31 May 2019

ASX ANNOUNCEMENT

CHAIRMAN'S ADDRESS
Annual General Meeting 2019

engage:BDR Limited ("engage:BDR or Company") (ASX:EN1 and EN1O) provides the following Chairman's address in relation to the Company's 2019 Annual General Meeting.

Ladies and Gentlemen,

I'd like to start by talking a bit about what EN1 is, leveraging an analogy to explain what this extremely technical and maybe confusing tech unicorn does. Additionally, I will discuss the differences between our three business groups and why they're so important to the overall vision and our destination.

Essentially, engage:BDR is the core business, or largest revenue driver. This is our programmatic ad exchange, similar to a stock exchange, but trades ad inventory instead of shares. Imagine calling your broker to buy shares, that's very similar to advertisers having their marketing agencies place ad buys for them. The broker would use an online trading platform to place your bids for the shares, and eventually, the orders get dynamically filled in real time. If the price is too low, they might take longer to be filled, if high, they would fill immediately. This is the same for programmatic advertising (auctions), instead of the agency calling 500 different website or app owners, they execute these buys through placing bids on online trading platforms called demand side platforms (DSP) or trading desks. The bids for ad inventory are filled in real time, depending on how competitive the bids are. engage:BDR is essentially an ASX or stock exchange, which connects thousands of publishers to buyers (DSP's) and all of their transactions are automated, almost exactly like online stock trading platforms. The global directly addressable market size for programmatic advertising in 2020 is forecasted to be US$98BN, according to eMarketer.

The second business is AdCel, a company which EN1 acquired in 2018. AdCel's business fits symbiotically with the engage:BDR programmatic ad exchange as it's an integrated supplier, providing access to 500M mobile devices which have AdCel technology directly installed (SDK – software development kit). AdCel's technology is specifically focused around helping mobile app publishers monetise their traffic, or users through providing premium advertisers and campaigns. So essentially, EN1's vision was to acquire publishing partners for the engage:BDR exchange, starting with mobile app suppliers; the integration between the two companies has been incredibly successful to date and was complete within 7 months after acquisition.

The third business is IconicReach, EN1's social influencer and paid social business. IconicReach's vision is the be the Google AdWords for influencer marketing. Currently, there is a large gap in the industry and large-scale opportunity for IconicReach to lead as technology solution. There are a handful of social influencer marketplaces which have integrated YouTube, Facebook, Instagram and TikTok; IconicReach has integrated all and

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

plans on adding SnapChat next; even less self-serve marketplaces or influencer marketing exchanges exist. The global directly addressable market size in 2020 for influencer marketing is forecasted to be US$10BN, according to eMarketer.

This is great but how is it relevant to our other two businesses? There has been little to no integration in the digital marketing landscape between traditional digital advertising (display, native and video ads) with social influencer marketing. EN1 recently developed a strategy and technology in 2019 to integrate all three businesses and provide customers an omni-channel solution. For example, within a single campaign EN1 can leverage social influencers on Instagram, syndicate the content they created for our clients' campaigns across thousands of other influencers on Instagram, YouTube, etc, then also publish advertising to the same influencers' audiences across display, native, video and audio ads on desktop, mobile and connected TV (CTV) on websites and apps – device agnostic. There are very few players in the digital ad space, anywhere, who can achieve this; once scaled, the ROI for advertisers would be unmatched and there would be little competition for EN1.

EN1 has made significant progress in 2018 in materialising the Company's vision of being a global leader in the automated digital marketing (programmatic and influencer marketing) arena.

The Company started 2018 with the goal to fully-automate its sales channels, completely divesting its non-programmatic, or legacy digital advertising business. EN1 concluded 2018 by achieving this goal and growing its core-business by 13% (programmatic) over the previous year's revenue. Currently, over 99% of EN1's revenue is automated, or programmatic.

The Company has seen significant revenue growth in the second quarter of 2019; Management expects revenue to sustain its current growth trajectory which would enable delivery of a strong second half of 2019. April average daily revenues were nearly 200% of Q4 2018 daily revenue averages (A$21k vs A$41k), which is a strong indicator for the balance of the year, as revenue is generally at its lowest point in the first half. Management expects revenue to scale to A$65k per day by the end of the second quarter.

Additionally, as a result of fully-automating its operations, operating expenses were improved by 14%. Staff requirements dramatically reduced as a result of automation, and costs cut 33% over the previous year. In the first five months of 2019, Management reduced cash-based operating expenses to about US$375k per month, significantly less than the Company's expenses in 2018. Management expects the Company to achieve monthly EBITDA positive performance imminently.

Total liabilities improved by about A$2M as at 31 December 2018 compared to the prior year, as payable write-offs (due to ad fraud) continue to be an area of high-priority for Management.. Since 31 December 2018, Management has significantly improved the liabilities and overall balance sheet position again, potentially multiples of last year's reduction in liabilities.

Cash balance was about A$320k by the end of 2018, however, as reported on the Company's recent 4C filing, cash balance grew to about A$810k and continues to grow through the Company's operations.

EN1 increased available cash through its finance facilities from A$7M at the end of 2018 to A$13.5M available now. The Company now has access to capital to sustain operation at broader scale than previous years and to take advantage of significant growth opportunities immediately. Additionally, Management is currently reviewing term sheets for non-equity-based debt facilities to initiate immediate payment terms for publishers which would drive significant new revenue for the Company.

Total non-cash expenses in 2018 for EN1 were A$4.2m, which comprised of depreciation, amortisation, asset impairment (intangible), and share-based payments.

Thank you sincerely to all of our shareholders and to those who have dedicated their personal time to us over the past few months; your feedback and correspondences have been invaluable in changing the tone and strategy of shareholder communication, increasing Management's accountability and credibility to the market. Management appreciates shareholder support for the Company's vision, and we are looking forward to a pivotal 2019 and beyond!

Thank you for your time today; for questions, please email info@EN1.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

Follow us on social media:

facebook.com/engageBDR
linkedin.com/company/engage-BDR
twitter.com/engageBDR
instagram.com/engageBDR

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