



28 February 2018

ASX ANNOUNCEMENT

engage:BDR Limited Preliminary Final Report 2017

engage:BDR Limited (“engage:BDR” or “Company”) (ASX: EN1 And EN10) is a leading USA based provider of programmatic advertising and influencer marketing services. The Company has today released its Appendix 4E Preliminary Financial Report for the 12 months ended 31 December 2017 (“Financial Year 2017”)

Highlights of the 2017 Financial Year

- Revenues for the year were \$13,135,970
- The operating loss from continuing operations, after deducting share based payments made to employees of engage:BDR LLC prior to the Initial Public Offer and completion of the acquisition by the Company, and depreciation and amortisation, was \$4,469,797
- Non-cash and non recurring expenses incurred in the period included \$3,437,070 for shares granted to employees of engage:BDR LLC prior to the acquisition by the Company and depreciation and amortisation of \$2,485,353
- Cash and cash equivalents as at 31 December 2017 were \$7,262,087
- The Company, having now received the IPO funds, has commenced the 2018 financial year extremely strongly with its core programmatic advertising revenues in January 2018 being 280% of its January 2017 programmatic revenues and its February 2018 programmatic revenues being almost 310% of its February 2017 programmatic revenues
- The Company’s influencer marketing business has also already almost achieved its fully year anticipated revenue in just the first two months of 2018

engage:BDR Limited Executive Chairman Ted Dhanik commented; “Last year saw a significant investment in transitioning the business from a traditional Non-Programmatic advertising business to a Programmatic based advertising business and the launch of the Company’s proprietary influencer marketing business “Iconic Reach”.

engage:BDR Limited (ASX:EN1 and ENO)
ACN 621 160 585

U.S.A Office
engage:BDR
9000 Sunset Blvd. Fifth Floor
West Hollywood, CA 90069
USA
t: +1 310 954 0751
e: info@engagebdr.com

Australian Office
Scottish House
Level 4, 90 William Street
Melbourne Victoria 3000
AUSTRALIA
+61 412 111 821
info@engagebdr.com.au



“While full year revenues were down on the previous year, this was largely due to issues experienced by the Company in Q4 FY2017 to do with the Company’s IPO. While the IPO closed significantly oversubscribed on 29 September 2017, (The Company having already increased the amount of the capital raising from an initial \$6m to \$10m due to investor demand), the Company, due to circumstances beyond its control, did not list and receive the IPO proceeds until 19 December 2017, approximately 10 weeks after the capital raising closed causing it significant operational issues in its traditionally most important (pre Christmas) Q4 trading period”.

“The Company, having now received the IPO funds, has commenced the 2018 financial year extremely strongly with programmatic revenues alone in January 2018 being 280% of its January 2017 programmatic revenues and its February 2018 programmatic revenues being almost 310% of its February 2017 programmatic revenues. In addition the Company’s influencer marketing business has already almost achieved its fully year anticipated revenue in just the first two months of 2018”.

The Company has also increased the number and rate of its programmatic partner integrations from 42 in July 2017 to 82 in January 2018, which is expected to deliver significantly greater revenues in its core programmatic advertising business in 2018 compared with the 2017 financial year

The Company’s 2017 financial year result was also significantly impacted by a large share based payment expense resulting from an issue by the founders of shares to management, employees and consultants of engage:BDR LLC prior to the acquisition of engage:BDR LLC by the Company (\$3,437,070) and depreciation and amortisation (\$2,485,353). In comparing the Company’s 2017 and 2016 financial year results the Company has highlighted its underlying operating performance after excluding these one off and non cash items.

The Company is currently also well advanced on a number of strategic acquisitions both in the USA and Asia and should be in a position to make announcements about these acquisitions to the market shortly

The Company is extremely positive about the year ahead and hopes to be in a position to issue a full year revenue and earnings guidance shortly.

Ted Dhanik
Co-Founder and Executive Chairman

**For further information please contact:
engage:BDR Limited (ASX:EN1)**

Ted Dhanik
Co-Founder and Executive Chairman
engage:BDR Limited

**engage:BDR Limited (ASX:EN1 and ENO)
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engage:BDR
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+61 412 111 821
info@engagebdr.com.au



t: +1 310 954 0751
e: info@engagebdr.com

or

Cary Stynes
General Counsel
engage:BDR Limited
m: + 61 412 111 821
e: info@engagebdr.com

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About engage:BDR Limited

engage:BDR Limited (**ASX:EN1 and EN10**) is an established USA based digital advertising company creating efficient, effective advertising solutions through its programmatic proprietary technologies.

The Company's two divisions consist of its core business, a growing cross-device programmatic display and video advertising business and IconicReach, one of the first influencer advertising platforms to connect brands with digital influencers.

engage:BDR was founded by former executives from MySpace in 2009 and today it is used by the world's top advertisers and comScore top 1000 publishers. Through in-house innovation and industry-wide contributions and collaboration, engage:BDR utilises some of the very best advertising technologies.

To learn more please visit: www.engagebdr.com

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**ENGAGE BDR LIMITED (ABN 621 160 585)
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

Appendix 4E – Preliminary final report

Details of the reporting period and the previous corresponding period.

Reporting period	Financial year ended	31 December 2017
Previous corresponding period	Financial year ended	31 December 2016

The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities (Appendix 4E item 2.1)

Revenue from ordinary activities	\$	13,135,970
Previous corresponding period	\$	21,845,216
Percentage change up or down from the previous corresponding period of revenue from ordinary activities	%	(40%)

The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members (Appendix 4E item 2.2)

Loss from ordinary activities after tax	\$	(10,393,264)
Previous corresponding period	\$	(3,671,809)
Percentage change up or down from the previous corresponding period of loss from ordinary activities after tax attributable to members	%	(183%)

The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members (Appendix 4E item 2.3)

Loss attributable to members	\$	(9,664,062)
Previous corresponding period	\$	(3,860,499)
Percentage change up or down from the previous corresponding period of net loss for the period attributable to members	%	(150%)

The amount per security and franked amount per security of final and interim dividends or a statement that is not proposed to pay dividends (Appendix 4E items 2.4 and 2.5)

No dividends proposed relating to the reporting period

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Net tangible assets per security with the comparative figure for the previous corresponding period

Report period	cents	(0.01)
Previous corresponding period	cents	(0.13)

Explanation of income (Appendix 4E item 2.6)

Revenue by principal activity

Engage BDR Limited derives revenue from two principal activities:

1. Programmatic sales – comprised of proprietary technologies which allow for dynamic purchase and sale of digital advertising space while able to execute in real-time and automate traditionally labor intensive tasks.
2. Non-programmatic sales – comprised of advertising services utilizing non-programmatic methods of buying and selling digital advertising space through a more traditional approach of insertion orders.

The strategic importance, growth potential, and growth trajectory of the Group’s two principal revenue activities carries, with the contribution of Programmatic sales continuing to grow both in real terms and as a percentage of total revenue.

Principal Activity	Profile	FY17 Revenue	FY16 Revenue	YOY Growth Rate
Programmatic Sales	Dynamic, automated technologies, highly strategic, and key growth driver	8,793,033	5,948,804	52%
Non-Programmatic Sales	Complimentary to Programmatic sales, stand-alone	4,342,937	15,896,412	(73%)

Explanation of profit/(loss) from ordinary activities and net profit/(loss) after tax attributable to members (Appendix 4E item 2.6)

The current reporting period loss after tax of (\$10,393,264) is an increase to the loss of (\$6,721,455) from the previous corresponding period.

Audited results

This report is based on the following financial statements that are subject to an ongoing independent audit as of the date of this report.

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