

16 March 2020

ASX VIDEO ANNOUNCEMENT

2020 Operational Guidance

Highlights

- ✦ Work from home strategy and technologies enabled with zero impact to operations
- ✦ No client cancellations, interruptions, throttling or negative outcomes in 2020 to date
- ✦ 19% daily revenue growth over the past week
- ✦ 11% daily revenue increase in the past 24 hours
- ✦ EN1 ad inventory has increased 9% in the past 24 hours, however, strong advertiser demand is out-pacing inventory growth
- ✦ EN1 is on track to eclipse February 2020 by \$500K or 30% and maintain consistent monthly revenue growth and EBITDA profit
- ✦ EN1 is on track to achieving nearly 300% of Q1 2019 revenues; expected to maintain quarterly revenue growth for 2020
- ✦ Management expects EN1 to significantly exceed 2019 revenues
- ✦ Management is currently evaluating term sheets to refinance notes, in light of EN1's profitable 2019

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to present shareholders with an operational guidance for 2020 and an

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update in relation to current events and environmental challenges the world is facing. Management notes all figures are unaudited, as all financials are pending audit. All figures are in AUD.

EN1 Remote Work Strategy Deployed in 2009

In 2009, engage:BDR was created and fully deployed, from the homes of the three founders. The Company generated seven-figures (USD) in revenue before it considered leasing office space. During the past 11 years of operation, the majority of the Company's staff has been enabled to work remotely. The entire infrastructure of the Company's platforms and technologies is cloud-based; Management notes, this cloud is owned and operated by engage:BDR, not reliant on Amazon, Google, or other popular clouds.

Since EN1's technologies are fully automated and Ai-driven, people are not required or necessary to be physically present in one location. EN1 uses battle-tested remote productivity technologies such as slack, Jira, zoom, G Suite and Grasshopper. Management underscores, remote work has been part of engage:BDR's DNA since the Company started; as a result, there has been no interruption or negative impact to the business and none is anticipated.

As of last week, EN1 has deployed an optional remote working strategy for all employees and enabled access to all systems and software via company VPN. Currently, 95% of EN1's employees are working remotely.

Recent Operational Observations

Management notes, EN1's business development and account management teams stay in very close contact with all clients, on a daily basis. No clients have reduced spends (throttled), cancelled campaigns or any negative impact recently (in 2020).

Over the past seven days, daily revenue has increased 19%. Revenue within the past 24 hours has grown 11%. Ad inventory has grown 9% in the past 24 hours; this statistic draws immediate attention to exponentially increased advertiser demand, as it is outpacing ad inventory growth.

Management expects ad inventory to continue to grow, specifically in the only two sectors EN1 operates in – mobile apps and CTV (connected television). As more

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people work from home, Management expects app and CTV traffic to grow at a very aggressive rate. Advertiser demand has already increased within the e-commerce category, as consumer buying is significantly increasing online. Management expects advertisers with e-commerce channels to ramp up spending and increase ad budgets as work from home strategies continue to be deployed.

EN1 does not sell programmatic advertising directly to brands or their agencies; it supplies ad inventory to the world's largest media buyer platforms that brands and agencies license – 'trading desks' and 'demand-side platforms / DSP'. As a result, EN1 does not see advertiser, or sector-specific impact in categories such as travel, events, etc. Other categories' advertiser demand eclipses the categories impacted. All advertisers bid to win ad impressions, and currently many more have the capability of monetising digital advertising. Additionally, EN1's ad inventory is also purchased for the upcoming election, through EN1's trading desk buyers.

Reasonable Near-Term Expectations

Management expects to deliver continued monthly revenue growth in March, eclipsing February 2020's result by \$500K or 30% better and remain EBITDA profitable. Additionally, the Company is on track to achieving nearly 3 times its Q1 2019 result for Q1 2020.

Management is expecting consistent monthly revenue growth, coupled with quarterly revenue growth, which will enable a significant revenue increase over 2019. EN1 will continue to report in AUD; half-year reporting will be based on the fx rate as at 30 June and full-year reporting fx will be the average of the entire year (1.42 for 2019).

Expenses are expected to continue to be reduced, as Management is currently re-negotiating contracts with infrastructure providers (ad scanning, bandwidth, collocation, etc).

About \$1.4M of legacy debt aged 90 days+ remains on the balance sheet; Management is not focused on settling these debts in the near-term, and as a result, the Company does not expect to issue shares to extinguish these liabilities currently. Exceptions to this would be settlement opportunities at significant discounts; Management will update the market about this activity when there are new developments. In addition, Management is aggressively working to refinance the Company's convertible notes facility; when this is achieved, EN1 would cease issuing shares for this as well.

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Audited figures for full-year 2019 are expected to be lodged imminently, within the next few days. Management notes, the recently lodged 4E was reviewed by the Company's audit firm and figures are expected to remain consistent.

Financing Opportunities

Due to significant interest rate reductions and EN1's profitable 2019 result, Management has received term sheets for debt refinancing. Management is working to refinance the current outstanding convertible notes, then terminate all convertible instruments. Management is working to review, negotiate then execute over the coming weeks.

NetZero demand has significantly increased incremental revenue, and at the same time, cash requirements. The recent draw of \$450K from the Company's existing ZCS facility was necessary to enable the \$500K month over month revenue growth. Management is focused on refinancing the facility now, but the Company needed to enable the incremental revenue opportunity, which explains the draw. There have been two total draws on the ZCS to date, the first in 2019 for \$1.75M (balance ~\$1.1M) and the recent draw of \$450K.

In Closing

"engage:BDR was born in 2009 from extraordinary opportunity at the very bottom of the Great Recession (of 2008). We quickly learned, adapted nimbly and thrived when most were afraid. As the industry evolved, we were fearlessly first on the front line, adapting and influencing the change, controlling our destiny in the ecosystem. Today, we are faced with yet another episode of potential change; we have already discovered massive new opportunities to deliver immeasurable value to our clients and partners. I am confident the world will get through this quickly, but in the interim, we will demonstrate how well we perform in environments like these.

Our thoughts and warm regards go out to those impacted by the current state of affairs. We will continue to update you on developments at the same frequency."
Ted Dhanik CEO & Exec-Chairman

In the interim, for questions or feedback, please email info@engagebdr.com.

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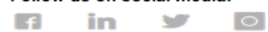
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Please watch the 2020 Operational Guidance video at:
<https://engagebdr.com/asx-announcements-video/>

A handwritten signature in blue ink, appearing to read 'Ted Dhanik'.

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. Figures have not been audited, adjusted and are preliminary estimates.

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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