

# ENGAGE:BDR LIMITED

[ACN 621 160 585]

("the Company")

## OPTIONS PROSPECTUS

An offer of 13.75 million unlisted options (**New Options**), each with an exercise price equal to 110% of the closing bid price of the Company's listed ordinary shares on ASX on the last trading day immediately prior to the issue date of the New Options (rounded down to three decimal places) (**Exercise Price**), an expiry date which is the last day of the calendar month which is three years after the date of issue (**Expiry Date**) and which, upon exercise, entitle the holder to one (1) fully paid ordinary share in the Company (**Offer**).

The Offer is only made to and able to be accepted by invitee(s) determined by the Company who receive a personalised application form (and/or their nominee(s)).

The Offer closes at 5pm (Melbourne time) on 27 September 2019 (which may change without notice) (**Closing Date**).

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.**

It is important that you read this Prospectus carefully before deciding to accept the Offer. If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

**The securities offered under this Prospectus are considered speculative.**

**CORPORATE DIRECTORY**

Engage:BDR Limited  
[ACN 621 160 585]

**Directors**

Mr Ted Dhanik – Executive Chairman  
Mr Thomas Anderson - Director  
Mr Kurtis Rintala –Director  
Mr Robert Antulov – Non-executive Director  
Mr Darian Pizem – Non-executive Director

**Company Secretary**

Ms Melanie Leydin

**Registered Office**

Level 4, 90 William Street  
Melbourne VIC 3000

Telephone: +61 3 9692 7222  
Facsimile: +61 3 9077 9233

**ASX Code**

EN1

**Website**

[Engagebdr.com](http://Engagebdr.com)

#### IMPORTANT NOTE

This prospectus ("**Prospectus**") is dated 25 September 2019. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on the same date. Neither ASIC nor ASX Limited ("ASX") nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offer early, to extend the Closing Date and/or any other dates, or not to proceed with the Offer described in this Prospectus.

**The Offer under this Prospectus closes at 5pm (Melbourne time) on 27 September 2019, which date may change without notice.**

This Prospectus is for an offer of options (the New Options) to acquire continuously quoted securities (fully paid ordinary shares). Accordingly, this Prospectus is not required by the Corporations Act to contain all information normally required to be set out in a document of this type.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus in this manner may be obtained free of charge from the Company during the application period.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire New Options, and observe such restrictions and requirements. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Return of a duly completed personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No action has been taken to register or qualify the Offer or the New Options, or otherwise to permit a public offering of the New Options, in any jurisdiction outside Australia. The New Options have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for New Options under the Offer.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

The securities offered under this Prospectus are considered speculative.

## TIMETABLE

Lodgement of Prospectus	25 September 2019
Offer Period opens	25 September 2019
Closing Date (5pm Melbourne time)	27 September 2019

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are to Melbourne, Victoria, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, close the Offer before the date stated above, extend the Closing Date and subsequent dates or not proceed with the Offer. The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.*

*No securities will be issued on the basis of this Prospectus after 24 October 2020, being the expiry date of this Prospectus.*

## CONTENTS

1.	Details of the Offer .....	8
2.	Purpose of the Offer .....	9
3.	Effect on the Capital Structure of the Company .....	10
4.	Risk Factors.....	11
5.	Acceptance Instructions .....	19
6.	Continuous Disclosure Obligations.....	19
7.	ASX Announcements .....	20
8.	Terms of securities offered.....	22
9.	Directors' interests .....	27
10.	Taxation .....	28
11.	Overseas Investors .....	28
12.	Privacy .....	28
13.	Electronic Prospectus .....	28
14.	Investment Decisions .....	29
15.	Future Performance .....	29
16.	Enquiries.....	29

### KEY INVESTMENT RISKS - SUMMARY

Please read and consider this Prospectus in full in conjunction with any matters which have or may be referred to in the Company's ASX announcements before making any decision regarding applying for New Options.

Section 4 of this Prospectus contains a summary of key risks associated with the Offer as set out below:

- There being no guarantee the share price of the Shares will be greater than the exercise price of New Options prior to the Expiry Date.
- The risk the shareholding in the Company of shareholders who do not receive New Options will be diluted upon the exercise of the New Options.
- The risk that the exercise of New Options may have taxation consequences for recipients.

Section 4 also includes specific business risks of the Company, a selection of which are set out below:

- The Company may not be able to successfully implement its strategic plan;
- As the technology based method of buying and selling media is relatively new, there is a risk that this new method will not be broadly adopted or reversion to the old method will occur;
- The ongoing need for capital to fund the business of the Company;
- There is a risk that the growth of the Company and its business may not meet expectations. In addition, the growth of the Company may exceed expectations and the Company may not have sufficient infrastructure to in place to manage such growth;
- The Company is subject to various regulatory requirements and potential sovereign risks;
- Dependence by the Company on its key staff;
- Risks associated with currency fluctuations; and
- The price of shares and listed options of the Company are subject to various factors and such prices may decline as well as rise.

In addition to the above, there are other risks of a more general nature, such as economic and market conditions.

### ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding applying for New Options, exercising options or investment in the Company.

Topic	Summary	For more information see:
What is the Offer?	<p>An offer of 13.75 million unlisted options (<b>New Options</b>), each with an exercise price equal to 110% of the closing bid price of the Company's listed ordinary shares on ASX on the last trading day immediately prior to the issue date of the New Options (rounded down to three decimal places) (<b>Exercise Price</b>), an expiry date which is the last day of the calendar month which is three years after the date of issue (<b>Expiry Date</b>) and which, upon exercise, entitles the holder to one (1) fully paid ordinary share in the Company.</p> <p>New Options will only be issued to invitee(s) determined by the Company.</p> <p>No cash is payable for issue of New Options and therefore no funds will be raised from the Offer.</p>	Section 1.1
What is the purpose of the Offer?	To facilitate the secondary trading of shares upon exercise of New Options.	Section 2.1
What is the purpose of the issue of New Options?	<p>The New Options are being issued in connection with the Company's agreement with Alto Opportunity Master Fund SPC – Segregated Master Portfolio B for the issue of zero coupon convertible amortizing securities, announced to ASX on 23 September 2019.</p> <p>Further details are set out in the announcement.</p>	Section 1.4
Am I eligible to apply for New Options?	You will only be eligible to apply for and receive New Options under the Offer if you receive a written invitation to apply and Personalised Application Form from the Company.	Section 1.1
How do I accept the Offer?	<p>Only recipients of a written invitation and personalised application form from the Company may apply for New Options.</p> <p>If you have received a written invitation and personalised application form from the Company to participate in the Offer, to accept the applicable Offer complete and return the form to the Company by no later than 5pm on the Closing Date.</p>	Section 5.1
What if I am not invited to participate in the Offer?	If you do not receive a written invitation from the Company to participate in the Offer and a personalised application form then you will be unable to apply for and receive New Options.	Section 5.1
How much will be raised by the Offer?	No funds will be raised from the issue of New Options. Funds raised upon exercise of New Options (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.	Section 2.2
Will the New Options be quoted?	The New Options under this Prospectus will not be quoted. The Company will apply for quotation (listing) of shares issued upon exercise of New Options.	Section 1.3
What are the terms of the New Options?	<p>A summary of the terms of the New Options is set out in section 8.</p> <p>Shares issued upon exercise of New Options will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue.</p>	Section 8

Topic	Summary	For more information see:
When can New Options be exercised?	New Options can be exercised by the holder any time prior to the Expiry Date.	Section 8
Are there any risks associated with an investment in the Company?	<p>There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks associated with resource exploration, risks relating to the offer and risks associated with financial investment generally.</p> <p>Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making any decision regarding applying for New Options or otherwise investing in the Company.</p>	Section 4
What will be the effect of the Offer on control of the Company?	The Offer will not affect the control of the Company prior to the issue of shares upon exercise of New Options (if any). Shares issued upon exercise of New Options (if any) will result in the dilution of holdings of shareholders of the Company who do not receive and exercise New Options.	Section 3.2
What are the tax implications of participating in the Offer?	Taxation implications will vary depending upon your specific circumstances. You should obtain your own professional advice as to the particular taxation treatment that will apply to you.	Section 10
How and when will I know if my application was successful?	Holding certificates are anticipated to be dispatched on or about 27 September 2019.	Section 5.2
Where can I find more information about the Company?	For more information on the Company please see the Company's website (engagebdr.com) or refer to the Company's ASX announcements (available on the ASX's website, www.asx.com.au, search "EN1").	Sections 6 & 7
What if I have any questions about the offer?	<p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for New Options, exercising options or investment in the Company.</p> <p>If you have any questions regarding how to complete and return the application form, contact details will be included in the Company's personalised invitation to you to apply for New Options.</p> <p>Questions concerning the Offer can also be directed to the Company on +61 3 9692 7222.</p>	Section 16

## 1. Details of the Offer

### 1.1 The Offer

Engage:BDR Limited (the **Company** or **EN1**) is offering 13.75 million unlisted options (**New Options**), each with an exercise price equal to 110% of the closing bid price of the Company's listed ordinary shares on ASX on the last trading day immediately prior to the issue date of the New Options (rounded down to three decimal places) (**Exercise Price**), an expiry date which is the last day of the calendar month which is three years after the date of issue (**Expiry Date**) and which, upon exercise, entitle the holder to one (1) fully paid ordinary share in the Company.

New Options may be exercised at any time prior to the Expiry Date.

Full terms of the New Options are set out in section 8 of this Prospectus.

The Offer is only made to and able to be accepted by persons determined by the Company who receive an invitation to participate in the Offer and a personalised application form.

No cash is payable for the issue of New Options and therefore no funds will be raised under the Offer.

The Offer closes on 27 September 2019 at 5pm (unless closed earlier or extended).

### 1.2 Issue of Options after Closing Date

The Board reserves the right to issue New Options in response to applications received after the Closing Date.

### 1.3 ASX Listing

New Options offered under this Prospectus will not be quoted (listed). Official quotation of the New Options offered under this Prospectus is not being applied for and is not a condition of the Offer. It is expressly not stated or implied that permission will be sought for the official quotation of the New Options, or that official quotation of the New Options will be granted within three months or any other period after the date of this Prospectus.

The Company will apply to ASX for admission of the shares issued upon exercise of New Options to official quotation within 7 days of the issue of such shares. The fact that ASX may grant official quotation to the shares is not to be taken in any way as an indication of the merits of the Company or its securities.

### 1.4 Amortizing Securities

As announced to ASX on 23 September 2019, the Company has entered into an agreement (**Agreement**) with Alto Opportunity Master Fund SPC – Segregated Master Portfolio B (**Alto**) for the issue of zero coupon convertible amortizing securities (**ZCSs**).

The Company intends to issue an initial ZCS with a face value of US\$2,060,000 and an issue price of US\$1,750,000 (approximately AUD\$3.038 million and AUD\$2.581 million, respectively, at an exchange rate of USD\$0.6781 to AUD\$1.00, being the closing exchange rate published by the Reserve Bank of Australia for the business day before the lodgement of this Prospectus). The Company will release a cleansing statement for the ZCS at the time of issue.

In addition to the initial ZCS, the Company is also proposing to issue the following securities to Alto under the Agreement:

- 13.75 million unlisted options (being the New Options which are offered under this Prospectus); and
- 28.5 million fully paid ordinary shares which may be used by Alto to offset the conversion or amortisation of the ZCS (**Collateral Shares**). The Company will release a separate cleansing statement at the time of issue of Collateral Shares.

Further details are set out in the announcement released to ASX on 23 September 2019



The initial ZCS, Collateral Shares and New Options are proposed to be issued shortly after lodgement of this Prospectus. An announcement will be released to ASX upon issue of the initial ZCS, the Collateral Shares and the New Options.

### **1.5 Prohibition on exceeding 20% voting threshold**

Recipients must have regard to, and comply with, the takeovers prohibition (the 20% voting power threshold) and the substantial holder disclosure requirements under the Corporations Act when exercising New Options.

As at the date of this Prospectus, Alto, who is the sole proposed recipient of the New Options (and/or its nominee(s)), holds less than 5% of the total voting shares on issue in the Company.

Accordingly, Alto (and/or its nominee(s)):

- (a) If it acquires further shares in the Company (including by exercising New Options), Alto may be required to disclose its substantial holding in the voting shares of the Company; and
- (b) May be limited regarding the circumstances in which it or they may exercise New Options if such exercise would result in the Investor breaching the 20% voting power threshold.

The Company expressly disclaims any responsibility for ensuring that recipients do not breach the takeovers prohibition and/or the substantial holder disclosure requirements under the Corporations Act in any circumstance, including as a result of exercise of New Options.

The Company may refuse to act upon the exercise of New Options where such exercise would constitute a breach of the 20% voting power threshold under the Corporations Act.

Recipients should seek their own professional advice regarding if they may be at risk of breaching the takeovers prohibition or be required to comply with the substantial holder disclosure requirements under the Corporations Act as a result of the issue of shares upon exercise of New Options.

## **2. Purpose of the Offer**

### **2.1 Purpose of the Offer and the issue of New Options**

The purpose of this Prospectus and the Offer made under it is to facilitate the secondary trading of fully paid ordinary shares issued upon exercise of New Options.

New Options are proposed to be issued in connection with the Agreement referred to in section 1.4 of this Prospectus. Further details are set out in the announcement released by the Company to ASX on 23 September 2019.

### **2.2 Use of the proceeds and financial effect of the Offer**

As no cash is payable for issue of New Options there will be no funds raised under the Offer. Funds raised upon exercise of New Options (if any) will be applied to the working capital requirements of the Company at the time of exercise.

The issue of New Options pursuant to this Prospectus will result in a decrease in cash reserves of the Company of approximately \$10,000, being the estimated Legal, ASIC and ASX fees (as expenses of the Offer)

It is not anticipated that the Offer will have any other financial effect on the Company.

### 3. Effect on the Capital Structure of the Company

#### 3.1 Shares and convertible securities

##### **Capital Structure:**

The tables below set out the existing capital structure of the Company and the effect on the Company's capital structure of issuing the New Options offered under this Prospectus.

##### SHARES

Ordinary shares (including the Collateral Shares)	<b>611,641,170</b>
---	--------------------

*Note: If all New Options were to be exercised the total number of shares on issue would increase by 13.75 million. Refer to section 3.2 for the dilutive impact of the exercise of New Options*

##### OPTIONS

Number of options	Listed/unlisted	Expiry Date	Exercise price
33,999,993	Listed	14 December 2020	25 cents (\$0.25)
8,676,093	Unlisted	26 January 2022	5.2 cents (\$0.052)
13,750,000 (New Options)	Unlisted	Three (3) years from issue	equal to 110% of the closing bid price of the Company's listed ordinary shares on ASX on the last trading day immediately prior to the issue date of the options (rounded down to three decimal places)
<b>Total options following completion of the Offer: 56,426,086</b>		-	-

The Company also has 235,000 unlisted secured convertible notes on issue, each with a face value of US\$1.00 and issue price of US\$0.90 and having a maturity date of 8 April 2020, and proposes issuing the ZCS referred to in section 1.4 shortly after the lodgement of this Prospectus.

The above assumes no additional convertible securities other than the New Options and the ZCS are issued.

#### 3.2 Dilution and control

The existing percentage shareholdings in the Company of existing shareholders will not be diluted by the issue of New Options under the Offer. The percentage shareholding in the Company of shareholders will, however, be diluted upon the exercise of some or all of the New Options proposed to be issued under the Offer.

There is no certainty that any or all New Options will be exercised at any particular time, or at all.

Accordingly and for illustrative purposes, if all New Options are exercised, a total of 13.75 million shares will be issued. If 50% of the Options are exercised, 6.875 million shares would be issued. The dilutive impact of the exercise of 50% or all of the New Options proposed to be issued under the Offer is set out in the table below:

Shareholder (example)	Example share holding	% of ordinary shares (including the Collateral Shares) (total 611,641,170 shares)	% of total if 50% of Options under the Offer are exercised (total 618,516,170 shares)	% of total if all Options under the Offer are exercised (total 625,391,170 shares)
A	1,000,000	0.16%	0.16%	0.16%

Shareholder (example)	Example share holding	% of ordinary shares (including the Collateral Shares) (total 611,641,170 shares)	% of total if 50% of Options under the Offer are exercised (total 618,516,170 shares)	% of total if all Options under the Offer are exercised (total 625,391,170 shares)
B	2,500,000	0.41%	0.40%	0.40%
C	5,000,000	0.82%	0.81%	0.80%
D	10,000,000	1.63%	1.62%	1.60%
E	20,000,000	3.27%	3.23%	3.20%

Note to table:

1. All percentages are rounded up to two decimal places.
2. Assumes no further shares are issued.

#### 4. Risk Factors

The Company's business activities are subject to a range of risks that may in the future affect the performance of the Company and the value of its securities.

The summary below represents some of the major risk factors to be aware of in evaluating the Company's business and the risks of an investment in the Company before making any decision regarding the Options or other securities of the Company. The summary set out below is not exhaustive.

The Company will make announcements regarding its activities and proposals in accordance with its obligations as a continuously disclosing entity. Shareholders should therefore also refer to and consider announcements made by the Company to ASX after the date of this Prospectus.

All information contained in this Prospectus should be considered, in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements, and professional advisors consulted before making any decision regarding the Options or other securities of the Company.

##### 4.1 Risks with Options

###### (A) Exercise Price

No guarantee can be given that the price of the fully paid ordinary shares of the Company will be greater than the Exercise Price prior to the Expiry Date. Accordingly, there is a risk that New Options will be out of the money during the entire exercise period which would affect the value of New Options.

###### (B) Dilution

Although the issue of New Options will not result in the dilution of the holdings of existing shareholders of the Company, any exercise of Options into Shares will result in existing shareholders being diluted. An example of the potential dilutive effect of the exercise of New Options is set out in section 3.2.

###### (C) Taxation consequences

The exercise of New Options may have taxation consequences, depending on your particular circumstances. Recipients of New Options should seek their own taxation advice before exercising New Options.

##### 4.2 Company Specific Risks

###### (A) Implementation of the business plan

The successful delivery of the business plan developed by the Company is an important element in the operations and growth of the business. If the Board, executives and senior management are unable, for whatever reason, to undertake, and continue to undertake, the implementation of the business plan, or if events undermine the implementation of the business plan, there is a risk that the Company will not be able deliver the expected results. If this were to occur, there

could be a negative impact on the business and the performance of the Company, which in turn may materially affect the financial performance of the Company and the value of its securities.

The Company has a limited trading history which makes it difficult to evaluate potential future performance based off past performance. The operations of the Company are also subject to various factors outside of the control of the Company which could limit the effectiveness of the business plan or the capacity of the Company to adhere to its business plan and budget as adopted from time to time.

(B) New business process risk

The Company has transitioned its business from a “non-programmatic”, manual sales business, using traditional salespeople to sell advertising on publisher’s websites, to a programmatic business utilising its proprietary programmatic technology. As the technology based programmatic method of buying and selling media is relatively new, there is a potential risk that advertisers and publishers do not ultimately embrace this new means of buying and selling digital media and decide to revert to old methods of physical salespeople buying and selling digital media, which could negatively impact the business of the Company.

The Company operates in a market that experiences rapidly changing technologies and industry and legal standards. The introduction of any new digital video or display advertising solutions by competitors, or the emergence of new digital video or display advertising industry standards could make the Company’s existing platform obsolete or less useful in the future. The Company’s ability to compete successfully and increase revenues depends on its ability to continually improve its platform and to introduce or acquire new technologies and features and functionality. The success of the implementation of any new developments depends on a number of factors, including satisfactory completion and market acceptance. Any new product or feature that the Company develops or acquires may not be introduced in a timely or cost-effective manner or may not achieve market acceptance. If the Company is unable to successfully develop or acquire new products or services to meet evolving client requirements, its operations may be adversely affected.

(C) Product risk

The Company collects, stores and transmits information on behalf of advertisers. The Company’s systems and networks are subject to ongoing threats and security measures may be breached as a result of cyber-attacks or other intentional misconduct by computer hackers, employee error, or otherwise. This may result in third parties obtaining unauthorised access to customers’ data or Company data, including intellectual property and other confidential business information. If a breach of the Company’s security occurs, the effectiveness of the Company’s security measures could be questioned, which could lead to lost sales and a loss of reputation, both of which may be detrimental to the operations of the Company.

The Company’s technology is complex and may contain defects, which may cause disruptions in availability, or other performance problems. Any defects, disruptions in service or other performance problems with the platform may negatively impact on the success of clients advertising campaigns and thereby damage the Company’s reputation. Such, defects or other performance problems with the platform, may reduce client’s usage of the platform or cause clients to delay or withhold payment. Such problems could also result in customers making claims against the Company. Any material defects in the platform may have an adverse impact on the Company’s operations.

Various jurisdictions may seek to impose sales or other tax collection obligations on the Company in the future, or jurisdictions in which the Company already pays tax may increase the amount of taxes the Company is required to pay. A requirement in any jurisdiction in which the Company operates that it should collect sales or other taxes on the revenue of the platform could, create significant administrative burdens, result in substantial tax liabilities for past sales, discourage clients from using the platform or otherwise harm the business and results from operations.

(D) Transition from old to new media

The digital advertising market is relatively new and while the growth of the industry is expected to be significant over the next few years there is a risk that the migration from traditional media, including television, radio, print and outdoor to digital media on mobile devices, desktop computers and Smart TV’s may be slower than anticipated and this could affect the rate of adoption of programmatic technology for the buying and selling of media and thereby the Company’s overall operations and rate of growth.

The market for digital video and display advertising is relatively new and advertisers currently still only allocate a proportion of their advertising budgets to digital video advertising relative to their spend on traditional advertising

including television, newspapers, radio, cinema and billboards. The Company's clients may find digital video and display advertising to be less effective than other advertising methods, and they may not increase their spending on digital video advertising as quickly as a result.

Historically digital advertising has been display advertising including banner ads on websites and was focused on desktops. New distribution avenues including mobile devices and social media are relatively unproven and may not prove to be as attractive to advertisers as anticipated. The growth of the Company's business may be constrained by a slower level of acceptance and growth of digital video advertising as a format than anticipated.

(E) Ongoing capital requirements

While the Company seeks to grow its revenue and reduce its expenses to improve its financial position, there is a risk that the Company may require further financing beyond its revenue stream in the future, including funds to redeem and/or amortise the ZCS.

There can be no guarantee that further financing will be available on commercially acceptable terms, or at all. Any additional financing through equity issues would be dependent upon the Company to raise funds in the securities market, which in turn is dependent on there being sufficient identifiable appetite from investors for equity in the Company. Such equity issues, if successfully conducted, would also be dilutive to current equity holdings in the Company. Furthermore, debt financing may not be available to support the scope and extent of proposed activities and may result in repayment obligations accruing against the Company that are unable to be satisfied by cash reserves at that time.

While the Company may seek further funding as and when required, ultimately access to such funding or lack thereof may require the Company to scale back operations.

(F) Inconsistent growth

The Company has grown significantly since inception however that growth has not always been consistent. This volatility in the growth and revenues and costs of its business could continue in the years ahead as various parts of the digital advertising market move to programmatic based operations at different speeds.

While the Company seeks to grow its revenue and reduce its expenses, there can be no guarantee that the Company will be sustainably profitable in the near-future, if at all. The revenues and earnings of the Company are dependent on numerous factors including the ability of the Company to attract new customers and retain its existing customers, limit expenditure (including unforeseen expenditure) and the demand from consumers for the products of the Company.

In addition, the financial position of the Company and its operations are subject to numerous factors outside of its control, including potential economic downturn, increased regulatory costs and compliance requirements and the internal budgetary constraints of third parties, including potential and existing customers.

There is a risk that the growth of the Company will not meet expectations, in which case the Company may need to scale back its operations. In addition, the growth of the Company may exceed expectations which, if the Company does not have the requisite infrastructure to support such growth, could result in the Company being unable to manage such growth effectively.

(G) The Company may not be able to compete successfully against competitors

The Company operates in a rapidly evolving and highly competitive market, which is subject to rapidly changing technology and client demands. The Company competes primarily with companies developing solutions to automate the purchase and sale of digital video and display advertising impressions across multiple sources of inventory. The Company also competes with other companies that address certain parts of the digital video and display advertising market.

As new technologies, features and functionality are developed, the Company may become subject to additional competition. Some of the Company's competitors in the digital advertising market have greater resources and longer operating histories in the digital advertising sector than the Company. These companies may in the future offer new products and services that compete with the Company that could adversely affect the Company.

Increased competition may result in a reduced price being received for the Company's products and services, or a reduction in the Company's market share, which may have a negative effect on the Company's revenue and earnings. A number of competitive factors could cause the Company to lose potential sales or be required to sell its products and services at lower prices or at reduced margins, including the fact that competitors may introduce products or services that are similar to, or better than those provided by the Company' competitors could reduce the prices they charge advertisers and agencies and new companies may enter the market by expanding their platforms.

In addition, some of the Company's competitors, may have greater financial, marketing and technical resources than the Company, allowing them to adopt more aggressive pricing policies and devote greater resources to the development, promotion and sale of their products and services. If any of the competitors' products or services become more widely accepted the Company's competitive position may be adversely effected.

(H) Third party risks

The Company relies on its ability to maintain successfully strategic relationships with third parties. The Company relies on various third parties to provide audience data and demographic reporting. and maintaining these strategic relationships is critical. Many of these relationships with third parties are non-exclusive and do not prevent the third party from working with the Company's competitors. If the Company is not able to maintain good working relationships with these third parties, its ability to compete in the market would be adversely affected and this would affect its revenues and earnings.

There is the possibility that third party technical services providers may suffer damage or service interruption which could in turn negatively impact upon the operations of the Company. Interruptions to the platform of the Company may negatively impact the reputation and financial position of the Company and could potentially subject the Company to liability or result in reduced usage of the platform.

The Company has entered into arrangements with advertising agencies, many of which provide that, if the advertiser does not pay the agency, then the agency is not liability to the Company and the Company must then pursue payment from the advertising directly. This could negatively impact upon the credit risk arising with respect to the arrangements between the Company and these advertising agencies.

In addition, the Company's platform depends on continued access to advertising inventory controlled by publishers and various other third party providers. In particular, it relies on continued access to premium advertising inventory in high-quality environments, viewable to consumers across multiple screens. The Company does not own the inventory of advertising upon which its business depends, and therefore it might not always have access to inventory of sufficient quality or volume to meet the needs of its clients. As a consequence, the Company's future access to inventory, especially premium advertising inventory and inventory in international markets, may be restricted.

(I) Change in strategy

The Company seeks to identify desirable opportunities from time to time. Accordingly, the plans and strategies of the Company may evolve such that the existing operations of the Company may change. Such change may include, amongst other matters, acceleration of the development of a product or products of the Company or the acquisition of a desirable opportunities.

As a result, the current strategies, approaches and plans may not reflect the strategies, approaches and plans of the Company at a later date. Any such changes could potentially expose the Company to heightened or additional risks.

(J) Failure to protect the company's intellectual property rights

The Company's ability to operate depends, in part, upon the protection of its intellectual property. The Company relies on intellectual property laws in the markets in which it operates, including trade secret, copyright, trademark and patent laws in the United States, Australia and elsewhere, and confidentiality and non-disclosure agreements, employee disclosure and invention assignment agreements and other contractual rights to protect its intellectual property. If the Company is not able to protect its intellectual property rights or to secure intellectual property protection it may suffer loss and damage.

If the Company was unable to protect its intellectual property, competitors could use its intellectual property to market products and services similar to those of the Company and its ability to compete effectively could be impaired. Litigation to protect and enforce the Company's intellectual property rights may be expensive, time-consuming and a distraction

to the Company and could result in the impairment or loss of some of the Company's intellectual property and there is no guarantee of success in the case of any litigation.

Effective protection of the Company's intellectual property rights may not be available in every country in which the Company's platform is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States or Australia, and the means of enforcement may be inadequate.

(K) The Company may incur costs for infringing another party's intellectual property rights

Companies in the technology industry are increasingly bringing legal actions alleging infringement of proprietary rights, and competitors may have patents, which could affect the Company's business. In addition, in some cases the Company, has indemnified its clients against claims that the Company's platform infringes the intellectual property rights of third parties. The results of any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require the Company to cease using technologies that incorporate the challenged intellectual property, obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology or redesign the technology. If the Company was required to make undertake any of these actions such payments or costs could have an adverse effect upon the Company's revenues and earnings.

(L) Expanding internationally exposes the company to new risks

The Company currently has offices in the United States, India and Australia. As the Company expands outside the United States, its business is increasingly susceptible to risks associated with international operations. The Company has a limited operating history outside the United States and its ability to manage its business and successfully conduct its operations internationally is subject to particular challenges of managing a business in an unfamiliar foreign environment. The risks and challenges associated with international expansion include localising the platform, the need to support and integrate local advertisers, agencies and publishers, competition with service providers that have greater experience in the local markets and who have pre-existing relationships with clients in those markets, compliance with multiple, laws and regulations, including employment, tax, privacy and data protection laws and regulations, difficulties in invoicing and collecting receipts and taking enforcement action in foreign countries, difficulties in staffing and managing foreign operations and the increased travel, infrastructure and legal compliance costs associated with international operations, different protection of intellectual property rights, compliance with applicable tax laws, the complexity of such tax laws, restrictions on repatriation of earnings and regional economic and political conditions. As a result of these risks, any future international expansion undertaken by the Company may not be successful.

(M) Ability to attract and retain management, technical and sales staff

The Company is reliant upon the expertise and experience of its Directors, senior executives and key technical employees, as well as its ability to continue to attract and retain additional highly qualified management and operating personnel. The Company does not hold key man insurances on any of its Directors or employees. The Company has Executive Services Agreements with some of its key Directors and senior executives however any of its key employees, executive officers, key technical personnel and other employees could terminate their employment with the Company. The Company requires skilled engineering, product and sales personnel, who are in extremely high demand and are difficult to recruit and retain. Competition to attract qualified employees is intense in the industry. The loss of key members of the Company's senior management team or other key employees, or an inability to attract, retain and motivate additional highly skilled employees required for the expansion the Company could delay or prevent the achievement of the Company's business objectives and could materially harm the Company.

The Company's ability to achieve growth in the future will depend, in part, on its success in recruiting, training and retaining sufficient numbers of sales personnel. These new employees require significant training and experience before they achieve full productivity. As a result, the cost of hiring and maintaining new sales personnel may not be covered by the revenue they generate for a significant period of time. The Company may not be able to hire or retain sufficient numbers of qualified individuals.

(N) Exchange rates and currency fluctuations

The Company's operations are predominantly based in the USA and accordingly are subject to potential risks arising from fluctuations in the USD-AUD exchange rate.

It is not the current policy of the Company to hedge the foreign exchange exposure of having a majority of the Company's business and investments denominated in USD. Any significant change in the exchange rate between the USD and the AUD would therefore be expected to have a direct effect on the Company and its share price. In particular,

a strengthening of the AUD against the USD may adversely affect the value expressed in AUD of the Company's business and investments.

The Company purchases advertising inventory in local currencies and incurs a portion of its operating expenses in the currencies of the countries in which it operates. The Company has exposure to adverse movements in currency exchange rates, which may cause its revenue and operating results to differ from expectations. A fluctuation in the USD relative to foreign currencies would increase or decrease its non-U.S. revenue when translated into USD. As exchange rates vary, revenue, cost of revenue, operating expenses and other operating results, when translated, may differ materially from expectations. In addition, the Company's operating results are subject to fluctuation if the composition of U.S. and foreign currency denominated transactions or expenses changes in the future because the Company does not currently hedge its foreign currency exposure.

The Company's financial reports will be denominated in AUD. Because of timing differences between occurrences of events and reporting, where there is an intervening appreciation of the USD against the AUD, the reported value of receipts wholly within the USA or the value of assets in the USA may be reduced despite the receipt or asset remaining in the USA and the value in the USA remaining the same. Assets recorded in the Company's statement of financial position and revenue reported in its statement of profit or loss and other comprehensive income may not reflect the performance of the Company in the USA.

The value of the business and its investments as an asset of the Company may be affected by fluctuations in the exchange rate for AUD and USD. This may be the case even where there has not been a change in the value or performance of the underlying assets.

Transfers of funds between Australia and the USA may also be affected by exchange rates. Appreciation of the USD against the AUD would decrease the amount (in AUD) received upon repatriation of funds from the USA to Australia if that were to occur.

(O) Regulatory risk

Changes in government regulations and policies in the USA and/or Australia and other countries in which the Company operates, may adversely affect the ability of the Company to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexity in managing the Company and accordingly may adversely affect the financial performance of the Company.

The USA and/or Australia may change its foreign investment, exchange, regulatory and/or tax regimes in a manner which is adverse to USA, Australian or other foreign investors and which may prevent the transfer of Australia in an economic and timely manner or at all.

The Australian digital advertising and media industry is not as developed as in the USA and there may be some lack of understanding of the sector or industry trends in Australia that may affect demand for the Company's shares and therefore the liquidity of the Company's shares.

Whilst many of the institutional, regulatory and economic institutions and concepts in the USA are comparable or similar to those with which Australians are familiar, they are not identical and foreigners including the management of the Company and its advisers may not be aware of differences which may affect investments. Foreign investors may not appreciate the influence or effect of events within or affecting Australia.

Additionally, the Company is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time.

The Company is exposed to the risk of changes to laws and/or interpretation of laws relevant to its operations in the USA, Australia and other countries in which the Company operates, which may have a negative impact on the Company, its investments and/or returns to Shareholders. Non-compliance with laws may also expose the Company to penalties.

(P) Sovereign risk, trans-border dealings and timely communication

The USA and Australia are involved in various international conflicts and disputes with other countries and have in the past suffered from terrorism and political violence. The USA and Australia have strict international investment policy, which may limit the ability of the Company to invest or operate in some countries.



In the event of a loss in the USA, the costs of seeking a remedy or compensation for that loss would be likely to be greater because of the need to bring an action in Courts or Tribunals in the USA. Also, the dispute resolution or court processes of the USA may not be as readily accessible to the Company as their Australian equivalents.

Management of the Company will be dependent upon international communications, including those between the Company and the Directors and executives on behalf of the Company in the USA and Australia. A temporary interruption to communications may result in opportunities being missed, which may include making advantageous investments or avoiding losses, information not being available which may result in actions not being able to be taken until the information has been updated. Similarly, there may be delays in the preparation, dispatch or receipt of reports. Temporary interruptions may arise from problems in communication systems (for example, loss of long distance communications due to physical or technical interruptions) or the loss of individual communications (for example, emails or other communications not being received).

### **4.3 General Risks**

#### **(A) Market conditions**

Share market conditions may affect the value of the New Options, shares and other securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i) general economic outlook;
- ii) introduction of tax reform or other new legislation;
- iii) interest rates and inflation rates;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital; and
- vi) terrorism or other hostilities.

The market price of New Options, shares and other securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, payment of dividends or any return on an investment in the Company.

#### **(B) Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- i) general economic conditions in jurisdictions in which the Company operates;
- ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

#### **(C) Taxation**

Changes in government fiscal policies in Australia or the USA including the imposition of new or additional taxes and the redefining of current tax terminology, may adversely affect the financial performance of the Company.

There is potential for double taxation in USA and Australia, if requirements for relief from double taxation cannot be met. The cash flow effect of timing of payment of tax (such as withholding taxes) and relief, where applicable and/or available, may also affect the ability of the Company to operate in the USA or to repatriate funds to Australia in a timely or efficient manner.

USA and Australian legislative and taxation authorities have previously amended tax legislation and rules retrospectively. Retrospective amendments to tax legislation and rules relating to the Company's activities may result in additional tax burdens or a requirement to make payments, which were not known or considered to be required

when transactions were entered into. Depending on the timing of changes, this may retrospectively affect results for periods prior to the change, or require payments to be funded in periods subsequent to the transactions.

(D) Insurance coverage

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as professional indemnity, product liability and third party liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.

(E) Litigation

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(F) Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, malicious cyber hacking, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(G) Unforeseen risk

There may be other risks which the Directors are unaware of at the date of this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the New Options, shares and other securities.

(H) Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlines in this section could affect the performance valuation, financial performance and prospects of the Company.

(I) Investment Highly Speculative

Acquiring or dealing with New Options, shares and other securities involves risks. An investment in the Company involves risks that may be higher than the risks associated with an investment in other companies. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Options, shares and other securities.

No guarantee can be given about the market value or price of the New Options or other securities of the Company (which may be less than the issue price) and the Options, shares and other securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Options, shares and other securities.

#### **4.4 Above risk factors not exhaustive**

The above risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Potential investors should consider that investment in the Company is speculative and should consult their professional advisors before making any decision regarding applying for New Options, exercising New Options into shares or investing in the Company.

## **5. Acceptance Instructions**

### **5.1 Completing an application form**

The Offer are only made to and able to be accepted by persons who receive an invitation to participate in the Offer and a personalised application form.

Any applications for New Options under the Offer contained in this Prospectus must be made on a personalised application form accompanying this Prospectus in accordance with the instructions set out in that form.

Prior to lodging a completed personalised application form, ensure you have read this Prospectus and the personalised application form in their entirety and seek professional advice if necessary.

An application for New Options may not be effective if received after the time on the Closing Date specified in the personalised application form (or by such later time or date the Company may specify), in which case no New Options would be issued to you in respect of your application, and any payment (if any) received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

If your personalised application form is not completed correctly it may still be treated as a valid application for New Options. The Directors' decision whether to treat a form as valid and how to construe, amend or complete the form is final. Late applications may be accepted at the discretion of the Directors, but the Directors are under no obligation to consider late applications.

### **5.2 Further Information**

**If you have any questions about the Offer please contact the Company Secretary, Melanie Leydin, on +61 3 9692 7222. Alternatively, contact your stockbroker or other professional adviser.**

The issue of New Options offered under this Prospectus is expected to occur after the Offer has closed, on or before the dates set out in the timetable on page 4 of this Prospectus (which date may change without notice). Thereafter holding statements for the New Options are anticipated to be dispatched on or about 27 September 2019. Anyone purporting to transfer New Options before they receive their certificate does so at their own risk.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether governmental or other consent are required or whether formalities need to be observed for them to acquire New Options. Return of a personalised application form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire New Options or other securities of the Company.

## **6. Continuous Disclosure Obligations**

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for options (being the New Options) to acquire continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities, or option over continuously quoted securities, within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities, or options over a class of securities, that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
  - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. The Company from time to time seeks to engage in discussions on an ongoing basis in respect of potential opportunities. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. While the Company may seek to negotiate such opportunities there is no certainty any such arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) The annual financial report of the Company for the financial year ended 31 December 2018 (released to ASX on 28 March 2019), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC;
- (b) The Half-Year Report of the Company for the six months ended 30 June 2019 (released to ASX on 2 September 2019); and
- (c) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (b) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in section 7 of this Prospectus.

Such documents are also available online from the ASX website at [www.asx.com.au](http://www.asx.com.au).

## 7. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 31 December 2018:

Date	Headline
25/09/2019	Proprietary Technology Deployed - Top Publisher Reactivated
23/09/2019	NetZero Launch & Finance Facility Commentary
23/09/2019	Zero Coupon Amortising Securities Purchase Agreement
19/09/2019	Trading halt
09/09/2019	EN1 Fireside Video Chat September 2019

04/09/2019	EN1 August 2019 Trading Update
02/09/2019	Section 708A Cleansing Notice
02/09/2019	EN1 H1 2019 Financial Performance Commentary
02/09/2019	Appendix 4D and Half-year Financial Report
30/08/2019	Appendix 3B
16/08/2019	Release of Securities from Escrow
12/08/2019	EN1 Milestone Update to 2019 Strategic Plan
09/08/2019	Section 708A Cleansing Statement and Appendix 3B
05/08/2019	EN1 Run-Rate set to Significantly Outperform -Trading Update
22/07/2019	EN1 12 New Partners Go Live
15/07/2019	EN1 Fireside Video Chat July 2019
11/07/2019	Change of Company Secretary
11/07/2019	Section 708A Cleansing Notice
11/07/2019	EN1 Q2 2019 Preliminary Results Material Improvements
10/07/2019	Appendix 3B
03/07/2019	EN1 Achieves Cash Flow Positive Q2 2019 4C - Corrected
03/07/2019	EN1 Achieves Cash Flow Positive Q2 2019 4C & Commentary
24/06/2019	EN1 Exceeds 2019 Integrations Target
14/06/2019	Section 708A Cleansing Statement and Appendix 3B
12/06/2019	EN1 May 2019 Results, Core Business Achieves Profitability
03/06/2019	EN1 Trading Update
31/05/2019	Results of Annual General Meeting
31/05/2019	Section 708A Cleansing Statement and Appendix 3B
31/05/2019	Investor Presentation at AGM
31/05/2019	Chairman's Address to Shareholders
20/05/2019	EN1 13 New Programmatic Integrations & Trading Update
17/05/2019	Appendix 3B
14/05/2019	Release of Securities from Escrow
13/05/2019	EN1 Achieves 85% EBITDA Improvement in April 2019
09/05/2019	EN1 to Integrate YouTube to IconicReach Influencer Platform
07/05/2019	Section 708A Cleansing Statement and Appendix 3B
07/05/2019	EN1 IconicReach Beats Q1 & Q2 Milestones Ahead of Plan
03/05/2019	EN1 April 2019 Trading & Publisher Activation Update
02/05/2019	EN1 IconicReach Signs Musician Sean Kingston 6-Figure Deal
30/04/2019	EN1 Positive Net Cash Run-Rate for Q2 2019 Appendix 4C
29/04/2019	Change in substantial holding
29/04/2019	Change in substantial holding
29/04/2019	Notice of Annual General Meeting/Proxy Form
23/04/2019	Amended Appendix 3B
23/04/2019	EN1 IconicReach adds Fastest Growing Viral Video App TikTok
18/04/2019	Section 708A Cleansing Statement and Appendix 3B
17/04/2019	EN1 Launches Facebook Paid Social Advertising Phase 1
15/04/2019	EN1 Deploys Cannabis & CBD Ad Exchange
08/04/2019	Section 708A(12C)(e) Cleansing Statement and Appendix 3B
08/04/2019	EN1 Market Update 323% Revenue Growth in Q1
05/04/2019	Appendix 3B
02/04/2019	Section 708A Cleansing Statement and Appendix 3B
02/04/2019	Section 708A(12C)(e) Cleansing Statement and Appendix 3B

01/04/2019	Results of General Meeting
01/04/2019	EN1 Market Update on Revenue Growth
29/03/2019	Appendix 4G and Corporate Governance Statement
29/03/2019	EN1 13% Programmatic Revenue Growth 2018 Audited Financials
29/03/2019	2018 Annual Report to shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "EN1" and copies of announcements can be obtained from the Company upon request and are available on the Company's website [engagebdr.com](http://engagebdr.com). Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## 8. Terms of securities offered

Full terms of the New Options offered under this Prospectus are set out below. Capitalised terms in this section 8 are as defined at the end of this section 8:

- 1 The New Options shall be issued for no cash consideration.
- 2 The exercise price of each New Option is equal to 110% of the closing bid price of the Shares on the Trading Day that is immediately prior to the issue date, rounded down to three decimal places, as adjusted in accordance with these terms from time to time (**Exercise Price**).
- 3 The New Options will expire on the last day of the calendar month which is three years after the issue date (**Expiry Date**) unless earlier exercised.
- 4 The New Options are non-redeemable and transferable, subject to any securities laws (including subordinate legislation and the Listing Rules and any regulations of ASX).
- 5 The New Options may be exercised at any time wholly or in part (and if less than the balance of the New Options then outstanding are being exercised, in multiples with an aggregate exercise price of at least \$20,000) by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the New Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- 6 Upon the valid exercise of the New Options and payment of the Exercise Price (subject to item 17 below), the Company will within two Trading Days issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.
- 7 Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the New Options, in accordance with the requirements of the Listing Rules.
- 8 Option holders do not participate in any dividends unless the New Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- 9 In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of New Options, the Exercise Price of the New Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of

reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the New Options which are not conferred on shareholders; and

- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

- 10 If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option will be reduced according to the following formula:

$$O^n = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- 11 If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

- 12 Subject to items 9, 10 and 11, the terms of the New Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the New Options shall not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

- 13 The Company does not intend to apply for listing of the New Options on the ASX.

- 14 The Company shall immediately apply for listing of the resultant shares of the Company issued upon exercise of any Option.

- 15 Subject to item 16 below, unless the New Options were issued pursuant to a disclosure document issued by the Company pursuant to and in compliance with Chapter 6D of the Corporations Act (**Disclosure Document**), on the date of issue of Shares upon exercise of any Option, the Company must lodge with ASX a written notice pursuant to section 708A(5) of the Corporations Act meeting the requirements of section 708A(6) of the Corporations Act, and containing the information that is sufficient to permit secondary trading of the shares issued upon exercise of any option to which it relates, or a Disclosure Document which applies to the Shares issued on exercise of the Option as "relevant securities" within the meaning of section 708A(11) to permit secondary trading of those shares.

- 16 If for any reason the Company reasonably believes it will be unable to comply with item 15 above and the Company has not issued the New Options pursuant to a Disclosure Document:

- (a) (unless the Investor otherwise consents in writing, which consent may be withheld by the Investor or given on such conditions as the Investor determines, in the Investor's sole discretion), the Company must at all times, whilst any Option remains on issue, have a current disclosure document issued which complies with the requirements of Chapter 6D of the Corporations Act pursuant to which the resultant shares upon any exercise of any option will be issued and the Company must take all necessary steps

to ensure that section 707 of the Corporations Act (other than section 707(3)(b)(ii)) does not apply to restrict the secondary trading of the shares issued upon exercise of any Option; or

- (b) the notice exercising any Option (**Option Exercise Notice**) will be deemed to be varied to provide that the exercise of New Options under that Option Exercise Notice will be satisfied by way of Shares to the extent that the Company is able to or permitted to issue Shares (which for the avoidance of doubt, may include a reduction to nil) and the balance of that Option Exercise Notice will be satisfied by way of payment of cash (**Cash Payment**), the amount of which shall be calculated as an amount per Share that would have otherwise been issued pursuant to the Option Exercise Notice equal to the highest VWAP on any Trading Day during the period commencing on the date of the Option Exercise Notice and ending on the day the Company would have otherwise issued Shares pursuant to paragraph 6 of these terms and conditions and the Company shall pay the Cash Payment on the business day (being a day, other than a Saturday, Sunday or public holiday, on which banks in Melbourne, Victoria, Australia are open for the general transaction of business (**Business Day**)) immediately following the date calculated pursuant to paragraph 7 of these terms and conditions.

## 17 Fundamental Transaction

- (a) In the event of a Fundamental Transaction that the Company enters into or is a party to after the date of the Convertible Securities Purchase Agreement, the Company (or the Successor Entity) shall purchase from the Option holder any New Options remaining on issue as at the FT Date by paying to the Option holder, within 5 Business Days after the FT Date, cash in an amount equal to the Black Scholes Value of the remaining unexercised New Options on the FT Date.

- (b) For the purposes of this item 17:

**Affiliate** means with respect to any person (the **First Person**) any other person who, directly or indirectly, Controls, is under common Control with, or is Controlled by, the First Person;

**ASX** means ASX Limited and the market operated by it, the Australian Securities Exchange, as applicable;

**Black Scholes Value** means the value of the New Options based on the Black-Scholes Option Pricing Model obtained from the 'OV' function on Bloomberg determined as of the day immediately following the public announcement of the applicable Fundamental Transaction, or, if the Fundamental Transaction is not publicly announced, the FT Date, for pricing purposes and reflecting:

- (i) a risk-free interest rate corresponding to the Australian Government Bond Yields (as published on Bloomberg) for a period equal to the remaining term of Exercise Period as of the date of determination;
- (ii) an expected volatility equal to the greater of 75% and the 100 day volatility obtained from the HVT function on Bloomberg as of the day immediately following the public announcement of the applicable Fundamental Transaction, or, if the Fundamental Transaction is not publicly announced, the FT Date;
- (iii) the underlying price per share used in such calculation shall be the greater of:
- (A) the highest VWAP during the period beginning on the Trading Day prior to the execution of definitive documentation relating to the applicable Fundamental Transaction and ending on:
- (I) the Trading Day immediately following the public announcement of such Fundamental Transaction, if the applicable Fundamental Transaction is publicly announced; or
- (II) the Trading Day immediately following the FT Date if the applicable Fundamental Transaction is not publicly announced; and
- (B) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in the Fundamental Transaction,
- (iv) a zero cost of borrow; and



(v) a 360 day annualization factor.

**Bloomberg** means Bloomberg Financial Markets.

**Chi-X market** means the market for trading in securities operated in Australia by Chi-X Australia Pty Ltd.

**Control** has the meaning given to that term in section 50AA of the Corporations Act and references to **Controlled** shall have a corresponding meaning.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Exercise Period** means the period commencing on the date of issue of the New Options and ending on the Expiry Date.

**FT Date** means the effective date of the Fundamental Transaction.

**Fundamental Transaction** means, without the prior written consent of the Investor:

- (i) that the Company shall, directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions:
  - (A) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity; or
  - (B) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its Subsidiaries to one or more Subject Entities; or
  - (C) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Shares be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either:
    - (I) 50% of the then current issued Shares;
    - (II) 50% of the then current issued Shares (excluding any Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer); or
    - (III) such number of Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, acquire a relevant interest (as determined pursuant to Chapter 6 of the Corporations Act) of at least 50% of the then current issued Shares; or
  - (D) consummate a share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby such Subject Entities, individually or in the aggregate, acquire, either:
    - (I) 50% of the then current issued Shares;
    - (II) 50% of the then current issued Shares (excluding any Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer); or
    - (III) such number of Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, acquire a relevant interest (as determined pursuant to Chapter 6 of the Corporations Act) of at least 50% of the then current issued Shares; or

- (E) reorganise (other than by way of consolidation, subdivision, reduction or return), recapitalise or reclassify its Shares,
- (ii) that the Company shall, directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to acquire a relevant interest (as determined pursuant to Chapter 6 of the Corporations Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in capital, merger, consolidation, business combination, reorganisation, recapitalisation, spin-off, scheme of arrangement, or otherwise in any manner whatsoever, of either:
  - (A) at least 50% of the aggregate ordinary voting power represented by the then issued Shares; or
  - (B) at least 50% of the aggregate ordinary voting power represented by the then issued Shares not held by all such Subject Entities as of the date of issue of the New Options calculated as if any Shares held by all such Subject Entities were disregarded; or
- (iii) directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

**Listing Rules** means the listing rules of the ASX, as amended from time to time.

**Share** means a fully paid ordinary share in the capital of the Company.

**Subject Entity** means any person, persons or any Affiliate of any such person, or persons (other than the Investor or an Affiliate of the Investor).

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Successor Entity** means one or more person or persons (or, if so elected by the Option holder, the Company or Affiliate) formed by, resulting from or surviving any Fundamental Transaction or one or more person or persons (or, if so elected by the Option holder, the Company or Affiliate) with which such Fundamental Transaction shall have been entered into.

**Trading Day** has the meaning given to that term in the Listing Rules.

**VWAP** means in relation to a Trading Day, the volume weighted average price (in Australian dollars as displayed on Bloomberg (or its equivalent successor if such service is not available), rounded down to three decimal places) of the Shares traded in the ordinary course of business between 10.00 and 16.00 on the ASX and the Chi-X market on that Trading Day, excluding block trades, large portfolio trades, permitted trades during the post-trading hours period, permitted trades during the pre-trading hours period, out of hours trades, and exchange traded option exercises, provided that:

- (i) if on that Trading Day, Shares were quoted on the ASX as cum dividend or cum any other distribution or entitlement, and the issue of Shares for the purpose of which the VWAP is being determined will occur after that date, and those Shares no longer carry that dividend or other distribution or entitlement, then the VWAP on that Trading Day shall be reduced by an amount (**Cum Value**) equal to:
  - (A) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
  - (B) in the case of any other entitlement which is traded on the ASX on that Trading Day, the VWAP of such entitlements sold on the ASX on that Trading Day; or
  - (C) in the case of an entitlement not traded on the ASX on that Trading Day, the value of the entitlement as reasonably determined by the Option holder; and

- (ii) if on that Trading Day, Shares were quoted on the ASX as ex-dividend or ex any other distribution or entitlement, and the Shares for the purpose of which the VWAP is being determined would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on that Trading Day shall be increased by the Cum Value.

## 9. Directors' interests

### 9.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus are set out in the table below. The Directors are not proposed to be issued New Options under the Offer.

#### SHARES & OPTIONS

Director/Shareholder (and/or associate(s))	Existing Shares		Options
	Number	%	
Ted Dhanik	57,681,498	9.43%	-
Thomas Anderson	1,500,000	0.25%	-
Kurtis Rintala	36,717,391	6.00%	-
Robert Antulov	665,500	0.11%	-
Darian Pizem	Nil	Nil	-
<b>TOTAL:</b>	<b>96,564,389</b>	<b>15.79%</b>	-

- Notes to table:
1. interests of Directors will be diluted upon the exercise of New Options (if any).
  2. all percentages are rounded up to two decimal places.

### 9.2 Remuneration & Payments to Directors and alternate Director

#### Fees and other remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the remuneration paid or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (excluding GST or other taxes if applicable) are as follows:

Director	2017 - 2018	2018 - 2019
Ted Dhanik	US\$294,000 A\$1,924	US\$200,000 A\$369,224
Thomas Anderson	US\$2,447 A\$130,492	Nil
Kurtis Rintala	US\$252,000	US\$193,598 A\$325,911
Robert Antulov	Nil	A\$20,000
Darian Pizem	Nil	A\$20,384

Note: US\$ and A\$ amounts are separate (not conversions). The above includes non-cash/non-monetary remuneration, post-employment benefits (subsection 401(k) of the US Internal Revenue Code), and remuneration paid by off-setting loans. Details of non-cash/non-monetary remuneration, post-employment benefits and loans are included in the Company's annual reports.

## Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or alternate Director, or has given or agreed to give any benefit to any Director or alternate Director, to induce the Director or alternate Director to become, or to qualify as, a Director or alternate Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.
- (b) no Director or alternate Director has, or has had within two years of lodgement of this Prospectus, any interest in:
  - a. the formation or promotion of the Company; or
  - b. any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
  - c. the Offer.

### **10. Taxation**

Recipients of the Offer should seek and obtain their own taxation advice before applying for New Options under the Offer so that they may first satisfy themselves of any taxation implications associated with acquiring New Options.

### **11. Overseas Investors**

This Prospectus does not constitute an offer of securities in any place where, or to any person whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the securities or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons outside Australia who come into possession of this Prospectus should consult their professional advisers as to whether governmental or other consent is required or whether formalities need to be observed for them to acquire, hold or dispose of Options or other securities of the Company or whether restrictions may apply, and obtain such consents, and observe any such formalities or restrictions. Any failure to obtain such consents or to comply with such formalities or restrictions may constitute a violation of applicable securities laws. Return of a personalised application form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

The Offer has not been, and will not be, registered under the US Securities Act and have not been made in the United States of America. The securities have not been, and will not be, registered under the United States Securities Act of 1933 and are not to be offered or sold within the USA.

### **12. Privacy**

Personal information is collected on application forms by the Company and the share registry for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its share registry, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the corporate directory on page 2. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the share registry's privacy officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

### **13. Electronic Prospectus**

This Prospectus is available in electronic format via the ASX website, [www.asx.com.au](http://www.asx.com.au) and via the Company's website at [engagebdr.com](http://engagebdr.com).

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company Secretary, Melanie Leydin, on +61 3 9692 7222.

Applications for New Options under the Offer may only be made on a personalised application form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print-out of the form which formed part of or

was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised application form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

#### **14. Investment Decisions**

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

#### **15. Future Performance**

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving New Options under the Offer or exercising New Options should be considered speculative.

#### **16. Enquiries**

If you have any questions regarding the content of this Prospectus or how to complete the personalised application form, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer.

Any questions concerning the Offer should be directed to the Company Secretary, Melanie Leydin, on +61 3 9692 7222.

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Ted Dhanik  
Executive Chairman