

## ASX Announcement

28<sup>th</sup> April 2017

# Trading Update

- **Another market successfully activated for groupm**
- **Further new markets in deployment for groupm**
- **Trading Fees expected to contribute more significantly in 2H CY17**
- **Company launches “Guaranteed Audience” media buying**
- **US GM appointed; significant US publishers signed**

### **Additional market successfully activated for groupm**

The Company confirms it has recently completed a successful new market deployment for client groupm. The new market deployment was in the APAC region and forms part of the ongoing commitment under the groupm contract (as per the announcement made on 19<sup>th</sup> August 2016), to deploy the Company's **Symphony** technology into multiple new markets with an immediate focus on the APAC and EMEA regions.

The new market deployment will support ongoing growth in Licence Fee revenues, in addition to growth in the value of media spend executed via Symphony. This is consistent with outlook commentary previously provided by the Company indicating the value of media trades executed via Symphony is expected to grow from \$3B per annum to circa \$7B per annum over a 2-3 year period.

### **Further new markets in deployment for groupm**

As per outlook commentary provided in the Trading Update released on 30<sup>th</sup> January 2017, the Company has focused on accelerating the cadence of new market deployments for groupm. This focus has proven effective, with a further new market deployment for groupm expected in the EMEA region in the June quarter.

A further three new market activations encompassing APAC and EMEA have also been confirmed and are at various stages of the deployment process (as described in the Half Year Results Presentation release on 27<sup>th</sup> February 2017). The benefits of the program of ongoing new market activations are significant, including:

- Additional annuity revenues derived from Licence Fees as new markets are deployed;
- Fully funded cost of market entry for Adslot as part of each new market deployment;
- Establishes Adslot as a truly global solution, while expanding the Company's customer footprint significantly in EMEA; and
- As the value of media traded via Symphony builds from \$3B to circa \$7B, and as the integration between Symphony and Adslot is enriched, it enhances the strategic position for the Company on future Trading Fees.

# Adslot.

## Trading Fees Expected to Contribute more significantly in 2H CY17

Consistent with the outlook provided in the Company's Half Year Results presentation, Trading Fees are nascent and remain less predictable than Licence Fees, but are expected to emerge to be more meaningful in 2H CY17. In particular, progress continues to be made with large agencies representing significant revenue potential, including:

- Large agencies where Adslot's Automated Guaranteed technology would be progressively deployed across multiple clients; and
- Large agencies that are Symphony customers and adoption of Adslot's Automated Guaranteed technology would be via the Symphony-Adslot integration.

Progress is also being assisted by major new feature development (such as **Guaranteed Audience**), a strengthening of the Adslot sales organisation (including the appointment of Cary Dunst to the position of GM North America), and the recently reported advertiser backlash against programmatic trading technology.

## Adslot launches "Guaranteed Audience" media buying

The Company continues to make meaningful progress against core product objectives outlined in its Half Year Results Presentation, including:

- (1) integrations with audience data (to power new audience buying capabilities on the Adslot marketplace);
- (2) introduction of trading history analytics (to improve the performance of future trading for media buyers); and
- (3) ongoing program of enhancements to the Symphony-Adslot integration (designed to increase trading activity from existing Symphony users via the Adslot marketplace).

On 26<sup>th</sup> April 2017, the Company announced the launch of **Guaranteed Audience**, allowing media buyers to target specific "audiences" across Adslot's catalogue of publishers. A summary of this announcement, and the significance of it, follows:

- The launch of Adslot's **Guaranteed Audience** capability means buyers and sellers can now trade specific target audiences using a variety of First and Third party data sources;
- Adslot's release of **Guaranteed Audience** allows audience driven transactions to flow via Adslot's direct publisher integrations instead of relying on the programmatic/RTB ecosystem;
- The launch of **Guaranteed Audience** also incorporates Third Party data integration, providing advertisers/media buyers with access to over 1,600 audience segments;
- Adslot's **Guaranteed Audience** capability is expected to increase adoption while creating a new sales channel into the trading desks of major media buying houses;
- The launch of **Guaranteed Audience** has effectively expanded Adslot's market opportunity to include the \$20B+ audience-focused segment of the display market, currently transacted via RTB; and
- In effect, Adslot now offers advertisers and media buyers the granular audience targeting benefits of programmatic (RTB) technology, but without the significant issues specific to it, as detailed in ASX release dated 26<sup>th</sup> April 2017.

## US GM appointed; significant US publishers signed

The Company recently announced the appointment of seasoned senior executive, Cary Dunst, to head up its US operations, based in New York.

The Company also announced that it had signed a number of premium publishers in the US market, including **Conde Nast** (publishers of **Vogue**, **GQ** and **Vanity Fair**); **Hearst** (publishers of **Cosmopolitan**, **Marie Claire**, **Harper's Bazaar** and **Esquire**); **Ziff Davis** and **Investing Channel**.

Please see ASX release dated 5<sup>th</sup> April 2017 for further detail.

**Adslot.**

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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.