



11 November 2021

Mr Dean Litis
Principal Adviser, Listings Compliance (Melbourne)
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

engage:BDR Limited ("engage" or "the Company")
ASX Reference ODIN42318

Dear Mr Litis

We refer to your letter dated 9 November 2021 and respond as follows:

1. Please provide an approximation in AUD of the impact for both revenue and collections resulting from the technical integration issues.

The effect is not capable of precise calculation. Revenues and collections from particular clients cannot be estimated in advance. Clients participate in engage's system on an ad hoc basis. Their expenditure is in part a function of successfully out bidding other participants for advertising opportunities auctioned by publishers and in turn sub auctioned in the engage system. Clients do not enter fixed or minimum revenue or cost contracts or other arrangements that would allow for the prediction of revenue. Compared with the pattern of previous expenditure by the affected client, it expended approximately A\$1.25 to A\$2 million less during the time its participation in engage's system was affected by technical integration issues. However as noted there is no reliable way of determining how much the client would have expended had the technical integration issues not arisen or had been resolved more quickly.

2. Does EN1 consider the information to be information that reasonable person would expect to have a material effect on the price or value of its securities?

No.

3. If the answer to question 2 is "no", please advise the basis for that view.

A wide variety of factors including but not limited to clients' technical integration issues or other interruptions can influence revenue and collections over any given period. The Company is unable to and does not provide earnings guidance, outlook statements or other indications, forecasts or

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predictions. The historical range of quarterly results varies substantially and can be expected to continue to do so. Therefore the Company does not consider there is a basis for the effect of an event such as a client having technical difficulties being treated as, or as causing, a material departure from or non-fulfilment of market expectations (or an “earnings surprise” as referred to in section 7.3 of Guidance Note 8) where the market would be aware of the wide variance of previous quarterly results and that revenues and collections are announced on a periodic basis.

The Company included the statement about the client’s technical integration issues in the quarterly report as part of describing the Company’s activities during the quarter and explaining the quarterly result, consistent with section 8 of Guidance Note 23. The statement was not included as indicating either that a particular anticipated level or range of revenue and collections for that or any other quarter were consistent with other quarters or had been or could be expected or predicted, or that the client’s technical integration issues were material.

- 4. If the answer to question 2 is “yes”, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe EN1 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps EN1 took to ensure that the information was released promptly and without delay.**

Not applicable.

- 5. Please confirm that EN1 is complying with the listing rules and, in particular, listing rule 3.1.**

The Company believes that its current practices are in compliance with the Listing Rules including Listing Rule 3.1.

- 6. Please confirm that EN1’s responses to the questions have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of EN1 with delegated authority from the Board to respond to ASX on disclosure matters.**

The Company’s responses to the questions above have been authorised and approved by the Board of EN1.

Further to the above, particularly items 1 and 3, the client’s technical integration issues referred to in the quarterly report were issues within the client’s own operations. They were not technical issues within engage’s system and did not reflect a systemic problem that would affect the operation of the engage’s system or other clients’ participation in the system. The specific client’s technical integration issues were resolved by the client. It was not possible to estimate how long the process of resolving the issue would take the client, nor to be certain that the issues had been resolved until a reasonable period of stable operating had been achieved.

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The impact of one event or issue on revenue and collections for a period may be offset or increased by other events or issues. As referred to above, clients do not enter fixed or minimum revenue or cost contracts or other arrangements that would allow for the prediction of revenue. Whilst the Company seeks to maximise revenue and to retain and encourage participation in its system, by the nature of its business it does not have a fixed revenue stream from any particular client or clients. Therefore until quarterly or other periodic results are available for release (at which time they are released as an announcement) the overall or net effects are not known.

Please do not hesitate to contact me if you have any questions or would like to discuss any of the matters listed above.

For and on behalf of the Board

A handwritten signature in dark ink, appearing to read "Melanie Leydin".

Melanie Leydin
Company Secretary
engage:BDR Limited

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9 November 2021

Reference: ODIN42318

Ms Melanie Leydin
Company Secretary
Engage:BDR Limited

By email

Dear Melanie

engage:BDR Limited ('EN1'): Aware Query

ASX refers to the following:

- A. EN1's announcement titled "September 2021 Quarterly Activities Report & Appendix 4C" released on the ASX Market Announcements Platform ('MAP') on 29 October 2021 (the 'Announcement'), which disclosed (relevantly, emphasis added) that:
- "During in the first week of August until late September, EN1's largest client experienced technical integration issues and was temporarily paused, intermittently. These issues were resolved by the end of the September and the customer resumed buying. **This issue affected revenue and collections for the quarter.**"*
- (the 'Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks EN1 to respond separately to each of the following questions and requests for information:

1. Please provide an approximation in AUD of the impact for both revenue and collections resulting from the technical integration issues.
2. Does EN1 consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is "no", please advise the basis for that view.
4. If the answer to question 2 is "yes", please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe EN1 was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps EN1 took to ensure that the information was released promptly and without delay.
5. Please confirm that EN1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that EN1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EN1 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AMAEDT Friday, 12 November 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EN1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require EN1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EN1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

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- the reasons for the trading halt;
 - how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in EN1's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EN1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that EN1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Dean Litis

Principal Adviser, Listings Compliance (Melbourne)