



Announcement Summary

Entity name

K2FLY LIMITED

Announcement Type

New announcement

Date of this announcement

Monday April 19, 2021

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

| ASX +security code | +Security description | Maximum Number of +securities to be issued |
|--------------------|---|--|
| K2FAD | OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES | 2,265,625 |
| K2F | ORDINARY FULLY PAID | 25,000,000 |

Proposed +issue date

Tuesday April 27, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

K2FLY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

125345502

1.3 ASX issuer code

K2F

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Monday April 19, 2021

1.6 The Proposed issue is:

☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

K2F : ORDINARY FULLY PAID

Number of +securities proposed to be issued

25,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.29000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes



Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

K2FAD : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES

Number of +securities proposed to be issued

2,265,625

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Unlisted options at an issue price of \$0.00001 each, exercisable at \$0.435 each on or before 10 March 2024

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.000010

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Tuesday April 27, 2021

Part 7D - Listing Rule requirements



7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

13,785,000 ordinary fully paid shares and 2,265,625 unlisted options exercisable at \$0.435 each on or before 10 March 2024

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
☒ Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

11,215,000 ordinary fully paid shares

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

The Board has considered all funding methods available and considers a Placement to be the most expedient form of raising funds for the Company and also provides the most certainty

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
☒ Yes

7E.1a Who is the lead manager/broker?

Argonaut

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Fee of 5.5% of the total funds raised and 2,265,625 options (subject of this Appendix 3B)

7E.2 Is the proposed issue to be underwritten?
☒ No



7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Potential acquisition, sales and marketing, product development and working capital purposes

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue