

3 May 2019

ASX ANNOUNCEMENT

EN1 April 2019 Trading & Publisher Activation Update

Highlights

- ◀ April 2019 was the strongest programmatic revenue month in company history
- ◀ April consolidated revenue A\$1.22M
- ◀ Overall gross profit margins of 40%
- ◀ April consolidated receipts A\$1.41M
- ◀ April consolidated cash outflow A\$1.42M
- ◀ April net cash used in operating activities A\$10k
- ◀ A\$250k deployed for second group of publisher activations
- ◀ A\$10.7k incremental daily revenue expected from new activations

engage:BDR (“EN1 or Company”) (ASX:EN1 and EN1O) is pleased to provide the market with an update in relation to the trading performance to date for the first month of the second quarter of 2019 and the publisher activations in the second group.

April 2019 Financial Update

The month of April 2019 yielded the strongest revenue in company history for the programmatic exchange. Gross profit margins sustained the levels previously reported. April’s consolidated receipts and cash outflows were slightly higher than previously reported. Net cash used in operating activities was less, or better than previously reported. Management notes, A\$250k of April’s cash outflow was

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

deployed for future revenue, unrelated to April's operating activities. Preliminary figures are listed below and subject to adjustment and audit and are based on current exchange rates.

- ◀ A\$1.22M revenue
- ◀ 40% gross profit margin
- ◀ A\$1.41M receipts
- ◀ A\$1.42M cash outflows
- ◀ A\$10k net cash used in operating activities
- ◀ A\$250K deployed in April for publisher reactivations (future revenue)
- ◀ Normalised net cash positive A\$240k for April

Cash Deployed to Activate Publishers

As announced on 18 March 2019, EN1 planned to deploy significant capital to activate publishers to generate incremental revenue. The first group was completed around the date of that announcement, while a subsequent group's delivery was imminent. Management is pleased to note; the second group's activation has been initiated. Initial steps to activate these publishers have been completed and Management will update the market with regard to the performance of these publishers, once live, against Management's expectations. Additionally, Management expects to activate additional groups of publishers shortly after.

- ◀ A\$250k deployed for second group of reactivations
- ◀ A\$250k was included in April's cash outflows figure
- ◀ A\$150k additional expected to be deployed in May for this group
- ◀ Expecting A\$10.7k / incremental revenue per day from this group

Background on EN1's Programmatic Exchange

EN1's programmatic exchange initially went live in September 2016 to replace its non-programmatic, or manual ad sales business. The Company planned to eventually eclipse the non-automated business but did not expect the evolution to

happen as quickly as it did. The non-programmatic products generated significant revenues since 2009, but at about half of the gross profit margins EN1 currently yields, and with exponentially greater operating expenses (85 staff at peak vs. 15 now).

The programmatic advertising business generated its first dollar in revenue in October 2016, when the Company started to phase out the entire non-programmatic business. Today, 95%+ of EN1's revenue is programmatic, or automated.

To paint some perspective, engage:BDR opened its doors in January 2009, in the heart of the Great Recession. The Company started with exactly zero dollars in funding (none), but quickly ramped to a seven-figure revenue first year (2009) and beyond. In fact, of its 10-year history, the Company only had two years of revenue under 8 figures, 2009 and 2010 – both of which were 7-figure revenue years. The Company was extremely profitable, mostly in the 7-figures each year for the first 6 years of operations.

Subsequently, the Company shifted its entire business model in 2016 to automate all sales channels to be entirely programmatic, abandoning the legacy business. The legacy business was built over 7 years; the first full year (2017) of the programmatic business yielded A\$8.9M, from zero to nearly A\$9M for a brand-new product and essentially a new company. Additionally, 2018 yielded A\$9.9M, nearly A\$10M in its second full year of operation. This year, 2019, will be the programmatic business' third full year, and Management is excited about the results so far and expects to continue the growth with an amplified trajectory.

In the interim, for questions or creative feedback, please email 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

twitter.com/TedDhanik

[linkedin.com/in/TedDhanik](https://www.linkedin.com/in/TedDhanik)

Follow us on social media:



[facebook.com/engageBDR](https://www.facebook.com/engageBDR)

[linkedin.com/company/engage-BDR](https://www.linkedin.com/company/engage-BDR)

twitter.com/engageBDR

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

~ Preliminary financial results published above are subject to audit, adjustment and closing, as they are estimates and figures may be rounded.

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

Australia

Scottish House Level 4 90 William
Street

Melbourne Victoria 3000

AUSTRALIA

+61 412 111 821

info@engagebdr.com.au