

9 May 2019

ASX ANNOUNCEMENT

EN1 to Integrate YouTube to IconicReach Influencer Marketing Automation Platform

Highlights

- IconicReach to add YouTube influencers to its automated influencer marketing technology
- IconicReach adding automated influencer discover toolset for brands targeting YouTube audiences
- IconicReach now includes Facebook, Instagram, TikTok and YouTube influencers through automated technologies, a contrasting differentiator in the marketplace
- YouTube's nearly two billion users provide an unmatched global audience for EN1's influencer advertising
- Management to update the market with April 2019 results imminently
- Updates regarding programmatic buyer integrations available shortly

engage:BDR ("EN1 or Company") (ASX:EN1 and EN1O) is pleased to announce that IconicReach is working to incorporate YouTube influencers as part of its standard marketing technology strategy. To date, IconicReach has integrated influencer marketing channels from Facebook, Instagram and TikTok. Since 2014, EN1 has proven video advertising contributes significant ROI for brands and is an immediate opportunity for the Company's revenue growth. This integration further enables EN1's vision for IconicReach to be the 'Google AdWords of influencer marketing.'

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About YouTube Influencer Marketing

Unlike YouTube pre-roll ads which can be skipped or tuned-out, influencers on YouTube engage with viewers directly and influence their buying decisions. Influencer campaigns on YouTube are valued based on their engagement, click-through rates, CPM, video drop-off and increase in organic search traffic. YouTube influencers are widely recognised as highly effective and credible marketing channels and many have a personal net worth in the 8-figure range (Michelle Phan, Logan Paul, PewDiePie, Jeffree Star, etc).

YouTube Vlogging

YouTube vlogging, or video blogging, is significantly changing the advertising landscape by giving advertisers a cost-effective way to reach their targeted audiences, build brand awareness, and drive sales. In addition, vlogs are easy to digest, offering a quick and easy way to access information, and they include personal insight, making a brand's message more trustworthy and credible. YouTube vloggers have several thousand to 10's of millions of subscribers and fall into the category of either influencers or micro-influencers. Two of the most popular types of influencer vlogs on YouTube are hauls, or videos showing a variety of products purchased on a shopping trip, and unboxing videos, or videos of individuals opening a new product and using it for the first time. In these videos, influencers give their honest opinions on a product, evaluate its utility, and rate its overall quality, enabling views to make more educated purchases. Positive reviews have the ability to significantly drive sales and build brand loyalty.

Dedicated Videos vs. Product Placements

There are two basic forms of influencer advertising on YouTube; dedicated videos and product placement videos. Dedicated videos are influencer-produced clips that focus on one brand without cross-promoting other products. Although these videos can be reposted on other platforms, they are significantly more expensive.

Meanwhile, product placement videos are a more subtle way to promote a product by inserting a promotional pitch or product review within the influencer's normal YouTube video. The influencer could also mention the product in their video and include a unique link or promo code in the caption to direct traffic to the brand's site. The majority of IconicReach's campaigns will incorporate the latter.

Benefits of YouTube Influencer Marketing

IconicReach has the proprietary capability to directly source relevant YouTube influencers, most of whom also have a presence on Instagram, Facebook and/or TikTok, through its automated discovery tools. In the past year, IconicReach yielded several successful influencer campaigns on YouTube with cryptocurrency companies and Korean beauty brands on a managed, or full-service basis. Management is delighted to now add YouTube to IconicReach's automated technology stack.

Video reviews and how-to's are a unique way to appeal to customers by allowing them to 'experience' the product before they actually purchase it. Seventy-two percent of customers would rather learn about a product or service by way of video, according to HubSpot. A Brightcove study indicated that 67% of consumers and 85% of millennials have purchased a product or service after watching a video on it.

As IconicReach continues to work on integrating YouTube as part of its marketing technology strategy, the market can expect to read progress updates and information on successful YouTube influencer campaigns.

IconicReach Platform

To date, Management announced Facebook, Instagram, TikTok and now YouTube influencers to be integrated to the IconicReach influencer automation platform. Management's vision for the IconicReach platform is to deliver 'the Google AdWords of influencer marketing' to brands and agencies. Influencer marketing is very young but will budgets will total US\$10BN by 2020 (AdWeek). Automation is scarce in this emerging area of marketing; EN1's competency in programmatic and automated marketing technologies enables a shorter learning curve.

Other Matters

Management is working diligently to close books for EN1's April performance. EN1 consolidates financials from three entities (engageBDR USA, engageBDR AU and AdCel); the process is taking longer than initially expected. Management is determined to have preliminary accrual figures for the month to the market shortly, as cash figures were delivered last week and are highlighted again below.

- ✦ April consolidated revenue A\$1.22M (accual)
- ✦ Overall gross profit margins of 40%
- ✦ April consolidated receipts A\$1.41M (cash)

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- ◀ April consolidated cash outflow A\$1.42M (cash)
- ◀ April net cash used in operating activities A\$10k (cash)

Additionally, updates in relation programmatic buyer integrations will be delivered to the market imminently as well.

In the interim, for questions or creative feedback, please email info@EN1.com.



On behalf of the Board
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~ Preliminary financial results published above are subject to audit, adjustment and closing, as they are estimates and figures may be rounded.

Forward Looking Statements

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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