Adslot Investor Presentation

1H FY15 Results

Adslot

Highlights – Half Year to 31 December 2014

+81%

Revenue From Continuing Operations

$3.093m

+55%

Total Income

$3.446m

-5%

Operating Costs

$5.094m

+46%

EBITDA

($1.762m)

-13%

NPAT

($5.233m)

Note: Growth rates referenced are calculated against the previous corresponding period, being 6 months to 31 December 2013

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Highlights – Half Year to 31 December 2014

+81%

+55%

Revenue From Continuing Operations

$3.093m
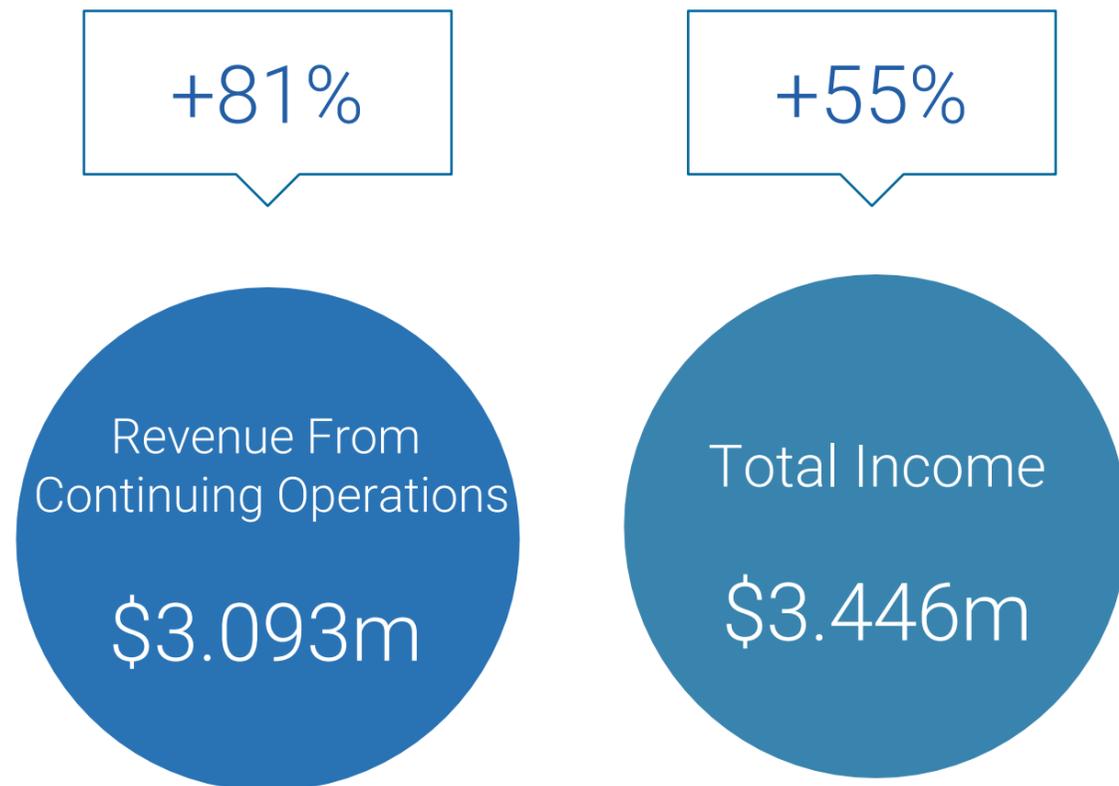
Total Income

$3.446m

- Revenue from Continuing Operations increased from $1.706m to $3.093m – an increase of $1.387m (81%) on pcp

- Other income decreased from $0.366m of $0.238m – a decrease of $0.128m on pcp

- Total Income increased $2.225m to $3.446m – an increase of $1.221m (55%) on pcp

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Highlights – Half Year to 31 December 2014

- Operating costs decreased slightly from $5.350m to $5.094m – a reduction of $0.256m or 5% on pcp, demonstrating cost management discipline

- EBITDA loss reduced from of a loss of $3.278m to a loss of $1.762m – an improvement of $1.516m or 46% on pcp

- NPAT loss increased from $4.625m to $5.233m – an increased loss of $0.608m or 13% on pcp*

-5%

Operating Costs

$5.094m

+46%

EBITDA

($1.762m)

-13%

NPAT

($5.233m)
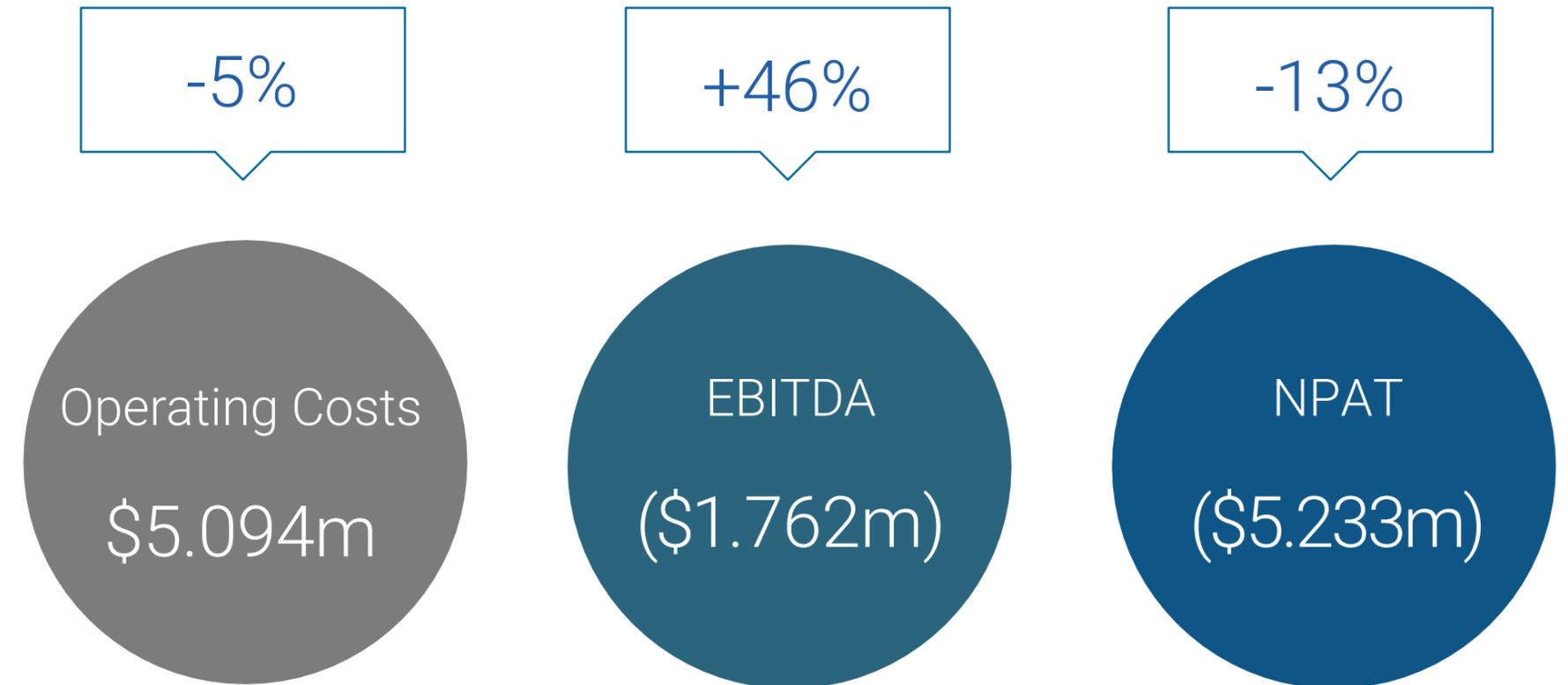
* NPAT result includes additional Amortisation in 1H FY15 of $2.072m arising from the acquisition of Facilitate Digital in December 2013

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Revenue Segments – Half Year to 31 December 2014

+182%

-2%

Trading Technology

$1.213m

Services

$1.221m

Adserving

$0.660m
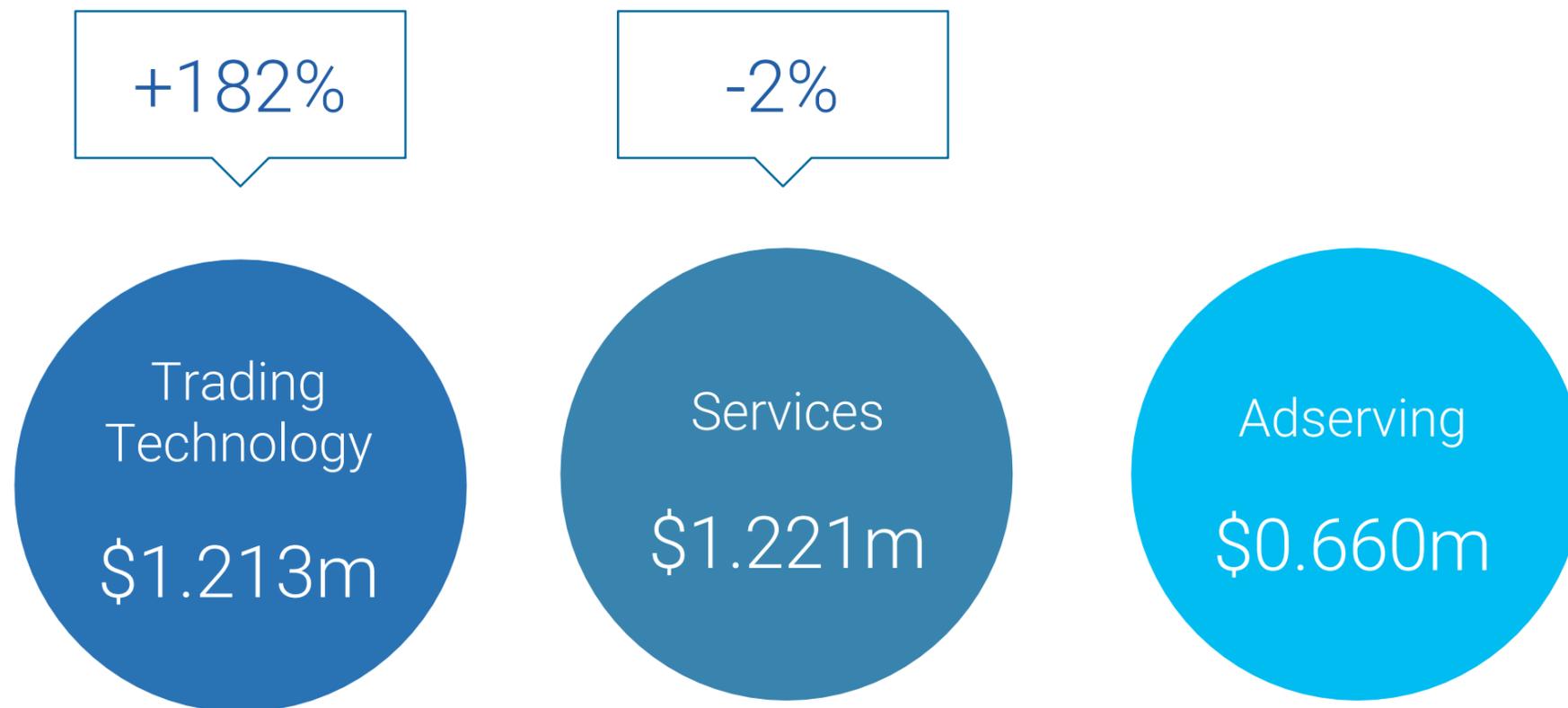
- Trading Technology is the primary growth engine with 182% increase on pcp

- Non strategic Services revenue is flat with 2% decrease on pcp

- Adserving revenue is a new revenue stream from Facilitate Digital acquisition

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Trading Technology is a large, global market opportunity, offering high growth, high margin revenue that will drive Adslot's long term income and profit performance

Revenues derived from Trading Technology now constitute 39% of group revenue (versus 25% in 1H FY14)
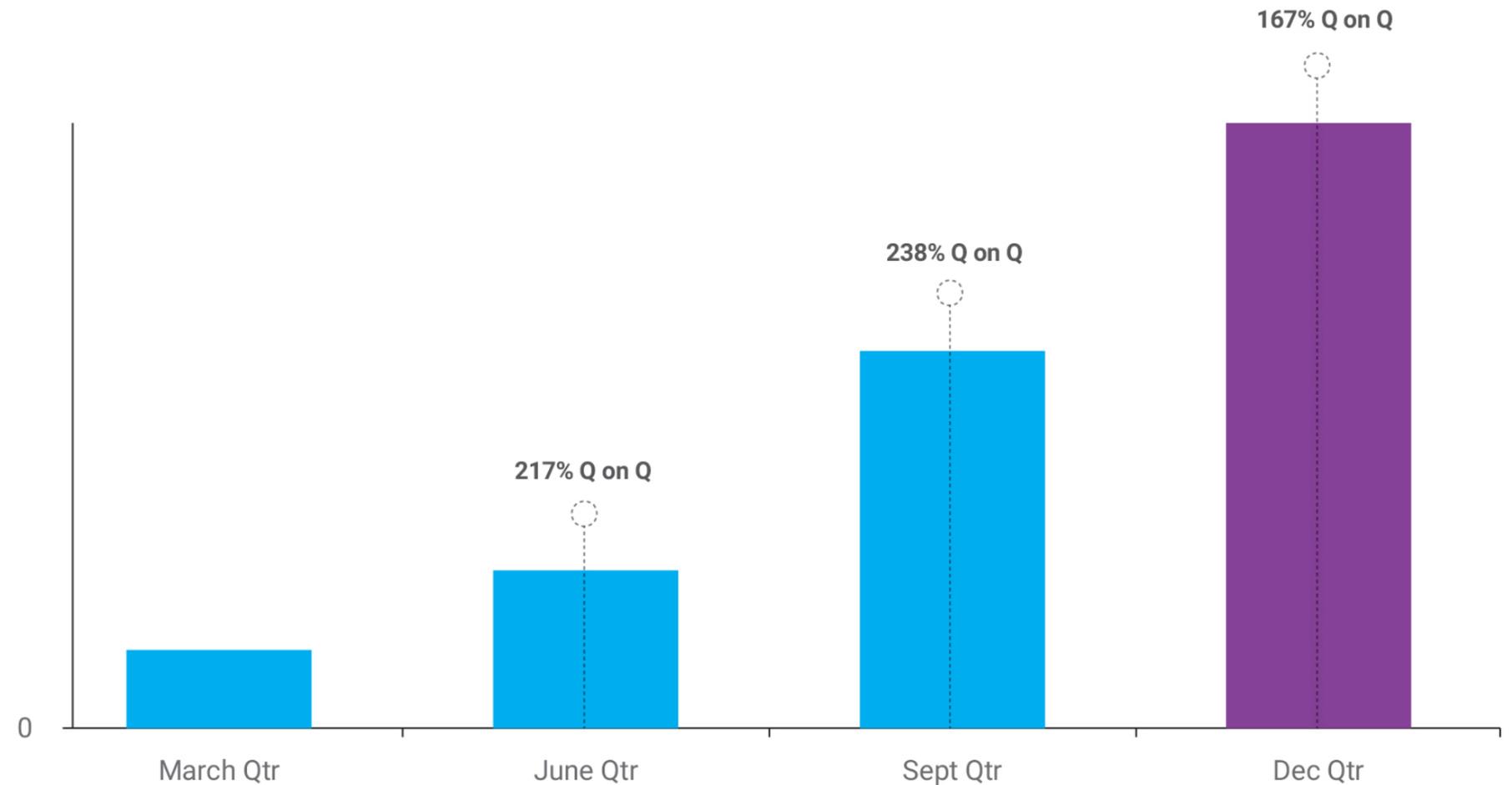
Trading Technology – Growth Drivers

- Trading Technology revenue comprises **Transaction Fees** and **Licence Fees**

- Revenues derived from both **Transaction Fees** and **Licence Fees** increased 182% on pcp

- Ongoing growth of Trading Technology revenue is expected

+182%

Trading Technology

$1.213m

$1.213m (1H FY 15)
versus
$0.430m (1H FY14)

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Trading Technology – Growth Drivers: Transaction Fees

- Transaction Fee revenues are trending upwards

- Growth in Transaction Fees is driven by:
  - Growth in the **volume** of transactions executed by media agencies via *Adslot Media*
  - Growth in the **value** of transactions executed by media agencies via *Adslot Media*

Q on Q Growth in Value of Media Bookings via Adslot

167% Q on Q

238% Q on Q

217% Q on Q

| March Qtr | June Qtr | Sept Qtr | Dec Qtr |

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Trading Technology – Growth Drivers: Licence Fees

- Licence Fee revenues are growing as new Symphony contracts are signed and deployed

- This is growing the value of media spend captured within Symphony

- The Symphony-Adslot integration offers agencies using Symphony a fully automated trading experience, and generates Transaction Fee revenues
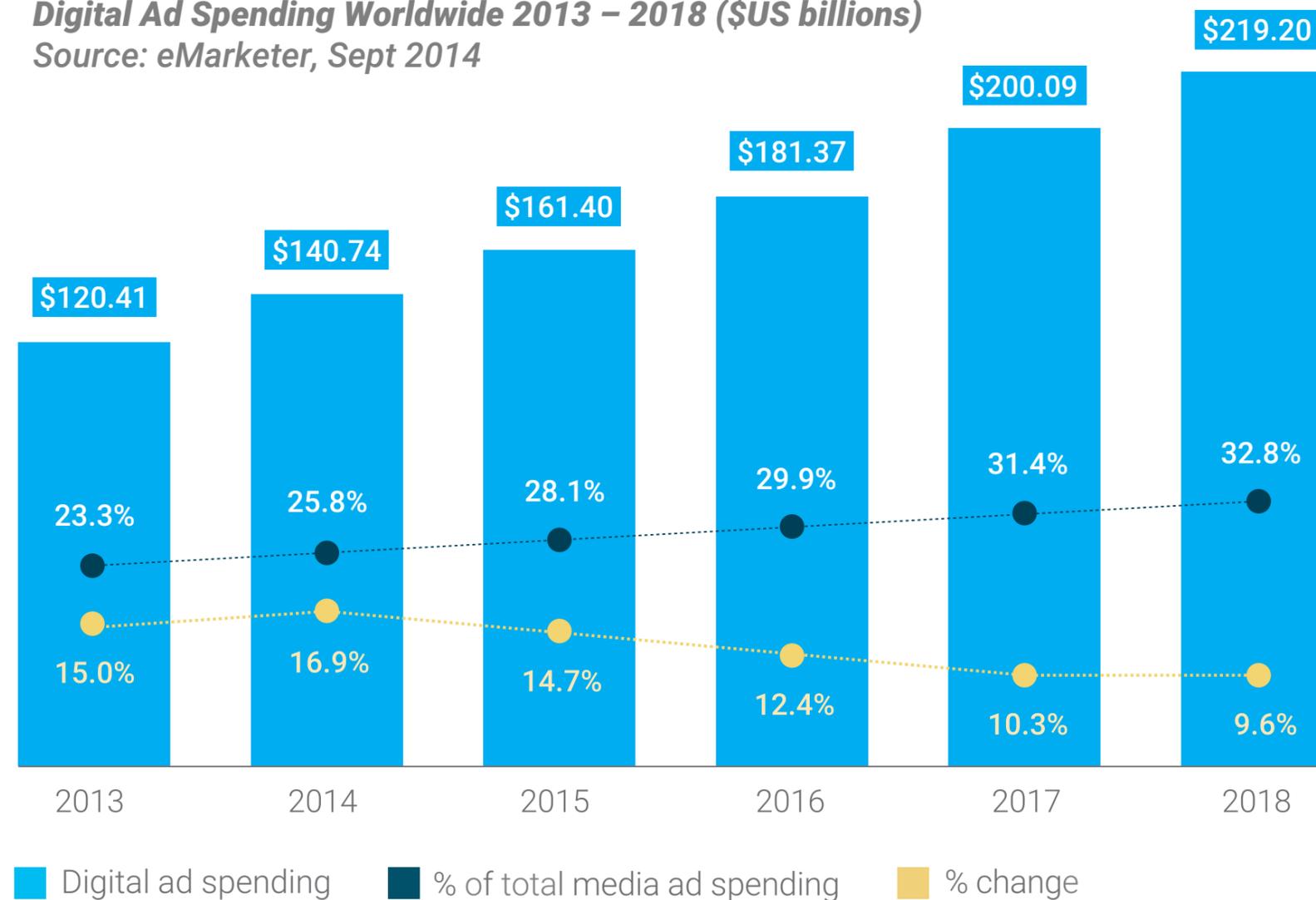
H on H Growth in Value of $USD Media Bookings via Symphony

Adslot
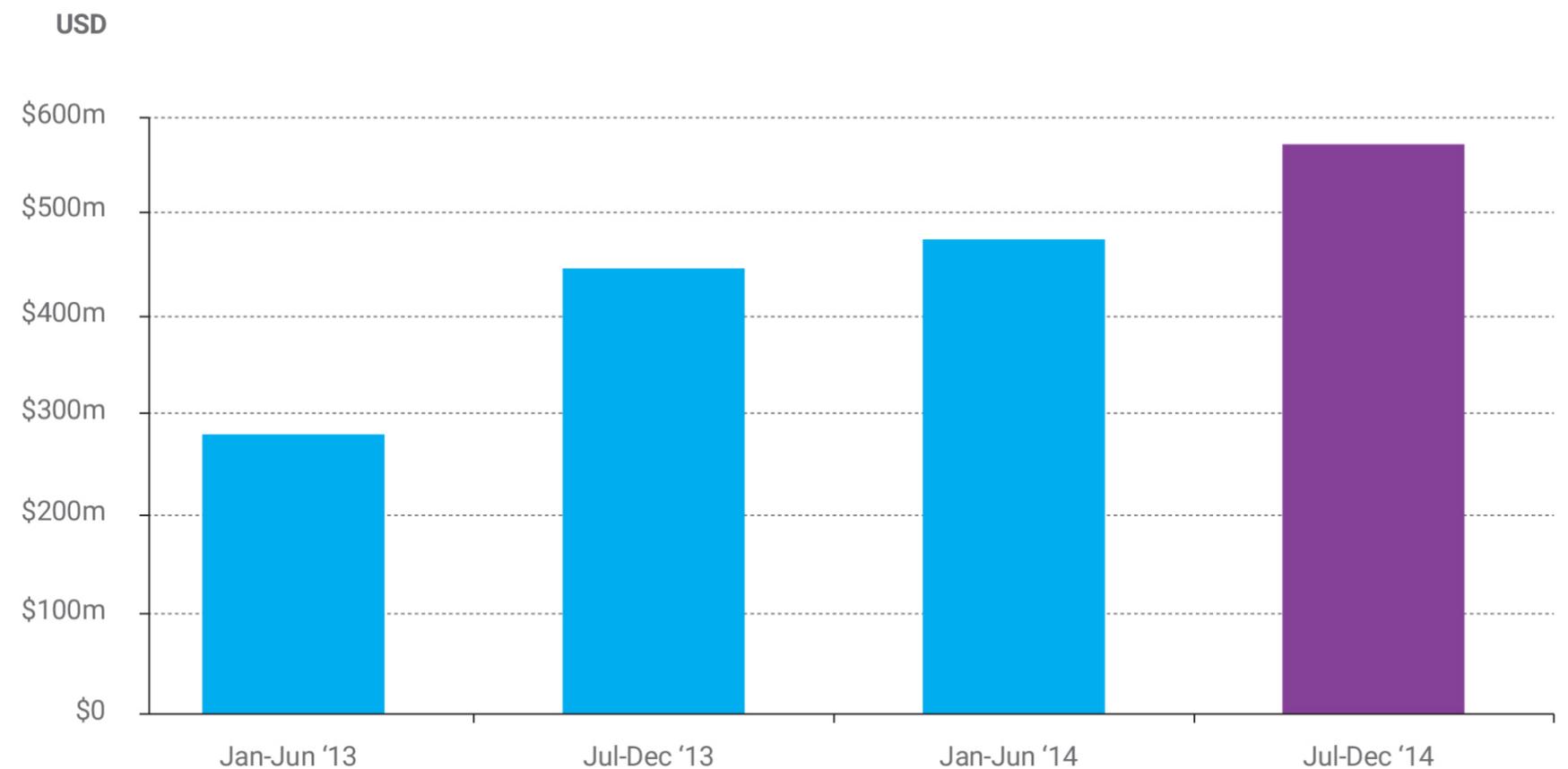
Meanwhile…digital ad spend remains in strong growth

Digital Ad Spending Worldwide 2013 – 2018 ($US billions)
Source: eMarketer, Sept 2014

Chart data:

Year	Digital ad spending	% of total media ad spending	% change
2013	$120.41	23.3%	15.0%
2014	$140.74	25.8%	16.9%
2015	$161.40	28.1%	14.7%
2016	$181.37	29.9%	12.4%
2017	$200.09	31.4%	10.3%
2018	$219.20	32.8%	9.6%

Legend: Digital ad spending — % of total media ad spending — % change

- Digital ad spend is growing in value and as a percentage of total media spend

- Projected to grow 14.7% in 2015 to USD $161b

- Forecast to reach USD $219b in 2018, nearly one third of the total global advertising market

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The shift to automation is gathering speed

- Consistent with growth in Adslot's transaction volume, analysts are projecting rapid adoption of trading automation technology for $40b forward guaranteed display market

- The US market will lead the way, forecast to trade USD $8.57b of forward guaranteed media spend via technology in 2016

- The opportunity is global – by 2016 the worldwide forward guaranteed display market will be worth circa USD $50b
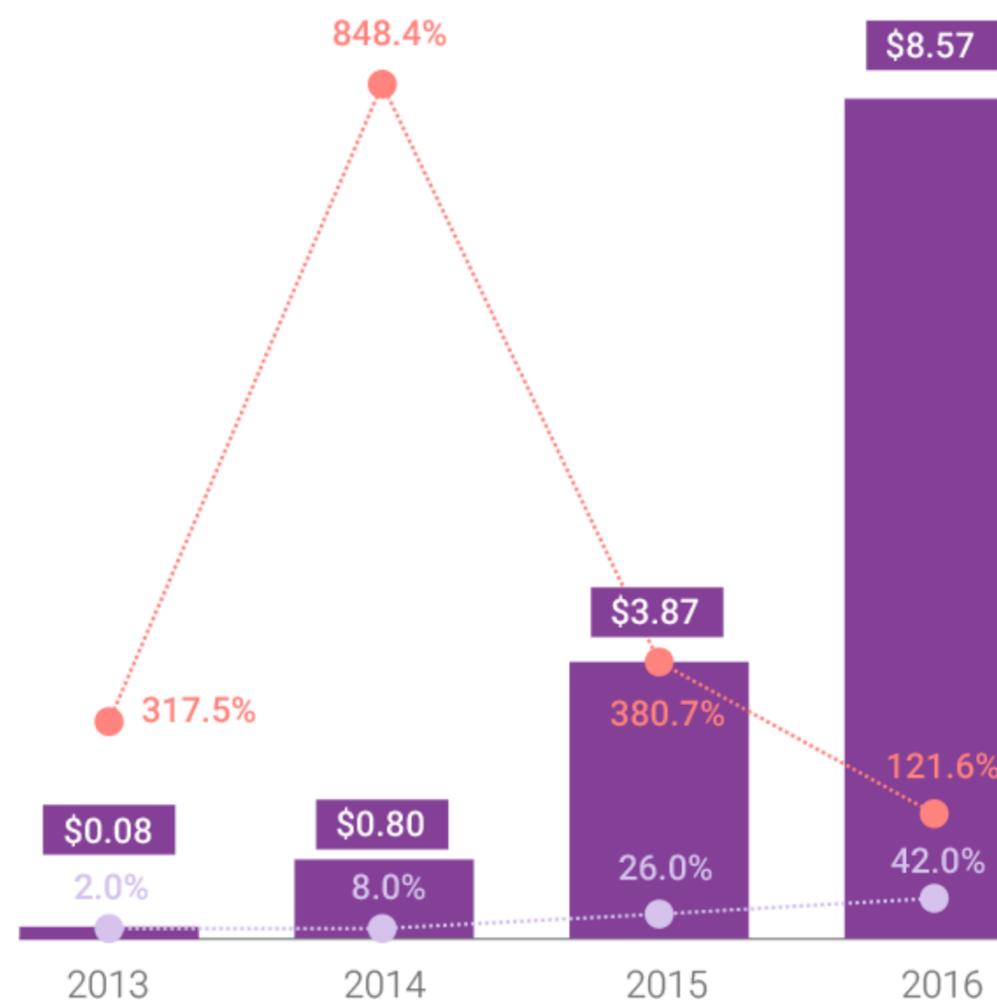
*US Programmatic Direct Digital Display Ad Spending, 2013 – 2016 ($US billions)*

Source: eMarketer, October 2014

- Programmatic direct digital dislay ad spending
- % change
- % of total programmatic digital display ad spending

848.4%

317.5%

$8.57

$3.87

380.7%

121.6%

$0.08

$0.80

2.0%

8.0%

26.0%

42.0%

2013   2014   2015   2016

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Adslot continues to execute its growth strategy…

1H FY15
Milestones

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1. Assemble supply and demand at scale
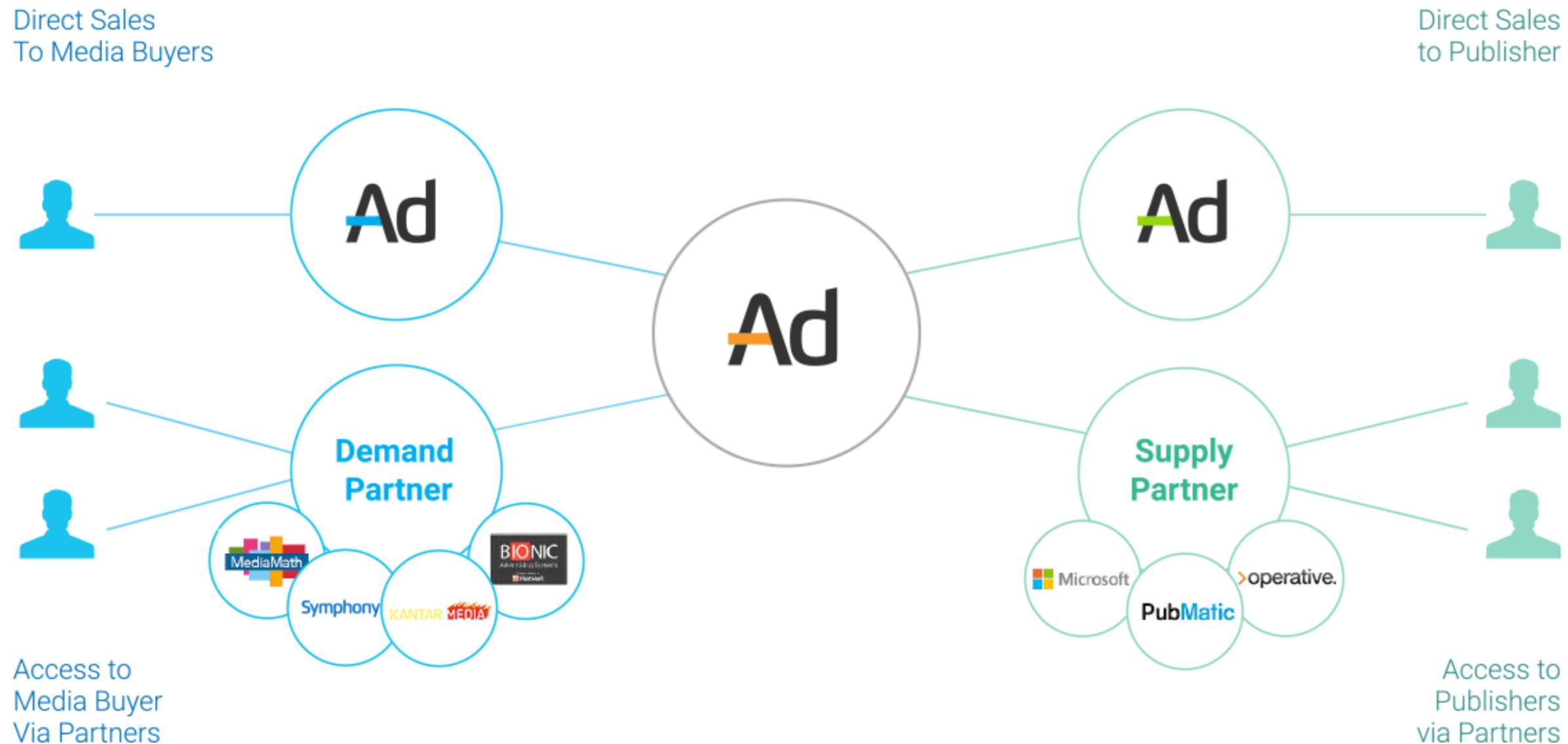
Significant Milestones

- Supply Partnership secured with **Microsoft** – announced August 2014
- Supply Partnership secured with **Operative** – announced November 2014
- Supply Partnership secured with **PubMatic** – announced January 2015
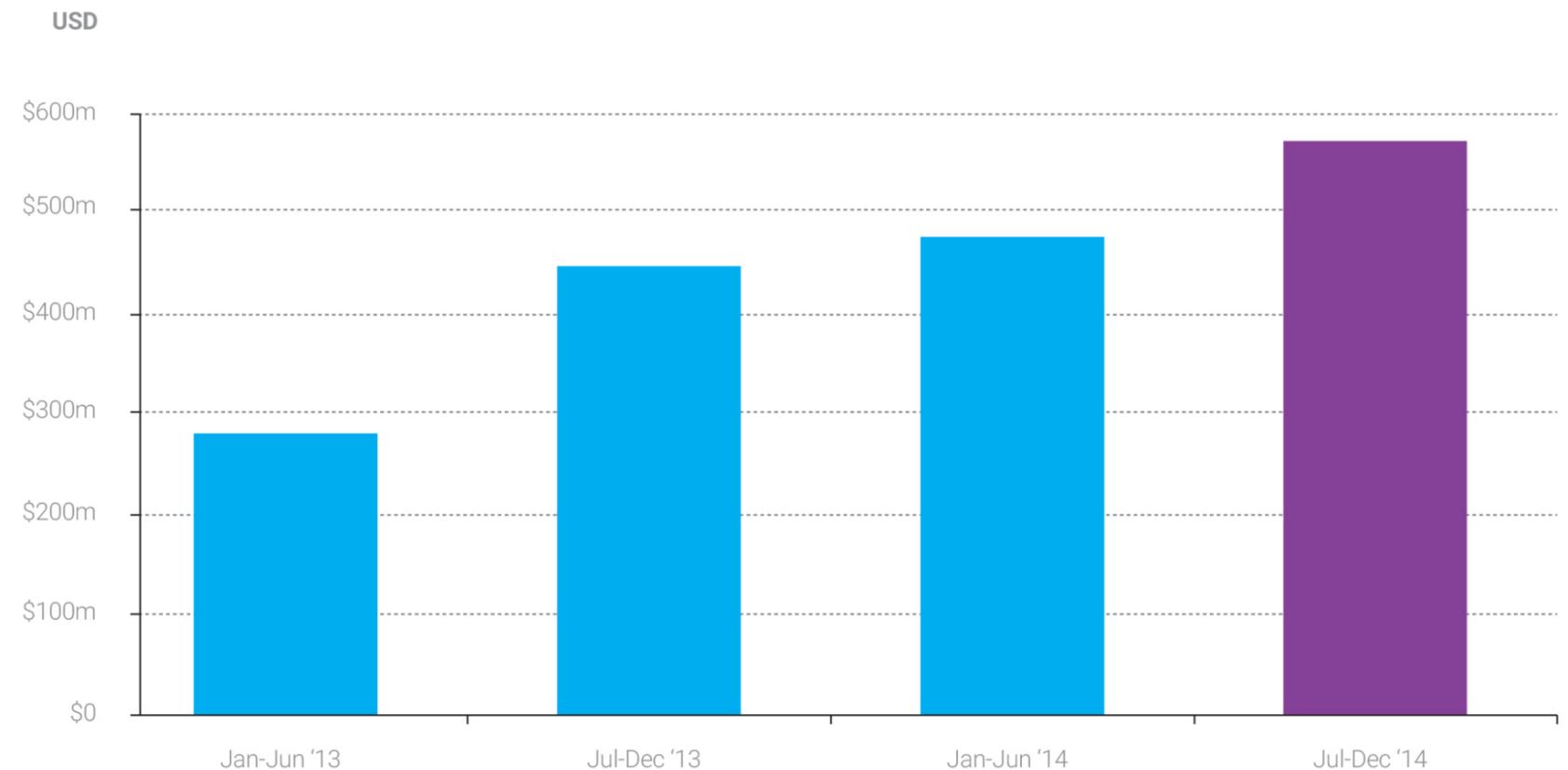
2. Integrate Symphony and Adslot

- Released Phase 1 integration of Adslot & Symphony

- Secured first transactions via Phase 1 integration capability – first migration of forward guaranteed buying from semi-automation (Symphony) to full automation (Adslot Media)

Symphony

Adslot publisher

Adslot
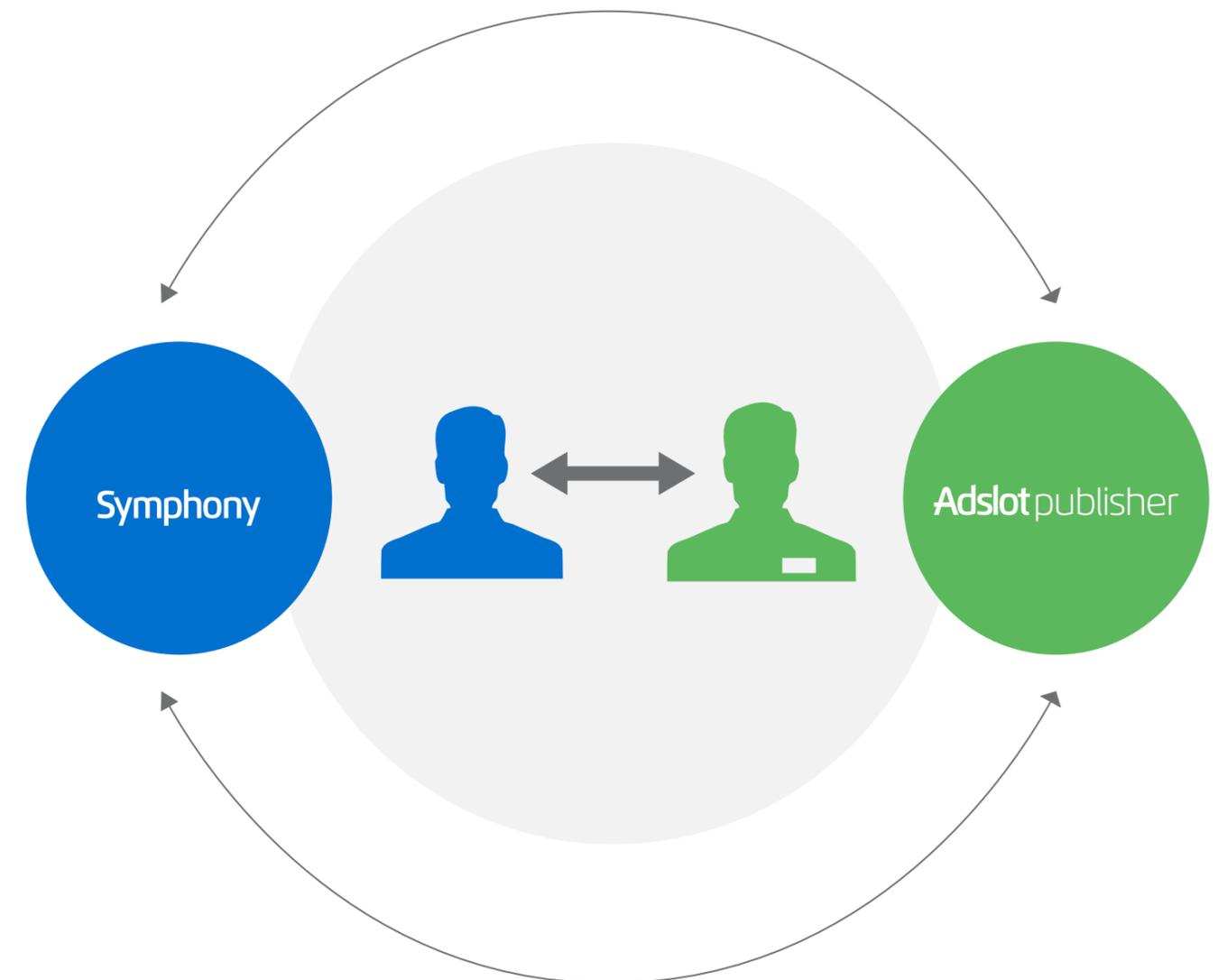
3. Continue to grow the forward guaranteed spend captured within Symphony

- Deployed Symphony into new markets under existing contracts

- Signed new agency customers and grew Symphony's share of the $40b forward guaranteed display market

- Symphony (workflow) is driving agency interest in Adslot Media (trading), and Adslot Media is driving agency interest in Symphony

H on H Growth in Value of $USD Media Bookings via Symphony

USD

$600m	
$500m	
$400m	
$300m	
$200m	
$100m	
$0	

Jan-Jun '13   Jul-Dec '13   Jan-Jun '14   Jul-Dec '14

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4. Extend the value proposition from efficiency to effectiveness
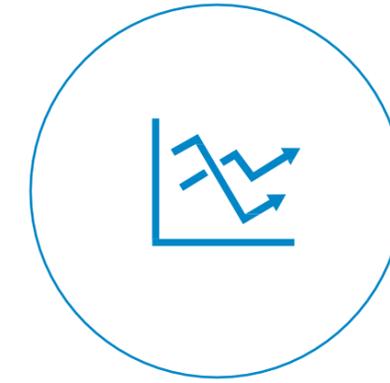
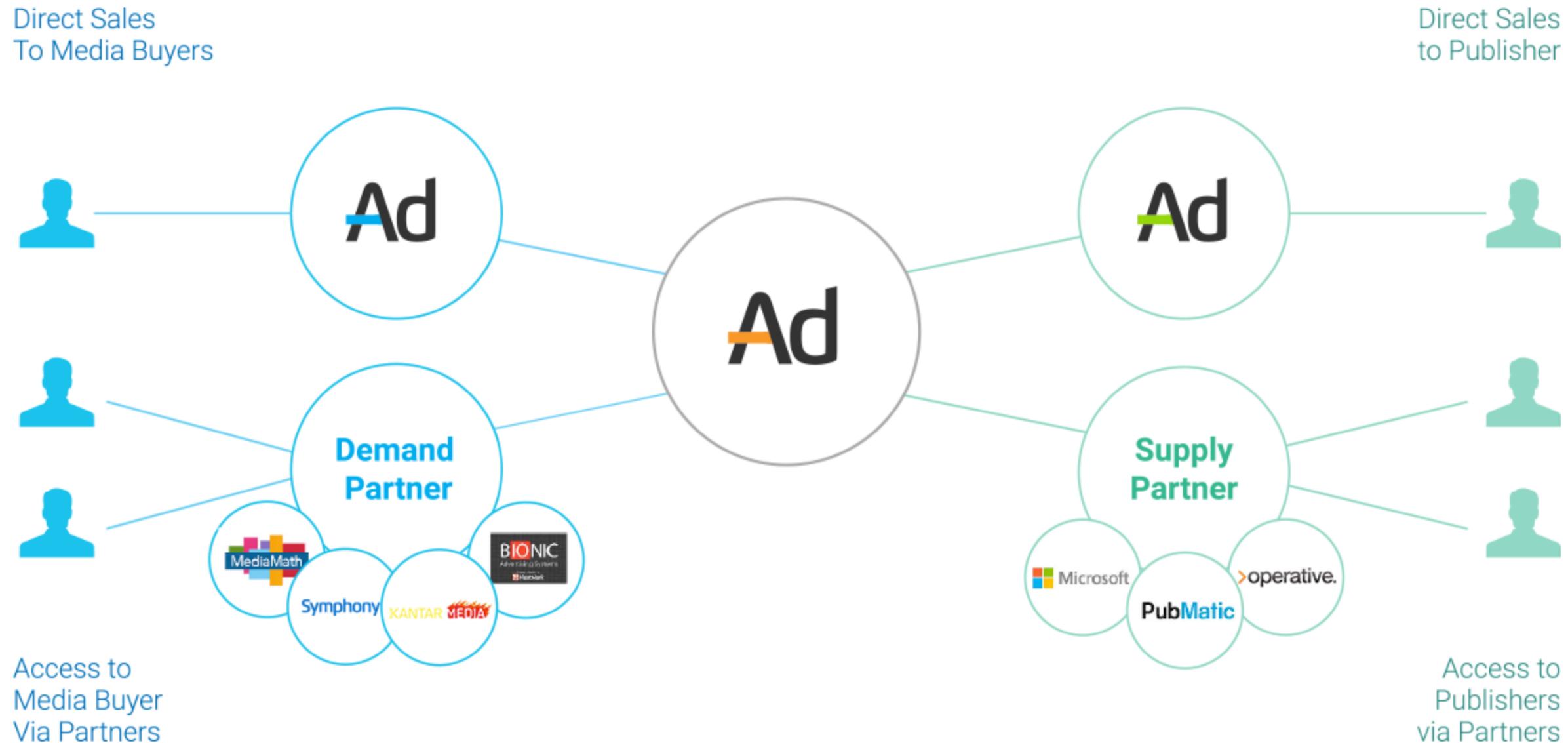**Discovery** ▶ **Planning** ▶ **Trading** ▶ **Trafficking** ▶ **Optimisation**

- Continued innovation to maintain best in class product capability

- Expanded feature sets to manage more of the end-to-end campaign lifecycle, including advanced **targeting** and **optimisation** tools

- Campaigns transacted via Adslot should on average be better performing campaigns

Adslot

CY 15
Outlook

Adslot

1. Assemble supply and demand at scale

Direct Sales
To Media Buyers

Direct Sales
to Publisher

Ad

Ad

Ad

**Demand
Partner**

**Supply
Partner**

MediaMath

BIONIC
Advertising Systems
Media Partner

Symphony

KANTAR MEDIA

Microsoft

PubMatic

>operative.

Access to
Media Buyer
Via Partners

Access to
Publishers
via Partners

Outlook for 2015

- Multiple partner integrations to be deployed 'live' in 2H FY15
- Additional publisher adserver integrations to be deployed 'live' in 2H FY15
- Additional partnership deals are anticipated

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2. Integrate Symphony and Adslot

- Released Phase 1 integration of Adslot & Symphony

- Secured first transactions via Phase 1 integration capability – first migration of forward guaranteed buying from semi-automation (Symphony) to full automation (Adslot Media)

Outlook for 2015: (Phase 2) Major integration enhancement on track for release by the end of the March Quarter 2015.
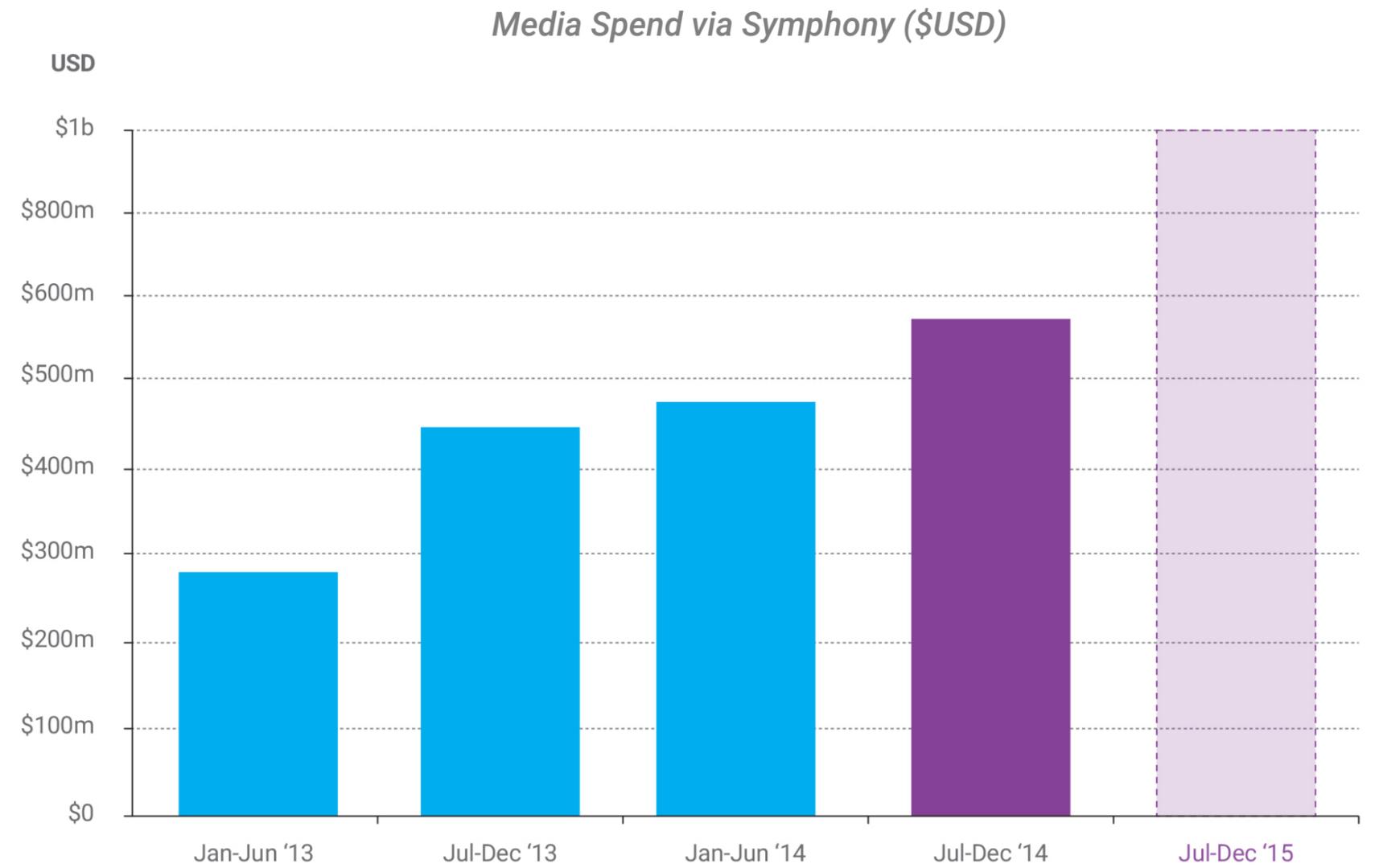
The Phase 2 integration release provides a basis on which to compel agencies to migrate more media spend from Symphony (semi-automated) to Adslot Media (fully-automated)

Symphony

Adslot publisher

Adslot
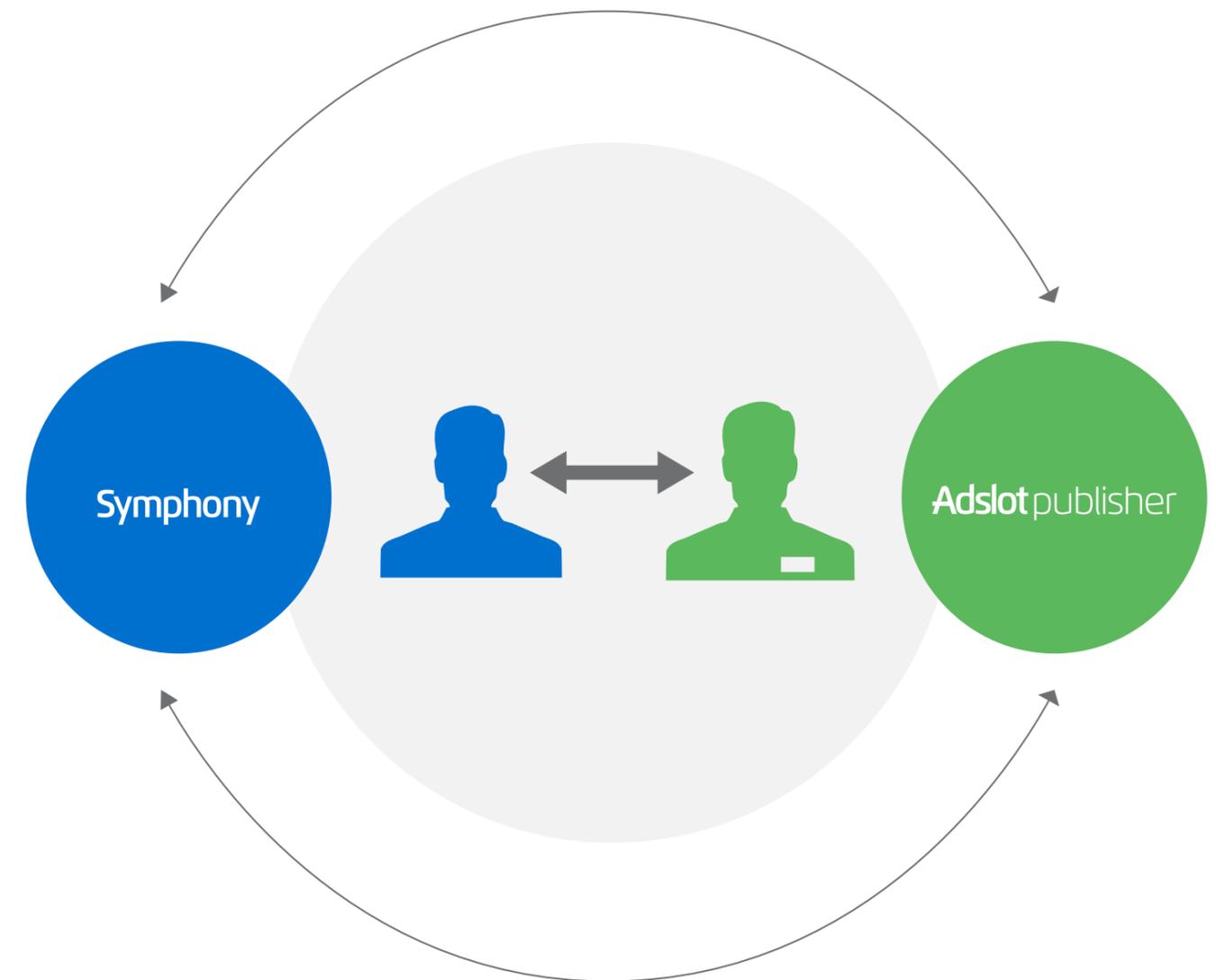
3. Continue to grow the forward guaranteed spend captured within Symphony

- Deploy Symphony into new markets under existing contracts

- Sign new agency customers and grow Symphony's share of the $40b forward guaranteed display market

- Symphony (workflow) is driving agency interest in Adslot Media (trading), and Adslot Media is driving agency interest in Symphony

- Tuesday 3rd March – Adslot announce Symphony/Adslot contract with **Haworth Marketing + Media**, one of the largest independent agencies in US

Outlook for 2015: Media spend captured via Symphony expected to exceed $2b p.a. by the end of CY15

Media Spend via Symphony ($USD)

USD

$1b	
$800m	
$600m	
$500m	
$400m	
$300m	
$200m	
$100m	
$0	

Jan-Jun '13 | Jul-Dec '13 | Jan-Jun '14 | Jul-Dec '14 | Jul-Dec '15

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4. Extend the value proposition from efficiency to effectiveness
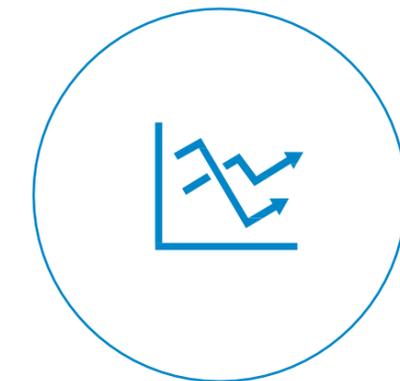
Discovery → **Planning** → **Trading** → **Trafficking** → **Optimisation**

- Continuous innovation to maintain **best in class** product capability

- Expand feature sets to manage more of the end-to-end campaign lifecycle, including advanced *targeting* and *optimisation* tools

- Campaigns transacted via Adslot should on average be better performing campaigns

Outlook for 2015: feature releases and Symphony integration enhancements providing enhanced campaign performance tools will be deployed throughout CY15

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Thank you

🐦 @adslot

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