

4 August 2017

## TikForce Operational Progress Update

**Duncan Anderson, Non-Executive Chairman** of TikForce Limited (ASX: TKF)

(“TikForce” or “the Company”) provides the following update to **clarify** recent announcements, as the Company looks forward to scaling up operations.

### Highlights

- The business is transitioned from technology development to the initial operating phase and is pleased with its June quarter sales growth;
- TikForce Technology is market-ready, proving its value through robust trial programs;
- Revenue generation, project execution and customer support processes are performing well and capable of scaling; and
- With cash position at end of June, plus receivables and the R&D credit, TikForce has the resources to support existing business levels for the foreseeable future.

### Industry Collaboration

Over the past year, TikForce has worked directly with leading companies to refine the TikForce platform across multiple sectors. Collaboration with industry was important in strengthening compliance, while providing process automation and data tools that reduce operational costs. By minimizing the cost and complexity of risk mitigation, industry can eliminate the temptation to ‘kick the can down the road’.

### Highlighted industry verticals:

#### Jobseeker Credential Support Platform

The Jobseekers Program commenced in the June quarter and progressively gathers pace in the September quarter. Revenue of \$43,500 associated with the initial trials was booked in the month of July. The program, as announced on the 27<sup>th</sup> of July, has been extended to 10,000 jobseekers and, at an average fee of

#### TikForce Limited

Suite A7, 435 Roberts Rd,  
Subiaco, WA 6008

p 1800 732 543  
e [info@tikforce.com](mailto:info@tikforce.com)  
w [tikforce.com](http://tikforce.com)

abn 74 106 240 475

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\$190.00 per transaction, the program has the capacity to progressively generate \$1.9M in revenue for the Company.

It is expected that the onboarding process of 10,000 jobseekers will be carried out over the next nine to twelve months. Ongoing services to existing jobseekers are available at lower price points and expansion in the customer base is achievable. Total active jobseekers at the 31<sup>st</sup> of March, 2017 was estimated at 659,942. There are 1,700 jobseeker support branches, and \$1.4B was allocated to jobseekers in the FY2017-18 Federal Budget.

### **Enterprise Supply Chain Workforce Platform**

As announced on the 31<sup>st</sup> of July, the Company has completed its proprietary Enterprise Supply Chain Workforce Platform. This provides a real-time workforce compliance solution designed to support large and complex procurement-centric projects. The launch of the platform represents 12- months of development and industry consultation with multiple beta clients. The goal was to ensure that compliance automation delivered tangible benefits, such as reductions in overhead and insurance risk. It is anticipated that at least one or more major clients will transition from beta status to full commercial engagement. The company continues discussions with beta clients and will update the market on developments as and when they occur.

### **Other Anticipated Revenue Contributions –**

Further recurring revenue contributions will be realised from existing mandated clients.

- With the MTM Metro [Flinders Station and Victorian Level Crossing program] now in progress, the Company will commence onboarding for staff and contractors of Melbourne Metro Rail Authority (MMRA). The MMRA is Victorian government body in charge of the Metro Tunnel, which is Victoria's largest-ever public transport project.
- Resources WA – the Company will provide verification services for RWA in support of its recent assignment of Top Level Vendor status to Tronox

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w tikforce.com

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Resources. RWA is now preparing for major shutdown projects with Tronox as well as other resource companies, to occur in the quarter. Further announcements on the scale of these projects will be advised to the market as and when the details are finalised.

- BRG/Zeffer Technologies – ‘go-live’ of the managed driver recruitment and compliance solution is now commencing.

The Perth-based operation is scheduled to migrate all current drivers onto the platform during the month. All other new drivers will be recruited via the TikForce pre-vetting process.

### **Financial Position**

With the cash position at the end of June, subject to the expected realisation of receivables and the R and D credit, Tikforce has the resources to support existing business levels for the foreseeable future. Resource requirements, including capital needs may be revised with any step change in demand.

### **About TikForce** <http://www.tikforce.com/>

Tikforce is a Human Resource Technology Platform that provides businesses with a more efficient and complete solution for workforce identity, compliance checks and credentials and qualification screening. The TikForce Platform reduces risk and effort when selecting or when monitoring of individuals or suppliers and their workers. The TikForce platforms, TikForce.com & Tik.me, are faster, cheaper, lower risk and more comprehensive than traditional systems for individuals and businesses.

### **Duncan Anderson**

Non-Executive Chairman

### **For further information, please contact:**

#### **Roland Berzins**

Company Secretary

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Suite A7, 435 Roberts Rd,  
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w [tikforce.com](http://tikforce.com)

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