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Company Announcements Office
ASX Limited

By E-Lodgement

COMPANY UPDATE

- **The Company is actively reviewing opportunities across a number of sectors including Blockchain enabled technologies**
- **Board continues to monitor PTF's capital raising initiatives closely as well as reserving all available options to recover funds owing**
- **Board notes that PTF is positioning itself as a blockchain enabled 3D print platform and its 'proof of print token' is currently in development**

Serpentine Technologies Ltd (ASX: S3R) ("**Serpentine**" or the "**Company**") wishes to provide an update to shareholders on its company strategy, update on Print The Future Inc. ("PTF") capital raising initiatives and other corporate matters.

Company Strategy

As previously announced to the ASX on 16 October 2017 the Company received shareholder approval to sell its interest in the shares of Kabuni Technologies Inc. ("KTI") and Kabuni Technologies (India) Private Limited ("KB India") to PTF, an entity controlled by Neil Patel, the former CEO of Serpentine (formerly known as Kabuni Limited). The Company retains its interest in Kabuni USA Inc. which holds the 'Design Campus' business.

The Company has continued to investigate market opportunities that have the potential to increase shareholder value across a number of sectors including blockchain enabled technology, technology and education sectors, amongst others. The Company will update the market should a Transaction occur.

PTF Transaction Update

As announced to the ASX, the shareholders approved the transaction with PTF on 16 October 2017 and completion of the transaction occurred on 18 October 2017.

PTF currently owes the Company approximately A\$4.4 M under convertible promissory notes issued by PTF in connection with the sale of Kabuni Technologies Inc ("KTI") and Kabuni Technologies (India) Private Limited ("KB India") (the "Notes"). As previously announced to the ASX, PTF failed to pay the Notes when due and, accordingly, the Company provided PTF with formal notice that an event of default occurred under the Notes. The Company also confirmed that it had not waived the default and expressly reserved all of the Company's rights, powers, privileges and remedies under the Notes, applicable law or otherwise to recover such monies.

Since completion of the transaction in October 2017, PTF has positioned KTI as a blockchain enabled 3D printing business with a 'proof of print token' (blockchain enabled payment mechanism), which is currently in development.

PTF has advised the Company that it continues to explore a number of possible funding options including an initial coin offering (“ICO”) and a public listing via a reverse takeover (“RTO”), as well as ongoing discussions with potential investors. While discussions are progressing with various parties they remain incomplete at this time.

The Board continues to monitor all options available to the Company to recover amounts owing from PTF which include, amongst others:

- recovering funding at the time that PTF successfully completes a transaction or capital raising;
- enforcing the Notes and the security therefore given by KTI and KB India, against the assets of PTF, KTI and KB India; and
- The Company converting amounts owing into equity of PTF, thus providing the Company with direct exposure to a blockchain enabled 3D printing business.

Other Corporate Matters

As announced to the ASX on 11 December 2017 the Company recently completed a rights issue which raised A\$384,985. The associated shortfall offer was heavily oversubscribed. The Board, and its corporate advisor, Alto Capital, have reviewed all applications and those successful applicants will be advised shortly. Those shareholders who submitted funds as part of the shortfall offer who were not successful will have their funds returned shortly.

As disclosed in the Rights Issue prospectus dated 17 November 2017, the Company intends to undertake a placement to Directors to raise up to \$52,000 on the same terms as offered to shareholders under the rights issue. The Company will dispatch a notice of meeting to seek shareholder approval for the Director placement in the coming weeks.

Further, the Board also wishes to advise that it intends to list the free attaching options issued under the rights and shortfall offers on the ASX. It is anticipated that the listing of the Options will occur in the coming weeks, subject to obtaining the necessary approvals.

For further information please contact:

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