

15 April 2019

## ASX ANNOUNCEMENT

### EN1 Deploys Ad Exchange for North American Cannabis & CBD Brands

#### Highlights

- EN1 now provides highly curated ad inventory to cannabis & CBD advertisers across its programmatic ad exchange, enabling access to about 175M+ unique monthly users
- EN1's IconicReach to offer cannabis and CBD advertising opportunities across its social media influencer network
- Management is targeting gross profit margins in the 55-60% range for cannabis & CBD advertising
- No incremental expense required to deploy the new platform, since technology & publisher relationships already exist
- Management targets 12 new cannabis & or CBD advertisers to join the new platform in 2019
- Daily revenue across the programmatic product continues to exceed expectations
- Second group of programmatic publisher activations due to start imminently

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to present information on the Company's expansion into the cannabis advertising ecosystem. As stated in the 2019 strategic plan announcement on 11 February 2019, engage:BDR, IconicReach and AdCel plan to pursue several new projects, including digital solutions for domestic cannabis brands, to

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

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

contribute to EN1's incremental revenue growth. Last year, countless regional cannabis and cannabidiol (CBD) advertisers requested EN1's brands for digital advertising solutions to aid in targeting their audiences online. Beginning last week, the Company's programmatic exchange offered private marketplace opportunities with top 1000 U.S. websites and apps through personalised advertising solutions for niche cannabis clients. Management expects cannabis to be a growing portion of ad inventory and advertiser demand in the months to come (revenue).

### **Private Marketplace for Cannabis**

In response to insatiable demand, EN1 launched custom curated inventory packages within the Company's programmatic ad exchange, specifically designed to enable cannabis advertisers to access display, video and native inventory, in addition to EN1's current offering for cannabis advertisers through IconicReach. AdCel is also exploring the possibility of expanding cannabis and CBD advertising to include mobile ads through a self-serve marketplace, specifically segmented for cannabis advertisers.

Until now, cannabis advertisers had very few channels to acquire digital ad inventory, since the vast majority of demand-side platforms (DSPs) do not allow cannabis advertising. Advertisers would often utilise endemic advertising methods to place ads on cannabis websites for cannabis retailers. Although the advertisers were able to reach some interested customers, their scope was severely limited and most of the sites used were highly saturated, yielding poor performance, with severe reach limitations.

EN1's IconicReach will also provide cannabis advertisers access to highly engaging influencers who are subject matter experts to help create and distribute content across their social media channels. Through EN1's new programmatic distribution channel, brands are now capable of syndicating their high-quality influencer content across programmatic media channels, providing EN1 with a unique differentiator amongst their competitors, as well as providing tremendous value to the advertisers leveraging these services.

EN1 now offers cannabis advertisers the ability to connect with premium comScore top 1000 publishers to reach their audiences. This includes household names such as, Gannett who represents USA Today and the Detroit Free Press, as well as access to Generation Premium and Bandsintown, among others. With these publisher networks, EN1 enables cannabis advertisers to efficiently and effectively expand their reach and target audience size. Select publishers have opted in to accept cannabis and or CBD advertising; all other publishers remain unaffected, as these ads will only be published where approved.

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

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

## Advertising Process

EN1 has worked closely with its publishers to establish creative guidelines for cannabis advertisers, eliminating the guesswork related to creative compliance. In other words, the Company aims to mitigate ad quality, formatting, and content issues to ensure the production of high-quality advertising content. The presence of these predefined guidelines makes it quick and easy for EN1's new cannabis partners to start on the Company's platforms.

Through managed services, EN1 has opened up exclusive inventory to enable advertisers new to the space to efficiently navigate the ad landscape. The Company's managed services team handles all of the heavy lifting, performance optimization and negotiations with suppliers, eliminating the need for the advertiser to have their own internal resources dedicated to maneuvering within the advertising ecosystem. This process shortens advertiser learning curves and reduces waste during test phases.

## Benefits and 2019 Strategic Goals

All of the Company's 2019 goals focus on one outcome - reaching profitability; including increasing integrations, scaling current partnerships, and reducing operating expenses. Engaging the cannabis industry enables leverage the Company's core-competencies in technology, publisher-direct relationships and digital media expertise for new, significantly higher margin clients; this new customer channel is targeting margins in the 55-60% range.

Currently, less than a handful of viable programmatic advertising options exist in the U.S. for cannabis advertisers. This opportunity enables EN1 to potentially become a market leader in this area fairly quickly, as others looking to enter do not have the same strength in technology and legacy publisher relationships. Since EN1 already owns this technology and the publisher relationships with top publishers, further leverage of existing assets enables quicker mobilisation of incremental revenue without incremental costs.

As the Company's cannabis advertising projects develop and grow, the market can expect to see more quarterly updates focused on this niche. Over the balance of the year, management expects to board an incremental 12 new cannabis advertisers, which will contribute directly to proportional revenue growth and bottom-line contribution.

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





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

## Other Matters

The Company recently updated the market with regards to its recent programmatic publisher activations, their incremental daily revenue contributions and overall performance of the programmatic advertising product. Management is pleased to note; the business continues to exceed revenue expectations and will report once more data is available and capital for the second phase of publisher activations has been deployed.

For additional questions, please email [info@engagebdr.com](mailto:info@engagebdr.com).



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

## Forward Looking Statements

Statements made in this release which are forward-looking statements and are based on the Company's expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements. These words are not the exclusive means of identifying such statements. Any forward-looking statement made by the Company in this announcement is based only on information currently available to the Company and its current intentions (which may change) and speaks only as of the date on which it is made. Forward-looking statements are subject to a range of risks and uncertainties, some of which are beyond the Company's control. Risks and uncertainties can include matters inherent in the business of the Company, its management, its activities generally, and the market in which it operates. As a result, actual results could materially differ from those in the forward-looking statements. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company does not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring, or as a result of new information, future developments or otherwise after the date of this release except as required by the listing rules of ASX, by law or by appropriate regulatory authorities.

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

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