

engage:BDR Limited

Annual General Meeting

Friday 17 July 2020

CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

I'd like to start by talking a bit about what EN1 is, leveraging an analogy to explain what our very technical company 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.

engage:BDR is the core business, or largest revenue driver. This is our programmatic digital advertising exchange, similar to a stock exchange, but trades ad space (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 are dynamically filled in real time. 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. engage:BDR is like a stock exchange for digital ad space, 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 2021 is forecast to be US\$147bn, 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. AdCel's technology is specifically focused around helping mobile app publishers generate revenue with their traffic, by providing premium advertisers and campaigns. EN1's vision for the merger included acquiring publishing partners from AdCel for the engage:BDR exchange, starting with mobile app suppliers; the integration between the two companies has been incredibly successful to date.

The third business is IconicReach, EN1's social influencer and paid social business. IconicReach's vision is to 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 the technology solution. There are a handful of social influencer marketplaces which have integrated YouTube, Facebook, Instagram, Snap and TikTok; IconicReach has integrated all. The global directly addressable market size in 2021 for influencer marketing is estimated to be US\$12bn.

These are two high growth areas of the U.S. digital marketing arena, but how are they relevant to each other? There has been little to no integration in the digital marketing landscape between traditional digital advertising with social influencer marketing. EN1 recently

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

developed a strategy and technology in 2019 to integrate these solutions and provide customers an omni-channel approach. For example, within a single campaign EN1 can leverage social influencers on Instagram, syndicate the content they create for EN1 clients' campaigns across other influencers on Instagram, YouTube, etc, then also publish advertising to the same influencers' audiences but across display, native, video and audio ads on desktop, mobile and connected TV (CTV) on websites and apps (all screens). There are very few companies in the digital ad space, anywhere, who have achieved this.

EN1 made considerable progress in 2019 towards delivering on the Company's vision of being a global leader in the automated digital marketing arena. The Company concluded 2019 by achieving the stretch goal of growing its revenue by 50% over the 2018. Additionally, EN1 returned to profitability in 2019 with \$1.6M in EBITDA profit. Gross margins grew to 54% in 2019 vs 38% in 2018, yielding \$9.3M in gross profit in 2019 vs \$4.3M in 2018, a 216% improvement, year over year.

Operating expenses were improved by 26%. Staff requirements were systematically reduced as a result of automation, and costs were cut 43% over the previous year. Net Asset position improved by \$10.5M to \$3.9M. Cash balance grew to \$1.8M in 2019 vs \$320k in 2018. Trade and Payables improved by \$7.1M to \$5.8M. Trade and Receivables increased 290% to \$5.9M. Total non-cash expenses in 2019 for EN1 was \$2.9M, which is comprised of depreciation & amortisation, finance costs, impairment losses, and share-based payments.

The Company extends material revenue growth to the first half of 2020 with the strongest H1 in EN1 history at about 44% over H1 2019 - regardless of the Covid-19 disruption. As H2 2020 begins (peak season), Management expects revenue to continue to increase throughout the balance of the year.

For the Company, 2019 was a pivotal year because we established a true turnaround and ended the year in a stronger position. Early 2020 shaped up to be a phenomenal growth year, but now has become a year too difficult for any investor to set reliable expectations for because of Covid-19's unpredictable impact on global commerce. Over many years of trial, Management has honed-in on a model that works, and now EN1 has the foundation to scale profitably. How do we scale this business profitably? We continue to keep costs down while boarding new partnerships and scaling existing relationships. How do we scale rapidly? Revenue growth will deliver profit growth, as we have demonstrated the scale economics in 2019. The constraints from the past are no longer obstacles and the capital required for growth is now more accessible. We have a great team, great products, proven demand, low cost base and the experience to navigate in this industry at global scale. I'm looking forward to enjoying greater wins with you as we ramp up for the balance of 2020!

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

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