25 November 2019

ASX ANNOUNCEMENT

25 New Clients, Revenue Growth, Balance Sheet & Technical Improvements

Highlights

- AdCel starts integration with #1 worldwide app, TikTok
- AdCel deploys new revenue stream; self-serve mobile app-only DSP (demand-side platform)
- EN1 signs 19 new programmatic partners, exceeding annual target once more
- IconicReach signs 5 new brands
- Revenue up 21% month to date over October
- 70+ new customers signed in 2019 to date
- Recently deployed ai technology for ad quality scanning (for largest publisher) is outperforming internal expectations; prior technical issues fully resolved
- Publisher volumes more than tripled to 1.5M QPS (transactions / second) or 150-200BN auctions / day; infrastructure scaling to 3M QPS or 300-400BN auctions / day within the coming weeks
- Working capital, net assets, & legacy liabilities improved by over A$7M each within 6 months & year-end balance estimated

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to present shareholders with an update on the engage:BDR programmatic ad exchange 'reXer', AdCel and the IconicReach influencer marketplace.

AdCel recently started integration with TikTok on its audience network, with TikTok as a demand partner (buyer) to AdCel's publishers' inventory. Management is extremely excited about this partnership as advertisers are quickly moving budgets away from other social networks to TikTok and AdCel's publishers will benefit from TikTok's demand. AdCel's SDK will show TikTok's advertisers' campaigns on AdCel's ad inventory. TikTok is the #1 threat to Facebook and Instagram, growing faster than any other app in history.

In addition, AdCel's demand-side platform (DSP) went live this week. This trading-desk is a self-serve mobile app-only ad buying platform, which integrates direct and all of EN1's programmatic publishers as well. This new solution will be licensed to advertisers on a saas fee basis plus media costs, similar to The Trade Desk (TTD NASDAQ). Over 2020, AdCel plans to deploy volumes of updates to enable AdCel's DSP to compete in the mobile app-only self-serve ad marketplace.

EN1's programmatic exchange 'reXer', signed 19 programmatic partners, including marquee programmatic players **revcontent Chartboost, MobileFuse, district m, MGID**, IQzone, Adalpha, MediaGlobe, Zimad, Admix.in, Jump Ramp, Yogajournal, Soundhound, Musi, Randomem, Freeride Games, Whowhatwear, Webtoons, and Vexigo. These integrations are expected to product significant incremental revenue for the Company in 2020, once fully integrated.

The Company achieved its initial integration goal of 194 (announced and set on 11 February 2019), by 24 June 2019; Management reset the integration goal, (announced on 24 June 2019), to include another 20 additional integrations for the balance of the year (214 total). Management is pleased to report, the Company has exceeded the goal with 23 (217 total) signed of the 20 additional integrations, with several others in the pipeline expected to close before the year's end.

IconicReach recently signed or reactivated 5 new customers; DIVEROID, Emessy, organicbasics, Coreana and LuvLuv.

Technical Update

EN1's proprietary ad quality scanning ai technology, deployed in September (announced on 25 September 2019) for the Company's largest publisher, has been performing beyond internal expectations. There have been exactly **zero** creatives flagged by the publisher since the reactivation. Management is happy to report, all issues related to ad quality scanning have been fully resolved.

EN1's engineering team developed and deployed optimised software which enabled the Company to immediately more than triple its inventory capacity. This new codebase increased scale on existing EN1 servers through code optimisations, current capacity is now 1.5M transactions per second (QPS), averaging 150-200BN auctions per day, up from 400K transactions per second (QPS) or 70BN per day earlier in the year.

Additionally, new servers are being installed this week to handle up to 3M transactions per second (QPS) or about 300-400BN auctions per day total. Management expects material revenue impact within the coming weeks, once publisher volumes have scaled to this level.

Legacy Debt Reduction

	30 June 2019	31 December 2018	**Improvement**
Net Current Assets (working capital)	**-$3,440,645**	-$10,828,011	**$7,387,366**
Net Assets	**$857,896**	-$6,608,847	**$7,466,743**

Positive net working capital (current assets – current liabilities) is critical to attain prime financing solutions and attract institutional shareholders. The net working capital figure for 30 June 2019 was -A$3.4M; A$4.9M of this figure was liabilities the Company deemed legacy and in dispute. Once settled and removed (typically 50-60% of the balance), the net working capital figure should be closer to being positive, without any incremental capital raises.

A/P Aging as of 30 June 2019

Management's estimate of the Company's legacy debt as of 30 June 2019 is about A$4.96M, as illustrated in the accounts payable aging table below. This category has significantly improved in 2019 with the Company's solicitors settling balances for fractions of booked value and successfully writing-off entire balances on many accounts. Ad fraud was the major contributor to the legacy balances; fortunately, most of these publishers were required to sign the Company's contracts, which have favorable terms for the Company in situations that involved ad fraud. Typically, the process takes up to several years in dispute to extinguish the balances, since a formal invoice is actually issued, the Company cannot book a different amount on its balance sheet until formally settled.

Since the date of these reviewed figures, the Company has issued shares to extinguish additional liabilities to significantly improve the net working capital ratio further; Management will report these figures at the time the 2019 audit is published, incorporating all adjustments the Company's auditors recommend. To note, 30 June

2019 reviewed figures were significantly better than Management's monthly interim reports; Management expects the audited figures for 2019 to also be an improvement over interim figures reported in the second half.

Current estimate for 31 December 3019 (year-end) legacy liabilities is conservatively under A$3.5M.

30 June 2019	Current	30	60	90	**90+**	Total
Total	$1,061,791	$207,852	$58,155	$47,431	**$4,960,526**	$6,335,758

Shares Issued to Extinguish Legacy Liabilities

In early 2019, Management planned to reserve cash for revenue-generating activities, specifically activations and re-activations of publishers, which led to immediate revenue contribution. In the first quarter of 2019, the Company did not have sufficient capital to activate publishers, as a result, the average revenue per month was about A$500k AUD; the revenue has now grown to over A$2M average for the fourth quarter. The demand is seasonally greater in the fourth quarter, typically, but without publishers being activated earlier in the year, that demand is useless and non-monetisable. Management attributes this revenue growth purely to the deployment of cash for revenue-generating activities, not the paydown of legacy debt.

The Company had the opportunity extinguish and equitise significant debt at reduced values in 2019 instead of using its cash. These discounted settlements required the Company to pay cash or issue shares; Management decided to reserve the cash to grow revenue and issue shares to optimise the balance sheet, in parallel.

Before Management decided to optimise the Company's balance sheet aggressively this year, the working capital was **-A$10M** and net assets were **-A$6.6M. Within just 6 months**, the Company's **working capital improved by nearly +A$7.4M** to -A3.4M and **net assets improvement of +A$7.5M** to +A$857K.

Management expects to eventually settle the estimated remaining A$3.5M legacy liabilities at a fraction of the original values. These settlements will be gradual, as the opportunities arise. As the Company currently has opportunities to deploy its cash for revenue-growth, Management may elect to issue shares instead to extinguish the liabilities. One of Management's immediate goals is to achieve positive net working capital in the near-term, as it may open prime financing opportunities for the Company and attract marquee institutional shareholding, which could lead to higher demand for the Company's shares.

Trading Update

The first 21 days of October yielded A$1.24M, while the same period in November produced A$1.49M, or a 21% improvement. Management notes, revenue generally increases significantly over the last 8-10 days of each month, skewing the daily average, as expected for November and experienced in most months of 2019, including October. Again, EN1 passed the prior year's revenue in late September; Management expects to finish 2019 strong, from both a revenue and profitability perspective. The current monthly performance trends imply greater than a 50% revenue growth over 2018.

In addition, AdCel is expecting well over A$200K for November, 400% of the start of this year (A$50K January 2019).

EN1 First 21 Days	October	November	% Change
Total	$1,243,577	$1,498,645	121%

NetZero Update

The Company recently deployed its NetZero publisher payments solution, with a target of disrupting payment factoring in the advertising landscape. Management's main objectives with this solution are to board large volumes of publishers and their demand partners (buyers/advertisers) by offering improved cashflow for publishers, without cost. Publishers typically pay about 25% of their revenue per year in factoring costs; EN1 will provide this solution at no cost, in exchange for access to all of the publisher's ad inventory and require them to bring all of their buyers to integrate through EN1's exchange.

EN1 does not loan any cash to publishers, the Company is simply paying publishers **after** the inventory was sold by EN1, the same day the publisher invoices the Company (once monthly), instead of typical net 60-120 day terms. NetZero is a post-pay solution, not a pre-pay or lending program, although, EN1 does plan to pre-pay certain marquee publishers, but does not expect this figure to exceed low 6-figures, monthly.

Since Q4 is the largest revenue period for publishers as well, migration to a new monetisation technology in the busiest time of year can be challenging for the publisher. EN1 would be required to integrate the publisher **and** all of their demand partners (buyers/advertisers). This would be a much longer integration cycle than a typical publisher on-boarding. As a result, some publishers prefer to wait until their quietest season (first quarter) to begin integration.

Closing

Management has been focused on operating, scaling and taking advantage of the busiest time of year for the Company and as a result, have not communicated as frequently to shareholders this quarter. In Q4 2019, EN1 has achieved the strongest revenues since listing, with performance consistently improving monthly and Management expects 2019 to close greater than 150% of 2018. Additionally, AdCel currently yields its strongest performance since inception w/ monthly revenue growth and is also expected to significantly outperform 2018. EN1 is hiring 6 key positions which are expected to accelerate incremental revenue & profitability in 2020.

Management is very pleased with the Company's achievements in 2019 to date and is looking forward to starting 2020 strong. EN1 is finally backed with the resources needed to establish the Company as the leading innovator, accelerating the advancement of the mobile app and connected TV advertising arenas, in the largest marketplace of the world, the U.S.

Thank you for your time today. For questions or feedback, please email info@EN1.com.

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