

4 October 2018

ASX ANNOUNCEMENT

AdCel Develops TRUTH - Mobile Device Verification to Decimate Ad Fraud, Demands Premiums

Highlights

- The Company leverages AdCel's software development kits (SDK) installed on several hundred million devices, to verify device IDs, user data, authentic engagement and increase transparency
- TRUTH is expected to drive significant incremental revenue, client retention and attract new buyers not currently integrated
- Private Marketplace (PMP) buyers will soon have access to verified mobile ad inventory via TRUTH to eliminate waste from fraudulent ad providers and device id spoofing
- The Company studied, detected and plans to eliminate an average of 10% of inventory being misrepresented in open marketplaces. Introduction of this technology helps brands put a stop to wasted dollars being spent on miscategorised inventory that doesn't reach their intended audiences. The Company's goal is to create a marketplace that advertisers can trust to help drive positive results for their marketing campaigns.

engage BDR ("engage:BDR or Company") (ASX:EN1 and EN10) is pleased to announce the release of its proprietary ID validation technology into the private marketplace ecosystem to identify false users and prevent ad fraud before it is acquired, through its AdCel division.

Queue the problem:

Programmatic buyers lack direct access to inventory sources when purchasing through third parties. This prevents the buyer from being able to confirm the authenticity and quality of ad requests found in the open marketplace. In the Company's own experience, its pre-bid integrated fraud detection vendors do an excellent job of weeding through the noise; filtering out bad actors to the best of their availability. There is still, however, a problem that continues to persist, even with the

USA

engage:BDR
9220 Sunset Blvd, Suite 100
West Hollywood, CA 90069
USA
+1 310 954 0751
info@engagebdr.com

Australia

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

most thorough approach to preventing fraud, and that lives in impression request vs. actual impression served data anomalies.

Often times, middlemen will miscategorise, spoof or misdeclare inventory with the intent of monetizing such inventory in the open marketplace. In the Company's own studies, with two leading SSP's over a period of 30 days, request vs. impression data anomalies averaged approximately 10%, POST pre-bid scanning with a leading MRC accredited fraud detection vendor. These anomalies range from improper device declarations, Device ID Reset fraud, device spoofing, incorrect declaration of user app session, misrepresentation of bundle ID's, viewability, player size and content types to varying IP addresses and incorrect location signals that otherwise cannot be detected by TQ (traffic quality) companies and are only detectable if you are comparing the impression request vs. where the ad actually served.

What this means for brands and agencies, is that the SSP (supply-side platform) unknowingly passed along otherwise fraudulent, or miscategorised opportunities, impairing the buyer's targeting effectiveness, and in some cases, flat out spending money on invalid traffic.

TRUTH, a PMP Product Release

As questions of ad fraud continue to afflict the digital marketing industry, the Company leverages its software development kits (SDKs) to assure the integrity and reliability of private marketplace (PMP) transactions.

In simple terms, SDKs are a variety of software codes that help make digital platforms more dynamic. SDKs help companies effectively perform crash reporting, gather detailed analytics, and track engagement in real-time, among other things. Validation SDKs help publishers effectively filter artificial and spoofed ad requests by providing real-time data about active user sessions and their behavior.

engage:BDR will leverage its AdCel's SDKs to track and validate mobile ID's in real-time, thereby mitigating the likelihood of encountering false device IDs. The technology cross references device IDs, along with other information obtained from mobile apps, with mobile network operator records to verify that users are not fraudulent.

In the end, incorporating this technology into PMP bundles ensures that advertisers are reaching their targeted audience and not fictitious users. It also confirms that the metrics recorded are for valid traffic, giving advertisers accurate CPM estimates. Publishers will have access to the premium campaigns through the marketplace, increasing their average CPM's and revenue. In addition, publishers

USA

engage:BDR
9220 Sunset Blvd, Suite 100
West Hollywood, CA 90069
USA
+1 310 954 0751
info@engagebdr.com

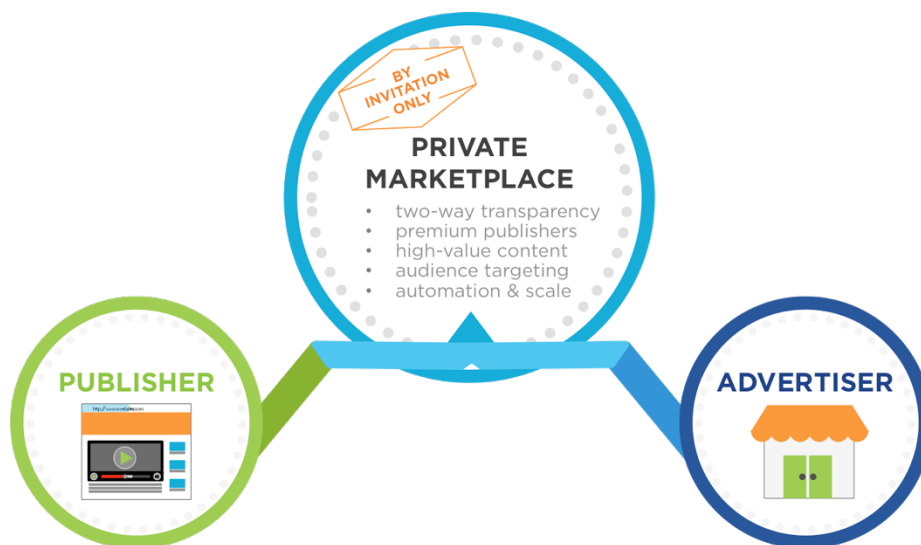
Australia

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

will have another layer of protection against fraud, caused by the bad actors spoofing publisher's properties to sell artificial traffic.

Private Marketplace Trends

In recent years, programmatic private marketplaces (PMPs) have become a buzzword among digital advertisers. These PMPs are invite-only, real-time bidding (RTB) marketplaces, in which inventory is bought and sold on a one-to-one level between a buyer and publisher. [SpotX](#) describes PMPs as, "a natural evolution of public marketplaces" and a "convergence of traditional media buying, which involve more direct relationships between publishers and advertisers."



*Source: [Spotx](#)

Transactions in PMPs occur through Deal IDs, or individualised identifiers used to connect advertisers and publishers. This way, both parties can negotiate the specific deal criteria prior to actually carrying out the deal, including types of ad units available, where the ad will appear on the site, and/or minimum price the buyer can bid.

Therefore, buyers and sellers can benefit from elevated control and transparency in PMP relationships.

Other benefits of PMP transactions on both ends include; giving advertisers early access to a seller's inventory before it is available to the public; enabling publishers to manage who buys their inventory and at what price; allowing both parties to

USA

engage:BDR
9220 Sunset Blvd, Suite 100
West Hollywood, CA 90069
USA
+1 310 954 0751
info@engagebdr.com

Australia

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

continue utilizing programmatic media tools to ensure transactions are carried out efficiently.

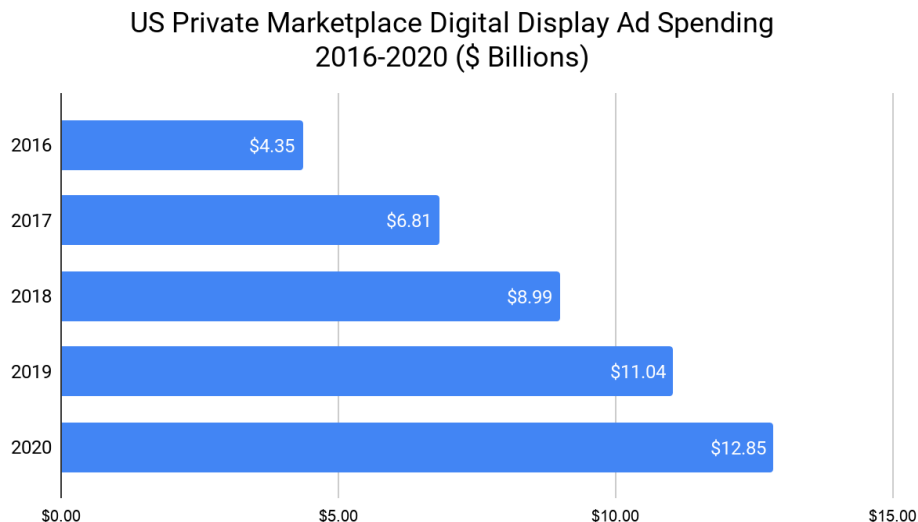
PMP Deal ID Transaction Example from Digiday

“Say Condé Nast has a deal with Interpublic agencies working for Chrysler. In the open market, Condé is not exposing inventory from its sites because it might undercut their direct sales effort. Deal ID will allow it to cut a deal with IPG to allow it to see and bid on inventory from Condé sites that match auto shoppers.”

PMPs have continued to prove to be the future of programmatic advertising and not just another marketing gimmick. [eMarketer](#) estimates that PMP spending in the United States will increase by about 37% in 2018.

“Nearly \$19 billion in additional ad spending will enter the programmatic display space between 2018 and 2020. And the majority will go to private setups, such as private marketplaces (PMPs) and programmatic direct transactions, as buyer wariness toward the open markets’ transparency and quality issues persists.” - **eMarketer**

Additionally, [eMarketer](#) reports that in 2018, advertisers are projected to spend nearly \$9 billion on PMPs, a 32% increase from 2017. By 2020 PMP spending will grow by an estimated 43%, to reach almost \$13 billion.



*Source: [eMarketer](#)

USA

engage:BDR
9220 Sunset Blvd, Suite 100
West Hollywood, CA 90069
USA
+1 310 954 0751
info@engagebdr.com

Australia

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

The Company continues to seek valuable PMP opportunities within the advertising ecosystem and has seen beneficial results from these more personalised exchanges that cut out the middlemen and provide reciprocal improvements in inventory at better rates. Additionally, the Company will deploy more cutting-edge, inventory quality tools and technologies like TRUTH to provide value to the consumers of programmatic advertising – the largest brands of the world.



On behalf of the Board
Ted Dhanik
Co-Founder and Executive Chairman
engage:BDR Limited
t: +1 310 954 0751
e: info@engagebdr.com

Follow us on social media:



<https://www.facebook.com/engagebdr/>
<https://www.linkedin.com/company/engage-bdr>
<https://twitter.com/engagebdr>
<https://www.instagram.com/engagebdr/>

USA

engage:BDR
9220 Sunset Blvd, Suite 100
West Hollywood, CA 90069
USA
+1 310 954 0751
info@engagebdr.com

Australia

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