

September 2019

# INVESTOR PRESENTATION

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## Revenue FY19

AU\$3.79m  
+50% on FY18

## Ordinary Shares on Issue

75,354,141

## Market Capitalisation

\$12,810,204  
@ \$0.17c 05/09/19

## Listed 20c Options K2FOA

13,264,178  
Exp 18/05/20

## 30 Day VWAP

\$0.184

## Cash at 30 June 2019

\$1.060m

K2FLY Ltd  
ASX: K2F

**0.17** AUD 0.00 (0.00%)

6 Sep, 1:12 pm AEST - Disclaimer

1 day

5 days

1 month

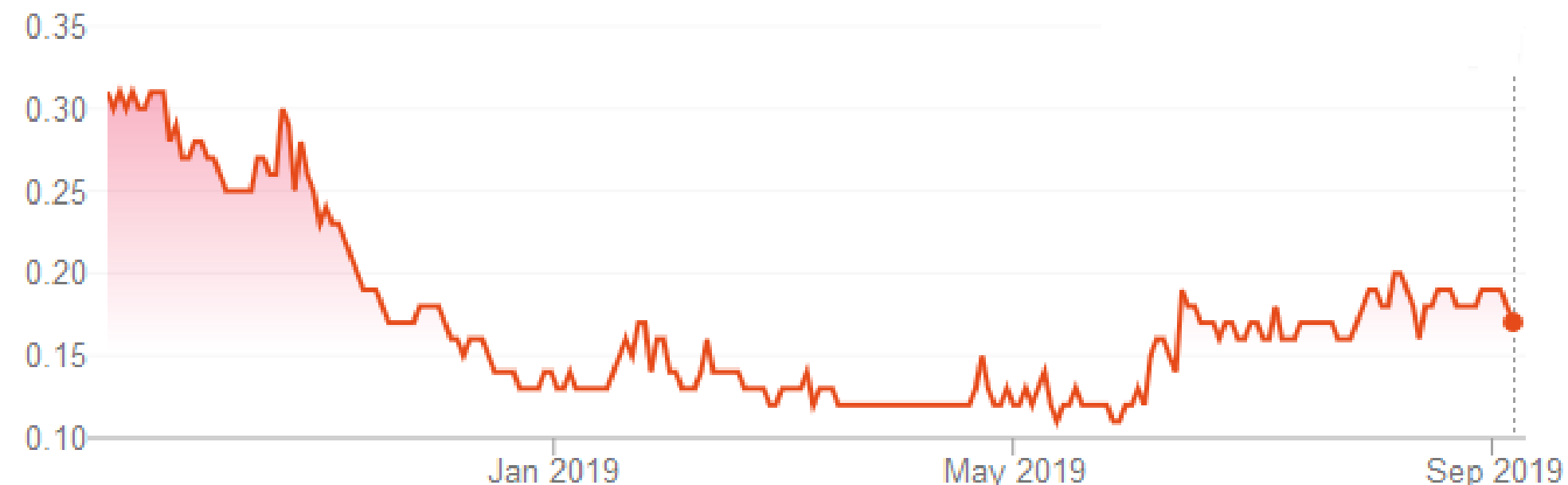
6 months

YTD

**1 year**

5 years

Max



## Board of Directors

**Jenny Cutri**  
Non Executive  
Chair

25 Years  
Corporate Lawyer  
Co-Sec, Listed  
Company, ASX  
and ASIC

**Neil Canby**  
Non Executive  
Director

25 Years Chartered  
Accountant  
IT, Utilities and Energy

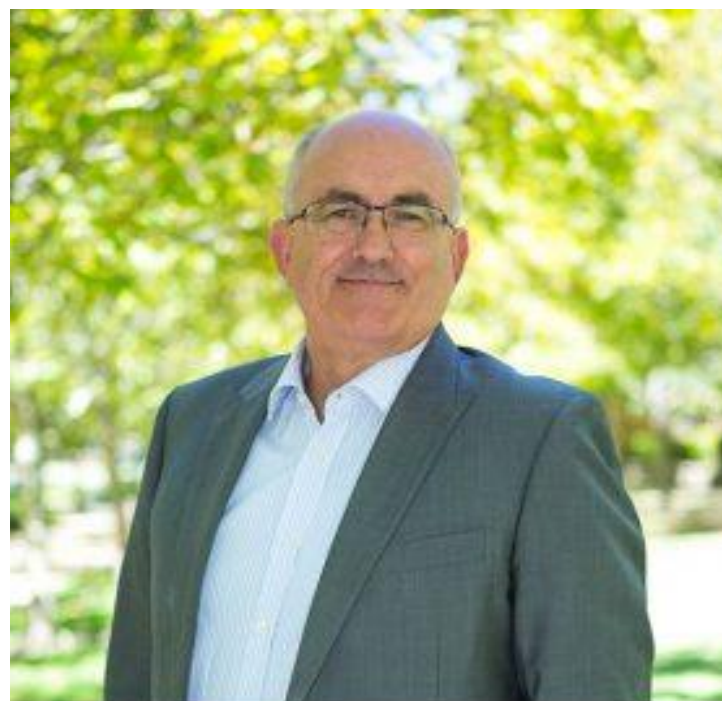
**James Deacon**  
Non Executive  
Director

25 Years  
IT Advisory  
Services Airlines,  
Utilities and Mining

**Brian Miller**  
Chief Executive  
Officer

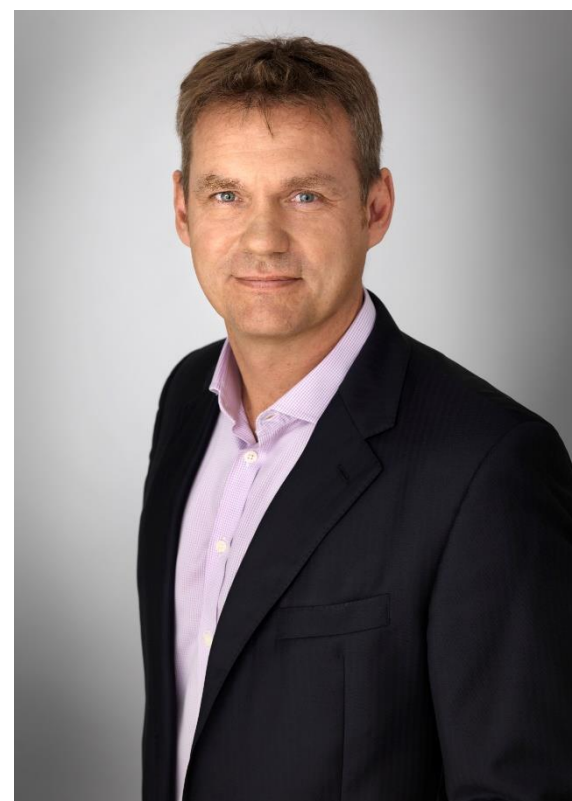
30 Years Software and  
Services UK and Aust.  
Utilities and Elite Sport

# KEY MANAGEMENT



## Brian Miller - CEO

30-year veteran of the IT sector across Australia and Western Europe. Founding CEO of K2fly. Prior CEO of AMT Sybex (UK). Founding member of the Institute of Asset Management (UK), having influenced the development of the initial BS5750 standard for asset management within the UK energy sector. Worked closely with various UK industry regulators including Energy, Water and Rail. Board directorships with UK and Australian IT companies and an extensive network of contacts, opportunities and experience within asset intensive sectors.



## Nic Pollock - CCO

25+ years' experience in enterprise software business and professional services world, 20 of those in senior leadership. Global, APAC and Regional Leadership roles, across Asset Intensive Global Supply Chains and Financial Services. Last 15 years Resources focused across public (ASX and TSX), private and PE funds. Managing Director and President of Gemcom (now Dassault), Mincom (now ABB). Executive Committee Snowden Mining Consultants, Founder of Resource Governance International (RGI) and CEO Decimal.



K2fly is a technology company focused on building a high margin SaaS business

## K2fly Owned SaaS

Currently two software solutions that are independent as well as adjacent with an initial Resources focus

Selling our Infoscope and RCubed software solutions globally through SaaS model

Growing global business based in Perth and Johannesburg and key driver of K2fly future value

## Customers include



## 3rd Party Software

Re-selling and managing world leading software solutions

Examples include partnerships with Capita (UK) for their Mobile Field Working software, Kony (USA) for their Mobile Application Development Platform which have helped us gain Tier 1 clients, and Totalmobile (UK) which saw us consult to the Nuclear industry

## Customers include



## Consulting

Providing consulting services to clients with a focus on best practice asset management and digital transformation

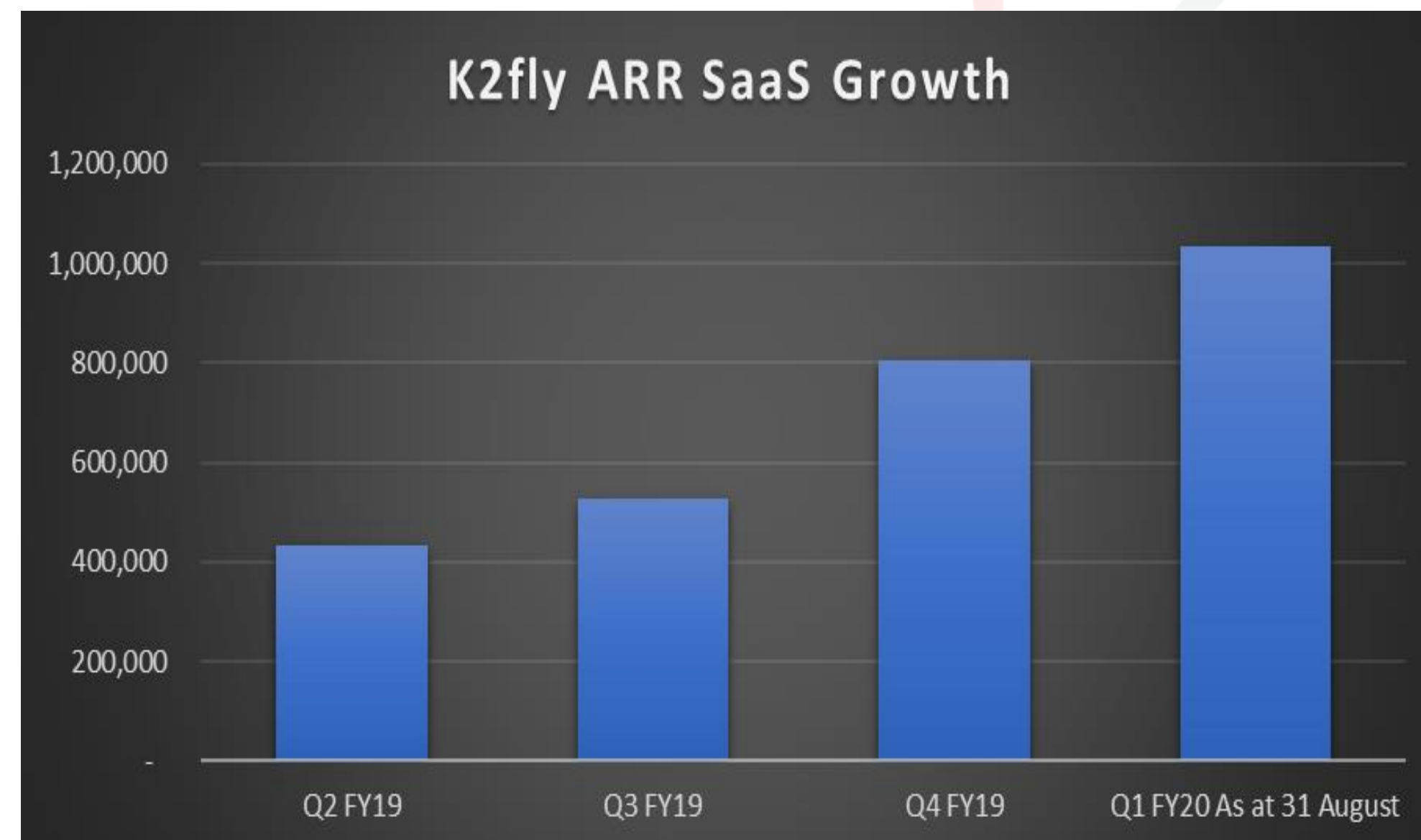
Implementation of software solutions sold by K2fly

## Customers include



# K2fly BUSINESS PERFORMANCE

	Audited 30 June 2017 \$AUD	Audited 30 June 2018 \$AUD	Unaudited 30 June 2019 \$AUD
Revenue	626,698	2,523,151	3,787,826
Cost of Sales	(249,098)	(1,286,689)	(2,981,101)
Gross Profit	377,600	1,236,462	806,725
Total Expenses	(2,612,675)	(6,646,735)	(2,866,370)
Loss before Income Tax	(2,235,075)	(5,410,273)	(2,059,645)
Income Tax Benefit (R&D Grant)	0	0	121,117
Profit/Loss for the Year	(2,235,075)	(5,410,273)	(1,938,528)



CAGR 140%

\* Includes sales up to 31<sup>st</sup> August 2019  
CAGR – Compound annual growth rate





Superannuation funds are driving the ESG movement in Australia. David Rowe

## Big money starts to dump stocks that pose climate risks

## Social licence: why some companies still don't get it, and how it will cost them

— Chanticleer

### Time to walk the talk on ESG

*Chanticleer is Australia's pre-eminent business column.*

— Chanticleer

## Australians flock to ESG as debt investors follow

For credit investors, governance risks have emerged as almost twice as important as environmental and social ones, Fitch says.



## How BHP's climate stance caught its fellow miners on the hop

### BHP says two Australian dams may pose 'extreme risk'



## Investor Expectations of Mining Companies

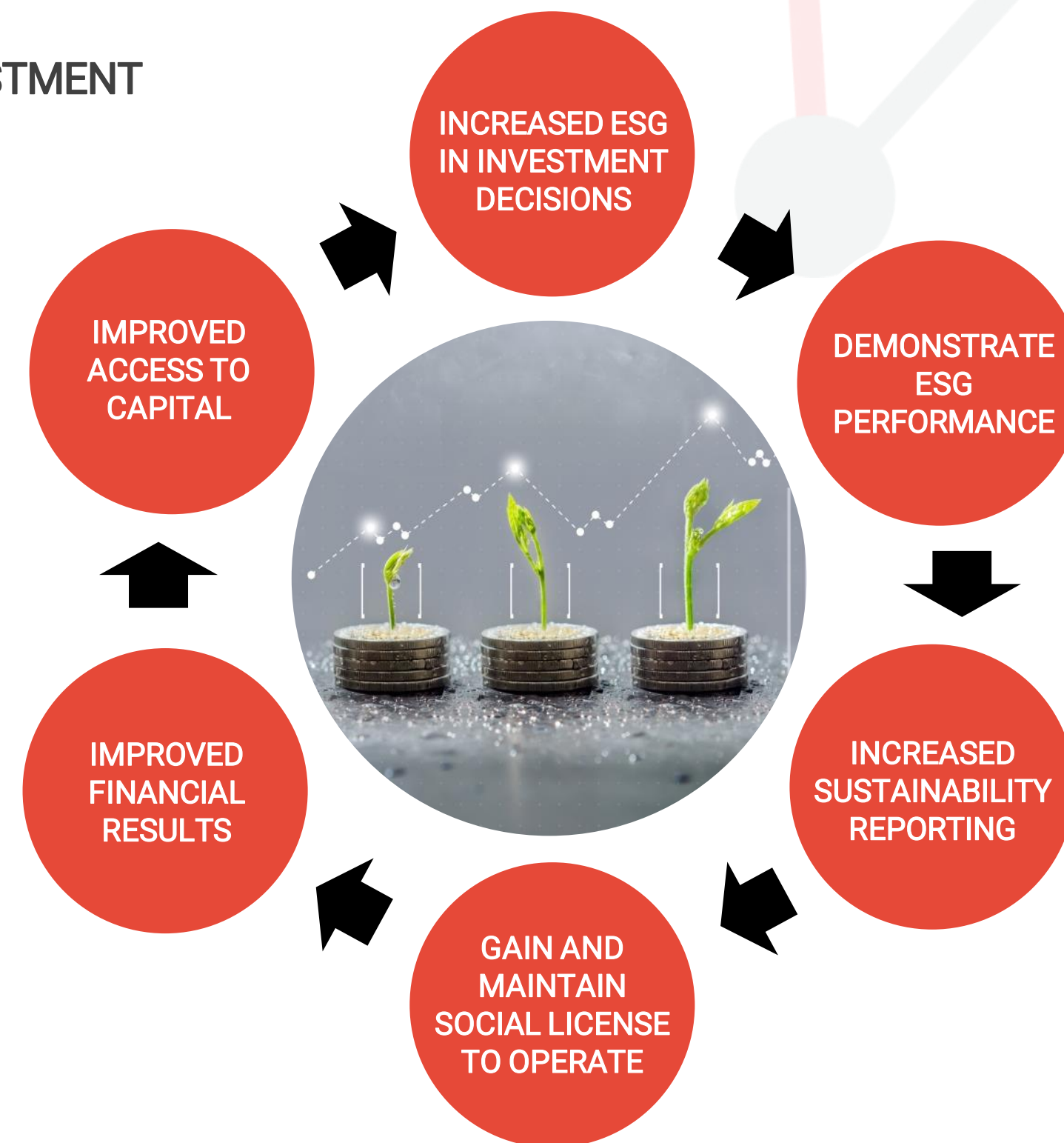


## ESG top challenge for big miners: BlackRock boss

# GLOBAL FACTORS DRIVING CHANGE AND INDUSTRY RESPONSE



RESPONSIBLE INVESTMENT  
DRIVING CHANGE  
\$1 in \$4 Invested  
is now ESG driven\*

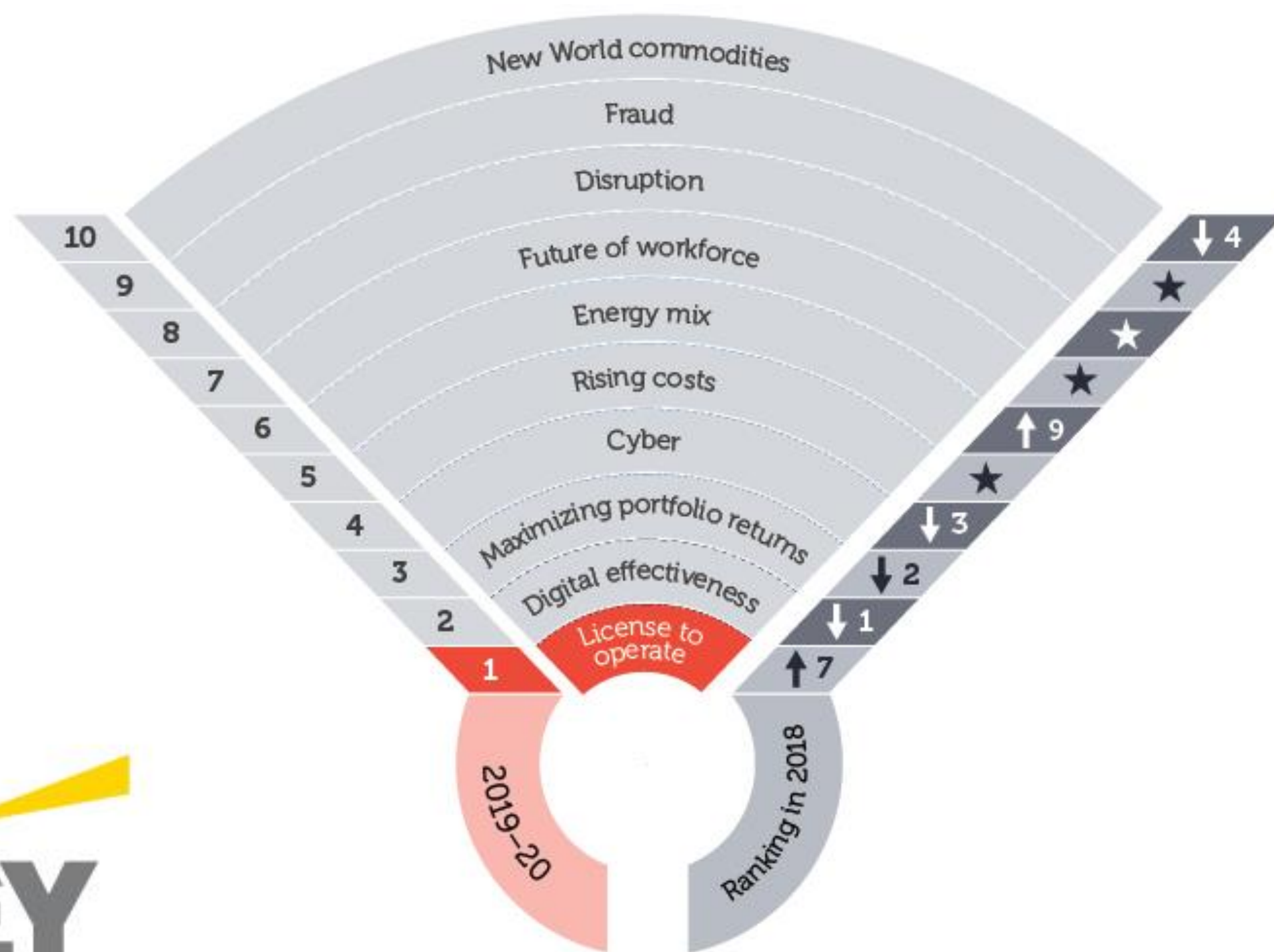


\*The US SIF Foundation's 2018 biennial Report on US Sustainable, Responsible and Impact Investing Trend



# SOCIAL LICENSE TO OPERATE IS THE #1 RISK

## TOP 10 BUSINESS RISKS FACING MINING AND METALS IN 2019-20

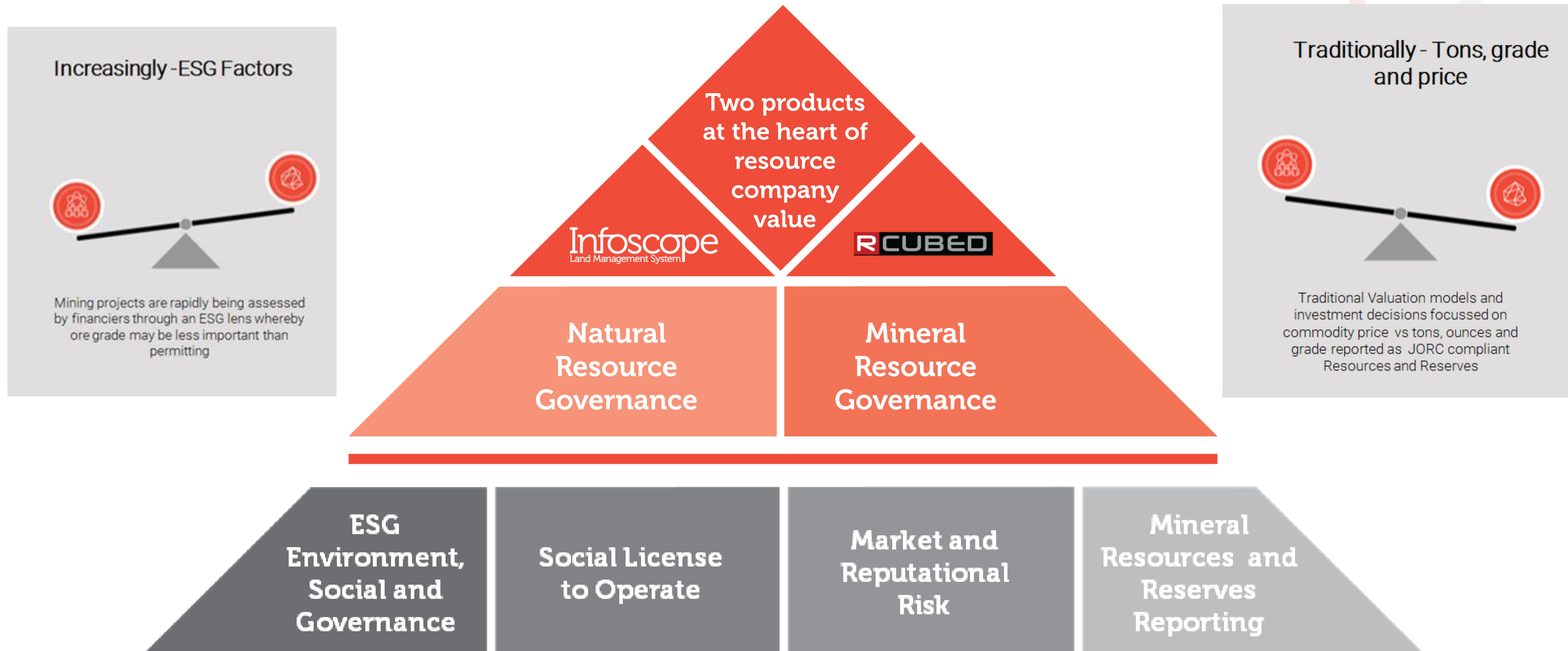


Up from 2018 ↓ Down from 2018 — Same as 2018 ★ New to the radar

## TRACKING THE 2019 TRENDS: THE TOP 10 ISSUES TRANSFORMING THE FUTURE OF MINING

- |  |  |
|--|--|
| Trend 1: Rethinking mining strategy                            | Trend 6: Exploring the water-energy nexus                  |
| Trend 2: The frontier of analytics and artificial intelligence | Trend 7: Decoding capital projects                         |
| Trend 3: Managing risk in the digital era                      | Trend 8: Reimagining work, workers, and the workplace      |
| Trend 4: Digitizing the supply chain                           | Trend 9: Operationalizing diversity and inclusion programs |
| Trend 5: Driving sustainable shared social outcomes            | Trend 10: Demanding provenance                             |

# K2fly SaaS SOLUTIONS FOCUS ON TRADITIONAL AND EMERGING VALUE





# K2fly SOFTWARE AS A SERVICE (SaaS)

Infoscope  
Land Management System

## Emerging Value Source

### Natural Resource Governance

- Land and Stakeholder Management
- ESG
- License to operate

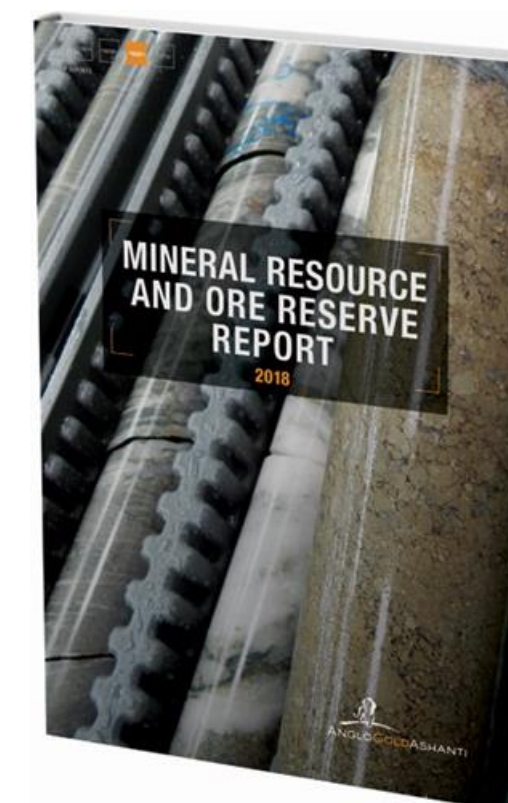
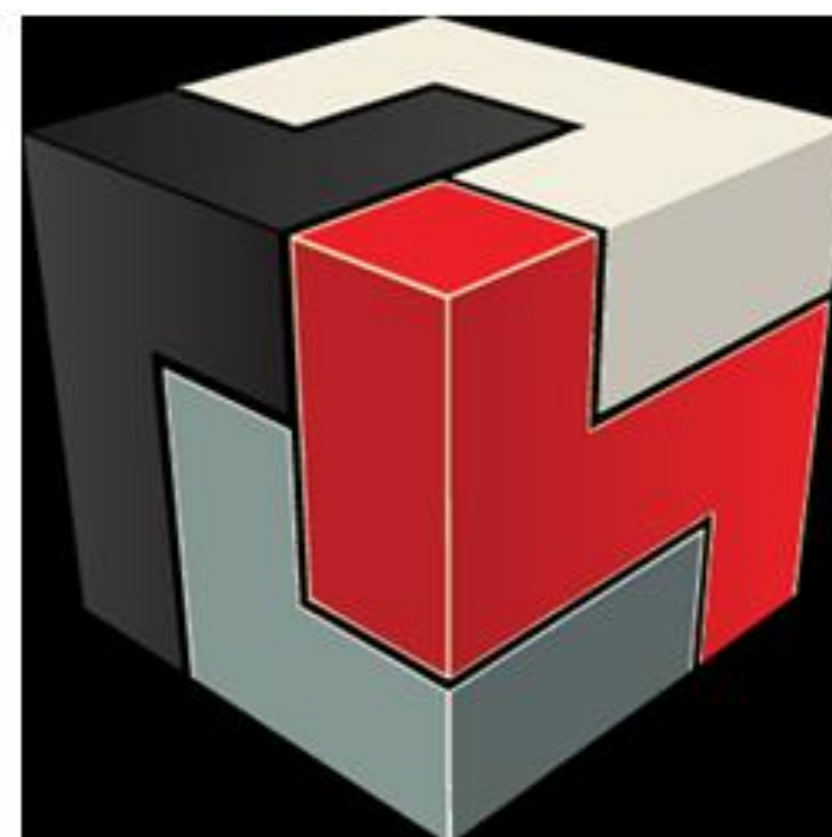


R CUBED

## Traditional Value Source

### Mineral Resource Governance

- Mineral Resource and Reserves Reporting (MRRR)
- Multi Code – JORC, SAMREC, NI 43101
- Multi Exchange - NYSE, LSE, ASX, TSX



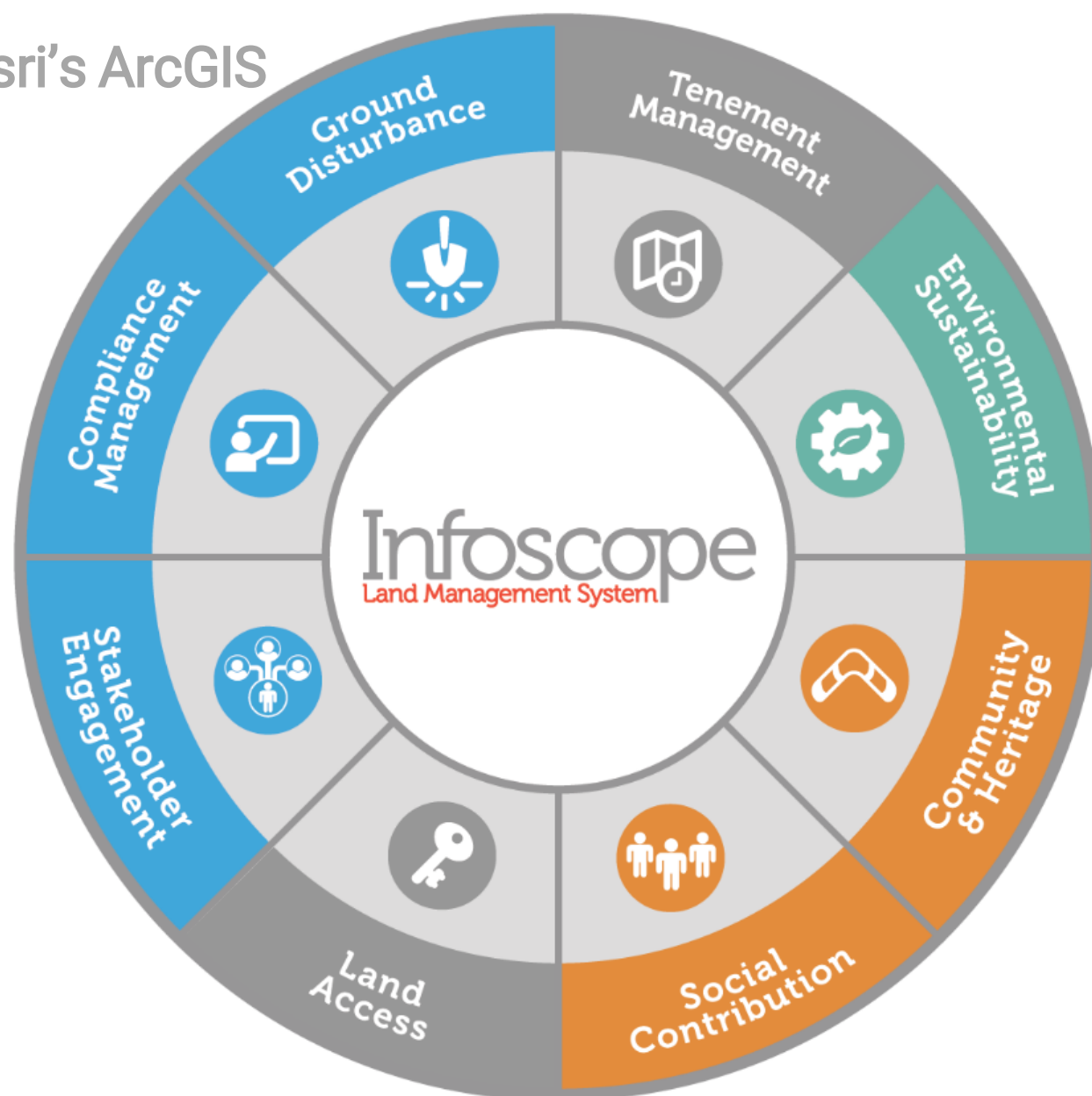
Our goal is to offer multiple governance / compliance reporting solutions



# INFOSCOPE – LAND MANAGEMENT SYSTEM

## THE SMARTER WAY TO MANAGE LAND & YOUR SOCIAL LICENSE TO OPERATE

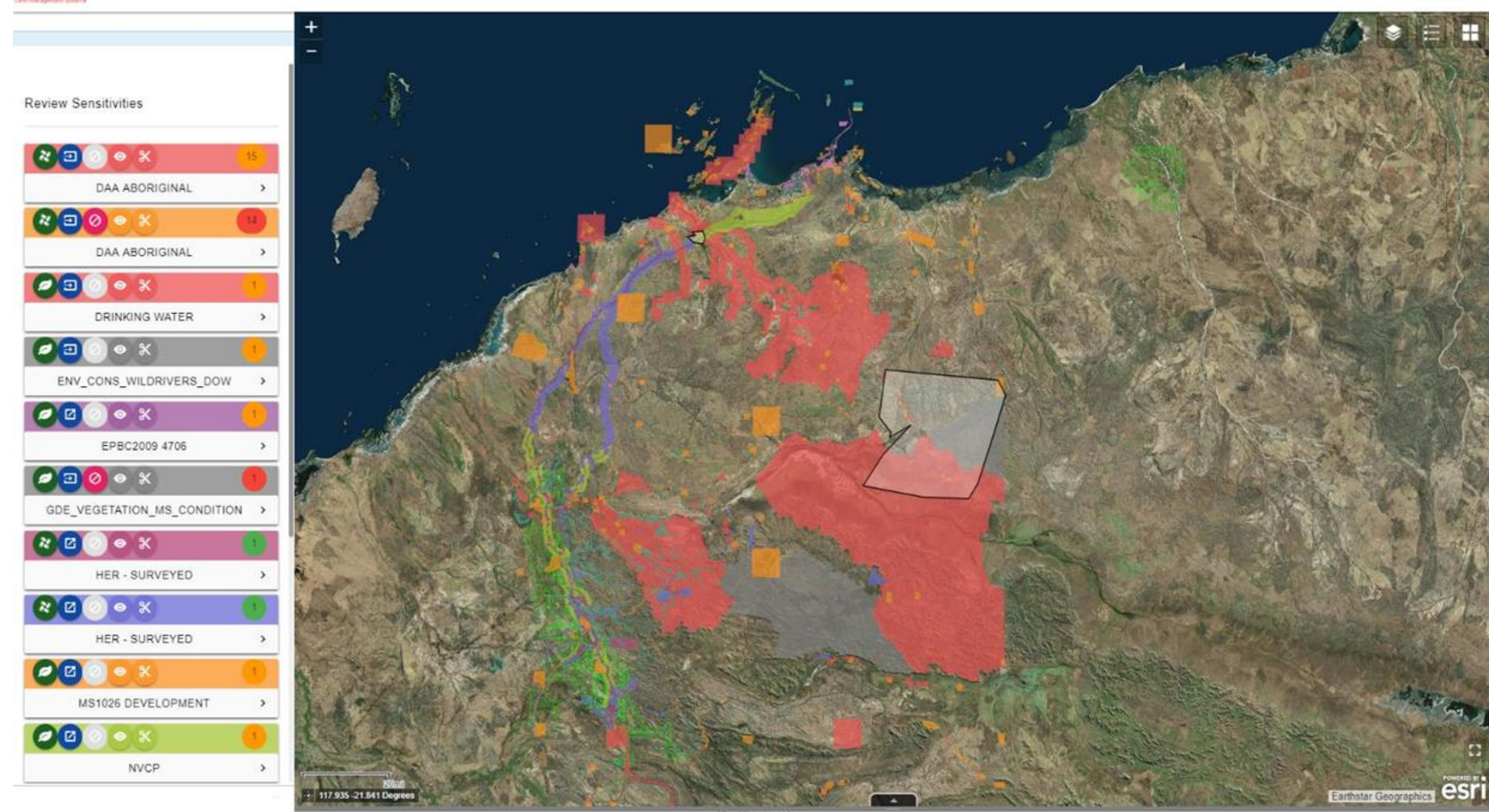
- Delivers Governance, Risk & Compliance
- Engage Stakeholders with Spatial Intelligence
- Integrated with and platform options SAP HANA & Esri's ArcGIS



InfoScope  
Land Management System

InfoScope Provides Companies Complete Visibility on All Activities  
Related to Companies Land Holdings

InfoScope  
Land Management System





# INFOSCOPE CASE STUDY



- Strong growth in user licenses over 7 years
- More than 300 everyday users
- Spans 8 business units and 9 project areas
- Replaced more than 8 discrete systems
- Significant reduction in Tenement management overhead



> 70 Datasets  
Tenements (multi-jurisdictional)  
Project Areas  
Other Govt. Datasets (Shire, Landholding, etc.)  
Cultural Heritage Datasets  
Environmental Datasets  
Infrastructure & Drilling Datasets  
Ground Disturbance Datasets

Objections  
Financial Reporting Groups  
Ground Disturbance  
Heritage Approvals

Tenement Dealings  
Tenement Expenditure  
Tenement Commitments  
Tenement Objections  
Tenement Rent Paid



Department of Mines, Industry  
Regulation and Safety

Tenement Expenditure Reporting  
Tenement Statutory Submissions



Environmental Approvals  
Environmental Obligations  
Drilling Datasets

People (Status, Contact Details & Supervisor)  
Vendors (Contact Details, Contractor Info)  
Expenditure against tenements  
Open Purchase Orders against tenements

Environmental Breach  
Incident Management

Tenement Expenditure Commitments  
Tenement Rent Payments  
Tenement Shire Rates Payments

Operations  
Systems



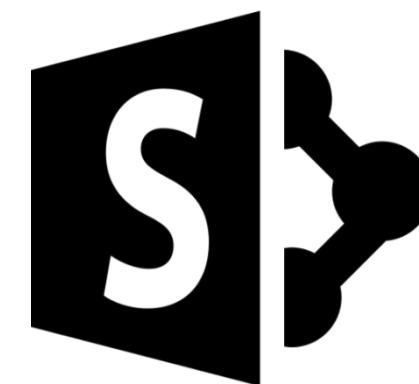
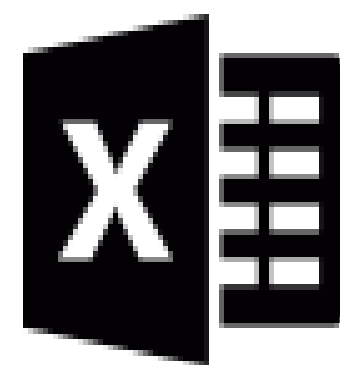
# RCUBED – (MRRR) Mineral Resource Reporting System

Appropriate Resource Governance and Reporting is a fundamental governance pillar of any publicly listed resource company. It is a critical element to get right for investors, regulators, reputation and care of the core asset.

RCubed offers the only proven Commercial Off The Shelf (COTS) system across multiple clients, commodities, exchanges and codes.

**Current Solution for Tier 1 and Tier 2 Miners is predominantly inhouse**

CUSTOM  
SOFTWARE  
DEVELOPMENT

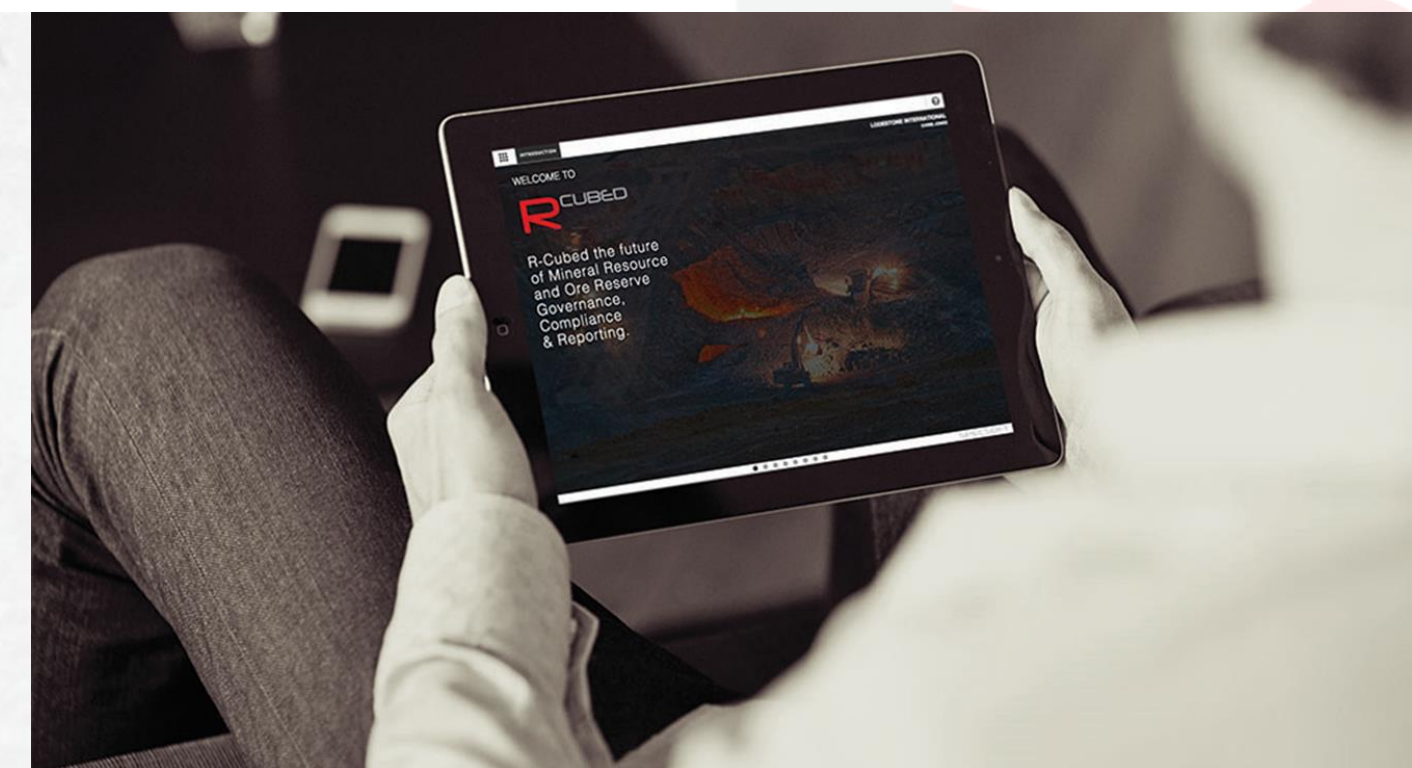


**This landscape is changing rapidly:**

- In-house system are “end of life” – Software platform and regulatory reasons
- Changes to US SEC Regulations – 2021 causing massive shift now
- Generational change happening in MR leadership



## How it Works



RCubed is a robust governance platform applied specifically for Mineral Resource and Reserve Reporting developed with Industry Leaders:

- RCubed systemises that which is often done through a complex and risky internal process, over reliant on individuals and spreadsheets.
- Workflows are automated, integrated with calendars and email. Ensuring clear and transparent reporting cycle
- It provides full audit trails and can flip pressure back onto auditors who can have as much information as they require - or even a login thus reducing the overhead on the MRR team
- It becomes the essential single version of truth from the last reporting cycle as far back as analysts would like. This data in turn is shared via management or reporting portals thus providing self service kiosks and removing burden on MRR team to respond to multiple requests for data
- RCubed can become the single source of multiple and historical mineral planning and operational data
- RCubed manages all changes to the regulations that our customers report under just like a bureau

# GO TO MARKET STRATEGY SaaS BUSINESS

## Direct Sales to Customers:



Global Resource Companies

- Large
- Mid Cap

## Channel Partners:



Integration into third party ERP systems and other platforms



## Stakeholders / Influencers:



Regulators  
Boards  
Proxy Advisors  
Industry Bodies  
Investor Community  
Stock Markets  
Legal  
Mining & Environmental  
Consultants

Increased Transparency

+

Better Governance

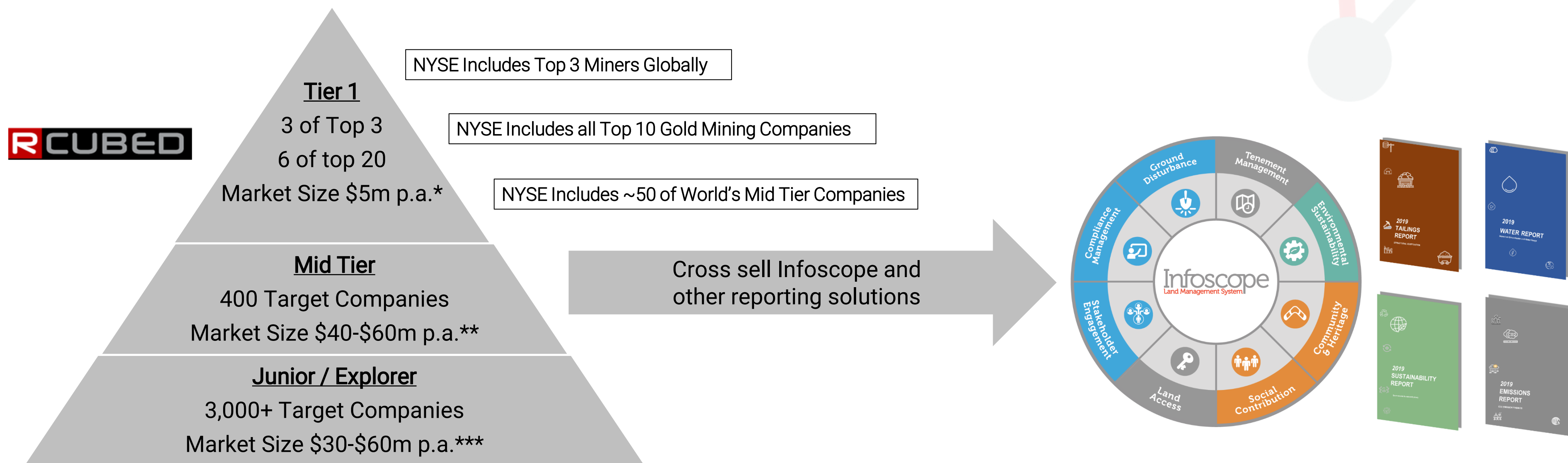
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Reduce Risk



# CHANGES TO SEC (NYSE) REGULATIONS DRIVING DEMAND

>50 Resource Co's must comply by January 2021  
including the world's biggest!



RCubed offers the only proven COTS solution across multiple clients, commodities, exchanges and codes - it was originally built for US SEC and SOX Compliance



## BLUE-CHIP CUSTOMER BASE

Leader in Environmental, Social and Governance (ESG) software for Resources Industry

- 5 COMMODITIES
- 1 COUNTRY
- 1 CONTINENT
- 12 SITES
- 1 OFFICE



● INFOSCOPE SITES ● RCUBED SITES ● OFFICES



**WESTGOLD**  
RESOURCES LIMITED



**Fortescue**  
The New Force in Iron Ore



**PANORAMIC**  
RESOURCES LTD

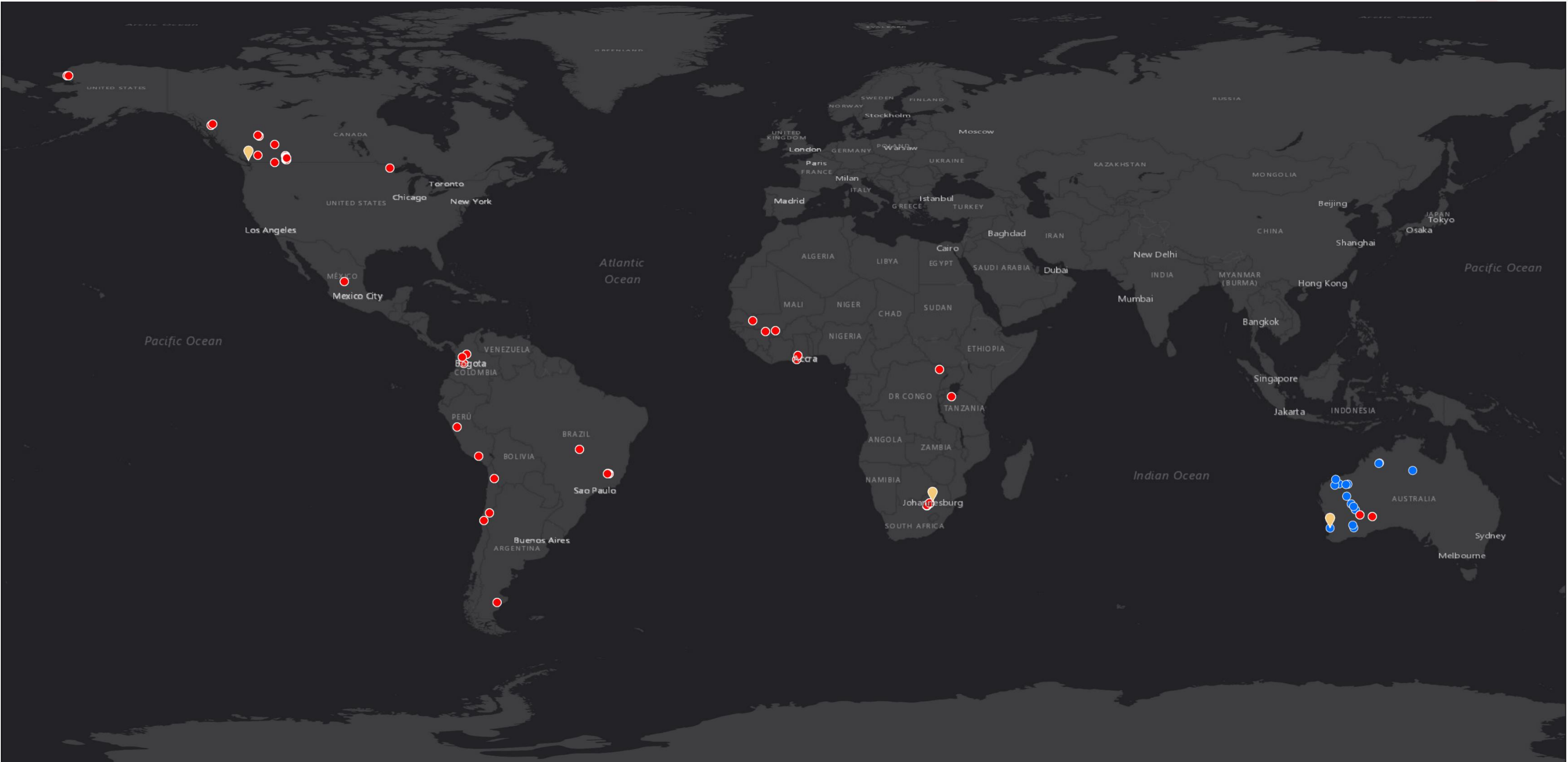


## BLUE-CHIP CUSTOMER BASE

Global Leader in Mineral Resource and Reserves, Environmental, Social and Governance (ESG) for Resources Industry

**5 Major** Stock Exchanges Supported

- 33** COMMODITIES
- 22** COUNTRIES
- 4** CONTINENTS
- 65** SITES
- 2** OFFICES



● INFOSCOPE SITES    ● RCUBED SITES    ● OFFICES





## BLUE-CHIP CUSTOMER BASE

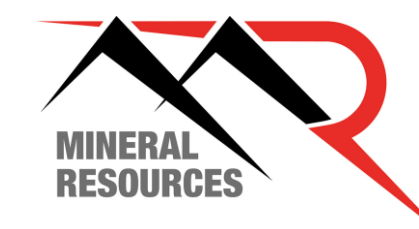
Global Leader in Mineral Resource  
and Reserves, Environmental,  
Social and Governance (ESG) for  
Resources Industry

**5 Major** Stock Exchanges  
Supported

**35** COMMODITIES  
**22** COUNTRIES  
**5** CONTINENTS  
**150** SITES  
**2** OFFICES



● INFOSCOPE SITES    ● RCUBED SITES    ● OFFICES



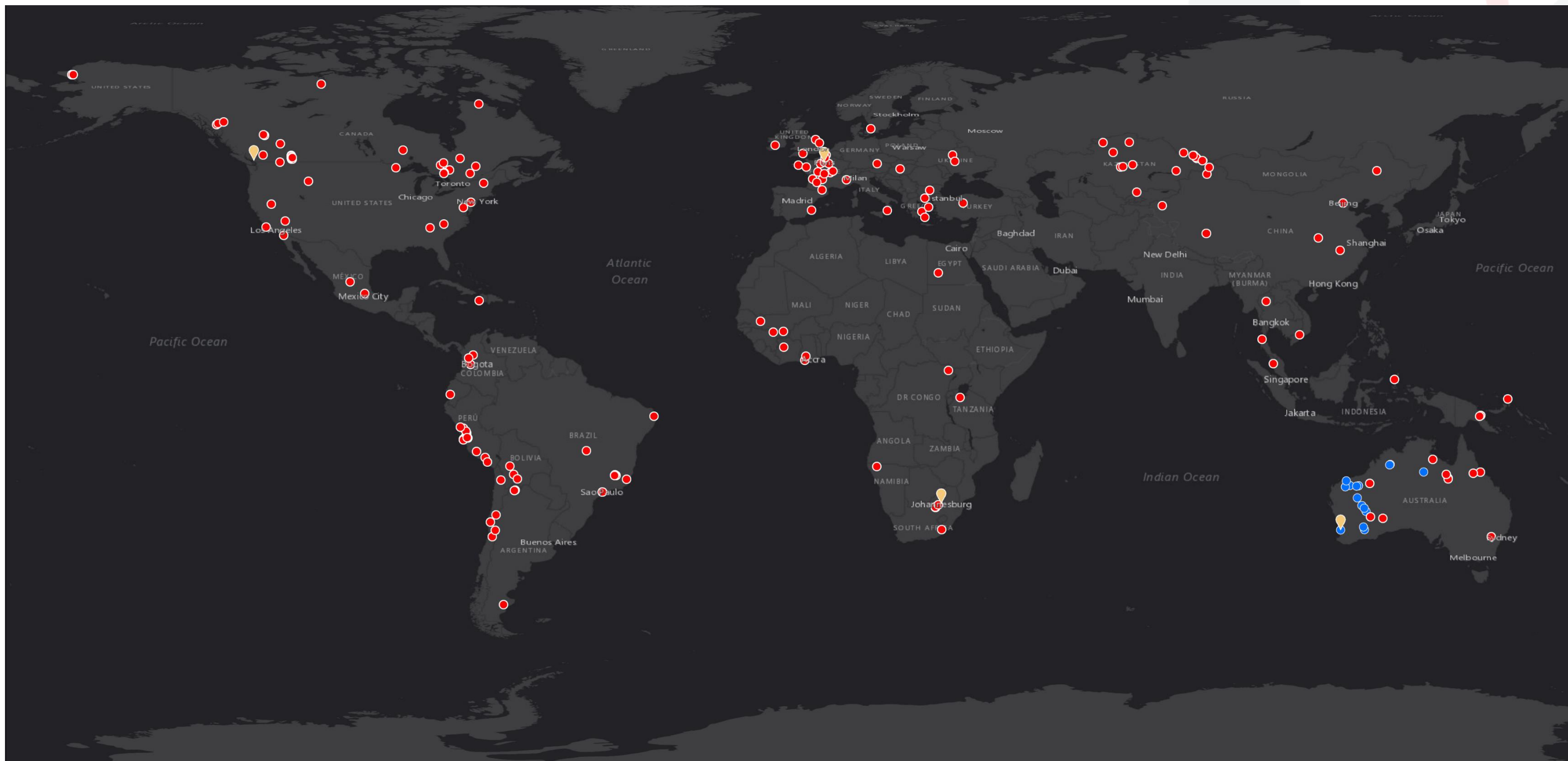


## BLUE-CHIP CUSTOMER BASE

Global Leader in Mineral Resource and Reserves, Environmental, Social and Governance (ESG) for Resources Industry

**5 Major** Stock Exchanges Supported

**37** COMMODITIES  
**41** COUNTRIES  
**5** CONTINENTS  
**216** SITES  
**2** OFFICES



● INFOSCOPE SITES ● RCUBED SITES ● OFFICES



GLENCORE



Teck



# K2fly SaaS BUSINESS POSITIONED FOR SIGNIFICANT GROWTH

- K2fly is poised to become cash flow positive and ready for its next stage of rapid growth in its SaaS business
- RCubed can become the clear leader in its space (Resource Governance) because it is the only COTS software available today.
- Value is already proven however US SEC regulation changes are driving additional wave of demand from Tier 1 and Tier 2 miners listed on NYSE - now
- Additional opportunity exists in leveraging growing international customer base and our own Infoscope technology to address rapidly evolving ESG (Environmental, Social and Governance) reporting requirements.
- As these solutions are adopted there are likely to be other significant opportunities for K2fly in governance and market reporting opportunities including:
  - Tailings
  - Environmental (AER's)
  - Sustainability



# CURRENT K2FLY CLIENTS



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# Appendix

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k2fly ltd  
[www.k2fly.com](http://www.k2fly.com)

# CHANGES TO US SEC REGULATIONS DRIVING DEMAND:

## Modernization of Property Disclosures for Mining Registrants:

<https://www.sec.gov/corpfin/secg-modernization-property-disclosures-mining-registrants>

On October 31, 2018, the Securities and Exchange Commission (“SEC” or “Commission”) adopted amendments to modernize the property disclosure requirements for mining registrants, and related guidance, which are currently set forth in Item 102 of Regulation S-K under the Securities Act of 1933 (“Securities Act”) and the Securities Exchange Act of 1934 (“Exchange Act”) and in Industry Guide 7. The amendments are intended to provide investors with a more comprehensive understanding of a registrant’s mining properties, which should help them make more informed investment decisions. The amendments also will more closely align the Commission’s disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, as embodied by the Committee for Reserves International Reporting Standards (“CRIRSCO”).

# WHAT IS SOCIAL LICENSE TO OPERATE?

## ESG

A generic term used by investors in capital markets to evaluate Corporate behavior and to determine future financial performance

**E**

### Environmental

How a company manages its environmental footprint and natural resources

**S**

### Social

How a company manages its relationship with employees, suppliers, customers and the communities in which it operates

**G**

### Governance

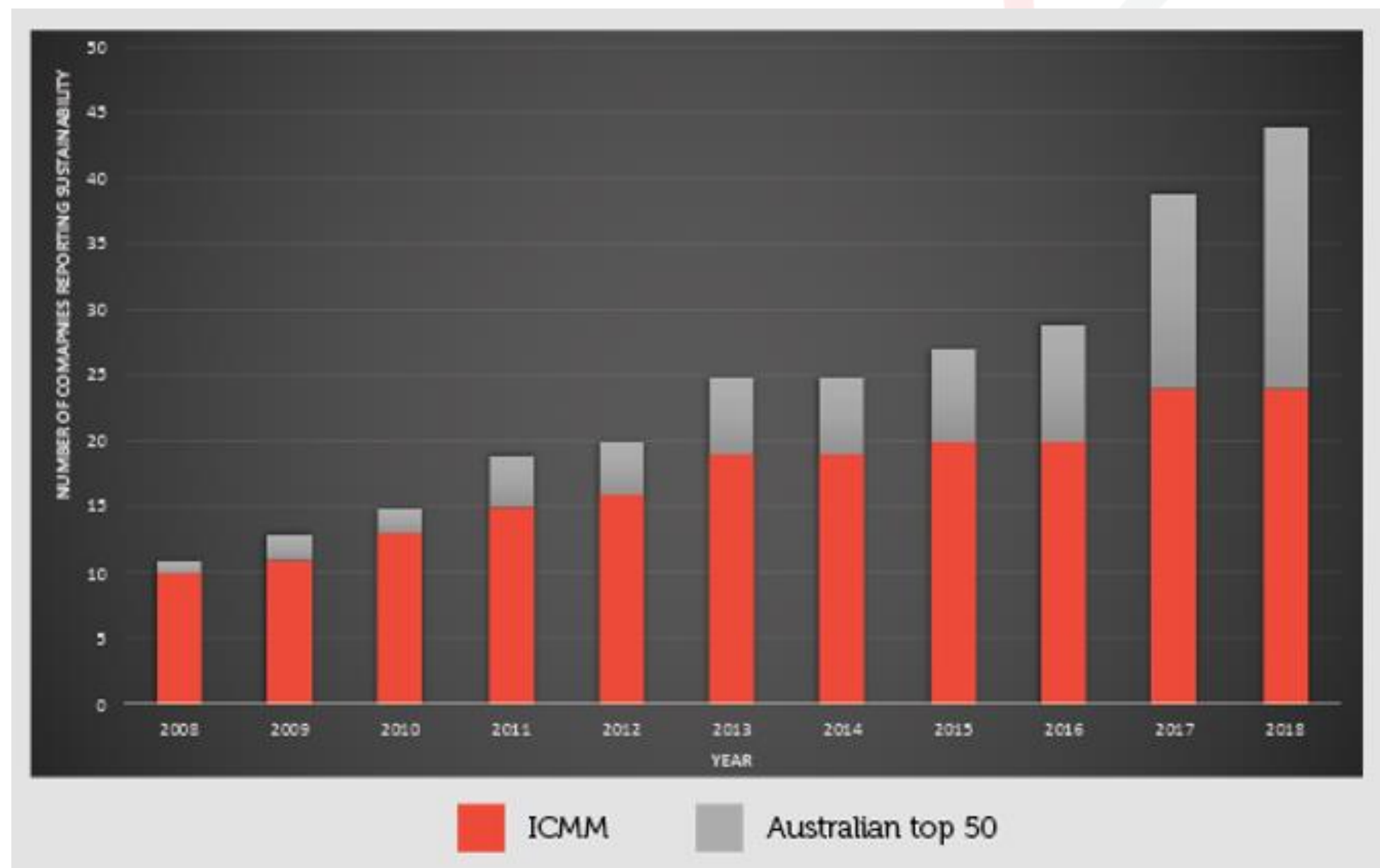
How a company conducts its business and includes factors such as policies, internal controls, audit and compensation.

Amount invested in ESG up 38% in 2 years.\*\*

#### SUSTAINABILITY REPORTING

A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. A sustainability report is the key platform for communicating sustainability performance and impacts to employees, governments and the community – whether positive or negative.

## GROWTH IN MINING SUSTAINABILITY REPORTING \*



*"Increasingly, we also see ESG as a source of differentiation, as society, and particularly Millennials, demand higher standards of governance and transparency from the companies they work for, and invest in."*

Simon Thompson, Chair, Rio Tinto