



Adslot.

PROGRESS UPDATE.

Adslot Limited (ASX: ADS)

March 2023

CONTENTS.

1. Background to the business
2. Point of departure
3. Path to profitability
4. Next steps

A blurred background image showing a group of people in a meeting. They are using various devices like tablets and laptops. The scene is dimly lit with a blue tint. The word "BACKGROUND." is overlaid in white, bold, sans-serif font in the center of the image.

BACKGROUND.

BACKGROUND TO ADSLOT.

Adslot (ASX: ADS) provides workflow (Symphony) and media trading automation (Adslot Media) to media buyers and sellers driving efficiency, transparency and better outcomes.

- Founded in 2010, headquartered in Melbourne, Australia, with ~60 FTEs in product and development and ~80 total FTEs
- Customer base includes agency holding companies, independent agencies and leading global publishers, including integrations with ~50% of the Comscore Top 50 in the US¹, a significant majority of tier 1 publishers in the UK and many other leading publishers across other markets
- Master services agreements (“MSAs”) or trading agreements with five out of the six largest media holding companies
- Global footprint and customer base across Europe, North America and APAC
- Trading platform well positioned to significantly accelerate given the flight to premium inventory driving brand and agency strategy today


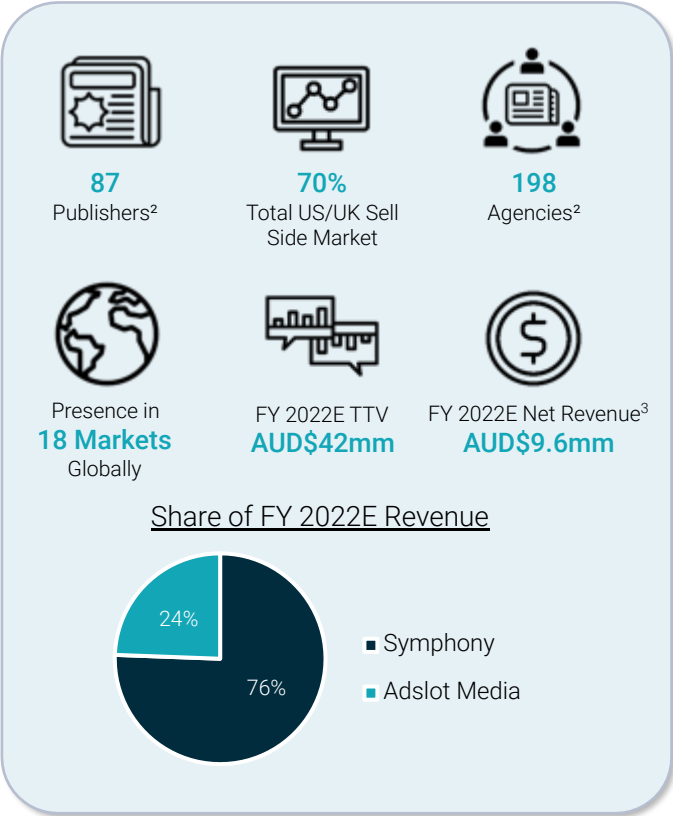
Symphony.

A global enterprise SaaS platform, providing digital media buying workflow solutions to the world’s largest advertising agencies



Adslot Media.

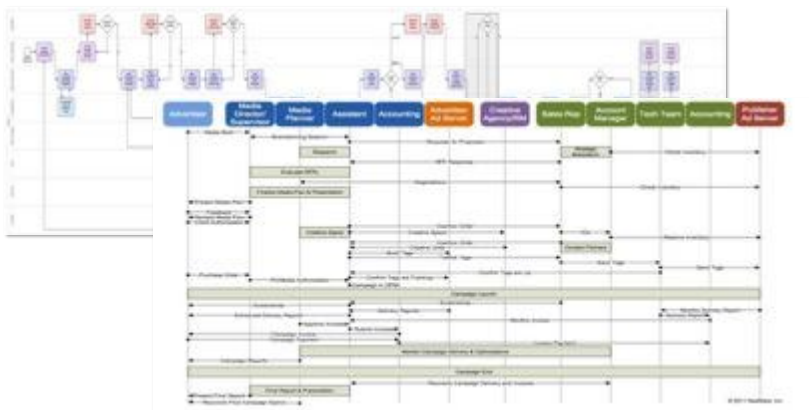
A global digital media marketplace, enabling media buyers and sellers to trade premium display advertising on a targeted, forward guaranteed basis (direct buys)

Note: Adslot’s fiscal year ends 30-Jun. TTV includes trades that are initiated through Symphony that are executed via Adslot Media. ¹ Excluding walled gardens. ² Transacted over the last three years.

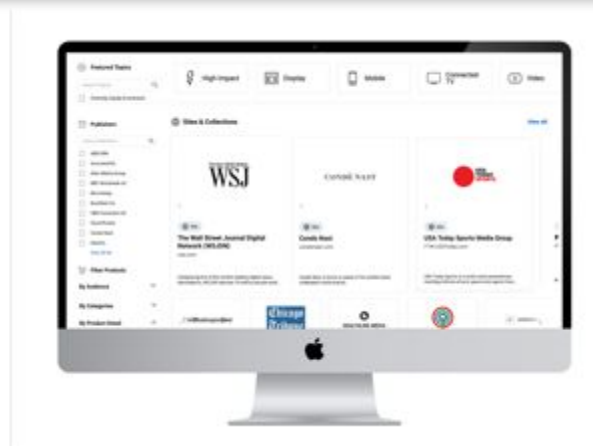
ADSLOT MEDIA: SIMPLIFYING DIRECT TRADING.

Legacy Buying/Selling Process is Manual, Slow and Expensive



- Highly iterative workflow involving 42 different steps
- Multiple documents created multiple times
- Almost entirely manual
- 28% of budgets lost in admin costs across buy and sell sides

Adslot Media has Created an Organized Market

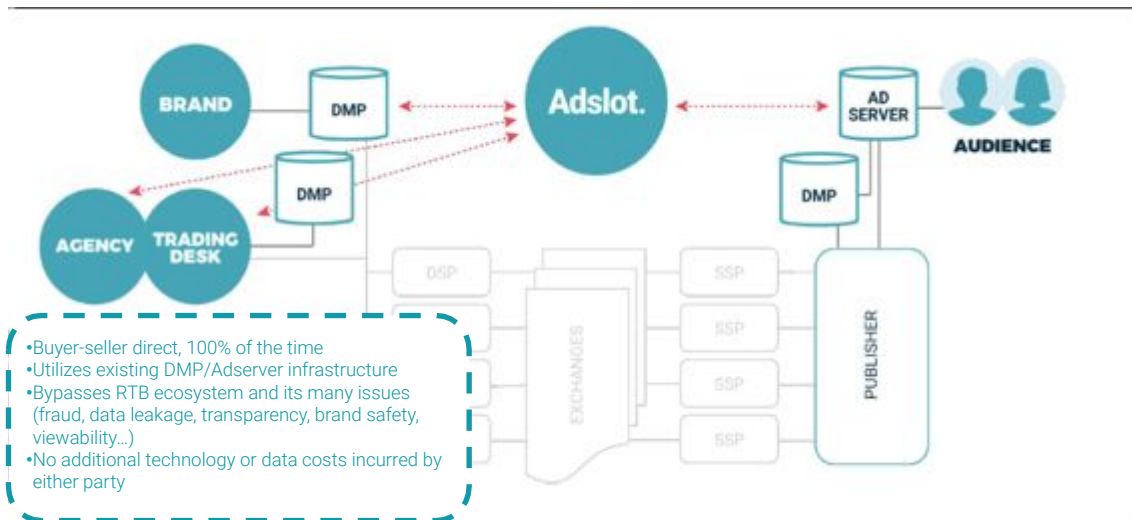


- Single, curated environment in which a diverse range of inventory is categorized for buyers
- Inventory is defined by a consistent set of product definitions that are universally understood
- Available to buyers across and within a range of different agency tools
- Low friction proposition for buyer and seller from both a workflow and business process perspective

ADSLOT MEDIA: SIMPLIFYING DIRECT TRADING.

Adslot Media does not run through a Demand Side Platform but allows direct collaboration with agency clients

One simple interface to...



SCALE cross-publisher direct buying



ACCESS guaranteed, premium inventory



OVERLAY 1st and 3rd party data



ELIMINATE fraud and improve brand safety



OPTIMIZE easily and in real-time

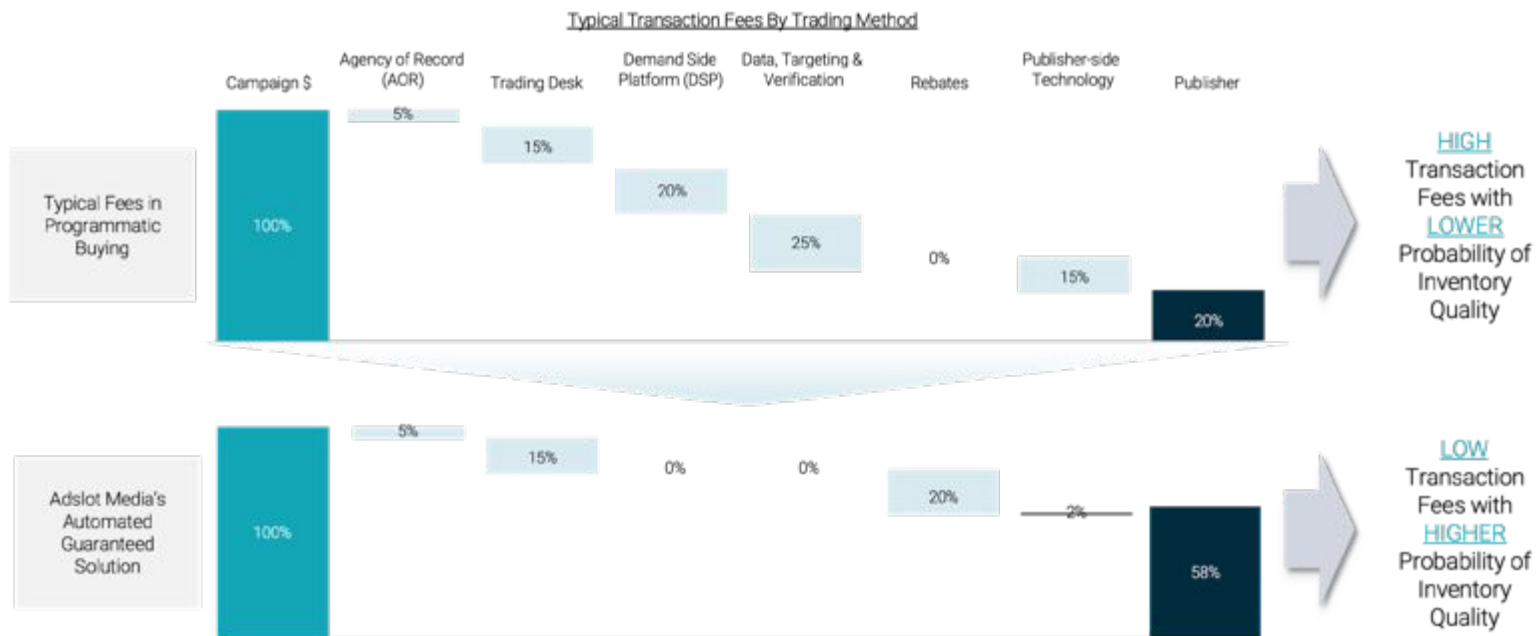


RECONCILE from one platform

- Allows customers to target exactly the audience they want, with only trusted publishers
- Automation supports operational efficiency for buyer and seller, reduces complexity/human error and increases speed to market
- Adslot exposes all available inventory/audiences to the buyer, not just the unsold inventory or available audiences via programmatic/RTB

ADSLOT MEDIA: REMOVING THE AD TECH TAX.

Adslot Media's automated guaranteed solution can save 45% of the costs for advertisers and can generate 38% more revenue for publishers.

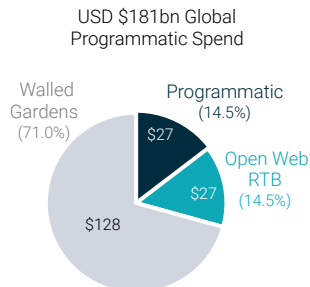


Source: WARC "Global Ad Trends" March 2018, ISBA "Programmatic Supply Chain Transparency Study" May 2020, McKinsey "Truth in Advertising: Achieving Transparency with Media Rebates to Fuel Growth" May 2018, AdFin "Programmatic: Seeing Through the Financial Fog" May 2017, WSJ "Marketers Plan Study to Shine Light on the Murky Business of Automated Ad Buying" April 2021, Management estimates

ADSLOT MEDIA: A LARGE ADDRESSABLE MARKET.

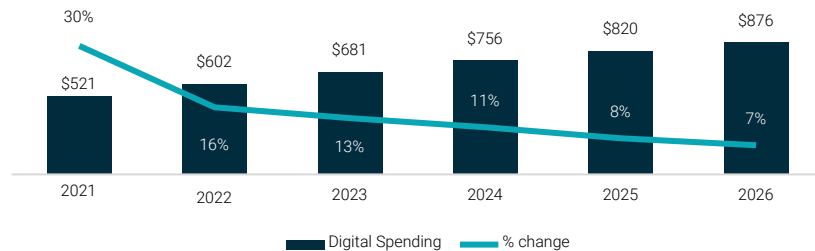
Automated Guaranteed is a Multi-Billion Dollar Addressable Market...

- Adslot Media's automated guaranteed solution takes share from programmatic direct and other direct advertiser-to-publisher trading channels and will likely soon gain RTB and walled garden budget as persistent issues regarding fraud, brand safety and other concerns fuel flight to quality
- Current take rates are approximately 5% but could grow to 20% of media spend, implying market of USD \$2.5 – \$10bn



... Supported Not Only By Continued Global Digital Ad Spending Growth...

Digital Ad Spending Worldwide, 2021-2026 (USD \$bns)



... But Also By Concerns About the Fast-Approaching Cookie-less Future...

- Google's 2023 planned phasing out of third-party cookies has left advertisers seeking alternatives to facilitate core digital marketing activities: retargeting, audience segmentation, frequency capping and more
- In this environment, publishers will benefit as stewards of audience information and cultivators of context for effective ads – a dynamic that bodes well for Adslot Media and brands looking to partner directly with premium publishers
- Publishers expect increased demand for direct media trading through channels that provide more certainty and transparency around inventory, price and other media transaction components
- The most popular channels today which provide such direct trading are programmatic guaranteed (PG), private marketplace (PMPs) and preferred deals – all executed with programmatic intermediaries

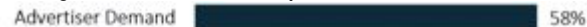
... As Reflected in 2021 Survey of Senior Ad Ops and Revenue Leaders Which Suggests Shift Toward Premium and/or Guaranteed Inventory

- Growth of such automated solutions are likely to translate into demand for Adslot
- Media as marketers continue to grow wary of ad tech fees and transparency issues

% publishers expecting the following transaction channels to grow over the next 12- 24 months*



Biggest Drivers of Programmatic Guaranteed Adoption



INDUSTRY TRENDS ARE IN OUR FAVOUR.

Flight to Quality: Premium Direct Poised to Ascend in the “Cookieless” World

High-volume, low value inventory that is typically associated with the open market is losing favor



Direct deal-based campaigns with leading publishers and more guarantees on the rise



Open market continues to carry persistent and significant limitations such as fraud risk, concerns about publisher brand safety and escalating technology costs



Advertisers are moving away from media investments with low quality advertising solutions, such as out of view ads or fraudulent traffic, and are seeking to trade with an increasingly finite set of premium publishers to reach key audiences and maintain brand control



In the post-cookie era, working directly with premium publishers at scale has several inherent advantages over other avenues: better brand safety and transparency, less ad waste and fraud

Advertisers Value Transparency, Safety and Access to Premium Inventory

“Caught between resignation and resistance, ad industry grapples with the prevalence of ‘made-for-advertising’ sites.”

- Seb Joseph, Senior News Editor

DIGIDAY

“Today’s programmatic ecosystem has become incredibly complex and inefficient, and clients are rightly concerned about transparency and accountability across the digital and programmatic supply chain.”

-Andrew Meaden, GroupM’s Global Head of Investment

groupm

“When you’re buying direct to publishers... it’s a much cleaner process – much less risk for fraud...The programmatic space is where a lot of that CTV fraud can happen and that’s where it tends to be messy.”

- Dave Campanelli, Executive VP and CIO

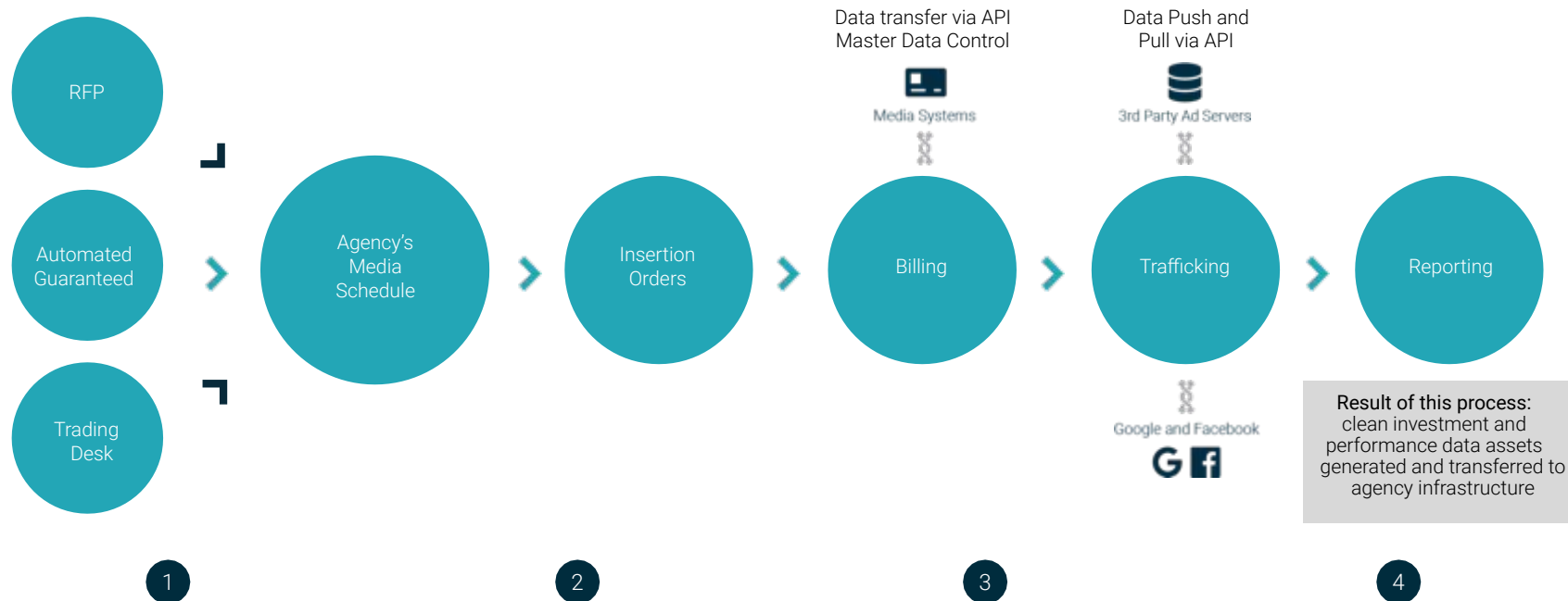
horizon media

“We have agreements...that allow us to scrutinize all [inventory suppliers’] data processes and data costs...That’s important because it helps clients have a clearer understanding of where their money is going and why it could potentially be more expensive buying media from these places.”

- Mike Bregman, Chief Data Officer

havas media group

SYMPHONY: STREAMLINING WORKFLOW FOR AGENCIES.



Media schedule can be constructed through the [RFP](#) process, interaction with the [trading desk](#), or integration with Adslot's [automated guaranteed platform](#), Adslot Media.

Once a media schedule is approved, data flows into the [Insertion Orders module](#), enabling a [standardized process of approval](#) with agency's trading partners. This module is [fully secure](#), [SOX compliant](#) and ensures the [integrity of the investment](#).

Once signed off, data flows into the [Billing module](#) and is pushed into the agencies' media systems, typically via API. Integration with the agencies' media systems also ensures [master data control](#) and [clean data assets](#) across the group.

In [Trafficking module](#), data is pushed into [3rd party ad servers](#), e.g., Google Campaign Manager and Adform, and [other delivery platforms](#) such as Google AdWords and Facebook.

CONTRACTS WITH THE INDUSTRY'S BIGGEST PLAYERS.

Significant time and resources have been invested in securing MSAs with the largest global media buying agencies, as well as establishing numerous partnerships with top premium publishers around the world

Publisher Partners

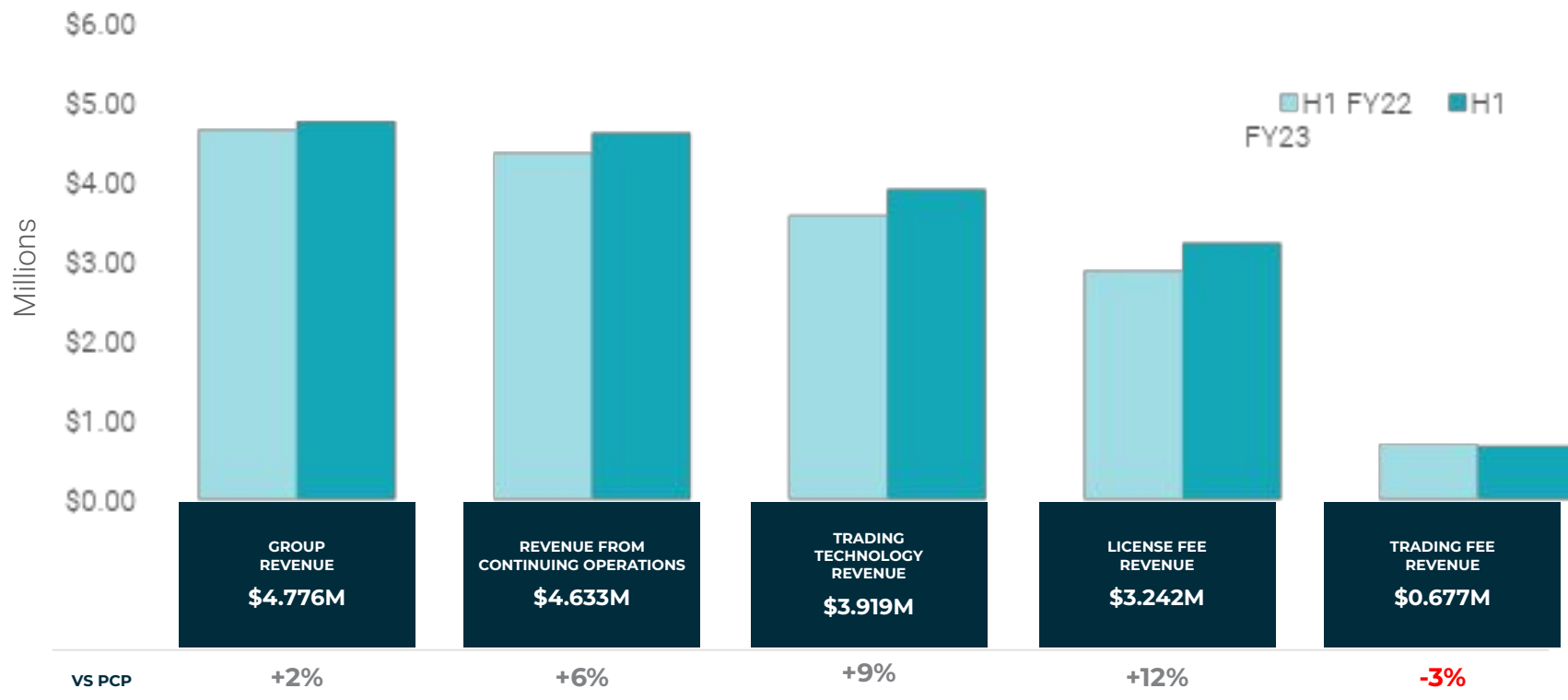


Agency Relationships



Note: Selected partners, not exhaustive list.

H1 FY23 SAW CONTINUED FINANCIAL IMPROVEMENT.



For the current period, Group Revenue includes Revenue from Continuing Operations (\$4.633M) and Grant Income (\$0.144M).

H1 FY23: IMPROVED ADJUSTED EBITDA AND ADJUSTED NPAT.



VS PCP

Adjusted EBITDA (loss) and adjusted NPAT (loss): excluding the following;

- Reversal of \$1.5M one-off Provision for R&D Claim for Financial Year 2016 in December 2021 (PCP) from EBITDA and NPAT. Original provision was made in December 2019
- Non-cash impairment of \$5.2M related Goodwill associated with the acquisition of Facilitate Digital (see H1 FY2023 accounts)

AN EXPERIENCED LEADERSHIP TEAM.



Andrew Barlow
Founder & Chairman

- 25+ years of experience as a technology entrepreneur; co-founder of Hitwise (sold to Experian Group in 2007); founder and CEO of Max Super, an online retail superannuation fund sold to Orchard Funds Management in 2007; founded Adslot in 2007
- Former non-executive director and strategic advisor to Nitro Software Limited (ASX: NTO)
- B.Soc.Sc. (Info Man), Information Systems, Computing from University of Melbourne



Ben Dixon
CEO & Executive Director

- 25+ years in the advertising and ad-tech industries; previous media planning and strategy roles at leading agencies groups such as Publicis and Omnicom
- Founder of Facilitate Digital, acquired by Adslot in 2013



Tom Triscari
Interim CFO & Non-Executive Director

- 20+ years digital ad experience and leading expert in the programmatic AdTech industry:
 - Managed a multi-market team at Yahoo! Europe in Barcelona with responsibility for Right Media, the first programmatic exchange; built and managed supply-side and data science teams at Criteo; founder and CEO of Lemonade Projects, a programmatic innovation agency
- B.A. in Economics from UCLA, MBA from the University of Notre Dame



Tom Peacock
Chief Commercial Officer

- 20+ years in the media industry across a variety of international sales, product and strategic roles
- Joined Adslot when Facilitate Digital (FD) was acquired by Adslot in 2013, having originally joined FD as Chief Product Officer in 2006 before becoming Chief Operating Officer in 2008
- Bachelor's degree in International Business from University of Brighton, Executive Leadership Programme from Saïd Business School, University of Oxford



Fernando Tinoco
Chief Product Officer

- Joined Adslot in 2017 as Global Product Manager, has served in current role of Chief Product Officer since 2021
- Previously held product management roles at companies include SEEK and Online Circle Digital
- Bachelor's degree in Journalism from Pontificia Universidade Catolica de Sao Paulo

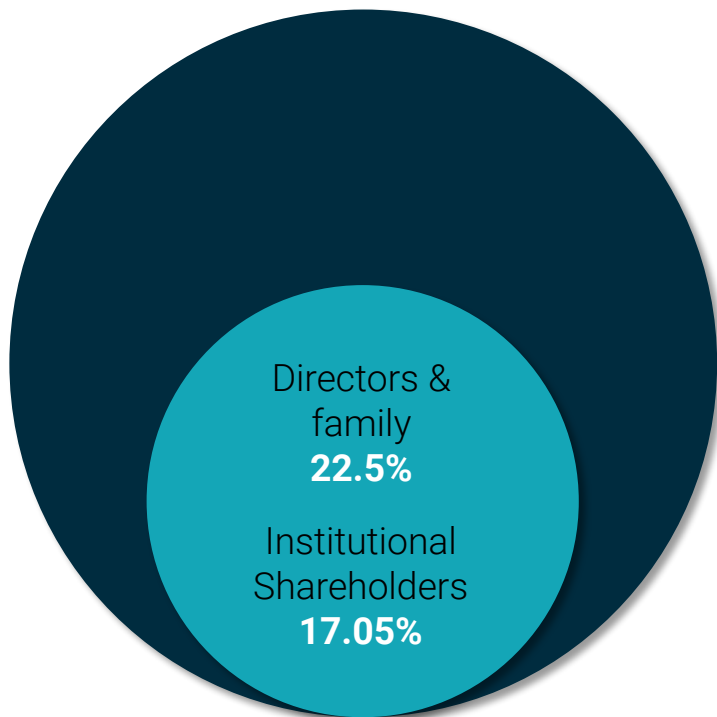


Rob Jones
Chief Technology Officer

- Has served as Adslot's Chief Technology Officer since 2018
- Previously held roles as Head of Software Engineering at Class Ltd and National Development Manager at Fuji Xerox Australia
- BSc in Mathematic from University of Leicester

A COMMITTED SHARE REGISTER.

The Company retains a committed and tightly held share register comprising directors (and family) and long-standing institutional shareholders.



39.55[%]

**Committed Share
Register**

A blurred background image showing a group of people in a meeting. They are using various devices like tablets and laptops. The scene is dimly lit with a blue tint. The text 'OUR POINT OF DEPARTURE.' is overlaid in the center in white, bold, uppercase letters.

OUR POINT OF DEPARTURE.

OUR POINT OF DEPARTURE.

Our technology has been validated by the largest players in the industry.

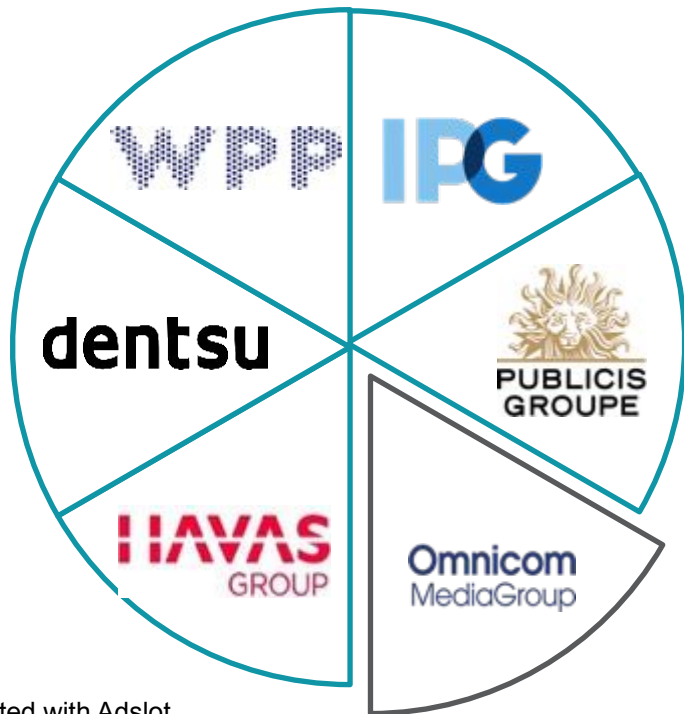
- Adslot Media used to transact over \$181M in media to date
- Over 7,000 individual campaigns transacted
- Over 2,000 active users on our platforms
- More than 50% of Comscore top 50 publishers in the US* with inventory available on platform
- More than \$7.5B in media managed annually via Symphony

*Excluding walled gardens

OUR POINT OF DEPARTURE.

Critical demand side relationships in place.

THE BIG SIX



EMERGING



 Contracted with Adslot

OUR POINT OF DEPARTURE.

Industry trends are finally working in our favour.

- A flight to quality for both advertisers and agencies
- Agencies looking to simplify their supply chains and remove intermediaries
- Publishers looking to grow yield and protect their premium inventory
- Greater scrutiny of programmatic ecosystem economics from advertisers
- Digital trading methods seen as future for other media types (i.e., linear TV)

OUR POINT OF DEPARTURE.

We retain a substantial first mover advantage in automating direct trading of digital media.

- Over \$40m invested in building a world leading solution
- Adslot Media the only purpose-built solution to automate direct trading
- Considerable effort and money has gone in to building out programmatic solutions that don't solve this problem

OUR POINT OF DEPARTURE.

Trading on Adslot Media is starting to take off

\$33.14M

+5% QoQ
+295 PCP

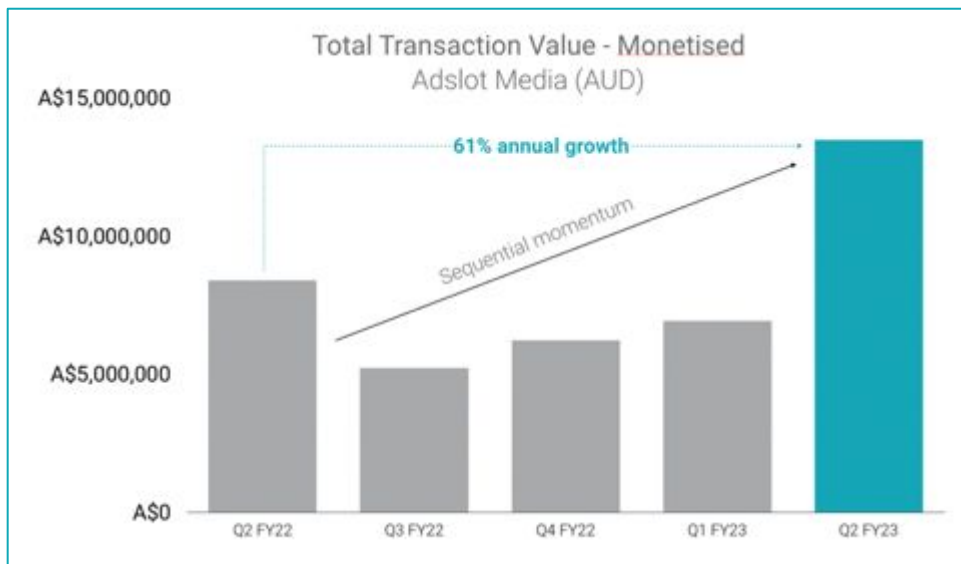
DECEMBER QUARTER TTV. RECORD RESULT.



OUR POINT OF DEPARTURE.

Trading on Adslot Media is starting to take off

DEC QUARTER MONETISED TTV. RECORD RESULT.



\$13.49M

+95% QoQ

+61% PCP

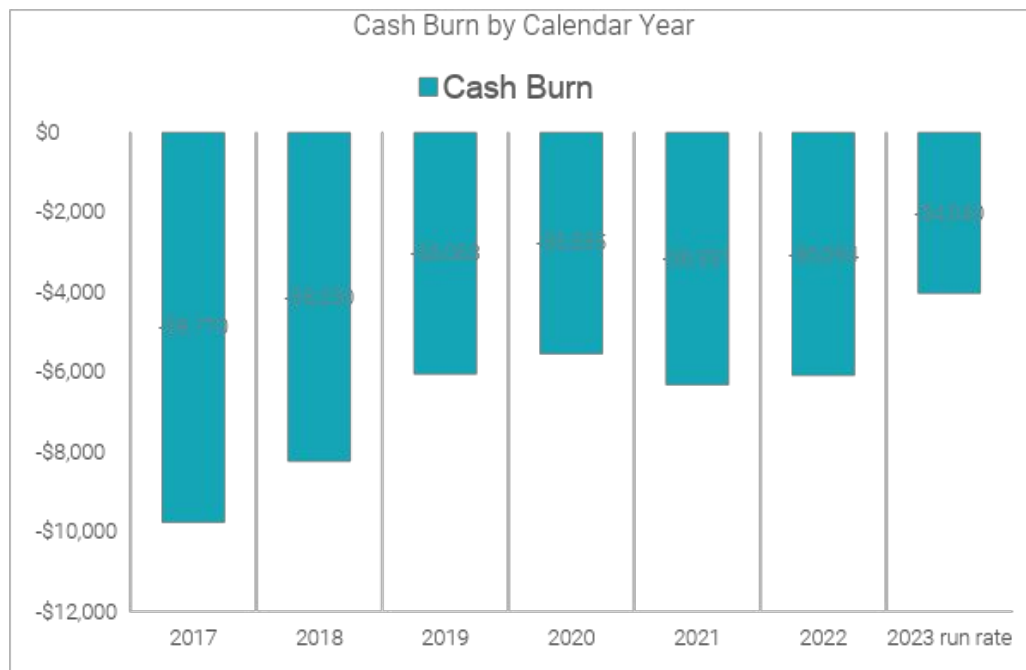
A woman with blonde hair, wearing a dark blazer over a light-colored top, is seated at a table in a meeting. She is looking towards the camera with a slight smile and has her right hand raised, pointing towards a document on the table. The background is blurred, showing other people and a whiteboard. The entire image has a dark blue overlay.

PATHWAY TO PROFITABILITY.

PATHWAY TO PROFITABILITY.

Over the past 5 years, a combination of revenue increases and cost management has seen a continuing decline in cash burn across the business.

- Normalised* cash burn reduced from \$9.7m to \$6.1m between 2017 and 2022.
- Cost reductions implemented in July 2022 and took full effect in Dec 2022 quarter.
- Normalised cash burn (annualised) from the Dec 22 quarter is approximately \$4m.



*Normalised cash burn excludes publisher collections and payments not related to Adslot fees and aligns R&D grant receipts to the year in the claim was made (not collected).

RE-FOCUS ENABLES FURTHER REDUCTION OF COSTS.

The business is seeing a continuing shift from a development and sales focus to one of activation and scaling of trading on our platforms.

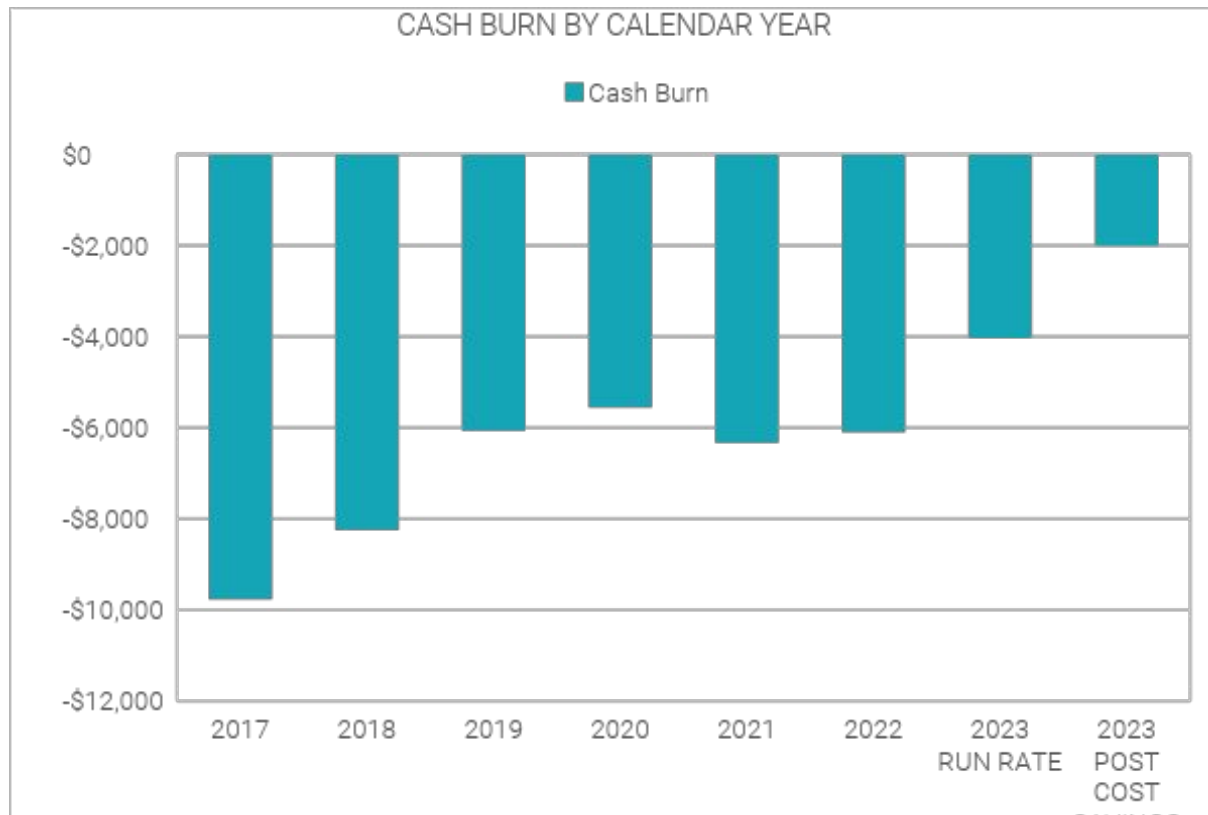
This allows for a further reduction in the ongoing cost bases;

- Targeted reduction in sales and development headcount
- Reduction in development related operating costs
- Move to more virtual workspaces for development resources

In March 2023, the Company has implemented **further cost reductions of approximately \$2.0M**

PATHWAY TO PROFITABILITY.

Following the March '23 cost reductions, normalised cash burn will be reduced to approximately \$2.0M per annum.



*Normalised cash burn excludes publisher collections and payments not related to Adslot fees and aligns R&D grant receipts to the year in the claim was made (not collected).

QUICKER PATHWAY TO BREAK-EVEN.

The new cost base of the business will mean an incremental \$2.0M in revenue will see the business to cash flow break-even.

Whilst this will come from multiple sources, the quickest path is a growth in Adslot Media trading fees.

- At an average take rate of 5%, this represents an additional \$40m p/a in TTV
- Incremental \$10m in quarterly TTV represents a 74% growth on December quarter actual TTV
- Note, December quarter TTV was 61% up vs PCP and 95% QoQ

THE COMPANY NOW HAS A CLEAR PATH TO PROFITABILITY

REVENUE GROWTH EXPECTED TO COME FROM CURRENTLY CONTRACTED SOURCES.



OPERATIVE



ogury



SYM-AG



IPG - KINESSO HEALTH & WELLNESS: USA.



- Custom built marketplace for large US based agency group IPG;
- Client fund substantial development prior to marketplace activation;
- Specifically designed to enable trading for the substantial Health & Wellness (incl Pharma) sector in the US ;
- Large endemic health publishers including WebMD and Healthline active with inventory available;
- Trading commenced in 2022 - IPG management have reiterated strategic value of marketplace / intention to grow trading.

IPG - KINESO HEALTH & WELLNESS: USA.

The screenshot displays the Kineso website interface for Health, Wellness & Lifestyle. At the top, the navigation bar includes 'Marketplace', 'Audience', 'Campaigns', 'Reporting', and 'Finance'. The main header features the text 'Health, Wellness & Lifestyle.' and 'Carefully curated publishers, sites and ad products for the Kineso Marketplace.' Below this is a large illustration depicting various health and wellness activities: a doctor, people meditating, a person on a stationary bike, and a couple walking. A sidebar on the left contains navigation options: 'Discovery', 'Favourites', 'Publishers', 'Sites & Collections', 'Categories', and 'Featured Topics'. The 'Featured Topics' section lists various health conditions with checkboxes. The main content area is divided into sections for 'High Impact', 'Display', 'Mobile', 'Connected TV', and 'Video'. Below these are 'Sites & Collections' featuring cards for 'WebMD', 'Future', 'NY Mag', 'Leaf Group', and 'Livestrong', each with a logo, a 'Site' icon, and a brief description.

Health, Wellness & Lifestyle.
Carefully curated publishers, sites and ad products for the **Kineso** Marketplace.

Discovery
Favourites
Publishers
Sites & Collections
Categories
Featured Topics

- Allergies
- Breast Cancer
- COVID
- Diabetes
- Depression
- Diabetes
- HIV/AIDS
- Heart Health
- Hepatitis C
- Men's Health
- Women's Health

High Impact
Display
Mobile
Connected TV
Video

Sites & Collections [View All](#)

WebMD
webmd.com
WebMD is the #1 health media company, trusted by more physicians than any other health site in the U.S. Millions...

Future
future.com
We are Future, a global, multiplatform media company. Every day, we connect over 120 million people worldwide...

NY Mag
nymag.com
nyemag.com/ny

Leaf Group
leafgroup.com
Leaf Group LLC is a diversified consumer internet company that builds engaging, creator-driven brands that reach...

Livestrong
livestrong.com
LIVESTRONG is a healthier life

GROUPM MARKETPLACE: UK.

- Custom marketplace for world's largest buyer of media, GroupM, in their home market of the UK;
- Key publisher partners of GroupM in the UK onboarded to marketplace under GroupM commercial terms;
- Trading commenced in 2022, in particular for leading advertiser Tesco;
- Trading relationship being extended from centralised GroupM unit to each of the constituent agencies;
- Growth in activation of new advertisers and therefore trading activity across GroupM agencies throughout 2023.



OPERATIVE: ACCESS TO LINEAR/CTV ENDPOINTS.

OPERATIVE

- Leading order management platform for both digital and Linear (i.e., traditional) TV;
- Looking to migrate from primarily infrastructure play to incorporate trading
- Partnership in place to integrate Adslot Media and later Operative platform, AOS, including Linear TV.
- Currently joint pitching to large US network clients

ADSLT - SYMPHONY INTEGRATION: AUSTRALIA.



News Corp Australia

- Second active market for integrated solution following Austria;
- Trading on *Symphony - Adslot Media* integrated offering continues to grow in Australia;
- Majority of large Australian pubs now active under SaaS or percentage fee models;
- Outstanding large publishers expected to be activated during 2H FY2023 which will grow TTV;
- Discussions underway with additional demand sources to further accelerate trading.

ABS-CBN PUBLISHER MARKETPLACE.

- Largest entertainment and media conglomerate in the Philippines;
- *Adslot Media* platform to automate trading for direct orders from clients;
- Includes agencies and over 800 current direct clients;
- Percentage fee charged for all trades;
- Platform usage has commenced in March 2023 quarter.



OGURY (UK): REPLICATION OF A SUCCESSFUL FORMULA.

The logo for Ogury, featuring the word "ogury" in a bold, lowercase, red sans-serif font.

- Leading UK based provider of proprietary formats and tools for mobile advertising;
- *Adslot Media* platform provides unique ability to manage custom mobile ad formats within the publisher's ad server removing complex and costly trafficking ;
- Follows highly successful use case with fellow UK based mobile specialist Mobkoi;
- Platform usage to commence in March 2023 quarter..

GERMAN MARKET ACTIVATION.

- German market research and preparation has been underway for 12 months with local partner Polarisfactor
- German market is well suited to adoption of Adslot Media
- Low adoption programmatic trading compared to other mature markets
- Consolidated publisher market
- Historic use of centralised selling through "sales houses"
- Discussions have been underway with most large agency groups and select large publishers
- In December 2022 initial trading occurred between agencies of the Interpublic Group (IPG) and 3 leading German publishers
- Repeat trading occurred since and feedback from both agencies and publishers has been highly encouraging
- Given Germany's status as a top 2 media market in Europe, TTV is expected to grow substantially as additional supply ids added.

Thank you.

Questions? Contact us:

investorrelations@adslot.com

[Adslot.com](https://adslot.com)

Adslot.