



Redflow Limited

ACN 130 227 271

26 April 2018

Placement & Entitlement Offer to Raise ~\$18.1 Million

Redflow Limited (**Redflow**) is pleased to announce it has successfully completed a placement at \$0.10 per share to raise \$7.5 million (**Placement**) and is now undertaking a fully underwritten non-renounceable entitlement offer to raise approximately \$10.6 million at the same price (**Entitlement Offer**).

The placement was strongly supported by both institutional and retail investors.

Capital Raising Overview

- The aggregate proceeds under the Placement and the Entitlement Offer will be approximately \$18.1 million.
- The Entitlement Offer consists of a fully-underwritten pro-rata non-renounceable entitlement offer of 1 new share for every 5 shares held at an issue price of \$0.10 per new share. Under the Entitlement Offer, Redflow will issue up to 106,224,348 new shares.
- The offer price of \$0.10 per new share is a discount of:
 - 28.1% to the volume weighted average price for 1 month up to, and including, Friday, 20 April 2018; and
 - 37.5% to the last price at which the shares traded on Friday, 20 April 2018.
- Morgans Corporate Limited is Lead Manager and Underwriter to the capital raising.

Terms of the Entitlement Offer

The Entitlement Offer will issue 1 new share for every 5 shares issued at the record date at an issue price of \$0.10 per new share, and is fully underwritten by Morgans Corporate Limited.

Participation in the Entitlement Offer will be open to shareholders on the record date of 7.00pm (Sydney Time) on Tuesday, 1 May 2018 with a registered address in Australia, New Zealand, Hong Kong or Singapore.

Eligible shareholders may also apply for new shares in excess of their entitlement, although any application for additional new shares may be scaled back at Redflow's discretion.

Entitlements are non renounceable and will not be tradeable on ASX or otherwise transferable.

The shares issued under the Entitlement Offer will rank equally in all respects with Redflow's existing fully paid ordinary shares.

More information regarding the Entitlement Offer will be set out in the Offer Document, to be mailed to eligible shareholders in accordance with the timetable below.

Use of funds

As well as providing Redflow with working capital to meet operational costs, Redflow intends to use the net proceeds of the equity raising to:

- fund supply chain raw materials and finished goods inventory;

- invest in sales and business development and support activities and infrastructure;
- support and provide capital for Redflow's cost down project and product development activities; and
- fund process optimisation and line automation opportunities.

Indicative Timetable

The timetable for the Entitlement Offer is set out below. Please note that this timetable is indicative only. Redflow reserves the right to amend this timetable at any time, subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Event	Date
Existing shares quoted on an 'ex-rights' basis	Monday, 30 April 2018
Record Date	7pm Sydney time Tuesday, 1 May 2018
Entitlement Offer opens Offer Document dispatched	Friday, 4 May 2018
Entitlement Offer closes	5pm Sydney time, Tuesday, 15 May 2018
Announcement of shortfall (if any) under the Entitlement Offer	Friday, 18 May 2018
Allotment date of new shares issued under the Entitlement Offer	Tuesday, 22 May 2018
Dispatch of holding statements for new shares issued under the Entitlement Offer.	Wednesday, 23 May 2018
Normal trading of new shares issued under the Entitlement Offer	

For more information, please contact info@redflow.com or call the Redflow Entitlement Offer Information Line on 1300 306 413 (within Australia) or +61 1300 306 413 (outside Australia) at any time from 8:30am to 5:30pm, Monday to Friday (excluding public holidays) during the Entitlement Offer period.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the '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 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. This document may not be distributed or released in the United States.

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,' 'estimate,' '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 judgment 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. RedFlow does not give 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.