

ADSLLOT LIMITED

Annual General Meeting

Tuesday 25 November 2014 at 10:00AM

Offices of Grant Thornton, Level 30, 525 Collins St, Melbourne

CHAIRMAN'S ADDRESS

Ladies and Gentlemen.

As I look back over Financial Year 2014, I see it as a pivotal year in the Company's evolution – a year of substantial progress and a year of significant achievement. We have certainly come a long way in our bid to establish ourselves, not only as a number two or three, but the number one player in automated guaranteed media trading world-wide.

To my mind, it is inevitable that the old way of buying and selling media, that is via spreadsheets and faxing order forms here and there to individual publishers, will soon be replaced by automated platforms such as Adslot.

As the whole world continues its relentless march towards online automation of all things, from online banking, to buying airline tickets online, to selling a car, or looking for a job, or booking an Uber or a taxi - Adslot is well-positioned to automate the way digital advertising is bought and sold.

Adslot's value proposition is clear. We give publishers and media owners the ability to service their advertisers in a cost-effective way, packaging and selling their inventory directly, thereby increasing revenues and margins.

For advertisers and ad agencies – we provide the ability to *discover, plan, execute, measure* and *optimise* media campaigns seamlessly, reducing the requirement for manual processes, and delivering more targeted and better-performing campaigns.

And our strength ultimately lies in our business model: based on taking a percentage of the dollar value of all media transacted over our platform, which will provide a highly-scalable, and ultimately highly-profitable, business in the years ahead.

Adslot's technology is unique world-wide in that we are the first to offer genuine end-to-end, automated buying of guaranteed media.

You may have recently seen in the media, the acquisition of two competitors to the supply-side of our business in the US and Canada, iSocket and ShinyAds, by the NASDAQ-listed company: The Rubicon Project. From our point of view, this is very positive news.

First, it underlines the strategically critical nature of automated guaranteed technology.

Secondly, two of our competitors on the supply-side of our business have just become one, meaning we have only one meaningful competitor in the market with which to compete.

Third, Rubicon's "own-it-all" approach merely reinforces the value of Adslot's open and agnostic platform, predicated on interoperability between *all* sources of demand and supply, which will ultimately lead to the signing of more partners. Adslot is now perfectly positioned to lead a coalition of willing partners to become the standard for automated guaranteed media trading.

Finally, we also believe the recent acquisitions will help accelerate industry adoption of automated guaranteed platforms generally.

Turning to our own acquisitions: when Adslot acquired Facilitate Digital and its *Symphony* platform in December 2013, we immediately gained access to the media buying screens in some of the largest advertising agencies in the world, where media buying decisions are made and executed. This combined with Adslot's *Media Marketplace* of premium advertising inventory and Adslot's automated ad sales solutions, means we are currently the only player in the market to successfully combine expertise on both sides of the media buying equation to deliver true end-to-end, automated media buying capability.

This is a unique strategic position in the market that no other existing or emerging competitor currently enjoys.

To reflect on a few of the highlights for the 2014 financial year:

During the period, we saw consistent quarter-on-quarter growth in cash receipts from customers, and in the last three quarters, we have seen our Trading Technology revenues double quarter-on-quarter. But this is by no means the only measure of the Company's progress. Perhaps, more importantly, one must also look to the Company's achievements in terms of publisher signings; key partnership agreements; and its product leadership.

In terms of our Publisher customers, Adslot has signed some of the world's largest online publishers in all the leading markets in which the Company operates, including: Microsoft, The Economist, Star Tribune and Business Insider in the United States; Zoopla, the Metro, the BBC, The Financial Times, The Daily Mail, and more recently, The Guardian in the UK; and News Corp, SEEK, Fairfax, Wotif (recently acquired by TripAdvisor) and eBay here in Australia.

During the financial year, Adslot also announced a number of "demand side" partnerships, including with Nextmark in June, Kantar Media in April and MediaMath in May – which once integrated, will bring additional sources of demand to Adslot's Marketplace.

Adslot also announced the acquisition of Facilitate Digital, which was completed in December 2013. Facilitate Digital is already making good progress as a stand-alone business unit, having extended its relationships with Tier 1 media buying agencies around the globe. Recent highlights include signing an APAC regional contract with Omnicom Media Group in December; an extended regional contract with the world's largest media buying organisation GroupM in May; and a new contract with Starcom MediaVest Group in August. More importantly, the Facilitate acquisition gives Adslot the opportunity to start migrating an expected \$2 billion in agency ad spend on Facilitate's market-leading *Symphony* platform towards *Adslot Marketplace* in 2015 and beyond.

From a product point of view, in October last year, the Company announced the launch of *Adslot Marketplace*, which allowed media buyers to purchase premium ad inventory across all Adslot's premium publishers. Since the launch of this product, initial agency demand has emerged, and both transaction volume and value continue to grow, providing very encouraging signs for the Company's future. Subsequent to year-end in August 2014, the Company also announced the first integration of *Adslot Marketplace* and *Symphony*, further enhanced by the announcement of a data partnership agreement with *Nielsen Online Ratings* shortly afterwards.

To further emphasise our product leadership position: we constantly receive feedback from the market, our customers, our partners, and even our competitors, that we have the most

robust technology stack and ad server integrations, and the most intuitive and well-developed user interface, in the market.

From a corporate point of view, during the year, we said farewell to directors Chris Morris and Tiffany Fuller. Both remain supportive of the company, especially Chris in his capacity as a shareholder, and I'd like to acknowledge the significant contributions made by each of them during their time on the Board.

We also welcomed onto the Board Geoff Dixon and Ben Dixon through our acquisition of Facilitate Digital, and also appointed to the Board independent US director, and industry expert, Quentin George. All directors are very active in their roles, and have already contributed significant time and value to the business.

Shortly after the end of the financial year, we also raised \$6.5m in a share placement to sophisticated and institutional investors, firming up the Company's cash position to enable it to move faster on its product integration initiations and world-wide roll-out.

All in all, it's been a big year for the Company, and the Board and Executive Team are excited about the Company's future in 2015 when we expect to see continued growth in new Trading Technology revenues, as the industry moves towards "automated guaranteed" media buying *en masse*. We are still not sure how quickly this will happen – but we do know it's happening, and it has emerged as the focus of the broader ad tech industry over the past six months. We believe the Company is well-positioned to capitalise on this step-change in the industry.

We also remain excited by the opportunity that Adslot's merger with Facilitate Digital represents, and we have only just started to see evidence of the benefits for both organisations in combining our technologies. With the second release of this fully integrated *Adslot* and *Symphony* platform due in March quarter 2015, the prospects for increased Technology Trading revenues become even more compelling.

But we can not rest on our laurels. Have no illusions, we are involved in a highly competitive race, with a big prize for the ultimate winner. That's why we remain steadfastly committed to becoming the number one Automated Guaranteed platform of choice. We will continue to strive to achieve this by investing in R&D to maintain our competitive advantage from a platform and technology point of view; we will continue to develop key partnerships with both sources of demand and supply, sharing our success with our partners; and ultimately continue to migrate media buying from spreadsheets, to the Adslot platform.

Given the size of the prize, we need to recognise and remain cognisant that competition will be tough, and competition will continue to emerge. But with the right strategy; the right market-leading technology; the most experienced team to execute on our global roll-out - we remain confident in Adslot's ability to play a market-leading role in this emerging revolution.

Finally, I'd like to take this opportunity to thank all our customers and partners for their support and enthusiasm for our products; you, our shareholders, for your ongoing interest and support as we continue to build a great Company; and finally our Board, Executive Team and every employee in our Company for their enormous contribution this last financial year.