



## Rights Issue Offer Document

For a renounceable pro rata offer of New Shares at an issue price of \$0.003 each on the basis of 5 New Shares for every 4 Shares held at 26 November 2014 to raise up to approximately \$5,900,079 before costs.

The last date for acceptance and payment in full is  
**5:00pm (AEDT) 12 December 2014** unless extended.

**This is an important document. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser without delay.**

## IMPORTANT NOTICES

This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document was lodged with ASX on 28 November 2014. ASX takes no responsibility for the content of this Offer Document.

### **This is not a prospectus**

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

### **Availability of Offer Document**

Eligible Shareholders can obtain a copy of this Offer Document during the Rights Trading Period on the Company's website at [www.quickflix.com.au](http://www.quickflix.com.au).

Eligible Shareholders will be sent a copy of this Offer Document and their Entitlement and Acceptance Form. Each Eligible Shareholder should ensure that it reads the Offer Document and the Entitlement and Acceptance Form in their entirety, and if accessing them electronically, ensure that it downloads the Offer Document in its entirety.

The electronic version of this Offer Document on the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be entitled to participate in the Offer by completing their personalised Entitlement and Acceptance Form which accompanies this Offer Document or by making a payment of Application Monies via BPAY® (refer to Section 2 "Steps to be taken by Eligible Shareholders" of this Offer Document for further information). Eligible Shareholders must carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Shareholders in other jurisdictions are not entitled to access the electronic version of the Offer Document on the Company's website.

### **No investment advice**

The information provided in this Offer Document and the accompanying Entitlement and Acceptance Form is not financial product advice and has been prepared without taking into account each Eligible Shareholder's investment objectives, financial circumstances or particular needs. The information contained in this Offer Document and the accompanying Entitlement and Acceptance Form should not be considered to be comprehensive or to comprise all the information which an Eligible Shareholder may require in order to determine whether or not to subscribe for New Shares. If an Eligible Shareholder has any questions it should consult its professional adviser before deciding whether or not to accept all or any part of its Entitlement.

### **Foreign jurisdictions**

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, or to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No offer is being made to Shareholders with a registered address outside Australia, New Zealand, Singapore, Hong Kong or the United Kingdom.

The distribution of this Offer Document and the Entitlement and Acceptance Form (including electronic copies) outside Australia, New Zealand, Singapore, Hong Kong or the United Kingdom may be restricted by law. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Please refer to Section 1.8.

- **New Zealand:** The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

- **Singapore:** This Offer Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the Offer, or invitation for subscription, of the Entitlements or New Shares may not be circulated or distributed, nor may the Entitlements or New Shares be offered, or be made the subject of an invitation for subscription, whether directly or indirectly, to persons in Singapore other than (i) existing holders of Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore or (ii) pursuant to, and in accordance with the conditions of, an exemption under any provision of subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore. By accepting this Offer Document, the recipient represents and warrants that they are entitled to receive the Offer Document in accordance with the foregoing restrictions and agree to be bound by such limitations. Any failure to comply with the limitations may constitute a violation of law.
- **Hong Kong:** This Offer Document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document other than to:
  - "professional investors" (as defined in the SFO); or
  - in any other circumstances that do not result in this document being a prospectus (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do

so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued New Shares may sell, or offer to sell, such Shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Shares. The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

- **United Kingdom:** This Offer Document has not been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 (FSMA)) has been published or is intended to be published in respect of the New Shares (or the Shortfall Shares). The New Shares (and Shortfall Shares) referred to in this announcement will be offered to shareholders in the UK in circumstances in which an approved prospectus is not required pursuant to section 85(5)(a) and Schedule 11A of the FSMA. No New Shares (or Shortfall Shares) will be offered to investors in the UK otherwise than in circumstances in which such exemption applies or in which another exemption from the requirements to publish an approved prospectus is available. This Offer Document is being communicated to UK Eligible Shareholders in reliance on the exemption in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.

#### **Publicly available information about the Company**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including its website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Offer Document and do not constitute part of the Offer. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

**No authorisation**

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Document. Any such extraneous information or representation may not be relied upon.

**No cooling-off rights**

Cooling-off rights do not apply to a subscription for New Shares under the Offer. This means that an Eligible Shareholder cannot vary or withdraw its Entitlement and Acceptance Form once it has been accepted, except as required by law.

**Forward looking statements**

This Offer Document includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements.

**Applications for New Shares**

Applications for New Shares by Eligible Shareholders may only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Offer. Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document.

**Governing law**

This Offer Document, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in Western Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts of Western Australia.

**Interpretation**

Please refer to the glossary in Section 5 for terms and abbreviations used in parts of this Offer Document.

**Enquiries**

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Company's Share Registry by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia), the Company Secretary by telephone on 1300 138 644 or email at [investors@quickflix.com.au](mailto:investors@quickflix.com.au) or consult your professional adviser.

## Key statistics

Ratio for the Offer	5 New Shares for every 4 Shares held on Record Date
Offer Price (per New Share)	\$0.003
Discount of Offer Price to the closing price of the Shares on the ASX on 19 November 2014	40% (approximately)
Number of New Shares offered under this Offer Document	1,966,693,050
Maximum amount to be raised under the Offer	\$5,900,079
Maximum number of Shares on issue following the Offer (assuming no other Shares are issued before the Offer closes)	3,540,047,490

## How to accept your entitlement

Entitlements can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document or by making payment of Application Moneys by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

Eligible Shareholders can also decide to trade their Entitlement on the ASX or off-market in accordance with the instructions set out in this Offer Document.

This Offer Document is available in electronic form on the Internet at [www.quickflix.com.au](http://www.quickflix.com.au). If you wish to obtain a free copy of this Offer Document or a replacement personalised Entitlement and Acceptance Form, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia).

## Important dates

Offer announced and Appendix 3B lodged with ASX	20 November 2014
Notice of Offer sent to Optionholders	20 November 2014
Notice of Offer sent to Shareholders	21 November 2014
Existing Shares quoted on an 'ex' basis and rights trading commences	24 November 2014
<b>Record Date to determine Entitlements</b>	<b>5:00pm AEDT 26 November 2014</b>
Dispatch of Offer Documents to Eligible Shareholders and Offer opens	28 November 2014
Rights trading ceases	5 December 2014
<b>Closing Date of Offer</b>	<b>5:00pm AEDT 12 December 2014</b>
Notification of under-subscriptions to ASX (if any)	17 December 2014
New Shares Issued and deferred settlement trading of New Shares ceases	19 December 2014

### Notes:

The Offer is open for acceptance until 5:00pm (AEDT) on the Closing Date or such later date as the Directors shall determine, subject to the Corporations Act and the ASX Listing Rules. All dates are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, Application Money will be returned without interest. See Section 1.6 for further details.

## Chairman's Letter

Dear Shareholder

On behalf of the Board of Quickflix, I am pleased to invite you to participate in a renounceable pro rata rights issue announced by the Company on 20 November 2014 (Offer). The Offer provides you with the opportunity to increase your investment in the Company and to further participate in the Company's future growth.

Eligible Shareholders will have the opportunity under the Offer to subscribe for 5 New Shares for every 4 Shares held on the Record Date at the issue price of \$0.003 per New Share. The issue price represents a discount of 40% to the closing price of the Shares last traded on the ASX on 19 November 2014 and a 42% discount on the 5-day volume-weighted average price of Quickflix Shares traded on ASX to that date.

The Company has established a leading position in the streaming movie and TV show entertainment sector in Australia and New Zealand. This is a sector that is growing rapidly and attracting new competitors. The Company has access to the largest potential streaming audience in the market today due to its service being available on the widest range of popular devices. It has a differentiated offering through its streaming service combining subscription and transactional models complemented by subscription online DVD in Australia.

The Company's strategy is to move to sustainability through growing customers and revenue whilst rationalising costs. The largest expenditure outlay is content, so the Company is working with licensors to align payment profiles for existing and future commitments to better match expected customer uptake and revenue growth. The Company owns a significant DVD content asset which will be further monetised through dedicated cost-effective marketing of its DVD service.

In conjunction with initiatives directed to achieving sustainability, the Company will continue to pursue strategic partnering opportunities in its current market and the region as interest in the sector builds and industry players seek to get a foothold.

The Company will apply the proceeds under the Offer towards working capital as well as investment in content and marketing to achieve customer and revenue growth.

The details of the Offer are set out in this Offer Document together with your personalised Entitlement and Acceptance Form. I encourage you to read the Offer Document in its entirety before making your investment decision. A description of risk factors that you may wish to consider is set out in Section 3.

On behalf of the Board, I commend this Offer to you and look forward to your continuing investment in the Company. I thank you for your ongoing support as a Shareholder of the Company.

Yours sincerely

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

**Stephen Langsford**

**Chairman and CEO**

## 1. DETAILS OF THE OFFER

### 1.1 The Offer

Quickflix Limited (**Company**) is making a renounceable pro rata offer (**Offer**) of fully paid ordinary shares in the capital of the Company (**New Shares**) to Shareholders with a registered address in Australia, New Zealand, Singapore, Hong Kong or the United Kingdom (**Eligible Shareholders**). Eligible Shareholders who are on the Company's Share register at 5:00pm (AEDT) on 26 November 2014 (**Record Date**) will be entitled to apply for 5 New Shares for every 4 Shares held at an issue price of \$0.003 per New Share. The issue price is payable in full on application.

If all Shareholders take up their Entitlement under the Offer, 1,966,693,050 New Shares will be issued and the Company will raise approximately \$5,900,079 before costs. The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

The New Shares will be fully paid and will rank equally with the Company's existing issued Shares.

### 1.2 Use of proceeds and effect of the Offer on the Company

The immediate financial effect of the Offer on the Company will be to increase cash reserves by up to approximately \$5,900,079 (before costs).

The Company will apply the proceeds under the Offer towards working capital as well as investment in content and marketing to achieve customer and revenue growth.

The principal effect of the Offer on the Company's capital structure will be to increase the total number of Shares on issue to a maximum of approximately 3,540,047,490 Shares (subject to rounding), assuming no other Shares are issued prior to the Offer closing.

The following table sets out the number of issued Shares at the date of the Offer and the total number of issued Shares at the close of the Offer based on the maximum number of New Shares that may be issued under the Offer:

Shares	
Current Shares on issue	1,573,354,440
Maximum number of New Shares that may be issued pursuant to the Offer <sup>1</sup>	1,966,693,050
Maximum number of issued Shares upon completion of the Offer <sup>2,3</sup>	3,540,047,490

#### Notes:

<sup>1</sup> The number of New Shares to be issued assumes that no Options, performance rights or preference shares currently on issue are exercised or converted prior to the Record Date.

<sup>2</sup> Assumes that the Offer is fully subscribed and that no Options, performance rights or preference shares currently on issue are exercised or converted and no other Shares are issued prior to the completion of the Offer.

<sup>3</sup> In addition to the New Shares offered under this Offer Document, the Company is intending to extend an offer of up to 333,333,334 Shares to Quickflix customers under an Offer Information Statement pursuant to section 709(4) of the Corporations Act to raise up to a maximum of \$1,000,000 before costs (Customer Offer). Shares issued under the Customer Offer will be issued out of either the Shortfall Shares or the Company's placement capacity under ASX Listing Rule 7.1 or 7.1A.

Details of the effect of the Offer on control of the Company are set out in Section 1.9.

### 1.3 Participation of Directors

Directors who are Eligible Shareholders may participate in the Offer. Directors are not eligible to participate in the Shortfall Offer without the prior approval of Shareholders.

#### **1.4 Entitlements and rounding**

In determining Entitlements, any fractional entitlements have been rounded up to the nearest whole number of Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. The sale by Applicants of New Shares prior to the receipt of a holding statement is at the Applicant's own risk.

#### **1.5 ASX listing**

The Company has made an application to ASX for Official Quotation of the New Shares. If ASX does not grant quotation for the New Shares, the Company will not allot any New Shares and all Application Money will be refunded without interest.

The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Offer or the New Shares under this Offer Document.

#### **1.6 Refund of Application Money**

If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on any Application Money will be for the benefit of the Company and will be retained by the Company regardless of whether New Shares are issued under the Offer.

#### **1.7 Shortfall Offer**

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with in accordance with this Section 1.7.

Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their Entitlements in full may apply for additional New Shares under the Shortfall Offer (**Shortfall Shares**) by completing the section of the Entitlement and Acceptance Form entitled "Shortfall Shares" in accordance with the instructions set out on the reverse of that form.

Whilst preference will be given to Eligible Shareholders applying for Shortfall Shares over other persons applying for Shortfall Shares, Shortfall Shares will be issued to Eligible Shareholders at the Directors' discretion. Therefore, the Directors cannot guarantee that your Application for Shortfall Shares will be successful. The Directors reserve the right to allot to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Entitlement and Acceptance Form or to not proceed with the placing of the Shortfall Shares. If the number of Shortfall Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded in full without interest.

Subject to the Corporations Act and the ASX Listing Rules, the Directors reserve the right to deal with the Shortfall Shares which are not taken up by Eligible Shareholders under the Offer within 3 months after the Closing Date, including by inviting persons to apply for the Shortfall Shares. Such Shortfall Shares will only be issued at an issue price that is not less than the issue price offered to Eligible Shareholders under the Offer Document and will not be issued to the Directors or to related parties (or their associates).



## **1.8 Excluded Shareholders**

The Company will not make an Offer to Shareholders with a registered address outside Australia, New Zealand, Singapore, Hong Kong or the United Kingdom (**Excluded Shareholders**). The Company has decided that it is unreasonable to extend the Offer to Excluded Shareholders having regard to:

- (a) the number of Shareholders outside Australia, New Zealand, Singapore, Hong Kong and the United Kingdom;
- (b) the number and value of New Shares that would be offered to Shareholders outside of Australia, New Zealand, Singapore, Hong Kong and the United Kingdom; and
- (c) the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

Accordingly, the Offer will not be extended to Excluded Shareholders.

For the purposes of ASX Listing Rule 7.7, the Company will appoint a nominee to arrange for the sale of the Entitlements that would have been given to those holders and to account to them for the net proceeds of sale.

## **1.9 Effect on control**

The Offer is a pro rata offer, so if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on control of the Company other than the dilution of any Excluded Shareholder.

Based on the Company's current shareholding structure as at the date of this Offer Document, even if not all Eligible Shareholders take up their Entitlements, no Eligible Shareholder's Voting Power will exceed 20% as a result of taking up their Entitlement.

The proportional shareholdings of Excluded Shareholders will be diluted as those Shareholders are not entitled to participate in the Offer. In addition, the proportional shareholdings of Eligible Shareholders who do not take up their Entitlements in full will be diluted.

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## 2. STEPS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

### 2.1 What can you do?

If you are an Eligible Shareholder, the number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

You may either:

- Option 1:** Take up all or part of your Entitlement.
- Option 2:** Take up MORE than your Entitlement (apply for your Entitlement and Shortfall Shares).
- Option 3:** Sell all or part of your Entitlement on the ASX or by transferring it directly to another person.
- Option 4:** Do nothing with all or part of your Entitlement. If you decide to do nothing with your Entitlement, it will lapse and you will not be able to subscribe for any New Shares or realise any other value for your Entitlement.

You are encouraged to read this Offer Document and the Entitlement and Acceptance Form in full and seek appropriate professional advice if necessary before taking any action in response to this Offer.

The Directors reserve the right to reject any applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement and Acceptance Form.

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#### Option 1

##### Take up all or part of your Entitlement

**Apply and pay via BPAY®** - If you intend to pay for the New Shares by BPAY®, there is no need to return the Entitlement and Acceptance Form but you must ensure that your payment is received by no later than the Closing Date (being **5:00pm (AEDT) on 12 December 2014**) (keeping in mind that payment made by BPAY® may take 1 or more Business Days to clear). Please refer to Section 2.2 for further information regarding payment by BPAY®.

If an Eligible Shareholder has multiple holdings, that Eligible Shareholder will have multiple BPAY® reference numbers. To ensure that Eligible Shareholder receives its Entitlement in respect of that holding, that person must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that they wish to apply for in respect of that holding.

**Return the Entitlement and Acceptance Form and pay by cheque** - If you are an Eligible Shareholder who wishes to accept all or part of your Entitlement, please:

- (a) complete the personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form, and indicate the number of New Shares that you wish to subscribe for; and
- (b) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft from an Australian trading bank for the total amount payable, in the envelope provided to the Share Registry:

Computershare Investor Services Pty Limited  
GPO Box 505, Melbourne, Victoria, 3001, AUSTRALIA

so that it is received by no later than the Closing Date (being **5:00pm (AEDT) on 12 December 2014**).

Cheques and bank drafts, in Australian currency should be made payable to **"Quickflix Limited"** and crossed "not negotiable". Cash payments will not be accepted. You must ensure that sufficient funds are held in the relevant account(s) to cover the full Application Monies.

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If the amount of Application Monies is insufficient to pay in full for the number of New Shares applied for, or is more than the number of New Shares applied for, the Eligible Shareholder will be taken to have applied for such whole number of New Shares which is covered in full by its Application Monies, to the extent that this does not exceed its Entitlement. Application Monies received in excess of an Eligible Shareholder's Entitlement may be treated as an application to apply for as many Shortfall Shares as the excess amount will pay for in full. Alternatively, such applications may not be accepted.

If an Eligible Shareholder has more than one holding of Shares, that Eligible Shareholder will be sent more than one personalised Entitlement and Acceptance Form and will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement held.

## Option 2

### Take up MORE than your Entitlement under the Shortfall Offer

**Apply and pay via BPAY®** - If you intend to pay for the New Shares by BPAY®, there is no need to return the Entitlement and Acceptance Form but you must ensure that your payment is received by no later than the Closing Date (being **5:00pm (AEDT) on 12 December 2014**) (keeping in mind that payment made by BPAY® may take 1 or more Business Days to clear). Please refer to Section 2.2 for further information regarding payment by BPAY®.

If an Eligible Shareholder has multiple holdings, that Eligible Shareholder will have multiple BPAY® reference numbers. To ensure that Eligible Shareholder receives its Entitlement in respect of that holding, that person must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that they wish to apply for in respect of that holding.

**Return the Entitlement and Acceptance Form and pay by cheque** - If you are an Eligible Shareholder who wishes to accept all of your Entitlement and apply for Shortfall Shares in excess of your Entitlement, please:

- (a) complete the personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form, and indicate the number of New Shares that you wish to acquire, including the number of Shortfall Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (b) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft from an Australian trading bank for the total amount payable (including the amount payable for the Shortfall Shares), in the envelope provided to the Share Registry:

Computershare Investor Services Pty Limited  
GPO Box 505, Melbourne, Victoria, 3001, AUSTRALIA

so that it is received by no later than the Closing Date (being **5:00pm (AEDT) on 12 December 2014**).

Cheques and bank drafts, in Australian currency should be made payable to "**Quickflix Limited**" and crossed "not negotiable".

You must ensure that sufficient funds are held in the relevant account(s) to cover the full Application Monies. If the amount of Application Monies is insufficient to pay in full for the number of New Shares applied for, or is more than the number of New Shares applied for, the Eligible Shareholder will be taken to have applied for such whole number of New Shares which is covered in full by its Application Monies, to the extent that this does not exceed its Entitlement.

	<p>Any Application Monies received in excess of an Eligible Shareholder's Entitlement may be treated as an application to apply for as many Shortfall Shares as the excess amount will pay for in full. Alternatively, such applications may not be accepted.</p> <p>If an Eligible Shareholder has more than one holding of Shares, that Eligible Shareholder will be sent more than one personalised Entitlement and Acceptance Form and will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement held.</p>
<b>Option 3</b> <b>Sell all or part of your Entitlement</b>	<p>Your Entitlement to participate in the Offer may have some value and you are able to trade that Entitlement.</p> <p><b>If you wish to sell all or part of your Entitlement on the ASX</b> - you should contact your stockbroker as soon as possible. Entitlements may be traded on the ASX from 24 November 2014 until 5 December 2014.</p> <p><b>If you wish to transfer all or a portion of your Entitlement to another person off-market</b> - you must send a completed standard renunciation and acceptance form (obtainable from the Share Registry) signed by both you (as seller) and the buyer, together with your Entitlement and Acceptance Form completed by the buyer and the buyer's cheque or bank draft for the appropriate Application Monies to reach the Share Registry by 5:00pm (AEDT) on the Closing Date.</p> <p>If the Company receives both a completed renunciation and acceptance form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Entitlements, the renunciation and acceptance form will be given effect in priority to the acceptance.</p> <p>NOTE: if you are in Australia or New Zealand and your Shareholding is held on CHESS, you must contact your sponsoring broker to effect the transfer. The Company is unable to transfer Entitlements either to or from a CHESS holding.</p>
<b>Option 4</b> <b>Allow all Entitlements to lapse</b>	<p>If you do not wish to accept any part of your Entitlement, you should not take any further action and your Entitlement will lapse. In such circumstances, you will not be able to sell or transfer any lapsed Entitlements and will receive no payment or value for your lapsed Entitlements. Further, your holding of Shares will be diluted because the issue of New Shares will increase the total number of Shares on issue.</p>

## 2.2 Payment by BPAY®

Those who elect to pay by BPAY® must follow the instructions for BPAY® described in the Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). Please note that should you choose to pay by BPAY® payment:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Money.

Applicants should be aware that their own financial institution may implement earlier cut off times with respect to electronic payment, and should therefore take this into consideration when making

payment. It is each Applicant's responsibility to ensure that funds submitted through BPAY® are received by no later than the Closing Date.

## **2.3 Representations by acceptance**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, in addition to the representations set out elsewhere in this Offer Document and in the Entitlement and Acceptance Form, you will be deemed to have represented to the Company that you are an Eligible Shareholder and acknowledge that you have read and understand this Offer Document and the Entitlement and Acceptance Form in their entirety;

- (a) acknowledge that you have read and understand this Offer Document and the Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Offer, the provisions of this Offer Document and the Constitution;
- (c) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Entitlement and Acceptance Form or Application Monies except as allowed by law;
- (f) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer price of \$0.003 per New Share;
- (g) declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (h) acknowledge that this Offer Document is not a prospectus, does not contain all of the information that you require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (i) acknowledge the statement of risks in Section 3 of this Offer Document and that investments in the Company are subject to risk;
- (j) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer;
- (k) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States; and
- (l) you understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and the Entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account of a person in the United States.

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### **3. INVESTMENT RISKS**

#### **3.1 Background**

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance.

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Offer Document and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code QFX) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in New Shares should be considered speculative. New Shares carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those New Shares.

Shareholders should also consider the following summary risk factors which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

#### **3.2 General investment risks**

##### **Movement in Australian and overseas share markets and financial markets generally**

A number of factors affect the performance of stock market investments that could also affect the price at which shares trade on the ASX. Movements on international stock markets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stock market.

##### **Changes in legislation and government regulation**

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the Company and the attractiveness of an investment in it.

##### **Economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

##### **Acts of terrorism and outbreak of international hostilities**

An act of terrorism or an outbreak of international hostilities may occur, adversely affecting consumer confidence, customer spending and share market performance. This may have an adverse impact on the Company's operating, financial and share price performance.

##### **Reliance on key personnel**

The Company's performance is substantially dependent on its senior management and key technical personnel to continue to develop and manage the Company's services. The loss of key management could have a material adverse effect on the business and consequently its financial performance.

The future success of the Company is also dependent on its ability to attract and retain competent management and personnel. The inability to attract such personnel may adversely affect the business of the Company.

### **Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares.

General factors that may affect the market price of Shares include without limitation economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

### **Liquidity risk**

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

## **3.3 Specific investment risks**

### **No minimum subscription**

There is no minimum subscription under the Offer. As such, there is no guarantee that the Company will raise sufficient funds to achieve the Company's objectives and there may be restrictions on the Company's financing and operating activities. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

### **Future profitability**

Future growth is dependent upon many factors including those that are set out in this Offer Document. To date the Company has yet to achieve profitability as it has invested in rolling out its services and building a customer base. To achieve profitability the Company needs to increase revenues and/or reduce operating costs. There is no assurance that revenue will increase in response to marketing and promotional activities proposed to be undertaken by the Company or that the Company's services will be readily taken up by the market. The Company utilises services provided by other suppliers for the provision of its services. The cost of these services may change over time impacting the Company's operating costs. While the Company expects that certain unit costs will decline with scale, if operating costs grow faster than revenue in the near to medium term future profitability for the Company may be delayed.

There is also no assurance as to future profitability or that dividends can be paid as they are dependent upon future earnings and the working capital requirements of the Company.

### **Acquisition and retention of customers**

Future revenue and profitability is dependent on the Company's ability to attract and retain new and existing customers. To attract and retain customers the Company must provide a high quality and valuable entertainment service offering attractive content at pricing which is competitive with alternative choices for the consumer. The Company must attract new customers to replace existing customers who cancel and to grow its total customer base. If the Company does not provide a service which is perceived as being valuable by consumers, or new services introduced by other providers are more attractive, then customer growth will slow or possibly decline.

The Company offers subscription streaming for a low monthly price plus a pay-per-view option for premium latest release movies and pay-per-episode for current season TV in Australia and New

Zealand. The Company also offers an online DVD rental service in Australia, with the largest range of DVD and Blu-ray content of any service in the market. The Company believes that this combination of services is a compelling consumer offering.

The Company must continue to develop its content offering, device partnerships and pricing model to ensure its service remains competitive with existing and emerging competing services.

#### **Access to content**

The Company sources content in both physical (DVD, Blu-ray) and digital (internet delivered) formats from studios and distributors for its services. The competitiveness and profitability of its services are dependent on the range and pricing of content under the supply arrangements it has with the content distributors.

Larger competitors of the Company may be in a position to negotiate more favourable supply arrangements for DVD and streaming content as well as influence the trading terms affecting the Company. If competitors are able to secure exclusive access to particular content, the Company may not be able to provide particular titles to its customers. If the Company is unable to licence on acceptable terms particular content which is in demand by consumers the quality and/or profitability of its service could be adversely impacted.

The commercial terms on digital streaming content rights are different from the usual terms on physical product. Under streaming supply arrangements the Company may be committed to minimum amounts for multiple years with some minimums increasing over time. If the Company is unable to achieve customer growth its streaming content cost is likely to increase on a per customer basis which may adversely affect the Company's overall profitability.

#### **Distribution across devices**

The Company's streaming service is accessible across a large range of internet connectable devices including PCs and Mac's, smart TVs, game consoles, tablets, smart phones and low-cost devices like Google Chromecast. The Company continues to expand the range of devices and platforms from which consumers can access the service. If the Company is unable to maintain its integration with these devices or negotiate on acceptable terms access to new devices which become popular with consumers then its future growth and profitability could be adversely affected.

The quality of the Quickflix streaming service is dependent on the performance of third party devices and the technology platforms developed and maintained by the device manufactures. In certain circumstances, the Company may not be able to influence the underlying device performance which in turn affects the performance of the Quickflix service.

#### **Adapting to rapid change in the entertainment market**

The market for movie entertainment services is changing at a rapid rate. The introduction and adoption of new technologies is changing the ways consumers can receive and interact with movie and TV content. The Company's service model is built on the consumers continued use of physical media (DVD and Blu-ray) and their take-up of digital delivery over the internet to a growing range of connected devices. New competitors may emerge with business models geared to the changing environment or enter partnerships and alliances that allow them to compete aggressively in this market. If the Company is unable to adapt to the changing market it may not be competitive which would adversely affect future growth and profitability.

#### **Competition**

The Company's current and future potential competitors include companies with substantially greater resources than it. There is no assurance that competitors will not succeed in developing and offering services that are more effective or economic than those being developed by the Company or which would render the services obsolete and/or otherwise uncompetitive. In addition, the Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share.



Such price competition could result in price reductions, reduced gross margins, increased subscriber churn and loss of market share any of which could materially adversely affect the Company's future business, operating results and financial position.

#### **Cost of customer acquisition**

The Company attracts new customers utilising a wide range of marketing activity. The Company will target the lower cost, highest quality acquisition channels to drive growth and contain marketing expenses. The launch of the streaming service and development of the device network has provided a significant new channel for acquiring customers at relatively low incremental cost. If the Company is unable to leverage these channels to deliver target sign-up volumes and contain marketing cost per subscriber, or alternative low cost customer acquisition channels cannot be developed, growth will slow and/or marketing costs would need to increase to deliver growth.

#### **Operating on the internet**

The Company's streaming and DVD services are dependent upon the development and maintenance of infrastructure to support the internet. The internet has experienced and is expected to continue to experience significant growth in the number of users and the amount of traffic. There can be no assurance that the internet's infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the internet will not be adversely affected. Similarly, the reliability and performance of the internet may be affected by computer viruses and/or other deliberate acts of terrorism and sabotage.

The Company's public website is hosted on multiple web servers to enhance its performance and provide a level of redundancy should a single web server fail. The application code base and database of customer, title and inventory information is backed-up regularly to a separate secure server.

#### **Intellectual property rights and brand names**

The Company regards brand names, trademarks, domain names, trade secrets and similar intellectual property as important to its success. The Company's business will be developed using one or more brand names. Should the brand or brand names be damaged in any way or lose market appeal, the Company's business could be adversely impacted.

The Company relies on copyright law, trade secret protection and duties of confidence and licence agreements with its employees, customers, contractors and others to protect its intellectual property rights.

While the Company will use all reasonable endeavours to protect these rights, unauthorised use or disclosure of its proprietary technology may have an adverse effect on the operating, marketing and financial performance of the Company.

#### **Dependence on Australia Post**

The Company depends on Australia Post to deliver DVDs from its fulfilment centre to subscribers and for their return. The Company is subject to risks associated with using the public postal service to meet its delivery requirements including delays caused by factors outside of its control.

The Company's envelopes are designed to meet the requirements of Australia Post's ordinary letter service and applicable postage charges and delivery timetable. Changes in the ordinary letter requirements and increases in postage charges and delivery timetable could result in higher delivery costs for the Company and slower turnaround of DVDs to subscribers.

#### **Dependence on content delivery networks**

The Company depends on third party content delivery networks to deliver its streaming service. Changes to the quality or pricing of such delivery services could have an adverse impact on the quality and profitability of the Quickflix service. Ongoing improvements in technology and competitiveness in content delivery services has seen the quality and pricing of such services improve in recent years and the Company sees no reason for this trend to change in future.

**Dependence on internet service providers**

The Company's customers require internet access to receive the Quickflix service to their devices. Consumers rely on Internet Service Providers to provide internet access of a minimum speed and quality at an acceptable price. Video streaming services are relatively heavy users of bandwidth. Any deterioration in the quality or increase in the pricing of internet access could have a detrimental impact on the quality, cost and value to the consumer of the Quickflix service.

**Consolidation of the DVD segment**

The Company derives significant revenue from mailing DVDs and Blu-ray discs to subscribers and is positioned to capture market share in this segment with consolidation in the traditional physical rental and retail services. If the take-up of digital streaming and download services is faster than expected, this may have an adverse impact on growth in the DVD and Blu-ray service. This risk may be mitigated if the Company can adapt and develop its streaming service to benefit from the faster transition.

**Disruptions to the technology platform**

The Quickflix service is accessed via the internet and its website, streaming service, DVD fulfilment and back-end infrastructure are hosted on technology platforms across range of software, hardware, communication network and suppliers. Disruptions to the service across any part of the technology platform could have an adverse impact on the service received by Quickflix customers which in-turn could impact growth and the cost of providing the service.

**International operations**

The Company's streaming service is available in New Zealand as well as Australia. Operating in a different country introduces additional political, regulatory and market risks to be managed. The Company may expand into other countries which could add further complexity. If these risks are not managed well these operations could adversely impact the performance of the group as a whole.

**Future capital requirements**

The Company may require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

**Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, services, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

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## **4. ADDITIONAL INFORMATION**

### **4.1 Effects of rounding and warning against Share splitting**

All Entitlements will be rounded up to the nearest whole number of New Shares.

If the Company reasonably believes that a Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage from the rounding up of Entitlements, then the Company reserves the right to round the Entitlement of such holdings so as to provide only the number of New Shares that would have been received but for the splitting or division.

### **4.2 Financial information**

The Company published its results for the financial year ended 30 June 2014 on 16 September 2014 and its quarterly report for the quarter ended 30 September 2014 on 31 October 2014. Shareholders should refer to the 2014 Annual Financial Report, the quarterly report and related announcements on the ASX website ([www.asx.com.au](http://www.asx.com.au)) should they wish to obtain more detailed disclosures and commentary on historical financial information.

Investors should note that the past price performance of the Company's Shares provides no guidance as to future price performance.

### **4.3 Tax**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

### **4.4 Continuous disclosure**

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its Shares. That information is available to the public from the ASX.

Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office.

### **4.5 Privacy**

If you do not provide the information requested of you in the Entitlement and Acceptance Form, the Share Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.

The Company and the Share Registry have already collected certain personal information from each Shareholder. If a Shareholder applies for New Shares, the Company and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess that Shareholder's acceptance of New Shares, service its needs as a Shareholder, provide facilities and services that it requests and carry out appropriate administration.

To do that, the Company and the Share Registry may disclose a Shareholder's personal information for purposes related to its shareholding to their agents, contractors or third party service providers to whom they outsource services, in order to assess that Shareholder's Entitlement and Acceptance Form, the Share Registry for ongoing administration of the register, printers and mailing houses for

the purposes of preparation and distribution of Shareholder information and for handling of mail, or as otherwise authorised under the Privacy Act 1988 (Cth), and each Shareholder consents to this.

If a Shareholder does not provide the Company with its personal information, the Company may not be able to process its Entitlement and Acceptance Form. In most cases, a Shareholder can gain access to its personal information held by (or on behalf of) the Company or the Share Registry. The Company aims to ensure that the personal information it retains about a Shareholder is accurate, complete and up to date. To assist the Company with this, Shareholders should contact the Company if any of the details they have provided change. If a Shareholder has concerns about the completeness or accuracy of the information the Company has about it, the Company will take steps to correct it. Shareholders can request access to their personal information by telephoning or writing to the Company through the Share Registry on 1300 850 505 or at Computershare Investor Services Pty Limited, GPO Box 2975, Melbourne, Victoria, 3001, AUSTRALIA

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## 5. GLOSSARY

In this Offer Document:

**\$** means Australian dollars, unless otherwise specified.

**AEDT** means Australian Eastern Daylight Time.

**Applicant** means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.

**Application Money** means the aggregate amount of money payable for New Shares applied for.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

**ASX Listing Rules** means the official listing rules of ASX.

**Closing Date** the last day for payment and return of Entitlement and Acceptance Forms, being 5:00pm (AEDT), 12 December 2014.

**Company** or **Quickflix** means Quickflix Limited ACN 102 459 352.

**Company Secretary** means the company secretary of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder at the Record Date who is not an Excluded Shareholder.

**Entitlement** means the number of New Shares that a Shareholder is entitled to apply for under the Offer, as determined by the number of Shares held by that Shareholder on the Record Date.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Excluded Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Singapore, Hong Kong or the United Kingdom.

**New Share** means a new Share to be issued under the Offer.

**Offer** means the offer described in Section 1.1 of this Offer Document.

**Official Quotation** means "quotation" (as that term is used in the ASX Listing Rules) of all of the New Shares on ASX when allotted which if conditional may only be conditional on customary pre-quotation conditions.

**Option** means an option to subscribe for a Share.

**Record Date** means 5:00pm (AEDT) on 26 November 2014 or such other date as may be determined by the Directors.

**Right** means the right to subscribe for New Shares in accordance with an Entitlement under the Offer described in this Offer Document.

**Rights Trading Period** means the period from 24 November 2014 to 5:00pm (AEDT) on 5 December 2014.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Share Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

**Shortfall** means the number of New Shares offered under the Offer for which valid applications have not been received from Eligible Shareholders before the Closing Date.

**Shortfall Offer** means the offer of New Shares which comprise the Shortfall.

**Shortfall Shares** means New Shares offered under the Shortfall Offer.



**Quickflix Limited**

ABN 62 102 459 352

**For all enquiries:**

**Phone:**



(within Australia) 1300 850 505

(outside of Australia) +61 3 9415 4000

000001 000 QFX


MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

**Make your payment:**



See over for details of the Offer and how to make your payment

## Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) on Friday, 12 December 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser. ASX will quote a market for rights between Monday, 24 November 2014 and Friday, 5 December 2014. Please refer to the Quickflix Limited Offer Document for details on how to renounce your rights.

### Step 1: Registration Name

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Quickflix Limited Offer Document dated 28 November 2014.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the slip with BPAY payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to Quickflix Limited. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below as indicated. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Offer →**


# Entitlement and Acceptance Form with Shortfall Shares

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I ND

**STEP 1****Registration Name & Offer Details**

**Registration Name:** MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

 For your security keep your SRN/  
HIN confidential.

Entitlement No: 12345678

**Offer Details:** Existing Shares entitled to participate as at  
5:00pm (AEDT) on Wednesday, 26 November 2014:

**4,000**

Entitlement to New Shares  
on a 5 New Shares for 4 Shares held basis:

**1**

Amount payable on acceptance  
at \$0.003 per New Share:

**\$0.01****STEP 2****Make Your Payment**

Billers Code: 238758  
Ref No: 1234 5678 9123 4567 89

**Pay by Mail:**

Make your cheque, money order or bank draft payable to Quickflix Limited.  
Return your cheque with the below slip to:

**Computershare Investor Services Pty Limited**  
**GPO BOX 505 Melbourne Victoria 3001 Australia**

Contact your financial institution to make your  
payment from your cheque or savings  
account.

**Lodgement of Acceptance**

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5:00pm (AEDT) on Friday, 12 December 2014. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Quickflix Limited accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the slip below must be received by CIS by no later than 5:00pm (AEDT) on Friday, 12 December 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for Shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the slip below with cheque attached. Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

**Privacy Notice**

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

**Acceptance Payment Details**

Entitlement taken up:

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Number of Shortfall Shares  
applied for:

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Amount enclosed at \$0.003 per  
New Share:

**A\$**

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Entitlement No: 12345678

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

**Payment must be received by 5:00pm (AEDT) on Friday, 12 December 2014**

**Contact Details**

**Contact  
Name** \_\_\_\_\_

**Daytime****Telephone** \_\_\_\_\_**Cheque Details**

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				<b>A\$</b>

123456789123456789+0000000001-3051+14