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## **Acuvax Secures up to \$A250,000 funding for Working Capital and Due Diligence of the Activistic Acquisition**

### **ASX ANNOUNCEMENT**

**16 December 2014**

#### **Highlights**

- **Up to \$A250,000 of funding secured to allow completion of the acquisition due diligence and working capital support for Activistic Pty Ltd**
- **Facility provides additional working capital for Acuvax Ltd (Company)**

Acuvax Ltd (ASX: ACU) is pleased to announce it has executed an agreement for up to \$A250,000 of funding from a sophisticated institutional investor ("Agreement").

Acuvax has now completed the first stage of its funding arrangement with a private equity investor as previously announced on the 7<sup>th</sup> November 2014.

This investment by way of a Convertible Notes will provide Acuvax with immediate and future funding for working capital and to support the acquisition process for Activistic Pty Ltd announced on 7<sup>th</sup> October.

Under the Agreement, the investor has made an initial investment of \$A150,000 by way of a single 12 month unsecured convertible security, with a capitalised interest amount at 12% pa. The investor will also invest up to an additional \$A100,000 in a further tranche, by way of a second 12 month unsecured convertible security.

It is anticipated that these potential conversions of the securities will be made following the Company's shareholders approval for a consolidation of capital, in two stages, being 1 share for every 28.731 securities currently held and then a further 1 share for every 10 post initial consolidation securities, being held.

The key terms of the Agreement are set out in the Appendix below.

In an announcement on 7<sup>th</sup> October 2014 Acuvax informed the market that it had entered into a binding heads of agreement to acquire all of the capital in Activistic Pty Ltd (**Activistic**) and to undertake both due diligence of the acquisition procedure and provide loan funds and working capital to enable Activistic to continue with its micro – donations app development and roll out of the process in both the UK and the USA.

The funding also provides the **Company** with working capital requirements to meet its immediate cash flow needs.

Roland Berzins

Company Secretary

Acuvax Limited

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## **Appendix 1 – Funding Agreement Key Terms**

**1. Certainty of Funding.** The Agreement provides the Company with certainty of access to funding in a tight capital market. The investment will be made on the following key terms:

The Investor will purchase from the Company up to two unsecured convertible securities as follows;

- a) The first convertible security will be purchased (on execution of the Agreement) at a purchase price of \$A150,000 with a face value of \$A168,000; and
- b) The second convertible security will be purchased (subject to Shareholder approval) at a purchase price of \$A100, 000 with a face value of \$A112,000.

The convertible securities have a maturity of 12 months from date of execution.

**2. Convertible Note 1** The investor will have the right to convert the first convertible note into ordinary shares in the capital of the Company as follows:

- a) Following Shareholder approval for an initial consolidation of capital at the ratio of 1 share for every 28.731 shares the conversion would result in the issue of an 33,600,000 fully paid shares (the shares would be based on the investment of \$A150,000 plus an additional \$A18,000 being capitalised interest at the rate of 12% pa);
- b) Following a second shareholders meeting, Shareholder approval for a second consolidation of capital at the ratio of 1 share for every 10 shares, the conversion would result in the issue of an 3,360,000 fully paid shares;

**3. Convertible Note 2** The investor will have the right to convert the second convertible note into ordinary shares and options in the capital of the Company as follows:

- a) Following Shareholder approval for an initial consolidation of capital at the ratio of 1 share for every 28.731 shares the conversion would result in the issue of an 22,400,000 fully paid shares (the shares would be based on the investment of \$A100,000 plus an additional \$A12,000 in capitalised interest at the rate of 12% pa)
- b) Shareholder approval will also be sort for the creation of additional securities in the capital of the Company, being Options, with an issue price of \$A0.0001 and an exercise price of \$A0.11 with expiration no later than 31 December 2017;
- c) Following Shareholder approval for an initial consolidation of capital at the ratio of 1 share for every 28.7 shares the conversion would also result in the entitlement to issue 50,000,000 Options.
- d) Following a second shareholders meeting, Shareholder and approval for a second consolidation of capital at the ratio of 1 share for every 10 shares and 1 Option for every 10 Options, the conversion would result in the issue of an 2,240,000 fully paid shares and 5,000,000 Options at an exercise price of \$0.11 with expiration no later than 31 December 2017.