



ASX Announcement

DGR Global Limited (ASX: DGR)

28 April 2020

Accelerated Non-Renounceable Entitlement Offer

The Board of Directors of DGR Global Limited (ASX:DGR or the **Company**) is pleased to announce a fully underwritten accelerated non-renounceable rights issue to both institutional and retail eligible shareholders, on the basis of 1 new fully paid ordinary share for every 4 shares held at an issue price of \$0.037 per share (**New Shares**), to raise approximately \$5.67 million (before costs) (**Entitlement Offer**). Eligible Shareholders who apply for a minimum of \$4,000 worth of New Shares under the Entitlement Offer will also receive 1 attaching New Option for every 4 New Shares allotted exercisable at \$0.084 on or before 28 May 2022. Assuming that no existing options on issue in the Company are exercised, approximately 153,295,469 New Shares will be offered under the Entitlement Offer.

The Entitlement Offer consists of an entitlement offer to institutional shareholders (**Institutional Entitlement Offer**), and an entitlement offer to retail shareholders (**Retail Entitlement Offer**). The Institutional Entitlement Offer will be conducted from Tuesday 28 April 2020 to Wednesday 29 April 2020. The Retail Entitlement Offer will be open to all registered retail shareholders who hold shares at 7:00 pm AEST time on 30 April 2020 (**Record Date**) with registered addresses in Australia, New Zealand, Papua New Guinea, Singapore, United Kingdom and Jersey (Channel Islands) (**Eligible Retail Shareholders**).

The Entitlement Offer is priced at an approximate 33% discount to the 30 Day VWAP for trading in DGR Global's shares, and is designed to encourage the participation of all DGR Global shareholders. As at the date of this Prospectus, all DGR Global shareholders on the Company's share register are in the jurisdictions listed above, and are therefore eligible to participate in the Retail Entitlement Offer or the Institutional Entitlement Offer.

Existing option holders need to exercise their options and be a registered retail holder of shares on the Record Date if they wish to participate in the Retail Entitlement Offer.

Where not all Eligible Shareholders take up all of their respective Entitlements (**Shortfall**), the Shortfall will be offered to Eligible Shareholders who have taken up all of their Entitlements and have also applied for additional New Shares (**Additional New Shares**).

The Entitlement Offer is fully underwritten and the Company has entered into a Co-underwriting Agreement with Samuel Holdings Pty Ltd (as trustee), Samuel Terry Asset Management Pty Ltd (as trustee) and Phoenix Portfolios Pty Ltd (as trustee) (**the Underwriters**). Pursuant to the Agreement, the Underwriters have agreed to underwrite the following portions of the Entitlement Offer:

- Samuel Holdings Pty Ltd (as trustee) – 45.6%, representing \$2,585,966 or 69,890,978 New Shares;
- Samuel Terry Asset Management Pty Ltd (as trustee) – 45.6%, representing \$2,585,966 or 69,890,978 New Shares; and
- Phoenix Portfolios Pty Ltd (as trustee) – 8.8%, representing \$500,000 or 13,513,513 New Shares.



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Full details are as outlined in the Prospectus for the Offer.

Samuel Holdings Pty Ltd (as trustee) is an entity controlled by DGR Global Director Nicholas Mather and is therefore a Related Party.

All of the underwriters will be entitled to a fee of 5% of the amount underwritten.

If the Company receives applications from Eligible Shareholders for Additional New Shares that would not result in the Offer being oversubscribed, it will, subject to the other terms of this policy, allocate those Additional New Shares to the Eligible Shareholders who applied for them, before calling upon the Underwriters to discharge their obligations in respect of the Underwritten Shares.

The purpose of the Entitlement Offer is to raise to approximately \$5.67 million, by way of cash and the conversion of debt owed by the Company to Directors and management. The funds raised from the Entitlement Offer (after payment of expenses in connection with the Offer) will be used to continue to develop DGR's business and meet its strategic goals. More particularly, funds raised under the Entitlement Offer have been earmarked for developing the Company's investments in its unlisted subsidiaries and projects. Additionally, the Company will utilise some of the funds raised, together with existing working capital, for interest payments due to Tribeca Investment Partners on convertible notes, as well as having some funds available for further investments, corporate costs and working capital purposes.

The Prospectus for the Entitlement Offer is issued pursuant to Section 713 of the Corporations Act. A copy of the Prospectus will be mailed or emailed to all Eligible Shareholders, and a copy will be available on the Company's website (www.dgrglobal.com.au).

If all shareholders take up their entitlement under the Entitlement Offer, the Entitlement Offer will have no effect on the control of the Company. However, if a shareholder does not take up their entitlement in full there may be a dilutionary effect on that shareholder's proportionate shareholding.

In the event of a shortfall, after taking into account applications from all existing Eligible Shareholders, the Directors of the Company in consultation with the Underwriters, reserve the right to place the shortfall at their sole discretion. Acceptance of entitlements or the placement of any shortfall may also result in existing shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.99%, subject to a number of exemptions.

A proposed timetable for the Entitlement Offer is set out in the table below:

Announcement of Entitlement Offer, lodgement of Prospectus with ASIC and ASX, and lodgment of Appendix 3B and Proforma Appendix 2A with ASX.	Before market opening 28 April 2020
Institutional Entitlement Offer opens	
Institutional Entitlement Offer closes	5.00pm (AEST) 29 April 2020
Announcement of results of the Institutional Entitlement Offer	Before market open 30 April 2020
Trading halt lifted	30 April 2020
Record Date for the Retail Entitlement Offer	30 April 2020 (7.00pm AEST)
Issue of New Securities under the Institutional Entitlement Offer	4 May 2020
Prospectus and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders Opening Date of Retail Entitlement Offer (9am AEST)	5 May 2020
Last day to extend Retail Entitlement Offer close date	18 May 2020
Closing Date of Retail Entitlement Offer	21 May 2020 (5.00pm AEST)
Announcement of results of the Retail Entitlement Offer	26 May 2020
Issue of New Shares pursuant to Retail Entitlement Offer	28 May 2020
New Shares under Retail Entitlement Offer commence trading on ASX on a normal basis	29 May 2020

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

Further Information

The Company anticipates that approximately 153,295,469 New Shares will be issued under the Entitlement Offer. This number may have to be increased by 10,018,750 New Shares if existing option holders exercise their options and are registered shareholders by the Record Date.

Upon completion of the Entitlement Offer, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of DGR will comprise approximately 766,477,346 shares and approximately 78,398,867 unlisted options exercisable at between \$0.084 and \$0.20 with expiry dates varying between November 2020 and 28 May 2022.

The New Shares issued under the Entitlement Offer will rank equally in all respects with the Company's existing shares. If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded up to the nearest whole number.

Trading in the New Shares under the Entitlement Offer is expected to commence on Tuesday 5 May 2020 for New Shares issued pursuant to the Institutional Entitlement Offer, and on Thursday 29 May 2020 for New Shares issued pursuant to the Retail Entitlement Offer.

DGR encourages all eligible institutional shareholders and Eligible Retail Shareholders to participate in the capital raising.

An Appendix 3B and a Pro Forma Appendix 2A applying for quotation of the New Shares will be separately lodged with ASX today.

This announcement has been authorised by the Board of Directors.

On behalf of the Board
Karl Schlobohm
Company Secretary

Email: info@dgrglobal.com.au

Electronic copies and more information are available on the Company website: www.dgrglobal.com.au

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