

ASX Release

ASX code: K2F

2 November 2023

K2fly Strategic Placement & Strategic Review**Highlights**

- **Placement firm commitment received from Maptek to raise A\$1.0m at A\$0.10 per ordinary share, subject to shareholder approval**
- **Placement pricing represents a premium of 63% to the 15-day VWAP**
- **Funds raised will be used to strengthen the Company's balance sheet; for working capital requirements to support continued growth**
- **Process underway for a strategic review of corporate structure to evaluate options to realise full business potential and shareholder value**

K2fly Limited (K2F, K2fly or the Company) (ASX: K2F), is a leading provider of Resource Governance solutions for 'net positive impact' in Environmental, Social and Governance (ESG) compliance, disclosure, and technical assurance. We focus on the operations of mining and asset intensive industries through our platform-based SaaS cloud solutions.

The Company is pleased to announce it has received a firm commitment from major shareholder Maptek to raise A\$1.0m via a strategic placement, subject to shareholder approval (**Placement**). Funds will be used to strengthen the company's balance sheet; for working capital requirements to support continued growth.

The Placement price of A\$0.10 per share represents a 63% premium to the 15-day VWAP.

Maptek is K2fly's largest shareholder and Maptek's Chair, Peter Johnson, sits on K2fly's Board as a Non-Executive Director. Maptek have also provided a working capital facility to K2fly of A\$2.0m, which remains undrawn (see [ASX announcement](#) 1 June 2023). Upon completion of the Placement, Maptek will hold a shareholding of 17.7% in K2fly.

Given the current challenges of the equity markets for microcaps like K2fly, the Company has also initiated a strategic review of the business. The purpose of the strategic review is to identify and evaluate options for the best corporate structure to provide suitable access to capital to realise the full potential of K2fly and maximise shareholder value. The terms of the review are broad and include M&A opportunities, partnerships, and other potential corporate activity.

Pauline Vamos Chair of K2fly said "We are thankful for the strong ongoing support received from Maptek. Given the backdrop of challenging equity markets a modest equity raising at a substantial premium to the prevailing share price was deemed prudent to shore up the K2fly balance sheet as we commence the strategic review to maximise shareholder value.

While strategic alternatives are assessed, we continue to build out and deliver our leadership of the Resource Governance market globally. Global demand for Resource Governance remains strong as investors and regulators alike demand radical transparency, better governance, and a higher quality of disclosures.

K2fly has delivered 13 quarters of revenue and ARR growth amounting to a 48% CAGR for the past three years. We have contracts in place with 7 of the top 10 global mining leaders and our land

K2fly Limited ACN 125 345 502www.k2fly.com | info@k2fly.com

(08) 6333 1833



4/502 Hay Street Subiaco WA 6006

and expand strategy continues to evolve with more customers continuing to sign additional solutions with K2fly (Imerys, Roy Hill and Rio Tinto in the last 12 months). With the support of our investors, we have been able to deliver the next generation of the Resource Governance Platform (Resource Disclosure) which we are currently delivering to major new clients (Anglo American, Arcelor Mittal and Eramet) and will subsequently migrate our 16 other clients in that solution space.

We have delivered major milestones with BHP in Ground Disturbance in the Pilbara Region in the last quarter as well as commencing with another major project with Roy Hill in Ground Disturbance. These developments, along with operational improvements in our Product and Customer Success groups, will allow us to open more scale in landing and expanding our global customer base.

Furthermore, we are investing in alternative paths to market to further scale revenue such as white labelling, industry partnerships and opening new adjacent markets in alternative energy and infrastructure projects.

There remains seasonality in our contracts and cash flows but year on year we become more confident in our ability to continue to grow and scale whilst maintaining tight controls on our expenditure as we move closer to break even."

Placement Details

K2fly has received a firm commitment from Maptek in connection with a Placement to issue 10,000,000 ordinary shares (New Shares) at A\$0.10 per New Share (Offer Price) to raise A\$1.0m (before costs).

Maptek's participation in the Placement will be subject to shareholder approval in accordance with ASX Listing Rule 10, to be sought at the Company's annual general meeting which is to be held before 15 December 2023.

The Offer Price of A\$0.10 per New Share represents a premium of 63% to the Company's 15-day volume weighted average price of A\$0.0614 per share.

The New Shares rank equally with existing fully paid ordinary shares in K2fly.

The Placement funds will be used to strengthen the Company's balance sheet; for working capital requirements to support continued growth.

Maptek: A standstill agreement has been agreed restricting Maptek to not increase their existing shareholding for 12 months, unless with agreement from K2fly or in the event of an announced third-party Change of Control transaction.

Argonaut acted as Lead Manager to the Placement.

Announcement released with authority of K2fly Board.

This announcement is intended to lift the trading halt requested on 31 October 2023.

For further information, please contact:

Nic Pollock, Chief Executive Officer, K2fly Limited. T: +61 419 280 700. E: nic.p@k2fly.com

Glen Zurcher, Investor Relations. T: +61 420 249 299. E: glen.z@k2fly.com

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About K2fly

K2fly Limited (ASX: K2F) is an ASX listed technology provider of enterprise-level Resource Governance solutions for **'net positive impact'** in Environmental, Social and Governance (ESG) compliance, disclosure and technical assurance, to operations of mining and asset intensive industries through its platform-based SaaS cloud solutions.

Our solutions address many industry challenges and help manage risk around clients' social license to operate concerning reporting & governance, reputation and disclosure demands.

Product & service offering: We deliver a suite of solutions across three key areas on a single platform:

- Natural Resource Governance
- Mineral Resource Governance
- Technical Assurance

Customers: Spanning all continents, our customer base includes multinational Tier-1 and Tier-2 mining clients operating in 62 countries.

Strategy: Through acquisition, development, and partnerships, K2fly have assembled a unique platform that generates high margin SaaS recurring revenues, being rolled out globally. Our strategy is to 'land and expand' our offering with clients over time whereby additional solutions are rolled out to support central operational management and efficiency gains.

K2fly works closely with peak industry bodies, regulators, and our own industry advisory groups on ESG topics that are driven by rapidly changing regulations, community and investor expectations to build fit for purpose industry solutions that adhere to recognised codes and standards.

Strategic alliances: K2fly has strategic alliances with global technology companies such as Esri (USA), SAP (Germany), Hitachi-ABB (Japan) and Descartes Labs (USA).

Platform [overview](#)

Area	Solution	Related Acquisition
Natural Resource Governance	Heritage Management	Infoscope
	Land Access	Infoscope
	Ground Disturbance	Infoscope
	Tailings Management	Decipher
	Mine Rehabilitation	Decipher
Mineral Resource Governance	Resource Disclosure	RCubed
	Model Manager	RCubed, Sateva
	Mine Reconciliation	RCubed
Technical Assurance	Ore Blocker	Sateva
	Mine Geology	Sateva