

ASX Announcement

Thursday, 30 July 2015

TRADING UPDATE

- **June Quarter sees growth in Trading Technology revenues continue**
- **Volume and value of transactions growing in all regions including trades across multiple markets**
- **Transaction fee revenue pipeline growing strongly**

Trading Technology Revenue Growth Continues in June Quarter

Trading Technology revenues continue to grow quarter on quarter, with June quarter (unaudited) revenue increasing by 18% versus the prior quarter. This growth is being driven predominantly by increases in transaction fees (revenues derived from media traded using Adslot technology), and also licence fees (revenues derived from licence fees charged to publishers and media buyers using Adslot technology).

Growth in Trading Technology is driving the company's successful transition from less strategic, lower margin legacy revenues such as Services (both Services and Ad-serving revenue segments remain in gradual decline) to the large market opportunity, high margin and high growth revenues derived from the company's Trading Technology offering.

A growing sales pipeline is expected to deliver accelerating growth in Trading Technology over the remainder of calendar year 2015 and beyond.

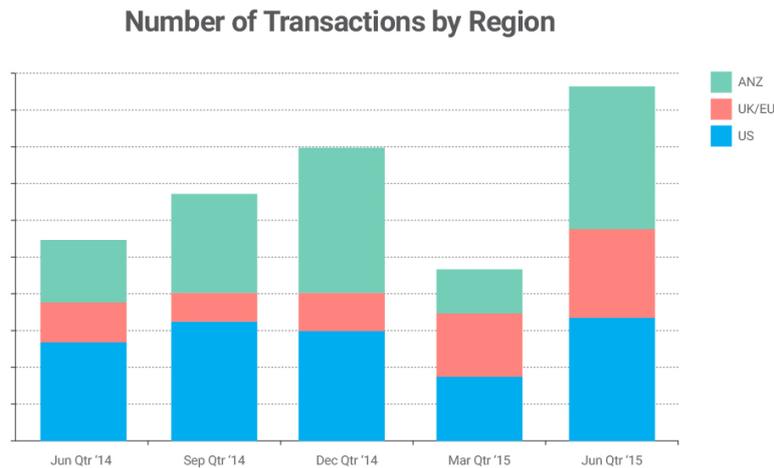
Highlights in the June quarter for Trading Technology revenues include:

- Revenues derived from transaction fees increased by 64% versus the March quarter
- Revenues derived from licence fees increased by 3% versus the March quarter
- The value of media purchased via Adslot in the June quarter increased by more than 300% versus the same period in the year prior (media purchased via Adslot is only recognised as transaction fee revenues when the advertising associated with each trade is published)

The value of media purchased via Adslot in July 2015 to date exceeds the full month of June (2015).

Volume (number) and value (\$) of transactions growing in all regions, secured first significant multi-market activity

Growth in trading activity is evident across all regions of operation, including US, UK/Europe and Australia/NZ as shown in the chart below.



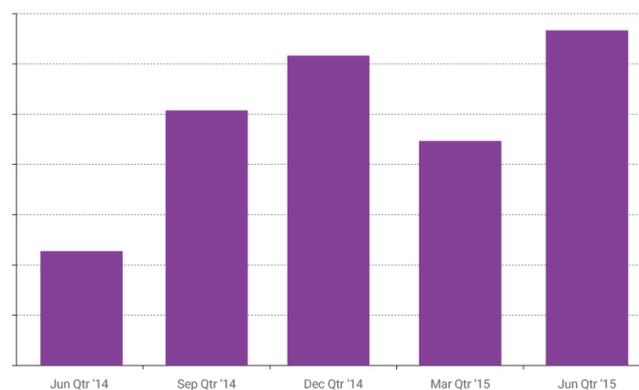
Growth in transaction volumes is being driven by corresponding growth in the following areas:

- An increase in the volume of transactions from existing agency users
- New transactions from new agency users
- Transactions from existing agencies that encompass multiple countries/regions

The emergence of multi-market trades for large advertisers such as Kellogg’s, HSBC and Miami Tourism is evidence of agencies deriving value by using Adslot to transact with multiple on-shore and off-shore publishers simultaneously. Adslot also allows agencies and publishers to transact across borders in their respective currencies of choice.

In parallel with the growing volume of transactions, the average value per transaction continues to increase, as illustrated in the chart below.

Average Value per Transaction – All Markets (AUD)



This trend is expected to continue over the longer term, as adoption momentum builds with larger agencies that service larger client advertising budgets, in combination with growing confidence in Adslot's technology.

Adslot's ability to service global budgets across regions and markets is also expected to contribute to a lift in average value per transaction.

Transaction fee revenue pipeline growing

In recent months the company has worked closely with some of the largest media agencies in Australia, the United Kingdom and the United States to progress their adoption of Adslot at greater scale.

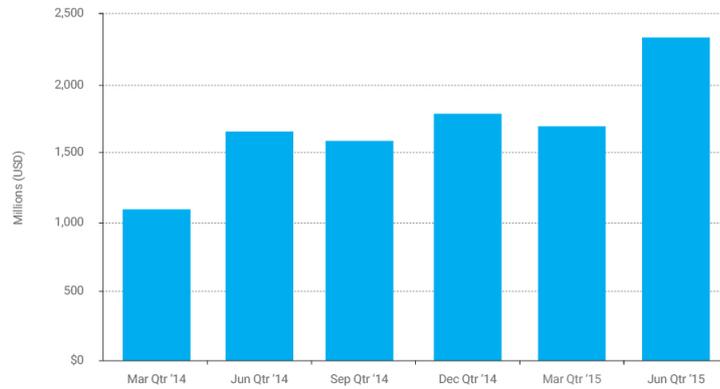
This work has included close collaboration with both executive management and media planner/buyer leadership teams to ensure key commercial and operational implications are well understood across the agency, and are appropriately accounted for in terms of platform functionality and support.

Key clients serviced by each agency have been identified and deployment plans for each agreed. Over the course of the September and December quarters (2015), effort invested with these agencies is expected to translate to strong growth in trading activity and therefore transaction fee revenues, driven by a lift in the volume of campaigns traded and the average dollar value per campaign.

A significant proportion of this growth will be captured via the Symphony-Adslot integration released earlier this year.

In tandem with this, the company continues to grow the value of media spend executed via its Symphony platform. Following successful deployments this year for major agencies such as Starcom (Australia), OMD (Australia), Richards Group (US) and Haworth (US), the value of online display advertising executed via Symphony (for all display formats across all markets) grew by 21% quarter on quarter to AUD \$577m (USD \$421m), or AUD \$2.3b (USD \$1.68b) annualised. Consistent with the projection published earlier this year, this sees the company on track to reach USD \$2b (AUD \$2.7b) of annualised display spend executed via Symphony by the end of calendar year 2015.

Annualised Display Spend Executed via Symphony (AUD)



This means the Company is well positioned to further capitalise in coming quarters on the Adslot-Symphony integration strategy.

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