6m:
 - up 24% on Q3 FY2023
 - up 100% on Q3 FY2022
 - Q3 YTD up 21% on Q3 FY2022 YTD



Net Operating Cash Outflow
Q3 YTD - \$m

- Net Operating Cash Outflow in Q3 YTD was \$1.8m:
 - 36% improvement on Q3 FY2022 YTD



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

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

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