

15 January 2020

ASX ANNOUNCEMENT

January 2019 Revenue Passed in First 10 Days; Mid-Month Trading Update

Highlights

- ✦ EN1 on track to achieving record first quarter since ASX listing
- ✦ The first 12 days of January 2020 have produced ~ A\$652K, greater than the entire month of January 2019
- ✦ January 2020 run-rate to achieve 300%+ of January 2019
- ✦ EN1 is 306% ahead of 2019, year to date
- ✦ Legacy payable settlement sprint ended on 31 December 2019
- ✦ Most months of 2019 preliminarily NPAT profitable, pending audit
- ✦ Operating expenses averaged US\$422K in 2019; US\$424K Q4 2019

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to present shareholders with a January 2020 mid-month performance update on the EN1 consolidated business.

Trading Update

The first 12 days of January 2020 yielded ~ A\$652K, while the entire month of January 2019 produced ~A\$551K. Management notes, revenue generally increases significantly over the last 8-10 days of each month, skewing the daily average, as expected for January and as experienced in most months of 2019, including December.

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Preliminary results show several months of 2019 NPAT profitable, including most of the second half of the year. Additionally, based on analysis of the trajectory from the fourth quarter of 2019 and first half of January 2020, Management indicates that EN1 is run-rate profitable for 2020.

EN1 First 12 Days	January 2020	January 2019	% Change
Total	~ A\$652K	~ A\$213K	~ 306%

Revenue Seasonality

The advertising industry traditionally expects 65-70% of its revenues in the second half of the year (July – December), as experienced by EN1 in 2019 (34% / 66%). Management expects 2020 to produce similar revenue seasonality, as experienced in 2019.

Legacy Liabilities Update

EN1's balance sheet clean-up sprint ended on 31 December 2019. Management is very happy with the preliminary results, which show significant reduction below the Company's published targets. Management anticipates settlements of legacy debt on an ad hoc basis, moving forward, when new opportunities arise. As at 31 December 2019, the goals for settlement of legacy liabilities have been achieved; Management does not anticipate share issuances in the scale or frequency of December 2019 in the near future as much of the legacy payables have been settled.

(Background from previous 2A's)

Legacy liabilities have been on the Company's balance sheet for many years before its IPO on the ASX. Many of the liabilities are disputed invoices due to publisher ad fraud and violations of EN1's advertising terms and conditions by publishers. The Company elected not to pay many of these invoices because these publishers signed EN1's contracts and through the formal dispute process, the Company has demonstrated it typically prevails. In the interest of preserving time and achieving a stronger balance sheet position quicker, the Company's attorneys have been working aggressively to settle and or dismiss the liabilities.

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Expenses

Operating expenses (excluding depreciation) averaged US\$422K for the entire 2019; Q4 average was A\$424K. Management does not expect operating expenses to change much in 2020. EN1 has hired one new business development resource in Q4, which skewed the operating expense average up US\$2K, however, Management continues to trim and optimise costs on a monthly basis in all categories to offset any new hires or spending.

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



On behalf of the Board
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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.

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