

ASX ANNOUNCEMENT

16 March 2018

Tikforce Secures a Funding Facility of up to \$2M

TikForce Limited (“TikForce” or “The Company”) (ASX: TKF) is pleased to advise that the Company has entered into a mandate with Regency Corporate Pty Ltd (“Regency Corporate”), a boutique corporate advisory firm with a proven experience in the technology sector, for the purpose of raising capital for the Company (“Mandate”). Pursuant to the terms of the Mandate, Regency Corporate will arrange funding for TikForce through the issue of a fully secured Convertible Note (“Convertible Note”) of up to \$2M, on a best endeavour basis.

An initial funding tranche of \$1.2M Convertible Note from sophisticated and professional investors shall be finalised within 14 business days. The funding available under the facility with Regency can be increased by the company, by an additional \$0.8M to total a \$2M Convertible Note facility. Once the Company elects to increase the Convertible Note, the additional funds will be advanced within 14 business days.

New Funding

The Convertible Note will be secured from sophisticated and professional investor clients of Regency Corporate. Funds will be made available to the Company to fund working capital requirements and for debt restructuring purposes.

The full terms of the Convertible Note are appended to this announcement as “Annexure A”.

Changes to the Board

Pursuant to the terms of the Mandate, Regency Corporate will be granted a non-executive board position.

Further, Regency Corporate will also provide a nominated Company Secretary, further bolstering the Company’s compliance and corporate expertise. This occurred on 13 March with the appointment of Mr Stuart Usher as Company Secretary.

TikForce Managing Director Kevin Baum commented –

“Via this agreement with Regency Corporate, we have secured the Company’s immediate future. \$2M will allow the Company the time it needs to execute its plans and demonstrate that its proprietary Human Resource Technology Platform can be operated as a profitable and sustainable model.”

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-ENDS-

For and on behalf of Tikforce Limited

Duncan Anderson
Chairman
Tikforce Limited

About TikForce

Tikforce is a workforce 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.

For more information, please visit: <https://www.tikforce.com/>

About Regency Corporate

Regency Corporate is an Australian based financial services company specialising in mergers and acquisitions and corporate advisory services for small to mid-cap clients. Operating as a boutique investment bank focused on the Australian Securities Exchange (ASX), Regency Corporate has earned a reputation as a trusted advisor to leading Australian and International companies. Regency provides expert investment banking and corporate finance services to owners and stakeholders of privately and publicly held businesses

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“ANNEXURE A”

The key terms of the Convertible Note are:

- Conversion price the lower of:
 - \$0.02 or;
 - 80% of the volume weighted average market price for shares in 5 days prior to conversion; or
 - In the event of a rights issue, placement, or other capital raise, at a 20% discount on the issue price of the capital raise, including the issue to the Note Holder(s) of any and all additional rights provide for and under the capital raise.
- The conversion of the Convertible Note will only occur if the Company obtains Shareholder approval to issue the shares on conversion of the convertible note under ASX Listing Rule 7.1. If approved by shareholders the convertible securities will be issued within 7 days after the shareholder approval is obtained..
 - If required, the Company will give ASX a notice that complies with section 708A (5)(e) of the Corporations Act 2001 (Cth) or lodge a prospectus with ASIC that qualifies the shares for resale under section 708(A)(11) of the Corporations Act.
 - The Company will apply for official quotation on ASX of the Shares issued pursuant to the Conversion; and
 - The Company will issue one (1) free attaching option, exercisable at \$0.03 and expiring 31 October 2020, for each share issued upon conversion. The Company will apply to ASX for quotation, when the minimum requirements for quotation are satisfied. The issue of the options will be subject to all necessary shareholder and regulatory approvals. If the company is unable to meet the minimum spread requirements of the ASX Listing Rules for the quotation of the options, then the options will be issued as unquoted options.
- In the event that shareholder approval for conversion is not obtained pursuant to ASX Listing Rule 7.1, the Company must pay the noteholder an additional penalty interest rate of 10% per annum on the value of the Note outstanding until the earlier of:
 - Shareholder approval is obtained; or
 - The Company issuing the outstanding shares pursuant to its ASX Listing Rule 7.1 placement capacity; or
 - The Maturity date.
- The term of the Note is 12 months
- 20% p.a. interest on value of funds advanced (which may be converted into shares at the noteholders election on the same conditions of the Note). Interest is payable monthly in advance on the first day of each month. In the event the note holder elects to convert the interest portion to shares, the noteholder must provide notice to the company in writing with 5 days notice prior to the end of each month. The Company will obtain Shareholder approval under ASX Listing Rule 7.1 when it has received notice from the convertible note holder that they have elected to have the interest component repaid in shares, if this election has not occurred then the interest will be repaid in cash. If required, the Company will give ASX a notice that complies with section 708A (5)(e) of the Corporations Act 2001 (Cth) or lodge a prospectus with ASIC that qualifies the shares for resale under section 708(A)(11) of the Corporations Act. The Company will then apply for official quotation on ASX of the Shares.

- Funds to be used for general working capital purposes and for debt restructuring purposes.
- Secured by a fixed registered charge over the Company's assets

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