

Adslot.

Adslot Limited H1 HY25 Results and Business Update

24 February 2025

ASX:ADS



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ADSL0T OPERATES GLOBAL DIGITAL ADVERTISING PLATFORMS.

Software & Services Businesses

Platform Growth Businesses



Symphony.

webfirm

Adslot Media.

**Adslot
StoreFront**

- Specialist enterprise auction-based platform that enables marketplaces to maximise value of advertising inventory.

- Major client is **REA** (ASX:REA) Realstate.com.au.

- Business model – Monthly SaaS fee, annual contracts.

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

- Major client is **GroupM** in 8 countries including China.

- Business model – Monthly SaaS fee, annual contracts

- Digital marketing agency providing Website Development, SEO, Search and Social Media solutions to SMEs nationally.

- Business model – Fee for services, hosting fees.

- A global digital media marketplace for media buyers and sellers to trade premium advertising inventory on a targeted, forward guaranteed basis. *Br1dge* feature for bulk digital audience data trading.

- **Many sellers to many buyers - marketplace.**

- Business model - Percentage-based fee on advertising spend on the platform (TTV trading fees).

- Digital white label gateway for media companies to sell ad inventory and audience access to multiple media buyers. Enables publishers to increase revenue and efficiently manage sales process.

- **Single seller (media publisher vendor) to many buyers.**

- Business model - Percentage-based fee on advertising spend via the gateway plus monthly and set-up fees

[Adslot Introduction Video](#)

CURRENT REVENUE GROWTH OPPORTUNITIES.

IMMEDIATE SALES TEAM FOCUS

	Adslot Media.	Adslot StoreFront	<u>webfirm</u>
Growth Plan	<p>Europe deal signed in February 2025 with Goldvertise (major digital content distributor in Germany, Switzerland, Austria).</p> <p>Substantial trading expected on Open Marketplace platform – multiple content channels across many CTV (TV app) channels and including video music platform Vevo.</p> <p>Trading by other global Open Marketplace customers continues.</p>	<p>From a standing start in September 2024, Adslot has now signed 8 publisher customers, with various large potential media clients in the near and medium-term sales pipeline.</p> <p>Driven by need of digital publishers to generate ad revenue via the automated ad-buying gateway that StoreFront provides.</p>	<p>Webfirm re-brand to more closely align with Adslot branding nearly complete.</p> <p>Multiple growth plans underway to re-invigorate revenue, including providing creative building in addition to other Webfirm services to StoreFront advertisers.</p> <p>New Adslot Group website to be launched in April 2025</p>

PUBLISHER STOREFRONTS: ACTIVATION STATUS.

SIGNED



A collection of logos for publishers in the 'SIGNED' category, enclosed in a green border. The logos are arranged in a grid-like fashion. From top to bottom, left to right: Rakuten Viber, Bloomberg, HEARST, Dianomi, Sonnant, Scroll Media, COUNTRY & TOWN HOUSE, and ResearchGate.

Rakuten Viber

Bloomberg

HEARST

Dianomi

Sonnant

Scroll Media

COUNTRY & TOWN HOUSE

ResearchGate

ADVANCED DISCUSSIONS



A collection of logos for publishers in the 'ADVANCED DISCUSSIONS' category, enclosed in a yellow border. The logos are arranged in a grid-like fashion. From top to bottom, left to right: Seven West Media (with 7 and W logos), FT.com (Financial Times), Region (Local everywhere.), The Telegraph, CITY A.M., Vivino, and Mirriad.

SEVEN WEST MEDIA

FT.com
FINANCIAL TIMES

Region
Local everywhere.

The Telegraph

CITY A.M.

vivino

MIRRIAD

MEDIUM TERM PROSPECTS



A collection of logos for publishers in the 'MEDIUM TERM PROSPECTS' category, enclosed in a blue border. The logos are arranged in a grid-like fashion. From top to bottom, left to right: International Olympic Committee, WebMD, INSIDER, TimeOut, rumble, Fandom, TIME, AP ASSOCIATED PRESS, The Economist, URBAN LIST, ABS-CBN, and HEARST newspapers.

International Olympic Committee

WebMD

INSIDER

TimeOut

rumble

Fandom

TIME

AP ASSOCIATED PRESS

The Economist

URBAN LIST

ABS-CBN

HEARST newspapers

STOREFRONT - KEY PROGRESS SINCE SEPTEMBER INCEPTION.

From a standing-start for StoreFront in September 2024 we have contracted 8 new major media publisher users in 5 months, and a robust sales pipeline of global media brands:

- **Bloomberg** - Leading global provider of business and financial information - want to trade ad inventory more efficiently with existing clients initially in the USA and UK - but aiming to extend globally to new ad buyers;
- **Viber** (www.viber.com/en/) - Market leading VOIP /messaging platform with over 1 billion registered users - using their StoreFront to trade more efficiently with ~500 advertisers in 16 markets across EMEA and APAC;
- **Hearst** (www.hearst.com) The world's largest lifestyle media publisher. We are initially deploying a StoreFront in the UK to enable their sales team to more efficiently service their independent agency and direct advertiser clients;
- **Sonnant** (www.sonnant.com) Pioneer in the digital audio space - using their StoreFront as a gateway for new buyers, helping them break into new markets, most notably the USA and Australia;
- **Dianomi** (www.dianomi.com) Leading advertising platform for business, finance and lifestyle brands to amplify their messages directly to affluent and engaged premium audiences – using their StoreFront to break into the Luxury category;
- **Scroll** (www.scrollmedia.co.nz) Digital media sales network in the UK, Australia and NZ markets – using their StoreFront to simply offer advertisers a better, more efficient, more transparent way of buying ad inventory;
- **Country & Town House** (www.countryandtownhouse.com) Premium UK Lifestyle online publication - using their StoreFront to trade more inventory directly with buyers;
- **Researchgate** (www.researchgate.net) Leading portal for the scientific research community, connecting with 25+ million researchers worldwide, looking to trade more efficiently with their buyers (and replace their proprietary solution with better technology).

STOREFRONT – SALES PIPELINE BUILDING.

Globally, Publisher revenue is under pressure from the loss of open web programmatic budgets due to regulatory shifts and the growing dominance of Walled Gardens, CTV, and Retail Media necessitating new strategies to compensate for that revenue loss.

- Media sellers that see StoreFronts as a potential revenue solution fall into at least one of the following categories:
 - Premium Contextual Environment (e.g. Bloomberg)
 - Sales Networks (e.g. Scroll)
 - Niche Content Proposition (e.g. Sonnant)
 - Strong Local Advertiser Reach (e.g. Channel 7)
 - CTV, Large Video Content Channels (e.g. Vevo via Goldvertise)
 - Online Retail (e.g. Vivino)
 - Mobile Apps (e.g. Viber)
- Adslot estimates there are ~500 viable prospects immediately accessible in English speaking countries.
- Localisation of the platform is a 2 month project that will likely increase the number of prospects substantially.
- Natural extensions are traditional media (Print, Cinema, Radio, TV, OOH) and Retail Media.



ADSLOT MEDIA OPEN MARKETPLACE - EUROPE KICKOFF.

GOLDVERTISE DEAL - GERMANY, SWITZERLAND, AUSTRIA

- **Goldvertise** (formerly Goldbach) signed contract on 12th February after 18 months negotiations – www.goldvertise.com
- Dominant market provider of Online Video and CTV (app-based TV) in Germany, Switzerland & Austria.
- Adslot to be their key ad inventory sales platform, a meta layer to automate direct ad trading across multiple demand sources (agencies and direct advertisers).
- Revenue for Adslot is a payment margin (Take Rate percentage commission) on all ad inventory traded.
- **Vevo** www.hq.vevo.com (Global music video platform) advertising inventory to be offered exclusively via the Adslot Media Marketplace in Goldvertise's core markets plus Poland.
- **Traffactive** also engaged in negotiations in German market to automate platform ad sales - www.traffactive.com/en/
- Roll out plans now being coordinated with these digital content platforms, and CTV platforms already on-platform (e.g. RakutenTV, WaipuTV).
- Priority to be given to existing sources of ad buying demand already trading with Goldvertise via IO, and major agency groups with whom Adslot has already built relationships (IPG and Publicis).
- All other major agency groups will then be targeted.



AND THREE STABLE SOFTWARE & SERVICES BUSINESSES. COMBINED DIVISION NOW PROFITABLE AS A GROUPING

Symphony.

- Digital media buying workflow and billing solutions for the world's largest advertising agencies and media buyers.
- Used in 8 countries, main customer GroupM, a division of WPP.
- \$5 billion ads booked annually through the platform, predominantly in China.



Media Auctions

- Auction platform used by REA Group to maximise ad revenue from real estate agents for digital ad placements.
- Generated significant additional revenue for REA via regular auctions staged on the platform.
- Approach other platforms for auction products in US, UK, EU and Asia in FY26.

webfirm

- Digital marketing agency - Website Development, SEO, Paid Search, Paid Social and Hosting services for SMEs nationally.
- Plan to extend sales and business development including cross-over leads from other business units.

Combined Projected Revenue Range for FY25(f) - \$4.5m to \$5.0m, Profitable Grouping

A hand in a dark suit sleeve points upwards with the index finger. In the background, a row of wooden blocks is shown. On the left, four blocks are falling over, while on the right, four blocks are standing upright. The scene is set against a dark blue background.

TURNAROUND PROGRAM UPDATE

TURNAROUND.

IN SEPTEMBER 2024 WE COMMITTED TO INITIATIVES TO TRANSFORM ADSLOT AND HAVE DELIVERED ON ALL OF THEM

Prices

- Repriced and renewed key product contracts: REA and Symphony.
- Pursuing higher MTV Take Rates via Storefront, and direct billing model.

Cost Outs

- Put bridge into hibernation, ongoing investment too high.
- **40% reduction in payroll cost, cost outs across businesses and corporate activities.**
- Freeze on all discretionary items.

Focused Growth

- Storefronts (Adslot Media)
- **Rigorous sales pipeline management.**
- Product development tightly linked to Storefront, UK, US, AU, EU (Open Marketplace).

Economic Transparency

- Recut financials along business line performance.
- Segmentation of all cost centres, with focus on lower costs, profitability and growth.
- **Forensic cashflow model driving daily decisions.**

Culture & Accountability

- Refined operating model (line of business accountability); refocused executive team, roles and new commercial capabilities.
- Revenue growth focus.
- **Cashflow positive is core mantra**

Corporate

- Reduced the size of the Board.
- Directors have agreed to non-cash board fees (via shares) for FY25.
- Improved investor relations.

FINANCIAL IMPROVEMENTS ACHIEVED.

- Operating outgoings reduced significantly from the September (2024) Quarter to the December (2024) Quarter, following the cost reduction program in October 2024.
- Over this period payroll costs reduced by ~40% and operating overhead reduced by ~35%.
- Net operating cash burn therefore reduced, with further cost-outs planned in March 2025 to minimise net outgoings.
- Adslot's margin ("Take Rates") on media spend via StoreFronts is 2-3 times higher than Take Rates from the legacy Open Marketplace TTV media spend via the platform.
- Also with StoreFront trades, buyers transact directly with media publisher ad vendors, and most transactions will be via credit card - Adslot is paid immediately when the transaction is settled. Under the legacy Open Marketplace platform, buyers (agencies) pay for inventory on a delayed credit terms basis, and Adslot takes the TTV funds on balance sheet, before remitting to publishers, with lower margins. StoreFront vastly improves cashflow certainty and avoids needing to act as a "Clearing House" for media trades.
- The new Europe Open Marketplace deal also operates at higher Take Rates versus historical Take Rates, and media spend via the platform is direct to Publisher, with no ad spend credit risk for Adslot.
- Accordingly the Company is moving away from the Clearing House model to an "instant margin on automated direct transactions model".

WE ARE EXPECTING TRADING (MTV) WILL START TO FLOW. VIA STOREFRONTS, EUROPE ACTIVITY

- ✔ Real opportunities – High quality group of publishers and content platforms signed, with robust pipeline.
- ✔ Motivated publishers, under pressure to grow, hungry for direct revenue, with their own planned/budgeted targets on our platforms.
- ✔ These clients have contracted at higher margin of MTV, and we are paid earlier and directly via the credit card gateway (*Stripe*), moving away from “Clearing-House” model.
- ✔ Large pipeline of additional publishers in advanced discussions.
- ✔ Highly focused, disciplined sales pipeline management processes put in place – deliberate strategy to have a 12-18 month funnel of hundreds of global and niche publishers, content platforms, apps, sites with audiences – to maximise their ad sales revenue.

UPDATE SUMMARY.

- Market cap valuation at seed / start-up level ~AUD\$5.0m.
- Burn rate has been significantly reduced, further cost-outs planned, focus on revenue traction.
- Monthly cashflow positive by mid-2025 is stated management objective.
- Balance sheet clean-outs, publisher payables being managed, we are moving away from the “Clearing House” model towards direct charging of ad sales fees.
- Smaller active and energetic board.
- Refocused and energized executive team.
- Business momentum in AU, UK and US (StoreFront) and Europe (Adslot Media Marketplace new contract) via payment margins on ad trades, plus growth plans for Webfirm.
- 8 significant media company StoreFront contracts signed since this new key product was conceived only 5 months ago, with a substantial pipeline of additional media company clients.
- Investigating M&A possibilities, divestments, corporate activity.

ADSLLOT - WHO WE ARE AND OUR MISSION.

Integrated digital advertising technology company founded in Australia in 2010, listed on the ASX.

Has underperformed in recent years but has built an advanced and proven technology platform and now has a global presence across 18 media markets.

Client base includes five of the six largest global media holding companies, around half of the ComScore Top 50 in the US, and over 70% of major UK publishers.

Key markets are Australia and the UK. Other key regions include the US, China, APAC markets, Austria and Germany.

Turnaround plan for the company has been implemented from August 2024 and making significant progress to enhance revenue, reduce cash burn and grow.

Opportunity to invest in a ~\$5.0m valuation company with World leading platforms in the US\$630 billion advertising market.

“ *Adslot’s mission is to automate the trading of digital advertising by leveraging our purpose-built leading technology platforms in a new world driven by data privacy.* ”

More Information.

Ben Loiterton
Interim CEO

[Adslot Introduction Video](#)

Adslot