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### ASX Release

Rupa Kapadia

Adviser, Listings Compliance (Sydney)

ASX Compliance Pty Ltd

### Update on Funding

Impelus Limited (ASX: **IMS**) (**Impelus** or **Company**) is pleased to advise that it has entered into a Convertible Note Agreement to raise \$1.5 million.

In the Company's Notice of 2018 Annual General Meeting announced on 29 October 2018 (**Notice of Meeting**), it stated that it was considering the need to raise further equity capital for the purposes of retiring some bank debt and continuing the Company's operations. It was proposed that the fundraising would take the form of convertible notes (**Notes**) which would be issued between the date of the Notice of Meeting and the Annual General Meeting (**AGM**). Resolution 6 of the Notice of Meeting discussed that shareholder approval is required so that the Notes may be converted into shares in the issued capital of IMS.

The subscriber for the \$1.5m Note is Mr Brendan Birthistle, an existing shareholder of IMS. He has subscribed for two convertible notes. The first tranche, for a face value of \$1,257,542, will convert subject to the passing of Resolution 6 at the AGM (discussed above). On conversion of that Note, it is possible that Mr Birthistle's relevant interest in the equity capital of the Company might reach 19.9%. Consequently, to avoid any prospect of takeover laws being breached, the balance of Mr Birthistle's

\$1.5 million investment takes the form of a second tranche convertible note with a face value \$242,458. This convertible note will be subject to the approval of shareholders at an extraordinary general meeting to be convened subsequent to the AGM (and which will be advised in due course).

If Resolution 6 is not passed, the first tranche Note will be repayable to Mr Birthistle by 30 September 2019. If the second tranche convertible note is not approved at the abovementioned extraordinary general meeting of the members, that note will be repayable by 31 December 2019.

The Directors advise that, until the date of the AGM, the Company will continue to seek subscribers for additional Notes (up to \$2.5 million in total including Mr Birthistle's Notes). The Directors will continue to keep the shareholders updated.



Information from the Notice of Annual General Meeting released to the ASX 29 October 2018:

**The key terms of the Proposed Convertible Note Agreements are as follows:**

1. The Convertible Notes may only be issued to sophisticated or professional investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act;
2. Each investor will acquire a single Convertible Note with a face value equal to the amount invested (Face Value);
3. Interest of 8% will accrue on the Face Value of each Convertible Note but such interest will only be payable in the event that Resolution 6 is not approved. In that case, interest will accrue on the Face Value from the date the Note is issued until the date of repayment;
4. No Convertible Note may be converted unless Resolution 6 is approved by the Company's Shareholders at the AGM;
5. If Resolution 6 is approved by the Company's Shareholders at the AGM, each Convertible Note will, within 5 Business Days of the date of the AGM, convert into 83.33 Fully Paid Ordinary Share for each Dollar owing by the Company under the Convertible Note (which shall be equal to the Face Value);
6. If Resolution 6 is not approved by the Company's Shareholders at the AGM, the amount owing under each Convertible Note (which shall be equal to the Face Value plus accrued interest) must be repaid by 30 April 2019 (NOTE Mr Birthistle has made a concession in favour of the company by accepting a later repayment date in the event resolution 6 is not passed by the shareholders).

The following information is provided for the purpose of ASX Listing Rule 7.3:

- (a) Maximum number of securities to be issued: 227,272,727 Shares
- (b) Date by which securities will be issued: The Shares to be issued under the Convertible Notes will be issued on a single date within 5 Business Days of the Company obtaining all necessary approvals to conversion, and in any event (assuming all necessary approvals are obtained) by no later than 3 months following the Annual General Meeting.
- (c) Issue price of securities: The issue price of each Share under the Convertible Note Agreement is \$0.011.
- (d) Allottees: Sophisticated and professional investors identified by the Company, none of whom are Related Parties of the Company.
- (e) Terms of securities: The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (f) Intended use of funds raised: The funds will be used for repayment of bank debt and working capital.
- (g) Voting exclusion statement: Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

For further information please refer to the Notice of Annual General Meeting released to the ASX 29 October 2018.

Yours faithfully,

**Neil Wiles**

CEO and Managing Director



**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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#### **ABOUT IMPELUS LIMITED**

Impelus Limited (ASX: IMS) is a Customer Acquisition Engine that enables businesses to cost efficiently find customers through digital channels, at scale, globally. To learn more please visit [www.impelusc corp.com](http://www.impelusc corp.com) or follow us on Twitter @ImpelusLimited

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