

INVESTOR WEBINAR.

6 September 2023

Adslot Limited (ASX: ADS)

Adslot.

AGENDA.

1. 2023 FINANCIAL YEAR RESULTS
2. COMMERCIAL PROGRESS UPDATE
3. DEMISE OF THE 3RD PARTY COOKIE AND ITS IMPLICATIONS

FY2023 RESULTS.



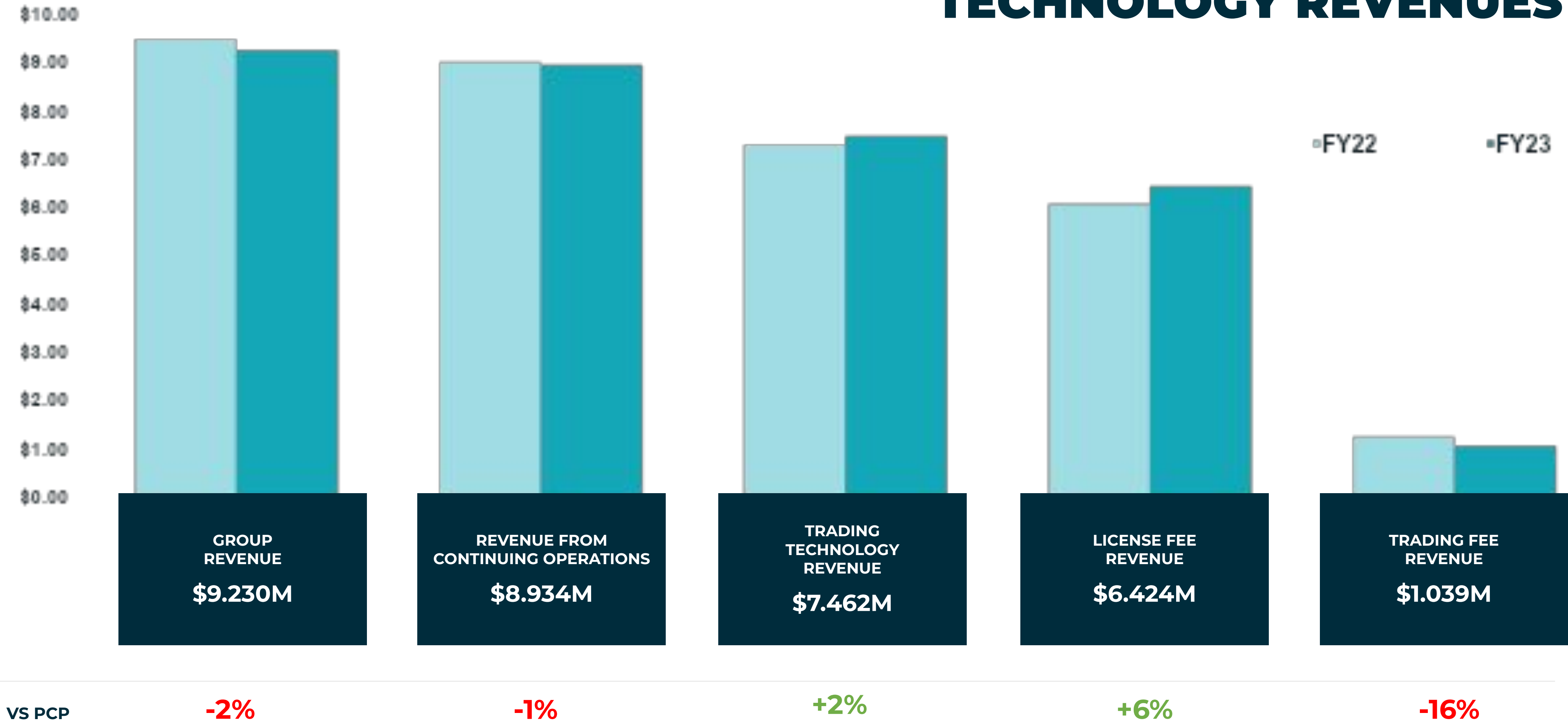


CONTINUED PROGRESS.

THE 2023 FINANCIAL YEAR SAW IMPROVEMENT IN TRADING ACTIVITY ACROSS ADSLOT'S PLATFORMS

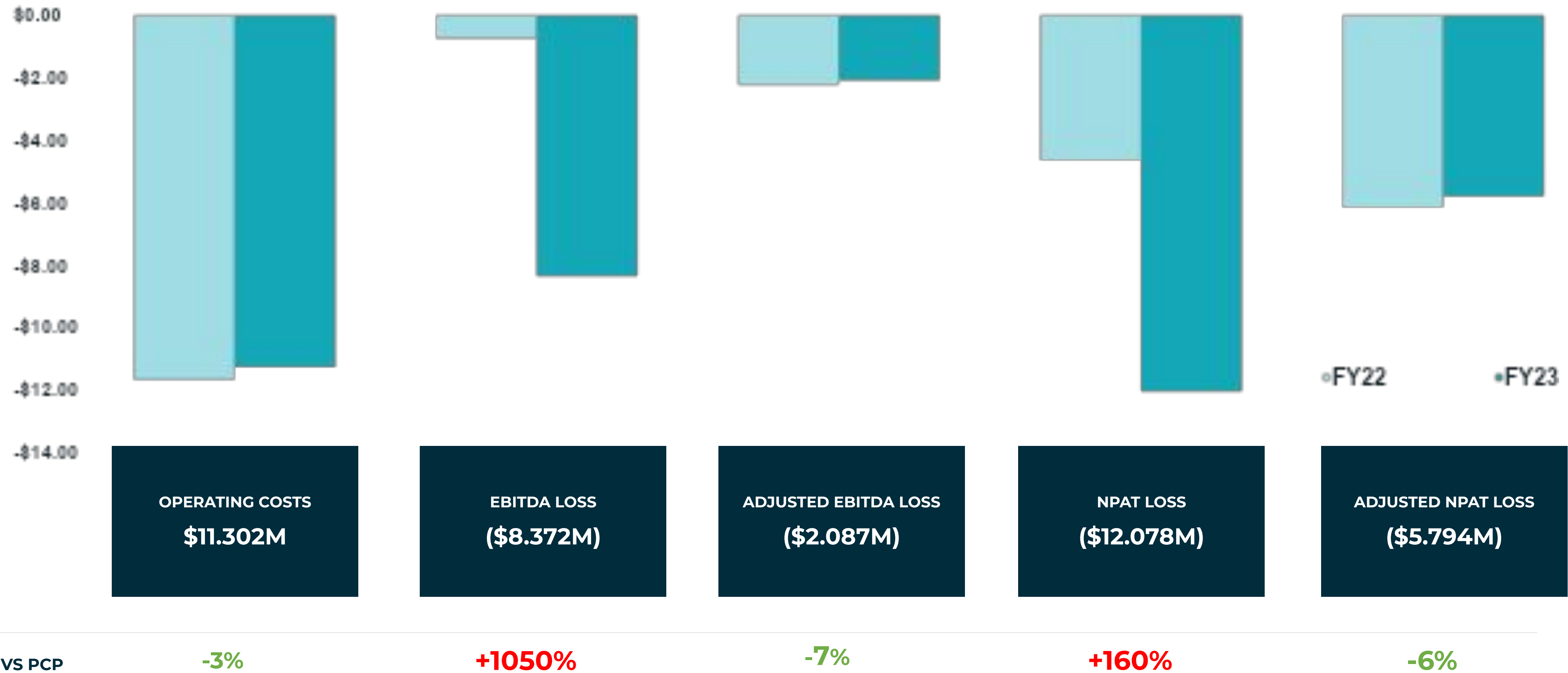
- ✓ 160% growth in monetised Total Transaction Value (TTV) across the full financial year
- ✓ Record quarterly TTV, both monetised and unmonetised, in the June 2023 quarter
- ✓ Successful activation of the integrated *Symphony – Adslot Media* solution in the Australian market
- ✓ Launch of the German market in October 2022 with strong agency and publisher support
- ✓ Re-activation of trading with key partners GroupM (UK) and IPG (US)
- ✓ Further growth in *Symphony* License Fees
- ✓ Successful completion of a \$4.25M capital raise from new and existing investors

GROWTH IN KEY TRADING TECHNOLOGY REVENUES



- For the current period, Group Revenue includes Revenue from Continuing Operations (\$8.934M) and Grant Income (\$0.296M).
- The reduction in Group Revenue is due to reduction in; Services – SoW Revenue (\$0.238M down on PCP), grant income (\$0.174M down on PCP) due to \$0.177M PPP loan forgiving included in PCP & trading fee revenue (\$0.194M down on PCP). License fees (\$0.375M up on PCP)

FY23 REDUCED OPERATING COSTS, AND IMPROVED ADJUSTED EBITDA AND ADJUSTED NPAT.



Adjusted EBITDA (loss) and adjusted NPAT (loss): excluding impairment losses of \$6.3M in FY23 & the reversal of \$1.5M one-off Provision for R&D Claim for Financial Year 2016 in FY22 (PCP) from EBITDA and NPAT. Original provision was made in December 2019

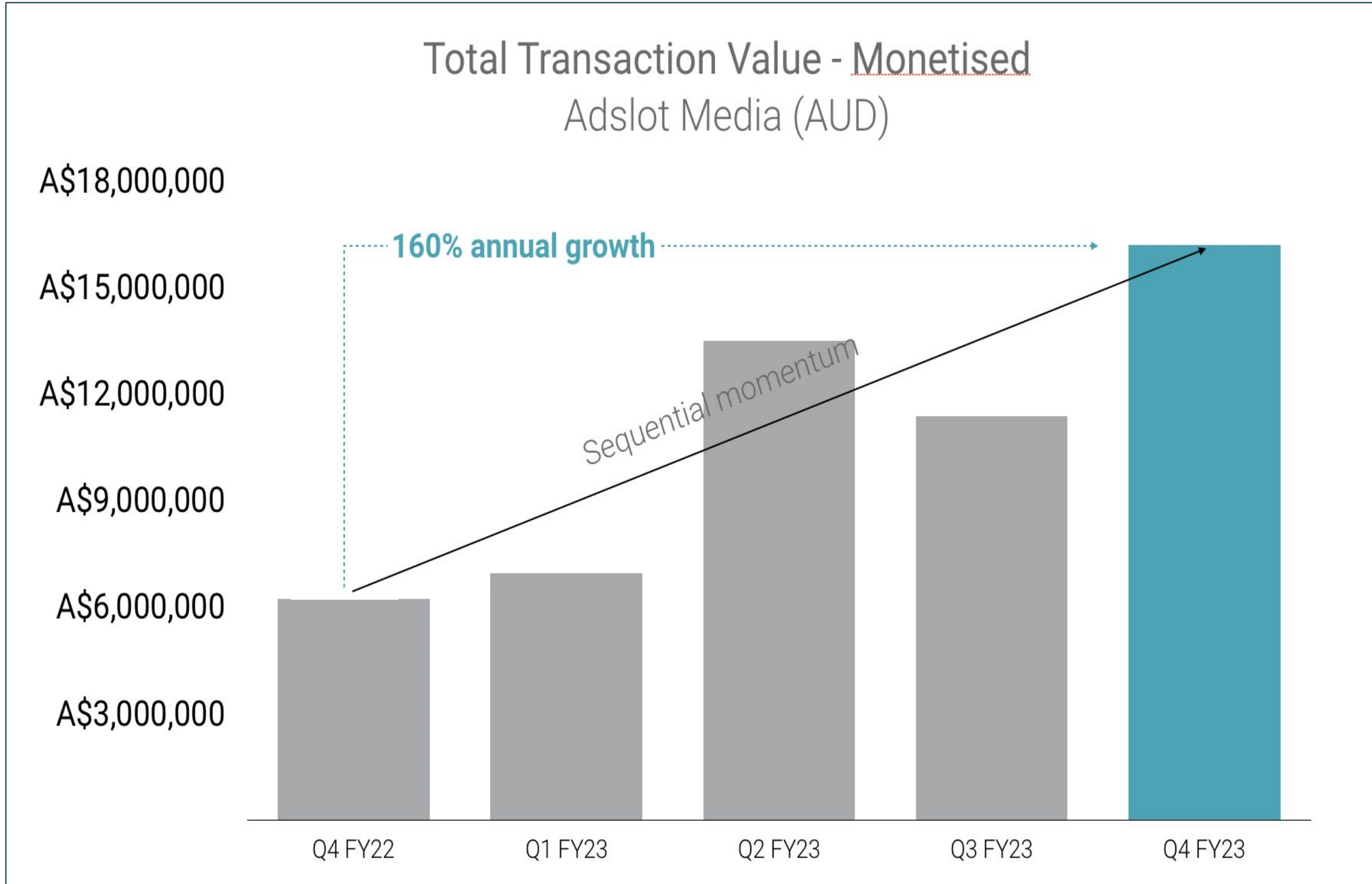
CONTINUING GROWTH IN TTV PERFORMANCE.

\$16.19M

+42% QoQ

+160 PCP

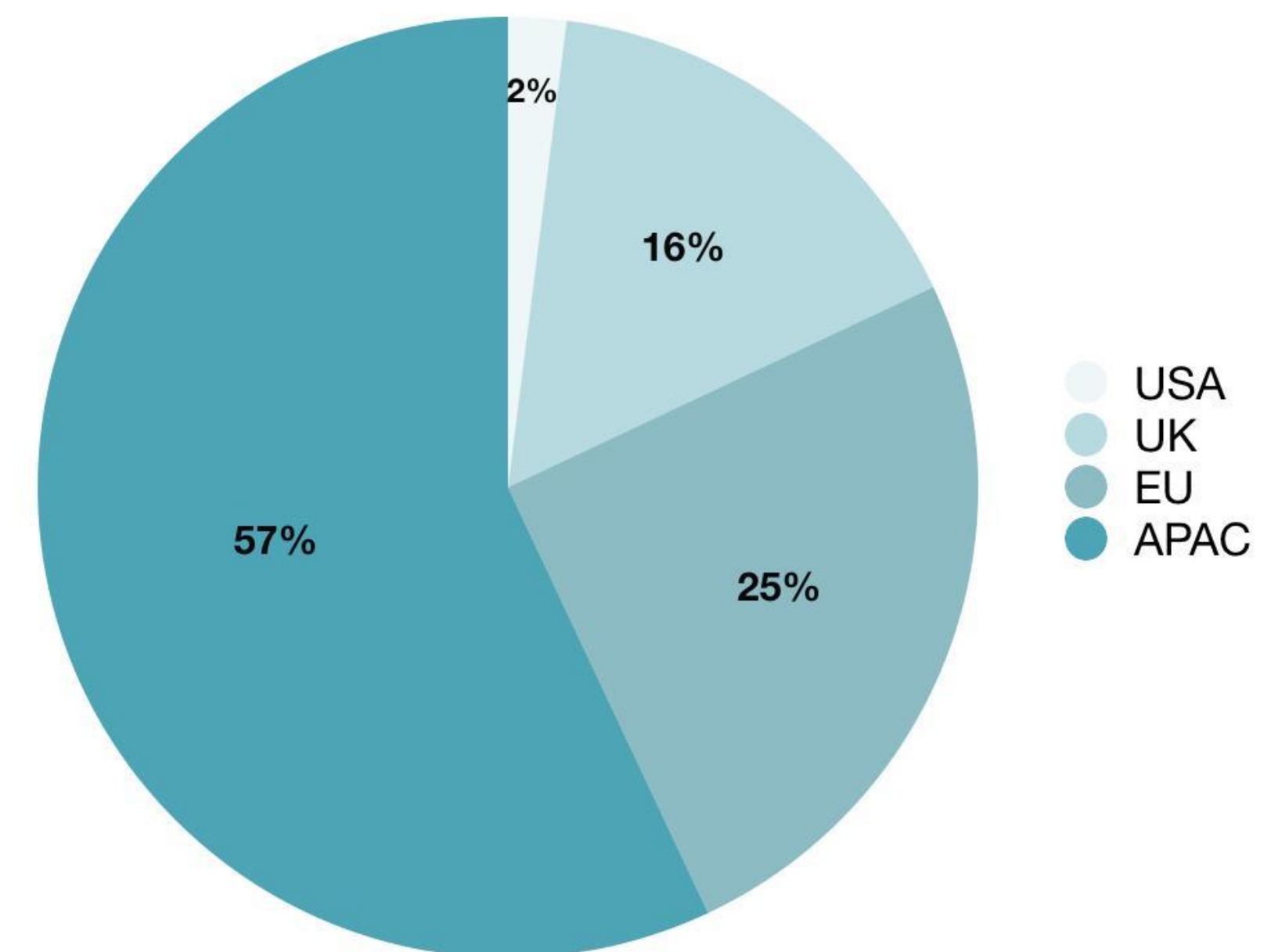
JUNE 2023 QUARTER MONETISED TTV. **RECORD RESULT.**



CONTINUING GROWTH IN TTV PERFORMANCE.

- Successful launch of integrated *Symphony – Adslot Media* solution saw APAC market greatest contributor to TTV in FY23
- TTV generated via integrated solution includes SaaS fees as well as usual % trading fees
- % fees generated via integrated solution at lower end of range when compared to direct trading via standalone *Adslot Media* platform
- Focus on future TTV growth from high margin markets including the US, UK and Germany

FY 2023
Monetized TTV Sources



COST MANAGEMENT CONTINUES.

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
- Following further cost reductions announced in March 2023, 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).

The image features a teal background with a central image of a handshake. The handshake is rendered in a lighter shade of teal, showing the hands and forearms of two people in business attire. The text 'COMMERCIAL PROGRESS.' is overlaid in white, bold, sans-serif font across the middle of the image. At the bottom, there is a decorative graphic consisting of a series of light blue and white rectangular blocks of varying heights and widths, resembling a bar chart or a data visualization.

COMMERCIAL PROGRESS.

KEY COMMERCIAL PROJECTS.



GERMAN MARKET



UNITED KINGDOM



UNITED STATES

ACTIVATING THE GERMAN MARKET.

- German market is well suited to adoption of *Adslot Media*
- Top 2 media market in Europe
- Lower adoption of programmatic trading compared to other mature markets
- Consolidated publisher market focused on traditional media players
- Both buy and sell side have been highly receptive to the proposition of automating trading outside of programmatic channels
- Higher margin market
- Activation focus has been on the highly valuable Connected Television (CTV) sector
- Updated workflows have been introduced to the *Adslot Media* workflow to debut October 2023
- Two leading agencies committed to CTV and general activation via *Adslot Media*
- Approximately 15 leading German and European publishers now on platform with CTV inventory enabled
- CTV trading from large agency groups to commence September 2023
- Widescale adoption expected to commence with launch of new workflow early October 2023

ACTIVATING THE GERMAN MARKET.

Publisher Partners

GOLDBACH

VICE

Bloomberg

 SMARTSTREAM.TV

waipu  .tv

 REUTERS

**DA
ZN**

Rakuten TV

*Servus*TV


wallstreet:online

euronews.

CommonMedia
Agentur für Online-Marketing

targetvideo

Agency Groups

IPG


**PUBLICIS
GROUPE**

GROUPM UK: AGENCY ACTIVATIONS.

- Amended contracting structure with individual agencies now completed
- DE&I trading via *Adslot Media* to commence once onboarding of GroupM requested publishers (x15) is complete – expected September 2023.
- Wider activation planning (beyond DE&I) underway with individual agencies Mindshare, Mediacom and mSix
- Account team meetings held re appropriate clients and upcoming campaign activity scheduled across late August and early September 2023 (10+ account teams)
- With short-term activation of DE&I and wider direct trading expected to follow, the UK is expected to be a substantial driver of TTV and revenue growth over the coming year.



MEDIACOM



US MARKET: IPG – ORION & KINESSO.



- US trading activity failed to develop as expected in FY23 but opportunity remains significant following large investment by the Company in the US market
- Internal re-organization within IPG has seen relationship shift from Kinesso to individual agency groups which places Adslot closer to the media budgets
- Orion trading recommenced in June 2023 quarter and expected to be driver of US trading over short term
- High level discussions underway with senior leadership at IPG re opportunities to leverage Adslot platform and historical IPG investment to automate direct trading across group agencies

DEMISE OF THE 3RD PARTY COOKIE.

WHAT IS A COOKIE?

1st party cookie

A small piece of data that a website stores on a user's device through their web browser.

1PD cookie is created by the website the user is visiting and is used to track user activity and preferences within that specific website.

Example = User Convenience

- You visit an online shopping website.
- 1st party cookie is used to remember your login credentials and items you've added to your shopping cart.
- This allows the website to provide a personalized experience by showing you your saved items and keeping you logged in as you browse different pages on the site on that same site.

3rd party cookie

A small piece of data stored on a user's device by a company other than the one you are currently visiting.

Used by advertisers and adtech companies to collect information across multiple websites, enabling them to track and target users with personalized ads based on their browsing history.

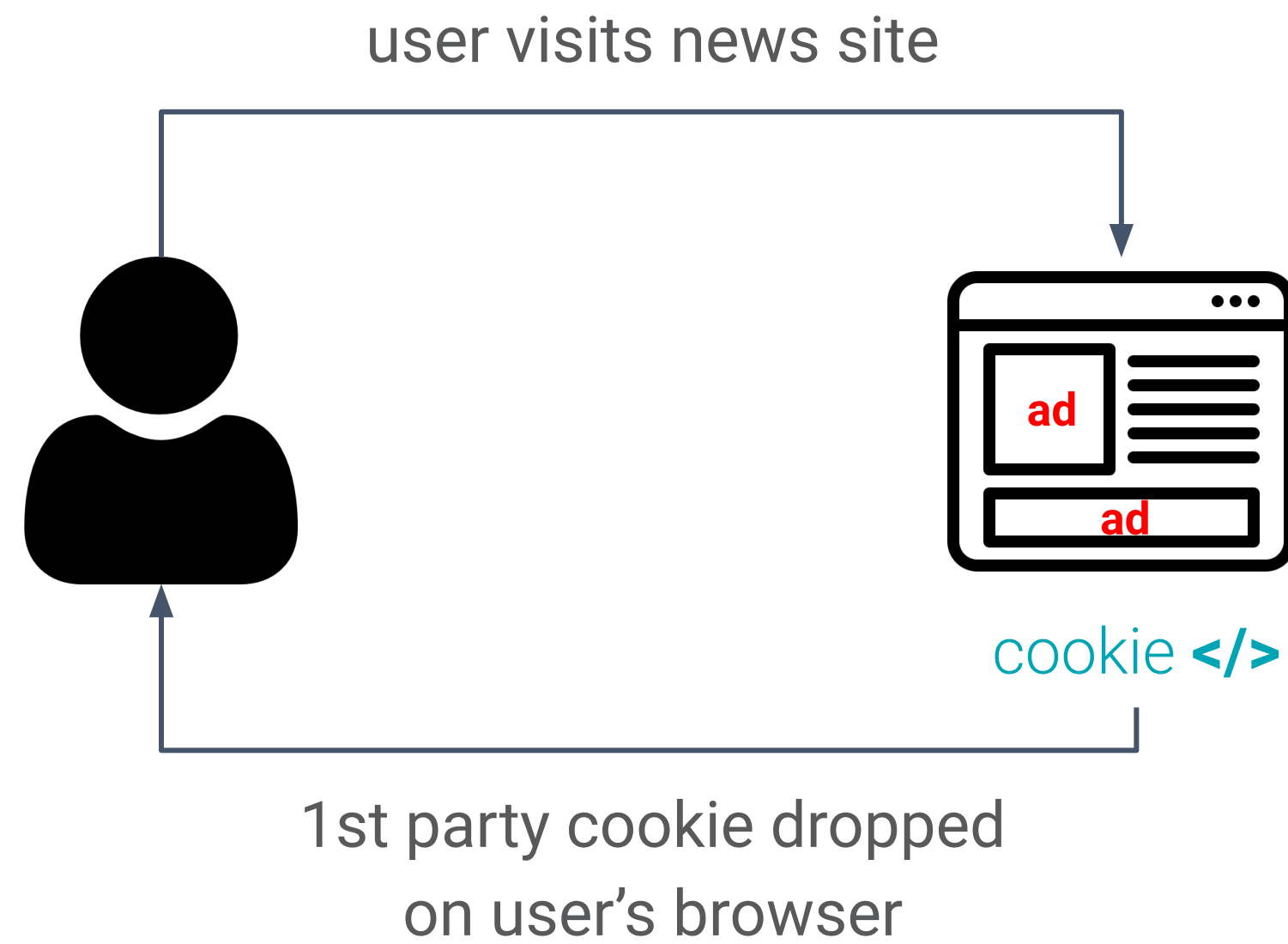
Example = User Convenience

- You're reading a news article on a website that runs ads managed an adtech company (e.g. Criteo, TTD).
- The advertising company uses 3rd party cookies to track your browsing activity across multiple websites, building a profile of your interests.
- Allows advertisers and adtech companies to display ads tailored to your preferences when you visit other sites.

1st PARTY COOKIE EXAMPLE.

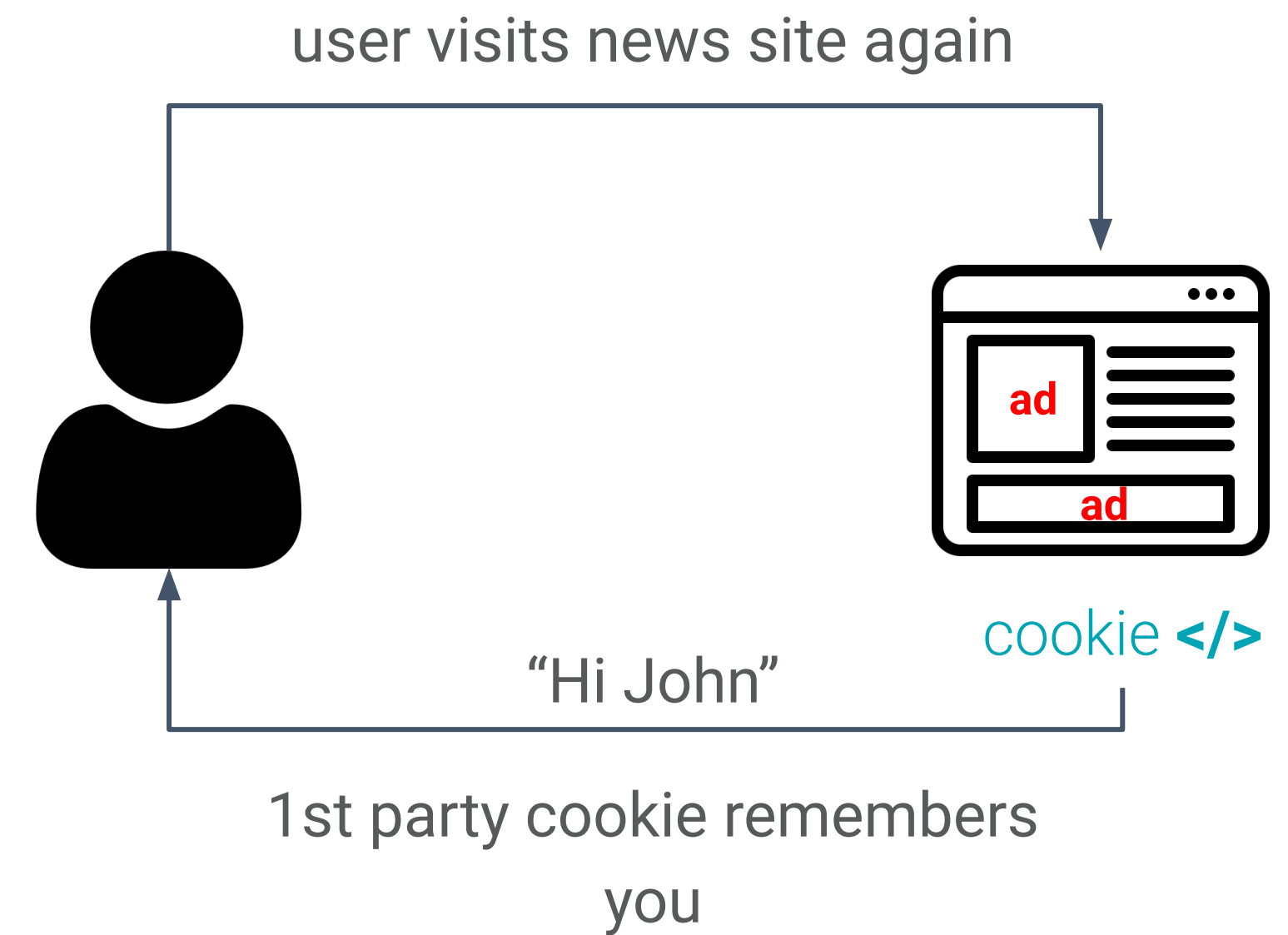
1

1st Visit

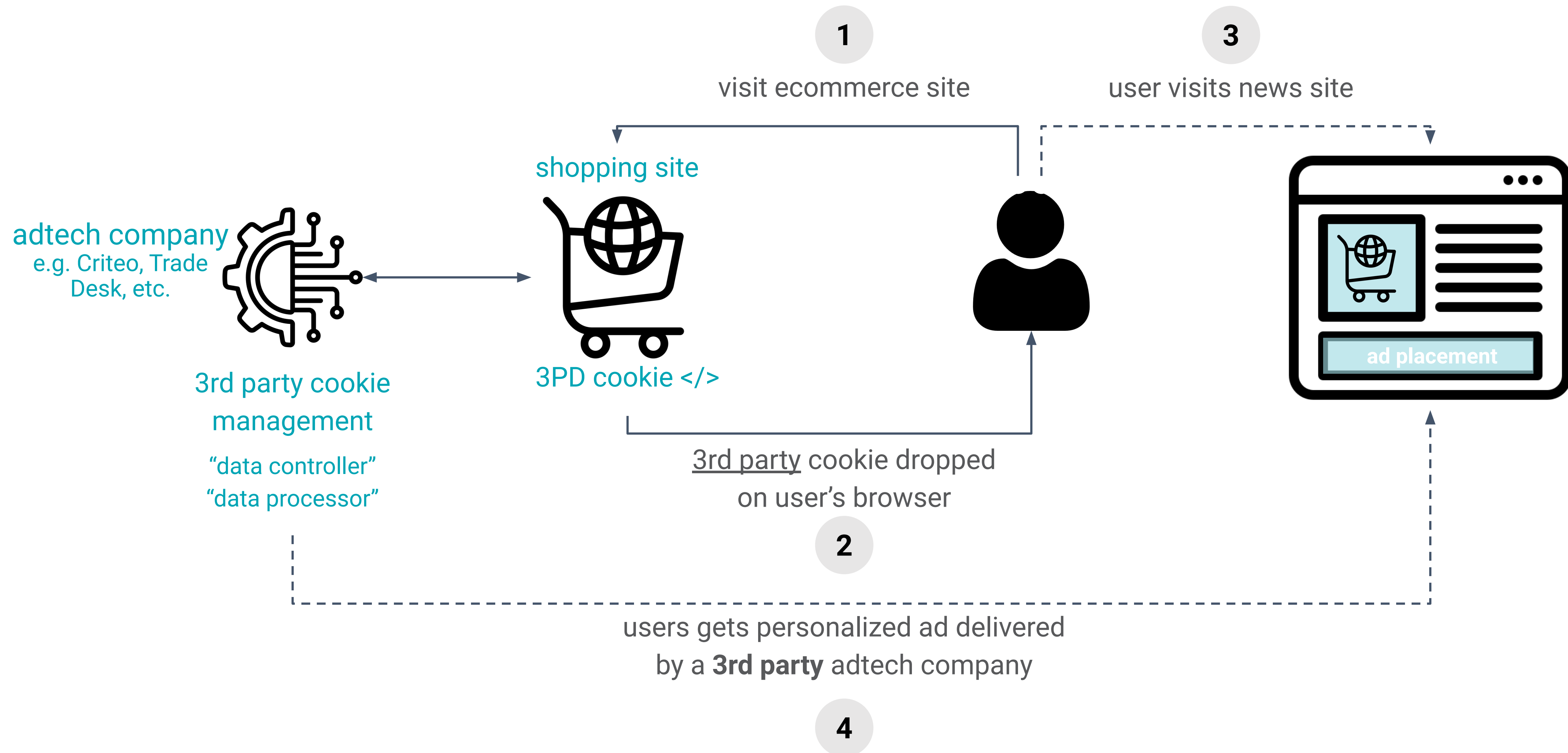


2

Next Visit



3rd PARTY COOKIE EXAMPLE = AUDIENCE-TARGETING



WHAT'S HAPPENING WITH 3rd PARTY COOKIES?

1

Privacy Concerns

3rd party cookies enable advertisers and trackers to collect and share user data across websites, often without explicit user consent.

- Raises significant privacy concerns
- Users' online behavior is tracked without their full awareness or control

2

User Consent and Control

With increasing regulatory focus on data privacy, there's a growing emphasis on giving users greater control over their data.

- Use of 3rd party cookies often doesn't align well with regulations
- Users may not have a clear understanding of how their data is being used
- European Union's General Data Protection Regulation (GDPR)
- California Consumer Privacy Act (CCPA)
- Privacy Act in Australia

3

Cross-Site Tracking and Security

3rd party cookies can potentially be exploited for cross-site tracking, leading to security vulnerabilities.

- Potentially allow malicious actors to gather sensitive information
- Opens door for publisher-side data leakage
- Elimination of 3rd party cookies can help mitigate these risks and enhance overall online security

WHAT'S HAPPENING WITH 3rd PARTY COOKIES?

Apple, Microsoft and Firefox already removed 3rd cookies and related targeting capabilities



iPhone



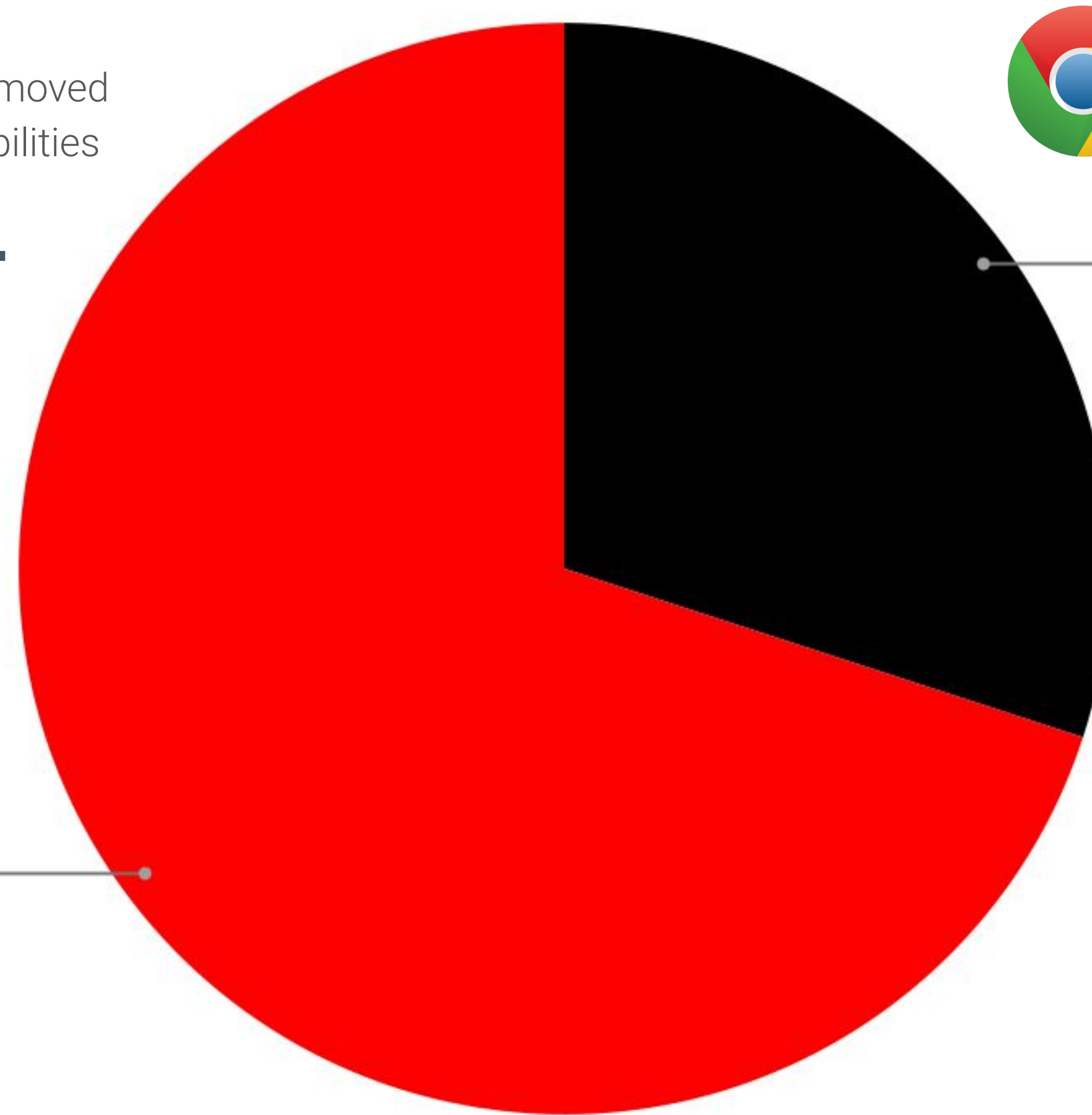
Firefox



Microsoft Edge

Invisible Users

70.0%



chrome

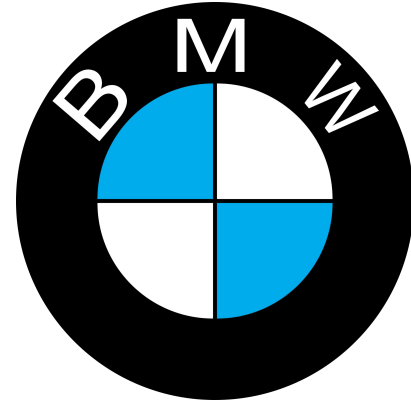
Targetable

30.0%

Starting in early 2024, Google plans to migrate 1% of Chrome users to Privacy Sandbox and disable third-party cookies for them, the company announced today.

Google's plan to completely deprecate third-party cookies in the second half of 2024 remains on track

COOKIE REPLACEMENT ALTERNATIVES.



**Not
Targetable**

 iPhone



COOKIE PLACEMENT ALTERNATIVES?

1

Contextual Approach

Contextual advertising is a type of advertising strategy where ads are displayed to users based on the content and context of the web page they are currently viewing.

Instead of relying on user-specific data, contextual advertising targets ads to match the topic or theme of the webpage, aiming to deliver more relevant content to the user in that specific context.

Example

- You're reading an online article about hiking.
- In a contextual advertising scenario, the ads displayed alongside the article could be related to outdoor gear, camping equipment, and travel destinations
- Aligns interests with outdoor activities based on the content they are consuming.

2

1st Party Data (back to the future)

Advertising with 1st party data involves using information collected directly from a company's own interactions with its customers or website visitors.

This approach leverages data the company has gathered itself to personalize ads and target audiences based on their known preferences and behaviors.

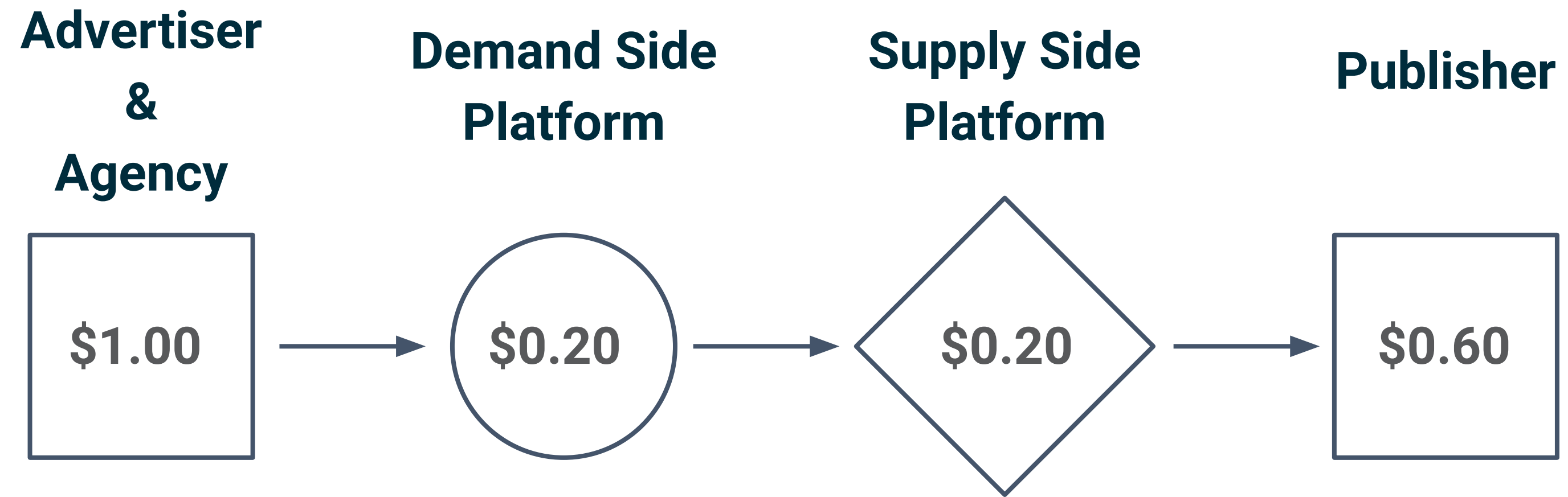
Example

- An online clothing retailer collects email addresses from customers who have made purchases on their website.
- They can use this 1st party data to create a first party cookie of "loyal customers" by identifying those who have made more than three purchases in the past year.
- This segment can then be targeted with personalized ads.
- Publishers like news sites also collect subscriber email data which is used for compliant audience targeting.

ADSLOT'S PLACE IN THE NEW WORLD ORDER?

Programmatic

Depends on 3rd Party Cookies and viable replacement to exist

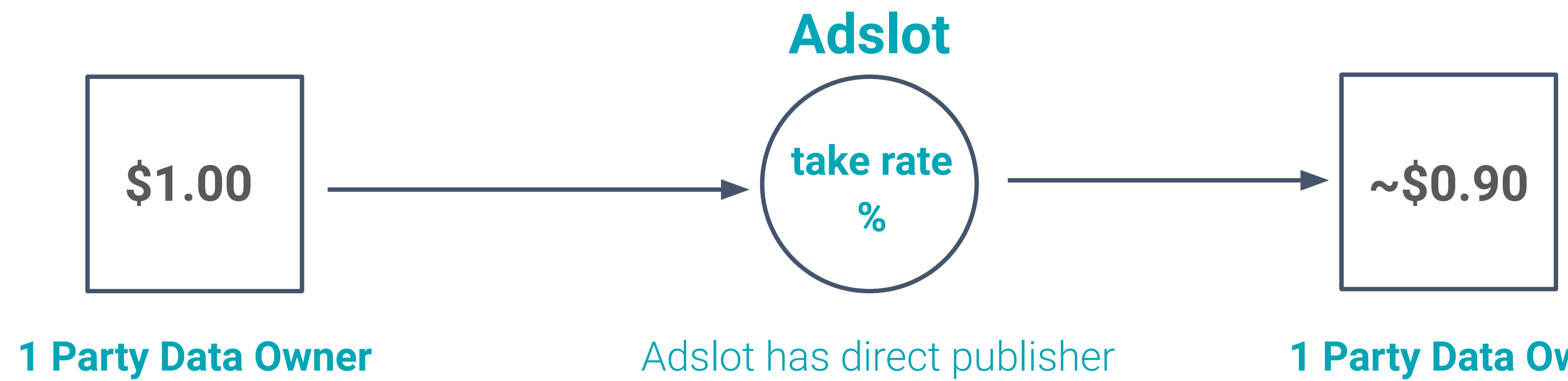


Ad quality risk = high

- fraudulent inventory
- non-viewable impressions
- cheap reach inventory

Adslot

Built for 1st party data new world order



Ad quality risk = low

1 Party Data Owner

Adslot has direct publisher integrations in place

1 Party Data Owner
Leverage Adslot API direct integrations

SUMMARY

1. DSP-SSP business model is disrupted → **profound change for the industry**
2. Drives incentives toward direct trading with contextual and 1st party audience targeting → **positive for Adslot**
3. Adslot's direct publisher integrations → **well positioned as a strong alternative**

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Thank you.

Questions?

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