

30 July 2021

# ASX ANNOUNCEMENT

## Quarterly Activities Report

### EN1 Largest H1 Revenue in History

#### Q2 2021 Highlights

- ▶ EN1 returned to pre-COVID revenue in Q2 2021 with A\$4.56M (unaudited)
- ▶ H1 2021 (first 6 months of the year) yielded the largest H1 revenue in EN1 history to A\$8.11M
- ▶ Q2 2021 was the largest second quarter revenue in EN1 history
- ▶ Q2 2021 was the largest revenue quarter since the strongest quarter of 2019, Q4
- ▶ Net cash used in operating activities improved to A\$386K

engage:BDR Limited ('Company', 'Engage' or 'EN1') ended Q2 2021 strongly, as revenues returned to pre-covid levels.

April, May, and June 2021 revenues exceeded the same period in 2020, 2019 and 2018. This quarter's results are a clear indication that Managements strategy of integrating new clients on a consistent basis is working; this quarter's increase is a direct result of new, recently announced integrations that are now beginning to generate incremental, recurring revenue. Additionally, the first half of 2021 yielded stronger results than any first half year since EN1's listing on the ASX. Management is pleased to update shareholders that the Company's revenues have now been restored to pre-Covid-19 levels.

The Company's Q2 2021 yielded stronger performance than all prior quarters except for Q4 2019. The last quarter of each calendar year is historically the advertising industry's largest quarter of every year with

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CYQ1 and CYQ2 of each year typically yield the least revenue. This quarter's result sets the Company up for its best year on record.

Net cash [used in] operating activities significantly improved to \$A386K; cash balance at the end of quarter was A\$1.42M. One-time, extraordinary legal expenses in Q2 2021 totalled A\$340K, normalised net cash [used in] operating activities for Q2 2021 was A\$45K. Net cash [used in] operating activities for Q1 2021 was a \$1.02M. Of the legal expenses, the Company made a one-time A\$170K cash settlement for resolution of the Tiveo LLC acquisition dispute.

Receipts from customers totalled \$4.3M, a 35% improvement over the previous quarter. Staff costs improved to A\$640K, a 10% improvement over the previous quarter. Administrative and corporate costs improved 27% to A\$880K, over the previous quarter.

### Net Cash [Used in] Operating Activities Comparison:

Q3 2020	A\$741K
Q4 2020	A\$2.20M
Q1 2021	A\$1.02M
<b>Q2 2021</b>	<b>A\$386K</b>

### H1 2021 vs. H1 2020, 2019 & 2018 Revenue Comparison:

H1 2018	US\$4.69M	
H1 2019	US\$4.36M	
H1 2020	US\$5.34M	
<b>H1 2021</b>	<b>US\$5.98M</b>	<b>A\$8.11M</b>

### Q2 2021 vs. Q2 2020, 2019 & 2018 Revenue Comparison:

Q2 2018	A\$3.05M
Q2 2019	A\$4.11M
Q2 2020	A\$3.18M
<b>Q2 2021</b>	<b>A\$4.56M</b>

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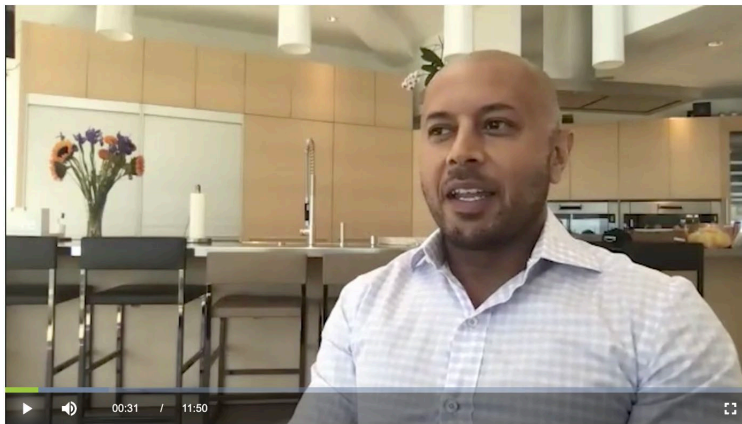
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In the second quarter of CY2021, the Company signed several new partners (Kidoodle, InfoLinks and Smart) which have all gone live and are producing daily recurring revenues. Additionally, the Company added 2 new key hires which; both hires are meeting or exceeding their goals and Management is pleased with their performance.

During the quarter there were payments of \$230,046 associated with executive and non-executive fees paid to Directors fees for the June 2021 quarter. This is outlined in section 6.1 of the Appendix 4C.



For the Company's video update, please visit:

<https://engagebdr.com/board.html>

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.

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For further investor enquires please contact Viriathus Capital on 1300 509 924 or please email [investors@engageBDR.com](mailto: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 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")**

30/06/2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$AUD</b>	<b>Year to date (6 months) \$AUD</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,315,555	7,551,246
1.2 Payments for		
(a) Engineering / research & development	(381,732)	(780,602)
(b) Ad inventory costs of goods sold	(2,453,866)	(4,630,976)
(c) advertising and marketing	(1,995)	(2,192)
(d) leased assets		
(e) staff costs	(640,084)	(1,341,886)
(f) administration and corporate costs	(880,333)	(2,073,326)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(3,267)	(7,460)
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	(340,361)	(457,855)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(386,083)</b>	<b>(1,407,756)</b>
<b>2. Cash flows from investing activities</b>		
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 (6 months) \$AUD
(e) intellectual property		
(f) other non-current assets		
2.2 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)		
<b>2.6 Net cash from / (used in) investing activities</b>		

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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	(49,450)	(89,841)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(48,942)</b>	<b>(303,579)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,859,246	3,135,048
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(386,083)	(1,407,756)

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Consolidated statement of cash flows		Current quarter \$AUD	Year to date (6 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)	(49,450)	(303,579)
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,423,713</b>	<b>1,423,713</b>

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	1,423,713	1,859,246
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,423,713</b>	<b>1,859,246</b>

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	(230,046)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*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.*

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	3,990,423	2,798,131
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		1,192,292
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(386,083)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,423,713
8.3 Unused finance facilities available at quarter end (item 7.5)	1,192,292
8.4 Total available funding (item 8.2 + item 8.3)	2,616,005
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	7
<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: 30 July 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.