



# Financial Year 2024 Half-Year Results

29 February 2024  
Adslot Limited (ASX: ADS)

**Adslot.**

# Our Business Units & Revenue Models

	Product Description	Primary Revenue Model
<b>Adslot Media.</b>	A global digital media marketplace, enabling media buyers and sellers to trade premium display advertising on a targeted, forward-guaranteed basis (direct buys).	Trading Fees
<b>Symphony.</b>	A global enterprise SaaS platform, providing digital media buying workflow solutions to the world's largest advertising agencies.	License Fees
<b><u>webfirm</u></b>	An Australian-based digital marketing services business, providing website design, hosting, search engine optimization (SEO), search engine marketing (SEM) and social media marketing services to SMBs.	Services Fees

# Financial Highlights

**THE FIRST HALF OF FY 2024 SAW IMPROVEMENT IN FINANCIAL PERFORMANCE ACROSS THE COMPANY**

- ✓ Improved Adjusted EBITDA and Adjusted NPAT performance; losses down 16% & 12% HoH\* respectively
- ✓ Trading Fee revenue up 63% HoH
- ✓ License Fee revenue declined 5% HoH and 6% vs PCP\*\*
- ✓ Total Trading Technology revenue up 2% HoH
- ✓ Continued reductions in operating costs; down 6% vs PCP and 2% HoH





# Commercial Progress

**OVER THE FIRST HALF, CONTINUED PROGRESS WAS MADE ON ACCELERATING COMMERCIAL OPPORTUNITIES**

- ✓ % fee generating Total Transaction Value (TTV)<sup>\*\*\*</sup> on the Adslot Media platform increased for 3 consecutive quarters
- ✓ Volume of trades on the *Adslot Media* platform reached record levels in December 2023 quarter
- ✓ Development of strategy to capitalise on global cookie deprecation, culminating in launch of Br1dge Inc
- ✓ Commencement of trading of Connected Television & Video (CTV) in the substantial German market
- ✓ Strong growth in UK TTV, up 68% HoH
- ✓ Further publishers added to marketplace in critical industry verticals, including mobile and CTV

# Refined Objectives for 2024

THE COMPANY HAS A TARGETED FOCUS ON A NUMBER OF SUBSTANTIAL COMMERCIAL ACTIVITIES TO DRIVE THE BUSINESS TO PROFITABILITY:

- ✓ Successfully launch the br1dge solution in the US market with trading via multiple agency groups;
- ✓ Scale trading in the German CTV market following the successful development of custom workflow for that market;
- ✓ Accelerate growth in the UK market via cornerstone customers GroupM and Mobkoi.



# br1dge – a solution for a cookieless world

## BRIDGE INC WAS ESTABLISHED AS A WHOLLY-OWNED SUBSIDIARY TO TAKE ADVANTAGE OF GENERATIONAL INDUSTRY CHANGE

- Cookie deprecation by end of 2024 has created an “addressability gap” for buyers and sellers
- The addressable market for a solution to this gap in the US market is \$23B per annum\*
- The Adslot Media platform is uniquely placed to serve as a basis for a solution via its direct publisher integrations and support of 1st party data
- br1dge 1.0 to be launched in early Q4 FY24
- A highly experienced leadership has been engaged to drive this initiative
- Validation from clients has been strong with trading expected to commence in Q4 FY24



\* US programmatic media spend – Display, CTV and Video- eMarketer, Mar 2023

# German market Connected TV & Video

## TOP 5 DIGITAL ADVERTISING MARKET WITH LOW ADOPTION OF PROGRAMMATIC TRADING



- Leader of GDPR privacy framework
- Activation focus has been on the highly valuable Connected Television (CTV) sector which is currently traded inefficiently
- Custom CTV workflow designed with leading German agencies
  - First phase launched December 2023
  - Second (and final) phase to be launched early March 2024
- Approximately 60% of the agency market either contracted or in discussions re adoption
- Leading German and European publishers now on platform with CTV inventory enabled
- Successful pilot trading occurred in Q4 FY24 with recurring trading expected to grow with launch of final phase of custom workflow

# The UK market growth from cornerstone customers

## THE UK IS A TOP 5 ADVERTISING MARKET WITH STRONG GROWTH SIGNALS

- H1 FHY24 saw strong growth in UK trading, up 68% HoH
- Focus on trading growth from longstanding partners GroupM and Mobkoi
- Activity underway for transition of all direct trading for large automotive client to the Adslot Media platform
- Expansion of trading for leading mobile specialist, Mobkoi, expected across new geographies and advertiser verticals
- Further growth in trading expected by progressive activation of GroupM marketplaces





# FINANCIAL PERFORMANCE

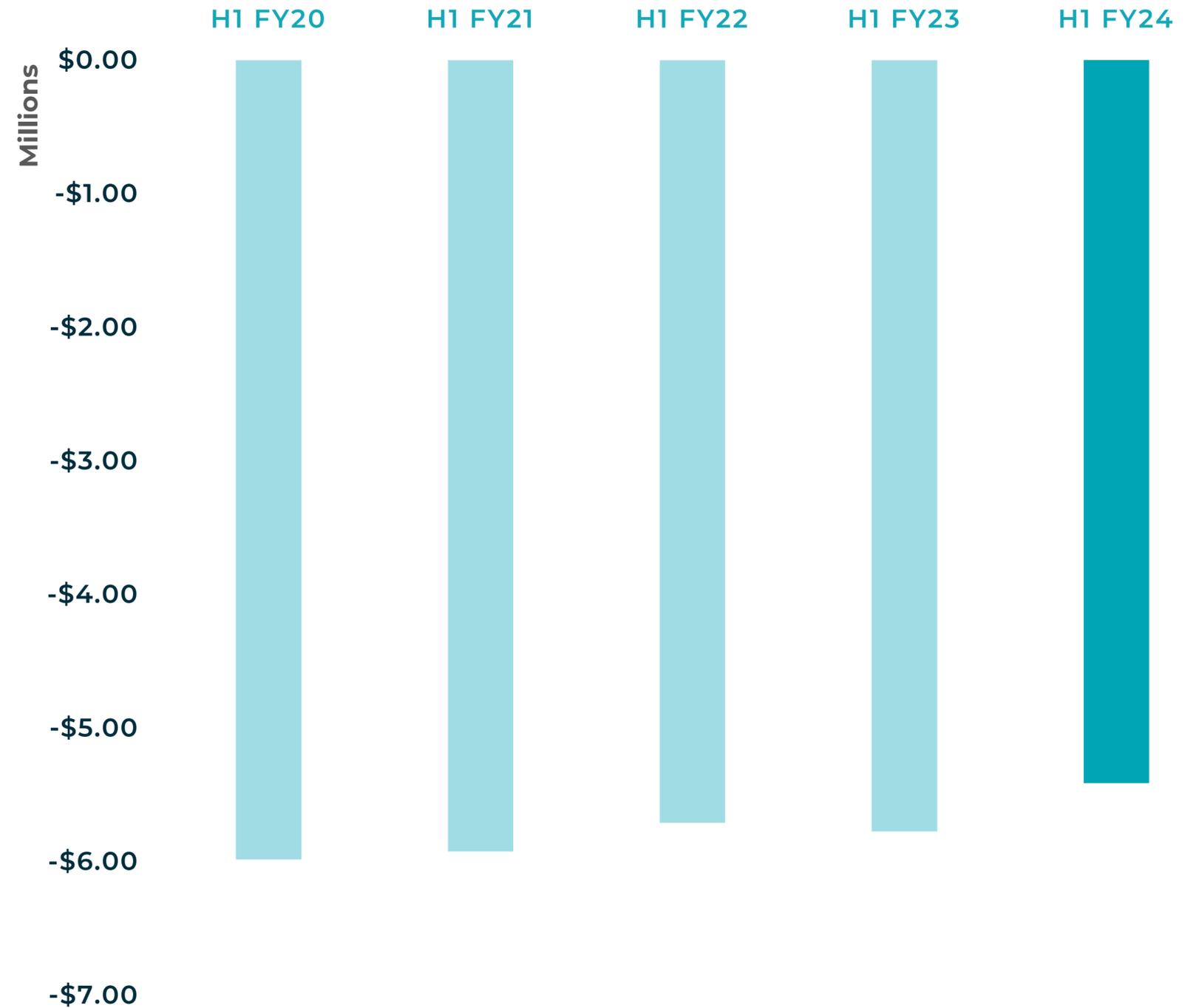
# H1 FY24 Reduced Operating Costs, and Improved Adjusted EBITDA and Adjusted NPAT



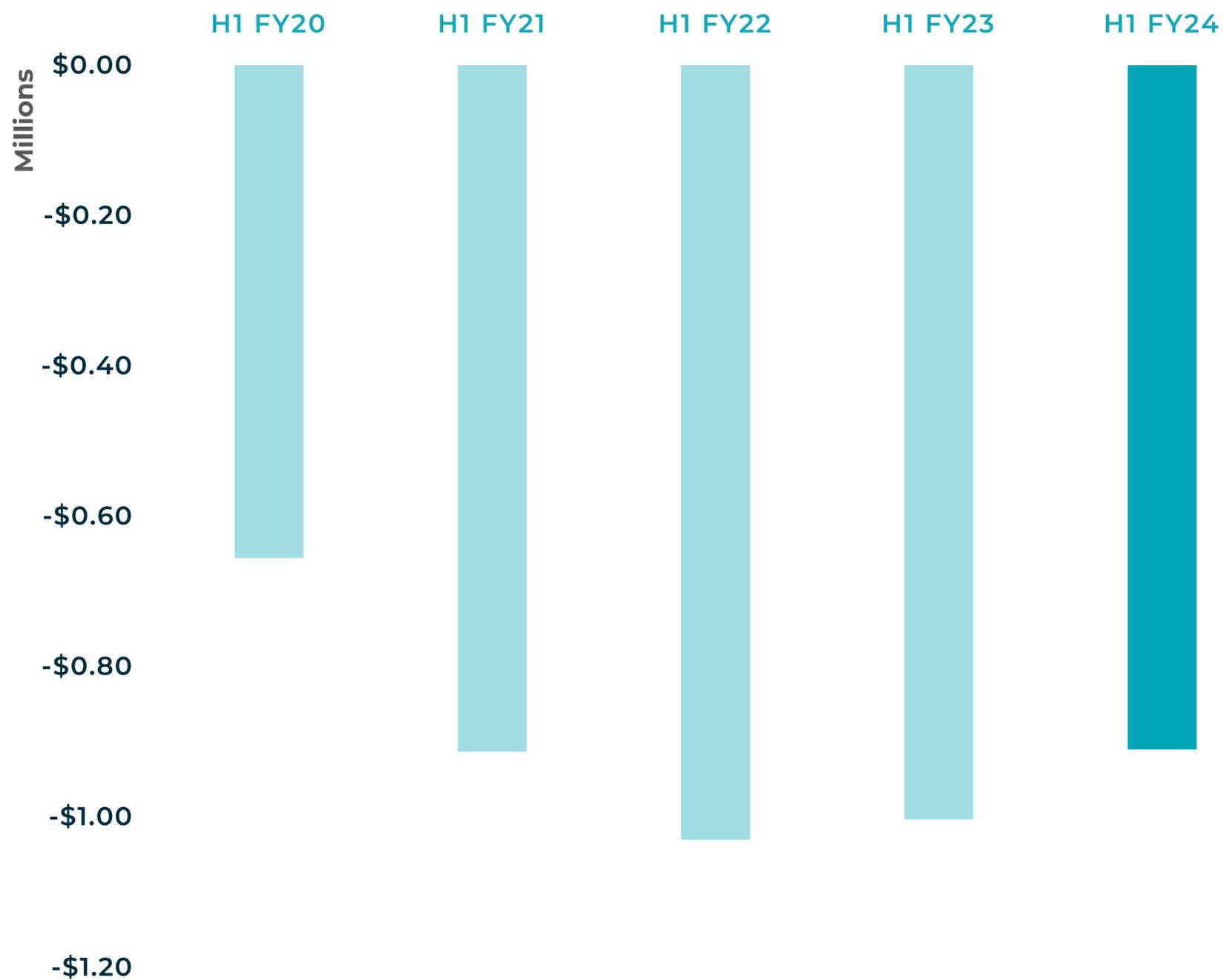
Adjusted EBITDA (loss) and adjusted NPAT (loss): Excluding Impairment of Intangible Assets of \$2.6M in December 2023 & Impairment of Goodwill of \$5.2M in December 2022

# H1 FY23 - Operating Cost Reduced

- Total Operating Costs of \$5.413M for the half were 6% & 2% lower on prior corresponding period (PCP) & half on half (HoH) respectively
- Operating Costs are Total Expenses excluding Depreciation and Amortisation and Taxes.



• PCP- H1 FY22 has been restated for comparison purposes to reflect the adjustments made to the financial statements as of 30 June 2022 in respect of expired options.



## H1 FY23 – Improved Adjusted EBITDA Loss

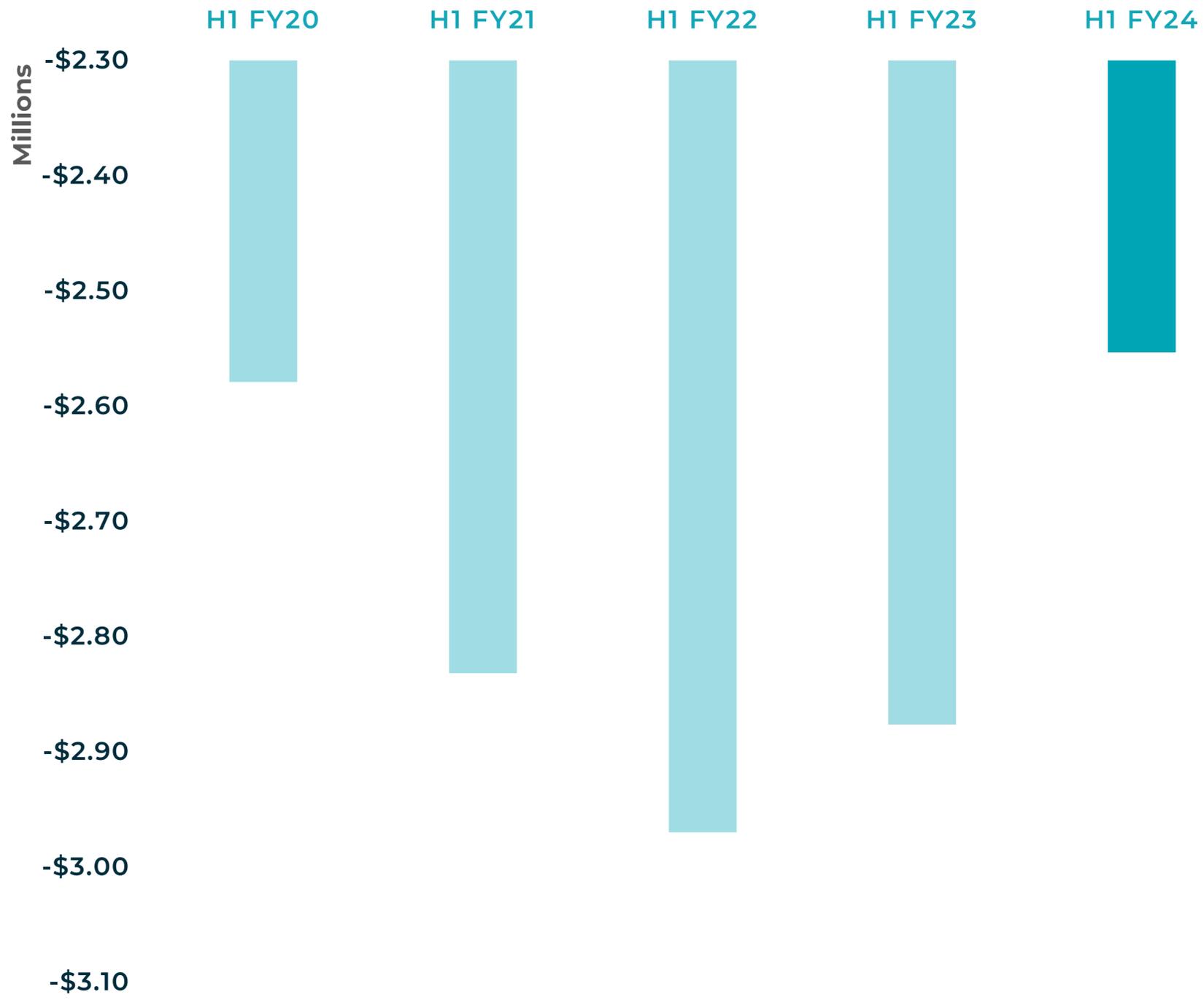
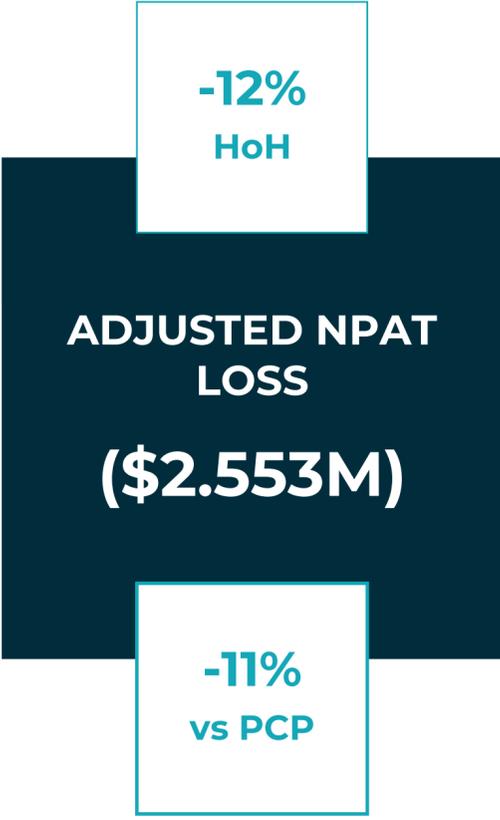
– H1 FY24 adjusted EBITDA loss of \$0.910M was a 16% improvement HoH and a 9% improvement on PCP



- Adjusted EBITDA (loss): Excluding Impairment of Intangible Assets of \$2.6M in December 2023 , Impairment of Goodwill of \$5.2M in December 2022 & the reversal of one-off Provision of \$1.5M for R&D Claim for Financial Year 2016 in December 2021 from EBITDA.
- PCP- H1 FY22 has been restated for comparison purposes to reflect the adjustments made to the financial statements as of 30 June 2022 in respect of expired options.

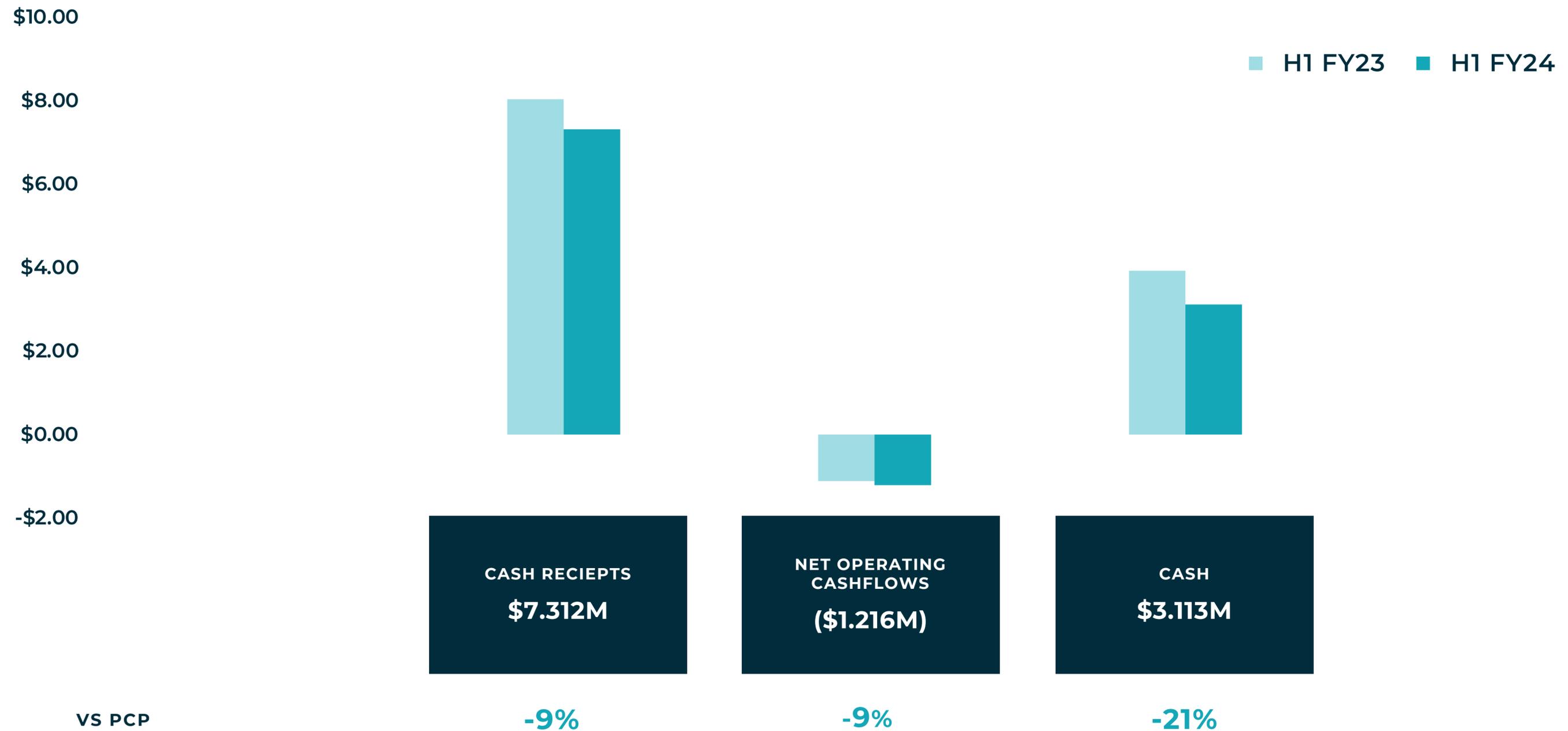
# ... and improved Adjusted NPAT

— H1 FY24 adjusted NPAT Loss of \$2.553M was a 12% improvement HoH and a 11% improvement on PCP



- Adjusted NPAT (loss): Excluding Impairment of Intangible Assets of \$2.6M in December 2023, Impairment of Goodwill of \$5.2M in December 2022 & the reversal of one-off Provision of \$1.5M for R&D Claim for Financial Year 2016 in December 2021 from NPAT.
- PCP- H1 FY22 has been restated for comparison purposes to reflect the adjustments made to the financial statements as of 30 June 2022 in respect of expired options.

# H1 FY24 Cash Receipts, Net Operating Cashflows and Cash Position





# APPENDIX: REVENUE SEGMENTS

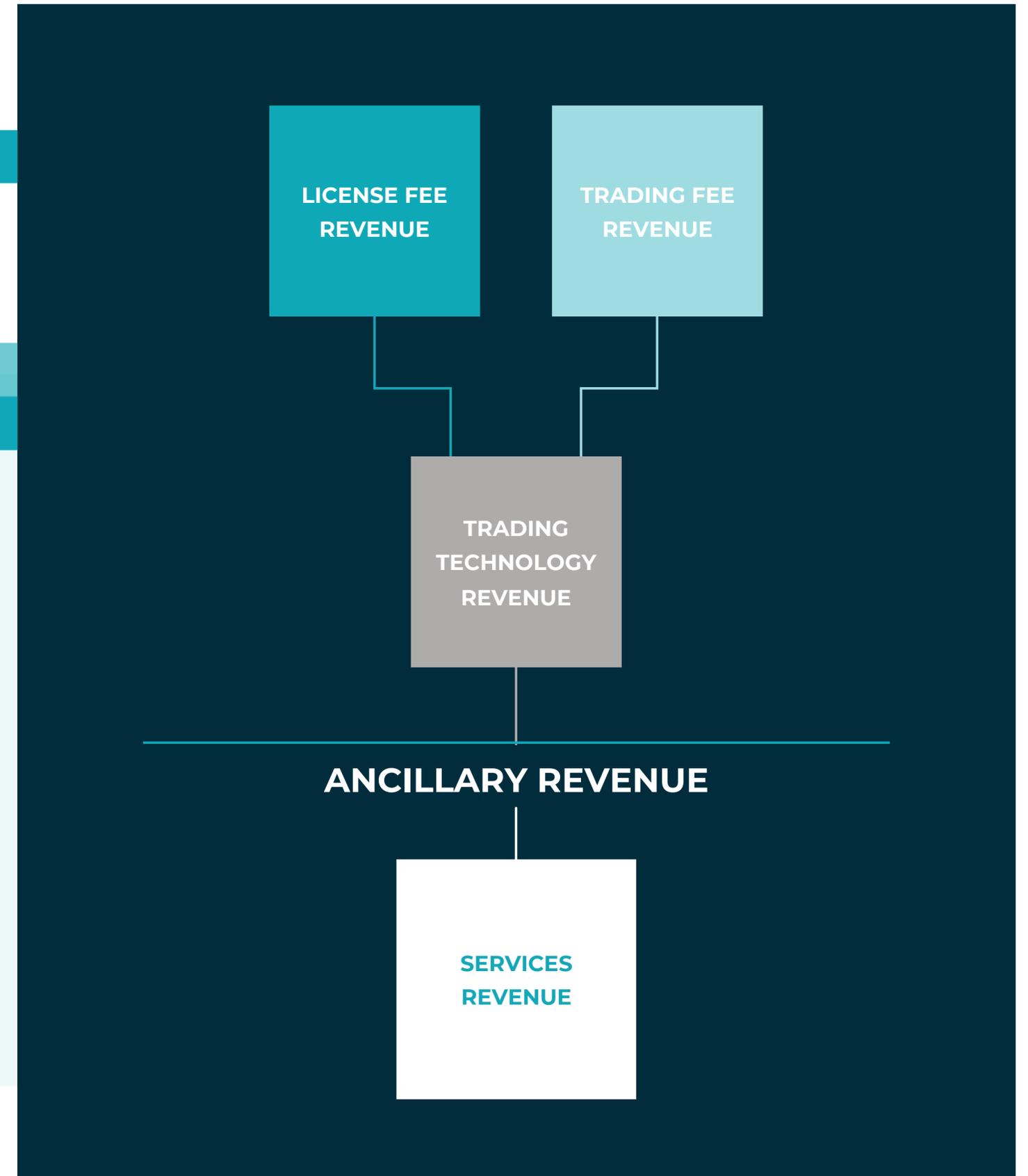


# Revenue Segments

## THREE MAIN REVENUE SOURCES:

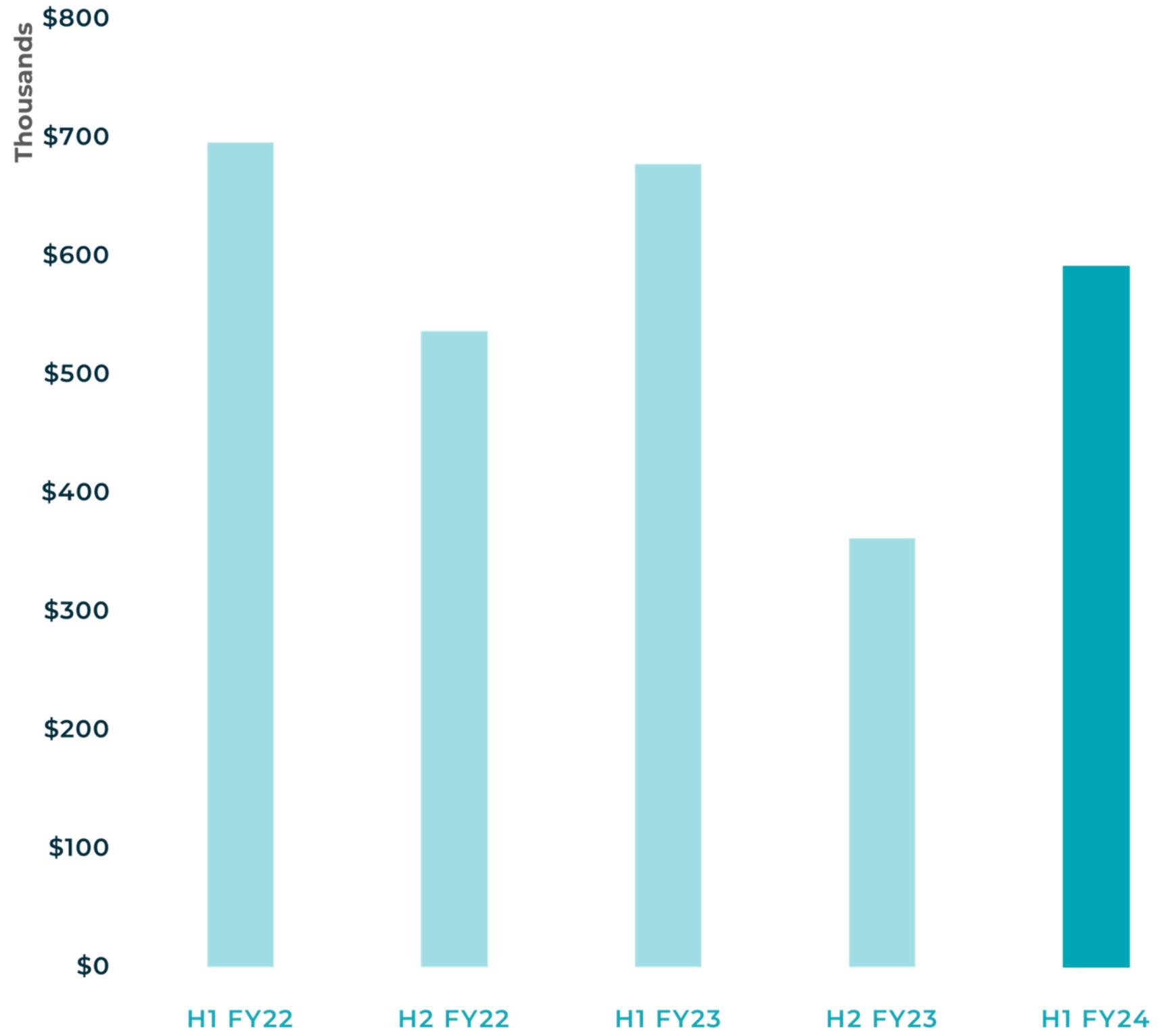
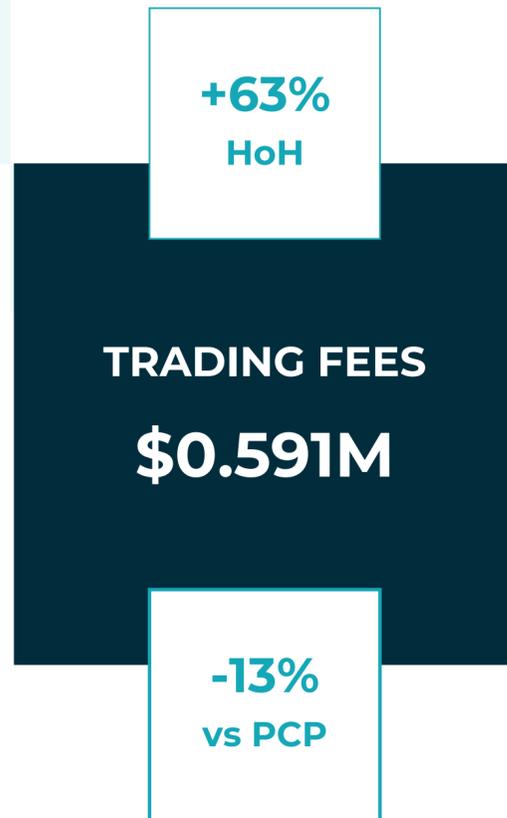
1. **Licence Fees** generated primarily from *Symphony* but also from *Adslot Media*;
2. **Trading Fees** generated primarily from *Adslot Media* but also from *Symphony*; and,
3. **Services** provided to *Symphony* and *Adslot Media* customers as well as services provided to SME customers by the company's *Webfirm* division.

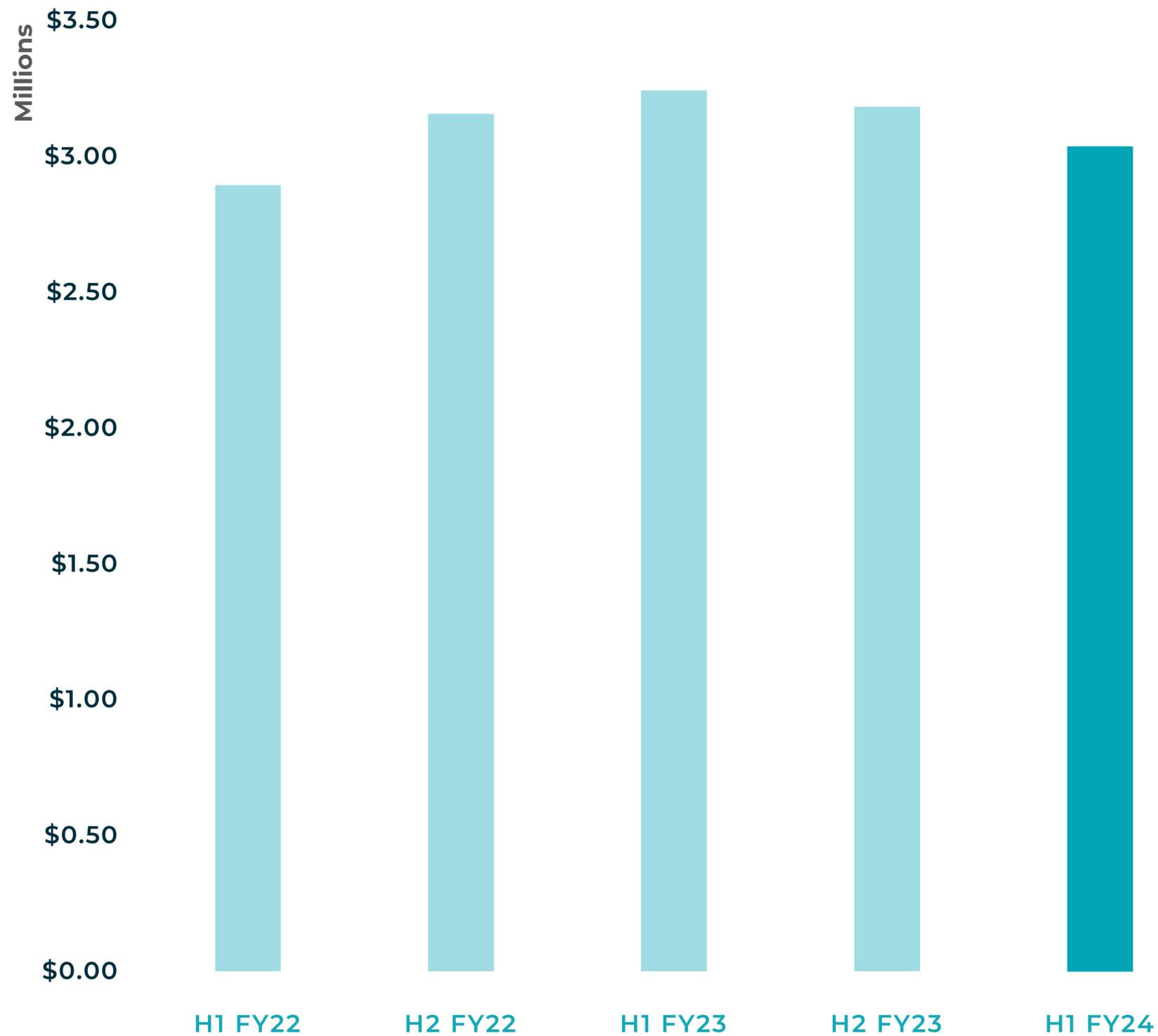
*Licence Fees and Trading Fees combine to form Trading Technology Revenue. This is the strategic revenue that the business is focused on.*



# Trading Fee Revenues

- Trading Fees up 63% half-on-half (HoH) and down 13% on prior corresponding period (PCP)
- Commencement of German CTV trading in H1 FY24
- Strong UK TTV Growth HoH





# License Fee Revenue

- Licence Fees down 5% half-on-half (HoH) and 6% on prior corresponding period (PCP)
- Modest revenue decline due to effect of removal of low activity Symphony markets in H2 FY 23

**-5% HoH**

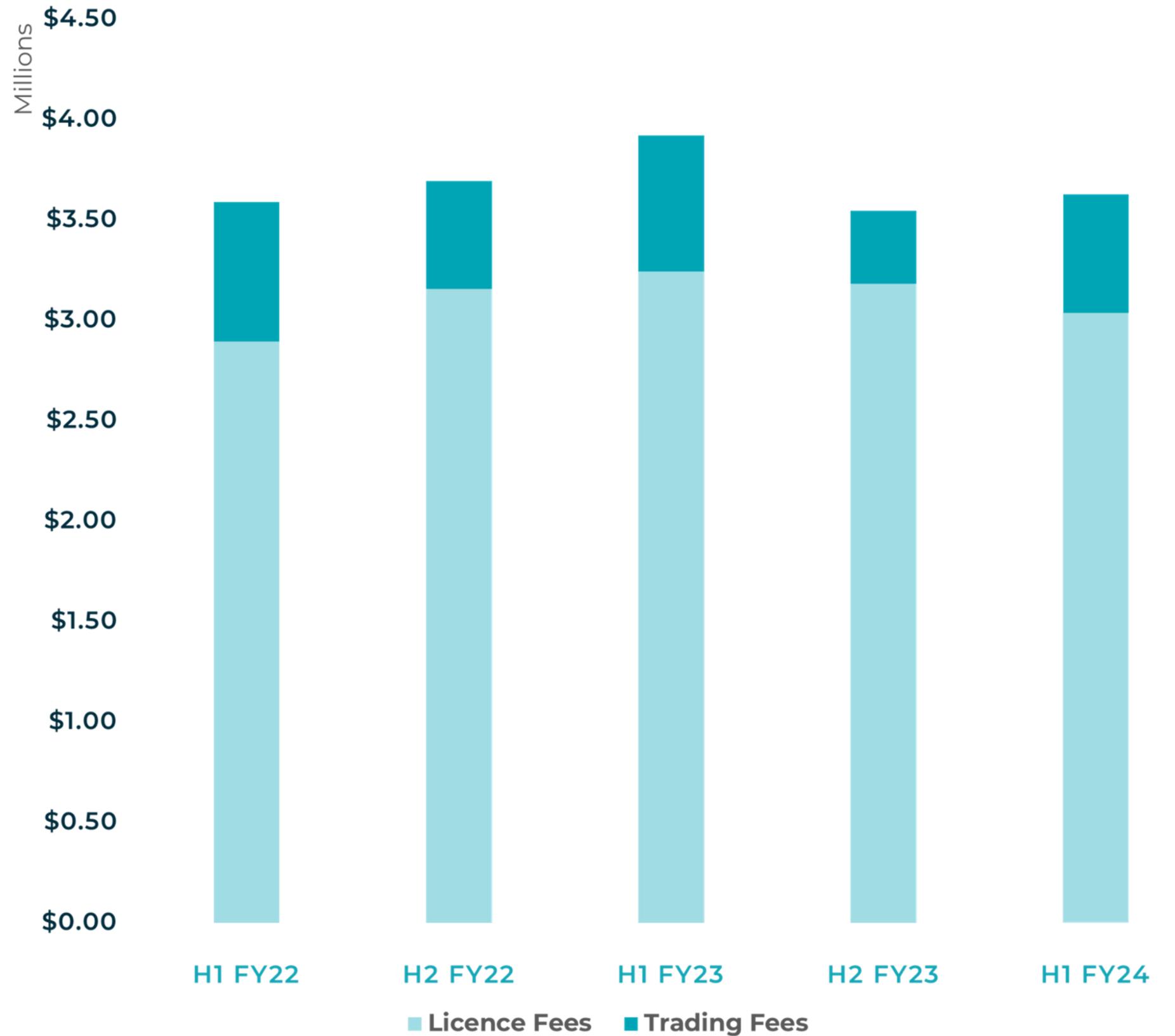
**LICENCE FEES**

**\$3.036M**

**-6% vs PCP**

# Trading Technology Revenue Growth

- Trading Technology revenue grew 2% half-on-half (HoH) reduced 7% on prior corresponding period (PCP)
- Trading Technology revenue represents the combination of Trading Fees and License Fees



# Disclaimer

**The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented does not take into account your individual financial circumstances and it is not designed to be a substitute for specific financial or investment advice or recommendations and should be relied upon as such. You should consider talking to your financial adviser before making an investment decision. So far as the law allows, Adslot Ltd excludes all liability for any loss or damage whether direct, indirect or consequential. This presentation includes forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Adslot Ltd, and which may cause actual results to differ materially from those expressed in this presentation.**

# Definitions

\*Half on Half (HoH) growth rates referenced are calculated against the last 6 months, being 6 months to 30 June 2023

\*\*Prior Corresponding Period (PCP) growth rates rates referenced are calculated against the prior Half Year period, being 6 months to 31 December 2022

\*\*\*Total Transaction Value represents the net value of media traded on the *Adslot Media* platform, including new bookings and any adjustments or cancellations made to previous bookings for a nominated period

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# Thank you

**Questions?**

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**Adslot.**