

ASX Release

ASX code: K2F

8 April 2022

Maptek makes strategic investment in K2fly

Highlights

- **A\$6.2m raised (before costs) at A\$0.18 per ordinary share as part of a single tranche Placement from Maptek, existing institutional investors, key K2fly executives and existing sophisticated investors (firm commitments received)**
- **Maptek, a leading international mining software services business, to become a 13.2% strategic shareholder in K2fly**
- **Placement pricing represents a premium to the 15-day VWAP**
- **Maptek's Chairman Peter Johnson to join the K2fly Board as a Non-Executive Director**
- **Funds raised will be used for product development and working capital requirements to deliver continued growth**

K2fly Limited (K2F, K2fly or the Company) (ASX: K2F), is the 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 firm commitments to raise A\$6.2m via a strategic and institutional Placement to fund K2fly's product development and working capital requirements to deliver continued growth. The Placement price of A\$0.18 per share represents a premium to the 15-day VWAP.

The Placement is being led by strategic investor Maptek who will become a 13.2% shareholder in K2fly. In addition, Maptek's Chairman, Peter Johnson, will join the K2fly Board as a Non-Executive Director.

Maptek is a global provider of innovative software, hardware, and services for mining. Founded in Australia 41 years ago, Maptek offers a unique combination of domain knowledge, technical expertise, and engineering resources. Maptek is the largest private mining software group in the world with annual revenues in excess of A\$120m. Maptek dominates the sector globally for mine planning and geological modelling software as well as solutions across a wide span of the mining value chain.

Jenny Cutri, Non-Executive Chair of K2fly said "We are delighted to welcome Maptek as a strategic investor in K2fly and for Maptek's Chairman Peter Johnson to join K2fly's Board. The investment by Maptek make it K2fly's largest investor and represents a significant validation of the K2fly business and growth outlook by the world's largest privately held mining software business.

On behalf of K2fly and the Board, we very much look forward to working with Peter and Maptek as we continue to grow the K2fly business. Peter's wealth of knowledge in applying and scaling innovative technological solutions in the mining sector into sustainable and profitable businesses will be invaluable to K2fly. Further, our solutions are adjacent and there are many opportunities for collaboration."

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Peter Johnson, Chairman of Maptek said "Maptek is very pleased to be able to have the opportunity to become a strategic investor in K2fly. Maptek has a long and successful history of enabling the world's mining industry to improve their businesses by delivering technical solutions to increase the accuracy, safety and efficiency of their mining decisions and operations.

K2fly provides solutions that are very complementary to that effort, enabling those same customers to interact with all stakeholders including local communities, traditional owners, the investment community, regulators and the environment in an improved fashion by leveraging technology to ensure the ESG and reporting expectations of the community are not only met, but given a sustainable platform upon which to be enhanced.

K2fly is the leader in the field of creating and delivering the technology solutions to enable that and is the ideal way for Maptek to support that effort.

I very much look forward to working with the Board and executive to continue the success towards that end."

Placement Details

K2fly has received firm commitments from new strategic investor Maptek, existing institutional investors, key K2fly executives and existing sophisticated investors in connection with a single tranche Placement to issue 34,476,137 ordinary shares (New Shares) at A\$0.18 per New Share (Offer Price) to raise A\$6,205,704 (before costs).

The Offer Price of A\$0.18 per New Share represents a premium of:

- 1.1% to the Company's 10-day volume weighted average price of A\$0.1780 per share; and
- 4.1% to the Company's 15-day volume weighted average price of A\$0.1726 per share.

The New Shares rank equally with existing fully paid ordinary shares in K2fly and will be issued under the Company's current placement capacity under:

- ASX Listing Rule 7.1 - 20,652,349 shares; and
- ASX Listing Rule 7.1A - 13,823,788 shares.

The placement funds will be used for product development and working capital to deliver and meet anticipated new contracts and advance the prospects of the Company in the market.

Argonaut acted as Financial Advisor and Lead Manager to the Placement and are entitled to a fee of 5.5% of the Placement amount. Settlement of the Placement is expected to be completed on or around 14 April 2022.

Maptek Strategic Investment

Pursuant to the Placement, Maptek will be issued 22.5m New Shares at the Offer Price equating to a A\$4,050,000 investment, within the overall Placement.

Maptek has agreed to a standstill agreement restricting Maptek to not exceed 19.9% shareholding for 12 months, unless with agreement from the K2fly Board or in the event of an announced third-party Change of Control transaction.

On settlement of the transaction, Maptek's Chairman, Peter Johnson, will join K2fly's Board as a Non-Executive Director. Peter is a mechanical engineer with over 20 years' experience in the development and application of technology in the global mining industry.

In 2006, Peter became General Manager of Maptek in Australia, expanding Maptek's footprint beyond geological modelling and mine design into mine operations, scheduling, drill and blast and production management and success in these areas at a global scale. Peter was also a Director of Minlog, a company specialising in the development and delivery of advanced production management information systems for over ten years. Peter is now Chairman of Maptek and also advisor to PETRA Data Science Pty Ltd.

Argonaut acted as Financial Advisor and Lead Manager to the Placement.

Announcement released with authority of K2fly Board.

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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 Australian and overseas tier-1 clients operating in 54 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), Descartes Labs (USA) and Cyient (UK).

Platform

Area	Solution	Related Acquisition
Natural Resource Governance	Community & Heritage	Infoscope
	Land Access & Monitoring	Infoscope
	Ground Disturbance	Infoscope
	Dams & Tailings	Decipher
	Rehabilitation & Closure	Decipher
Mineral Resource Governance	Resource Inventory & Reconciliation	RCubed
	Block Model Management & Governance	RCubed, Sateva
Technical Assurance	Automated Ore Blocking	Sateva
	Mine Geology Data Management	Sateva

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