

1 November 2018

## **ASX ANNOUNCEMENT**

### **EN1 Signs Term Sheet for Private Placement of A\$2M Convertible Notes**

#### **Highlights:**

- ❖ EN1 has raised a total of A\$2M capital with a New York based institution
- ❖ The funds will be used for working capital, specifically to increase revenues in the 4<sup>th</sup> quarter
- ❖ A\$2M was raised from a U.S. based institutional investor through a convertible note, subject to due diligence and definitive documentation
- ❖ Capital raised through the convertible note potentially reduces shareholder dilution

engage:BDR (“**engage:BDR** or **Company**”) (ASX:**EN1** and **EN10**) is pleased to provide an update in relation to its previously foreshadowed financing activities. The Company has executed a binding term sheet with a New York based institutional investor to raise an aggregate of A\$2M via the placement of convertible notes. The Company is also in the final stages of negotiating additional capital raising arrangements and will update the market with those developments as well, shortly.

To potentially reduce the dilution to existing EN1 shareholders, this raise was through a convertible note with a U.S. based investor. Investments like these from U.S. institutions are critically important to EN1, as engage:BDR’s core business is in the United States.

- ❖ The Company will raise A\$2m in two equal \$1M issuances of convertible notes to a New York based institutional investor
- ❖ Each unsecured convertible note will have a 12-month term and will have a fixed conversion price of A\$0.09 per share, which represents an approximate 50% premium to the last closing price of EN1 shares on the ASX

**USA**  
engage:BDR  
9220 Sunset Blvd, Suite 100  
West Hollywood, CA 90069  
USA  
+1 310 954 0751  
info@engagebdr.com

**Australia**  
Scottish House Level 4 90 William  
Street  
Melbourne Victoria 3000  
AUSTRALIA  
+61 412 111 821  
info@engagebdr.com.au

- ❖ The capital raised through the convertible notes will allow the Company to reserve advertising inventory in its highest-demand quarter of the year
- ❖ The finance will be interest-free and include a buy-back right for the Company at 105% of face value
- ❖ The facility is unsecured and but requires the Company to issue 5M EN1 fully paid ordinary shares by way of collateral for the performance of the Company's obligations under the financing facility
- ❖ The Notes will be redeemed by the company in twelve equal monthly installments. Importantly, the Company has the luxury of deciding whether to redeem the Notes for cash or shares
- ❖ The investor would be granted options that are equivalent to 40% of the Notes' value, exercisable at a strike price equal to 135% premium of the market price, within a three-year expiry

The issuance of the Notes are subject to due diligence and approval of definitive documentation. Viriathus Capital LLC is acting as placement agent to the Company.

engage:BDR CEO, Ted Dhanik, commented "This capital comes at a critical time for the Company in that our calendar fourth quarter represents our peak earning season, and this capital will allow us to drive revenues and ultimately drive shareholder value. By raising capital through a convertible note, the Company has also been able to potentially reduce dilution as the Notes have a fixed conversion price set at a 50% premium to what EN1 shares are currently trading."

All issue of securities in accordance with the agreement should be noted as being 'subject to any shareholder approvals (if required).'



On behalf of the Board  
Ted Dhanik  
Co-Founder and Executive Chairman  
engage:BDR Limited  
+1(310)954-0751  
[info@EN1.com](mailto:info@EN1.com)  
[twitter.com/TedDhanik](https://twitter.com/TedDhanik)  
[linkedin.com/in/TedDhanik](https://linkedin.com/in/TedDhanik)

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[instagram.com/engageBDR](https://instagram.com/engageBDR)

**USA**  
engage:BDR  
9220 Sunset Blvd, Suite 100  
West Hollywood, CA 90069  
USA  
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[info@engagebdr.com](mailto:info@engagebdr.com)

**Australia**  
Scottish House Level 4 90 William  
Street  
Melbourne Victoria 3000  
AUSTRALIA  
+61 412 111 821  
[info@engagebdr.com.au](mailto:info@engagebdr.com.au)