

[ASX Announcement](#)

[16 November 2022](#)

2022 Annual General Meeting – Chairman’s Address and CEO Presentation

Adslot Ltd (ASX: ADS) attaches the address to shareholders to be delivered by Chairman, Andrew Barlow and CEO Presentation to be delivered by Chief Executive Officer, Ben Dixon at Adslot Ltd’s 2022 Annual General Meeting to be held today.

This announcement is authorised for release by the Board of Adslot Ltd.

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For further enquiries, please contact:

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[About Adslot](#)

Adslot’s mission is to automate the trading of forward guaranteed display advertising, referred to as automated guaranteed. Our leading technology is a purpose built, global media trading platform. Adslot benefits a global community of media buyers and sellers, including media agencies, publishers and advertisers, by providing trading efficiencies and effectiveness made possible only via technology, and by doing so the basis on which the \$80B online display advertising industry will realise its full growth potential.

Adslot is a global organisation with operations in North America, Europe and Asia Pacific and is headquartered in Australia.

Chairman's Address
Adslot Limited
Annual General Meeting
Wednesday 16 November 2022

Fellow Shareholders,

The 2022 Financial Year was one of continued progress for the Company.

Although Trading Fee revenues from the *Adslot Media* platform did not materialise against expectations, we nonetheless made significant progress on key commercial initiatives and saw a number of good improvements in terms of the Company's financial performance.

Commercial Progress

As you know, for several years now, the Company has been focussed on activating trading with large agency groups with whom we've executed Master Service Agreements, or MSAs.

Over the past year, there has been considerable refinement of that strategy. In particular, this has seen the evolution of white-labelled, partner instances of the *Adslot Media* marketplace, that enable these large agencies to create their own bespoke trading environments, populated with their preferred publisher partners, and with the flexibility to determine their own commercial models. The past 12 months has seen significant validation of this strategy which creates exciting opportunities for Adslot.

In the last twelve months, the Company launched two of these partner marketplaces: one for GroupM in the UK, and one for IPG/Kinesso in the US, focussed on the health and wellness sector. Both marketplaces feature their respective countries' leading publishers; both have custom features to meet their specific requirements; and most importantly, after some delays, trading has commenced on both platforms. Beyond the significant potential of these two partner marketplaces, the Company firmly believes 2023 will see the opportunity to extend this offering to new agencies, new countries and new verticals.

Financial Performance

From a financial perspective, we saw a pleasing return to growth in Licence Fee revenues, which are predominantly derived from the *Symphony* platform. Licence Fee revenues increased by 17% year on year, reflecting a recovery and return to growth in media managed by the *Symphony* platform in active markets, following a period of contraction during the COVID-19 pandemic.

Trading Technology revenues overall – which comprises both Licence Fee and Trading Fee revenues - were up 13% year on year.

Cost management initiatives also helped drive significantly improved EBITDA and NPAT performance. We saw a 70% reduction in EBITDA Loss, reducing the Company's EBITDA

Loss from a \$2.43M Loss in FY21 to only a \$730k Loss in FY22. NPAT Loss also improved by 26%, reducing from a \$6.3M NPAT Loss in FY21, to a \$4.7M NPAT Loss in FY22.

The most disappointing result in terms of the financial scoreboard was from the all-important Trading Fees, driven mostly by *Adslot Media*, which remained relatively flat with a 4% decrease on the prior year's number.

TTV

However, we are very pleased to see our TTV, or Total Transaction Value, grow to a record high of \$32M transacted on the *Adslot Media* platform in the September quarter just gone. This was largely due to the successful migration of *Symphony* clients to the new *Adslot Media – Symphony* integration here in Australia, as we did in Austria some years back. And although much of this TTV was unmonetized in the September quarter, we will see monetisation of this media spend – which we expect to grow – over the coming quarters. Ben will provide a further update on this during his presentation.

So in spite of the lacklustre TTV and Trading Fee revenues performance in FY22, we are off to a good start in FY23 with a lot of upside potential, with additional TTV growth expected from our partner marketplaces launched for GroupM in the UK, and the Health & Wellness marketplace for IPG/Kinesso in the US. The Company remains steadfastly committed to the realisation of significant Trading Fees in the current financial year.

Corporate Activities

In February this year, the Company announced a strategic review following unsolicited inbound interest from a US acquirer. The focus of the strategic review was to assess and explore opportunities to accelerate the maximisation of shareholder value.

The board completed its internal review in March, concluding that the value of the underlying business units may be worth substantially more than the current listed market value of the Company.

The Company subsequently appointed US advisors in April, and also appointed US-based non-executive director, Tom Triscari, as Head of Corporate Development and Interim CFO. The Company undertook a \$3.8M capital raising in May, including a \$2.0M fully-underwritten entitlement issue, to bolster the balance sheet and firm up its cash position while entering into discussions.

During this period, the Company identified a number of other parties that could make excellent strategic partners and investors, who could realise significant value in partnership with Adslot. The Company commenced active outreach to these parties in August, and this process is still very much alive and active. We will continue to update shareholders on any material developments.

The Year Ahead

In summary, the Company believes it is well placed for the year ahead. Our products are world leading, and have been tested by the largest players in the media industry. We have identified and validated use cases to drive growth in trading. Industry trends that increasingly prefer direct trading between buyers and sellers are strongly in our favour. The opportunities for Adslot are significant and real, and the Board and Executive Team remain committed and focussed on achieving vastly improved financial performance and value creation for shareholders in the year ahead.



Adslot.

ADSLOT 2022 AGM CEO PRESENTATION.

BEN DIXON
Chief Executive Officer

MISSION

To power the world's direct media trading with advanced technology that is efficient, safe, and transparent.

AGENDA.

1. 2022 in Review
2. Adslot Media Key Priorities
3. TTV Performance
4. Symphony Update
5. Corporate development
6. 2023 – The Year Ahead

2022 IN REVIEW STRATEGIC PRIORITIES.

1. Scale trading on Partner Marketplaces activated in 2021.
2. Extend currently activated Partner Marketplaces to new verticals and geographies.
3. Securing additional activations of Partner Marketplaces for *Adslot Media*.
4. Secure MSAs with remaining agency holding companies.
5. Deploy further markets for the integrated *Symphony / Adslot Media* offering.
6. Activate additional markets for *Symphony* with existing and new agency clients.

2022 IN REVIEW STRATEGIC PRIORITIES.



Trading initiated with IPG / Kinesso Health & Wellness marketplace



Launch of *Adslot Media* in German market



Renewal of GroupM UK partner marketplace agreement and recommencement of trading



September quarter *Symphony* license fees up 15% compared to PCP



Successful scaling of *Symphony – Adslot Media* platform in Australia



Commencement of strategic review process with East Wind Advisors in US



Strong growth in TTV over September 2022 quarter and December 2022 quarter (to date)



Continued cost management focus including headcount reductions with full effect from December 2022 quarter

An overhead, top-down view of four people sitting around a large, dark wooden table in a meeting. The table is cluttered with various items: a laptop with a blue screen, a smartphone, a pair of glasses, a teal folder, and two white coffee cups. One person is pointing at a smartphone held by another. The scene is brightly lit, and the overall atmosphere is professional and collaborative.

ADSLOT MEDIA.

ADSLOT MEDIA – KEY PRIORITIES.

Partner marketplaces for key agency clients

Integrated Symphony – Adslot Media trading

Publisher-initiated trading

PARTNER MARKETPLACES.

2022 saw continued progress on activating and growing trading on partner marketplaces.

- ✓ IPG Health & Wellness (US) trading commenced in July 2022
- ✓ GroupM (UK) trading recommenced in August 2022 following renewal of agreement
- ✓ Growth in trading activity from both established Partner Marketplaces expected in December 2022 quarter and into 2023
- ✓ Discussions underway re extension of established Partner Marketplaces to new markets from 2023
- ✓ Pipeline for Partner Marketplaces with additional agency groups continues to grow

Partner marketplaces with key global agency clients remain the most significant opportunity for substantial TTV growth in 2023.

SYMPHONY – ADSLOT MEDIA INTEGRATION.

The activation of the combined *Symphony – Adslot Media* offering in Australia has further validated the strategy of combining the best of these two products;

- ✓ Australia now the second active market following launch market of Austria
 - 11 leading publishers now active on platform, with the majority under either percentage fee or SaaS models
 - Additional publishers continue to be added to fulfill agency supply needs
 - Integrated offering a strong contributor to September and December quarter TTV
 - Establishing strong platform usage which can be leveraged to additional non-Symphony buy-side clients
- ✓ Identification of additional markets for potential 2023 launch underway

The Company continues to believe that the integration between the Symphony and Adslot Media platforms represents a strong and accessible opportunity for trading in sophisticated markets where Symphony is deployed.

PUBLISHER INITIATED TRADING.

Publishers are increasingly looking for ways to sell direct to advertisers of all sizes via a simplified supply chain.

- ✓ Increasing demand from large publishers for their own self-service store fronts across multiple markets including Australia, Asia and Europe
 - Publisher branded store front featuring single publisher inventory
 - Complimentary to publisher sales through wider *Adslot Media* or Partner Marketplaces
- ✓ *Adslot Media* platform is well placed to address this requirement
 - More sophisticated than alternative self-service platforms
 - Can accommodate range of buyers from SMEs to global agencies
 - Minimal feature development required including credit card gateway to facilitate direct transactions

A significant opportunity exists to automate direct publisher sales in key markets around the world via Adslot Media.



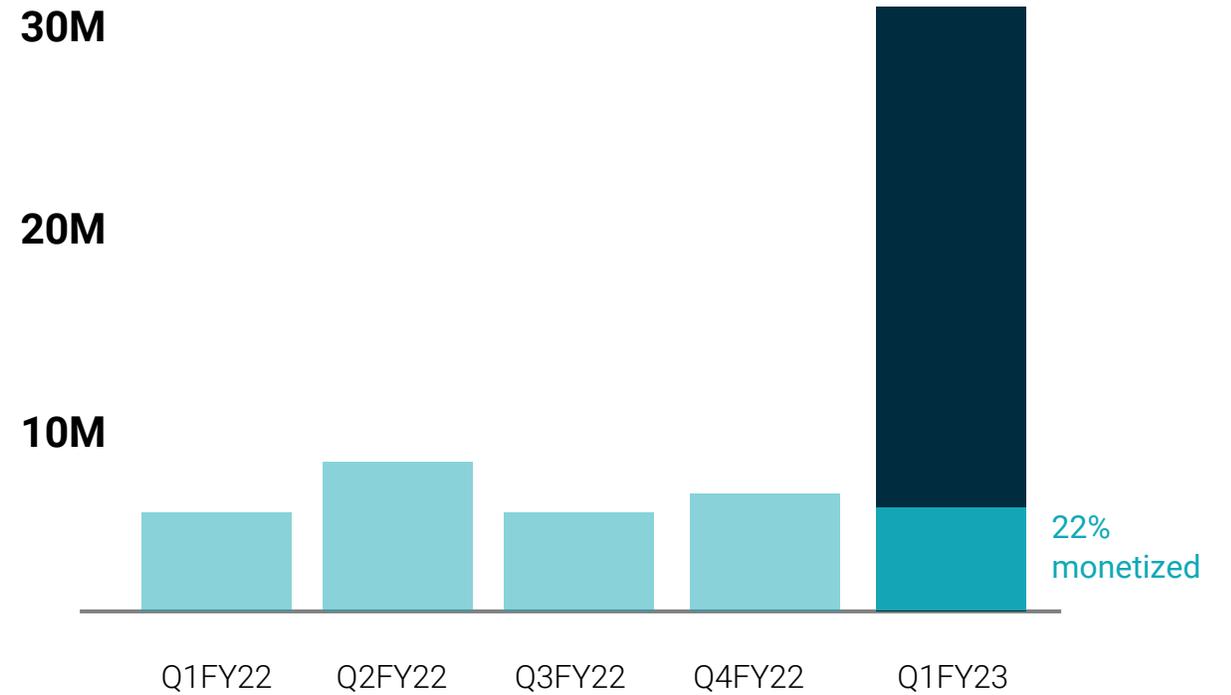
TTV PERFORMANCE.

SEPTEMBER QUARTER TTV.



Total Transaction Value

All Trades
Adslot Media (AUD)

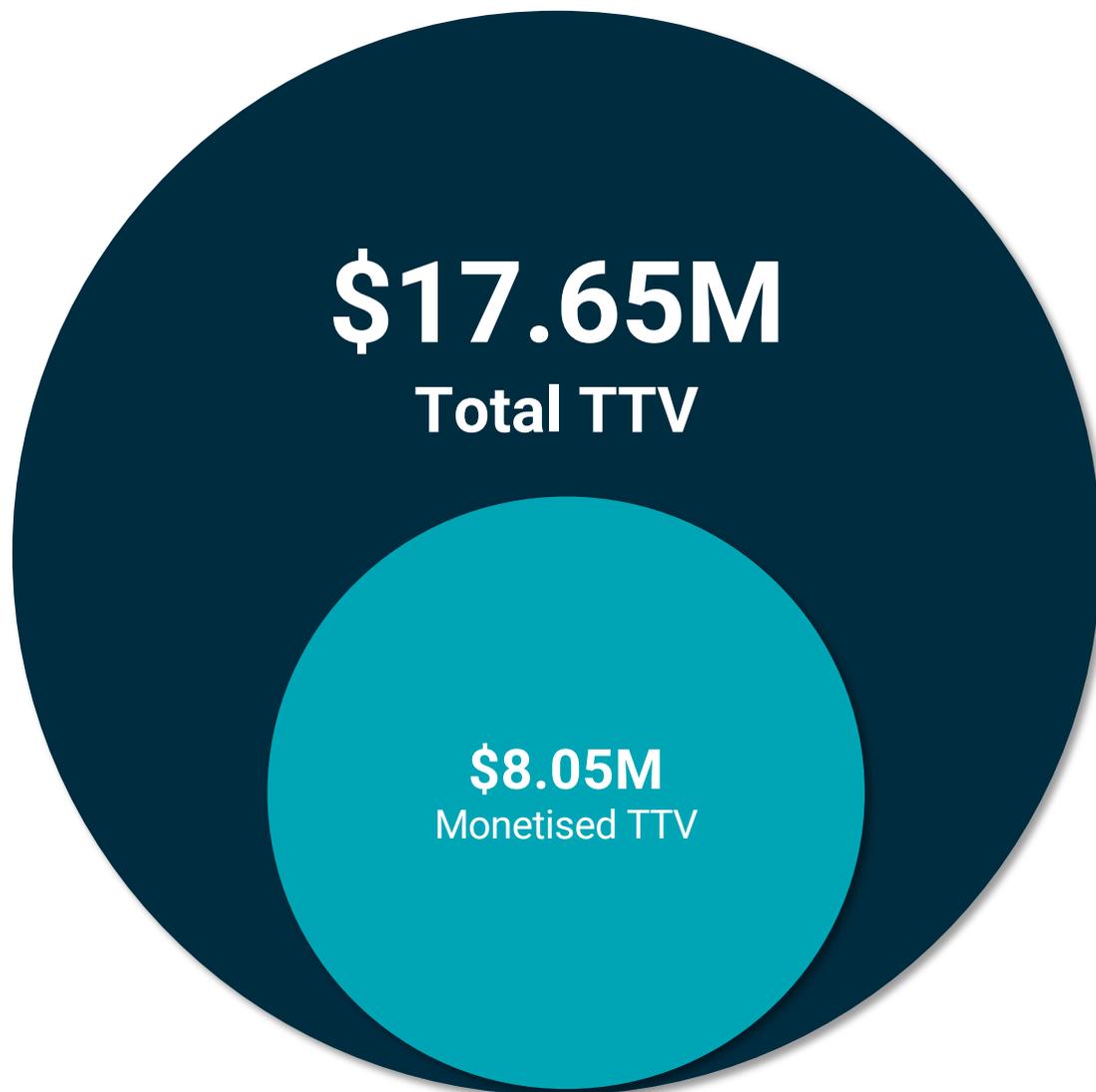


TTV MONETISATION.

1. The vast majority of Adslot Media TTV is currently monetised with fees to the publishers (i.e. sell side).
2. Key decisions in platform adoption for media buying is primarily made by agencies (i.e. buy side).
3. To ensure ease and speed of adoption by agencies, in some cases we will enable access to publishers for who we do not yet have commercial terms in place;
 - In particular for instances of emerging markets and ongoing deployments of integrated Symphony - Adslot Media
 - All TTV for key commercial deployments in US and UK markets is currently monetised

We intended to transition all un-monetised publishers and TTV to either SaaS fees or % fees over the coming quarters.

DECEMBER QUARTER TTV (TO DATE)*.



Strong TTV performance has continued in to the December 2022 quarter.

- Monetised TTV for December 2022 quarter (to date) now exceeds the entire September 2022 quarter
- Percentage of total TTV which is monetised has grown from 22% in September 2022 quarter to 46% in the December 2022 quarter
- 72% of December quarter (to date) monetised TTV is under a % model with the remainder under a SaaS model
- Strong trading expected to continue in December quarter in the lead up to Christmas

* As of November 14, 2022



SYMPHONY.

SYMPHONY.

Symphony remains a critical component of the Company's product strategy.

- ✓ Over \$7.37B managed via platform in FY2022
- ✓ 15% growth in license fees (Sept 2022 quarter vs PCP)
 - Growth in managed spend in large markets
 - FX benefit of US\$ denominated contracts
- ✓ Growing new market opportunities for *Symphony*
 - Discussions underway re potential new market deployments for existing clients
 - Company currently engaged in multi-market Requests for Proposal (RFPs) with multiple agency groups

Returning Symphony to new market growth will provide further opportunities for trading via the integrated Adslot Media offering.



CORPORATE UPDATE.

CORPORATE DEVELOPMENT.

Our strategic partner outreach with East Wind Advisors has progressed at pace and is now accelerating

- ✓ Strong interest has been generated with parties given several strategic imperatives:
 - 3rd party cookie deprecation;
 - the need for automation in media trading;
 - trends for greater direct trading; and,
 - competition amongst various players to control the media billing process;
- ✓ Discussions continue to develop with several interested parties although no formal proposals have yet been received by the Company
- ✓ The Company expects the due diligence process to accelerate during the December quarter
- ✓ Management will update the market as required, in line with its continuous disclosure obligations



2023 THE YEAR AHEAD.

OUR STRATEGIC PRIORITIES FOR 2023.

1.

Substantially grow trading on Partner Marketplaces in US and UK markets.

2.

Extend currently activated Partner Marketplaces to new verticals and geographies (in particular Europe).

3.

Move active "un-monetised" *Adslot Media* publishers to either percentage fee or SaaS based models.

4.

Continue deployment of the integrated *Symphony / Adslot Media* offering to new markets.

5.

Execute strategy for activating publisher direct trading in key markets.

6.

Successfully conclude the strategic partnership project in conjunction with East Wind Advisors.

THANK YOU.

