

Financial Year 2022 Half-Year Results

24 February 2022
Aslot Limited (ASX: ADS)

Adslot.

Our Business Units & Revenue Models

	Product Description	Primary Revenue Model
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).	Trading Fees
Symphony.	A global enterprise SaaS platform, providing digital media buying workflow solutions to the world's largest advertising agencies.	License Fees
<u>webfirm</u>	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 2022 SAW IMPROVEMENT IN FINANCIAL PERFORMANCE ACROSS THE COMPANY

- ✓ Trading Fee revenue up 16% HoH* and 2% vs PCP**
- ✓ License Fee revenue up 7% HoH and 18% vs PCP
- ✓ Total Trading Technology revenue up 9% HoH and 14% vs PCP
- ✓ Continued reductions in operating costs
- ✓ Improved EBITDA and NPAT performance including EBITDA profit for H1





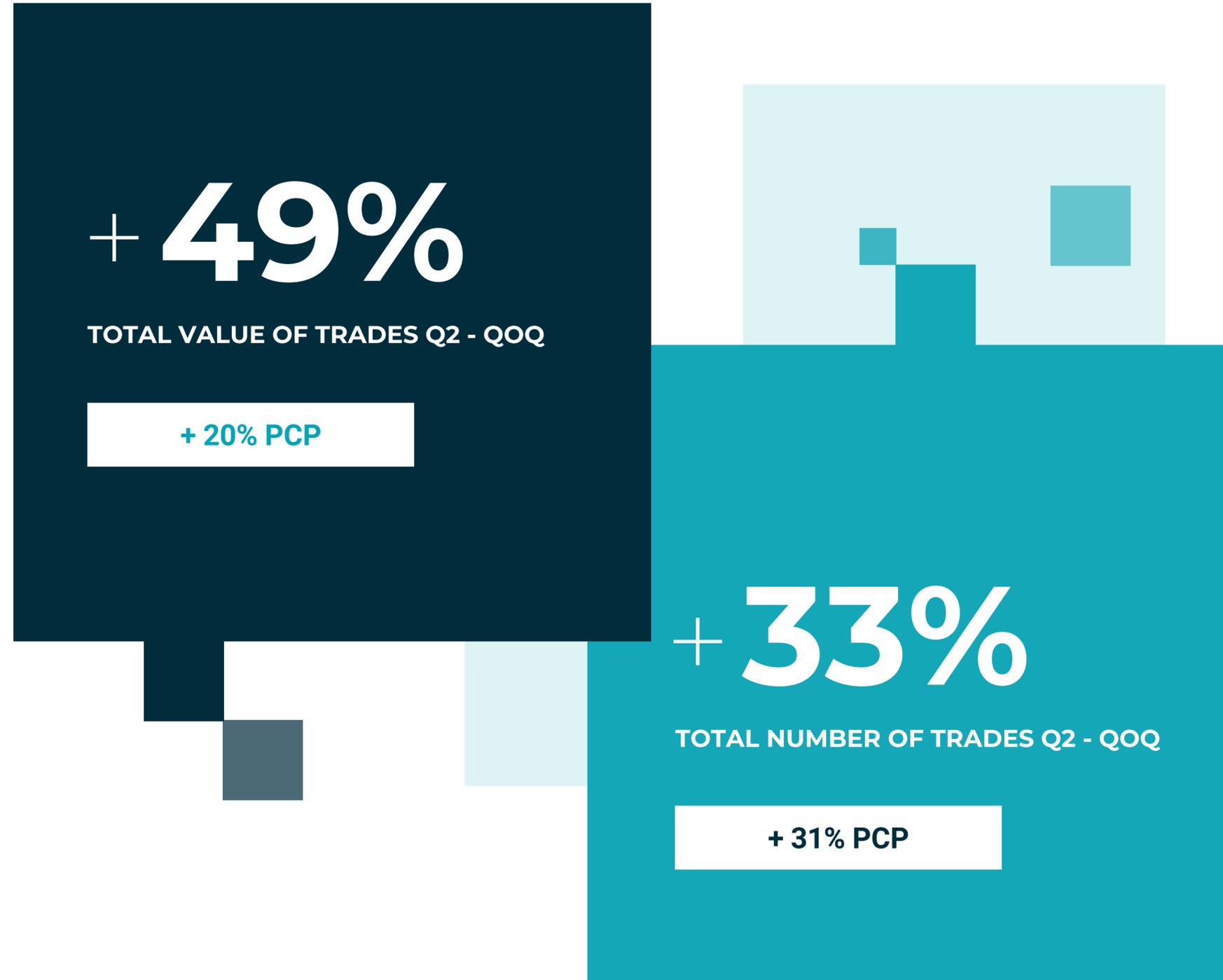
Strong Commercial Progress

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

- ✓ Total Transaction Value (TTV)^{***} on the *Adslot Media* platform increased for 3 consecutive quarters
- ✓ Volume of trades on the *Adslot Media* platform reached record levels in December 2021 quarter
- ✓ Key milestones achieved in the activation of Partner Marketplaces in the UK and US markets
- ✓ New MSAs signed with emerging agency groups
- ✓ New publishers added to marketplace in critical industry verticals
- ✓ Value of media managed via the *Symphony* platform increases for 3 consecutive quarters
- ✓ Initial launch of integrated *Symphony – Adslot Media* solution in the Australian market



Improved trading on the Adslot Media platform



Prior Corresponding Period (PCP) above represents the quarter to 31 December 2020

Adslot's Partner Marketplace Strategy

PROVIDING BUYERS WITH THEIR OWN WHITE-LABELLED AND CUSTOMISED MARKETPLACES ALIGNS WITH MACRO INDUSTRY TRENDS

- ✓ A flight to quality where media buyers are seeking to trade with an increasingly finite set of premium publishers
- ✓ A need to leverage proprietary data assets as the 3rd party cookie declines in use
- ✓ A desire for agency to “value add” to their clients to differentiate their offering

The Company expects that current and emerging partner marketplaces will be the primary driver of trading growth on the *Adslot Media* platform in the coming quarters and years.



Partner Marketplaces group^m Premium Supply

IN JULY 2021 THE COMPANY LAUNCHED A PARTNER MARKETPLACE AS A COMPONENT OF GROUP^M'S GLOBAL PREMIUM SUPPLY INITIATIVE

- ✓ Initial active market is UK with opportunity to expand to additional active markets globally
- ✓ December 2021 quarter trading saw a significant increase in marketplace adoption and led to record TTV for the UK market
- ✓ Additional advertiser and publisher partners are being onboarded in anticipation of growth of trading via the marketplace in 2022
- ✓ The Company anticipates signing a long-term extension to this agreement during the second half of FY 2022

Partner Marketplaces

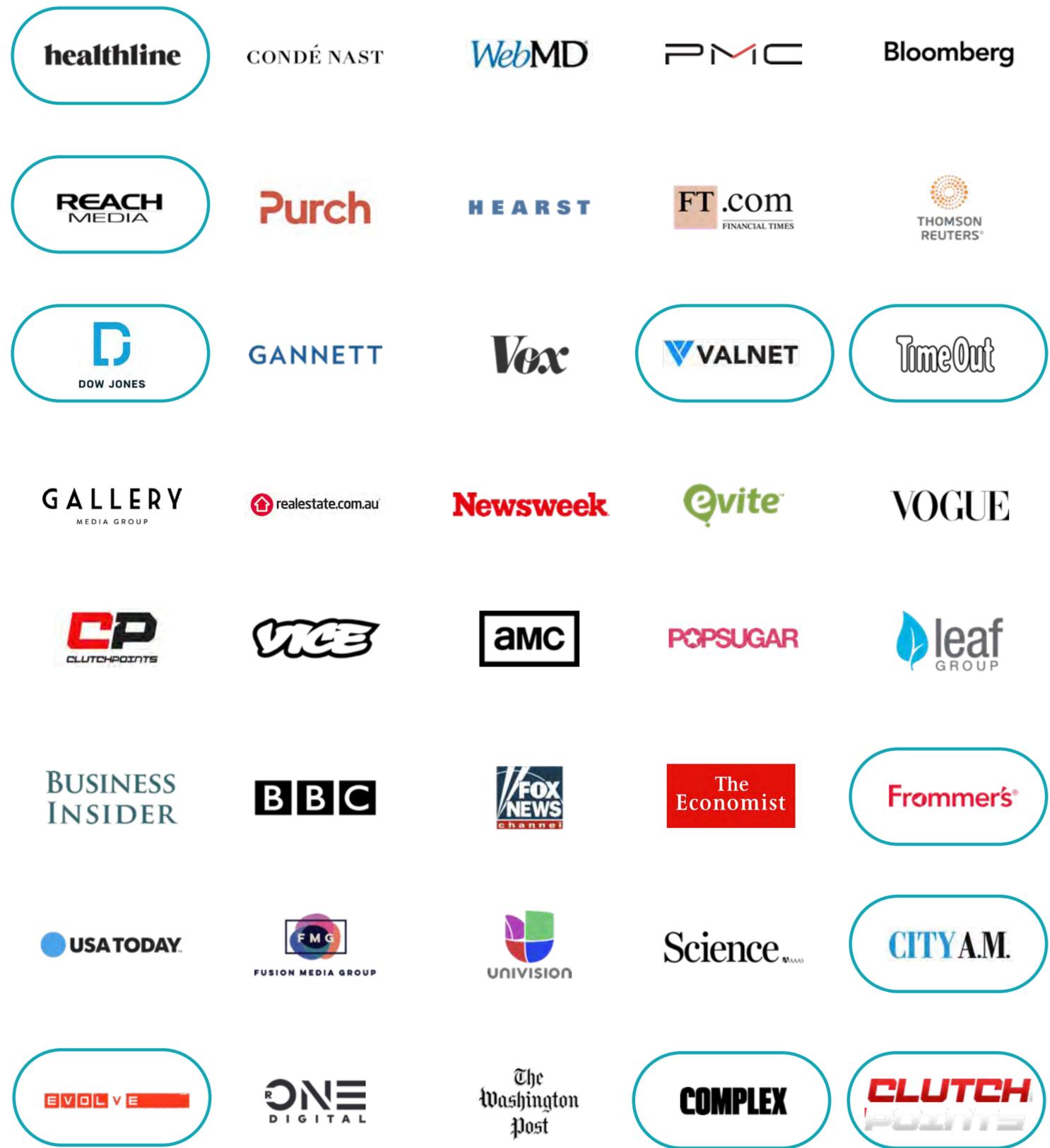
IPG - Kinesso

THE COMPANY HAS RECENTLY LAUNCHED A PARTNER MARKETPLACE FOR KINESSO, THE INNOVATION DIVISION OF THE INTERPUBLIC GROUP OF COMPANIES (IPG)

- ✓ Marketplace customised for the valuable and fast-growing Health and Wellness sector with a focus on pharmaceutical clients in the US market
- ✓ Largest US endemic health publishers have been onboarded including WebMD and Healthline
- ✓ Account team onboarding has commenced and a start to trading is imminent
- ✓ Development of client-funded extensions in capability, including integrations with large programmatic vendors, is underway



Strong and Growing Publisher Coverage in Key Markets



* PARTIAL LIST

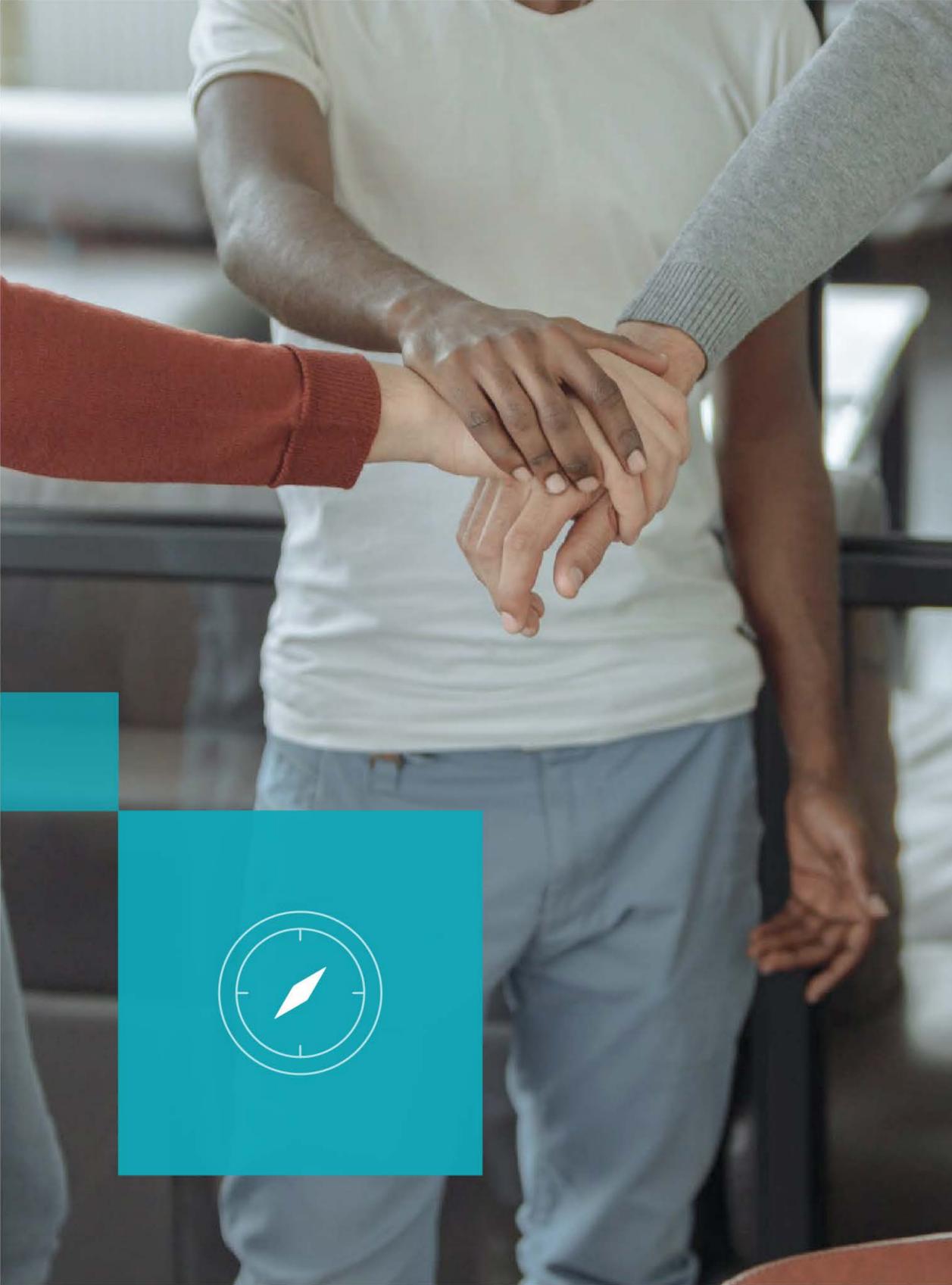
= SIGNED IN 2021

Our Objectives for 2022

DURING 2022 THE COMPANY WILL CONTINUE ITS FOCUS ON THE FOLLOWING STRATEGIC PRIORITIES:

- ✓ Scale trading on recently activated Partner Marketplaces in the US and UK markets;
- ✓ Further activate and scale trading from contracted agency groups;
- ✓ Explore strategic partnerships with industry players to extend *Adslot Media* product capabilities;
- ✓ Deploy additional *Symphony* markets with new and existing clients;
- ✓ Deploy the integrated *Symphony – Adslot Media* solution to additional *Symphony* markets; and
- ✓ Maintain a focus on cost management.





Strategic Review of Operations

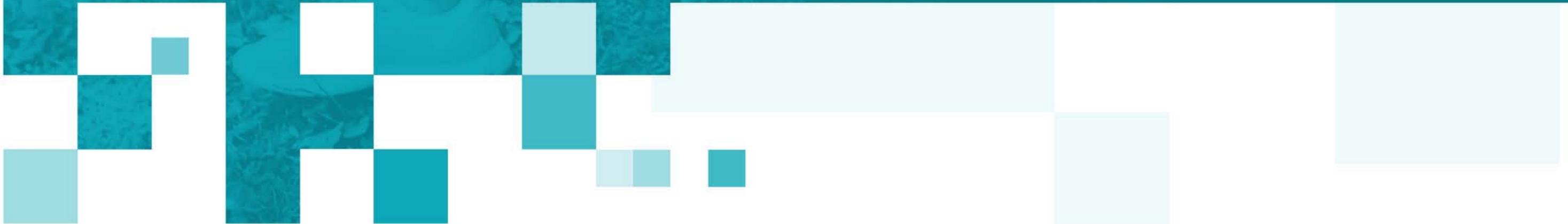
FOLLOWING RECEIPT OF UNSOLICITED INTEREST, THE BOARD HAS DECIDED TO COMMENCE A STRATEGIC REVIEW PROCESS WITH THE OBJECTIVE OF MAXIMISING SHAREHOLDER VALUE

- ✓ This process will involve an assessment of Adslot's strategic options and the alternative strategies available to unlock and enhance value for Adslot shareholders.
- ✓ The review may conclude that Adslot's current mix of products delivers the best value for shareholders and there is no certainty that the strategic review will lead to any particular outcome or transaction.
- ✓ The Company will continue to keep shareholders informed in accordance with its continuous disclosure obligations.

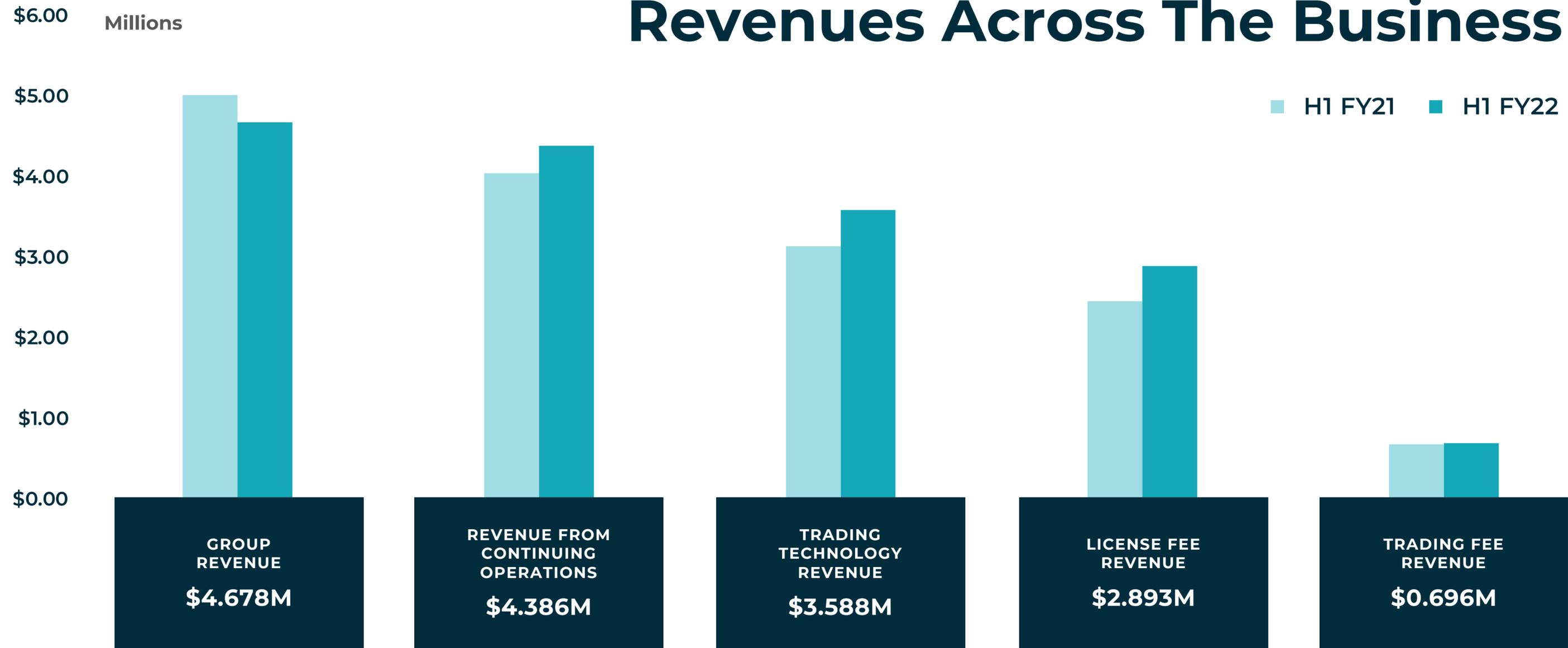


A photograph of three business professionals in a meeting, overlaid with a semi-transparent teal color. The text 'FINANCIAL PERFORMANCE' is centered in white, bold, sans-serif font.

FINANCIAL PERFORMANCE



H1 FY22 Saw Growth Across Key Revenues Across The Business



VS PCP

-7%

+8%

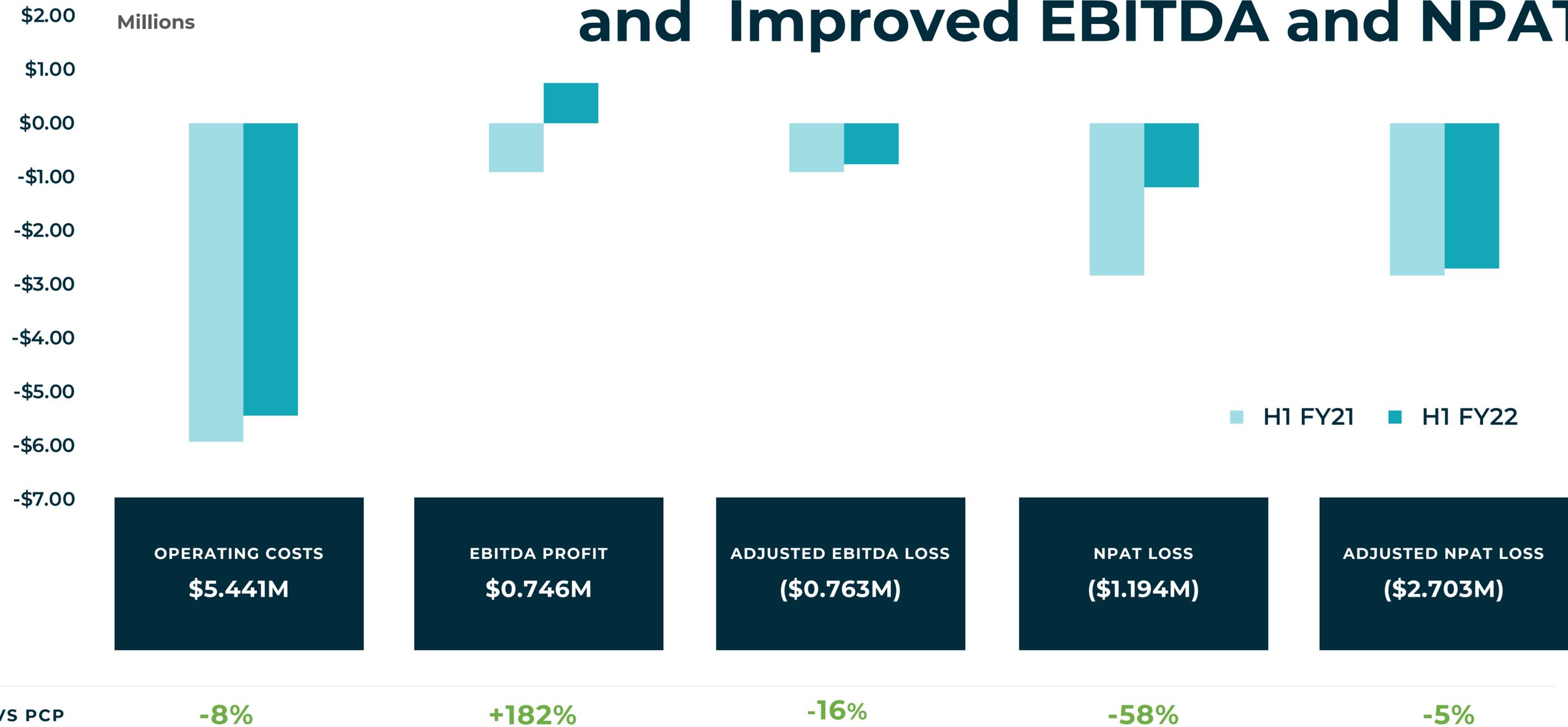
+14%

+18%

+2%

- For the current period, Group Revenue includes Revenue from Continuing Operations (\$4.386M) and Grant Income (\$0.293M).
- The reduction in Group Revenue is due to reduction in Covid related Grant Income compared to PCP. PCP Grant Income was \$0.971M resulting in a reduction of \$0.679M.

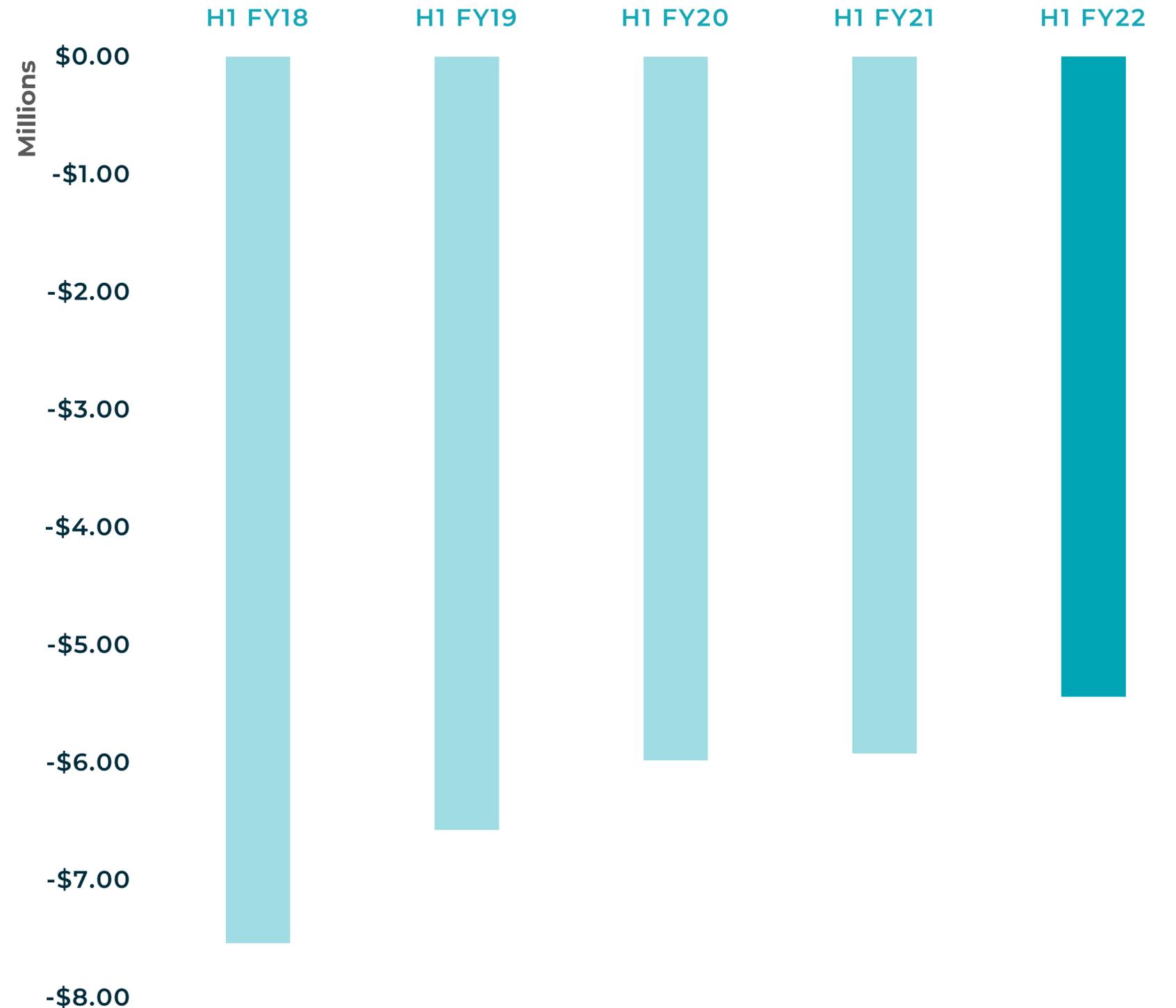
H1 FY22 Reduced Operating Costs, and Improved EBITDA and NPAT



Adjusted EBITDA (loss) and adjusted NPAT (loss): excluding the reversal of one-off Provision for R&D Claim for Financial Year 2016 in December 2021 from EBITDA and NPAT. Original provision was made in December 2019

H1 FY22 - Operating Cost Reduced

- Total Operating costs of \$5.441M for the half were 11% lower half on half (HoH), and 8% lower on prior corresponding period (PCP).
- Operating Costs are Total Expenses excluding Depreciation and Amortisation, once off R&D Provision and Taxes.





H1 FY22 – Improved EBITDA

— H1 FY22 EBITDA Profit of \$0.746M was a 149% improvement HoH and a 182% improvement on PCP

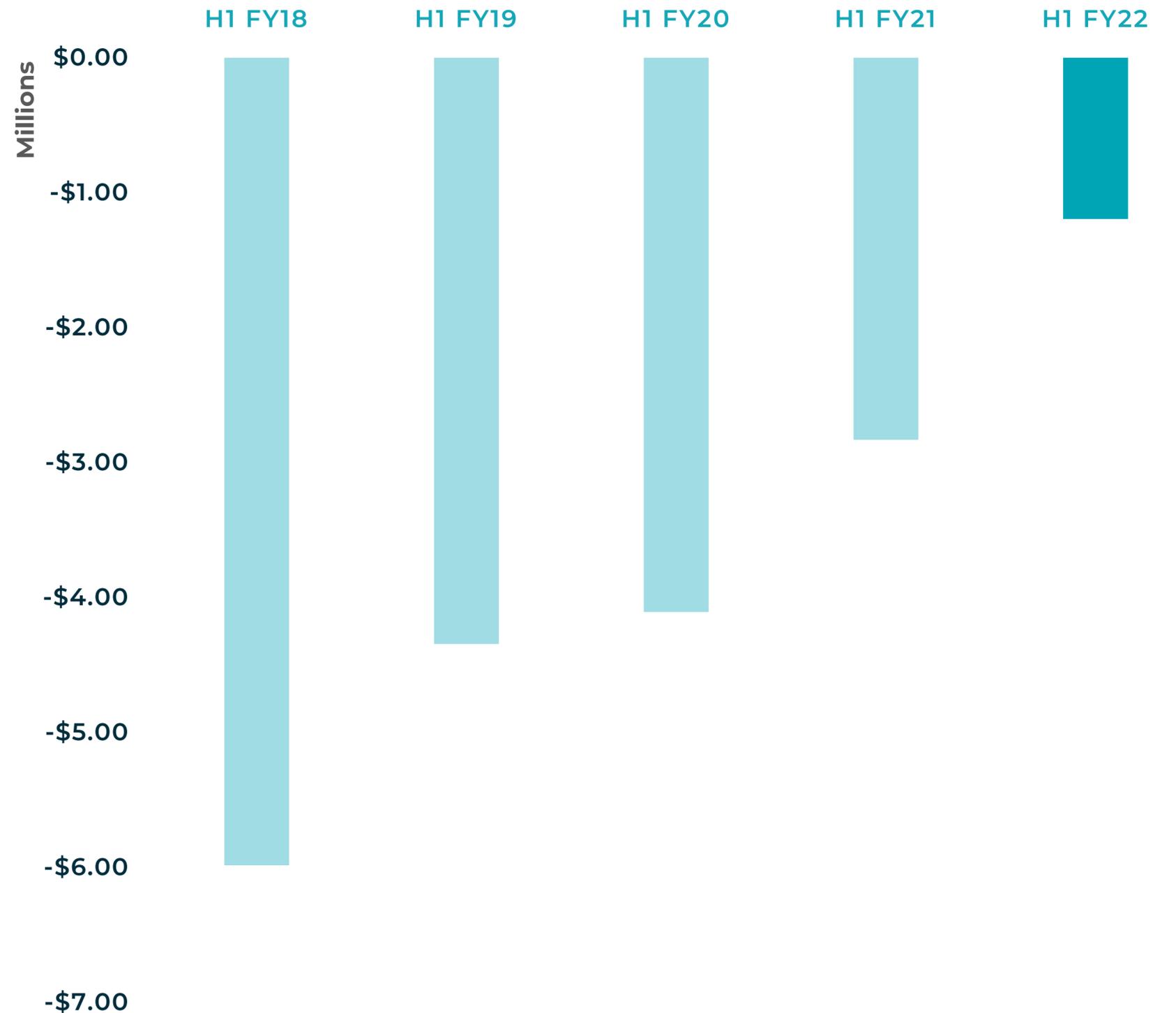
**+149%
HoH**

**EBITDA PROFIT
\$0.746M**

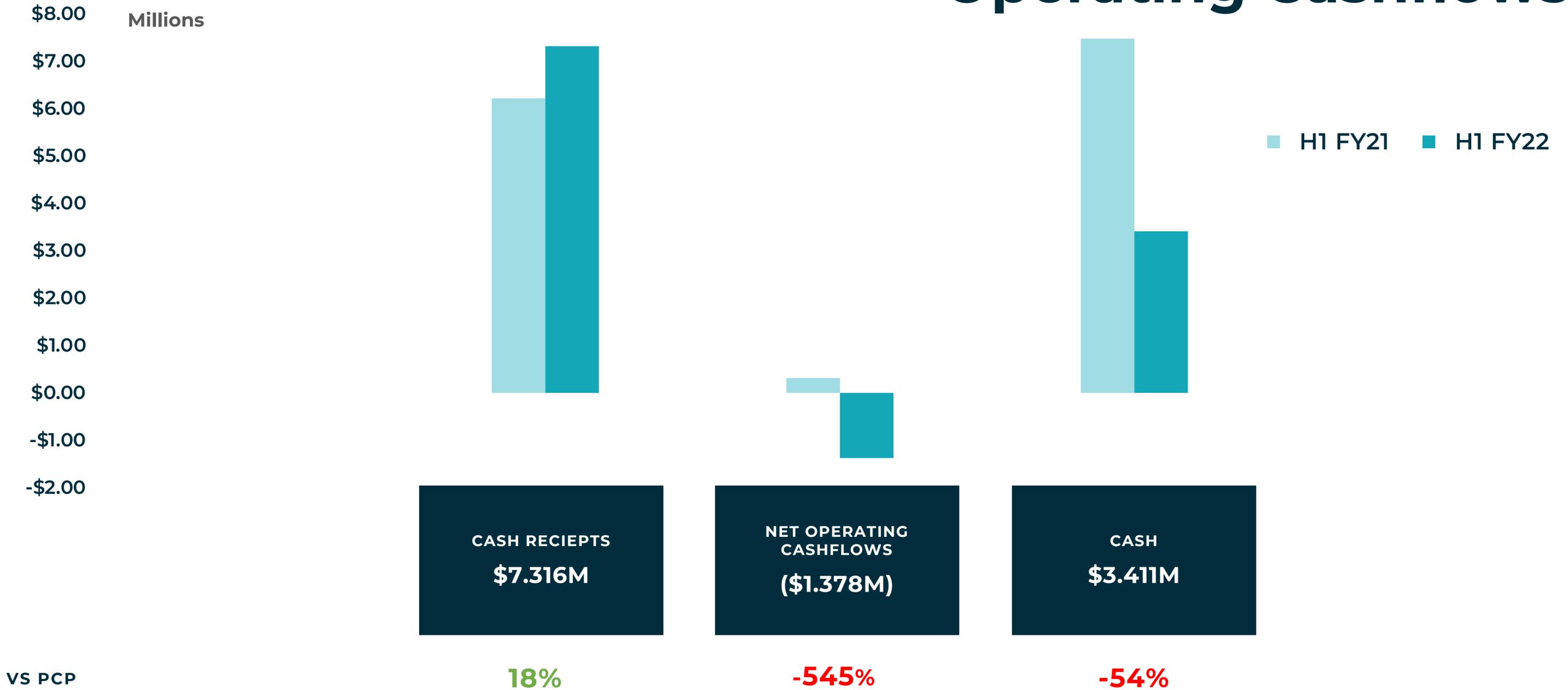
**+182%
vs PCP**

H1 FY22 – Improved NPAT

- H1 FY22 NPAT Loss of \$1.194M was a 65% improvement HoH and a 58% improvement on PCP



H1 FY22 Cash Receipts and Net Operating Cashflows



Lower net cash operating inflows due to higher government COVID assistance received in PCP and timing of *Adslot Media* publisher payments during the period.

R&D Tax Incentive

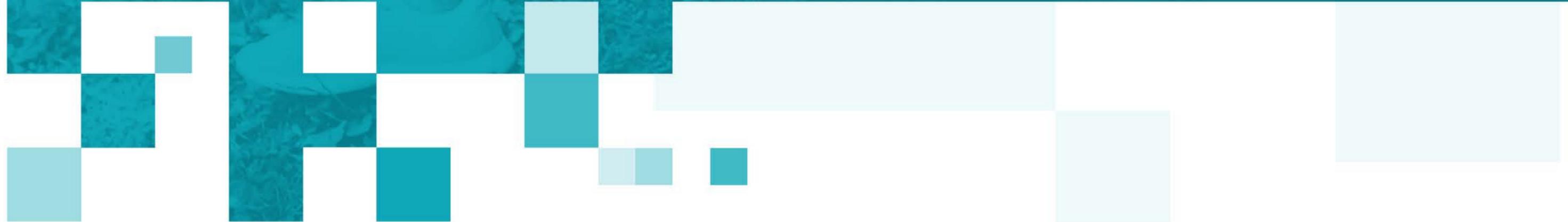
IN NOVEMBER 2021 THE COMPANY SUCCESSFULLY RESOLVED ITS DISPUTE REGARDING THE HISTORICAL FY2016 R&D CLAIM

- ✓ The matter was settled with Innovation and Science Australia in the Company's favour following appeal to the Administrative Appeals Tribunal
- ✓ This will see an amount of \$1.5m payable to the Company for R&D activities conducted in FY16
- ✓ Both the Company's FY16 (\$1.5M) and FY21 (\$1.1M) tax payments have been approved and are awaiting receipt.

The Company expects to imminently receive \$2.6M in payments related to the FY16 and FY21 R&D claims.



APPENDIX: REVENUE SEGMENTS

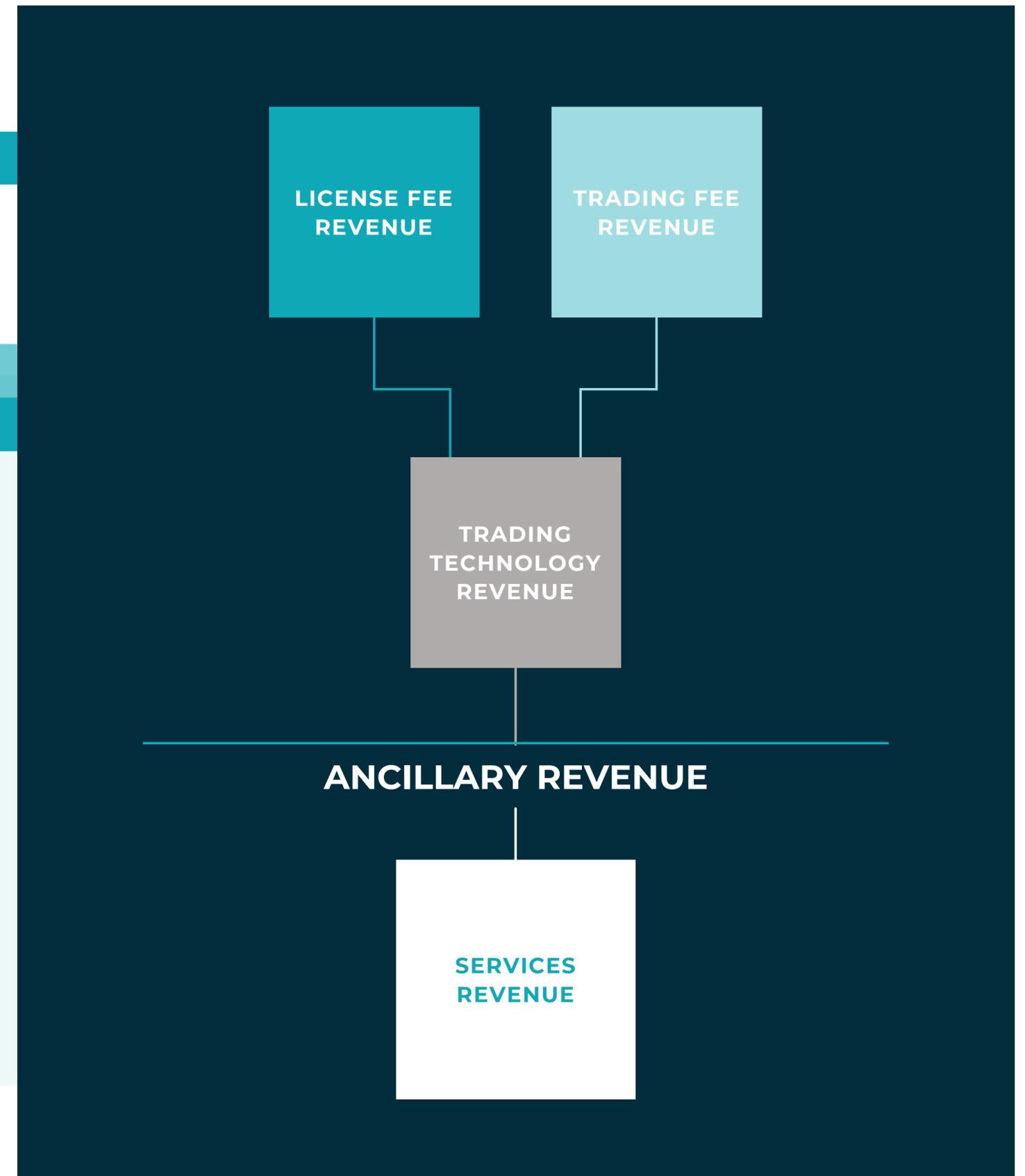


Revenue Segments

THREE MAIN REVENUE SOURCES:

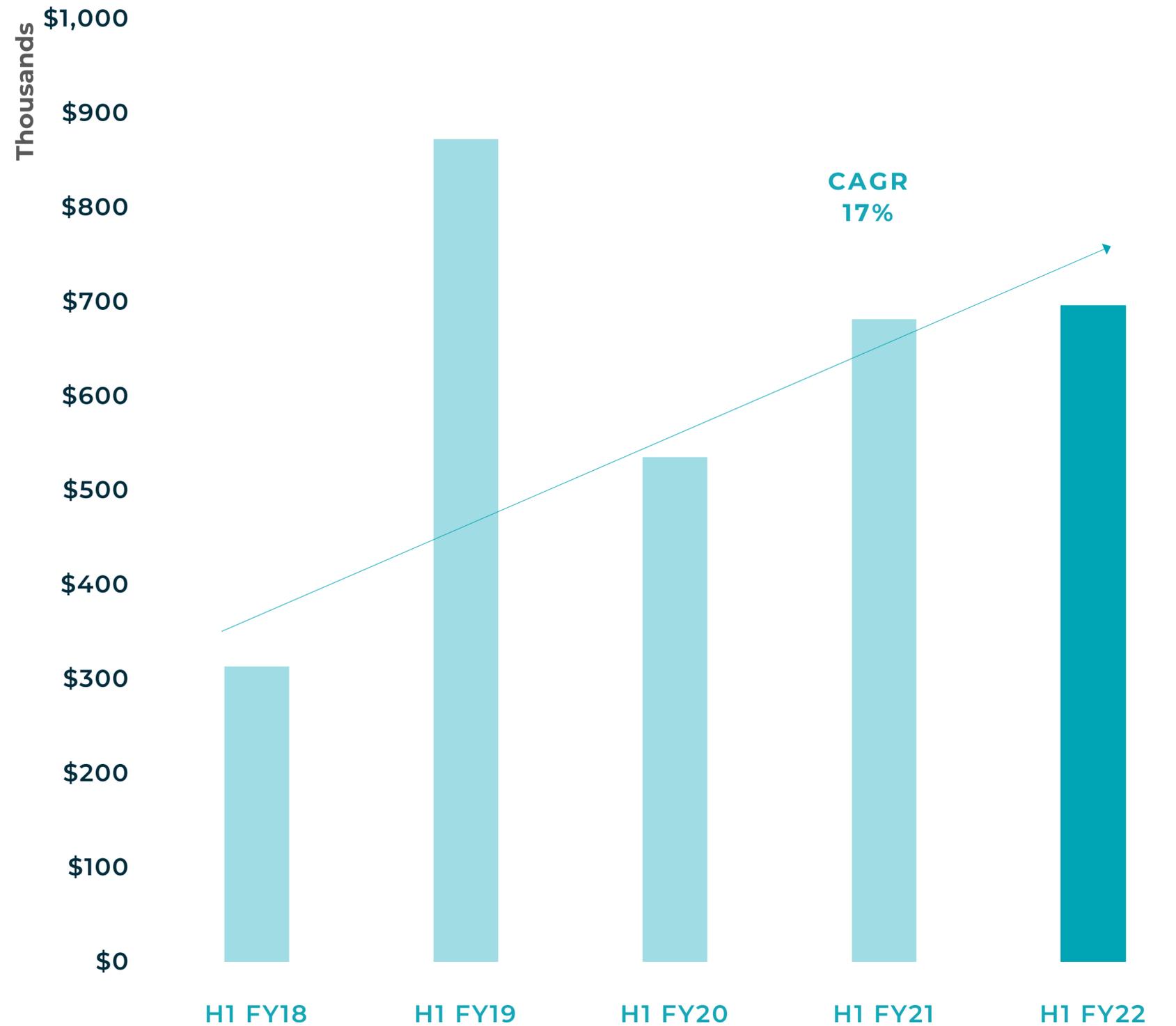
1. **Licence Fees** generated primarily from *Symphony* but also from *Adslot Media*;
2. **Trading Fees** generated primarily from *Adslot Media* but also from *Symphony*; and,
3. **Services** provided to *Symphony* and *Aslot Media* customers as well as services provided to SME customers by the company's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

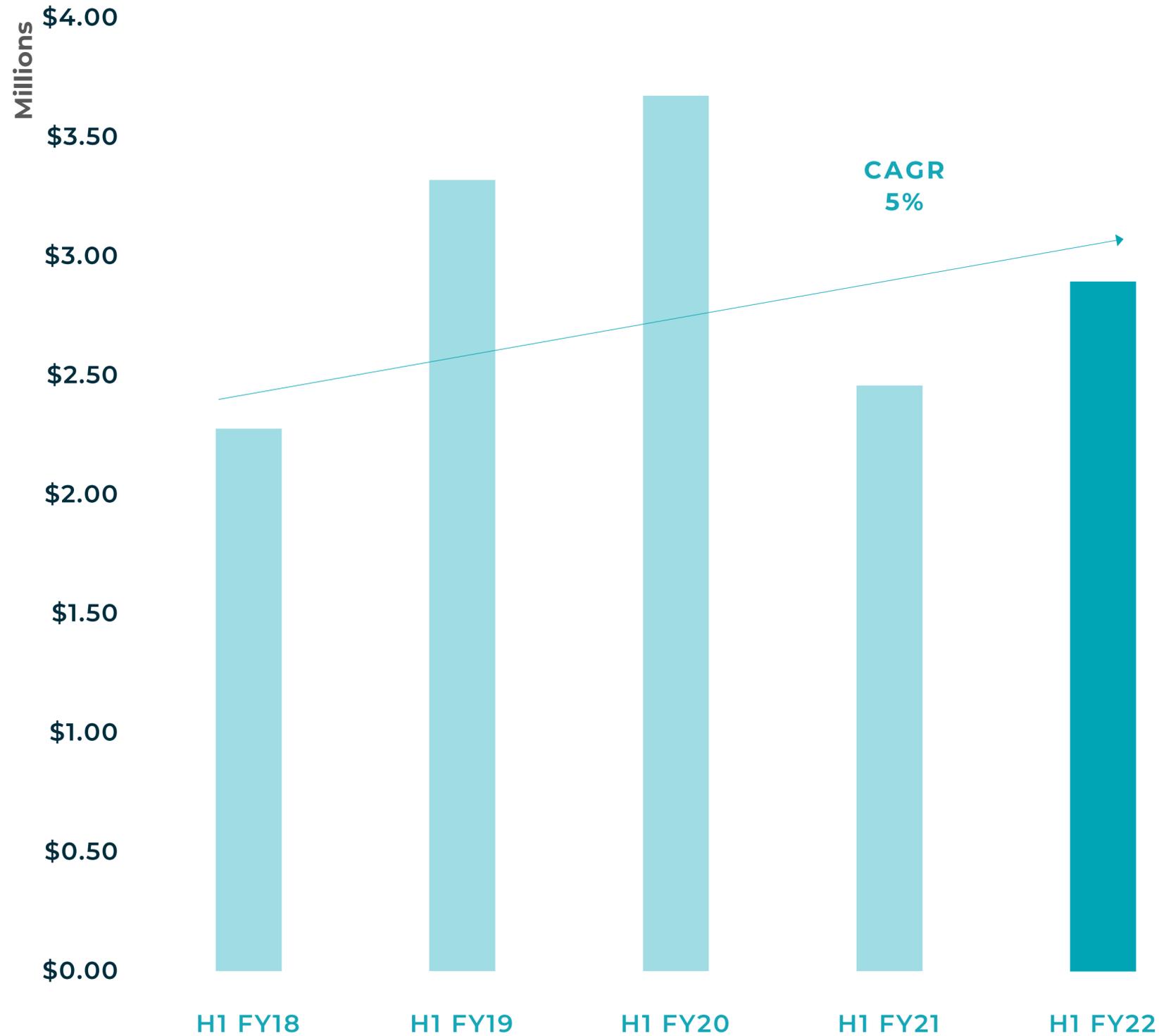
Licence Fees and Trading Fees combine to form Trading Technology Revenue. This is the strategic revenue that the business is focussed on.



Trading Fee Revenue Growth

- Trading Fees grew 16% half-on-half (HoH) and 2% on prior corresponding period (PCP)
- Successful launch of GroupM UK partner marketplace contributed to trading fee growth during the half





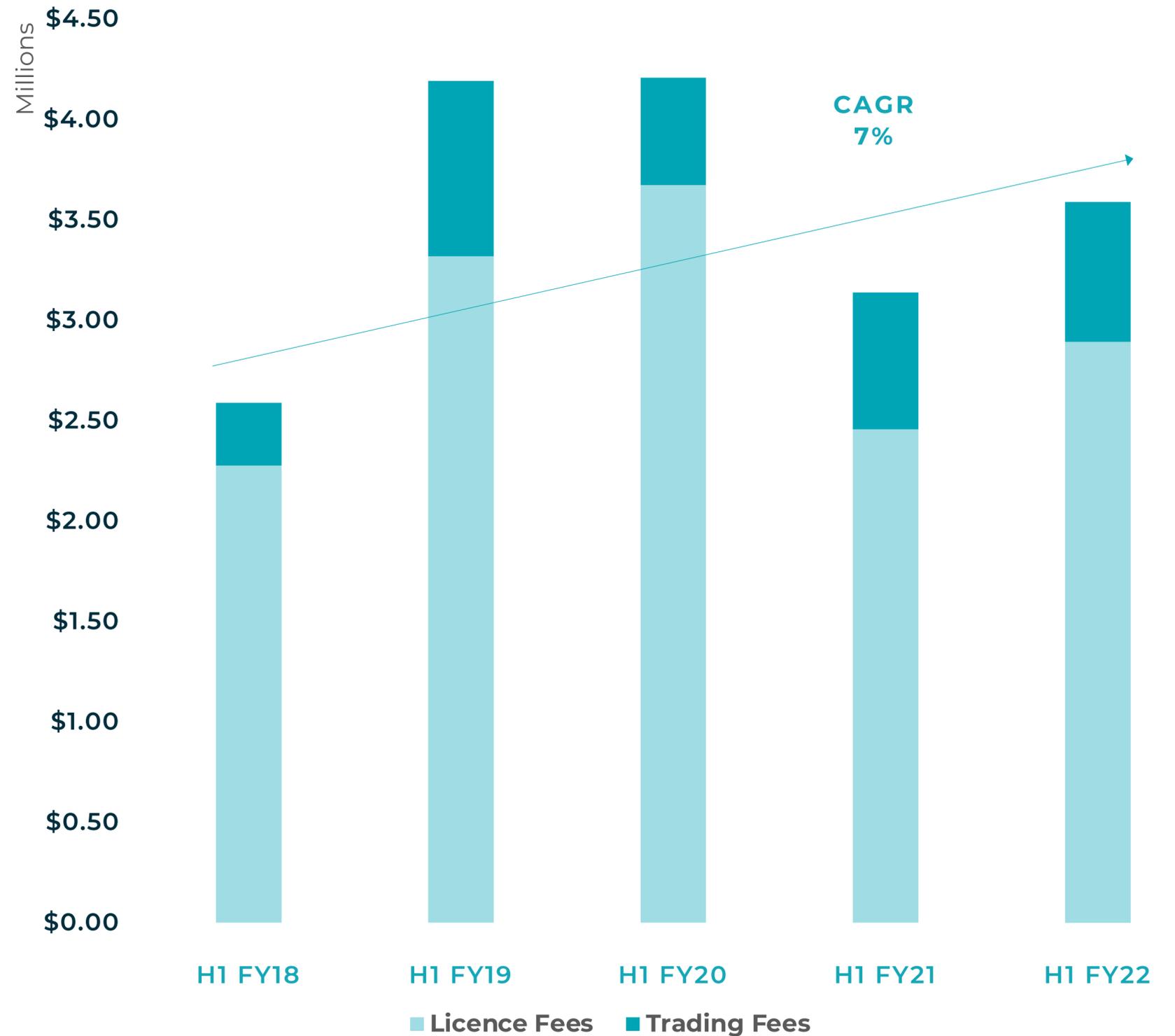
License Fee Revenue Growth

- Licence Fees grew 7% half-on-half (HoH) and 18% on prior corresponding period (PCP)
- Revenue growth from impact of new *Symphony* markets deployed in prior period
- Revenue growth from increased activity tiers for current markets
- Decline from FY20 to FY21 due to renegotiation of GroupM agreement and reduction in non-market fees



Trading Technology Revenue Growth

- Trading Technology revenue grew 9% half-on-half (HoH) and 14% on prior corresponding period (PCP)
- Trading Technology revenue represents the combination of Trading Fees and License Fees



Disclaimer

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Definitions

*Half on Half (HoH) growth rates referenced are calculated against the last 6 months, being 6 months to 30 June 2021

**Prior Corresponding Period (PCP) growth rates rates referenced are calculated against the prior Half Year period, being 6 months to 31 December 2020

***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

Thank you

Questions?

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

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