



20 November 2017

Manager of Company Announcements
ASX Limited
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PERTH
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By E-Lodgement

PrimeX Connect-Transcendence Collaboration Agreement

Transcendence Technologies Limited (ASX: TTL) ("**Transcendence**" or the "**Company**") has signed a Collaboration Agreement ("**Agreement**") with Prime X Connect Pty Ltd ("**PrimeX**").

Transcendence's E-Collate solution provides a cloud-based service which enables customers to upload, arrange and manage a range of compliance documentation. PrimeX is a digital marketplace for wholesale red meat that connects International buyers and sellers so they can negotiate and trade securely and efficiently.

The respective boards of Transcendence and PrimeX believe that technology synergies may exist and have agreed to explore how E-Collate software can be used to provide a more efficient workflow. E-Collate's self-monitoring of document collection automates the request for and collection of documents at each stage of order processing to streamline the creation, management and fulfilment of orders.

The Agreement will see both companies work together to evaluate the feasibility of integrating both platforms and the estimated cost should the project move to a commercial rollout.

Transcendence Chairman, Peter Wall Commented:

"With global compliance driving many of the challenges faced by exporters both companies consider automated data collection and cloud based back-office compliance has the potential to reduce human error rates whilst improving workflow via the automation of data collection and the storage of purchase orders, health certificates and export/shipping documentation.

The E-Collate platform provides a management solution to store sales related documentation. This Collaboration Agreement will allow both companies to test the ability for E-Collate to provide a turn-key solution for the management of the entire order workflow customers require."

As part of the Collaboration Agreement, Transcendence will invest \$200,000 towards the initial project assessment by way of subscription to an unsecured convertible note (**Convertible Note**) issued by PrimeX. The Company shall subscribe for 2000 Convertible Notes, the principal terms of which are summarised below:

Convertible Note face value: \$100 each.



Conversion:

- The Convertible Notes may be converted to ordinary shares in PrimeX at the election of the subscriber at any time up to 6 months prior to the Maturity Date at a price equal to the lesser of (i) any arms length capital raising carried out by PrimeX prior to the conversion, and otherwise (ii) a valuation of \$6m.
- If PrimeX undertakes a listing event, the Convertible Notes shall mandatorily convert to ordinary shares of PrimeX at the same price that PrimeX shares are issued for (in the case of an IPO of Primex) or the same price that the shares of the acquiring entity are issued for (in the case of a reverse take-over of PrimeX).

In either case, PrimeX will grant (or in the case of a reverse takeover procure the grant) of 1 free attaching option to acquire a conversion share for every 4 conversion shares issued.

Conversion Coupon: At conversion, the quantum of the Convertible Note shall be comprised of the face value of the Convertible, a coupon of 50% on top of the face value together with any Additional Interest thereon.

Additional Interest: Interest will not be payable *provided that* should the Convertible Notes not be converted by 30 April, 2018 an additional interest rate of 20% per annum shall accrue until conversion and will be paid in addition to the Conversion Coupon.

Maturity Date: 30 April 2019

Conditions Precedent: The issue of the Convertible Notes is subject to and conditional upon a minimum amount of \$800,000 being raised by PrimeX.

For and on behalf of the Board,

Sarah Smith
Company Secretary