

EXTENSION OF CONVERTIBLE NOTES

- **Convertible Notes extended by 9 months to encourage greater equity participation by staff and management**
- **Majority of noteholders accepted extension**
- **\$2.4m in Cash to meet all working capital requirements**

Vortiv Limited (ASX: VOR) (Vortiv or the Company) advises that the majority of holders of existing convertible notes in the Company have agreed to extend the expiry date of the convertible notes at a reduced interest rate during the extension period.

Terms of the Extension

The Company's existing convertible notes have a total face value of \$670,000, accrue interest at 10% per annum and were originally due to expire on 15 December 2019. Shareholder approval for the convertibility of the convertible notes was obtained on 31 May 2018 at a conversion price of 1.1 cents per share (refer to the Company's Notice of General Meeting dated 30 April 2018 for further details).

Noteholders were offered the option to extend the convertible notes on the following terms ("Extension"):

- 9-month extension duration with expiry date of 15 September 2020
- Coupon rate reduced from 10% to 8% p.a. during extension period
- Conversion at the original conversion price of 1.1 cents following shareholder approval of the Extension

The reduction in the interest rate was considered to be warranted as the Company continues to strengthen its operational performance and its balance sheet.

Shareholder approval for the convertibility of the extended convertible notes will be sought at a general meeting of shareholders on or before 28 February 2020. Should shareholder approval not be obtained, the convertible notes must be repaid by the Company in cash within 5 business days of the meeting.

Acceptance of Extension

Six noteholders, including Vortiv Directors Gary Foster and Jeffrey Lai, have accepted the terms of the Extension, representing a total convertible note value of \$720,000 (inclusive of face value and accrued interest).

Five noteholders did not accept the extension offer. The total amount payable, including interest payments, to these noteholders is \$97,600.

Rationale for Extension

The Board's decision to offer to extend the notes is to encourage staff and management to further commit, through equity participation, to the ongoing growth and direction of the Company.

As the share price currently trades below the exercise price of 1.1 cents, the Company considered that extending the duration of the convertible notes by 9 months to 15 September 2020 would likely increase the rate of conversion of these notes to equity.

Both Gary Foster and Jeffrey Lai abstained from the Board's deliberation and voting on the extension offer.

Cash at Bank

With \$2.4 million in cash as at 16 December 2019 post payments to the five noteholders noted above, the Company remains in a strong position to meet all its obligations without additional funding required.

Vortiv's CEO, Mr Jeffrey Lai commented: "Business performance for the December quarter has been in line with expectations and we remain positive around the outlook for the 2020 calendar year as the business continues to capitalise on the strong growth in the cyber and cloud security market within the government sectors and financial sector."

For more information:

Jeffrey Lai
Managing Director
E: jlai@tsiplc.com.au

About Vortiv

Vortiv Ltd (formerly Transaction Solutions International) is a technology-based company focused on cybersecurity and cloud infrastructure and security. The Company has a 100% ownership of Decipher Works, a Sydney-based cybersecurity specialist that provides consulting and managed services to its loyal client base of financial institutions and large corporations. In addition, Vortiv owns 100% of Cloudten Industries, a cloud and cloud security specialist that assists the government, financial institutions and large corporations migrate, secure and manage their infrastructure in the cloud.

Vortiv also holds a 24.89% interest in TSI India, a company having 400 employees, which has created a scalable operation in the field of e-transactions and payments in India. TSI India owns and manages ATMs for over 30 major banks and offers Bill Payment services to a number of utility companies in India.