

12 June 2019

## ASX ANNOUNCEMENT

### EN1 May 2019 Results, Core Business Achieves Profitability

#### Highlights

- ◀ engage:BDR (core business) EBITDA profitable A\$26K
- ◀ AdCel EBITDA (A\$18K), is now run-rate profitable; revenue more than doubled (+211%) in May
- ◀ LTD (AU listed company) EBITDA (A\$36K)
- ◀ EN1 May 2019 consolidated EBITDA (A\$28K)
- ◀ EN1 (consolidated) is now run-rate profitable on a monthly basis
- ◀ Consolidated revenue grew to A\$1.43M (+20%), gross margin grew to 44% (+4%)

engage:BDR (“EN1 or Company”) (ASX:EN1 and EN1O) is pleased to update shareholders with its preliminary May 2019 financial results. Additionally, the Company provides details below with regards to all three entities, including a consolidated profit and loss statement with prior period comparison. Management notes preliminary figures are subject to audit and adjustments.

#### Net Income

Net income contains expenses such as interest expense, tax and non-cash items such as depreciation, amortization and intangible asset impairment. Management expects these figures to be provided through adjustments made by the Company’s auditors during the half-year review. Due to the technical complexity of these figures, the Company’s accounting team, currently one full-time person, was unable to provide this data at this stage.

#### USA

engage:BDR  
8439 sunset blvd., ste 302  
west hollywood, ca 90069  
+1-310-954-0751  
[info@EN1.com](mailto:info@EN1.com)

#### Australia

scottish house  
level 4, 90 william street  
melbourne victoria 3000  
+61 396 927 222  
[info@EN1.com](mailto:info@EN1.com)

**EN1 Consolidated May 2019 Results:**

<b>EN1 Consolidated Financials</b>	<b>May 2019</b>	<b>April 2019</b>	<b>May 2018</b>
Revenue	\$1,433,303	\$1,208,637	\$1,013,556
COGS	\$807,876	\$730,600	\$573,643
<b>Gross Profit</b>	<b>\$625,426</b>	<b>\$478,037</b>	<b>\$438,913</b>
Gross Margin	44%	40%	43%
Meals & Entertainment	\$5,064	\$23	\$18,031
Marketing & Promotional	\$1,443		\$16,677
Bank Service Charges	\$2,097	\$2,221	\$2,482
Human Resource Expense	\$3,252	\$7	\$7,533
Insurance Expense	\$63,743	\$51,332	\$59,623
Tech Expenses	\$113,827	\$113,867	\$141,852
Office Expense	\$13,023	\$14,456	\$21,255
Professional Fees	\$127,256	\$144,916	\$141,806
Payroll Expense	\$270,183	\$250,154	\$443,975
Rent	\$20,613	\$22,222	\$42,273
Travel	\$13,037	\$2,378	\$22,528
Core Admin	\$20,512	\$25,846	-
<b>Total Expenses</b>	<b>\$654,050</b>	<b>\$627,422</b>	<b>\$918,035</b>
<b>EBITDA</b>	<b>(\$28,625)</b>	<b>(\$149,386)</b>	<b>(\$478,123)</b>

**engage:BDR LLC (core-business, U.S. Operating entity)**

<b>engage:BDR LLC (USA)</b>	<b>May 2019</b>	<b>April 2019</b>	<b>May 2018</b>
Revenue	\$1,339,615	\$1,164,276	\$1,013,556
Gross Profit	\$597,320	\$464,728	\$439,913
Gross Margin	45%	40%	43%
Meals & Entertainment	\$5,064	\$23	\$18,031
Marketing & Promotional	\$1,443	-	\$16,677
Bank Service Charges	\$2,087	\$2,211	\$2,410
Human Resource Expense	\$3,252	\$7	\$7,533
Insurance Expense	\$63,743	\$51,332	\$59,623
Tech Expenses	\$106,736	\$105,489	\$141,852
Office Expense	\$13,023	\$14,456	\$21,255
Professional Fees	\$72,046	\$72,915	\$95,687
Payroll Expense	\$270,183	\$250,154	\$443,975
Rent	\$20,613	\$22,222	\$42,273
Travel	\$13,037	\$2,378	\$22,258
Total Expenses	\$587,519	\$521,188	\$871,844
<b>EBITDA</b>	<b>\$26,091</b>	<b>(\$56,460)</b>	<b>(\$431,932)</b>

**USA**

engage:BDR  
8439 sunset blvd., ste 302  
west hollywood, ca 90069  
+1-310-954-0751  
[info@EN1.com](mailto:info@EN1.com)

**Australia**

scottish house  
level 4, 90 william street  
melbourne victoria 3000  
+61 396 927 222  
[info@EN1.com](mailto:info@EN1.com)

## AdCel

AdCel*	May 2019	April 2019
Revenue	\$93,687	\$44,361
Gross Profit	\$28,106	\$13,308
Professional Fees	\$39,806	\$47,292
Other Expenses	\$7,091	\$8,377
Total Expenses	\$46,897	\$55,669
<b>EBITDA</b>	<b>(\$18,790)</b>	<b>(\$42,361)</b>

\* AdCel was acquired in July 2018; EN1 did not consolidate its financials prior to July 2018.

## engage:BDR LTD (AU Listed Company)

engage:BDR LTD	May 2019	April 2019	May 2018
Revenue	-	-	-
Gross Profit	-	-	-
Bank Service Fees	\$10	\$10	\$72
Core Admin	\$20,512	\$24,709	\$7,332
Professional Fees	\$15,404	\$25,854	\$38,787
Total Expenses	\$35,926	\$50,565	\$46,191
<b>EBITDA</b>	<b>(\$35,926)</b>	<b>(\$50,565)</b>	<b>(\$46,191)</b>

## Ongoing expense reduction

May experienced several one-off expenses due to the AGM (travel, marketing, professional fees, etc.), and are not expected to recur. Expense categories of focus for immediate reduction are insurance and professional fees. Management is confident the Company will be able to find significant savings in both of these categories soon. The cost to insure ASX listed companies has increased exponentially over the past year and has nearly doubled for EN1 due to the Australian Securities environment. Additionally, the Company's legal team has been prevalent in securing aggressive write-offs and liability reductions; these professional fees will be reduced over the next two quarters.

### USA

engage:BDR  
 8439 sunset blvd., ste 302  
 west hollywood, ca 90069  
 +1-310-954-0751  
[info@EN1.com](mailto:info@EN1.com)

### Australia

scottish house  
 level 4, 90 william street  
 melbourne victoria 3000  
 +61 396 927 222  
[info@EN1.com](mailto:info@EN1.com)

## Other Updates

Management expects to reach the daily revenue target of A\$65k by the end of June, consistent with previous announcements, and achieve cash positive results for quarter 2 (cashflow).

In the interim, for questions or creative feedback, please email [info@EN1.com](mailto:info@EN1.com).



On behalf of the Board  
Ted Dhanik  
Co-Founder and Executive Chairman  
[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

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

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  
8439 sunset blvd., ste 302  
west hollywood, ca 90069  
+1-310-954-0751  
[info@EN1.com](mailto:info@EN1.com)

### Australia

scottish house  
level 4, 90 william street  
melbourne victoria 3000  
+61 396 927 222  
[info@EN1.com](mailto:info@EN1.com)