

12 September 2018

Dear Option Holder

## **K2FLY LIMITED – NON-RENOUNCEABLE ENTITLEMENT ISSUE**

As announced on 12 September 2018 K2fly Limited (ACN 125 345 502) (**the Company** or **K2fly**) is undertaking a one (1) for ten (10) pro rata non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of approximately 6,040,976 fully paid ordinary shares (**New Share**) to raise approximately \$1,812,293 (together with one free attaching option for every four Shares subscribed for and issued (**New Option**)) pursuant to a prospectus (**Prospectus**).

The Offer is fully underwritten by K S Capital Pty Limited (**Underwriter**). The Company has agreed to pay the Underwriter an underwriting fee of \$108,738 (being 6% of the total amount to be raised under the Offer) and reimburse the Underwriter for out-of-pocket expenses directly related to the Offer.

The proposed use of funds raised under the Rights Issue (net of expenses) will be to grow the business including the engagement of executives to drive growth of Infoscope sales, assist in the evaluation of technologies for acquisition and drive geographic expansion. Proceeds raised will also be used to further enhance its Infoscope products in relation to the SAP and Esri integration and alignment, the evaluation of different technologies for acquisition as well as for general working capital purposes.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (AWST) on 18 September 2018, whose registered address is in Australia or New Zealand (**Record Date**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. The New Options will rank equally with the Company's listed options (ASX Code: K2FOA).

Following completion of the Offer, the Company will have issued approximately 6,040,976 New Shares and 1,510,244 New Options resulting in total Shares on issue of approximately 66,450,727 and total options on issue of approximately 17,546,154.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 21 September 2018.

K2fly Limited ACN 125 345 502

@ info@k2fly.com

**Registered Office** Level 1, Grand Central, 26 Railway Road, Subiaco WA 6008

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

## Optionholders

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as an Eligible Shareholder on or before the Record Date. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlement Issue, should you wish to do so.

If you are not a Shareholder and wish to participate in the Entitlement Issue, or if you are already a Shareholder but also wish to participate in the Entitlement Issue in respect of your option holdings, it will be necessary for you to exercise all or part of your options, and the shares in respect of those options must have been issued to you before the Record Date. If you wish to do so, you should complete a Notice of Exercise of Options and lodge it with the Company, together with your payment for the number of options you wish to exercise. If the Notice of Exercise of Options together with payment in full for the relevant number of options being exercised is not received by 17 September 2018, you will not be able to participate in the Entitlement Issue in respect of the Shares to be issued upon exercise of those options.

If you do not wish to participate in the Entitlement Issue (in respect of your options), you do not need to take any action.

This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire options in the Company or to participate in the Entitlement Issue.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you require further information, please contact your financial adviser or the Company on +61 9481 7833.

Yours sincerely



**Brian Miller**  
**Executive Director**

K2fly Limited ACN 125 345 502

@ info@k2fly.com

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