

TikForce Signs Mandate with UK Advisory Group

ASX Announcement

14 February 2018

- **TikForce Engages UK advisory group East Star Capital (U.K.) Ltd**
- **East Star to assist in raising \$400k at \$0.02 which is 33% above today's listed price**
- **East Star to assist in raising additional funds to support UK activity in due course**
- **East Star to assist with establishing working relationships with UK based companies**

TikForce Limited ("TikForce" or "The Company") is pleased to announce that it has engaged London based East Star Capital (U.K.) Ltd ("ESCUK" or "East Star") to assist in a placement to sophisticated investors; and exclusive corporate advisor to assist with the expansion into the UK and EU markets.

The Company is seeking capital to sustain its operations through to a cash flow positive position and to seek strategic investment partnerships with a focus on a planned expansion into the UK market, following qualified discussions, assessment and industry engagement.

Commentary on terms per ESCUK Agreement

ESCUK will provide the Company with the following corporate and business advisory services under the Agreement:

Placement of new shares to raise an initial \$400,000

ESCUK will assist with a placement of up to 20,000,000 new ordinary TKF shares at an issue price of AUD\$0.02 each (**Placement Shares**) to new investors (**Placees**) to raise \$400,000 (**Placement Sum**) strictly on the following basis:

- a. the Placement Shares will be issued out of the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A (any Placement Shares exceeding this capacity will be issued subject to all necessary shareholder and regulatory approvals);
- b. the Placement Shares will be issued to Australian based nominees of the new investors, and will be investors who are exempt investors under section 708A of the Corporations Act and accordingly, there is no requirement for the Company to issue a prospectus to the Placement Shares in respect of the Company's offer of Placement Shares to the Placees;
- c. none of the Placees are related parties of the Company (as that term is defined in the Corporations Act);
- d. upon issue and receipt of the Placement Shares, none of the Placees (whether individually or in aggregate) will acquire a voting interest in the Company of 20% or more.

Prior to any issue of Placement Shares, ESCUK undertakes to provide or procure all necessary information and documentation as may be requested by the Company to satisfy the above terms of issue of the Placement Shares.

Additional Funding from UK Investors

East Star has a mandate to work with the company to raise additional capital of up to 1.1 million dollars, to support UK growth opportunities. TikForce and East Star will work together to promote the company to UK investors and broaden its shareholder base in a market where compliance businesses are in significant demand.

Success Fee

The Company agrees to pay ESCUK (or nominee) the following success based fees.

- 6% of Placement Sum
- 1 Option for every 3 new Placement Shares issued under PART A– where the option term is 3 years from the date of issue and the exercise price is \$0.03

Corporate Advisory Services¹⁾

Corporate Advisory Services will be provided by ESCUK to the Company on an exclusive basis, in the UK and EU for a period of six (6) months from the date of the Agreement (**Term**).

The Company is seeking the assistance of a corporate advisor to:

- i. help it undertake its merger and acquisition strategy, broadly comprising of a strategy to identify, evaluate, introduce and assist the company to companies in the region with complimentary businesses and market segments. In particular businesses that will allow The Company to offer its services & technology in to this highly regulated market and to support its own international clients. (**UK M&A**); and
- ii. consider a potential future compliance listing in the UK.

The Company has chosen to secure the services of ESCUK, based on their understanding of digital compliance technology platforms, changing legislative landscape in the post-Brexit UK, upcoming EU GDPR privacy legislation and a successful history in providing significant client/shareholder value through combined strategic advisory and facilitated investment.

ESCUK Managing Director, Mr Dan Maling commented, “. Significant compliance legislation, such as the impending Brexit and GDPR is now upon us with potential customer base both large and engaged. As a result UK and EU investor markets are well informed and supportive of compliance service providers, such as TikForce.”

¹⁾ Excluded from the services to be provided by ESCUK under this Agreement:

- the provision of any financial or regulatory advice or recommendations insofar as market rules, requirements, norms or standards are concerned, including the compliance or otherwise by the Company (or any other person or entity) with such rules, requirements, norms or standards;
- the provision of any service or advice which requires authorisation from the Financial Conduct Authority; and
- legal, tax or accounting advice of any nature whatsoever other than recommendations as to third party advisers who may be able to provide such advice.

-ENDS-

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 East Star Capital Ltd (UK)

East Star Capital (UK) is part of the East Star Capital corporate advisory group providing a wide range of services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. The firm has offices in the United Kingdom, Central Asia, UAE, Australia and Singapore.