

11 January 2018

Dear Shareholder

**TikForce Limited - Pro-rata Non-Renounceable Entitlement Offer**

Further to the Company's announcements of 27 October 2017 and 17 November 2017 regarding the capital raising mandate (**Mandate**) with Alignment Capital Pty Ltd (ACN 167 124 754) (**Alignment Capital**), TikForce Limited (ACN 106 240 475) (**Company**) is pleased to advise:

- (a) it has received firm commitments for a proposed placement of 10,000,000 Shares at an issue price of \$0.015 per Share to raise \$150,000 from sophisticated and professional investors (**Placement**), together with one free attaching option for each placement share, exercisable at \$0.03 on or before 31 October 2020 (Shares and Options are anticipated to be issued on 18 January 2018); and
- (b) pursuant to the Mandate (as varied), it will undertake an **Entitlement Offer** of approximately 56,736,485 New Shares on the basis of one (1) New Share for every three (3) Shares held at an issue price of \$0.015 to raise approximately \$851,047 (before expenses) with a Record Date of 17 January 2018, together with 28,368,242 free attaching Options exercisable at \$0.03 on or before 31 October 2020 on the basis of one (1) Option for every two (2) New Shares issued. The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC on 11 January 2018.

Pursuant to the Mandate, Alignment Capital will act as Lead Manager to the Entitlement Offer and will be paid fees in relation to the Entitlement Offer, Placement and Convertible Note raising as set out in the Prospectus and the Company's announcements of 27 October 2017, 17 November 2017 and 11 January 2018, being:

- (a) a management fee of 1% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement;
- (b) a selling fee of 5% (excluding GST) on all funds raised under the Offer, any Shortfall and Placement; and
- (c) up to 32,510,472 options, on the same terms and conditions as the New Options (Fee Options) (the issue of the Fee Options is subject to all necessary shareholder and regulatory approvals) comprised as follows:
  - (i) 15,000,000 Fee Options on the advance of the Convertible Note funds;
  - (ii) 7,500,000 Fee Options on completion of the Convertible Note issue;
  - (iii) 1,500,000 Fee Options on completion of the Placement; and
  - (iv) 8,510,472 Fee Options on completion of the Offer and any Shortfall placement (such figure based on full subscription of the Offer, and to be scaled back on a pro-rata basis if the Offer is only partially subscribed).

Funds raised from the Placement and the Entitlement Offer will be used for purposes including:

- (a) sales and marketing;
- (b) customer implementation;
- (c) support and enhancement of the TikForce Platform;
- (d) expenses of the Offer;
- (e) general management and administration; and
- (f) working capital.

Refer to the Prospectus for further details.

The Entitlement Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at **5.00pm WST on 17 January 2018 (Record Date)**, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. The Options are on terms and conditions set out in the Prospectus.

Following completion of the Offer, the Company will have issued approximately 56,736,485 New Shares and 28,368,242 free attaching Options.

#### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

**You are an Ineligible Shareholder, and accordingly are not eligible to participate in the Entitlement Offer. You will not be sent a copy of the Prospectus.**

This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares and Options to which they would otherwise be entitled.

If you have any queries concerning the Entitlement Issue, please contact your financial adviser. For general information concerning the Entitlement Issue, please contact the Company on 1800 732 543 from 8.30am to 5.00pm WST, Monday to Friday.

Yours sincerely,

**Madhukar Bhalla**  
Company Secretary

