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ASX ANNOUNCEMENT

EN1 Market Update on Programmatic Integrations

Highlights

- ▶ EN1 currently has over 175+ integrations, including many large players in the U.S., European and APAC marketplaces
- ▶ EN1's streamlined integration process cuts out all external costs, only requiring engineer labor
- ▶ AdCel's 40+ demand partners are not included within the 175 engage:BDR integration figure, but are expected to be boarded over the next 18 months
- ▶ EN1's end of Q1 2019 daily revenue, through its programmatic integrations, over the past few days has been trending stronger than Q4 2018 average revenue per day, due to recent publisher activations

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to present information on the Company's programmatic integration process, including time and cost expenditures. EN1 currently has over 175+ programmatic integrations. Management is pleased of the Company's achievements given the extreme difficulty in obtaining quality integrations. The Company began 2018 with about 80 integrations and a year later has more than doubled that figure on its platform.

Integrations

The vast majority of EN1's integrated partners were very challenging to obtain. Viable programmatic players today seek to only integrate with top-tier, highly-credible companies that provide significant value within the programmatic ecosystem. These companies look to share their traffic, buyers, and demand with *strong* partners.

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Recently, the AdTech ecosystem has been challenged with inventory source quality, specifically related to invalid traffic (ad fraud) and demand quality as well, primarily due to malware. Because of these industry-wide challenges, most companies have reduced the number of existing partnerships and significantly limited new relationships.

Following EN1's acquisition of AdCel, integration opportunities grew significantly with the addition of AdCel's 40+ incremental demand partners onto EN1's platform. EN1's partnerships with MRC accredited leaders in inventory quality and malware scanning, enable high demand for EN1's unique, filtered inventory and its premium advertisers. Integrating the wrong or rogue partners have costed many programmatic ad companies their businesses as buyers ceased partnerships due to invalid and fraudulent traffic and suppliers moved to protect their app and web users from malware and bad quality, irrelevant ads.

Cost per Integration

Through years of experience, the Company has streamlined the process of integrating partners and has significantly cut the amount of time and resources required. Currently, the average cost per integration is approximately 3-5 weeks of engineering time, as compared to 4-12 weeks previously. Through automated publisher integration tools due in later 2019, EN1 aims to further reduce the integration time by half.

An integration usually requires one dedicated engineer. However, each engineer can work on between 3-4 integrations in parallel, in addition to other development activities outside of the programmatic integration process. In other words, integrations take up to 20% of an engineer's time. There are no external costs associated with EN1's integration process, only the cost of engineering labor. EN1 is not spending its capital to acquire and board integrations through external costs; they are already included within its payroll expenses.

engage:BDR is mostly integrating through a specification called openRTB. Integrations require both partners to dedicate engineering resources to complete the integration process in parallel on the openRTB spec. The next phase is comprised of a series of tests for latency, targeting, transacting and discrepancy. Once the testing has been completed, the integration is released from the validation stage and is set live on the production platform at various scales, until eventually at full-scale, or 100% of the volumes available.

Many mobile-only advertising companies still prefer to integrate through an older specification (API-based), which limits the ability for both buyers and publishers significantly. EN1 has several API-based partnerships as well, but it is focused on migrating those connections to a true-programmatic environment, starting with

StartApp, who's launch is imminent. The cost and time to migrate these integrations is about the same or less than a new programmatic integration, once the partner has the capability.

Benefits of Integrations

Integrations significantly impact the Company's revenue and are valuable key performance indicators (KPIs) for how much revenue the Company could produce. Management believes that more integrations mean more ability to generate revenue for every ad opportunity that a publisher produces (fill-rate or revenue per bid request).

Integrations are vital to EN1 because they increase the Company's number of transactions. In other words, when publishers are introduced into the ecosystem, it increases supply for all buyers, and when a buyer is integrated, demand increases for all supply. The intermediary technology, or exchange, enables real-time bidding (RTB), or auction-like transactions which take place in a matter of about 200 milliseconds at a rate of about 70bn auctions per day.

EN1 announced activation of dormant partnerships on 18 March 2019 which were generating about USD\$20k (or ~AUD\$28k) per day; management is excited to report that revenue per day has significantly exceeded those figures in the past few days and EN1 will update the market shortly with regards to the recent tracking of these results.

More revenue will enable EN1 to generate more gross profit, which will contribute to the bottom-line. EN1's primary objective is to **return** to profitability and integrations activated, directly correlate to achieving this goal.

For additional questions, please email info@engagebdr.com.



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