

9 July 2018

Knosys (ASX:KNO)

Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth)

This notice is given by Knosys Limited ABN 96 604 777 862 (ASX:KNO) (**Knosys** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2011* (Cth) (**Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Instrument 16/84**).

Where applicable, references in this notice to sections of the Act are to those sections as modified by Instrument 16/84.

On 29 May 2018, Knosys announced that it had received firm commitments to raise \$1.37 million (before costs) in an oversubscribed share placement to sophisticated investors (**Placement**).

The Placement was completed and 19,587,347 Knosys shares were issued on 31 May 2018.

At the same time it announced the Placement, Knosys also announced a proposed capital raising of approximately \$2.65 million (before costs) by way of a non-renounceable rights issue entitling shareholders to subscribe for 7 new Knosys shares (**New Shares**) for every 19 Knosys shares held at the same issue price as the Placement of \$0.07 per Knosys share (**Rights Issue**).

Today, Knosys has announced that shareholders with a registered address in Australia or New Zealand holding shares in the Company at 7.00pm (Melbourne time) on 12 July 2018 will be eligible to participate in the Rights Issue. Knosys also announced that the Rights Issue would be partially underwritten by Blue Ocean Equities Pty Ltd to the extent of approximately 47% of the Rights Issue.

In addition to being able to apply for New Shares under the Rights Issue, eligible shareholders who take up their full entitlement will also be able to apply for New Shares that are not subscribed for under the Rights Issue under a shortfall facility. Details of the shortfall facility will be outlined in the Offer Document sent to eligible Knosys shareholders.

Knosys gives notice that:

1. Knosys will offer the New Shares pursuant to the Rights Issue for issue without disclosure to investors under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, Knosys has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Knosys; and
 - (b) section 674 of the Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice; and
5. the potential effect that the Rights Issue will have on the control of Knosys, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholders. However, given the structure of the Rights Issue as a partially underwritten pro-rata issue and the current level of holdings of substantial holders (based on substantial holding notices that have been given to Knosys and lodged with ASX on or prior to the date of this notice),



the Rights Issue is not expected to have any material effect or consequence on the control of Knosys.

Signed for Knosys Limited

A handwritten signature in black ink, appearing to be "SK" followed by a stylized flourish.

Stephen Kerr
Company Secretary