



ASX:K2F

Q3 FY2024 Investor Update

APRIL 2024

Leading Resource Governance Solution Providers

- ESG, Compliance and Disclosure
- Technical Assurance



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Agenda



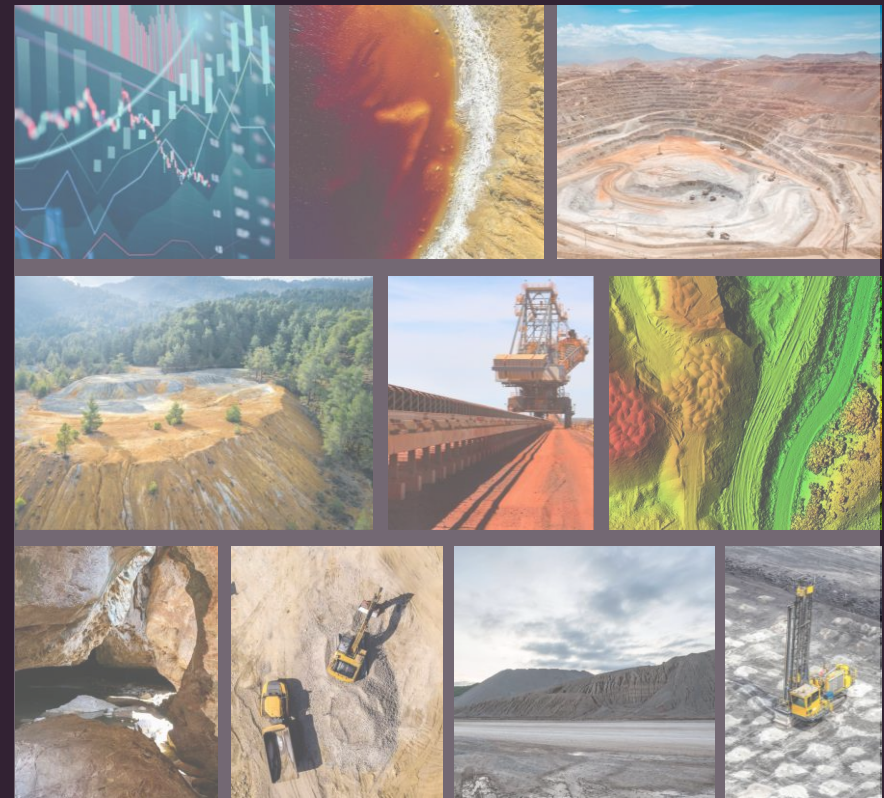
K2fly Overview



Q3 FY24 Quarterly Results



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

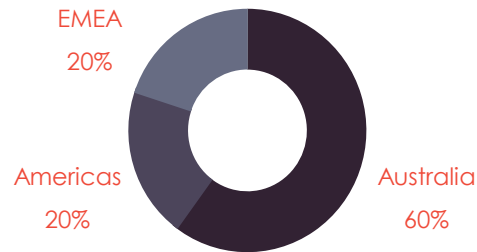
We deliver enterprise software solutions in Resource Governance (RG) to major mining and land-intensive clients.

WHY WE MATTER

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

Business Snapshot

Global Business Distribution by ARR



Sites

900+

Materials /
Commodities

63

Countries

62

Clients

30

Global Resource Leaders Contracted 8 from Top 15



New Client Contracted*

Clients by Commodity

Diversified/Iron Ore



Gold



Copper, Zinc and Industrial Minerals



K2fly Resource Governance Solutions



Land
Access



Heritage
Management



Ground
Disturbance



Tailings
Management



Land
Rehabilitation



Resource
Disclosure



Mine
Reconciliation



Model
Manager



Ore
Blocker



Mine
Geology

Utilities Clients



*Vale contracted post quarter close

Top Risks for the Mining Industry



Deloitte.

1	ESG k2fly	Climate change	Putting purpose at the heart of mining and metals k2fly
2	Capital k2fly	Community relations and social license to operate k2fly	Navigating global uncertainty
3	License to operate k2fly	Commodity price risk	Dealmaking for future-focused growth k2fly
4	Climate change	Health, safety and security risks	Working toward net zero k2fly
5	Digital and Innovation k2fly	Environmental risks k2fly	Collaborating with governments to rethink regulation k2fly
6	Costs and productivity k2fly	Financial risks	Going back to grassroots k2fly
7	Geopolitics	Operational risk k2fly	Addressing workforce challenges through a skills-based approach
8	Cyber	Access to resources k2fly	Unlocking new value in existing assets
9	New Business Models	Regulatory and compliance change/burden k2fly	Bringing Gen AI into mining and metals
10	Workforce	Talent attraction and retention	Third party delivery models

According to the EY Top 10 Business Risks and opportunities for mining and metals in 2024 report.

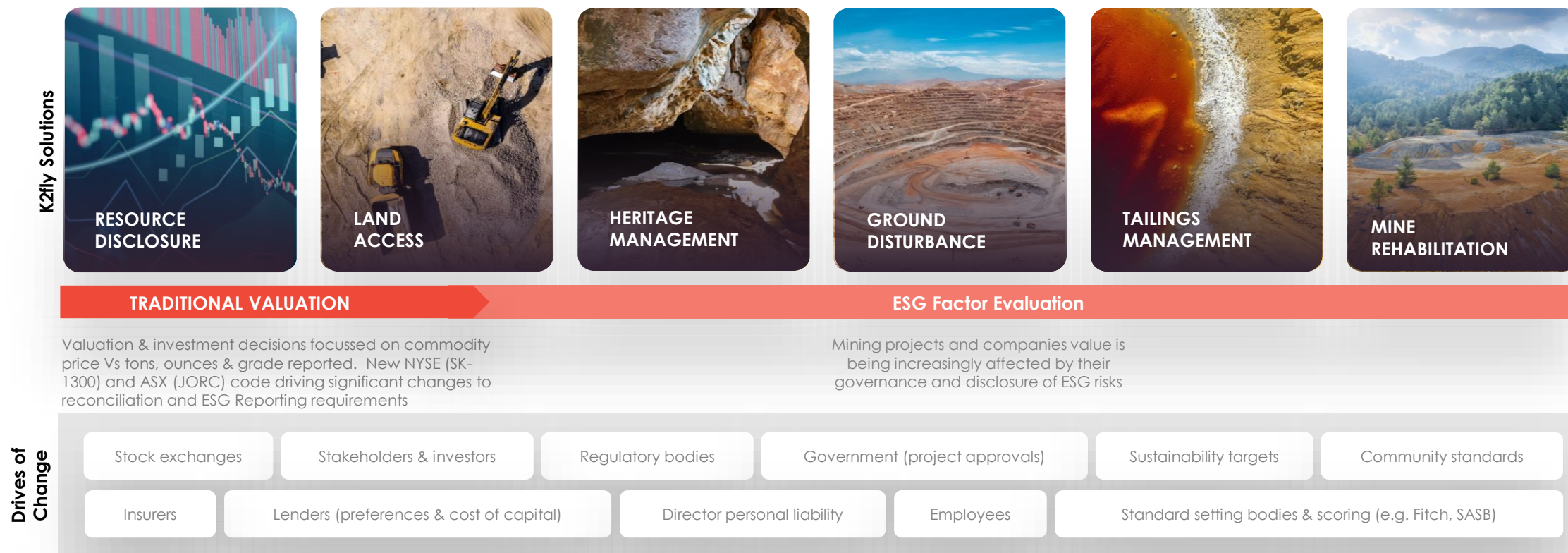
According to the KPMG Australian Mining Risk Forecast 2024 report.

According to the Deloitte Tracking the Trends 2024 report.

k2fly Denotes challenges and risks that K2fy solutions address

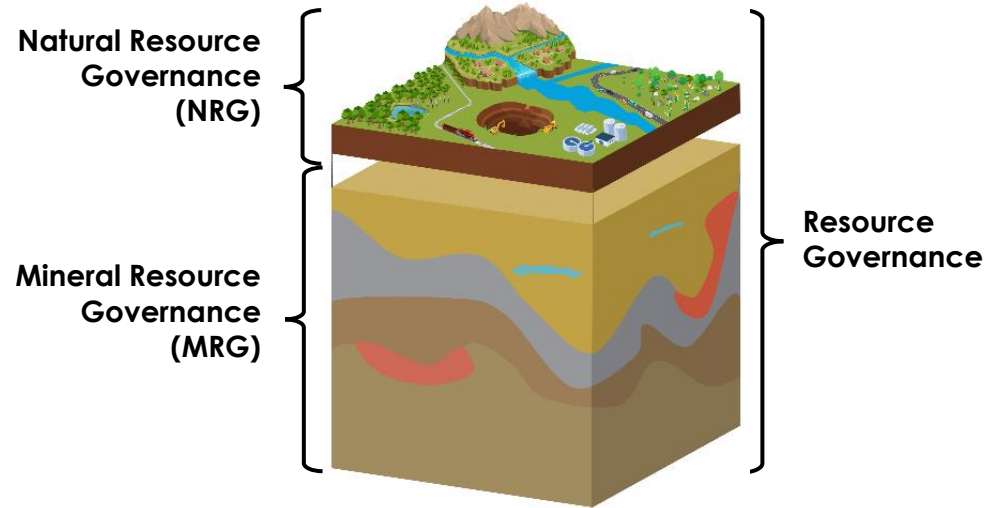
How does K2fly Resource Governance address these challenges?

Resource company value creation & impact from value destruction



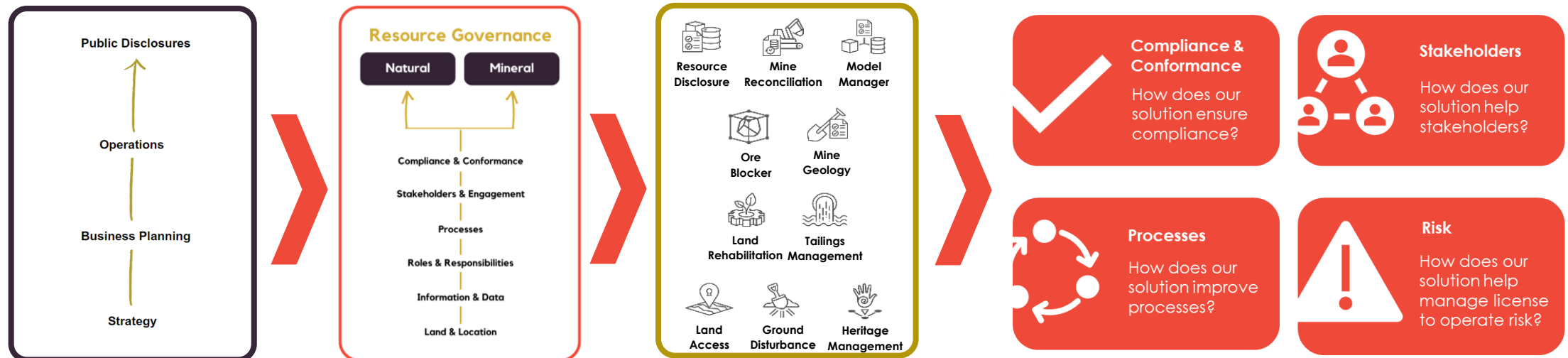
What is Resource Governance?

K2fly believes 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. K2fly's solutions deliver confidence to companies in the transparency of their disclosures – providing clients and their stakeholders with processes that strengthen and improve governance.



Resource Governance is defined as the **conjunction of environmental, social and minerals governance**. A modern systems approach to Resource Governance, which **combines mineral and ESG information**, would provide not only reporting and governance capability, but also has the potential to **sense/respond, predict, and prevent** ESG incidents – over your natural and mineral resources.

The Golden Thread in our solutions





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



Corporate Overview

Annual Recurring Revenue (ARR) end Q2 FY2024

AU\$8.8m*

Ordinary Shares on Issue

186,927,189

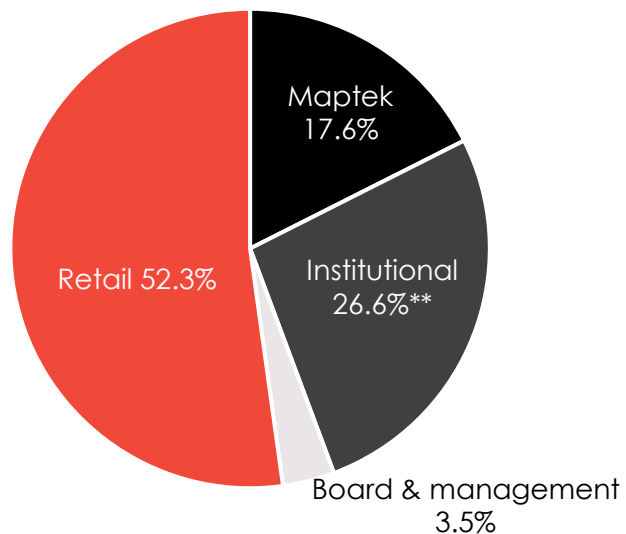
Market Capitalisation

\$16.8 m @ \$0.09
30 April 2024

Cash at 31 March 2024

\$1.5m
(plus \$2.0m working capital facility - undrawn)

Shareholder Distribution



Share Price \$



* Unaudited – Includes additional ARR post March 30 close. | ** Institutional includes substantial holders: Tribeca, Regal and CSBP/Wesfarmers (as last reported to ASX)



RESULTS

March, Q3 FY2024

Results Highlights: March Q3 FY2024

Continued Strong ARR Growth

"K2fly continues to focus on our ARR growth as a key metric coupled with our exceptional 12-month gross retention rate of 98%. To that extent Q3 FY2024 was a continuation of our journey with the 15th quarter of ARR growth, by 19% YoY to \$8.3m.

The 3rd quarter and recent events demonstrate our success in "Land and Expand" with a major win in our Americas region with Vale contracting to roll out our new Resource Disclosure platform and two tier-one mining clients planning to renew their existing contracts and entering into new multi-year contracts at revised, higher pricing. One of those clients is now entering its 15th year of operations with our Infoscope land management solutions, which demonstrates the stickiness of our enterprise software solutions.

We are experiencing a softening in our legacy consulting businesses revenues as we focus less on these and more on our core strategic assets in our SaaS offerings in Resource Governance. As such we continue to review our investments and costs in those non-core areas and to redeploy our resources into development of our IP assets.

I am pleased to see that our focus on sales is again paying results in ARR and contract growth. I can see our pipeline growing again with new name opportunities as well as new name prospects globally across our range of solutions."

Revenue | ARR

- **Revenue** - \$2.9m for Q3 FY2024, -15% v Q3 FY2023 due to the completion of implementation projects in prior periods
- **ARR** - \$8.3m at end of Q3 FY2024
+19% v Q23 FY2023
\$8.8m as of April 24 following material contract win - Vale Resource Disclosure contract

Key Developments

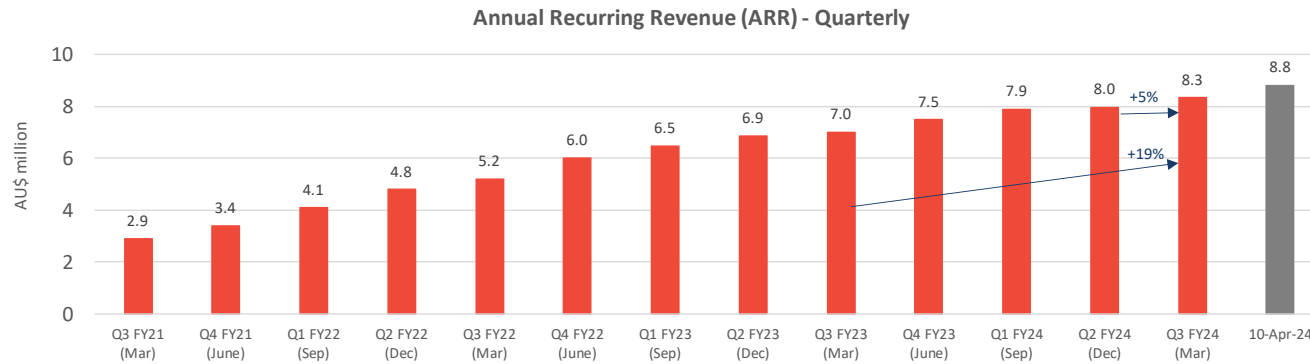
- Two multiyear renewals with global tier 1 mining clients
- Rolling 12-month retention rate of 98%
- Implementation of savings initiatives during Q3 FY2023
- Strategic review to evaluate options to realise full business potential and shareholder value continues

Operating Cash

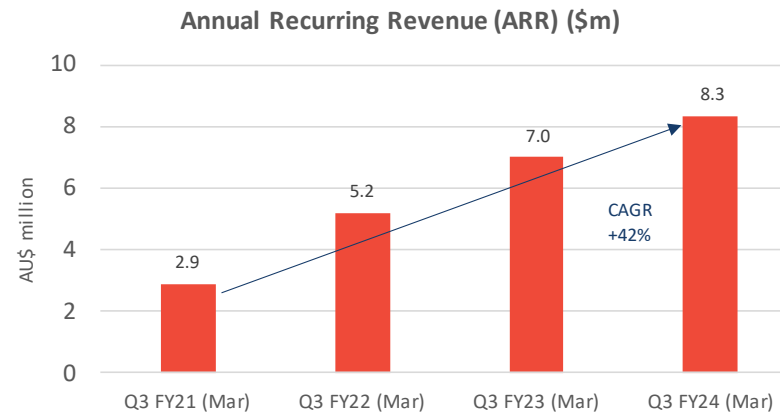
- **Net Operating Cash Outflow**
- \$0.7m Q3 FY2024 v \$1m Q2 FY2024
- YTD Q3 FY2024, 37% higher than Q3 FY2023 due to the cost of improvements in product development, general cost growth to support higher YTD revenues as well as the cost of implementing the savings plan and other initiatives
- Focus on cost management and achievement of positive operating cash flows remains an objective

Q3 FY2024 Results

Key Metrics – ARR



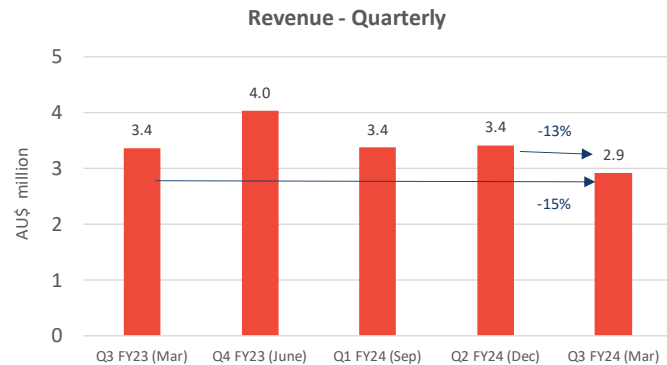
- Annual Recurring Revenue in Q3 FY2024, 19% higher than in Q3 FY2023
- Post quarter close material contract signed with Vale takes ARR to \$8.8m



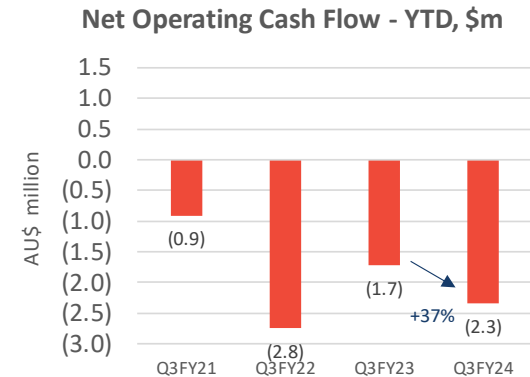
Compound annual growth rate of 42% p.a. over the past three years

Q3 FY2024 Results

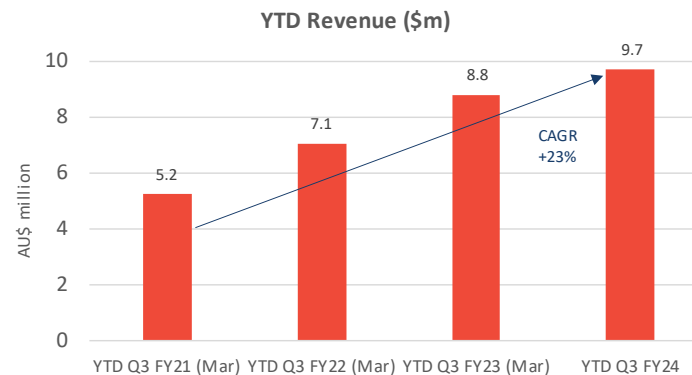
Key Metrics – Revenue and Net Operating Cash Flow



- Year-on-year revenue has declined despite ARR growth due to the completion of implementation projects (which deliver services revenue)



- YTD Q3 FY2024, 37% higher than Q3 FY2023 due to the cost of improvements in product development, general cost growth to support higher YTD revenues as well as the cost of implementing the savings plan and other initiatives
- Cost management remains a strong focus of the Company as the business scales and revenue mix changes



- Year-to-date revenue CAGR of 23% p.a. over the past 3 financial years



Investment Highlights

Strong Growth in Key Metrics (YTD revenue & quarter-end ARR – 23% and 42% CAGR over 3 years)

K2fly has experienced continued 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 energy and infrastructure

Sticky Recurring Revenues

Due to the nature of our enterprise solutions, and consistent with recent renewal experience, K2fly anticipates contract durations to exceed the initial contract terms (which are in the region of 3-5 years).
The rolling 12-month average gross retention rate is 98%.



About K2fly

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[Land Access](#)

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[Land Rehabilitation](#)

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