

1 June 2018

ASX Announcement

Knosys (ASX:KNO)

Information required under ASX Listing Rule 3.10.5A

Further to the Appendix 3B released to the ASX on 1 June 2018, whereby Knosys Limited (KNO) disclosed the issue via a placement of 19,587,347 fully paid ordinary shares at \$0.07 per share (Placement), KNO makes the following disclosures as required under Listing Rule 3.10.5A in respect to the Placement.

- (a) Ordinary shares on issue prior to the placement were 83,349,386 with the dilution to the existing holders of ordinary securities caused by each component of the placement detailed in the table below.

Dilution as a result of the Placement under Listing Rule 7.1: 11,352,408	12.0
Dilution as a result of the Placement under Listing Rule 7.1A: 8,234,939	9.0
Total dilution as a result of the placement	19.0%

The number of fully paid ordinary shares on issue following the placement is 102,936,733.

- (b) The issue by KNO of securities under Listing Rule 7.1A through a placement of ordinary shares is in addition to a proposed pro-rata issue to ordinary shareholders, in the form of a non-renounceable rights issue entitling shareholders to subscribe for 7 new shares for every 19 shares held at the same issue price as the Placement of \$0.07 per share (Rights Issue). The funds raised from the Placement will be used to repay the holders of convertible notes which matured on 31 May 2018. Funds raised in the subsequent Rights Issue will be used to accelerate investment in KNO's sales, marketing, and customer success teams in order to drive APAC customer and revenue growth. Having regard to the requirement to repay the convertible notes which matured on 31 May 2018, the directors of KNO believe that the Placement and the Rights Issue strike an appropriate balance between the requirement of KNO to secure funds in an efficient and expedient manner to repay the convertible notes on their maturity date and to drive KNO's future growth.
- (c) KNO will pay the lead manager to the Placement and Rights Issue a fee equivalent to 6% of the funds raised. Subject to successful completion of the Placement and Rights Issue, KNO will issue 2 million options with an exercise price of \$0.12 per option and expiring in three years, subject to, if required, KNO shareholder approval, or pay a cash fee of \$100,000.

Signed for Knosys Limited



Stephen Kerr
Company Secretary