

ASX / Media Release

10 November 2017

ASX code: **K2F**

Investor Presentation

K2fly Limited (K2fly or the Company) is pleased to release an updated investor presentation as part of a non-deal roadshow taking place in Sydney and Melbourne next week.

ENDS

For further information, please contact:

Brian Miller
Executive Chairman
K2fly Limited
T: +61 422 227 489
E: brian@k2fly.com

Lead Manager
Greg Wood
K S Capital Pty Ltd
T: +61 416 076 377
E: g.wood@kscapital.com.au

Gino D'Anna
Company Secretary
K2fly Limited
T: +61 400 408 878
E: gino@k2fly.com

Investor Inquiries
Paul Hart
Canary Capital
T: +61 421 051 474
E: phart@canarycapital.com.au

About K2fly

K2fly Ltd is an ASX listed Technology company which targets asset intensive industries. It supplies people and products, and has strategic alliances focussed on solving problems for clients.

K2fly owns the following technologies for use in Tier 1 companies:

Infoscope: A Data Collaboration solution
ADAM: Asset Data Analysis Management
NovIn: Real Time Asset Inspection Management App
DocMan: Mobility Solution: Task Management App
TagMan: Mobility Solution: Asset Verification App

K2fly also re-sells market leading software which has been developed by industry leaders in the USA, Australia, Europe and the UK. These solutions come from OBI Partners (USA), Kony (USA), Pointerra Limited (Aus), ABB (Switzerland) and Capita plc (UK), where they have an outstanding track record of delivering benefits to clients. K2fly has strategic alliances with global technology companies such as GE(USA) and SAP (Germany).

In addition, K2fly provides cutting edge advice, consultancy and services when it deploys its subject matter experts who have extensive domain knowledge in such areas as Rail, Electricity, Gas, Water, Mining, Oil & Gas, Facilities Management, Aviation and Defence.

K2fly Limited ACN 125 345 502

E: info@k2fly.com

Registered Office Level 1, 26 Railway Road, Subiaco WA 6008

www.k2fly.com



Investor Presentation

November 2017

Disclaimer

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.

To the extent permitted by law, K2fly Ltd and its respective officers, employees, agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of K2fly Ltd and its respective officers, employees, agents and advisers accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation.

K2fly Limited (ASX: K2F)

Share Price (as at 9 November 2017)	10.5 cents
Shares on Issue	54,513,177
Unlisted Options (25 cent strike price / 4 year term)	2,720,000
Unlisted Options (25 cent strike price / 3 year term)	350,000
Unlisted Options (20 cent strike price / 1 November 2019)	350,000
Listed Options (ASX: K2FOA) (20 cent strike price / 3 year term)	10,133,507
Market capitalisation (at 10.5 cents) – Fully Diluted	~\$7.15 million
Cash at bank (latest quarterly – 30.09.17)	~\$0.946 million
Enterprise Value – Fully Diluted	~\$6.20 million
<hr/>	
Freely tradeable Shares	25,765,035
Shares escrowed until 18 November 2017	9,799,364
Shares escrowed until 10 July 2018	3,525,642
Shares escrowed until 18 November 2018	15,223,136
Shares escrowed until 1 October 2018	200,000

Board of Directors

- **Brian Miller** – previously led a number of IT software and services organisations in UK and Australia
- **Neil Canby** – a Chartered Accountant by profession, has worked at a number of major IT vendors as well as holding senior roles within Essential Industries
- **James Deacon** – has held a number of senior IT roles within the asset intensive sectors, and currently works in a senior role for a major technology advisory company
- **Jenny Cutri** – a highly experienced legal practitioner and compliance specialist with experience in both public and private sectors

K2fly Vision

To be a “go-to”, trusted advisor and solution provider for organisations looking to optimise their physical and data assets through the integration of a range of innovative and tailored technology

K2fly Plan

- We have the people, products and strategic alliances to become a “digital enabling partner” for Tier 1 asset-intensive clients
- We are building a high margin business with a focus of growth in revenue and cash flow
- We operate in multiple asset intensive sectors that continue to develop and face new challenges solved only with technology adoption
- Clients are very large and relationships are long-term once established
- Opportunities to cross-sell solutions to existing client base

Investment Highlights

- A suite of existing, proven software tailored for a Tier 1 client base across the Essential Industries of Resources, Oil & Gas, Electricity, Water and Rail
- A combination of Company owned and third party solutions
- Successfully executed on the first 12 months of our strategic plan via acquisition of Infoscope and winning business through leveraging our existing relationships and quality team
- Very experienced management team and Board who have built similar successful high margin businesses in the past
- Capability in the Internet of Things (IoT) space which is the “hot” growth area in asset management
- Major distribution partnerships in place with some of the world’s biggest and best performing tech companies; GE, ABB, SAP, Capita and Kony
- A number of other “specialist” or niche relationships in place

2017 Corporate Highlights

- July 2017 completed our first acquisition - Infoscope, a data collaboration software and services provider at an attractive EBIT multiple of 1.56
- Integration of Infoscope progressing well with the business on track to deliver significant revenue and earnings growth in FY2017/18
- Infoscope to be included as part of SAP4 Hana ecosystem from early 2018 which will generate significant sales opportunities with major resource companies
- Seeking to add another acquisition in the next 12 months
- Acquisition targets will typically have their own intellectual property (IP) and existing client base
- Actively recruiting senior staff and training existing staff as the world of digital transformation takes hold within the asset intensive sectors

Infoscope – A Transformational Acquisition

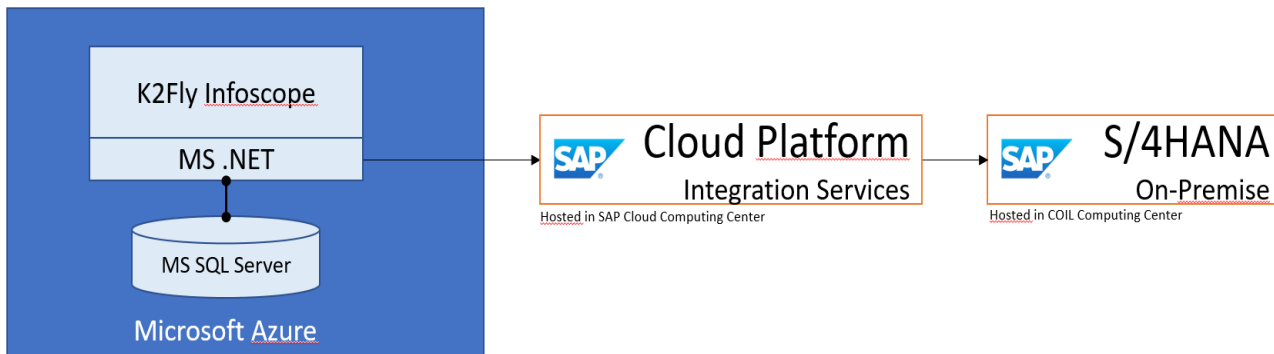
- Infoscope is an innovative data visualisation platform built on an extensible relationship engine which integrates spatial intelligence to every day operational and financial data
- Developed on a cutting edge technology stack and cloud-hosted, Infoscope is an unrivalled and comprehensive solution to manage land access including tenement, environment, property, cultural heritage and ground disturbance processes
- Acquired in July 2017, following 6 months of due diligence. Existing clients include **FMG, Metals X, API, Westgold Resources** and **The National Trust** (funded by **BHP, Rio** and **FMG**) for **The Keeping Place** project
- Strong current pipeline of opportunities in State governments and Resources sector. The Keeping Place project should grow significantly in 2018 and 2019
- Significant monthly Software as a Service (SaaS) fees being generated by existing clients

SAP Co-Development with Infoscope

- K2fly has signed a Co-Innovation Lab (COIL) Co-operation Agreement with SAP SE (Germany) in support of the development of direct integration of the Infoscope solution with SAP business processes
- We are currently porting Infoscope to the SAP S4 HANA platform which will provide direct access to Tier 1 SAP client base from 2018 onwards. FMG and API are existing Infoscope clients who use SAP
- This will deliver a tightly coupled solution utilising key features on the SAP Cloud Platform (SCP)
- This will further expand the product offerings for K2fly's Infoscope solution to run on the SAP HANA database
- This work is scheduled to be completed in February 2018
- This agreement will provide K2Fly with significant sales opportunities to large, global resources companies

SAP COIL – Infoscope Roadmap

- The first milestone will see the target architecture of the new integration utilise the SAP Cloud Platform Integration Services to integrate Infoscope with the latest release of the SAP S/4 HANA system
- The second milestone will deliver a proof of concept in migrating the Infoscope database from its current MS SQL Server to SAP HANA as the database



Promoting Infoscope's SAP S4 HANA Development

- K2fly will be attending the Mastering SAP's event on the Gold Coast in November 2017. This will give K2fly access to over 400 current SAP clients including Tier 1 organisations such as BHP, Bluescope, Caltex, Water Corp and Woodside
- K2fly has engaged with the SAP organisers of their internal FKOM event (Asia Pacific SAP Sales personnel annual event) which will be held in Sydney in January 2017, and K2fly will use this event to showcase the new COIL development with SAP. In 2018, K2fly will participate in national and international SAP marketing events.
- K2fly is working with the SAP Perth-based Account Executives in support of their current accounts including several major mining companies
- Once the Infoscope solution is running on the SAP S4 HANA ecosystem, SAP sales executives will be able to resell the K2fly software on a global basis to their extensive, existing client base
- Each sale is expected to deliver K2fly significant monthly recurring revenue

K2fly's "Delivery Wheel"

There are 5 inter-connected components for which we deliver software and services:

- Asset Management
- Mobility
- The Internet of Things
- Data Collaboration and Visualisation
- Smart Grid and Smart Meters

Delivering
Through
Partnership



Sample Clients



National Trust
OF AUSTRALIA (WA)



K2fly's focus

- In the short-term, our target clients for consulting services and software platforms are Australian
- We will also satisfy international demand that arises for K2fly owned software solutions through our partner channel network
- We leverage our deep experience in asset-intensive industries, our contemporary software development and our sophisticated suite of software platforms to help our clients realise their digital goals
- Digital transformations are typically built on a core of operational resilience and flexibility, enabled by mobility. Our technology and consulting strengths align with this emerging need
- We meet the needs of our clients by providing the right blend of software, consulting and project management which allows them to bridge the digital gap while maximising their current investments in enterprise level software (e.g. SAP)

The 4 big IT issues for the next 5 years

1. The Internet of Things (IoT)
2. Robotics
3. Artificial Intelligence
4. Computational Power

The convergence of these four is creating new market opportunities and displacing existing products and services

Internet of Things – is the big game changer

- International Data Corporation (**IDC**) say year-on-year growth is 17% p.a and 2017 = \$US800 billion. By 2021 this grows to \$1.4 trillion on hardware, software, services and connectivity
- The IoT revolution is at its early stages of growth. In 2006 there were 2 billion smart connected devices, in 2015 there were 15 billion. Intel believes that by 2020 there will be 200 billion devices. The IoT is about to become vastly more “real” and functional
- Australia is ranked 4th in the world for active broadband subscriptions. Internet access via mobile phones trebled between 2010 and 2013
- Internet data usage in Australia is growing exponentially. Approximately 2.5 exabytes of data were generated on any given day in 2015 which is more data than was generated since the dawn of time until 2004 ! In 2016 it was 3.1 exabytes per day. 2017 estimates likely to 5+ EB per day

Robotics, Artificial Intelligence and Computational Power

- **Robotics** – fast moving area, new University courses, Defence applications. Impacting citizens' experience and growth seen as inevitable from 2025 onwards
- **Artificial Intelligence** - AI will transform the technology landscape and touch almost every industry over the next 10 years. Significant investment currently from big tech players
- **Computational Power** – High Performance Computing (**HPC**) is seeing exponential growth in processing power and capacity with very low infrastructure costs
- We have deep domain experience in the “Essential Industries” and cutting-edge development skills that allow us to be at the forefront of automation and optimisation deployments such as Robotic Process Automation and using Computational Power to solve complex data problems

K2fly's Revenue Streams

- K2fly provides organisations with leading technology solutions which help them gain maximum value from their assets. Assets can be physical and/or data
- We are a Consulting Systems Integrator which generates revenue from multiple channels including software licencing, consulting, support and system configuration
- We focus on enabling the “Essential industries”, and delivering value using company owned software and through partnerships with other leading edge providers

K2fly's Revenue Streams

Broadly there are 3 ways in which we generate revenue:

- We sell our own IP directly - 100% of the software margin remains with K2fly
- We market and re-sell other vendor's software and solutions, with significant margins
- We supply top quality advisory, consultancy and implementation services through our team of experienced industry experts. We use a mixture of employees and sub-contractors, and generate reasonable margins

We Target the “Essential Industries”

- We are targeting the **Electricity** sector and already deriving healthy revenues. This industry has become of political interest and is also witnessing massive investment. The further roll out of smart meters and renewable energy solutions will ensure that this sector will undergo significant change in the next decade
- We are also active in the **Railway** sector, with Federal and State governments and the private sector investing heavily in this infrastructure during the next 10 years
- The “**Essential Industries**” and **Mining & Energy** will be investing heavily in IoT in the next 5 years. Gartner Group says that we’re only on Step 1 of a 5-Step journey, and CSIRO says that IoT in Australia is expanding exponentially in this area

K2fly Owned Software

- **Infoscope** – collaboration s/ware with clients such as FMG, National Trust (WA), Metals X, API and Westgold Resources
- **ADAM** – advanced data capture & analysis required for development of effective asset management regimes
- **Tagman** – asset verification software targeted at work execution
- **Novin** – inspection software which compares and contrasts previous inspection histories and produces warnings and hazards
- We are targeting 1-2 value and delivery accretive acquisitions per year to expand our “owned” IP portfolio and leverage our sales and delivery capability

ADAM – Asset Data Analysis Management

- ADAM is a market-leading web-enabled asset maintenance staging system that works with SAP, Maximo, Ellipse and IFS who are EAM “Best of Breed” leaders
- ADAM promotes collaboration on data maintenance from anywhere in the world
- ADAM provides the ability to manage project data and reviews via a single source of truth and allows non-technical staff to run “what if” scenarios to facilitate scenario planning
- In 2018 we plan to port ADAM to the SAP Cloud Platform which would open up a new range of prospective clients

Key Industry Partnerships

- **GE** (A\$155bn company)– we are a certified partner of GE with their IoT suite called Predix. GE Digital is a major focus for the group and they seek to move beyond physical assets. We are working with their Mining and Utility teams
- **ABB** (A\$42bn company) – a certified reseller of their Ellipse and Ellipse Select products. ABB has a long tradition in the Enterprise Asset Management space with many referenceable sites in Australia
- **SAP** (A\$33bn company) - undertaking training with SAP in relation to their S4 HANA solutions. Became a Partner Edge member in September 2017. Working with their global Resources team to help fill gaps in their portfolio with the Infoscope solution. Developing Apps via their Leonardo platform for clients and resell
- **Capita** (A\$8bn company) – 3-year agreement to act as reseller in Australia for both their mobile field working solutions (Fieldreach and GeoField) as well as their smart meter and smart grid offerings (Marketflow and Meterflow)

Key Industry Partnerships

- **Kony** – recognised by Gartner Group and others as the leading Mobile Application Development Platform. 3-year agreement with them to market and resell Kony mobile solutions to the Australian asset intensive industries. First prototype will delivered to client in November
- **OBI Partners** – an exclusive right to resell their operational business intelligence solutions in to the Australian utilities marketplace. OBI has a strong track record in the “actionable intelligence” space
- **Pointerra** – ASX-listed Pointerra signed a 2-year agreement with K2F. The solution is a breakthrough technology via a cloud-based Data as a Service (DaaS) model where valuable 3D data can be stored, managed, viewed, shared, extracted and monetised

Summary

- We have our own software solutions which have already been successfully deployed
- We have forged relationships with other key software providers who are active in our vertical markets. This portfolio approach enables us to offer comprehensive solutions to our clients
- SAP Co-Development with Infoscope to generate significant sales opportunities for K2Fly in 2018 and beyond
- We already have Tier 1 clients in the “Essential Industries”. Many of these clients are non-cyclical – they have to keep the lights on, and the trains running, 365/24/7
- With existing and active clients the cost of sale is reduced and the ability to cross-sell is enhanced
- K2fly continuously monitors asset optimisation solutions globally to ensure we have the latest and best technologies to offer value for our clients
- Growth will occur organically through our own products, 3rd party products and consulting services, supplemented by targeted acquisitions increasing company owned IP whilst adding established clients to our portfolio of customers



Leading technology
for optimising assets

Company

Brian Miller
Executive Chairman
K2fly Limited
T: +61 422 227 489
E: brian@k2fly.com

Investor Inquiries

Paul Hart
Director
Canary Capital
T: +61 421 051 474
E: phart@canarycapital.com.au