

18 April 2018

ASX ANNOUNCEMENT

Company's Influencer Marketing platform "IconicReach" experiences rapid growth in its first quarter

Highlights

- The Company's "IconicReach" influencer marketing platform has experienced rapid growth in its first quarter of operation since its launch in January 2018
- The Company has increased its original projected revenue from \$1.2m to \$3m for the 2018 financial year
- The IconicReach business is expected to be profitable and cash flow positive in its first full year of operation

engage:BDR ("engage:BDR or Company") (ASX:EN1 and EN10) is pleased to provide an update on the progress of its rapidly growing "IconicReach" Instagram based, influencer marketing business.

The Company also wants to provide an overview of the IconicReach business and the growth of the influencer marketing industry in general.

IconicReach was launched by the Company at the Sundance Film Festival in early 2018. Since its launch, the Company has seen considerable interest in the platform from a wide variety of important influencers. As at 15 April the Company has registered 800+ influencers on the IconicReach platform and has many more waiting to be processed and added to the platform. New influencer registrations are currently running at approximately 100 per month and this expected to continue.

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In addition, the Company has added 66 advertising customers on the IconicReach platform from industries including health and beauty, clothing, electronics accessories, cryptocurrency, online lottery and medical marijuana companies. The Company also expects this growth of new customers to continue for the foreseeable future.

Iconic Reach Revenue

The original 2018 calendar year forecast for IconicReach was revenues of \$1.2 million. Within the first three months of 2018, the IconicReach team has been able to achieve the original total annual budget. IconicReach has since increased its revenue projection to \$3 million for the 2018 calendar year and it is likely that the \$3 million revised forecast will be exceeded. Margins being achieved in the IconicReach business are nearly 140% of that being achieved in its core, programmatic advertising business

engage:BDR Chief Executive Officer, Ted Dhanik said "The \$3 million revised forecast should be exceeded for the year as we have seen unprecedented demand from companies keen to engage with their target markets through the influencers we have signed".

"IconicReach has a range of features that make it a unique product in the market. It is one of the world's first self-serve Instagram marketing platforms. The IconicReach platform lets brands browse and discover influencers, create campaigns, and reach customers through limited time advertisements posted by those influencers", he added.

"IconicReach provides unique capabilities for Instagram influencer marketing through such activities as discovering influencers for a specific marketing campaign, providing engagement data to better vet influencers, measuring advertisers' return on investment (ROI), providing comprehensive reporting and data analytics systems and allowing brands to launch campaigns across hundreds of pages with one click".

ABOUT ICONICREACH

IconicReach is a unique influencer marketing platform, offering an efficient system of partnering brands and businesses with custom-tailored, high-engagement, Instagram influencers. Influencers sign up and create personalized profiles, which are linked to their Instagram accounts. Brands and businesses join the platform and upload campaigns that they want to run. The brands can then custom search a pool of influencers to find and request suitable influencers with which they want to collaborate. "IconicReach Select" is an advertiser and media concierge team that connects high profile influencers and artists direct.

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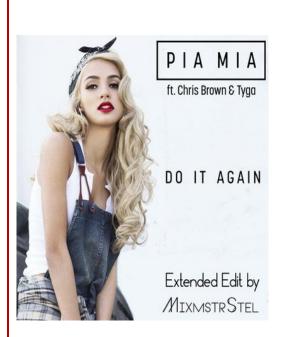
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An example of how the IconicReach Influencer Marketing platform works is set out below:

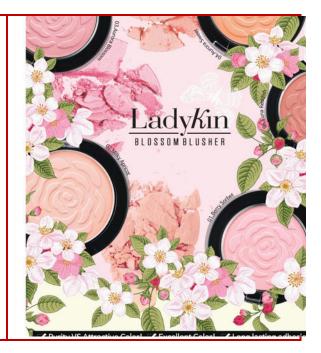
PIA MIA – is an IconicReach Influencer

Pia Mia is a successful recording artist, songwriter, entrepreneur and fashionista. Pia Mia fostered an early love of music, posting musical covers to YouTube. Today, the multi-platinum artist has her own record label, and is the first ever fashion director for Madonna's clothing line Material Girl. She's worked with industry elite Babyface, Chance the Rapper, G-Eazy and created multi-platinum single Do It Again with Chris Brown & Tyga. Most recently, Pia Mia released her new EP, The Gift 2, produced by Nic Nac (Justin Bieber, DJ Khaled and others). Pia Mia has racked up over 400 million music streams worldwide.



LadyKin - An IconicReach brand

Since 2014, U Cell has developed the brand 'ladykin', and expanded sales to domestic online markets such as GS shop, Gmarket, and CJ online and overseas markets. U Cell began to export 'ladykin' to South Eastern Asia, China and Japan from 2014, and to the US and European markets from 2016. U Cell currently exports to 15 countries including the US, Spain, Russia, Thailand, China. U Cell has promoted its main product 'snail cream' with one of the most popular beauty box company, IPSY and plan to promote more aggressively in the US in 2018."



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How it works

LadyKin wishes to reach females aged between 20-30 years. One option is to advertise in a publication such as "Vanity Fair", a magazine targeted at this same demographic. Vanity Fair has an average readership of approx.1.2 million per issue.

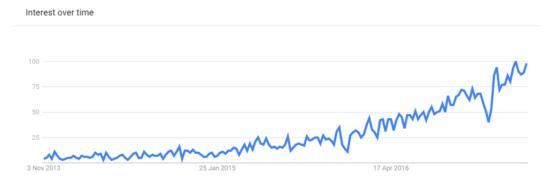
Another option is to target the same age demographic using IconicReach influencer, Pia Mia. Pia Mia has 4.9 million followers on Instagram. An influencer marketing campaign also usually involves using more than one influencer. Several Instagram influencers could be aggregated and used for this campaign. For example, India Love (3.5 million followers), Farina Aguinaldo (13,000 followers), Reena Tollentino (53,000 followers), Katie Reese (9,000 followers) and Kirsten Collins (193,000 followers), All are signed on to the IconicReach platform and might be available for a LadyKin Clothing campaign. It is likely that the campaign would then reach up to 10 times the number of females between the ages 20-30, than an advertisement in "Vanity Fair" would.

Also the target audience is more likely to be engaged by the influencer campaign than a print advertisement as they feel they have a personal connection to the influencer. The influencer campaign is also likely to be substantially cheaper. It is no surprise that advertisers are increasingly moving towards influencer marketing.

The Growth of Influencer Marketing

Influencer marketing is one of the new means by which brands are growing their audience and improving sales. Information on the current influencer marketing market showing this growth is set out below:

Interest in Influencer Marketing based from 2004 to 2017 on web search analysis (Source: Google Trends)



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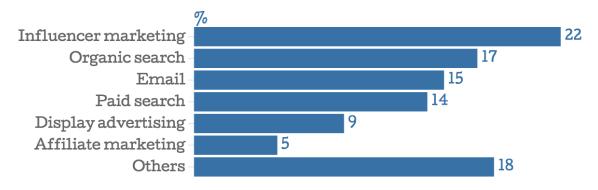
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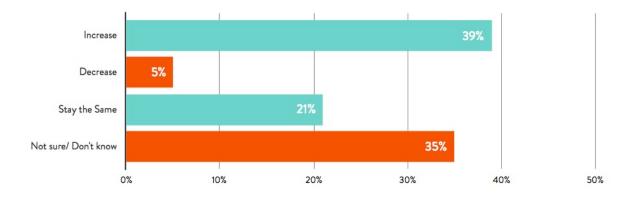
Estimated Instagram influencer market size growth from 2017 to 2019



Fastest growing online acquisition method (Source: Tomoson)



How is your influencer marketing budget going to change in 2018? (Source: Linqia)



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engage:BDR expects IconicReach to continue to experience strong growth over the next 1-3 years. Advertisers are continuing to move away from traditional print and television advertising to digital advertising and influencer marketing.

This trend is driven by advertisers wishing to better utilise their advertising dollars by direct targeting of consumer demographics through direct engagement with online influencers. engage:BDR believes it can be at the forefront of this industry sector by being one of the only self-serve Instagram marketing platforms.

IconicReach was launched this year at the Sundance Film Festival in the USA. A number of celebrities attended the opening including Hilary Swank, Armie Hammer, Idris Elba, Common, Usher, Jack Black, Maggie Gyllenhaal, Jay Ellis, Simon Helberg, Pia Mia all of whom are typical of the a type of influencers that are being targeted by IconicReach



Sone of the actors at the IconicReach launch. Top left: Idris Elba and Jason Isaacs. Top Right: Jack Black. Bottom Right: Hillary Swank, Bottom Left: Simon Helberg

Ted Dhanik Co-Founder and Executive Chairman

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