

1 July 2016

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

DIRECTMONEY LIMITED 1 FOR 2 PRO RATA NON-RENOUCEABLE RIGHTS ISSUE
NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by DirectMoney Limited ACN 004 661 205 (ASX:DM1) (**Company**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Company will be undertaking a fully underwritten non-renounceable pro rata entitlement offer (**Offer**) of approximately 135,873,958 fully paid ordinary shares in the Company at an issue price of \$0.042 (4.2 cents) per share (**Offer Price**) to raise approximately \$5,706,706 (before costs associated with the Offer).

The Offer will entitle eligible shareholders with a registered address in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**) to subscribe for one (1) new fully paid ordinary share in the Company (**New Share**) for every two (2) fully paid ordinary shares held in the Company as at the record date of 7.00pm (Sydney time) on 6 July 2016.

The funds raised under the Offer will be used to support important key business objectives and growth projects for the Company.

Eligible Shareholders (other than directors and related parties of the Company) will be offered the opportunity to apply for additional shares under the Offer in excess of their entitlement at the Offer Price.

The Offer is fully underwritten by Bell Potter Securities Limited ACN 006 390 772 (**Underwriter**) and is fully sub-underwritten by the Company's major shareholder, Adcock Private Equity Pty Ltd as trustee for the Adcock Private Equity Trust (**Adcock Private Equity**).

A proposed timetable* for the Offer is set out in the table below:

Event	Date
Lodgement of Announcement, Offer Document, Investor Presentation, Cleansing Notice and Appendix 3B	1 July 2016
Notice to Shareholders	4 July 2016
Record Date (7.00 pm Sydney time) for determining Entitlements of the Company's Eligible Shareholders to participate in the Offer	6 July 2016
Dispatch Offer Documents to Eligible Shareholders and announce that Offer Documents have been dispatched	11 July 2016
Opening Date	11 July 2016
Closing Date (5.00pm Sydney time)	22 July 2016
Deferred Settlement trading commences	25 July 2016
Shortfall Notification Date	27 July 2016
Issue Date for New Shares allotted under the Offer (including under applications for New Shares in excess of Eligible Shareholder's entitlements), excluding New Shares under the Shortfall Facility	29 July 2016
Shortfall Subscription Date	By no later than 15 Business Days after the Closing Date

* This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and ASX Listing Rules.

Offer Document

The Offer is being made without a disclosure document, in accordance with section 708AA of the Corporations Act. Further details of the Offer are set out in the Offer Document lodged with ASX on 1 July 2016 and that will be despatched to Eligible Shareholders on 11 July 2016.

Cleansing Notice

The Company hereby confirms that in respect of the Offer (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

- (a) the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:

- (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (ii) section 674 of the Corporations Act;
- (d) 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 Corporations Act.

The potential effect of the Offer on the control of the Company and the consequences of that effect is as set out below. Defined terms below have the meaning given in the Offer Document lodged with ASX on or around the date of this notice. Shareholders should also refer to the Offer Document for further details.

Potential effect of the Offer on control of the Company

The effect of the Offer on control of the Company will depend on a number of factors including:

- the level of Eligible Shareholder participation (including both the taking up of Entitlements and applications for Additional New Shares by Eligible Shareholders);
- which Eligible Shareholders participate;
- following the issue of New Shares to Eligible Shareholders who apply for Additional New Shares, the ability for the Company to place any remaining Shortfall Shares with institutional and high net worth clients of the Underwriter and various other parties identified by the Company and the Underwriter; and
- the extent to which the underwriting and sub-underwriting is called upon following completion of the process outlined above.

If every Eligible Shareholder takes up its full Entitlement, there will be no effect on the control of the Company on completion of the Offer. The Offer is pro-rata, and so accordingly, there would not be any scope for any Eligible Shareholder to apply for additional New Shares under the Offer (and there would be no Shortfall for third parties or the Underwriter or Sub-underwriter to take up).

If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.

Underwriting and Sub-Underwriting Arrangements

The Underwriter is not a Shareholder of the Company and is not a related party of the Company for the purposes of the Corporations Act.

Adcock Private Equity, a major shareholder of the Company, has agreed to fully sub-underwrite the Offer.

The Company has engaged in discussions with various other parties to seek a full or partial sub-underwrite of the Offer. However, at the date of this Offer Document, no other Shareholders or third parties have agreed to sub-underwrite the Offer.

Adcock Private Equity, together with its related parties, hold a relevant interest in 23.4% of the Company.

If all Eligible Shareholders take up their entitlements under the Offer and there is no Shortfall under the Offer, then Adcock Private Equity will not (other than the New Shares it will subscribe for pursuant to its Entitlement as a Shareholder), be issued with any New Shares as sub-underwriter.

However, if there is a Shortfall under the Offer (including after the issue of New Shares to Eligible Shareholders who apply for Additional New Shares and to any institutional and high net worth person interested in subscribing for New Shares), subject to the terms of the Underwriting Agreement and the Sub-Underwriting Agreement, Adcock Private Equity will subscribe for New Shares up to a maximum of the Shortfall. The issue of New Shares to Adcock Private Equity will dilute the interests of all other shareholders.

The level of dilution of all other shareholders of the Company will depend on the amount of the Shortfall and level of up-take by any institutional investors and high net worth persons.

The table on the following page assumes no take up of New Shares by Eligible Shareholders or other institutional and high net worth persons and so illustrates the *maximum* shareholding of Adcock Private Equity following completion of the Offer based on the level of participation by Eligible Shareholders under the Offer.

Table 1: Illustration of maximum relevant interest of Adcock Private Equity under Offer

Note: The Company currently has 271,954,175 Shares on issue. The Offer would result in 135,873,958 New Shares being issued (after taking into account that no New Shares will be issued to Ineligible Shareholders), for a total of 407,828,133 Shares on issue post-Offer.

Shareholder	Entitlements taken up by existing Shareholders (excluding Sub-Underwriter)									
	100%		75%		50%		25%		0%	
	New Shares	Total relevant interest	New Shares	Total relevant interest	New Shares	Total relevant interest	New Shares	Total relevant interest	New Shares	Total relevant interest
Existing Shareholders (excluding Sub-Underwriter)	104,032,164	76.6% (No change)	78,024,123	70.2%	52,016,082	63.9%	26,008,041	57.4%	0	51.1%
Adcock Private Equity ¹ (Sub-Underwriter)	31,841,794	23.4% No change	57,849,835 (31,841,794 under the Offer plus 26,008,041 as Sub-Underwriter)	29.8%	83,857,876 (31,841,794 under the Offer plus 52,016,082 as Sub-Underwriter)	36.1%	109,865,917 (31,841,794 under the Offer plus 78,024,123 as Sub-Underwriter)	42.6%	135,873,958 (31,841,794 under the Offer plus 104,032,164 as Sub-Underwriter)	48.9%
Bell Potter Securities (Underwriter)	0	0%	26,008,041	6.3%	52,016,082	12.7%	78,024,123	19.1%	104,032,164	25.5%
Totals	135,873,958	100%	135,873,958	100% (excl Underwriter)	135,873,958	100% (excl Underwriter)	135,873,958	100% (excl Underwriter)	135,873,958	100% (excl Underwriter)

¹ This holding also includes the relevant interest of its associates.

The table above assumes that Adcock Private Equity subscribes for all of its Entitlements under the Offer under each scenario. The 75%, 50% and 25% scenarios assume that 75%, 50% and 25% of the New Shares to be issued, excluding the Entitlements taken up by Adcock Private Equity, are subscribed for by existing Shareholders.

For the purpose of simplicity, the table above provides scenarios by assuming no Additional New Shares are applied for by Eligible Shareholders in excess of their Entitlements and that no Shortfall Shares are placed to eligible third party investors identified by the Underwriter in conjunction with the Company.

If Additional New Shares are applied for by Eligible Shareholders in excess of their Entitlements or placed to third parties by the Underwriter, then this would reduce the final number of Shortfall Shares to be taken up by the Underwriter and Sub-Underwriter with a corresponding reduction on the effect of the Offer on control of the Company (eg Adcock Private Equity's interest would be reduced in these circumstances).

The table above also shows the relevant interest which would be acquired by the Underwriter under the Offer. As the Offer is fully sub-underwritten, the Underwriter would only hold this relevant interest until such time as the Sub-Underwriting Agreement results in the issue of Shortfall Shares to the Sub-Underwriter.

The consequences of the potential effect on the control of the Company at completion of the Offer is therefore summarised as follows:

- If all Eligible Shareholders accept the Offer, Adcock Private Equity's relevant interest will remain at 23.4%.
- If only Adcock Private Equity takes up its Entitlement under the Offer and no other Eligible Shareholders take up their Entitlement or other institutional investors or high net worth persons subscribe for New Shares so that all the Shortfall Shares are subscribed for by Adcock Private Equity in accordance with the Sub-Underwriting Agreement, Adcock Private Equity's maximum relevant interest may increase to 48.9%.

The Sub-Underwriter has indicated that if it was to significantly increase its relevant interest in the Company following the Offer, it has no current intention of making any material changes to the board, management or strategic direction of the Company.

However, this intention may change over time in light of subsequent events or circumstances.

The Company encourages all Eligible Shareholders to participate in the Offer.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L. Ralph', with a stylized flourish at the end.

Leanne Ralph
Company Secretary