

engage:BDR Limited

ACN 621 160 585

Second Supplementary Prospectus

This Second Supplementary Prospectus is intended to be read in conjunction with the Supplementary Prospectus dated 21 September 2017 and the Replacement Prospectus dated 15 September 2017 relating to the Initial Public Offering of Shares and Options in engage:BDR Limited (ACN 621 160 585)

This is an important document. Please consult your professional adviser(s) if you have any questions. An investment in the Shares and Options offered by this Supplementary Prospectus should be regarded as speculative

1. IMPORTANT INFORMATION

This is a Second Supplementary Prospectus issued by engage:BDR Limited (ACN 621 160 585) (“**engage:BDR**” or “**Company**”) dated 4 December 2017 (“**Second Supplementary Prospectus**”). This Second Supplementary Prospectus is supplemental to the Supplementary Prospectus (“**Supplementary Prospectus**”) dated 21 September 2017, the Replacement Prospectus (“**Replacement Prospectus**”) dated 15 September 2017 and the Prospectus dated 8 September 2017 (“**Prospectus**”).

The Second Supplementary Prospectus was lodged with the Australian Securities and Investment Commission (**ASIC**) on 4 December 2017. Neither ASIC or ASX take any responsibility for the contents of this Second Supplementary Prospectus.

The Second Supplementary Prospectus must be read in conjunction with the Supplementary Prospectus dated 21 September 2017 and the Replacement Prospectus dated 15 September 2017. If there is a conflict between the Second Supplementary Prospectus and the Supplementary Prospectus or the Replacement Prospectus, this Second Supplementary Prospectus will prevail to the extent of any inconsistency. Capitalised items in this Second Supplementary Prospectus will have the same meaning as those defined in the Supplementary Prospectus and the Replacement Prospectus.

The Company will make available a copy of the Second Supplementary Prospectus to all Applicants who have applied for Shares and Options pursuant to the Supplementary Prospectus and Replacement Prospectus prior to the date of this Second Supplementary Prospectus.

The Second Supplementary Prospectus will be issued with the Supplementary Prospectus and Replacement Prospectus as an electronic document and may be downloaded from the Company’s website at www.engagebdrshareoffer.com.au.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not understand its contents.

2. PURPOSE OF THIS DOCUMENT

The purpose of this Second Supplementary Prospectus is to:

- 2.1 advise Shareholders of the Company’s updated financial information as a consequence of the expiration of the Tiveo LLC “Put Option” on 15 September 2017:

This Second Supplementary Prospectus is intended to be read in conjunction with the Supplementary Prospectus dated 21 September 2017 and the Replacement Prospectus dated 15 September 2017 relating to the issue of Shares and Options in engage:BDR Limited (ACN 621 160 585)

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- 2.2 advise Shareholders of the Company's updated financial information as a consequence of the increase in the amount of the capital raised by the Company under the Supplementary Prospectus from \$6,000,000 to \$10,000,000
- 2.3 provide a replacement Section 7, Financial Information for the Section 7, Financial Information contained in the Replacement Prospectus dated 15 September 2017.
- 2.4 Provide a replacement Section 8, Independent Limited Assurance Report for the Section 8, Independent Limited Assurance Report contained in the Replacement Prospectus dated 15 September 2017.
- 2.5 Replace the wording in Section 2.6 of the Replacement Prospectus with the words:

"The Directors are satisfied that upon completion of the Offer, the Company will have sufficient funds to carry out its stated objectives and sufficient working capital".
- 2.6 Include the Company's Interim Financial Reviewed Statements for the half-year ended 30 June 2017 to the information contained in the Replacement Prospectus dated 15 September 2017.
- 2.7 Include an Outlook for Revenue and Administrative Costs for the 2018 Financial Year to determine the adequacy of working capital in accordance with ASX Listing Rule 1.3.3 (b).

3. AMENDMENT TO THE SUPPLEMENTARY PROSPECTUS AND REPLACEMENT PROSPECTUS

3.1 Expiration of the Tiveo LLC "Put Option"

Section 7.2.3 of the Replacement Prospectus stated:

"...the majority members of Tiveo were granted an ASX Listing put right ("put right") which could be exercised if engage:BDR LLC shares had not been listed for trading on the ASX within a specified listing deadline. Upon exercising the put right, the majority members would return the engage:BDR shares and require engage:BDR LLC to deliver to the majority members the Tiveo LLC

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units acquired and ensure that Tiveo LLC has a minimum amount of cash equal to \$4,165,800 (USD \$3,000,000) plus interest. engage:BDR would then lose control over Tiveo LLC from the date the put right was exercisable and therefore Tiveo LLC would be de-consolidated from this date. The put right of the Tiveo LLC majority members is due to expire on 15 September and they will then have no further rights to exercise their put right. As at the date of the Prospectus engage:BDR LLC had not received notification that Tiveo LLC majority members intended to exercise their put right. This put right resulted in the fair value of engage:BDR LLC shares issued as consideration being recorded as a liability at 31 December 2016 (as opposed to equity) ...”

This has been replaced in the Revised Financial Information Section 7, included in Appendix A, with the following:

“The Tiveo LLC majority members did not exercise the put right prior to its expiration on 15 September 2017 and accordingly the potential obligation to the Tiveo LLC majority members has ceased. As a result, the liability recognised at 30 June 2017 is reclassified to equity in the Pro Forma Historical Financial Information. Refer to Section 7.2.3 of the Revised Financial Information of engage:BDR LLC for further information.”

3.2 Effect of the increased amount of capital raised under the Supplementary Prospectus

The Company issued a Replacement Prospectus to raise a minimum of \$4,000,000 and a maximum of \$6,000,000 on 15 September 2017. The Company subsequently issued a Supplementary Prospectus on 21 September 2017 to increase the maximum amount that could be raised under the Supplementary Prospectus from \$6,000,000 to \$8,000,000 with the ability to accept up to a further \$2,000,000 in oversubscriptions (i.e. up to a maximum of \$10,000,000).

The Company closed its capital raising on 29 September 2017 which was oversubscribed and has determined to retain \$10,000,000 of the amount raised under the Supplementary Prospectus and Replacement Prospectus. As a result the references in Section 7.2.4 of the Replacement Prospectus to the Company having pro forma historical net current liabilities of \$4,644,817 if \$4,000,000 was raised and \$2,766,817 if \$6,000,000 was raised as at 31 December 2016 has been removed. In the Second Supplementary Prospectus, Section 7.4 states that the Company will have pro forma historical net current assets of \$1,783,823 based on a \$10,000,000 raising as at 30 June 2017.

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Accordingly, Section 7.2.4 has been replaced in the Revised Financial Information Section 7, included in Appendix A, with the following:

“The Revised Financial Information has been prepared on a going concern basis, which assumes continuity of the Company’s and engage:BDR LLC’s normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Historical Statement of Financial Position has been prepared on a going concern basis which takes into account the net current liabilities of \$14,818,903 (pre-offer), net liabilities of \$9,370,251 (pre-offer) and a cash position of \$84,151 as at 30 June 2017. Engage:BDR LLC has received a letter of support from Engage:BDR Limited stating that Engage:BDR Limited will provide financial support to Engage:BDR LLC for a period of at least 12 months to allow the Company to meet its debts and obligations as they fall due.

As detailed in section 7.1 the Company entered into a Share Purchase Agreement with Engage:BDR Limited, whereby Engage:BDR, LLC will procure its shareholders to sell their shares in Engage:BDR, LLC to Engage:BDR Limited and as a result Engage:BDR Limited will become the direct and ultimate parent of Engage:BDR, LLC.

In assessing Engage:BDR Limited’s ability to support the group, the directors have considered facts including:

- Engage:BDR Limited issued a Replacement Prospectus on 15 September 2017 to offer up to \$10,000,000 via admission (listing) on the Australian Securities Exchange (ASX)*
- The Offer was closed and oversubscribed with Engage:BDR Limited’s agent, Computershare, holding subscriptions of \$12,320,240 at the date of the Second Supplementary Prospectus .*
- Engage:BDR Limited is expected to close the offer at \$10,000,000 and on successful admission to the ASX will transfer \$10,000,000 (less associated transaction costs) to Engage:BDR LLC as consideration for purchase of 100% of the share capital of Engage:BDR, LLC.*

Although contingent on admission to the ASX, the funds raised will significantly improve the net current asset position by \$9,124,000 net of transaction costs which will allow the Company to meet its debts and obligations as they fall due within the next 12 months. Further to this, the Company’s net current asset

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position as at 30 June 2017 is further improved by certain events after the reporting period which include:

- a) the expiry on 15 September 2017 of the put right option liability of \$7,067,440 held by the Majority Members of Tiveo LLC, resulting in the reclassification of this current liability to equity, and a corresponding improvement in the net current asset position of \$7,067,440. This contractual arrangement is non-revocable (refer section 7.2.3); and*
- b) conversion of a convertible note for \$553,131 into equity which will arise on completion of the ASX listing (refer section 7.4).*

These combined would result in an improvement in the net current asset position of \$16,744,571, from \$(14,818,903) to \$1,925,668 as disclosed in the Revised Pro Forma Historical Statement of Financial Position.

The directors of the Company consider the going concern basis to be appropriate giving consideration to:

- (a) The expected completion of the capital raising of Engage:BDR Limited of \$10,000,000 and successful listing on the ASX in the near future;*
- (b) Forecast operating cash flows anticipated to be generated, including the ability to exercise control over discretionary operational outflows;*
- (c) Engage:BDR, LLC's ability to further draw up to \$11,333,960 under its existing convertible note facilities subject to lender approval (refer to section 7.4);*
- (d) Ability to sell down Engage:BDR LLC's available for sale investment in LottoGopher Holdings Inc. (as detailed in section 7.4) as required; and*
- (e) Realisation of related party loan receivables as outlined in section 7.4 by 30 June 2018.*

In the event Engage:BDR Limited does not list and is required to return the subscriptions monies received, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical Statement of Financial Position.

The Historical and Revised Pro Forma Historical Statements of Financial Position do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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The Historical and Pro Forma Historical Statements of Financial Position do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should engage:BDR LLC and the Company not continue as a going concern.”

3.3 Replacement Section 7, Financial Information (for Section 7, Financial Information contained in the Replacement Prospectus dated 15 September 2017).

Refer to Appendix A for the Replacement Section 7, Financial Information.

3.4 Replacement Section 8, Independent Limited Assurance Report (for Section 8, Independent Limited Assurance Report contained in the Replacement Prospectus dated 15 September 2017).

Refer to Appendix B for the Replacement Section 8, Independent Limited Assurance Report.

3.5 Replace the wording in Section 2.6 Working Capital Adequacy of the Replacement Prospectus

The Company wishes to replace the words in Section 2.6 Working Capital Adequacy in the Replacement Prospectus with the following words:

“The Directors are satisfied that upon completion of the Offer, the Company is able to demonstrate its satisfaction of the requirement in ASX Listing Rule 1.3.3(b), that the company will have at least \$1,500,000 in available working capital as at 31 December 2018, being the end of the first full financial year after date of listing.

3.6 Inclusion of the Interim Reviewed Financial Statements for the half-year ended 30 June 2017 in the Replacement Prospectus dated 15 September 2017.

Refer to Appendix C for the Company’s Interim Reviewed Financial Statements for the half-year ended 30 June 2017.

**This Second Supplementary Prospectus is intended to be read in conjunction with the Supplementary Prospectus dated 21 September 2017 and the Replacement Prospectus dated 15 September 2017 relating to the issue of Shares and Options in
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3.7 Inclusion of an Outlook for Revenue and Administrative Costs for the 2018 Financial Year to determine the adequacy of working capital

The Company provides the following additional information solely for the purpose of demonstrating its satisfaction of the requirement in ASX Listing Rule 1.3.3(b) that the Company be able to demonstrate that it will have at least \$1,500,000 in available working capital as at 31 December 2018, being the end of the first full financial year after the date of listing.

The Company has budgeted revenue for the year to 31 December 2018 of between \$20.2m and \$20.8m. For the same period the Company has budgeted administration costs of between \$7.0m and \$7.3m.

As the following table demonstrates, the Company is within these ranges as at 31 December 2018 and satisfies Listing rule 1.3.3 (b).

		FY 18 Outlook	
		Low	High
Compliance with Listing Rule 1.3.3(b)	Ref	\$m	\$m
Proforma historical Net current assets 30 June 2017	(A)	1.8	1.8
Revenue outlook FY18	(B)	20.2	20.8
Admin outlook FY18	(C)	(7.0)	(7.3)
(A) plus (B) less (C)		15.0	15.3

4. APPLICATIONS

The Directors believe that the changes in this Second Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly there will be no withdrawal rights offered to investors who have made an application for Shares and Options prior to the date of this Second Supplementary Prospectus and no action needs to be taken if you have already applied for Shares and Options under the Supplementary Prospectus or Replacement Prospectus.

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5. SUMMARY OF IMPORTANT DATES

There will be no change to the Important Dates set out in the Supplementary Prospectus or Replacement Prospectus other than the proposed ASX listing date.

The dates set out in the Important Dates section of the Replacement Prospectus and Replacement Prospectus were indicative only. The Company (in consultation with the Lead Manager) reserved the right to close the Offer early without prior notice, or vary, subject to the Corporations Act, any of the dates set out in the Supplementary Prospectus or Replacement Prospectus.

6. COMPANY WILL APPLY FOR QUOTATION OF ALL SHARES AND OPTIONS

The Company will apply for quotation of all Shares and Options offered under this Second Supplementary Prospectus, the Supplementary Prospectus and the Replacement Prospectus within 7 days of the date of this Second Supplementary Prospectus.

7. DIRECTORS AUTHORISATION

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgment of this Second Supplementary Prospectus with ASIC.

Ted Dhanik
Executive Chairman
For and on behalf of **engage:BDR Limited**

Date 4 December 2017

This Second Supplementary Prospectus is intended to be read in conjunction with the Supplementary Prospectus dated 21 September 2017 and the Replacement Prospectus dated 15 September 2017 relating to the issue of Shares and Options in engage:BDR Limited (ACN 621 160 585)

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REVISED FINANCIAL INFORMATION



REVISED FINANCIAL INFORMATION

7.1 INTRODUCTION

The Company was incorporated on 17 August 2017 and entered into a Share Sale and Purchase Agreement with engage:BDR LLC and will therefore become the holding company of engage:BDR LLC. The Company has agreed (subject to the conditions precedent below) to acquire all of the issued shares of engage:BDR LLC from the current engage:BDR LLC shareholders via the issue of 199,699,858 shares at a deemed price of \$0.20. Terms are further detailed in Section 9.1.1 of the Replacement Prospectus. Material conditions for the completion of this sale are:

- engage:BDR LLC procuring the sale and transfer of all of its shares held by its existing shareholders to the Company.
- The Company receiving approval from the ASX for admission to the ASX.
- The Company obtaining all necessary approvals from ASX, ASIC, and other necessary regulatory authorities.
- The Company raising the minimum subscription amount under the Offer.

The acquisition of engage:BDR LLC by the Company is not considered to be a business combination and does not result in any change of economic substance. Accordingly, following the acquisition, the consolidated financial information of the Company will represent a continuation of the business and operations of engage:BDR LLC and the revised pro forma historical financial information presents the financial position of the Company as if the acquisition had occurred as at 30 June 2017.

The revised financial information contained in this section has been prepared by the Company in connection with the Offer. This Second Supplementary Prospectus is supplemental to the Supplementary Prospectus (**Supplementary Prospectus**) dated 21 September 2017, the Replacement Prospectus (**Replacement Prospectus**) dated 15 September 2017 and the Prospectus dated 8 September 2017 (**Prospectus**).

As the Company was recently established, it has no historical financial information of its own which would be relevant to investors. Therefore, the historical financial information described below presents the financial performance, cash flows and financial position of engage:BDR LLC.

The revised financial information in this Section 7 comprises the:

- Revised Historical financial information for engage:BDR LLC, being the:
 - Historical income statements of engage:BDR LLC for the years ended 31 December 2014 and 2015, the historical consolidated income statement of engage:BDR LLC for the year ended 31 December 2016, and the historical consolidated income statement of engage:BDR LLC for the six months ended 30 June 2017 (the “Historical Income Statements”);
 - Historical cash flows of engage:BDR LLC for the years ended 31 December 2014 and 2015, the historical consolidated cash flows for engage:BDR LLC for the year ended 31 December 2016, and the historical consolidated cash flows for engage:BDR LLC for the six months ended 30 June 2017 (the “Historical Cash Flows”); and
 - Historical consolidated statement of financial position of engage:BDR LLC as at 30 June 2017 (the “Historical Statement of Financial Position”).

(together, the “**Revised Historical Financial Information**”).

- Revised pro forma historical financial information of the Company, being the:
 - revised pro forma historical consolidated statement of financial position of the Company as at 30 June 2017 based on a capital raising of \$10,000,000.

(the “**Revised Pro Forma Historical Financial Information**” or the “**Revised Pro Forma Historical Statement of Financial Position**”).

The Revised Historical Financial Information and the Revised Pro Forma Historical Financial Information together form the **Revised Financial Information**.

The Company has a 31 December financial year end. As such, any references in this section to fiscal year, or “FY”, coincide and refer to a calendar year.

The Revised Financial Information, as defined above, has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and or Prospective Financial Information as stated in its Independent Limited Assurance Report contained in Section 8 of this Second Supplementary Prospectus. Investors should note the scope and limitations of this report.

The information in this Section 7 should also be read in conjunction with the risk factors set out in Section 6 of the Replacement Prospectus, the summary of significant accounting policies in Section 7.7 and other information contained in this Second Supplementary Prospectus.

All amounts disclosed in this Section 7 are presented in Australian dollars. For further information on the functional and presentation currency of the Company refer to Section 7.7.3.

7.2 BASIS OF PREPARATION AND PRESENTATION OF REVISED FINANCIAL INFORMATION

7.2.1 OVERVIEW

The directors of the Company are responsible for the preparation and presentation of the Revised Financial Information.

The Revised Financial Information included in this Second Supplementary Prospectus is intended to present potential investors with information to assist them with understanding the historical financial performance, cash flows and financial position of engage:BDR LLC and the pro forma historical financial position of the Company.

The Revised Historical Financial Information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and interpretations as issued by the International Accounting Standards Board (IASB).

REVISED FINANCIAL INFORMATION

The Revised Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of IFRS and interpretations as issued by the IASB, other than it includes certain adjustments which have been prepared in a manner consistent with IFRS, that reflect the impact of certain transactions as if they had occurred as at 30 June 2017.

Section 7.7 provides a summary of the significant accounting policies relevant to the Financial Information, including the Company's critical accounting estimates and judgements.

The Revised Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports.

7.2.2 PREPARATION OF REVISED FINANCIAL INFORMATION

As outlined in Section 7.1, the Company was incorporated on 17 August 2017 and entered into a Share Sale and Purchase Agreement with engage:BDR LLC. As the Company was recently established, it has no historical financial information of its own which would be relevant to investors. Consequently, the Revised Historical Financial Information presented in this Second Supplementary Prospectus relates to engage:BDR LLC.

The Revised Historical Financial Information of engage:BDR LLC for each of the annual periods referred to earlier have been derived from its general purpose financial reports for the years ended 31 December 2015 (which includes comparative financial information for 31 December 2014) and 31 December 2016. These financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified audit opinion on the 2015 financial statements, which included an emphasis of matter on going concern, and an unmodified audit opinion on the 2016 financial statements, which included a material uncertainty on the ability of engage:BDR LLC to continue as a going concern. The Revised Historical Financial Information of engage:BDR as at and for the six months ended 30 June 2017 has been derived from its interim financial statements which was reviewed by Ernst & Young.

Ernst & Young issued an unmodified limited assurance conclusion on these financial statements which included a material uncertainty on the ability of engage:BDR to continue as a going concern. Further information in relation to going concern is provided in section 7.2.4 below. engage:BDR LLCs financial statements for FY2015 and FY2016 and its interim financial statements for the six months ended 30 June 2017 are available at www.engagebdrshareoffer.com.au.

The Revised Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Second Supplementary Prospectus. The Revised Pro Forma Historical Financial Information of the Company has been derived from the historical consolidated statement of financial position of engage:BDR LLC as at 30 June 2017, adjusted for the effects of the pro forma transactions described below.

Pro Forma adjustments have been made to the historical consolidated statement of financial position of engage:BDR LLC as at 30 June 2017 to reflect the Company's financial position following completion of the Offer, being the proceeds, net of costs associated with the Offer, on the basis of a capital raising of \$10,000,000 as if it had occurred as at 30 June 2017.

Due to its nature, the Revised Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Investors should note that past results are not a guarantee of future performance.

7.2.3 TIVEO LLC ACQUISITION

On 16 August 2016, engage:BDR LLC acquired 100% of the shares of Tiveo LLC, (Tiveo), a private company incorporated on 29 December 2014 and based in the United States of America, by issuing 8,550,000 of engage:BDR LLC common shares. Tiveo operates a talent discovery platform, which focuses on collaborations and connections between artists, music lovers, music industry professionals, artists and repertoire (A&R), talent scouts and brands. Tiveo's platform enables users to find, book and connect with local talent worldwide, and artists to engage with each other and their communities.

The acquisition of Tiveo was treated as a business combination under IFRS 3 Business Combinations. The results of Tiveo have been consolidated and reported in the 2016 results and the six months ended 30 June 2017 results of engage:BDR LLC from the date of acquisition.

Tiveo contributed revenue of \$1,345, and a loss before tax from continuing operations of \$394,959 to the engage:BDR LLC results for the period from acquisition date to 31 December 2016. If the business combination had taken place at the beginning of the 31 December 2016 year, Tiveo's contribution to revenue from continuing operations would have been \$48,436, and a loss before tax from continuing operations would have been \$769,512. The financial results of Tiveo from acquisition date have been included in the general purpose financial statements of engage:BDR LLC for the year ended 31 December 2016 and the interim financial statements for the six months ended 30 June 2017. Tiveo operated as part of the engage:BDR LLC business post acquisition and therefore, no stand-alone financial statements of Tiveo has been prepared for the year ended 31 December 2016 or the six months ended 30 June 2017. General purpose financial statements of Tiveo LLC for the year ended 31 December 2015 are available at www.engagebdrshareoffer.com.au.

As part of the contribution agreement, the majority members of Tiveo were granted an ASX Listing put right ("put right") which could be exercised if engage:BDR LLC shares had not been listed for trading on the ASX within a specified listing deadline. Upon exercising the put right, the majority members would return the engage:BDR LLC shares and require engage:BDR LLC to deliver to the majority members the Tiveo units acquired and ensure that Tiveo has a minimum amount of cash equal to \$4,165,800 (US\$3,000,000) plus interest. This put right resulted in the fair value of engage:BDR LLC shares issued as consideration being recorded as a liability at 30 June 2017 (as opposed to equity). The Tiveo LLC members did not exercise the put right prior to its expiration on 15 September 2017 and accordingly the potential obligation to Tiveo LLC members has ceased. As a result, the liability recognised at 30 June 2017 is reclassified to equity in the Revised Pro Forma Historical Financial Information. See section 7.4 for impact on the 30 June 2017 Revised Historical and Revised Pro Forma Historical Statement of Financial Position.

7.2.4 GOING CONCERN

The Revised Financial Information has been prepared on a going concern basis, which assumes continuity of the Company's and engage:BDR LLC's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Historical Statement of Financial Position has been prepared on a going concern basis which takes into account the net current liabilities of \$14,818,903 (pre-offer), net liabilities of \$9,370,251 (pre-offer) and a cash position of \$84,151 as at 30 June 2017. Engage:BDR LLC has received a letter of support from

REVISED FINANCIAL INFORMATION

Engage:BDR Limited stating that Engage:BDR Limited will provide financial support to Engage:BDR LLC for a period of at least 12 months to allow the Company to meet its debts and obligations as they fall due.

As detailed in section 7.1 the Company entered into a Share Purchase Agreement with Engage:BDR Limited, whereby Engage:BDR, LLC will procure its shareholders to sell their shares in Engage:BDR, LLC to Engage:BDR Limited and as a result Engage:BDR Limited will become the direct and ultimate parent of Engage:BDR, LLC.

In assessing Engage:BDR Limited's ability to support the group, the directors have considered facts including:

- Engage:BDR Limited issued a Replacement Prospectus on 15 September 2017 to offer up to \$10,000,000 via admission (listing) on the Australian Securities Exchange (ASX)
- The Offer was closed and oversubscribed with Engage:BDR Limited's agent, Computershare, holding subscriptions of \$12,320,240 at the date of the Second Supplementary Prospectus .
- Engage:BDR Limited is expected to close the offer at \$10,000,000 and on successful admission to the ASX will transfer \$10,000,000 (less associated transaction costs) to Engage:BDR LLC as consideration for purchase of 100% of the share capital of Engage:BDR, LLC.

Although contingent on admission to the ASX, the funds raised will significantly improve the net current asset position by \$9,124,000 net of transaction costs which will allow the Company to meet its debts and obligations as they fall due within the next 12 months. Further to this, the Company's net current asset position as at 30 June 2017 is further improved by certain events after the reporting period which include:

- a) the expiry on 15 September 2017 of the put right option liability of \$7,067,440 held by the Majority Members of Tiveo LLC, resulting in the reclassification of this current liability to equity, and a corresponding improvement in the net current asset position of \$7,067,440. This contractual arrangement is non-revocable (refer section 7.2.3); and
- b) conversion of a convertible note for \$553,131 into equity which will arise on completion of the ASX listing (refer section 7.4).

These combined would result in an improvement in the net current asset position of \$16,744,571, from \$(14,818,903) to \$1,925,668 as disclosed in the Revised Pro Forma Historical Statement of Financial Position.

The directors of the Company consider the going concern basis to be appropriate giving consideration to:

- (a) The expected completion of the capital raising of Engage:BDR Limited of \$10,000,000 and successful listing on the ASX in the near future;
- (b) Forecast operating cash flows anticipated to be generated, including the ability to exercise control over discretionary operational outflows;
- (c) Engage:BDR, LLC's ability to further draw up to \$11,333,960 under its existing convertible note facilities subject to lender approval (refer to section 7.4);
- (d) Ability to sell down Engage:BDR LLC's available for sale investment in LottoGopher Holdings Inc. (as detailed in section 7.4) as required; and
- (e) Realisation of related party loan receivables as outlined in section 7.4 by 30 June 2018.

In the event Engage:BDR Limited does not list and is required to return the subscriptions monies received, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Historical Statement of Financial Position.

The Historical and Revised Pro Forma Historical Statements of Financial Position do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

REVISED FINANCIAL INFORMATION

7.2.5 EXPLANATION OF CERTAIN NON-IFRS FINANCIAL MEASURES

The Company uses certain measures in this Second Supplementary Prospectus that are not recognised and measured in accordance with the requirements of IFRS. These measures are collectively referred to in this Section 7 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as “non-IFRS financial measures”. The Company believes that this non-IFRS financial information provides useful information to readers in measuring the financial performance of the Company. The principal non-IFRS financial measures that are referred to in this Second Supplementary Prospectus are as follows:

- Gross profit is revenue after deducting cost of sales.
- Gross Profit Margin which is gross profit expressed as a percentage of total revenue.
- EBITDA is earnings or loss before interest (net of finance income), taxation, depreciation and amortisation. EBITDA may represent positive or negative earnings. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest (net of finance income) and taxation. EBITDA can be useful to help understand the operating cash generation potential of the business. EBITDA is not to be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of the Company’s operations.
- EBIT is earnings or loss before interest (net of finance income) and taxation.

Although the directors believe that these measures provide useful information about the Company’s or engage:BDR LLC’s financial performance, they should be considered as supplements to the income statement measures that have been presented in accordance with IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on IFRS, they do not have standard definitions, and the way that the Company calculates these measures may differ from similarly titled measures used by other companies. Investors and readers of this Second Supplementary Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

7.2.6 SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers, who provide the strategic direction and management oversight of the Company in terms of monitoring results and approving strategic planning for the business.

Given that the internal reporting provided is not disaggregated in a way that identifies any unique reportable segments, the Company has effectively assessed its operations as comprising of only one operating and reportable segment.

REVISED FINANCIAL INFORMATION

7.3 HISTORICAL INCOME STATEMENTS

FOR THE PERIOD ENDED	NOTES	HISTORICAL			
		12 months ended 31 DEC 2014	12 months ended 31 DEC 2015	12 months ended 31 DEC 2016	6 months ended 30 JUN 2017
Revenue		28,537,625	36,919,027	21,845,216	7,546,485
Cost of sales		(17,131,022)	(25,974,830)	(12,981,251)	(4,706,853)
Gross profit		11,406,603	10,944,197	8,863,965	2,839,632
Employee and contractor costs		(6,884,519)	(7,953,974)	(5,953,094)	(2,463,673)
Operations and administration		(3,562,653)	(4,881,731)	(4,235,029)	(2,447,780)
Advertising and marketing		(425,430)	(589,045)	(317,526)	(139,047)
Total operating expenses		(10,872,602)	(13,424,750)	(10,505,649)	(5,050,500)
Other income		18,046	166,590	185,724	2,625,066
Other expenses		(5,031)	(177,049)	-	(4,729)
EBITDA - earnings/(loss)		547,016	(2,491,012)	(1,455,960)	409,469
Depreciation and amortization		(368,835)	(811,820)	(1,471,767)	(1,303,561)
EBIT - earnings/(loss)		178,181	(3,302,832)	(2,927,727)	(894,092)
Finance costs		(28,999)	(360,466)	(743,007)	(386,860)
Net profit/(loss) before tax		149,182	(3,663,298)	(3,670,734)	(1,280,952)
Income tax (expense)/benefit		33,594	(1,197)	(1,075)	(530)
Net profit/(loss) after tax		182,776	(3,664,495)	(3,671,809)	(1,281,482)

REVISED FINANCIAL INFORMATION

7.4 HISTORICAL AND REVISED PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017	NOTES	HISTORICAL 30 JUN 2017	IMPACT OF OTHER FINANCIAL LIABILITY AND CONVERTIBLE NOTES	IMPACT OF THE OFFER	REVISED PRO FORMA HISTORICAL 30 JUN 2017
CURRENT ASSETS					
Cash and cash receivables	1	84,151	-	9,124,000	9,208,151
Trade and other receivables		4,263,101	-	-	4,263,101
Prepaid expenses		308,830	-	-	308,830
Related party loan	2	2,866,912	-	-	2,866,912
Available for sale financial asset	5	1,002,550	-	-	1,002,550
Total current assets		8,525,544	-	9,124,000	17,649,544
NON-CURRENT ASSETS					
Property, plant and equipment		1,005,447	-	-	1,005,447
Intangible assets		4,588,271	-	-	4,588,271
Related party loan		-	-	-	-
Available for sale financial asset	5	1,503,824	-	-	1,503,824
Total non-current assets		7,097,542	-	-	7,097,542
Total assets		15,623,086	-	9,124,000	24,747,086
CURRENT LIABILITIES					
Trade and other payables		13,367,458	-	-	13,367,458
Employee benefit liabilities		86,946	-	-	86,946
Borrowings	4	2,822,603	(411,286)	-	2,411,317
Other financial liability	3	7,067,440	(7,067,440)	-	-
Total current liabilities		23,344,447	(7,478,726)	-	15,865,721
NON-CURRENT LIABILITIES					
Non-current borrowings	4	1,602,998	(141,845)	-	1,461,153
Non-current payables		45,892	-	-	45,892
Total non-current liabilities		1,648,890	(141,845)	-	1,507,045
Total liabilities		24,993,337	(7,620,571)	-	17,372,766
Net (liabilities)/assets		(9,370,251)	7,620,571	9,124,000	7,374,320
EQUITY					
Issued capital	1	1,178	7,620,571	8,795,446	16,417,195
Share based payment reserve	6	-	-	328,554	328,554
Foreign currency translation reserve		81,679	-	-	81,679
Available for sale reserve		(19,932)	-	-	(19,932)
Accumulated losses	4	(9,433,176)	-	-	(9,433,176)
Total equity		(9,370,251)	7,620,571	9,124,000	7,374,320
<i>Proforma Historical Net Current Assets</i>					1,783,823

REVISED FINANCIAL INFORMATION

1. Based on a capital raising of \$10,000,000, cash increases by \$9,124,000 due to Offer proceeds of \$10,000,000 which is offset by Offer costs of \$876,000. The increase in issued capital is further offset by a non-cash \$328,554 share based payment expense to the Lead Manager in relation to the Offer. See Note 5 below.
2. Represents loans to key management personnel, being Ted Dhanik, Kurtis Rintala, and Kenneth Kwan. Refer to the general purpose financial statements of engage:BDR LLC for the years ended 31 December 2015, 2016, and for the six months ended 30 June 2017 for further information.
3. Relates to the put right entered into as part of the Tiveo LLC acquisition. Other financial liability recognised at 31 December 2016 is reclassified to equity on lapsing of the put right. Refer to Section 7.2.3 for further information.
4. Relates to the fair value of the convertible note option. All of the convertible notes will be reclassified as equity following the successful completion of the Offer. As at 30 June 2017, the Company had drawn down \$501,560 of the convertible notes and had total undrawn amount of \$11,333,960 available, which is subject to lender approval.
5. As per the terms of the LottoGopher Holdings Inc, the securities held by engage:BDR LLC are held in escrow such that only 40% of the holding can be sold within 12 months of 30 June 2017, with the remaining 60% only able to be sold 12 months after 30 June 2017.
6. As outlined in Section 9.1.2 of the Replacement Prospectus, the Lead Manager will receive 5,000,000 options as part of the Offer. These options are to be issued on the same terms as all of the other Options to be offered under the Replacement Prospectus. The term of the Options is to be 36 months and the Options are exercisable at \$0.25 per option. These options are considered to be share based payments and have been valued by reference to the fair value of the Options based on the Black Scholes model. Refer to Section 7.7.19 (v) for key assumptions used to value the Options. The Options are considered as a cost relating to a capital raising and as such, reduce the issued capital balance.

7.5 HISTORICAL CASH FLOWS

	NOTES	For the 12 months ended 31 DEC 2014	For the 12 months ended 31 DEC 2015	For the 12 months ended 31 DEC 2016	For the six months ended 30 JUN 2017
Net profit/(Loss)		182,776	(3,664,495)	(3,671,809)	(1,281,482)
Movement in net working capital		2,682,716	4,091,314	357,688	2,537,614
Other non-cash movements		339,836	525,408	603,371	(1,223,926)
Net cash flow from/(used in) operations		3,205,328	952,227	(2,710,750)	32,206
Capitalised software development		(759,643)	(957,875)	(1,401,592)	(516,484)
Other investing expenditures		(212,234)	(1,407,328)	3,047,170	(231,715)
Net cash from/(used in) investing activities		(971,877)	(2,365,203)	1,645,578	(748,199)
Proceeds/(repayment of) borrowings		(149,160)	(159,339)	96,091	(283,105)
Net cash from financing activities		(149,160)	(159,339)	96,091	(283,105)
Net cash flow		2,084,291	(1,572,315)	(969,081)	(999,098)

7.6 DISCUSSION AND ANALYSIS OF THE REVISED HISTORICAL FINANCIAL INFORMATION

7.6.1 GENERAL FACTORS AFFECTING THE OPERATING RESULTS OF ENGAGE:BDR LLC

The following section discusses the key factors affecting engage:BDR LLC's operating and financial performance in 2014, 2015, 2016, and for the six months ended 30 June 2017.

It should be noted that the following discussion is intended to provide a brief summary only and does not detail all factors that affected engage:BDR LLC's historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future.

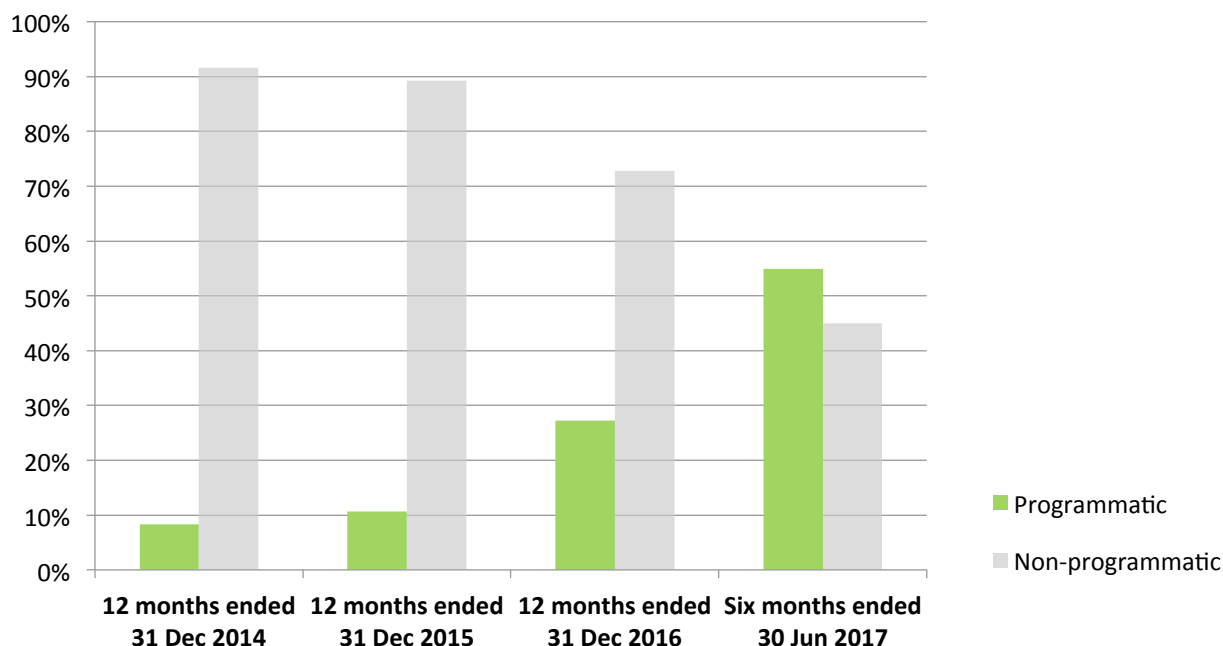
7.6.2 REVENUES AND COST OF SALES

engage:BDR LLC earns revenue through the sale of ad space on websites predominantly through its programmatic, or software automated, platform. Cost of sales comprises the cost of ad space. Starting in FY2015 and throughout FY2016, there were significant changes in the industry, mainly the push into

REVISED FINANCIAL INFORMATION

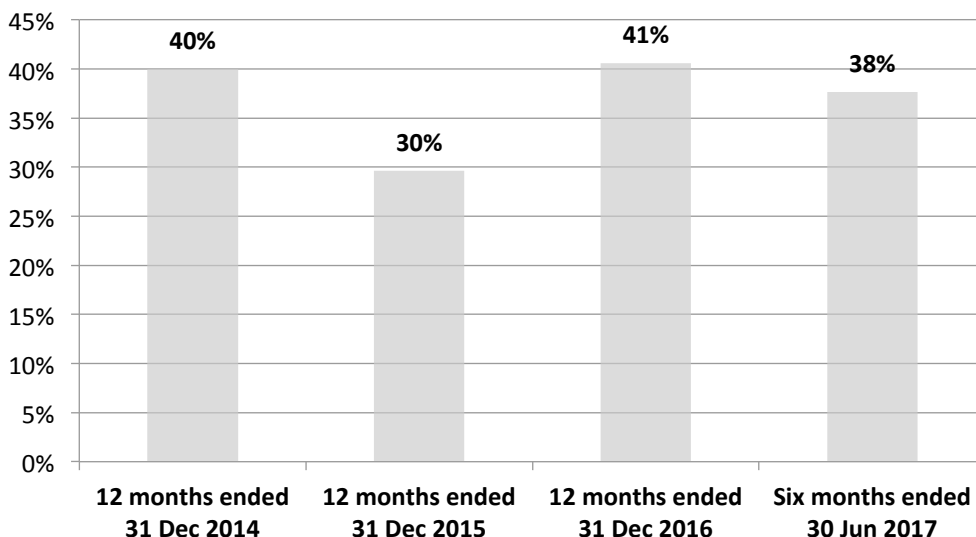
programmatic buying, the revenue mix and the related cost of sales changed accordingly. As demonstrated in the chart below, Programmatic sales have overtaken Non-programmatic sales for the six month period to 30 June 2017.

PROGRAMMATIC SALES AS A PERCENTAGE OF REVENUE



Previously, engage:BDR LLC followed a traditional ad selling model of manually negotiating the cost of ad space with publishers and pricing ad space with clients. With the shift to programmatic, gross profit margin grew in importance in gauging engage:BDR LLC's financial performance. Despite the decline in revenue year on year, the overall gross profit (GP) margin dramatically improved in 2016 (40.6%) over 2015 (29.6%) and was on par with 2014 (40.0%) as a result of the shift toward programmatic sales. In the six months to 30 June 2017, customer transaction volume was managed to focus on sales revenue and maintaining gross profit margin.

GROSS PROFIT MARGIN



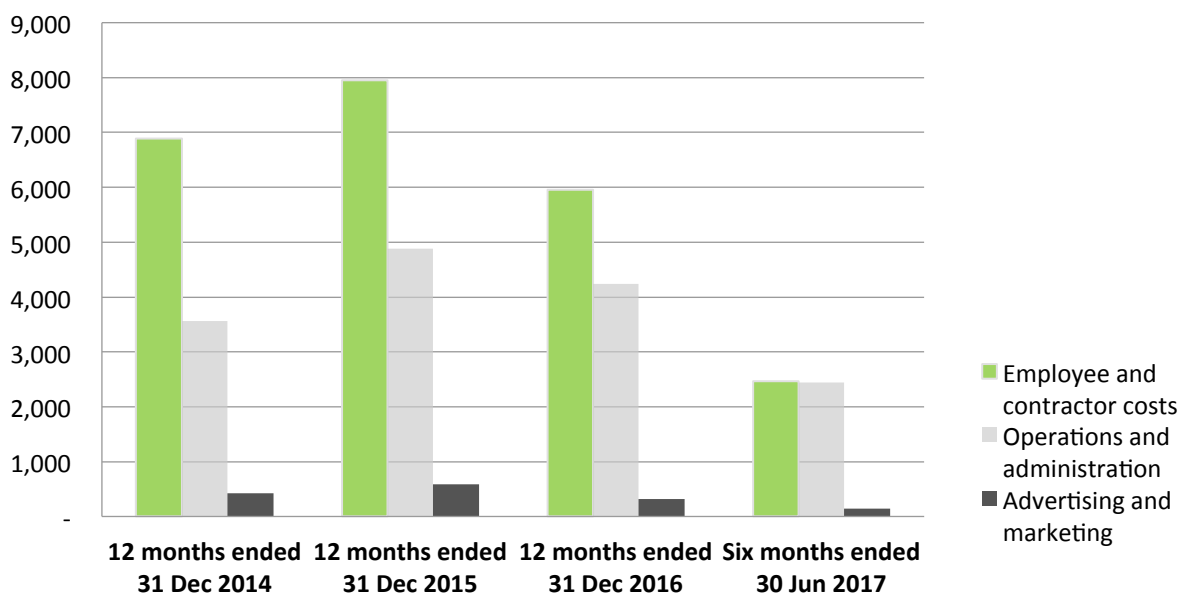
7.6.3 OPERATING EXPENSES

The shift toward programmatic sales has resulted in a reduction to operating expenses. The largest change has been a significant reduction to the sales staff during FY2016 and therefore payroll, commission, and related costs have decreased 29% versus FY2015. Operational efficiencies have also resulted in cost reductions across the board as well as a reduced need for advertising and marketing. The employee and contractor costs include executive remuneration of Ted Dhanik and Kurtis Rintala of \$465,186, \$483,032, \$212,780, and \$351,651 for FY2014, FY2015, FY2016, and six months ended 30 June 2017, respectively.

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Refer to Section 5.1.3 of the Replacement Prospectus for proposed remuneration of executive and non-executive directors going forward. Through the first half of 2017, there were significant reductions in operating and administrative expenses.

PERIOD EXPENSES (FIGURES IN AUD \$ '000s)



7.6.4 DEPRECIATION AND AMORTISATION

With the shift to programmatic sales, engage:BDR LLC has been investing in developing and creating its own proprietary technology as a way to differentiate itself in the marketplace and allow greater results for clients. This investment has been capitalised as internally developed software. To accommodate the newly developed software and handle the increased volume, engage:BDR LLC acquired and put into service new servers.

The net loss for FY2016 is on par with FY2015 but that is the result of a doubling of depreciation and amortisation derived from the internally developed software and server acquisitions. Looking at EBITDA (loss), it can be seen that FY2016 improved on FY2015 despite the decreased revenue, another testament to the cost savings and efficiency of programmatic selling. In the table below depreciation and amortisation is displayed side-by-side with EBITDA to demonstrate the impact it has on the net loss seen on the income statement. In the six month period to 30 June 2017, the effect of depreciation and amortisation on net income as shown in the table:

EBITDA WITH DEPRECIATION AND AMORTISATION COMPARISON (FIGURES IN AUD \$ '000s)



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7.6.5 CASH FLOW ANALYSIS

CASH FLOW FROM OPERATIONS

The increase in movement in net working capital between FY2014 and FY2015 was because of the increase in revenue in FY2015 compared to FY2014 and the utilization of a factoring facility in FY2015. engage:BDR LLC retains the credit risk associated with the transferred trade receivables, due to the obligation to repurchase, from the factoring company, any receivables that are deemed uncollectible, and therefore the risks and rewards of the asset resides with engage:BDR LLC. Further detail of the transfer of trade receivables can be found in Note 10 (a) of the interim financial statements for the six months ended 30 June 2017.

December is the largest earnings month during the year for engage:BDR LLC. The month of December 2015 performed well and thus created a large payable balance at year end increasing the working capital movement for FY2015. Through use of the factoring facility, and comparatively lower ending payable balance at 31 December 2016, FY2016's movement in net working capital has reduced when compared to FY2015.

In conjunction with the increased capitalisation of internally developed software and its associated amortisation (as mentioned above in Section 7.6.4), there is an associated increase in 'Other non-cash movements' during 2015 to 2016. In the six months period to 30 June 2017 'other non-cash movements' reflected a gain from de-recognition of an investment in an associate. Also of note, the Company's largest internally developed software projects were completed in late 2016 thus the six months period to 30 June 2017 has higher amortisation than compared to FY2016.

CASH FROM/(USED) IN INVESTING

As mentioned above and in Section 7.6.4, there is a noticeable increase in capitalised software development. The increase in 'Other investing expenditures' in FY2015 over FY2014 is due to the increase in shareholder loans and acquisition of assets (computer/server hardware). FY2016 saw a positive cash inflow due to the acquisition of Tiveo LLC. With the completion of the main programmatic software in the latter part of 2016, half year to 30 June 2017 has a lower capitalised software development pace. Further developments are to software enhancements and features which require less man hours to develop.

CASH FROM FINANCING

As mentioned in Section 7.6.4, there were significant server acquisitions during 2015 and 2016 as seen in the year-over-year increases to interest and financing costs during FY2014 to FY2016. Also, in FY2016, convertible notes were issued contributing to the increase in interest and financing costs and resulted in the positive cash inflow for the year. Due to the issuance of convertible notes in FY2016, in the six month period to 30 June 2017 the repayment of borrowings appears significantly lower at \$283,105. Other than repayment of finance leases, there were no other cash inflows nor outflows from financing activities for the six month period to 30 June 2017.

7.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES

A summary of significant accounting policies which have been adopted in the preparation of the Revised Financial Information are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

Refer to the general purpose financial statements of engage:BDR LLC for the years ended 31 December 2015 and 31 December 2016 and the interim financial statements for the half year ended 30 June 2017 for all other relevant note disclosures in relation to the Revised Historical Financial Information.

7.7.1 BASIS OF PREPARATION

HISTORICAL COST CONVENTION

The Revised Financial Information has been prepared under the historical cost convention unless otherwise stated.

7.7.2 BASIS OF CONSOLIDATION

The Revised Financial Information comprise the financial information of the Company, engage:BDR LLC and its subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the

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subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Revised Financial Information from the date the Company gains control until the date ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Company and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-Company assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

7.7.3 FOREIGN CURRENCIES

(I) FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency is the currency of the primary economic environment in which each of the entities operate. The functional currency of the Company is Australian Dollars. The functional currency of engage:BDR LLC and Tiveo LLC is US Dollars. The Revised Financial Information is presented in Australian Dollars which is the presentation currency of the Company and engage:BDR LLC.

(II) TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

7.7.4 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of any allowances, duties and taxes paid.

Revenue is recognised for the major business activities as follows:

(I) RENDERING OF SERVICES

Engage:BDR LLC is an internet-based marketplace platform and associated technology solution provider. engage:BDR LLC's proprietary technology is used to facilitate the sale of advertising inventory from digital publishers (websites and apps) to advertisers and their agents (brands, agencies and advertising platforms). Engage:BDR LLC allows digital publishers to monetise their available advertising space by making the inventory available to multiple advertisers, as well as providing various technologies designed to help publishers create incremental streams of revenue. An example of this technology would be the engage:BDR LLC's OutStream advertising unit, which allows publishers to sell space for video advertising on webpages that do not have video content.

Revenue is recognised on an accruals basis as and when the service has been provided to the customer. Revenue from the rendering of services can be recognized by reference to the stage of completion if the final outcome can be reliably estimated. This would be the case if:

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that economic benefits associated with the transaction will flow to the seller.
- (c) The stage of completion can be measured reliably.
- (d) The costs incurred and the cost to complete can be measured reliably.

Where engage:BDR LLC receives payment for advertising campaigns up front and, at the reporting date, the underlying campaign is either ongoing or has not commenced, the portion that extends beyond the reporting period is not taken up as revenue, but rather recognised as unearned revenue in the Statement of Financial Position.

(II) INTEREST REVENUE

Interest revenue is recognised when it is probable that the economic benefits will flow to engage:BDR LLC and the amount can be measured reliably. Interest revenue is measured using the effective interest method ("EIR"). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

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7.7.5 INCOME TAX

The tax expense recognised in the Revised Financial Information relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognized amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is or would be a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

7.7.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

DEPRECIATION

Depreciation is calculated on a straight line basis for all plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Leasehold improvements are depreciated over the estimated useful life using the straight-line method with any balance written off at termination of the lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and is recognised in profit or loss.

The following depreciation rates are used for each class of depreciable asset:

CLASS OF FIXED ASSETS	USEFUL LIFE
Plant & Computer equipment ^[1]	2-3 years
Furniture and equipment	2-6 years

[1]Leasehold improvements are contained within plant & computer equipment.

7.7.7 INTANGIBLE ASSETS OTHER THAN GOODWILL

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CAPITALISED DEVELOPMENT COSTS

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when engage:BDR LLC can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses. Expenditure is amortised over the period of expected benefits from the related project, being a period of 3 to 4 years.

7.7.8 IMPAIRMENT OF NON-FINANCIAL ASSETS (EXCLUDING GOODWILL)

engage:BDR LLC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists engage:BDR LLC estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, being the cash generating units ("CGU").

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Engage:BDR LLC bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, engage:BDR LLC estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

7.7.9 FINANCIAL ASSETS

(I) INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that engage:BDR LLC commits to purchase or sell the asset.

At 31 December 2014, 2015 and 2016 and 30 June 2017, engage:BDR LLC held cash and cash equivalents, loans, and receivables.

(II) SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

(III) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Engage:BDR LLC has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statement. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

REVISED FINANCIAL INFORMATION

(IV) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. Trade accounts receivable are generally settled between 30 and 90 days and carried at amounts recoverable.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off.

(V) DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- Engage:BDR LLC has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) engage:BDR LLC has transferred substantially all the risks and rewards of the asset, or (b) engage:BDR LLC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When engage:BDR LLC has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, engage:BDR LLC continues to recognise the transferred asset to the extent of its continuing involvement. In that case, engage:BDR LLC also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that engage:BDR LLC has retained.

(VI) IMPAIRMENT OF FINANCIAL ASSETS

Engage:BDR LLC assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

7.7.10 CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flows, cash includes cash on hand and deposits at call which are readily convertible to cash and are not subject to significant risk of changes in value, net of bank overdrafts.

7.7.11 FINANCIAL LIABILITIES

(I) CLASSIFICATION

Financial liabilities within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial liabilities at FVTPL, loans and borrowing, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Engage:BDR LLC determines the classification of its financial liabilities at initial recognition.

(II) INITIAL RECOGNITION AND MEASUREMENT

All financial liabilities are recognised initially at fair value.

(III) SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as follow:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as FVTPL, when the financial liability is either held for trading or it is designated as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

REVISED FINANCIAL INFORMATION

Derivative financial instruments

Derivatives are initially recognised at fair value and are subsequently measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Embedded derivatives

Derivatives embedded in financial instruments are treated as separate financial instruments when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Management has made an assessment of the convertible note contracts and separated out the portion that related to the notes liability and the portion that relates to the embedded derivative and valued and disclosed these separately.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowing are subsequently measured at amortised cost using the EIR method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in profit or loss respectively in finance revenue and finance cost.

De-recognition of financial liabilities

A liability is generally derecognized when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the differences in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Fair values

The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short position), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

7.7.12 BUSINESS COMBINATIONS

The Company and engage:BDR LLC apply the acquisition method in accounting for business combinations. The consideration transferred to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Company and engage:BDR LLC recognise identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in excess of fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

7.7.13 TRADE AND OTHER PAYABLES

Trade accounts payable and other creditors represent liabilities for goods and services provided to engage:BDR prior to the end of the financial year and which are unpaid. The amounts are unsecured, and are measured subsequently at amortised cost using the EIR method. Payment terms vary by creditor, but are typically 60 days.

7.7.14 EMPLOYEE BENEFITS

Wages and salaries, sick leave and short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that engage:BDR LLC expects to pay as a result of the unused entitlement.

(I) WAGES, SALARIES, ANNUAL AND LONG SERVICE LEAVE

Provision is made for the engage:BDR LLC's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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Changes in the measurement of the liability are recognised in the income statement.

Employee benefits are presented as current liabilities in the Statement of Financial Position if engage:BDR LLC does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(II) TERMINATION BENEFITS

Termination benefits are those benefits paid to an employee as a result of either engage:BDR LLC's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recorded as a provision when engage:BDR LLC can no longer withdraw the offer of those benefits.

(III) DEFINED CONTRIBUTION SCHEMES

Engage:BDR LLC has a defined contribution savings plan as defined in subsection 401(k) of the United States Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation. Contributions to the plan may be made at the discretion of engage:BDR LLC.

7.7.15 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(I) FINANCE LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to engage:BDR LLC. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of engage:BDR LLC at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

(II) RENTALS AND OPERATING LEASES

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the lease.

7.7.16 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method.

Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are classified as current liabilities unless engage:BDR LLC has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

7.7.17 PROVISIONS

Provisions are recognized when engage:BDR LLC has an obligation as a result of a past event and it is probable that engage:BDR LLC will be required to settle the obligation and that a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Present obligations arising under onerous contracts are recognised and measured as provisions.

7.7.18 INTERESTS IN EQUITY-ACCOUNTED INVESTEEES

Engage:BDR LLC's interests in equity-accounted investees comprise interests in associates.

Associates are those entities which engage:BDR LLC has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Revised Financial Information includes the engage:BDR LLC's share of the profit or loss, until the date on which significant influence ceases.

7.7.19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Revised Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and associated assumptions are

REVISED FINANCIAL INFORMATION

reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(I) DEVELOPMENT COSTS – CAPITALISATION, VALUATION AND IMPAIRMENT

Distinguishing the research and development phases of software projects and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Determining the feasibility of the project and the likelihood of the project delivering future economic benefits, which can be measured reliably, is a significant management estimate and judgement.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project, typically between 3 and 4 years, and are considered for impairment at each reporting date.

After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Determining whether intangible assets are impaired requires an estimation of the recoverable amount of the CGU to which intangible assets have been allocated. The recoverable amount calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

In the event that these assets do not generate revenues as planned an impairment of the related intangible assets may result.

(II) RECOVERABILITY OF DEBTORS

The determination of the recoverability of trade debtors requires the Directors to exercise their judgement. In reviewing trade debtors, the Company considers any recent history of payments and the status of the projects to which the debt relates. No payment terms have been renegotiated. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further provision required in excess of the allowance for impairment.

(III) RECOGNITION OF DEFERRED TAX ASSETS

Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expense, the incurrence of tax losses and entitlement to non-refundable tax offsets. In evaluating the Company's ability to recover deferred tax assets within the jurisdiction from which they arise, the Company considers all available positive and negative evidence, including probability of achieving appropriate continuity of ownership levels, likelihood of meeting relevant definitions of "same business", scheduled reversals of deferred tax liabilities, projected future taxable income and results of recent operations. This evaluation requires significant management judgment.

(IV) VALUATION OF EMBEDDED DERIVATIVES

The US\$385,000 convertible notes issued between 6 June 2016 and 30 August 2016 have two components, being the debt portion of the instrument and the option to convert the debt into shares in the Company. IAS 32 Financial Instruments: Presentation requires that, as the number of shares to be converted is not fixed, these need to be valued separately. IAS 39 requires the calculation of the fair value of the option to be performed at each reporting period. The embedded derivative (option to convert the loan note into shares in engage:BDR LLC) has been fair valued using the Black Scholes model which requires critical judgements in order to ascertain the Company's share price variability.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the Revised Financial Information of future periods could be significant.

(V) VALUATION OF SHARE BASED PAYMENTS

The options issued to the Lead Manager are defined as share based payments. The valuation of share based payment transactions is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The following inputs were used to value the options on issue:

ITEM	VALUE OF INPUT
Number of Lead Manager Options	5,000,000
Exercise price	\$0.25
Expected volatility	65%
Implied option life	3.00 years
Expected dividend yield	Nil
Risk free rate	2.10%

7.7.20. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Refer to the interim financial statements of engage:BDR LLC for the half year ended 30 June 2017 for new Accounting Standards and Interpretations and their impact.

4 December 2017

The Board of Directors
Engage BDR LLC
9000 Sunset Blvd
West Hollywood, 90069
USA

The Board of Directors
Engage BDR Limited
Scottish House
Level 4, 90 William Street
Melbourne Victoria 3000
Australia

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON REVISED HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by engage:BDR Limited ('the 'Company') and engage:BDR LLC ('engage:BDR') to report on the revised historical financial information of engage:BDR and pro forma historical financial information of the Company for inclusion in the second supplementary prospectus ('Second Supplementary Prospectus') to be dated on 4 December 2017, and to be issued by the Company, in respect of an offer to raise \$10,000,000 (the 'Offer').

Expressions and terms defined in the Second Supplementary Prospectus have the same meaning in this report.

2. Scope

Revised Historical Financial Information

You have requested Ernst & Young to review the following revised historical financial information of engage:BDR:

- the historical income statements for the years ended 31 December 2014 and 31 December 2015 and the historical consolidated income statement for the year ended 31 December 2016 and the historical consolidated income statement for the six months ended 30 June 2017 as set out in Section 7.3 of the Second Supplementary Prospectus;
- the historical consolidated statement of financial position as at 30 June 2017 as set out in Section 7.4 of the Second Supplementary Prospectus; and
- the historical cash flows for the years ended 31 December 2014 and 31 December 2015 and the historical consolidated cash flows for the year ended 31 December 2016 and the historical consolidated cash flows for the six months ended 30 June 2017 as set out in Section 7.5 of the Second Supplementary Prospectus.

(Hereafter 'the Revised Historical Financial Information')

The Revised Historical Financial Information of engage:BDR for each of annual periods referred to above have been derived from its general purpose financial reports for the years ended 31 December 2015 (which includes comparative financial information for the year ended 31 December 2014) and 31 December 2016, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified audit opinion on the 2015 financial statements, which included an emphasis of matter on going concern, and an unmodified audit opinion on the 2016 financial statements, which included a material uncertainty on the ability of engage:BDR to continue as a going concern. The Revised Historical Financial Information of engage:BDR as at and for the six months ended 30 June 2017 has been derived from its interim financial statements which was reviewed by Ernst & Young. Ernst & Young issued an unmodified limited assurance conclusion on these financial statements which included a material uncertainty on the ability of engage:BDR to continue as a going concern.

The Revised Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of International Financial Reporting Standards ('IFRS') and interpretations as issued by the International Accounting Standards Board ('IASB').

Revised Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following revised pro forma historical financial information of the Company:

- the revised pro forma historical consolidated statement of financial position as at 30 June 2017 based on a capital raising of \$10,000,000 as set out in Section 7.4 of the Second Supplementary Prospectus.

(Hereafter the 'Revised Pro Forma Historical Financial Information').

(the Revised Historical Financial Information and Revised Pro Forma Historical Financial Information is collectively referred to as the 'Revised Financial Information').

The Revised Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position of engage:BDR as at 30 June 2017, and adjusted for the effects of revised pro forma adjustments described in Section 7.4 of the Second Supplementary Prospectus.

The Revised Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being in accordance with the recognition and measurement principles of IFRS and interpretations as issued by the IASB, other than it includes certain adjustments which have been prepared in a manner consistent with IFRS, that reflect the impact of certain transactions as if they had occurred as at 30 June 2017.

Due to its nature, the Revised Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Revised Financial Information is presented in the Second Supplementary Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by IFRS as issued by the IASB and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

3. Directors' Responsibility

The directors of the Company are responsible for the preparation and presentation of the Revised Historical Financial Information and Revised Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of revised pro forma adjustments made to the Revised Historical Financial Information and included in the Revised Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Revised Historical Financial Information and Revised Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Revised Historical Financial Information and Revised Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Revised Financial Information.

5. Conclusions

Revised Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Revised Historical Financial Information of engage:BDR comprising:

- the historical income statements for the years ended 31 December 2014 and 31 December 2015 and the historical consolidated income statement for the year ended 31 December 2016 and the historical consolidated income statement for the six months ended 30 June 2017 as set out in Section 7.3 of the Second Supplementary Prospectus;
- the historical consolidated statement of financial position as at 30 June 2017 as set out in Section 7.4 of the Second Supplementary Prospectus; and
- the historical cash flows for the years ended 31 December 2014 and 31 December 2015 and the historical consolidated cash flows for the year ended 31 December 2016 and the historical consolidated cash flows for the six months ended 30 June 2017 as set out in Section 7.5 of the Second Supplementary Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.2.1 of the Second Supplementary Prospectus.

Revised Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Revised Pro Forma Historical Financial Information of the Company comprising:

- the revised pro forma historical consolidated statement of financial position as at 30 June 2017 based on a capital raising of \$10,000,000 as set out in Section 7.4 of the Second Supplementary Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.2.1 of the Second Supplementary Prospectus.

6. Material Uncertainty Related to Going Concern – Revised Historical Financial Information

Without qualification to the limited assurance conclusion expressed above, attention is drawn to the following matter. As disclosed in Section 7.2.4 to the Second Supplementary Prospectus, in the event the capital raising is not completed, there is material uncertainty whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the revised historical and revised pro forma historical consolidated statements of financial position. The revised historical and revised pro forma historical consolidated statements of financial position do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

7. Restriction on Use

Without modifying our conclusions, we draw attention to Sections 7.2.1 and 7.2.2 of the Second Supplementary Prospectus, which describes the purpose of the Revised Financial Information. As a result, the Revised Financial Information may not be suitable for use for another purpose.

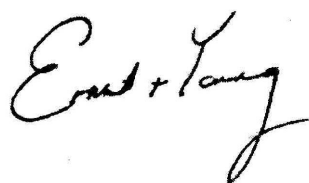
8. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Second Supplementary Prospectus in the form and context in which it is included.

9. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

Directors' Report

The Directors present their report on Engage BDR, LLC for the half-year period ended 30 June 2017 (referred to hereafter as "Engage BDR" or "the Group").

Directors

The following persons were directors of Engage BDR during half-year period (HY2017) and until the date of this report. Directors were in office for the entire period unless otherwise stated. The office is registered at 9000 W. Sunset Blvd, Fifth Floor, West Hollywood, CA 90069.

Mr. Ted Dhanik

Director and Chief Executive Officer (CEO)

Mr. Kurtis Rintala

Director, Secretary, and Chief Operating Officer (COO)

Mr. Kenneth Kwan

Director and Chief Information Officer (CIO)

Company secretary

Kurtis Rintala is the Chief Operating Officer, a co-founder of Engage BDR, as well as serving as the Company Secretary.

Principal activities

Engage BDR is an internet-based marketplace platform and associated technology solution provider. Engage BDR's proprietary technology is used to facilitate the sale of advertising inventory from digital publishers (websites and apps) to advertisers and their agents (brands, agencies and advertising platforms). The Group allows digital publishers to monetise their available advertising space by making the inventory available to multiple advertisers, as well as providing various technologies designed to help publishers create incremental streams of revenue. An example of this technology would be the Engage BDR's OutStream advertising unit, which allows publishers to sell space for video advertising on webpages that do not have video content.

Results from operations

Engage BDR's operating loss after tax amounted to \$1,281,482 (30 June 2016: loss of \$1,338,601).

Review of operations

Engage BDR generates revenue from three principal activities:

1. Non-programmatic display advertising sales - tag-based, traditionally-sold and managed banner advertising campaigns run for direct advertisers. This was the first product of the Group, initially launched in 2009 and it is still a significant revenue contributor in HY2017. We anticipate the degradation of this revenue stream in coming years, as buyers will fully migrate to programmatic buying eventually.

2. Programmatic display ad sales - banner advertising inventory sold through digital auctioning technology to platforms and marketplaces. The Group developed this product to replace the non-programmatic display advertising channel. Many of the Group's non-programmatic buyers are currently bidding on its inventory through server-to-server connections now; the adoption to programmatic was tremendously successful in HY2017 and opened additional revenue opportunities with the same clients, specifically because programmatic buying and selling is much more efficient and significantly more cost effective to operate, thus increasing overall operating and gross profit margins.

3. Non-programmatic video ad sales - video advertising inventory sold through tag-based technology to direct advertisers, platforms and marketplaces. The Group spent the past two years developing its proprietary video ad serving technologies and further maturing it by enabling both buying and selling for video as well. The Group increased revenue per customer by integrating the video channel with the display buyers and sellers and opening business on the display ad side to customers that were integrating video business initially. The Group anticipate programmatic video business will eclipse this and all other ad formats over the next five years and has spent significant resources in HY2017 to lead this shift.

4. Programmatic video ad sales - the half-year ending on 30 June 2017 was significant for Engage BDR as the Group continued to progress the development and launch of its programmatic and video advertising platforms. Significant achievements in the half-year reporting period include:

- Significant expansion of programmatic display and video partnerships and integrations
- The launch of its true programmatic, real-time bidding buy-side and sell-side marketplace for video
- #9 US comScore video ranking of all video ad companies measured in the U.S.

The programmatic technology greatly increases the Group's net margin by reducing payroll and related sales commissions. With the significant adoption of programmatic buying, brands, agencies and digital media buyers have moved their budgets to auction-based buying, in contrast to buying from sales people, individual RFP (request for proposal) and insertion orders. This behavioral change had made the marketplace very efficient, reducing the overhead required to sell advertising. Buyers are essentially bidding for ad inventory in real time in auctions which conclude in 200 millisecond intervals. This new format had created significant barriers to entry for new companies looking to enter the digital advertising arena; companies must own and develop proprietary technology to participate. Licensing third-party technologies is cost-prohibitive; Engage BDR has developed its own real-time auctioning and bidding technologies from the ground up, this is a significant competitive advantage. Engage BDR has thousands of direct publisher relationships; this is a key differentiator in an ecosystem troubled with inventory quality issues, brokers, and middlemen.

Significant changes in the state of affairs

During the period, the following changes occurred within the Group:

- Galaxy Group – IPO of associate
 - The Group holds an investment in a previously unlisted entity, Galaxy Group LA, LLC, as detailed in Note 15 which was accounted for as an associate and had a carrying value of nil at 31 December 2016. On 23 May 2017, Galaxy Group listed on the Canadian Stock Exchange as LottoGopher Holdings Inc ('LottoGopher'). The fair value of the Group's investment in LottoGopher as at 30 June 2017 was \$2,506,374 (US\$1,923,904) for which the related securities are held in escrow and will be released in tranches between six to thirty-six months after the listing date. As a result of this listing, the Group no longer had significant influence over LottoGopher and hence the entity ceased to be an associate of the Group, instead it became an available-for-sale financial asset from the date of this listing.
- Integration of partners into the video platform:
 - After completion of the proprietary video ad serving platform in late 2015, the Group embarked on selling and integrating several demand partnerships. With these relationships established and technologically integrated, the Group will be able to auction video advertising on a larger scale, now that programmatic video ad sales has launched.
- Divestment of non-programmatic display business:
 - As planned, the company grew programmatic display revenues, and further scaled back resources and attention devoted to the non-programmatic display business.

- Development of influencer marketing platform:
 - As the market for influencer-based advertising grew, the Group developed a platform that will allow brands and influencers to connect and transact digitally. This technology utilizes best practices from the shift to programmatic in display advertising, and applies those principles to a space currently lacking in much infrastructure.

Strategy and likely developments in operations

Growth of video revenue on the proprietary platforms (programmatic and tag-based)

Now that the Group's platform is complete and several partnerships have been established, the Group expects to grow video revenues in the remainder of 2017. This stream of revenue will be less dependent on third parties than prior video revenue. The gross margins are expected to increase significantly as the company no longer relies on third-party platforms which charge a significant (almost half) portion of its gross margin. In addition to the growth of the video business (tag-based), the addition of programmatic video will enable much quicker scale and revenue per client (shorter ramp-up periods); once the supply and demand partnerships are integrated by the engineering teams, the revenue steadily grows in parallel with seasonal demand throughout the year.

Continued growth of programmatic display revenue

Consistent with the previous upward trend, the Group expects to see continued growth of its programmatic display business. Through monetization of existing partnerships and creation of new ones, the Group expects to scale revenue while maintaining streamlined operations. As more non-programmatic buyers and sellers migrate to purely programmatic environments, we expect revenue per customer to increase sharply. This is optimization of the Group's existing relationships and attractive to new buyers and sellers and the marketplace's supply and demand increases.

Introduction of influencer marketing revenue

The Group plans to launch its social influencer marketing platform mid-year. It expects to bring in incremental revenue through this platform and further diversify its offering. With Instagram influencers becoming extremely popular new marketing channels for advertisers, platform efficiencies are required to scale this new form of media. IconicReach, engageBDR's Instagram influencer self-serve platform, is focused on being the largest marketplace focused on advertiser-supplied creative, creating a scalable and efficient revenue stream for micro-and influencers with large audiences. The Group anticipates several thousand influencers to join and hundreds of brands over the next year.

Information on directors

Mr. Ted Dhanik

Ted Dhanik is one of the co-founders of Engage BDR. He serves as Chief Executive Officer overseeing strategic marketing, sales and business development, corporate development, and product strategy.

Prior to founding Engage BDR., Ted was an early team member at MySpace, where he worked closely with founders Chris DeWolfe and Tom Anderson to develop strategic marketing initiatives and launch the brand into a household name. Ted also worked in business development at LowerMyBills.com from its early days through its acquisition by Experian. Additionally, he was an integral part of the development and launch of the consumer lending program at NexTag Corporation. He has worked for, or been a partner at, several other companies in business development, sales, and managerial positions, including Xoriant Corporation, Atesto Technologies, Brigade Solutions, Beyond.com/Cybersource Corporation and Merrill Corporation.

He sits on the board or advises other tech startups such as Fighter, LottoGopher, Schizo Pictures, and Roofshoot, and is an active mentor in the Silicon Beach community. Ted is passionate about being a thought leader in the industry, and his writing is regularly published in publications including Ad Age and VentureBeat. He is actively involved in trade organizations including the IAB and TAG, playing an influential role in several private working groups that set industry-wide standards for the global digital advertising community.

Mr. Kurtis Rintala

Kurtis Rintala is the Chief Operating Officer and a co-founder of Engage BDR. In his role, he is responsible for overseeing day to day operations and helping steer the strategic direction of the Company. He oversees all Accounting, Financial, Legal, and Human Resource matters.

Kurtis was an early member of the successful Internet startup, LowerMyBills.com, before co-founding Engage BDR. He grew up in the San Francisco area and earned a Bachelor of Arts at California State University.

Mr. Kenneth Kwan

Kenneth Kwan is the Chief Information Officer and a co-founder of Engage BDR. Prior to his current role, Kenneth served as Senior Software Engineer at Buzznet Media. He held senior positions at Fox Interactive and Slingshot Labs. Kenneth also worked at Valueclick where he helped design, implement, and maintain various key components of their delivery engine.

The Engage BDR Senior Leadership Team

Mr. Ted Dhanik

See above.

Mr. Kurtis Rintala

See above.

Mr. Kenneth Kwan

See above.

Mr. Youqi Li, Chief Technology Officer (CTO)

Youqi Li joined Engage BDR in April of 2010 as a Director of Engineering. In December of 2014 he was promoted to VP of Engineering, and was promoted again to Chief Technology Officer (CTO) in October of 2015. In his role he leads the engineering team in Research and Development, planning and execution of the product roadmap, as well as developing and executing the strategic technical direction of the Company. He has over ten years of experience in software development, as well as six years of experience within the digital advertising industry. Youqi received his Master's Degree in Computer Science from the University of Southern California.

Mr. Kevin Kwok, Chief Financial Officer (CFO)

Kevin Kwok began working as a financial consultant at Engage BDR in April of 2016. In October of 2017, he was hired to be the Chief Financial Officer. In this role, he manages all accounting and finance matters, including financial reporting, planning and analysis, internal controls, tax, and treasury functions. Kevin is a Certified Public Accountant (CPA), and he earned a Bachelor of Science in Business Administration - Finance from the University of Southern California.

Ms. Sarah Wetzel, Vice President of Operations

Sarah Wetzel joined Engage BDR in December of 2012 as its Human Resources Manager. In June of 2014 she was promoted to Director of Human Resources, and was promoted again to VP of Operations in April of 2016. In her role, Sarah oversees the extended leadership team (which includes all department heads), inter-department relations, streamlining and improvement of processes within and across departments, tracking of company and individual performance, and all Human Resources functions. Sarah came to Engage BDR from Celgene, a Fortune 500 global biopharmaceutical company. She earned a Masters of Human Relations from The University of Oklahoma and a Bachelor of Arts in Biology from Saint Anselm College.

Proceedings against the Group

The Group was not a party to any legal proceedings, litigation, or claims that could materially affect our business, results of operations, cash flows, or financial position. The Group may, from time to time, be party to litigation and subject to claims incident to the ordinary course of business. As our growth continues, we may become party to an increasing number of litigation matters and claims. The

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outcome of litigation and claims cannot be predicted with certainty, and the resolution of any future matters could materially affect our future financial position, results of operations or cash flows.

Rounding of Amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest dollar unless otherwise stated.

Significant events subsequent to balance date

(a) Fundraising

Directors Ted Dhanik and Kurtis Rintala embarked on a fundraising roadshow between 1 Sept 2017 and 15 Sept 2017 for the Group's offer. The roadshow proved to be a success and saw a three times over subscription of the target fundraise. This led to an increase of the offer from \$6,000,000 to \$10,000,000.

(b) Adjusted net working capital calculation

Per the ASX Listing rule 1.3.3, the entity's working capital must be at least \$1,500,000. Below is the Group's Statement of Financial Position with adjustments related to the Offer and the adjusted calculated net working capital as required by the aforementioned ASX listing rule, indicating the Group's adjusted net current asset position as at 30 June 2017 will be in excess of \$1,500,000 required as per ASX Listing rule 1.3.3. The table below reconciles the relevant adjustments which would impact net current assets:

Adjusted 30 June 2017 Net Current Assets	AU \$	Reference
Current assets	8,525,500	
Current liabilities	(23,344,500)	
Net Current Liabilities at 30 June 2017	(14,819,000)	
Impact of Tiveo put rights lapsing	7,067,400	(i)
Net offer proceeds (based on \$10,000,000 raise)	9,124,000	(ii)
Convertible notes	553,100	(iii)
Adjusted Net Current Assets at 30 June 2017	1,925,500	

The following commentary is provide for the reconciling adjustments:

- (i) The adjustment reflects the conversion of the Tiveo put right option current liability into equity share capital following expiry of the Tiveo put right option on 15 September 2017. The transaction is consistent with the disclosures in the Supplementary Prospectus issued on 15 September 2017 and is disclosed in note 20 (b) in the 30 June 2017 half-year report.
- (ii) The net proceeds reflects the increase in cash following successful completion of the listing of Engage:BDR Limited on the Australian Securities Exchange as described in note 20 (a) in the 30 June 2017 half-year report.
- (iii) The conversion of the convertible notes and related interest reflects a contractual arrangement in place as at 30 June 2017, whereby any unpaid portion of convertible notes are converted into equity share capital of Engage:BDR Limited on completion of the listing on the Australian Securities Exchange. Further detail is disclosed in note 17 of the 30 June 2017 half-year report.

Dividends

No dividend was declared and paid during the half-year period (30 June 2016: \$nil).

Shares under options

There were no unissued shares or interests under option as at the date of signing this report.

Likely developments

Refer to the Review of Operations for further details.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of a country or of a state or territory.

Indemnification and Insurance of officers

The Group's Constitution requires the Group to indemnify current and former Directors, alternate Directors, executive officers and such other officers of the Group as the Board determines on a full indemnity basis and to the full extent permitted by law against all liabilities incurred as an officer of the Group. Further, the Group's Constitution permits the Group to maintain and pay insurance premiums for Director and Officer liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Group's Constitution outlined above, the Group has also entered into deeds of access, indemnity and insurance with all Directors of the Group and the Company Secretary which provide indemnities against losses incurred in their role as Directors or Company Secretary, subject to certain exclusions, including to the extent that such indemnity is prohibited by any applicable law.

During the financial year the Group paid insurance premiums for a Directors and Officers liability insurance contract that provides cover for the current and former Directors, alternate Directors, secretaries, executive officers and officers of the Group. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the Board of Directors:



Ted Dhanik
Chief Executive Officer

4 December 2017

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Consolidated Statement of Comprehensive Income for the half year ended 30 June 2017

	Notes	30/06/2017 AUD \$	30/06/2016 AUD \$
Revenue		7,546,485	11,989,860
Cost of sales		(4,706,853)	(7,474,537)
Gross profit		2,839,632	4,515,323
Other income	4	2,625,066	53,455
Employee and contractor costs		(2,463,673)	(2,810,160)
Operations and administration expense	5	(2,447,780)	(2,035,437)
Depreciation and amortisation		(1,303,561)	(514,582)
Advertising and marketing expense		(139,047)	(180,065)
Finance costs	6	(386,860)	(327,595)
Other expenses		(4,729)	(38,994)
(Loss) before income tax		(1,280,952)	(1,338,055)
Income tax (expense)	7	(530)	(546)
(Loss) after tax from continuing operations		(1,281,482)	(1,338,601)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		555,711	(136,205)
Available for sale reserves		(19,932)	-
Total Comprehensive (loss) for the year attributable to the owners		(745,703)	(1,474,806)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Loss per share for loss attributable to ordinary equity holders of the Group from:		30/06/2017 AUD \$	30/06/2016 AUD \$
	Notes		
Continuing operations:			
Basic earnings (loss) per share	19	(0.01)	(0.02)
Diluted earnings (loss) per share	19	(0.01)	(0.02)
Total operations			
Basic earnings (loss) per share	19	(0.01)	(0.02)
Diluted earnings (loss) per share	19	(0.01)	(0.02)

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Consolidated Statement of Financial Position at 30 June 2017

	Notes	30/06/2017 AUD \$	31/12/2016 AUD \$
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	84,151	986,603
Trade and other receivables	10	4,263,101	6,697,104
Prepaid expenses		308,830	442,944
Related party receivables	9	2,866,912	-
Available for sale financial asset	15	1,002,550	-
		8,525,544	8,126,651
Non-current assets			
Property, plant & equipment		1,005,447	1,354,117
Intangible assets	8	4,588,271	5,431,473
Related party receivables	9	-	2,812,334
Available for sale financial asset	15	1,503,824	-
		7,097,542	9,597,924
Total assets		15,623,086	17,724,575
EQUITY & LIABILITIES			
Current liabilities			
Lease liability	12(a)	393,231	505,048
Trade and other payables	13	12,974,227	12,095,879
Employee liabilities		86,946	92,675
Borrowings	9	2,722,153	3,637,378
Embedded derivative	17	100,450	-
Other Financial Liability	9	7,067,440	7,533,155
		23,344,447	23,864,135
Non-current liabilities			
Borrowings	9	1,150,885	1,532,537
Trade and other payables	9	45,892	162,186
Embedded derivative	17	34,926	140,808
Lease liability	12(a)	417,187	649,457
		1,648,890	2,484,988
Total liabilities		24,993,337	26,349,123
Net Liabilities		(9,370,251)	(8,624,548)
Equity			
Share capital	11	1,178	1,178
Accumulated losses		(9,433,176)	(8,151,694)
Available for sale reserve		(19,932)	-
Foreign currency translation reserve		81,679	(474,032)
Total equity		(9,370,251)	(8,624,548)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of changes in equity for the half year ended 30 June 2017

	Share Capital <u>AUD \$</u>	Accumulated Losses <u>AUD \$</u>	Foreign Currency Translation Reserve <u>AUD \$</u>	Available for sale reserve <u>AUD \$</u>	Total <u>AUD \$</u>
At 01 January 2016	1,178	(4,479,885)	(285,342)	-	(4,764,049)
Comprehensive loss for the year	-	(1,338,601)	-	-	(1,338,601)
Movement in foreign currency translation reserve	-	-	(136,205)	-	(136,205)
At 30 June 2016	1,178	(5,818,486)	(421,547)	-	(6,238,855)
At 01 January 2017	1,178	(8,151,694)	(474,032)	-	(8,624,548)
Comprehensive loss for the year	-	(1,281,482)	-	-	(1,281,482)
Movement in foreign currency translation reserve	-	-	555,711	-	555,711
Movement in available for sale reserve	-	-	-	(19,932)	(19,932)
At 30 June 2017	1,178	(9,433,176)	81,679	(19,932)	(9,370,251)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the half year ended 30 June 2017

	Notes	30/06/2017 AUD \$	30/06/2016 AUD \$
Cash flows from operating activities			
(Loss) after tax from continuing operations		(1,281,482)	(1,338,601)
- Finance costs	6	386,860	327,595
<i>Adjustments for non-cash income and expenses:</i>			
- Depreciation		270,581	169,129
- Amortisation		1,032,980	345,453
- Gain on de-recognition of investment in associate		(2,471,213)	-
<i>Changes in operating assets and liabilities:</i>			
- (Increase) / Decrease in trade and other receivables		2,434,003	7,440,317
- Decrease / (Increase) in prepayments		134,114	122,783
- Increase / (Decrease) in trade and other payables		912,055	(5,786,972)
- Increase / (Decrease) in factoring liability		(1,329,418)	(1,479,542)
Cash (used in) operations		88,480	(199,838)
Interest paid		(56,274)	(20,375)
Net cash from / (used in) operating activities		32,206	(220,213)
Cash flows from investing activities			
Purchases of property, plant & equipment		(886)	(141,787)
Capitalized software development		(516,484)	(1,004,873)
Loans to related parties		-	2,652
Loans to shareholders		(230,829)	(1,889,484)
Shareholder loan repayments received		-	1,259,490
Net cash from/(used) in investing activities		(748,199)	(1,774,002)
Cash flows from financing activities			
Proceeds from loans		-	315,672
Repayment of finance leases		(283,105)	(149,560)
Net cash from / (used in) financing activities		(283,105)	166,112
Net increase / (decrease) in cash and cash equivalents		(999,098)	(1,828,103)
Cash and cash equivalents at beginning of year	9	986,603	1,870,597
Effects of currency translation		96,646	55,371
Cash and cash equivalents at end of year	9	84,151	97,865

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements For the half year ended 30 June 2017

1. Corporate information

The interim condensed consolidated financial report ("the half year report") covers Engage BDR, LLC, the parent, and its subsidiary (collectively referred to as 'the Group' or 'Engage BDR'). Engage BDR, LLC is a private company, incorporated and domiciled in the United States of America. The financial statements are for the half year ended 30 June 2017 and are presented in Australian Dollars (AUD). These policies have been consistently applied to all the years presented, unless otherwise stated.

Engage BDR, LLC is a company limited by shares, incorporated and domiciled in the United States of America. Its registered office is:

Engage BDR, LLC.
9000 Sunset Boulevard, 5th Floor
West Hollywood, CA 90069

The half year report of Engage BDR, LLC for the half year ended 30 June 2017 was authorised for issue by a resolution of the Directors on 4 December 2017.

2. Summary of significant accounting policies

(a) Basis of preparation

The interim condensed consolidated financial statements for the half year ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

(b) Going concern

The half year report has been prepared on a going concern basis which takes into account the net current liabilities of \$14,818,903 and net liabilities of \$9,370,251 at 30 June 2017 and a cash position of \$84,151. Engage:BDR, LLC has received a letter of support from Engage:BDR Limited stating that Engage:BDR Limited will provide financial support to Engage:BDR, LLC for a period of at least 12 months from the date of the approval of the half-year report to allow the Group to meet its debts and obligations as they fall due.

As outlined in Note 20(a) the Company entered into a Share Purchase Agreement with Engage:BDR Limited, whereby Engage:BDR, LLC will procure its shareholders to sell their shares in Engage:BDR, LLC to Engage:BDR Limited and as a result Engage:BDR Limited will become the direct and ultimate parent of Engage:BDR, LLC.

In assessing Engage:BDR Limited's ability to support the Group, the directors have considered facts including:

- Engage:BDR Limited issued a Replacement Prospectus on 15 September 2017 to offer up to \$10,000,000 via admission (listing) on the Australian Securities Exchange (ASX)
- The Offer was closed and oversubscribed with Engage:BDR Limited's agent, Computershare, holding subscriptions of \$12,320,240 at the date of this half year report.
- Engage:BDR Limited is expected to close the offer at \$10,000,000 and on successful admission to the ASX will transfer \$10,000,000 (less associated transaction costs) to Engage:BDR, LLC as consideration for purchase of 100% of the share capital of Engage:BDR, LLC.

Although contingent on admission to the ASX, the funds raised will significantly improve the net current asset position by \$9,124,000 which will allow the Group to meet its forecast debts and obligations as they fall due within the next 12 months. Further to this, the Group's net current asset position as at 30 June 2017 is further improved by certain events after the reporting period which include:

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- a) the expiry on 15 September 2017 of the put right option liability of \$7,067,440 held by the Majority Members of Tiveo LLC, resulting in the reclassification of the current liability to equity, and a corresponding improvement in the net current asset position of \$7,067,440. This contractual arrangement is non-revocable; and
- b) conversion of a convertible note for \$553,131 into equity which will arise on completion of the ASX listing.

These combined would result in an improvement in the net current asset position of \$16,744,571, from \$(14,818,903) to \$1,925,668.

The directors of the Company consider the going concern basis to be appropriate giving consideration to:

- (a) The expected completion of the capital raising of Engage:BDR Limited of \$10,000,000 and successful listing on the ASX in the near future;
- (b) Forecast operating cash flows anticipated to be generated, including the ability to exercise control over discretionary operational outflows;
- (c) Engage:BDR, LLC's ability to further draw up to \$11,333,960 under its existing convertible note facilities subject to lender approval (refer Note 9); and
- (d) Ability to sell down Engage:BDR LLC's available for sale investment in LottoGopher Holdings Inc. (as detailed in Note 15) as required.
- (e) Realisation of related party loan receivables as outlined in Note 14 by 30 June 2018.

In the event Engage:BDR Limited does not list and is required to return the subscriptions monies received, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the condensed consolidated interim financial statements.

The interim condensed consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers, who provide the strategic direction and management oversight of the Group in terms of monitoring results and approving strategic planning for the business. Since the date of acquisition the operations of Tiveo have been consolidated and recorded within the operations of the Group and are not tracked or reported separately. Tiveo does not have any revenue and has only one material intangible asset, relating to software assets with a cost value of US\$1,950,000 (AU\$2,540,370).

Given that the internal reporting provided is not disaggregated in a way that identifies any unique reportable segments, the Group has effectively assessed its operations as comprising of only one reportable segment, with all operations located geographically in the United States.

3. Critical accounting estimates and judgements

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Development costs – capitalisation, valuation and impairment

Distinguishing the research and development phases of software projects and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is

expected to deliver future economic benefits and these benefits can be measured reliably. Determining the feasibility of the project and the likelihood of the project delivering future economic benefits, which can be measured reliably, is a significant management estimate and judgement.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project, typically between 3 and 4 years, and are considered for impairment at each reporting date.

After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Determining whether intangible assets are impaired requires an estimation of the recoverable amount of the CGU to which intangible assets have been allocated. The recoverable amount calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

In the event that these assets do not generate revenues as planned an impairment of the related intangible assets may result. The carrying amount of intangible assets at the reporting date was \$4,588,271 (December 2016: \$5,431,473) and there were no impairment losses (December 2016: nil) recognised during the half year.

(ii) Recoverability of trade debtors

The determination of the recoverability of trade debtors requires the Directors to exercise their judgement. In reviewing trade debtors, the Group considers any recent history of payments, the status of the projects to which the debt relates and the application of debtors credit insurance policy. During the period, the group has entered into a contractual insurance arrangement to assist in limiting the risk of the bad debts from trade debtors. No payment terms have been renegotiated. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further provision required in excess of the allowance for impairment. Refer to Note 10 for additional detail.

(iii) Recognition of deferred tax assets

Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expense, the incurrence of tax losses and entitlement to non-refundable tax offsets. In evaluating the Group's ability to recover deferred tax assets within the jurisdiction from which they arise, the Group considers all available positive and negative evidence, including probability of achieving appropriate continuity of ownership levels, likelihood of meeting relevant definitions of "same business", scheduled reversals of deferred tax liabilities, projected future taxable income and results of recent operations. This evaluation requires significant management judgment and has resulted in no net deferred tax asset being recognised.

(iv) Valuation of embedded derivatives

The US\$385,000 (AU\$501,560) face value of convertible notes issued between 6 June 2016 and 30 August 2016 have two components, being the debt portion of the instrument and the option to convert the debt into shares in the Group. IAS 32 *Financial Instruments: Presentation* requires that, as the number of shares to be converted is not fixed, these need to be valued separately. IAS 39 requires the calculation of the fair value of the option to be performed at each reporting period. The embedded derivative (option to convert the loan note into shares in the Group) has been fair valued using the Black Scholes model which requires critical judgements in order to ascertain the Groups share price variability. At 30 June 2017 the fair value of the embedded derivatives was \$135,376 (December 2016: \$140,808). For further details see Note 18.

(v) Available-for-sale securities

As at 31 December 2016, the Group held an equity investment of 23.3% in Galaxy Group LA LLC which was accounted for using the equity method due to having significant influence over the entity. On 23 May 2017, Lottogopher Holdings Inc., a related entity of Galaxy Group LA LLC, successfully completed an Initial Public Offering on the Canadian Stock Exchange at which date the Group lost significant influence over Lottogopher and it ceased to be an associate. The details of this transaction are disclosed in Note 15.

As at 30 June 2017, the Group recorded an asset of \$2,506,374 representing the fair value of equity instruments held in Lottogopher Holdings Inc., an entity publicly listed on the Canadian Stock Exchange. The equity instruments are classified as available for sale ('AFS') and initially and subsequently measured at fair value with changes in fair value being recognized through other comprehensive income ('OCI'). Where there is objective evidence at each reporting date that there has been a significant or prolonged decline in the fair value of the AFS financial assets below their original cost, the cumulative loss that had been recognised in OCI shall be reclassified and

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recognised in the profit or loss. The determination of what is 'significant' or 'prolonged' requires judgement. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

4. Other Income

	30/06/2017	30/06/2016
	AUD \$	AUD \$
Gain on de-recognition of investment in associate ^[1]	2,471,213	-
Finance income	37,732	24,784
Other income	116,121	28,671
Total other income	2,625,066	53,455

^[1] During the period to 30 June 2017, the group recognised a gain of \$2,471,213 as other income related to the de-recognition of its previous investment in an associate upon the recognition of equity instruments held in Lottogopher Holdings Inc., an entity which was publicly listed in May 2017 on the Canadian Stock Exchange. The Group previously held an equity investment in the trading operations of an associated entity of Lottogopher Holdings Inc., which was accounted for using the equity method due to having significant influence over the entity. At 31 December 2016, this investment in associate was recorded at a carrying value of \$nil due to the Group's share of accumulated losses of the associate exceeding the carrying value of the investment in associate. On completion of the Initial Public Offering in May 2017, the investment held was converted into equity shares of Lottogopher on the Canadian Stock Exchange, with the gain of \$2,471,213 representing the fair value re-measurement of the previous equity accounted investment on receipt of equity by the Company, refer to Note 15 for further details.

5. Operations and administration expense

	30/06/2017	30/06/2016
	AUD \$	AUD \$
Technology infrastructure and software costs	745,910	619,030
Legal and accounting expense	383,386	293,288
Technical and corporate development expense	60,117	23,905
Bad debt expense	418,285	186,927
Travel expenses	42,037	51,600
Office and other rental expenditure	421,743	425,599
Recruiting expenses	3,002	4,710
Human resource expenses	65,469	85,342
Municipal and other taxes	7,048	11,628
Other operations and administration expenses	300,783	333,408
Total operations and administration expenses	2,447,780	2,035,437

6. Finance costs

	30/06/2017	30/06/2016
	AUD \$	AUD \$
Interest on convertible and promissory notes	69,374	-
Interest on finance leases	10,765	34,686
Interest on receivables factoring ^[1]	244,257	280,645
Interest on loan from related party	-	3,162
Interest on corporate credit cards	62,464	9,102
Total finance costs	386,860	327,595

^[1]The Group is involved in a cash enhancement activity commonly referred to as factoring. Advancement on receivables is charged interest however, in accordance with IAS 39, the Group still, substantially, retains all the risk and rewards related to the underlying receivable and hence it is not derecognized. Refer to Note 10(a).

7. Income tax expense

	30/06/2017	30/06/2016
	AUD \$	AUD \$
<u>Consolidated statement of comprehensive income</u>		
Current income tax		
Current income tax	530	546
Deferred income tax		
Deferred income tax recognised	-	-
Total income tax expense / (benefit) in the statement of comprehensive income	530	546

8. Intangible assets

Capitalised Software Development Costs

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Cost		
At 01 January	6,969,063	1,925,194
Additions	516,484	1,401,592
Additions from business combination	-	3,338,529
Exchange difference	(439,919)	303,747
At period end	7,045,628	6,969,062
Accumulated amortization		
At 01 January	1,537,590	529,481
Amortisation for the year	1,032,980	968,877
Exchange difference	(113,213)	39,231
At period end	2,457,357	1,537,589
Carrying amount	4,588,271	5,431,473

Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefit and these benefits can be measured reliably. The development costs have finite useful lives typically between 3 and 4 years, with a weighted average of 3 years (2016: 3 years). Impairment of capitalized software costs is considered at each reporting period.

9. Financial risk management

This note explains the Group's financial risk management and how the exposure to these risks affects the Group's future financial performance.

The Group's risk management is carried out by the senior management through delegation from the Board of Directors. Risk management programmes and policies are employed to mitigate the potential adverse effects of these exposures on the results of the Group.

The Group holds the following financial instruments:

Financial Assets

	30/06/2017	31/12/2016
	AUD \$	AUD \$
<i>Current</i>		
Cash and cash equivalents	84,151	986,603
Trade and other receivables	4,263,101	6,697,104
Related party receivables	2,866,912	-
Available for sale financial asset	1,002,550	-
<i>Total current financial assets</i>	8,216,714	7,683,707
	30/06/2017	31/12/2016
	AUD \$	AUD \$
<i>Non-current</i>		
Related party receivables	-	2,812,334
Available for sale financial asset	1,503,824	-
<i>Total non-current financial assets</i>	1,503,824	2,812,334

Financial liabilities

<i>Current</i>		
Trade payables and accrued expenses	11,584,083	10,702,394
Other Financial Liability	7,067,440	7,533,155
Lease liability	393,231	505,048
Borrowings – receivables financing	2,307,960	3,637,378
Borrowings	414,193	-
Embedded derivative	100,450	-
<i>Total current financial liabilities</i>	21,867,357	22,377,975
<i>Non-current</i>		
Trade and other payables	45,892	162,186
Lease liability	417,187	649,457
Borrowings	1,150,885	1,532,537
Embedded derivative	34,926	140,808
<i>Total non-current financial liabilities</i>	1,648,890	2,484,988

(a) Credit risk

Credit risk is a risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group faces primary credit risk from potential default on receivables by payment service providers. The credit risk on financial assets of the Group which have been recognised in the Consolidated Statement of Financial Position is the carrying amount net of any provision for doubtful debts.

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(i) Cash and bank balances/financial assets

As at 30 June 2017, the Company has \$84,151 (December 2016: \$986,603) held in bank deposits, classified as cash and cash equivalents.

(ii) Trade receivables

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under a contract or arrangement. The Group is exposed to credit risk arising from its operating activities (primarily from customer receivables) and is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and the country in which customers operate.

The Group's exposure to credit risk is managed through its credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, bank references, and as well as reviewing third party business references of the applicant. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from finance and accounting management.

The concentration of credit risk is limited due to the customer base being large and unrelated.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount as presented in the Consolidated Statement of Financial Position.

The credit risk from related parties is the same as external parties.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and ensuring that all term deposits can be converted to funds in accordance with forecast cash usage. Due to the dynamic nature of the underlying business, flexibility in funding is maintained by ensuring ready access to the cash reserves of the business. The Group's policy is to try and ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

The ongoing maintenance of the Group's policy is characterized by ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for the Group's operations and financial management activities. In addition, the Group monitors both the debt and equity markets for additional funding opportunities.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls.

(i) Financial arrangements

The Group had the following borrowing facilities at the end of the reporting period.

	Drawn		Undrawn		Total	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$
Fixed rate						
Convertible Notes	501,560 ^[1]	534,611 ^[1]	11,333,960 ^{[1] [2]}	6,873,570	11,835,520 ^[1]	7,408,181
Total	501,560	534,611	11,333,960	6,873,570	11,835,520	7,408,181

^[1] Convertible note borrowings start between June and August 2016 with a maturity of 18 to 24 months. Interest is calculated at a simple interest rate of 7.0% per annum payable at maturity date. Face value of drawn portion is US\$385,000 (AU\$501,560).

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^[2] Undrawn portion of these convertible notes are funded at the approval of the lender. Total undrawn amount is US\$8,700,000 (AU\$11,333,960).

(ii) Fair values

The carrying values of the Group's financial assets and financial liabilities approximately equate their fair values due to the short term nature of the financial assets and liabilities as well as time to maturity from balance sheet date.

The only items where the carrying value differs from the fair value relates to the promissory and convertible notes and lease liabilities – which are different due to the interest rate applied to the financial instruments being different to that of a deemed market interest rate. This difference is shown in the table below:

	30/06/2017		31/12/2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	AUD \$	AUD \$	AUD \$	AUD \$
Financial liabilities				
Promissory notes	1,147,323	1,068,529	1,138,615	1,189,716
Convertible Notes	417,754	376,368	393,922	397,223
Lease liability	868,966	810,418	1,238,333	1,154,504
Total	2,434,044	2,255,315	2,770,870	2,741,443

(c) Capital management strategy

The Group's policy is to maintain a capital structure for the business which ensures sufficient liquidity, provides support for business operations, maintains shareholder confidence and positions the business for future growth. The Group manages its capital structure and makes adjustments in light of changes in economic conditions.

The Group is not subject to externally imposed capital requirements.

10. Trade and other receivables

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Trade debtors ^[1]	4,263,101	6,697,104

^[1]The Group is involved in the cash enhancement activity commonly referred to as factoring. Under this arrangement, advances are recorded against certain receivables balances which are factored under the facility. All amounts invoiced are in US Dollars. In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, an evaluation is performed to establish whether, substantially, all the risks and rewards have been transferred to the factoring provider. Where the Group concludes this is not the case, the portion of the financial assets corresponding to the Group's continuous involvement continues to be recognised. When all the risk and rewards are not considered to be transferred, the amount is kept on the balance sheet. Based upon management's assessment, the Group believes that it has retained all risks and rewards, and therefore has not derecognized any financial assets. The advances received from the factoring provider are recognized as a borrowing.

(a) Transfer of trade receivables

The Group has retained the credit risk associated with the trade receivables, due to the obligation to repurchase from the factoring company any receivables that are deemed uncollectible, and therefore the risks and rewards of the asset reside with the Group. The total carrying amount (which is approximate to fair value) of the trade receivables transferred is \$2,996,235 (December 2016: \$3,629,830) and the associated borrowing is \$2,307,960 (December 2016: \$3,637,378).

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	30/06/2017	31/12/2016
	AUD \$	AUD \$
Carrying amount of trade receivables transferred	2,996,235	3,629,830

(b) Current receivables

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Current:		
Trade debtors	4,367,727	6,908,368
Less: Allowance for impairment	(105,014)	(225,752)
Net trade debtors	4,262,713	6,682,617
Other receivables	388	14,487
Total current receivables	4,263,101	6,697,104

(c) Ageing of past due but not impaired

	30/06/2017	31/12/2016
	AUD \$	AUD \$
0 – 30 days	304,775	933,459
31 – 60 days	843,452	843,207
61 – 90 days	228,210	250,074
Over 91 days	587,085	386,722
Total ageing of past due but not impaired	1,963,522	2,413,462

The average age of the Company's trade receivables is 64 days (December 2016: 48 days).

In determining the recoverability of a trade receivable, the Group considers any recent history of payments and the status of the projects to which the debt relates. No payment terms have been renegotiated. The concentration of credit risk is limited due to the customer based being large and unrelated. Accordingly, the Directors believe that there is no further provision required in excess of the allowance for impairment.

(d) Fair value of receivables

Fair value of receivables at period end is considered to be the same as receivables net of the allowance for impairment.

11. Share capital

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Share Capital	1,178	1,178
	# shares	# shares
Issued Shares	108,550,000	108,550,000
	# shares	# shares
Authorized shares	300,000,000	300,000,000

As outlined in Note 20(a), the Company entered into a Share Sale and Purchase Agreement with engage:BDR Limited in August 2017 ('Share Sale and Purchase Agreement'). Pursuant to that Agreement, engage:BDR Limited has agreed to procure the Company's issued share capital, and Engage:BDR, LLC will procure its shareholders to sell their shares in the Company to engage:BDR Limited in accordance with the terms of the Share Sale and Purchase Agreement. This transaction is subject to engage:BDR Limited listing on the Australian Securities Exchange which at the date of authorizing this report, has not yet occurred.

12. Commitments for expenditure

(a) Finance lease commitments

The Group has finance leases and hire purchase contracts for various items of plant and machinery. Finance lease commitments are contracted in US Dollars. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Gross finance lease liabilities – minimum lease payments:		
Within 1 year	450,511	566,209
Later than 1 year and no later than 5 years	418,455	672,124
Total minimum lease payments	868,966	1,238,333
Less amounts representing finance charges	(58,548)	(83,828)
Present value of minimum lease payments	810,418	1,154,505
<i>Within 1 year</i>	393,231	505,048
<i>Later than 1 year and no later than 5 years</i>	417,187	649,457
Present value of minimum lease payments	810,418	1,154,505

(b) Operating lease commitments

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Within one year	524,971	950,590
Later than one year but not later than five years	284,068	711,133
	809,039	1,661,723

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The Group leases offices under non-cancellable operating leases for periods ranging within one to five years, with rent payable monthly in advance. The leases have varying terms, escalation clauses and renewal rights. Rental provisions within the lease agreement provide for increase in the minimum lease payments as contracted. Operating lease commitments are contracted in US Dollars.

13. Trade and other payables

Current

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Trade payables ^[1]	9,308,858	8,726,316
Accrued expenses ^[1]	2,053,762	1,736,360
Unearned revenue	907,468	887,903
Accrued payroll liabilities ^[2]	446,735	474,754
Accrued municipal tax	35,940	30,829
Deferred service costs	221,464	239,717
	12,974,227	12,095,879

Trade creditors and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The carrying amount of trade and other payables approximates their fair value.

^[1] Trade payables and accrued expenses are non-interest bearing and are normally settled on 60-day terms.

^[2] Accrued payroll liabilities is comprised of salary wages, commissions, and benefits (mainly accrued paid-time off, pension, and insurance related liabilities).

14. Related party disclosures

The Group's related parties include its associates, key management personnel, post-employment benefit plans for the Group's employees and other as described below as well as having made loans to shareholders and key employees.

(a) Loans to/from related parties

(i) Loans to key management personnel

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Loans to key management personnel	2,866,912	2,774,629

(ii) Loans to related parties

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Beginning of the year	-	-
Loans advanced ^[1]	-	113,084
Loan repayments received	-	(107,625)
Loans written off as uncollectable	-	(5,459)

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Exchange difference	-	-
End of period	-	-

^[1] Included within loans advances are costs relating to key management personnel entering into operating leases under the Group's name related to motor vehicles. Whatever payments the Group makes on the employee's behalf are the sole responsibility of the employee.

See Note 14(c) Terms and conditions below for additional details.

(iii) Loans to an associate

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Beginning of the period	37,705	28,577
Loans advanced	-	8,439
Conversion to shares ^[1]	(36,007)	-
Exchange difference	(1,698)	689
End of period	-	37,705
Aggregate total of loans to related parties^[2]	2,866,912	2,812,334

^[1] This item related to conversion of a promissory note, which combined with historical investment in associate resulted in the recognition of an available for sale financial asset in Lottogopher Holdings Inc. during the period, refer to Note 15 for further details.

^[2] Representing sum of loans to key management personnel and loans to associates

(b) Compensation of the key management personnel of the Group

	30/06/2017	30/06/2016
	AUD \$	AUD \$
Short-term employee benefits	556,874	375,405
401(k) withholdings	1,399	3,708
Total short-term employee benefits	558,273	379,113

(c) Terms and conditions

Goods were sold to related parties during the period based on the price lists in force and terms that would be available to third parties, unless otherwise noted below.

Outstanding trade balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. An assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates to determine if the amount is recoverable.

Outstanding loans at period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party loans. An assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates to determine if the amount is recoverable.

Loans to directors and key management personnel are charged interest at a simple interest rate of 2.78% per annum, calculated monthly. The loans made to both directors and key management personnel are repayable within one year (December 2016: two years). The loan amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. All loans were approved by the Board of Directors of the Group.

(d) Liabilities assumed by directors and other key management personnel of the Group

In connection with the acquisition of Tiveo LLC and under the transaction documents dated 12 August 2016, Ted Dhanik, Ken Kwan and Kurtis Rintala (or their successors) undertook to issue additional shares of their Trading Stock in Engage:BDR, LLC on a pro-rata basis to the former Majority Members of Tiveo (being Abdulaziz Alrajhi, BODO LLC, Neston Property Ltd. and David Cure) in the event that after Engage:BDR Limited shares are listed for trading on the ASX the value of Engage:BDR LLC shares held by the former Majority Members is below an amount of US\$6,693,120. This is not an obligation of the Group but rather of the aforementioned individuals.

15. Available for sale financial assets

As at 31 December 2016, the Group held an equity investment of 23.3% in Galaxy Group LA LLC which was accounted for using the equity method due to the Company having significant influence over that entity. As at 31 December 2016, the cost of investment of \$84,560 was recorded at \$nil due to the Group's cumulative share of the equity accounted losses of the associate.

On 23 May 2017, Lottogopher Holdings Inc., a related entity of Galaxy Group LA LLC, successfully completed an Initial Public Offering on the Canadian Stock Exchange. Lottogopher Holdings Inc. subsequently completed the reverse acquisition of Galaxy Group LA LLC with the Group also holding a promissory note in Galaxy Group LA LLC which was also converted in equity upon the successful listing of Lottogopher Holdings Inc. As a result of the afore mentioned items, Engage:BDR, LLC holds 6% of the new issued share capital of Lottogopher Holdings Inc. as at 23 May 2017, which resulted in a fair value gain of \$2,471,213 being recognised in the profit or loss in the period to 30 June 2017 upon remeasurement of the investment to fair value. Subsequent movements between transaction date and period end meant that an AFS financial asset of \$2,506,374 being recognised as at 30 June 2017.

The equity shares held in Lottogopher Holdings Inc. are considered to be an AFS financial asset which are initially measured at fair value and then are subsequently fair valued at period end based on market observable values at that date. Accordingly the fair value has been classified as a Level 1 input. As at 30 June 2017, the fair value of the investment was \$2,506,374, with the change in the fair value since 23 May 2017 recognised through other comprehensive income.

Due to an existing contractual obligation, 25% of the shares held in Lottogopher Holdings Inc. are released from escrow six months after listing date, 15% are released twelve months after listing date and remaining 60% are released at intervals which are greater than twelve months from period end date. Accordingly, \$1,002,550 of the shares are recognised as a current available for sale financial asset, and \$1,503,824 as a non-current available for sale financial asset.

16. Contingencies

No contingent assets or liabilities existed at 30 June 2017 or 31 December 2016.

17. Convertible loan notes

Between 6 June 2016 and 30 August 2016 the Group entered into convertible note agreements in the aggregate principal amount of US\$385,000 (AU\$501,560). Each note has a two-year term, bears simple interest at the rate of 7.0% per annum, is unsecured and ranks pari passu with other unsecured debt obligations of the Group.

If, prior to maturity, the Group completes a financing or related financing of equity securities with aggregate gross proceeds of at least US\$1,000,000 - a "Qualified Financing" ('QF') - not including through the conversion of these notes or similar convertible promissory notes, then, effective automatically upon the QF Closing Date, the entire unpaid portion of the Outstanding Amount as of the QF Closing Date shall be converted into that number of shares of capital stock issued by the Company in the Qualified Financing (the "Qualified Financing Stock").

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The number of shares to be issued is determined by dividing the outstanding amount of the convertible notes including the accrued interest by the QF Conversion Price. "QF Conversion Price" means the lesser of (i) eighty percent (80%) of the lowest price per share of the Qualified Financing Stock sold by the Company in the Qualified Financing, and (ii) the amount equal to US\$65,940,756 divided by the total issued and outstanding shares of Common Stock of the Company, on a fully-diluted and as-converted basis as of the QF Closing Date.

At any time prior to the Maturity Date, the Holder may elect, by written notice delivered to the Company at least five (5) business days prior to the Maturity Date, to convert the Outstanding Amount into that number of shares of common stock of the Company, determined by dividing the Outstanding Amount by US\$0.6.

In the event the Company's capital stock is listed for trading on the Australian Securities Exchange (the "ASX"), and the daily closing price of such capital stock traded on the ASX (the "Trading Stock") for each trading day during the six (6) month period immediately following such commencement of listing (the "Review Period") is below the price at which Holder actually converted their convertible note, then the Company shall issue additional shares to the holder as if the principal amount and accrued interest under such Note was converted at a conversion price equal to the average daily closing price of such Trading Stock during the Review Period.

	30/06/2017	31/12/2016
	AUD \$	AUD \$
<i>Current</i>		
Convertible notes issued	310,836	-
Embedded derivative liability ^[1]	100,450	-
<i>Non-current</i>		
Convertible notes issued	106,919	393,922
Embedded derivative liability ^[1]	34,926	140,808
Total notes liability	553,131	534,730

^[1] See Notes 3(iv) and 18 for further details.

18. Embedded derivative liability

The embedded derivative element of the convertible bond has been valued as a forward.

	30/06/2017	31/12/2016
	AUD \$	AUD \$
Opening value of embedded derivatives at beginning of period	140,808	140,689
Change in fair value	(5,432)	119
Value of embedded derivatives at end of period	135,376	140,808

The fair value of this derivative has been classified as a Level 3 input. The change in fair value of the derivative element of the US\$385,000 (AU\$501,560) convertible notes from \$140,808 to \$135,376 is the result of change in assumptions used to value the embedded derivatives:

	30/06/2017	31/12/2016
Risk free interest rate	2.00%	2.00%
Expected life (years)	.22	.35
Expected volatility	65.00%	65.00%

19. Loss per share

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Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to ordinary equity holders by the weighted-average number of shares outstanding during the year.

	Consolidated			
	Basic		Diluted	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Continuing operations	(0.01)	(0.02)	(0.01)	(0.02)
Loss per share	(0.01)	(0.02)	(0.01)	(0.02)

(a) Earnings used in calculating earnings (loss) per share

	30/06/2017	30/06/2016
	AUD \$	AUD \$
Profit (loss) used in calculating basic earnings (loss) per share:		
Continuing operations	(1,281,482)	(1,338,601)
	(1,281,482)	(1,338,601)

(b) Weighted average number of shares used as denominator

	30/06/2017	30/06/2016
	Number	Number
Weighted average number of shares (Basic)	108,550,000	61,237,377 ^[1]
Weighted average number of ordinary and potential ordinary shares (Diluted)	109,274,899	61,704,918 ^[1]

^[1] Weight average number of shares has been adjusted for the impact of the stock splits completed in prior periods.

20. Events occurring after the balance sheet date

(a) Share Purchase Agreement and listing on the Australian Securities Exchange ('ASX')

The Company entered into a Share Sale and Purchase Agreement with engage:BDR Limited in August 2017 ('Share Sale and Purchase Agreement'). Pursuant to that Agreement, engage:BDR Limited has agreed to procure the Company's issued share capital, with Shareholders selling their shares in the Company to engage:BDR Limited in accordance with the terms of the Share Sale and Purchase Agreement. This transaction is subject to engage:BDR Limited listing on the ASX which at the date of authorizing this report, has not yet occurred. Once the listing has been approved by the ASX engage:BDR Limited will transfer \$10,000,000 (less associated transaction costs) to Engage:BDR, LLC in cash or cash equivalents, and will become the ultimate parent entity of the Group, in the form of equity to be held by engage:BDR Limited.

(b) Tiveo LLC Put Right

As part of the Tiveo LLC business combination which occurred on 16 August 2016 and in line with the contribution agreement, the majority members of Tiveo were granted an ASX Listing put right ("put right") which could be exercised if the Company's shares had not been listed for trading on the ASX within a specified listing deadline. Upon exercising the put right, the majority members would return the Engage:BDR, LLC shares and require Engage:BDR, LLC to deliver to the majority members the Tiveo units acquired and ensure that Tiveo has a minimum amount of cash equal to US\$3,000,000 plus ten percent (10%) interest per annum, or interest at the maximum legal rate at that time, whichever is lesser, from the date of acquisition to date of option exercise. Engage would then lose control of Tiveo from the date this put right is exercisable and therefore Tiveo would be de-consolidated from this date. This put right resulted in the fair value of Engage:BDR, LLC shares issued as consideration being recorded as a liability as at 30 June 2017 (as opposed to equity).

The Tiveo LLC members did not exercise the put right prior to its expiration on 15 September 2017. As a result, the liability recognised at 30 June 2017 has been reclassified to equity on 15 September 2017.

21. New Accounting Standards and Interpretations

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(i) Changes to accounting policy and disclosures

The Group has adopted the following new and amended standards which were applicable as disclosed in the table below. Adoption of these new and amended standards and interpretations has not had a material impact on the Company. Other new or amended standards are not considered applicable to the Group.

Reference	Summary	Application date
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	This Standard amends IAS 12 Income Taxes (July 2004) and IAS 12 Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017

(ii) Accounting standards and interpretations issued but not yet effective

The following relevant Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been early adopted by the Group. The Group expects to adopt these standards in accordance with the effective dates. Other standards and interpretations issued but not yet effective are not considered applicable to the Group.

Reference	Summary	Application date
IFRS 9 Financial Instruments	<p>IFRS 9 (December 2014) is a new standard which replaces IAS 39. This new version supersedes IFRS 9 issued in December 2009 (as amended) and IFRS 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>IFRS 9 is effective for annual periods beginning on or after 1 January 2018.</p> <p><u>Classification and measurement</u></p> <p>IFRS 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of IAS 39. There are also some changes made in relation to financial liabilities.</p> <p>IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities be measured at fair value.</p> <p><u>Impairment</u></p> <p>The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p><u>Hedge accounting</u></p> <p>Amendments to IFRS 9 (December 2009 & 2010 editions) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p>	<p>1 January 2018</p> <p>The Company has not yet assessed the potential impact of this change.</p>
IFRS 15 Revenue from Contracts with Customers	<p>IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17 (or IFRS 16 Leases, once applied). Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, plant and equipment and intangible assets.</p> <p>IFRS 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p>	<p>1 January 2018</p> <p>The Company has not yet assessed the potential impact of this change.</p>
IFRS 16 Leases	<p>Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p>	<p>1 January 2019</p> <p>The Company has</p>

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.	not yet assessed the potential impact of this change.
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Directors' Declaration for the period ended 30 June 2017

In accordance with a resolution of the directors of Engage BDR LLC, I state that:

In the opinion of the directors:

- (a) the interim condensed consolidated financial statements and notes of the Group:
 - (i) present fairly the Group's financial position as at 30 June 2017 and of its performance for the half year ended on that date; and
- (b) the financial statements and notes also comply with IAS 34 Interim Financial Reporting as disclosed in note 2; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



T. Dhanik
Director
Los Angeles
4 December 2017

Independent Auditor's Review Report to the Members of Engage BDR LLC

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Engage BDR LLC (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group does not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2017 and its consolidated financial performance and consolidated cash flows for the half-year ended on that date, in accordance with IAS 34 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

We draw attention to the following matter:

As disclosed in note 2(b), the Group is dependent upon a near term listing of its parent company Engage:BDR Limited on the Australian Securities Exchange (ASX) in order to continue as a going concern. Should the parent entity not be admitted to the ASX in the near term there is a material uncertainty as to whether the Group will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable, and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the consolidated statements of financial position.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the Group's consolidated financial position as at 30 June 2017 and its consolidated financial performance and consolidated cash flows for the half-year ended on that date, in accordance with IAS 34 *Interim Financial Reporting*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

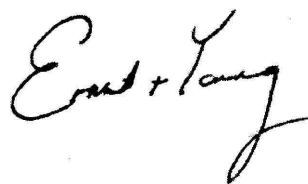
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Restriction on Distribution

Our report is intended solely for the Group and members of Engage BDR LLC and the Australian Securities Exchange ('ASX') ('the Recipients') and should not be distributed to parties other than the Recipients. A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of, or reliance on the report. Our opinion is not modified in respect of this matter.

Independence

In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our review of the interim financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Ernst & Young

Melbourne
4 December 2017