

11 May 2020

ASX ANNOUNCEMENT

April 2020 Trading Update

Highlights

- ◀ April 2020 revenue growth of 3% over April 2019, to \$1.25M
- ◀ Interim May results show a 20% revenue increase over April
- ◀ Advertiser bid rates, bid prices, completed auctions, number of live campaigns, clearing prices & revenue have increased daily in May

engage:BDR (“EN1 or Company”) (ASX:EN1 and EN1O) is pleased to present shareholders with a trading update and commentary for April and interim May 2020 financial performance with a comparative analysis of the prior year, same period. Management notes all figures are unaudited, as all financials are pending audit. All figures are in AUD.

Interim Financial Results

Q2 2020 Interim Results	Revenue	Gross Profit	GP%
April 2020	\$1.25M	\$513K	41%
April 2019	\$1.22M	\$488K	40%
April 1-9 2020	\$255K	\$104K	41%
May 1-9 2020	\$305K	\$125K	41%

YoY Comparison

April 2020 revenue was \$1.25M; 3% greater than April 2019.

April 2020	April 2019	% Change
\$1.25M	\$1.22M	3%

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Revenue Seasonality

Consistent to EN1's results, the advertising industry traditionally expects 65-70% of its revenues in the second half of the year (July – December), as experienced by EN1 in 2019 (34% / 66%). Management expects 2020 to produce similar revenue seasonality, as experienced in 2019 and all prior years.

Operations

All EN1 employees are still working remotely as stay in place orders remain. Management's analysis highlights that remote productivity has been significantly stronger than working from EN1 offices. Management will conduct cost benefit analysis for the future, when considering costs associated with office leases.

Due to ~ **95% of the U.S. population currently in lockdown** (stay in place orders), many brands (not specific to EN1) have temporarily reduced their marketing budgets, as consumers cannot transact with them currently. As expected, April was the start to a new quarter and typically, demand is lighter in the first three weeks of the first month.

Management sees improvement across all granular metrics – advertiser bid rates, bid prices, number of active & new campaigns, auction win rates, clearing prices and daily revenue growth, which are all key indicators of what to expect in the coming weeks.

May performance has been significantly stronger than April's, which is a strong indication of where the month should finish; May is currently expected to yield better results over April. The preliminary analysis of April revenue impact (Covid-19) when compared to March, was ~38%; Management expects this figure to be narrower for May, considering many businesses in the U.S. are to re-open this month.

As of yesterday, daily revenue has peaked to 75% of March's daily averages. Shareholders will be updated regularly on new developments & interim performance.

Financing Opportunities

Management was working with an Australian bank in the application process and did not end up submitting as the pre-application process recently determined that EN1's assets and principle business activities are mostly in the U.S., which are outside of their lending guidelines. However, EN1 qualifies and has applied for U.S. EIDL funding under the CARES Act and should have updates in this area shortly. Management has received conventional debt term sheets from the Company's advisory firm Virathus for \$8M and is in the process of evaluating. EN1 is also in talks with U.S. banks about applications for term loans, as interest rates are the lowest in recent years. Management is focused on refinancing current note balances and securing equity-free alternatives.

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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. The “~” symbol refers to figures which 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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