

29 October 2021

ASX ANNOUNCEMENT

Quarterly Activities Report, Non-Binding LOI to Acquire and NASDAQ

Q3 2021 Highlights

- ▶ EN1 2021 total revenue until 30 September 2021 was \$10.6M
- ▶ Cash balance grew to \$2.3M from \$1.4M (Q2)
- ▶ Net cash used in operating activities improved to \$993K
- ▶ EN1 signed a non-binding LOI on 14 September 2021 to acquire ColorTV, a CTV platform with 24 incremental buyer integrations
- ▶ EN1 filed an F20 with the SEC on 6 January 2021 to cross-list EN1 on the Nasdaq with several dozen U.S. AdTech peers
- ▶ EN1 completed a capital raise of \$1.485m during the September 2021 quarter

engage:BDR Limited ('Company', 'Engage' or 'EN1') trading update and commentary regarding Q3 2021 performance and activities.

Net cash (used in) operating activities was \$993K; cash balance at the end of quarter was \$2.3M. One-time, extraordinary legal expenses in Q2 2021 totalled \$170K, which were comprised of trade creditor settlement (existing balance sheet liability) and attorney's fees.

Receipts from customers totalled \$2.58M. Staff costs were \$661K. Administrative and corporate costs improved 22% to \$687K, over the previous quarter.

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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.

During the quarter there were payments of \$239,044 associated with executive and non-executive fees paid to Directors for the September 2021 quarter. This is outlined in section 6.1 of the Appendix 4C.

Non-binding LOI to acquire ColorTV

EN1 is pleased to announce it has entered into a non-binding Letter of Intent to acquire ColorTV, an Orange County California, Connected TV (CTV) platform founded by industry veterans from Tapit, Millennial Media, Samsung and other industry leading companies. ColorTV's tech and team will continue to build upon EN1's cross device capability and further entrench its position within the CTV market.

"Helping brands reach their target audience continues to be at the core of our mission," says CEO and Co-founder Ted Dhanik. "ColorTV strengthens our ability to serve our customers and expand into the growing CTV market."

ColorTV has a strong existing customer base that includes 24 integrations. At the completion of the proposed acquisition, these integrations will add recurring revenue to EN1. The proposed ColorTV acquisition is a continuation of EN1's CTV strategy, where each new integrations adds incremental, recurring revenue.

Built by AdTech veterans, ColorTV's tech and relationships will bolster EN1's offering as marketers shift their focus to interact with consumers as they move away from cable and broadcast television. ColorTV's software helps publishers increase user retention and ad revenue by automating and personalising video recommendations based on user consumption habits across Mobile, OTT, CTV and Web. Brands leverage ColorTV's consumption, interaction and personalisation data as well as predictive analytics to deliver ads across

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CTV/OTT/Mobile and Web with greater precision.

EN1's vision is to combine ColorTV's powerful predictive analytics and proprietary ad executions with EN1's mediation platform AdCel. The result will be a platform that enables publishers to efficiently manage their monetisation stack and scale user retention to grow ad revenues through powerful content recommendations backed by rich audience data across all properties. This unified platform will also allow publishers to package inventory based on buyer demands as it relates to audience segmentation and promises to provide brands and agencies a more concise mechanism to target their ideal customer across any device with specific emphasis on CTV/OTT.

The proposed acquisition of ColorTV strategically positions EN1's greater success as it pivots towards solving present and future supply and demand challenges within the fast-growing CTV and OTT landscape. ColorTV, bringing a highly unique and differentiated product to the marketplace gives EN1 a clear-cut value proposition to both buyers and sellers as evidenced by the 24+ unique new integrations it brings to the Company. These 24 new integrations will enable swift execution and monetisation of all new CTV/OTT supply and demand relationships the EN1 business development team sources.

SEC 20F Filing to cross-list on the NASDAQ

On 6 January 2021, EN1 filed a form 20F with the U.S. Securities Trade Commission to cross-list EN1 on the NASDAQ. Management is excited to potentially be listed with dozens of EN1's U.S. AdTech peers with trading multiples averaging at 20 times trailing 12 months' revenue.

The SEC responded to the submission in April and June 2021 with final commentary, which required three years' audited financials by a PCAOB certified audit firm. Since EN1 works with Australian auditors, the financials needed to be re-audited. Management signed a new U.S. audit firm; the audit is currently underway and expected to finish in the next 45-60 days. Once the audits have been signed off, EN1 will resubmit the 20F filing to the SEC and NASDAQ for approval.

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We encourage our Shareholders to register their details using the QR Code below to ensure they're kept up to date with the latest news and to be notified of any upcoming Shareholder presentations or events.



For further investor enquires please contact Viriathus Capital on 1300 509 924 or please email investors@engageBDR.com.



On behalf of the Board
Ted Dhanik
Co-Founder and Executive Chairman

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

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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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

engage:BDR Limited

ABN

39 621 160 585

Quarter ended ("current quarter")

30/09/2021

Consolidated statement of cash flows	Current quarter \$AUD	Year to date (9 months) \$AUD
1. Cash flows from operating activities		
1.1 Receipts from customers	2,579,000	10,130,246
1.2 Payments for		
(a) Engineering / research & development	(412,586)	(1,193,188)
(b) Ad inventory costs of goods sold	(1,634,865)	(6,265,841)
(c) advertising and marketing		(2,192)
(d) leased assets		
(e) staff costs	(661,044)	(2,002,930)
(f) administration and corporate costs	(687,911)	(2,761,237)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(2,754)	(10,214)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		335,295
1.8 Other (provide details if material)		
(a) prepaid ad inventory		
(b) legal & settlements	(173,467)	(631,322)
1.9 Net cash from / (used in) operating activities	(993,627)	(2,401,383)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		

Consolidated statement of cash flows		Current quarter \$AUD	Year to date (9 months) \$AUD
2.2	(e) intellectual property		
	(f) other non-current assets		
	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
	2.3 Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,913,499	1,913,499
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		(213,738)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	(a) finance lease obligations	(44,700)	(134,541)
3.10	Net cash from / (used in) financing activities	1,868,799	1,565,220

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,423,713	3,135,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(993,627)	(2,401,383)

Consolidated statement of cash flows		Current quarter \$AUD	Year to date (9 months) \$AUD
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,868,799	1,565,220
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,298,885	2,298,885

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,298,885	1,423,713
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,298,885	1,423,713

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(239,044)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	4,163,197	1,026,811
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		3,136,386
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Loan facility is actually a cash enhancement activity known as factoring. Advances are recorded against certain receivables balances which are factored under this facility. The credit risk associated with the transfer of trade receivables are retained with the Company.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(993,627)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,298,885
8.3	Unused finance facilities available at quarter end (item 7.5)	3,136,386
8.4	Total available funding (item 8.2 + item 8.3)	5,435,271
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.