

ASX ANNOUNCEMENT

2020 Annual General Meeting CEO Address

21 October 2020

Good morning Ladies and Gentlemen and many thanks for attending our Annual General Meeting.

Firstly let me say how pleased I am to be here with you all today. As you know, this is my first shareholder meeting as the CEO of Enero and as I start to get to know this Company up close, I'm pleased to say that I've learned that Enero is an impressive business, with a growing world class client list driven by many smart, creative and impressive people across all of our brands.

As you have heard from Ann, it is clear that our current strategy is working. Across our portfolio we are focussed on continuing to deliver industry recognised results for our clients, and most importantly help them deliver against their business, brand and financial goals in the most challenging of times.

We have deep relationships within a geographically diversified footprint around the world, in growing industries such as technology, healthcare and consumer staples, while the Group has continued to deliver prudent cost management and deployed a conservative debt strategy to create its financial strength.

But as alwaysthere is still more we can do.

Today I'd like to share my early observations of the dynamics that are forcing change in the global marketplace in which we operate, and most importantly some initial areas of strategic opportunity for the Group to focus on. Simply put, our goal is to build Enero in to a progressive and dynamic leader in the industry worldwide.

Firstly it's clear that in an era of disruption, finding new ways to grow, having the agility to 'evolve immediately' and most importantly to create client partnerships with business impact and ROI have never been more important. Secondly, I do believe the Covid-19 pandemic has accelerated, versus disrupted, the race to transform many aging business models through a technology led lens on a global scale. Those that can't adapt or change rapidly will die. Thirdly, consumer expectations have radically shifted. The need for sophisticated business partners, with the skills and capability to inform data led strategy and decision making will win. When this delivers a seamless consumer experience, the requirement for execution has never been more important than it is today. And finally, the power of creativity and its ability to redefine entire business models in an increasingly digital age will continue to serve as a multiplier for those who are brave and understand its true power.

It's an exciting time for the Group. Our success will be driven by a relentless ambition to operate at the intersection of creativity, data and technology to unlock our next phase of growth and profitability through a unique and distinctive positioning.

We aim to stay true to what has made Enero special in the past but with this sharpened focus that better reflects tomorrow's marketplace demand. This will accelerate our speed of change and will also serve as a consistent measure to evaluate our existing portfolio, our talent, our investments and our client offering. Our ambition is about realising the Group's potential through an integrated portfolio of complimentary marketing services brands around the world.

Our growth framework is guided by 3 distinct strategies over the next 12 months.

- Our ability to drive INTEGRATION within our current brand portfolio so it's value is greater than the sum of the parts;
- The deliberate TRANSFORMATION of our business over time where each brand in our portfolio has a complementary positioning and services that minimise overlap and serves our overall ambition; and
- The ACCELERATION of how we think and invest for the future, primarily in digital and technology to serve growth business verticals & geographies.

This strategy is underpinned by our priorities that will drive our executional focus in the near term:

INTEGRATION

1. DRIVE ORGANIC AND CROSS-GEOGRAPHIC GROWTH

As we refine our portfolio and power up new capability, we aim to 'streamline' the client experience of cross-selling our portfolio of complementary services to unlock further organic growth. We are already trialling, both in the Sydney and London offices initially, new client product offerings through our "Growth LABS" collaboration that leverages our capabilities between multiple brands within our portfolio to unlock new business opportunities in 'upstream' areas of strategy and consulting.

This is a simple way to begin to further leverage the Group's expertise across brands, and provide a bespoke and simplified 'one stop' offering to existing and new clients that is easy to execute. At the same time we are driving growth through the expansion of existing clients such as Zoom which Hotwire won earlier this year in London across multiple geographic markets and whom we now work with across five markets in Europe, our expanded affiliate network and also recently back in to the USA.

This is a particularly effective strategy in the enterprise technology industry and potentially other high growth verticals where we are able to continue to grow across borders with our clients business to maximise efficiency and effectiveness for the Group and the client.

2. ALIGN & REWARD COLLABORATION

Throughout my career I've been fortunate to be part of high performing organisations where success was largely driven by the simple alignment of a clear business focus, a progressive and innovative product or service and an incentive framework specifically built to deliver an externally competitive culture and financial results.

We are now at a stage of the Group's evolution where we can begin to leverage a more connected portfolio with an aligned incentive structure that continues to reward individual or brand success, but also incorporates incentive for the success of the overall Enero Group result and deliverables. Creating an incentive, reward and recognition structure within the group that is ultimately aligned to Group success aims to further maximise collaboration and optimise synergy between the brands.

TRANSFORMATION

3. FOCUS ON THE CORE

We will immediately become more pro-active internationally in considering the acquisition of new capability with a deliberate concentration on the expansion of BMF, Orchard and Hotwire.

As with any portfolio, not all businesses are created equal, and you can expect us to focus our investment and deployment of capital to leverage our growing global client roster within and across these brands, and also to provide greater scale for those clients requiring solutions across multiple markets around the world.

4. DOUBLE DOWN ON DIGITAL

Digital transformation was already on the roadmap of many of our clients in the past, however the onset of Covid-19 has only served to hyper-accelerate the focus required to be successful in a truly digital first marketplace. Through a more robust investment in world class digital talent and/or through potential acquisition you should expect the group to aggressively seek to fast track our digital capabilities across the three core brands. With more than 60% of our team currently working in digital or technology related roles, we see execution of this strategy as critical to underpin our future growth.

ACCELERATION

5. ENERO INNOVATION AGENDA

Creativity led, data smart and technology enabled also provides us the scope to explore and incubate progressive capabilities, ideally located in the USA and UK, including martech/adtech, artificial intelligence, voice technology and other relevant technology platforms potentially adjacent to our programmatic and search business OB Media in the USA. This should help to re-position Enero at the forefront of a rapidly evolving technology led marketing solutions industry over the coming years.

We will continue to deploy our current structure of Creative & Content, PR and Integrated communications as well as Digital, Data and Analytics, but the subtle shift in the ambition, strategy and priorities outlined today, will lead to a significant shift in how we prioritise our investments and talent against our highest priority initiatives, how we think about the future shape of our portfolio for the highest potential ROI and ultimately how we execute day to day.

So, in summary, our existing business is anchored by deep partnerships in verticals that continue to grow and underpinned by a quality roster of the most progressive technology brands in the world including Zoom, Adobe, McAfee, Qualcomm and NetApp, and at the same time, brands who are using technology to transform their existing business from ALDI to Hyundai, Boehringer, Zoetis and BPAY. They all increasingly value creativity, data and technology in their rapidly changing world and we look forward to continuing to partner with them to provide innovative solutions to deliver their growth agenda.

In closing, as you have already heard from Ann, the Group has delivered substantial increases across all key financial metrics in the last fiscal year and today we are also pleased to announce in our 1st quarter FY2021 trading update that our growth momentum continues to accelerate highlighted by:

- Net revenue up 11% year on year;
- Operating EBITDA up 81% year on year; and
- EBIT up 96% year on year.

More details are provided in the trading update announced earlier today. The entire team should be congratulated on these 1st quarter FY2021 results and they provide us with optimism about our near term future notwithstanding the uncertain economic outlook for many of our markets worldwide. Whilst it will be continually refined, this plan of attack is about leveraging the Group momentum to become better 'Connected to Tomorrow' and with everything going on in the world right now we must continue to embrace this change even faster in order to 'create separation' from our competitors as we build the future of the Enero.

Thank you.

Authorised for release by the Board of Directors.

About Enero:

Enero Group is a boutique network of marketing and communications businesses listed on the ASX that includes creative agency BMF, PR agencies Hotwire, Frank and CPR, strategic data consultancies The Leading Edge and The Digital Edge, digital agency Orchard and programmatic marketing specialist OBMedia.

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