

ASX ANNOUNCEMENT

15 November 2017

Redflex Holdings Limited | ABN 96 069 306 216

The Redflex logo features the word "Redflex" in a white, sans-serif font, followed by a stylized green circular icon that resembles a lowercase 'r' or a similar shape.

Redflex Holdings Limited launches fully underwritten accelerated non-renounceable entitlement offer to raise A\$16.4 million

Redflex Holdings Limited (ASX:RDF) (**Company**) has announced a fully underwritten capital raising of approximately A\$16.4 million to all existing eligible shareholders.

The Company has decided to undertake this capital raising for the primary purpose of continuing to invest in the development of technology, as well as new products (e.g. Halo) and services (e.g. its violation processing solution, Alcyon). Further, the Company has identified a solid global sales pipeline of potential opportunities, which, with additional financial strength, the Company will be well positioned to pursue.

With these objectives in mind, the Company recently appointed and announced Mr Mark J. Talbot as Group Chief Executive Officer, who has over 20 years of experience in the Intelligent Transportation Services market and in product development, sales and strategy.

The Company believes that, with this new management leadership, coupled with additional financial resources from this capital raising, it will be in a strong position to embark upon its next stage of growth.

Highlights

The capital raising has been structured as a fully underwritten 1 for 3 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) in the Company to existing eligible shareholders (**Entitlement Offer**), at an offer price of A\$0.44 per New Share (**Offer Price**), to raise approximately A\$16.4 million (before transaction costs), comprising an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**).

The Offer Price of A\$0.44 per New Share represents a discount of:

- 19.8% to the theoretical ex-rights price (**TERP**) of A\$0.5488; and
- 24.8% to the Company's last close price of A\$0.585 on 14 November 2017.

The New Shares will rank equally with existing ordinary shares on issue in the Company.

The Entitlement Offer is fully underwritten by Baillieu Holst Ltd (**Underwriter**).

Use of Proceeds

As detailed above, the proceeds from the Entitlement Offer will be used by the Company to invest in its photo enforcement technology, products and services, its global sales pipeline of opportunities and its people.

About the Entitlement Offer

Under the Entitlement Offer, existing eligible shareholders are invited to subscribe for 1 New Share for every 3 existing ordinary shares of the Company held as at 7.00pm (Melbourne time) on 17 November 2017 (**Record Date**) at the Offer Price.

New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue from the date of allotment.

Redflex Holdings Limited

31 Market Street (P.O. Box 720), South Melbourne, Victoria, Australia 3205 t: +613 9093 3324

e: redflexholdingslimited@redflex.com.au

www.redflex.com



Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from 15 November 2017 to 16 November 2017. Eligible institutional shareholders can choose to take up all, part or none of their entitlement.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date will be invited to participate in the Retail Entitlement Offer at the same Offer Price as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on 22 November 2017 and close at 5.00pm (Melbourne time) on 6 December 2017.

In addition to being able to apply for New Shares under the Retail Entitlement Offer, eligible retail shareholders who have taken up all of their entitlement will also have the ability to apply for additional New Shares in excess of their entitlement at the Offer Price, under a top-up facility, that are not subscribed for by other eligible retail shareholders under the Retail Entitlement Offer (**Top-Up Facility**). Further information in relation to participation in the Top-Up Facility will be included in the Entitlement Offer Booklet.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Entitlement Offer Booklet and an accompanying personalised entitlement and acceptance form which are expected to be despatched on 22 November 2017. Copies of the Entitlement Offer Booklet will be available on the ASX website and our website at www.redflex.com.

Those shareholders who the Company determines to be ineligible shareholders will also be notified.

Pursuant to section 615 of the *Corporations Act 2001* (Cth), following the close of each of the Institutional Entitlement Offer and the Retail Entitlement Offer, Holdex Nominees Pty Ltd ACN 004 816 200 as nominee (**Nominee**) will invite institutional investors to bid for New Shares in respect of entitlements which would have been offered to ineligible shareholders had they been entitled to participate in the Entitlement Offer. If the price at which the entitlements are sold is above the Offer Price, then the Nominee will work with the Company and the Underwriter to distribute to ineligible shareholders their proportion of the proceeds of sale that exceed the Offer Price (net of expenses and taxes). In conducting this process, the Nominee is not providing services or acting as agent or sub-agent on behalf of, for or to any ineligible shareholder or accepting any duties (whether fiduciary or otherwise) to any ineligible shareholder.

Further market update – working capital facility

Separate to the proposed raising under the Entitlement Offer, the Company continues to assess options to secure a longer-term debt facility, as an alternative to the current A\$10 million Commonwealth Bank of Australia working capital facility, which is due to expire on 21 March 2018. The new debt facility will be used by the Company to secure a potential uplift in working capital requirements and future investment in potential opportunities, both of an organic and inorganic nature. The Company will continue to update the market with any progress in this regard.

Entitlement Offer Key Dates

Event	Date
Trading Halt and announcement of Entitlement Offer	15 November 2017
Institutional Entitlement Offer Opens	15 November 2017
Institutional Entitlement Offer Closes	16 November 2017
Trading Halt lifted and shares recommence trading on the ASX	17 November 2017
Record Date for determining eligibility to participate in the Retail Entitlement Offer	7.00pm (Melbourne time) on 17 November 2017
Settlement of Institutional Entitlement Offer	22 November 2017
Retail Entitlement Offer opens	22 November 2017

Event	Date
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible retail shareholders	22 November 2017
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	23 November 2017
Retail Entitlement Offer closes	5.00pm (Melbourne time) on 6 December 2017
Settlement of Retail Entitlement Offer	12 December 2017
Allotment of New Shares Issued under the Retail Entitlement Offer	13 December 2017
Quotation of New Shares Issued under the Retail Entitlement Offer	14 December 2017
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	15 December 2017

The above timetable is indicative only and subject to change. Any material changes will be notified to ASX. All dates and times are references to Melbourne, Australia time.

*The Company reserves the right to amend any or all of these dates and times, subject to the consent of the Underwriter, the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, the Company reserves the right to extend the closing dates for either the Institutional Entitlement Offer or Retail Entitlement Offer (**Closing Dates**) and/or accept late applications under the Entitlement Offer without prior notice. Any extension of the Closing Dates may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised entitlement and acceptance forms as soon as possible after the Entitlement Offer opens.*

Additional Information

Further details on the Entitlement Offer are set out in the investor presentation also provided to ASX today. The investor presentation contains important information, including a summary of key risks associated with an investment in the Company and foreign selling restrictions with respect to the Entitlement Offer. Any person considering an investment in the Company should read the investor presentation and seek their own independent advice before making any decision in this regard.

If you have any questions in relation to the Entitlement Offer, please contact the Company Offer Information Line on 1300 850 505 (if calling from within Australia) and +61 3 9415 4000 (if calling from outside of Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Not for release or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (**US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

Forward Looking Statements

This announcement contains certain forward-looking statements within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect', 'anticipate', 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to



known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. None of the Company or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

For further information:

Mark Talbot
Group Chief Executive Officer
Redflex Holdings Limited
mtalbot@redflex.com
T +61 3 9093 3324

Craig Durham
Group General Counsel & Company Secretary
Redflex Holdings Limited
craig.durham@redflex.com.au
T +61 3 9093 3324