k2fly

Leading technology
for asset management

INVESTOR PRESENTATION

ASX: K2F

December 2016

DISCLAIMER

k2fly

Important Information

The material contained in this presentation sets out general background information. It does not constitute or contain an offer or invitation to subscribe for or purchase any securities nor does it constitute an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for or purchase securities will be entered into on the basis of this presentation.

The information supplied is in summary form and does not purport to be complete. You should neither act nor refrain from acting in reliance on this presentation material. This overview does not purport to contain all information that its recipients may require in order to make an informed assessment of the prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy, and completeness of the information, statements and opinions contained in this presentation and when making any decision in relation to this presentation. The information in this presentation does not take into account the objectives, financial situations or needs of any particular individual. You should consider seeking independent professional advice based on your own objectives.

All statements, other than statements of historical fact, included in the presentation are forward-looking statements. They involve subjective judgement, assumptions and analysis and are subject to significant risks, uncertainties and other factors. Accordingly, there can be no assurance that such statements or expectations will prove to be accurate and actual results and future events may differ materially from those anticipated or described in this presentation. Historic information is not an indication or representation about the future.

This presentation is provided on a strictly private and confidential basis, to be used solely by the recipient. Neither this presentation nor any of its contents may be reproduced or used for any other purpose. In accepting this presentation, the recipient agrees that it is provided solely for its use in connection with providing background information and that it is not used for any other purpose.

HIGHLIGHTS

Proven suite of enterprise asset management and enterprise mobility solutions

Developed products ready for market and commercialisation

Highly experienced management team

Key major distribution and channel / marketing partnerships in place

Expanding business with a proven track record of delivering solutions for blue chip clients

Low operating cost business model with opportunity to convert existing client trials to long term commercial licences

Marketability across all asset intensive industries seeking increased productivity and operational efficiencies

K2fly Limited (ASX:K2F)

Company Overview

Share Price (as at 7 December 2016)	18 cents
Shares on Issue	50,667, 535
Options (25 cent strike price / 3 yr term)	2,720,000
Market capitalisation (at 18 cents)	~$9.1 million
Cash at bank	~$3.2 million
Enterprise Value	~$5.9 million

Freely tradeable Shares	25,645,035
Shares escrowed for 12 months	9,799,364
Shares escrowed for 24 months	15,223,136

Enterprise 'Grade' Technology

- In an environment characterised by aging infrastructure, organisations have a growing need for better visualisation of asset management and maintenance data

- Allows asset management personnel to access a centralised system to manage and maintain asset data to make better informed decisions, effectively and efficiently

- Strong track record of empowering organisations to make better long-term decisions, through proprietary algorithms for forecasting future operational and maintenance needs

End-to-end Real Time Analytics; Enterprise Asset Management Solutions

- The enterprise asset management sector continues to grow, particularly on the backdrop of aging infrastructure, reductions in capital expenditure and a drive to increase Return on Investment (ROI)

- K2fly has established channel and marketing partnerships and key strategic relationships that will ensure K2fly is able to tender for large comprehensive contracts, and become a trusted supplier

BUSINESS MODEL - HOW WE MAKE MONEY

SUBSCRIPTIONS UNDER A PURE SAAS MODEL

User software subscription fee with multi user discount system

Monthly recurring income streams

CLIENT REQUESTED CONFIGURATION

Configuration and usability enhancements to suit project requirements

Upfront at Implementation Stage

CLIENT REQUESTED SUPPORT

Ad hoc support and pre-paid support packages

Upfront at Implementation Stage and Ongoing

Milestones Achieved to Date

- Implemented SaaS business model and commenced selling ADAM platform to Australian clients

- Established major international partnership agreements in UK and Europe as well as the ASEAN region

- Upgraded ADAM through the Salesforce.com eco-system and K2fly Mobile Fieldworker Solutions through the Kony eco-system

- Raised $4.125m through an IPO / RTO at 20 cents per share and listed on the ASX on 22 November 2016

- Established a stronger relationship with Mitrais through upgrades completed on the ADAM analytical platform

- Transitioned ADAM across to a pure-play cloud solution in line with the SaaS business model

- ADAM remains "best in class" in the data management and analytical sector targeted at enterprises who are grappling with the complexities of data manipulation within Enterprise Resource Planning (ERP) systems

- Launched innovative product offering, NovIn – a highly customisable cloud based asset inspection software that allows asset managers to make decisions in a timely and agile manner

- Established a further international partnership with Archer (S) in Singapore for the marketing and promotion of NovIn

EXPERIENCED BOARD & MANAGEMENT

GINO D'ANNA
Non-Executive Director

Extensive primary and secondary capital markets experience

Co-Founder of Atrum Coal NL (ASX:ATU). Founder of MetalsTech Limited

NOEL BONNICK
Non-Executive Director

Mechanical engineer with 25 years experience in asset management

Founder and Executive Chairman of K2 Technology Pty Ltd

ANDREW DAVIES
Software Architect

MARJAN RAFATI
Software Developer

Lexi Leonard
Business Development / Sales

BRIAN MILLER
Executive Chairman & CEO

30-year veteran of the IT sector, having worked in Australia, US, UK, Europe, Asia and the Middle East

RUSSELL MORAN
Non-Executive Director

Entrepreneur with background in strategic business development

Founder
of Atrum Coal NL (ASX:ATU)

Director of K2 Technology Pty Ltd

ENTERPRISE ASSET MANAGEMENT SOLUTIONS

"

The global Enterprise Asset Management (EAM) Market is predicted to grow from US$3.15 Billion in 2016 to
US$5.24 Billion in 2021

"

- Reuters News; Worldwide Forecasts and Analysis; MarketsandMarkets

CONNECTIVITY   VISIBILITY   CONTROL

ENTERPRISE ASSET MANAGEMENT SOLUTIONS

- Enterprise Asset Management (EAM) software enables holistic viewing of company or project assets

- Managers are able to control and pro-actively optimise operations for quality and efficiency

- Algorithms allow asset managers to predict future failure rates from delayed equipment maintenance and analyse in 'real-time'

Higher asset productivity	**Reduced maintenance costs**
Increased visibility of operations & asset performance	**Unify processes for wide-ranging asset management functions across multiple sites**

UK and Europe: International Partnering Agreement Executed

- Established major international Partnering Agreement for the sale of its asset management and maintenance technology across Europe, including the United Kingdom.

- The Partnering Agreement provides K2fly with the ability to rapidly grow revenue from a deep base of European markets with large scale clients across the utilities, infrastructure, transport, aviation and defence industries, with minimal operational and capital cost.

- Major distribution partner is a FTSE-100 company and has worked in the infrastructure and energy industries since 1990, leading the adoption of Enterprise Asset Management software in asset intensive industries.

- The major distributor has been servicing billion dollar organisations in the infrastructure and energy industries for over 25 years with clients including Thames Water, United Utilities, Western Power, National Grid, Centrica, London Underground Limited, Network Rail and The National Health Service.

- Trusted partners include global leaders in the Enterprise Asset Management sector including an NYSE listed Fortune 500 company ranked in the top 25. The international partner has in excess of 1,000 business development executives operating across Europe with direct relationships with some of the world's largest multinational organisations operating in asset intensive industries.

- The Partnering Agreement also allows K2fly access to proprietary technology developed by the major partner which can then be implemented across new and existing clients retained by K2fly.

South East Asia: International Partnering Agreements Executed

Mitrais

- Established a second major international Partnering Agreement through Mitrais for the sale of its asset management and maintenance technology across South East Asia, including Malaysia, Vietnam, Singapore and Indonesia.

- The Partnering Agreement provides K2fly with the ability to rapidly grow revenue from a deep base of South East Asian markets with large scale clients across the utilities, infrastructure and transport industries, with minimal operational and capital cost.

- Mitrais, has been in the EAM sector for in excess of 25 years and has over 400 dedicated staff. Mitrais has in excess of 100 current clients operating predominantly in asset intensive industries, including transport, mining, utilities and infrastructure.

Archer

- Established a 2-year distribution and partnership agreement with Archer, based in Singapore, to promote K2fly's latest innovative software product offering, NovIn.

- Archer is a leading fire protection business to heavy industry and provides engineering, service and maintenance and installation services to clients in the offshore, petrochemical and industrial sectors throughout Asia and the oil-rich Gulf Cooperation Council (GCC) region in the Middle East.

- Archer represents an excellent partner for K2fly and its leading proprietary enterprise asset management technology products and services. The agreement allows K2fly to drive new business sales and grow revenues in a new and high demand market segment.

- NovIn will be available for licencing directly across Australia and internationally through K2fly's major channel distribution partner in Europe and the UK and Mitrais in the ASEAN region.

K2 Technology Pty Ltd

▪ K2fly and K2 Technology Pty Ltd have entered into a cross-promotional partnership allowing K2fly direct access to licence-ready clients for the roll-out of its technology offering.

▪ The Company believes that the benefit of this agreement is that it will be able to leverage off and expand from K2 Technology's international expansion into North America, Singapore, Middle East.

Additional International and Distribution Channel Partners Targeted

▪ As part of the software distribution strategy being developed, K2fly is targeting the execution of additional value-add partnering agreements aimed at servicing different industry sectors and focused on mobility solutions.

▪ Targeted partners include a major mobility and app solutions developer and re-seller operating across Australia and the United States of America, as well as a risk management software developer for the asset management sector operating across Ireland and a mobility solutions and app software developer operating across the Asia-Pacific region, including Indonesia, Singapore and Vietnam.

▪ The execution of these additional partnering agreements will provide K2fly with the critical mass required to build its brand profile across the globe.

OUR CURRENT KEY CLIENTS AND PARTNERSHIPS

- K2fly is currently working in partnership with:

- K2fly is currently providing technology services and support to:

adam.

ASSET
DATA
ANALYSIS
MANAGEMENT

EAM - SaaS

- Multi-user
- Web-Enabled and Cloud Supported
- Real-time Visibility
- Highly configurable
- Robust Networking
- Light-weight, reliable
- Integrated solution
- (SAP, Maximo, JDEdwards, CMMS, Reliabuilder)

www.k2fly.com

ENTERPRISE ASSET MANAGEMENT DATA SOLUTIONS

Capital Projects

Handover of information and data at the completion of capital projects and is typically an area where improvements can be made and consequently cost savings realised

Asset Maintenance

For asset intensive industries maintenance activities can result in significant changes to asset data requiring the EAM system to be updated efficiently

Mergers and Acquisitions

Efficient incorporation of newly acquired capital asset data is critical to seamless future operations, maintenance execution, reporting and regulatory compliance

Operational Excellence

A strategic review of the EAM system and master data can deliver significant value to the organization

adam.

EAM Technology

- ADAM is a single-source integrated technology for the development and optimisation of asset management information, including data capture, maintenance analysis and build, spares identification, which is configurable for upload to any asset management system.

- Meta data captured during a maintenance build is exported as a loadsheet and uploaded into any CMMS, making ADAM software agnostic.

- The technology incorporates a web-enabled client-server system that can be run autonomously allowing clients to capture, manipulate and prepare asset, spares and maintenance information from anywhere in the world.
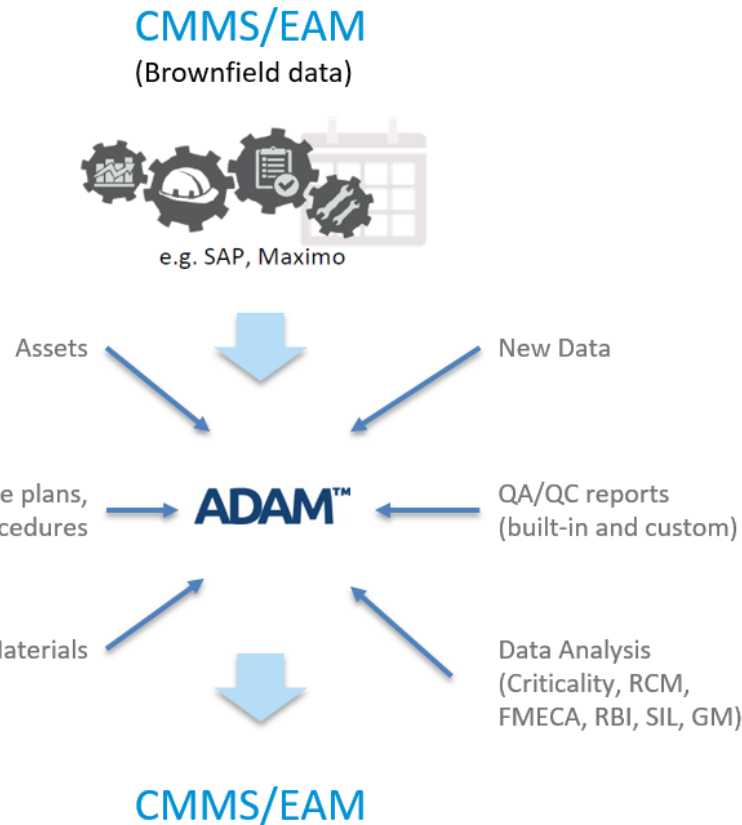
- Cloud Supported

Industry Accolades

- Successfully used by strategic partner K2 Technology to achieve Gold Asset Management Award and Engineers Australia Nominee Award from Asset Management Council for Operational Readiness project

Market Ready

- Set for commercialisation and marketable to all asset intensive industries

CMMS/EAM
(Brownfield data)

e.g. SAP, Maximo

Assets   New Data

Maintenance plans,   ADAM™   QA/QC reports
task lists, procedures   (built-in and custom)

Bill of Materials   Data Analysis
                            (Criticality, RCM,
                            FMECA, RBI, SIL, GM)

CMMS/EAM

CASE STUDY

Profile

Energy Industry / Oil and Gas Operator

Challenges

Solution required to integrate multiple existing systems and provide intuitive interface

Users dispersed between different companies and geographic locations

Stringent Quality Assurance (QA) and Quality Control (QC) requirements from Client side

ADAM Solution

Single source management and data collation and analysis tool

Advanced configurable reporting

Built in maintenance and spares modules

Web enabled systems access for project teams, client and suppliers

Project Outcomes

Asset register, hierarchy and critical maintenance data for 35,000 tags

Significant improvement in efficiency

Compliance to client QA/QC requirements

ENTERPRISE MOBILITY SOLUTIONS

"

Global market opportunity is expected to be
$140 billion by the year 2020
growing at a compounded annual growth rate of 15%

APAC predicted to be the fastest growing at a **CAGR of 21%**

"

- Deloitte; National Association of Software and Services Companies (Nasscom)
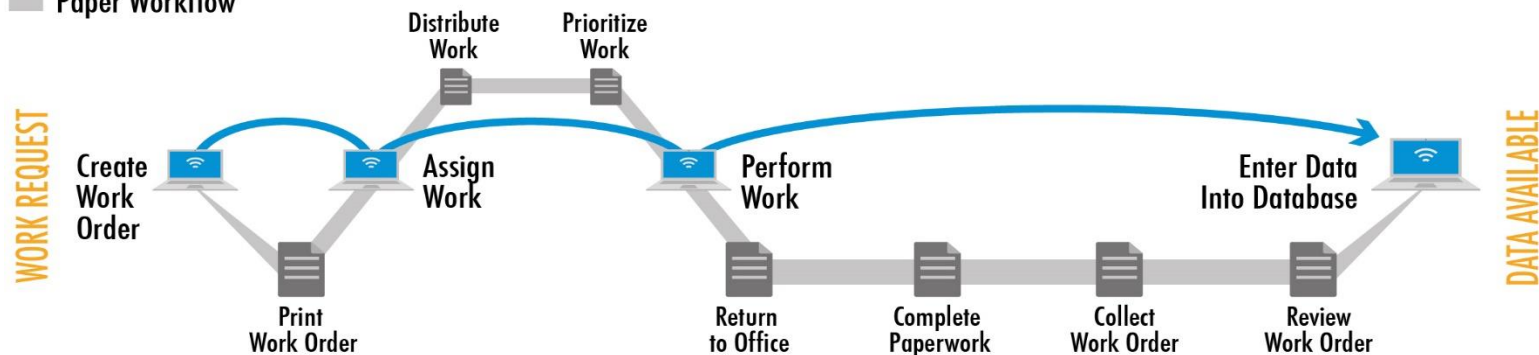
CONNECTIVITY   VISIBILITY   CONTROL
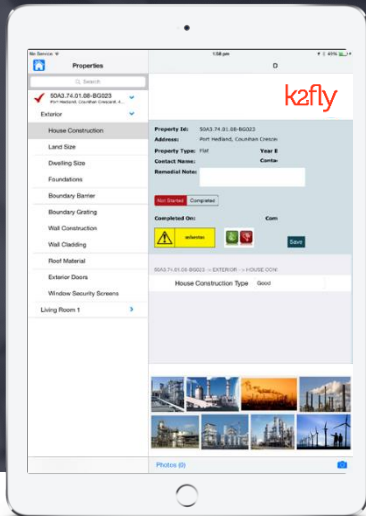
ENTERPRISE MOBILE SOLUTIONS

- Enterprise mobility is rapidly moving from being a tactical benefit to a strategic imperative

- Consumerisation of technology (e.g. smartphones and tablets) in and out of the workplace is accelerating the trend

- Increasingly dominant feature of cost reduction and productivity improvement initiatives amongst business

- Growing trend of being "accessible at all times" means that personnel need to have access to all pertinent data and information wherever they are

DATA FLOW COMPARISON

ENTERPRISE MOBILITY SOLUTIONS

SUITE OF (EM) SOLUTIONS

" K2fly software technologies can improve efficiency, productivity and communication across any organization, in any industry "

tagman.

Asset verification

Stand-alone or
ADAM add-on

docman.

Work-order
based activities

property inspector

Building and asset inspection

handover notes

Issue tracking and
shift change handover
Human resource management

novin

Specialist
real time
asset
inspection

K2fly software technologies will improve efficiency, productivity and communication across your organisation, no matter what your industry

tagman.

MOBILE ASSET VERIFICATION SOLUTION

Mobile asset verification simplifying the asset verification process

Leveraging the capabilities of mobile devices and tablets

Interface with Computerised Maintenance Management Systems (CMMS)

Verify and add data, view schematics, mark-up and photograph assets

Resilient connectivity for uninterrupted availability – online, offline and occasionally connected

GPS interface and barcode technology

Ability to integrate with ADAM

Web portal for progress reporting and remote task management

CMMS/EAM
(Brownfield data)

e.g. SAP, Maximo

Upload finalised data

Download existing data, attachments & photos

QA/QC analysis custom reporting

ADAM™

TagMan™

Verify against assets

Upload verified data, marked-up documents, photos & GPS positioning

Bluetooth Sync

BLUE CHIP PARTNERS
Developed and tested

READY

21

CASE STUDY

Profile
Defence / Maintenance & Service

Challenges
Audit of 700 residential assets quickly

Stocktake of assets and report on current condition and include supporting evidence where required

Interface with pre-existing asset database and asset tagging system

Compliance to Defence industry security requirements

TagMan Solution
TagMan combined with a ruggedized iPad tablet

Automated asset tagging and verification against master asset database

Customised condition assessment fields include photographic evidence

Web management portal

Project Outcomes
Fast mass asset audit

Continuous Bluetooth connectivity

Web portal with remote and real-time work assignment and tracking

docman.

MOBILE WORK ORDER EXECUTION SOLUTION

Simplifies steps and personnel required to perform routine tasks

Concept originally developed for energy sector for field maintenance activities

Use in challenging environments with intrinsically safe hardware

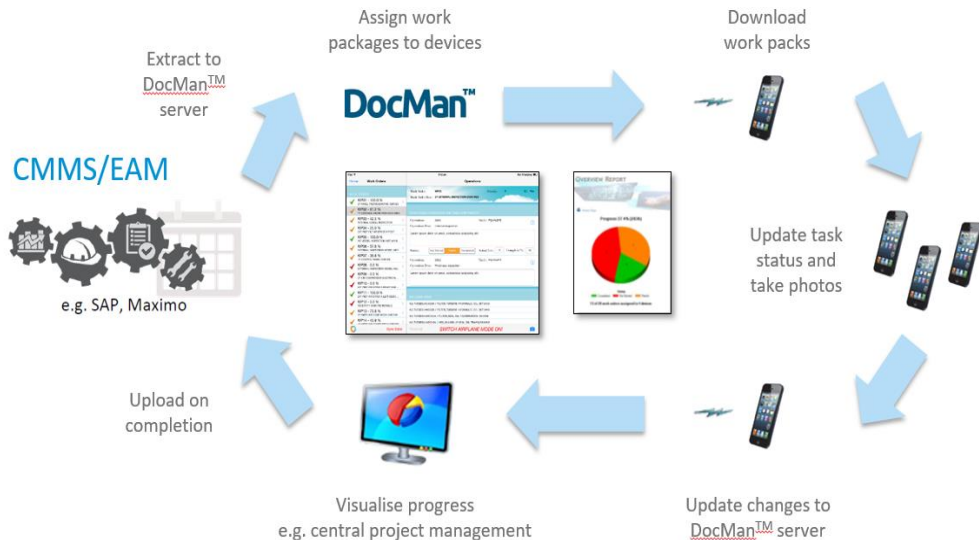Using WiFi and 4G capability, work packs can be assigned and instantly downloaded

Progress against assigned activities, can be relayed back to management or a centralised project function for live management reporting

New work orders can be efficiently assigned to individuals driving productivity

Auditable process with timestamps and GPS locations

Resilient connectivity for uninterrupted availability – online or offline

Rapid and low risk deployment

BLUE CHIP PARTNERS
Developed and tested

Extract to DocMan™ server

CMMS/EAM

e.g. SAP, Maximo

Assign work packages to devices

DocMan™

Download work packs

Update task status and take photos

Update changes to DocMan™ server

Visualise progress e.g. central project management

Upload on completion

CASE STUDY

k2fly

Profile

Energy / Shutdown & Maintenance

Challenges

Mobile solution required to replace face-to-face work orders

System had to be simple and intuitive

Hazardous area classification required optimisation of hardware and intrinsically safe cases

DocMan Solution

DocMan combined with a ruggedized Android tablet

Work orders could be issued and monitored remotely

Promoted information flow between field, supervision and management

Project Outcomes

System provided management instantaneous feedback

Significant productivity improvements due to remote issue of work orders

handover notes

ELECTRONIC NOTES ARE HERE

Simplifies workplace handover process

Promotes workplace communication and streamlines information sharing

Intuitive interface allow users to easily record information as situations occur and then pass on notes along with supporting photographs electronically

Instantaneous management and stakeholder reporting

Rapid and low risk deployment which is easily configurable to customer requirements

Developed with project partner: woodside

BLUE CHIP PARTNERS
Developed and tested

READY

CASE STUDY

Profile

Energy / Shutdown & Maintenance

Challenges

Mobile solution required to replace manual shift handover notes

The system had to be simple and intuitive

Hazardous area classification required optimisation of hardware and intrinsically safe cases

HandoverNotes Solution

HandoverNotes combined with iPad hardware and intrinsically safe case

Shift handover notes could be written throughout shift, appended with supporting photographs and data

Web portal for information sharing and data backup

Project Outcomes

Live data capture leading to greater accuracy of information

Reduced handover times and increased productivity

property inspector

BUILDING / ASSET INSPECTION SOLUTION

Simplifies routine inspection tasks

Marketable to any industry undertaking routine inspections
(i.e. hire cars, health and safety audits, etc.)

Mobile application with web portal

User customisable interface to input assessment data
and generate reports

Resilient connectivity for uninterrupted availability – online,
offline and occasionally connected

Rapid and low risk deployment which is easily configurable
to customer requirements

BLUE CHIP PARTNERS
Developed and tested

READY

novin

REAL-TIME PHYSICAL ASSET INSPECTION SOLUTION

Important asset inspection data need only be inputted into the software platform once and can then be updated autonomously during routine and adhoc inspections

Real-time analytical platform that provides asset managers an opportunity to optimise their approach to asset maintenance

NovIn is an intuitive and easily implemented cloud based asset inspection software which allows asset managers to make decisions in a timely and agile manner. It is a highly customisable system

Resilient connectivity for uninterrupted availability – online, offline and occasionally connected

Rapid and low risk deployment which is easily configurable to customer requirements

BLUE CHIP PARTNERS
Developed and tested

READY

- K2fly is currently working on the deployment and commercialisation of an SME version of the ADAM platform to be known as ADAM$_{LITE}$.

- This will have all the form and functionality of the broader, more detailed ADAM offering, but will be configured to the SME market, where due to the prohibitive cost of deploying EAM software, very little penetration has taken place, presenting a significant opportunity.

- Currently in the 'Beta' stage of development, but will be commercialised over the next 3 – 6 months.

- ADAM$_{LITE}$ will operate through a centrally hosted cloud supported platform which will provide a simple and easily configurable solution for SME's across Australia and other target markets. ADAM$_{LITE}$ will be a pure SaaS offering and will be licensed on a subscription basis.

Vertical Market Integration

- To target the growing need for more robust EAM and EMS solutions, the Company is targeting a number of different market segments positioned to grow market share and take advantage of the growing need for asset management and maintenance outside of the natural resources industry.

- These industries include the following:

  - Pharmaceuticals
  - Hospitality and Tourism
  - Healthcare
  - Defence
  - Telecommunications
  - Public and Private Utilities
  - Maintenance and Service Contract Industry
  - Aviation Industry
  - Energy Sector
  - Food and Manufacturing

Industry Wide Enterprise Asset Management Solutions

Asset Management and the Public Sector

Increasing regulatory requirements, audit scrutiny, and the need for transparency with all stakeholders has put even more pressure on public sector organisations. Smarter, more-informed choices in fund allocation are essential for sustainability.

Asset Management for the Water Industry

The water industry is responsible for the maintenance of essential infrastructure on which we all rely, and faces increasing pressure to demonstrate operational efficiency. Globally, water and sewer infrastructure is aging, and the cost to rebuild is staggering.

Asset Management for the Facilities Industry

Facilities management applies across a wide range of industries including higher education, community housing, government-managed facilities, and stadiums, and many more. Responsibilities cover an equally broad.

Asset Management for Port Facilities

Ports facilities are critical asset infrastructure, essential for economic communities to remain competitive as they deliver business inputs and take exports to the global market. Characterised by growing trade, aging infrastructure and economic pressures.

Asset Management for the Rail Industry

The rail industry is heavily asset-intensive. Millions of dollars are invested annually in procurement and management of a range of physical assets including rolling stock, track, signals, switches, platforms and overhead wiring. Rail organisations will have to deliver more and more, often with less and less.

RESEARCH & DEVELOPMENT

K2fly is engineering new asset tagging functionality including Bluetooth LE (low energy). This wireless technology allows active tracking of assets via mobile enterprise solutions.

Active wireless tag with operating range of up to 70 metres

Speeds up asset verification and accurately keep track of parts via alerts

Very small Bluetooth beacons and location devices that aid in tracking, monitoring, and interacting with items.

Strong engineering and technical capabilities, manufacturing scale and a very exciting solution roadmap

Latest wireless technology enabling ADAM and EM products to penetrate new markets

k2fly

Leading technology
for asset management

Head Office

Suite 1, 100 Hay Street
Subiaco WA 6008
Australia

Brian Miller – Executive Chairman

T: +61 422 227 489
E: Brian@k2fly.com

Gino D'Anna – Director

T: +61 400 408 878
E: Gino@k2fly.com

Greg Wood – K S Capital Pty Ltd
                    (Lead Manager)

T: +61 416 076 377
E: g.wood@kscapital.com.au