

Adslot Ltd

FY17 Results Presentation

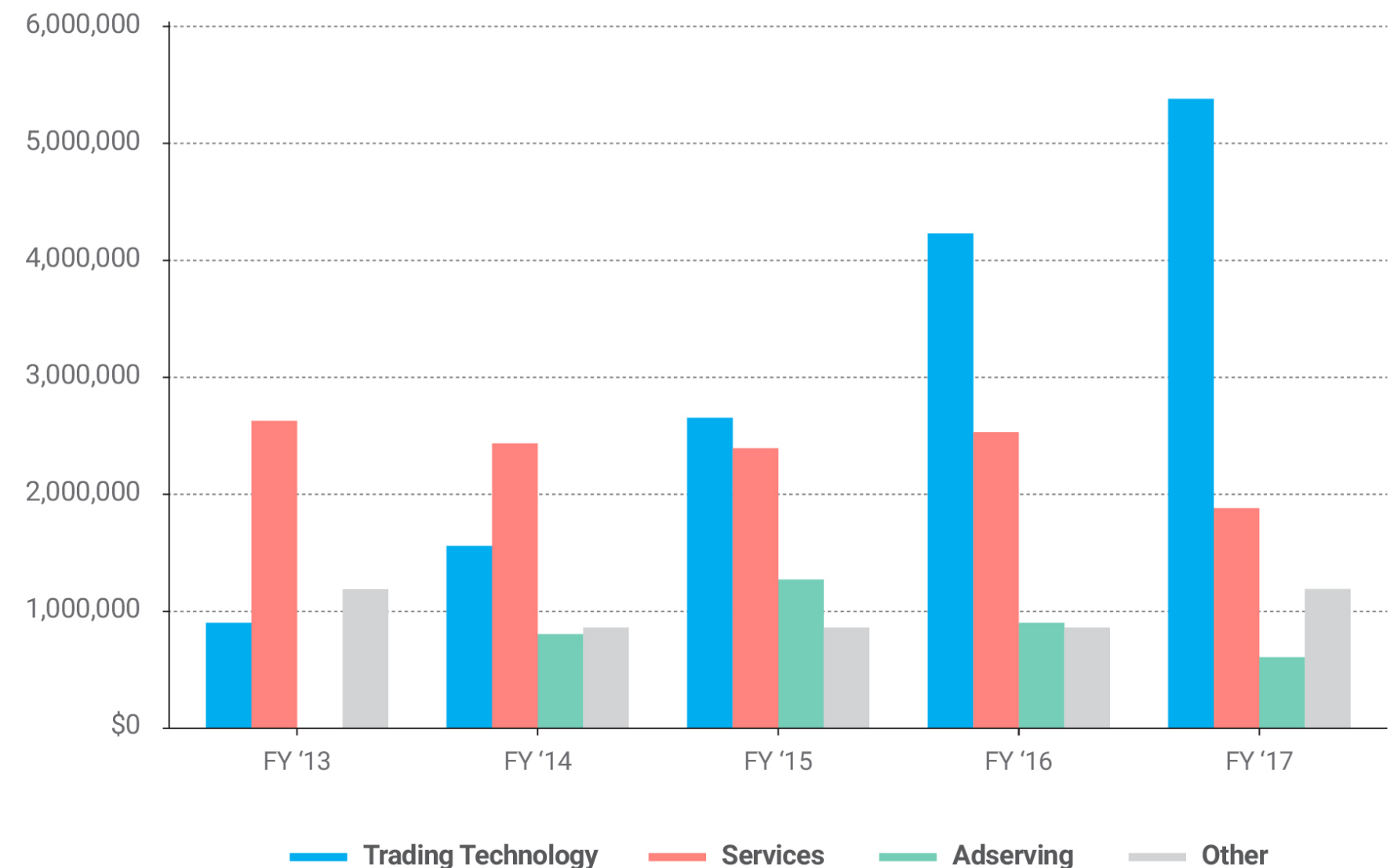
28th August 2017

(ASX:ADJ)

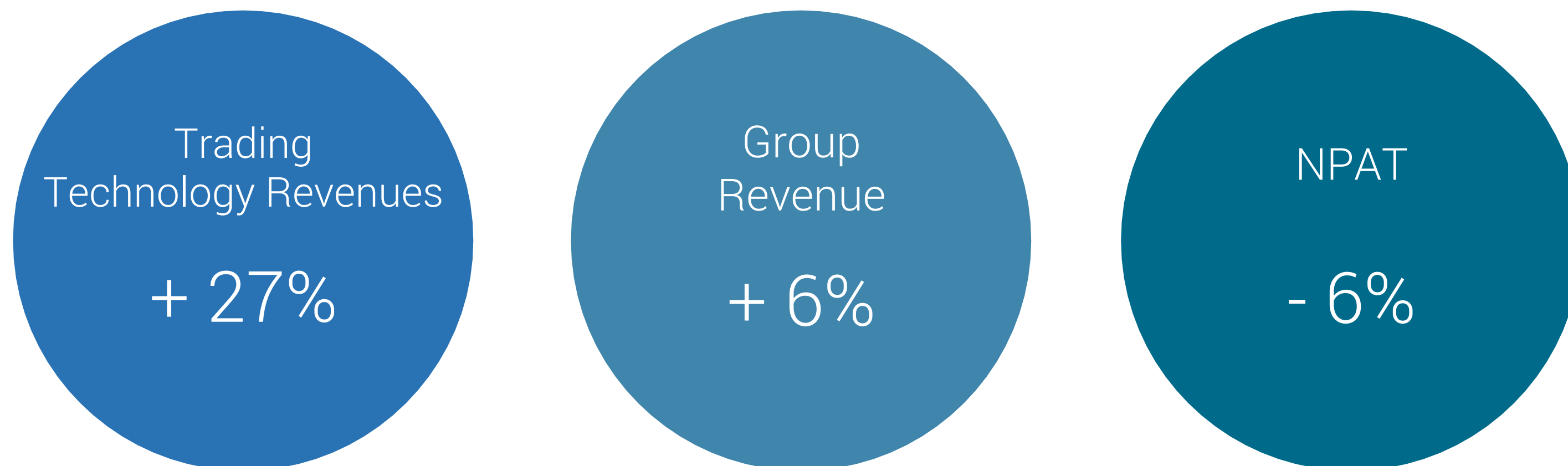
FY17 - Executive Summary

- Trading Technology revenue increased by 27% YoY
- Significant milestones sees the Company well positioned for further growth:
 - Groupm contract sign off (August 2016)
 - \$18m capital raising (October 2016)
 - Successful execution of post investment operating plan (October '16 – June '17)
 - Successful new market deployments of Symphony, improved deployment cadence, larger market deployments in prospect
 - Data Integrations with Bluekai (Oracle) and Lotame launched
 - Assembly of unique, premium 'at scale' marketplace continues with significant publishers secured in key markets
- Commitments from Symphony agencies to progressive adoption of Automated Guaranteed
- Trading Fees are expected to emerge in 1H FY18 to make a more meaningful contribution

YoY Revenue by Segment

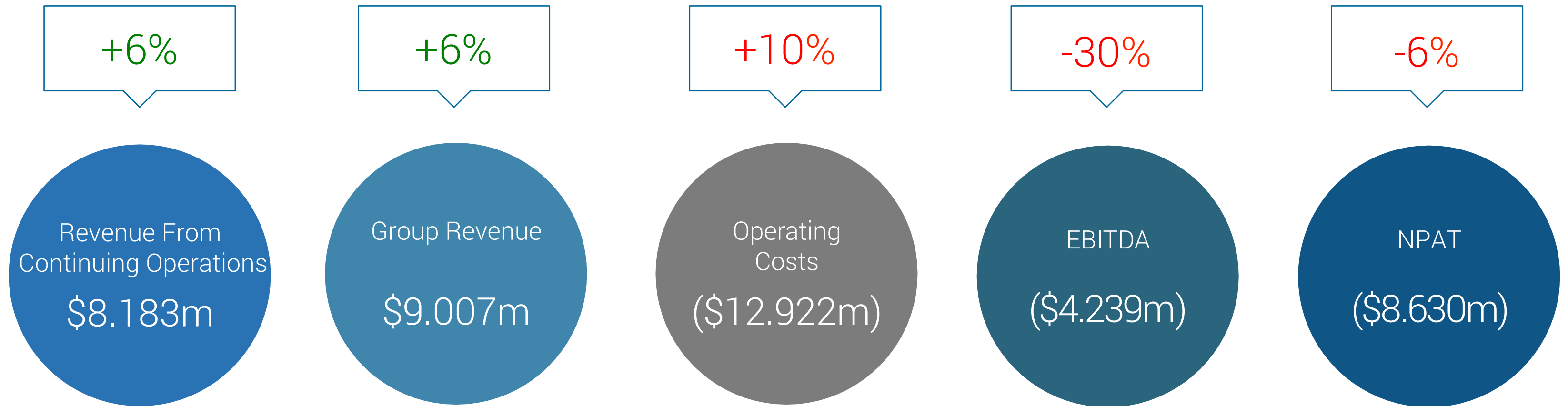


Highlights – Full Year to 30 June 2017



Note: Growth rates referenced are calculated against the previous corresponding period, being 12 months to 30 June 2016.

Key Results – Full Year to 30 June 2017



1. Growth rates referenced are calculated against the previous corresponding period, being 12 months to 30 June 2016.
2. Operating Costs are Total Expenses excluding Depreciation and Amortisation expenses.

FY17 – Strategic Revenue

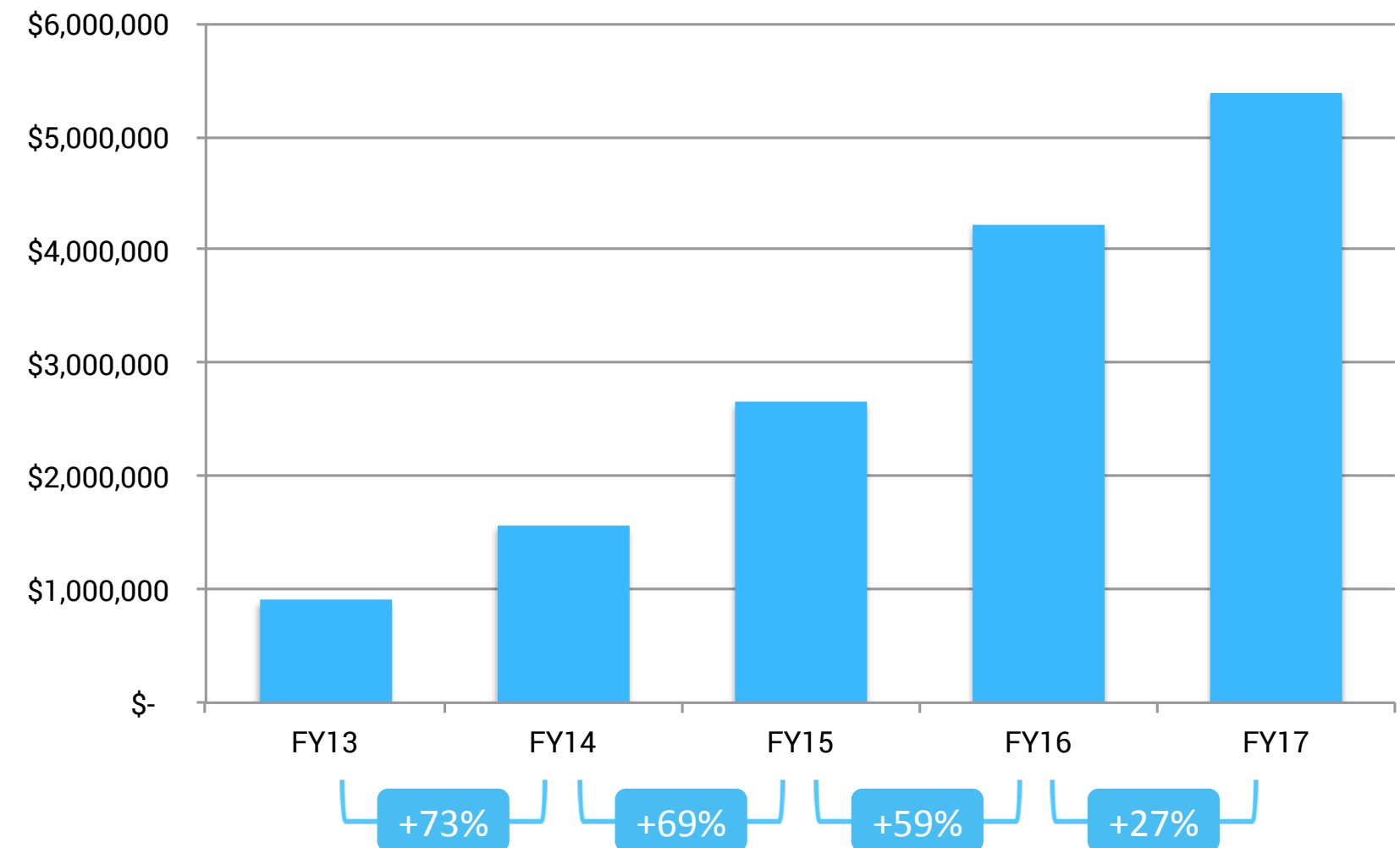
Year
on
Year

+27%

Trading
Technology
\$5.379m

- Trading Technology revenue in FY17 grew by 27% versus the year prior, the fifth consecutive year of growth.
- Growth in FY17 Trading Technology revenue was driven by Licence Fees, attributable to the GroupM global contract announced in August 2016.

YoY Trading Technology Revenues



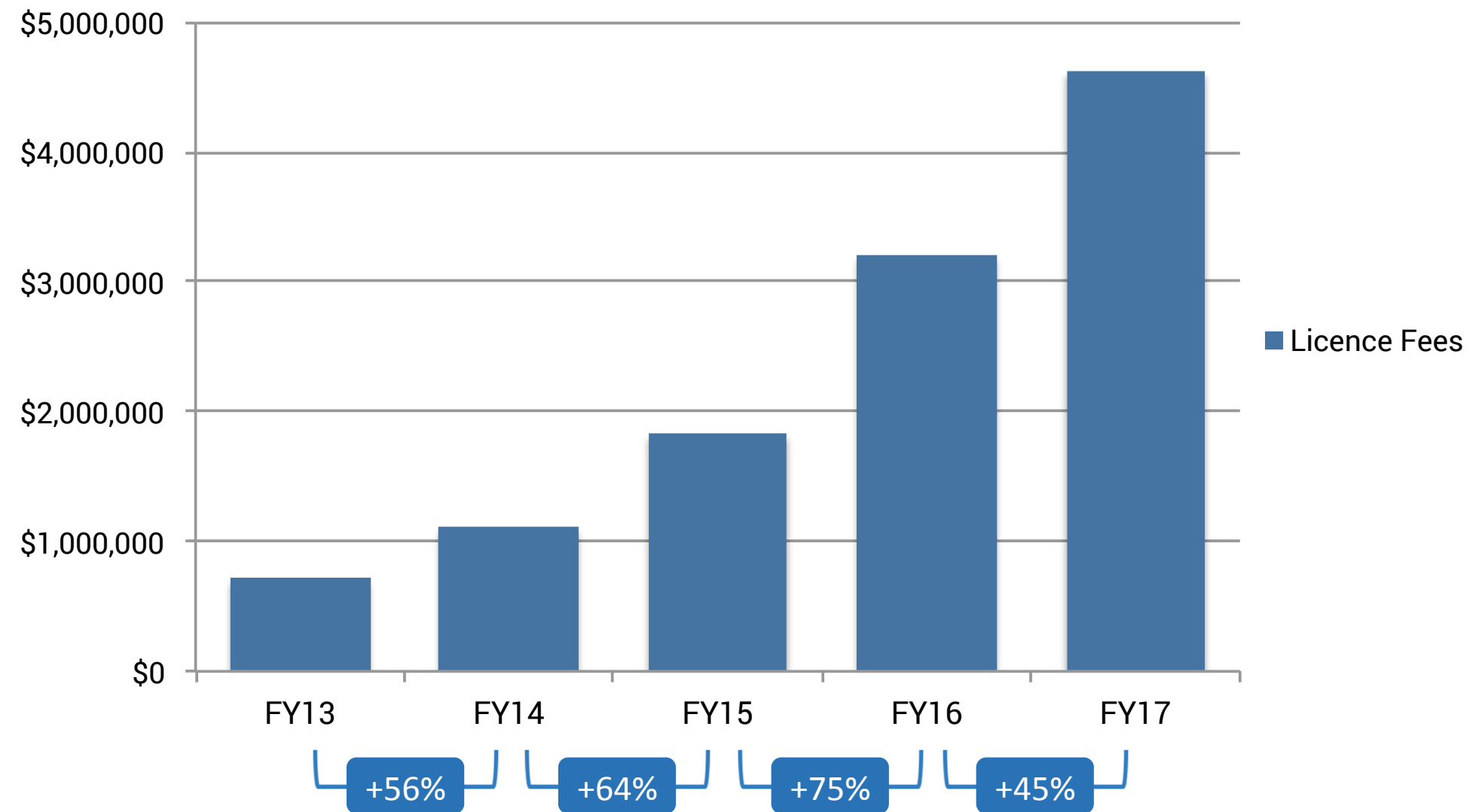
FY17 – Strategic Revenue

Year
on
Year

+27%

Trading
Technology
\$5.379m

YoY Licence Fees



- Licence Fees grew 45% year on year, attributable to the GroupM global contract announced in August 2016
- **The full year impact in FY17 of revenue from GroupM is 63% year on year growth**

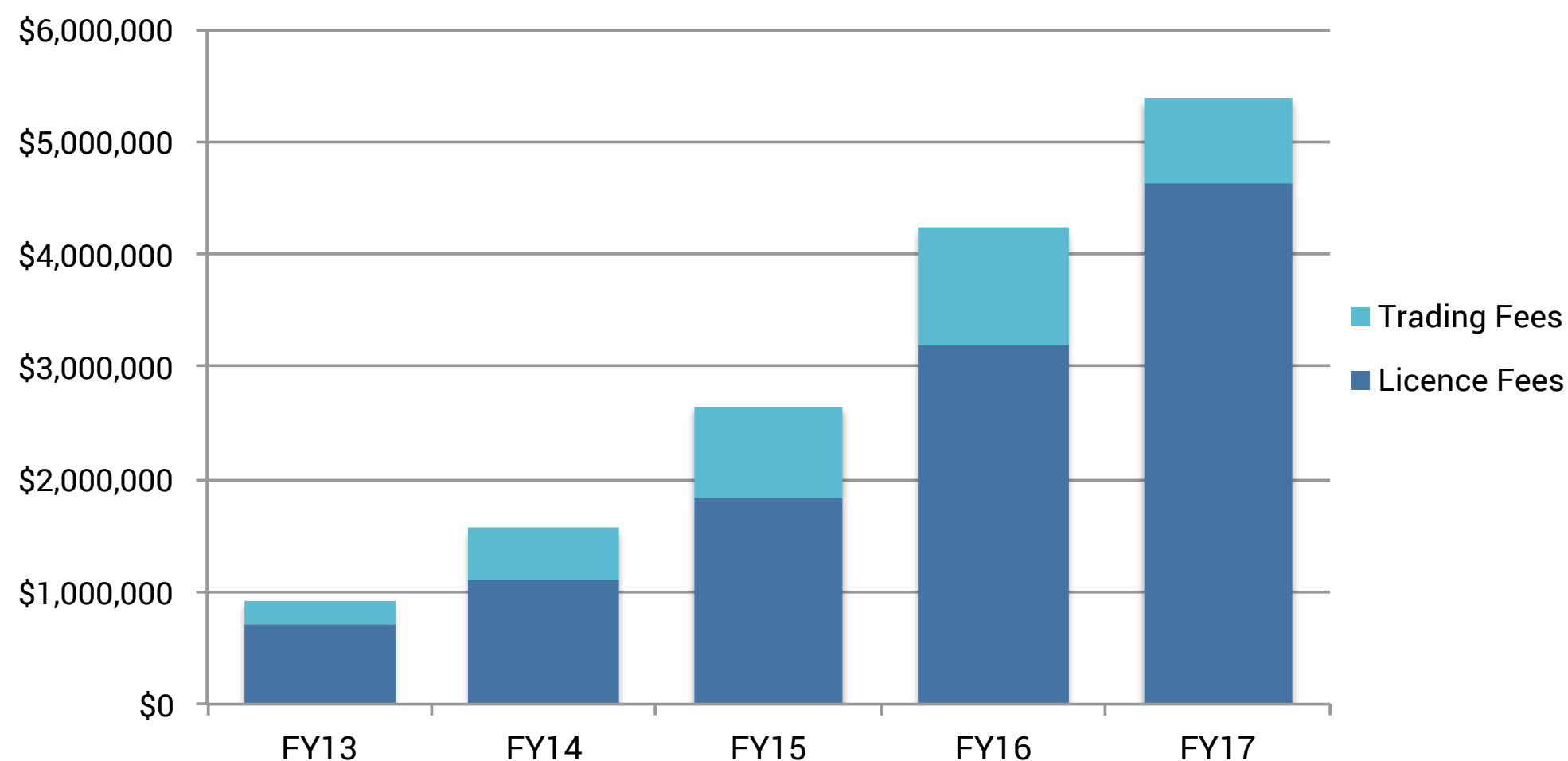
FY17 – Strategic Revenue

Year
on
Year

+27%

Trading
Technology
\$5.379m

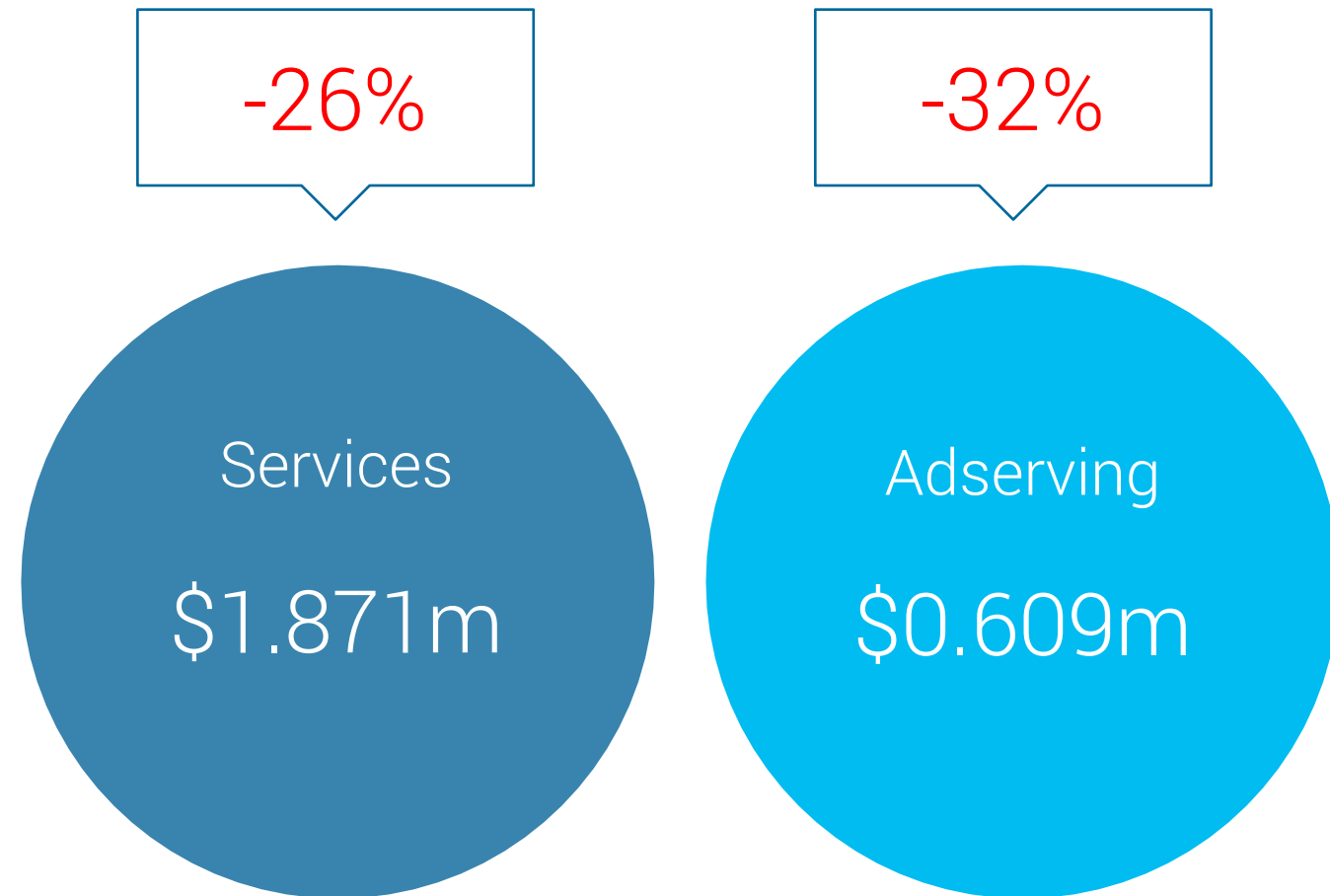
YoY Trading Technology Revenue



- Expected levels of growth in Trading Fees have not materialised in the timeframe anticipated
- Trading Fees remain nascent and unpredictable, but not reflective of the broader market opportunity which remains material
- **The Company remains confident it will capture more meaningful Trading Fees over the first half of FY18 and beyond**

FY17 – Non-Strategic Revenues

Year
on
Year



- Non strategic Services revenue of \$1.871m represents a 26% or \$0.661m decrease against the prior year.
- Non strategic Ad-serving revenue continues to decline in line with expectation, decreasing by 32% or \$0.291m versus FY16.

FY17 – Operating Costs

- Total FY17 Operating costs of \$12.922m compared to FY16 Operating costs of \$11.699m, an increase of 10%.
- YoY Operating costs increased largely due to increased investment in R&D while other Operating costs remained flat.
- Operating costs are: Total Expenses **excluding** Depreciation and Amortisation, Share Based Payment and Taxes.

+10%

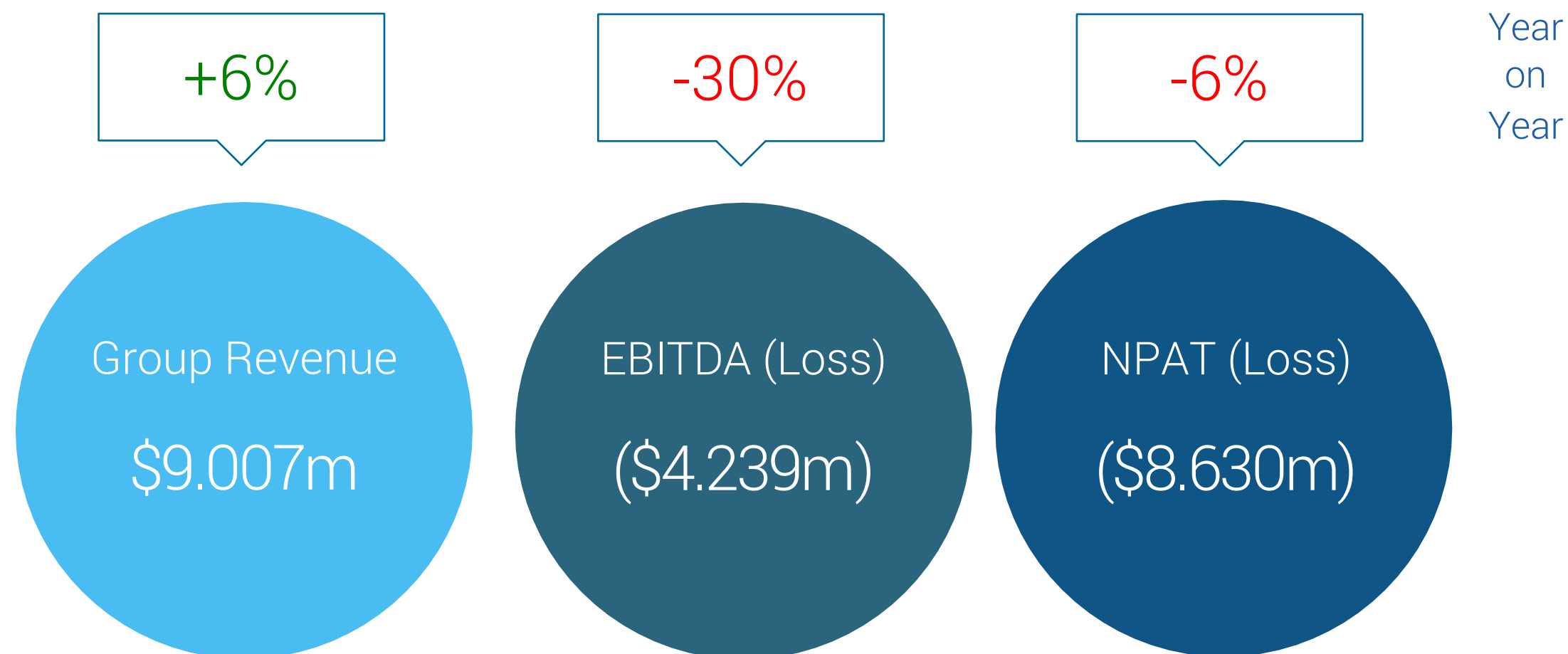
Year
on
Year

Operating Costs

\$12.922m

FY17 – Group Revenue, EBITDA & Profit

- Total Group Revenue for FY17 was \$9.007m, an increase of 6% on FY16.
- FY17 EBITDA loss of \$4.239m increased by \$0.979m or 30% against the prior year.
- FY17 NPAT loss of \$8.630m increased by \$0.492m or 6% versus FY16.



1H FY17 – Cashflow

Year
on
Year

-3%

Cash Receipts
\$11.030m

+50%

Net
Operating
Cashflows
(\$4.122m)

+202%

Cash
\$14.320m

- Receipts from customers of \$11.03m decreased by \$0.298m or 3% as larger agencies move to manage billing off-platform.
- Net Operating Cashflows saw an outflow of \$4.122m, an increase of \$1.369m or 50% versus FY16.
- Cash at the conclusion of FY17 of \$14.320m is an increase of 202% versus the year prior, due to the capital raising completed in October 2016.
- The Company continues to invest in its Technology Platforms. In October 2017 it expects to receive approximately \$2.7m via the R&D grant scheme (which is not reflected in the Cash balance).

FY17

Significant Developments

FY17 – Significant Developments

1. GroupM Contract Signing

- Long term *Symphony* contract signed with GroupM - the world's largest media buyer – in August 2016
- Global deal with immediate focus on new market deployments in Europe and APAC
- New market activations successfully completed in FY17 include Austria, Taiwan and Turkey
- Value of media traded via *Symphony* expected to more than double to circa \$7 billion over the next 2 to 3 years, which more than doubles the available Trading Fees opportunity via the Adslot-Symphony integration
- A market-ready capability in each new country of deployment provides opportunity to sell *Symphony* into other agency groups

2. Capital Raising

During September and October, the company successfully concluded an \$18m Entitlement Offer and Placement. The capital raising was conducted in order to:

- Expand the R&D team in support of (a) *Symphony* deployments in new markets for GroupM, and (b) increase the velocity of new feature development.
- Expand the Sales organisation
- Increase marketing activity and sales enablement.

FY17 – Significant Developments

3. Successful execution of post capital raising Operating Plan

- Additional product & development resources secured in the period October 2016 to June 2017
- Over this period the product & development team nearly doubled in size, with a corresponding threefold improvement in output as economies of scale were realised and processes refined
- Further output improvements are expected (from existing resources)
- Expansion of sales organisation in 2H FY17:
 - US market/sales lead
 - x2 new US sales hires
 - Chief Marketing Officer

FY17 – Significant Developments

4. Successful new market deployments of *Symphony* for GroupM

- x3 additional markets activated for GroupM - Austria, Taiwan and Turkey – increasing the *Symphony* customer footprint from 9 to 12 countries
- Registered user base increased 11% year on year, from 10,604 to 11,727
- A further x3 market activations have commenced and are in various stages of deployment

	Installed		Current deployment pipeline
	July 2016	July 2017	
Countries Deployed – All Clients	Australia New Zealand China Japan Hong Kong Malaysia Singapore Vietnam US	Australia New Zealand China Japan Hong Kong Malaysia Singapore Vietnam US Austria Taiwan Turkey	3 Markets: <ul style="list-style-type: none">• x1 market fully scoped, in development• x1 market fully scoped, development yet to commence• x1 market partially scoped, development yet to commence
Number of Registered Users	10,604	11,727	

FY17 – Significant Developments

5. Data integrations completed with Bluekai and Lotame

- Adslot launch its' Guaranteed Audience feature via integrations with audience data from industry leaders Bluekai (Oracle) and Lotame, announced in April and May 2017 respectively.
- The audience data integrations provide media buyers using Adslot with access to circa 10,000 audience profiles across the catalogue of participating Adslot publishers
- The integrations significantly extend the breadth and diversity of audience profiles available via Adslot, and with it the market opportunity
- Underlines the Company's ongoing focus to expand its audience driven media trading capabilities

FY17 – Significant Developments

6. Assembly of unique, premium ‘at scale’ marketplace continues - significant publishers secured

Some of the significant publishers secured in FY17...



FY17 – Significant Developments

7. Commitments secured from *Symphony* agencies to progressive adoption of *Automated Guaranteed*

- Commitments secured from two significant agencies, one in Europe, and one in APAC, to undertake a phased activation of Adslot's Automated Guaranteed technology.
- The phased activation approach is different for each of the two agencies; one will be driven by progressively activating (advertiser) accounts, the other by progressively activating groups of publishers.
- In both cases agencies will use the integrated Symphony-Adslot interface.
- There are a number of contributing factors to the timeframe in which Trading Fees will materialise at scale

**Future product
enhancements to drive
revenue growth**

Future product enhancements to drive revenue growth

1. Further enhancements to audience targeting

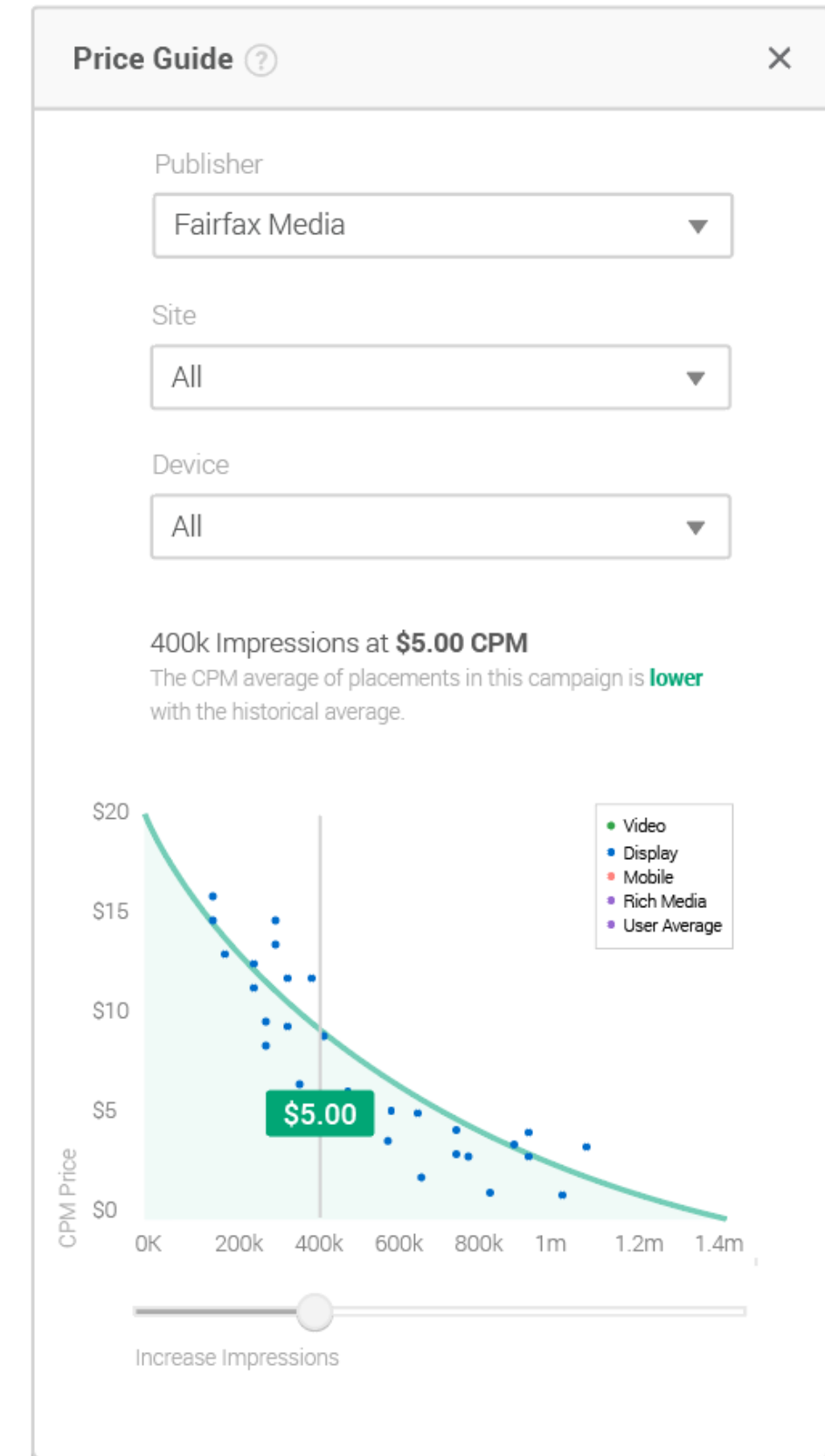
(Objective: ensure Adslot provides comparable audience targeting to RTB/programmatic technology)

- Support and productise all forms of audience trading
- Particular focus on productising the ability of an advertiser/agency to target and trade an audience defined using their own data, across multiple publisher sites

2. Data informed media trading

(Objective: provide a product experience that not only automates media trading but informs media trading decisions)

- Expand reporting and data insights for buyers and sellers
- Surface investment and performance history into Symphony and Adslot

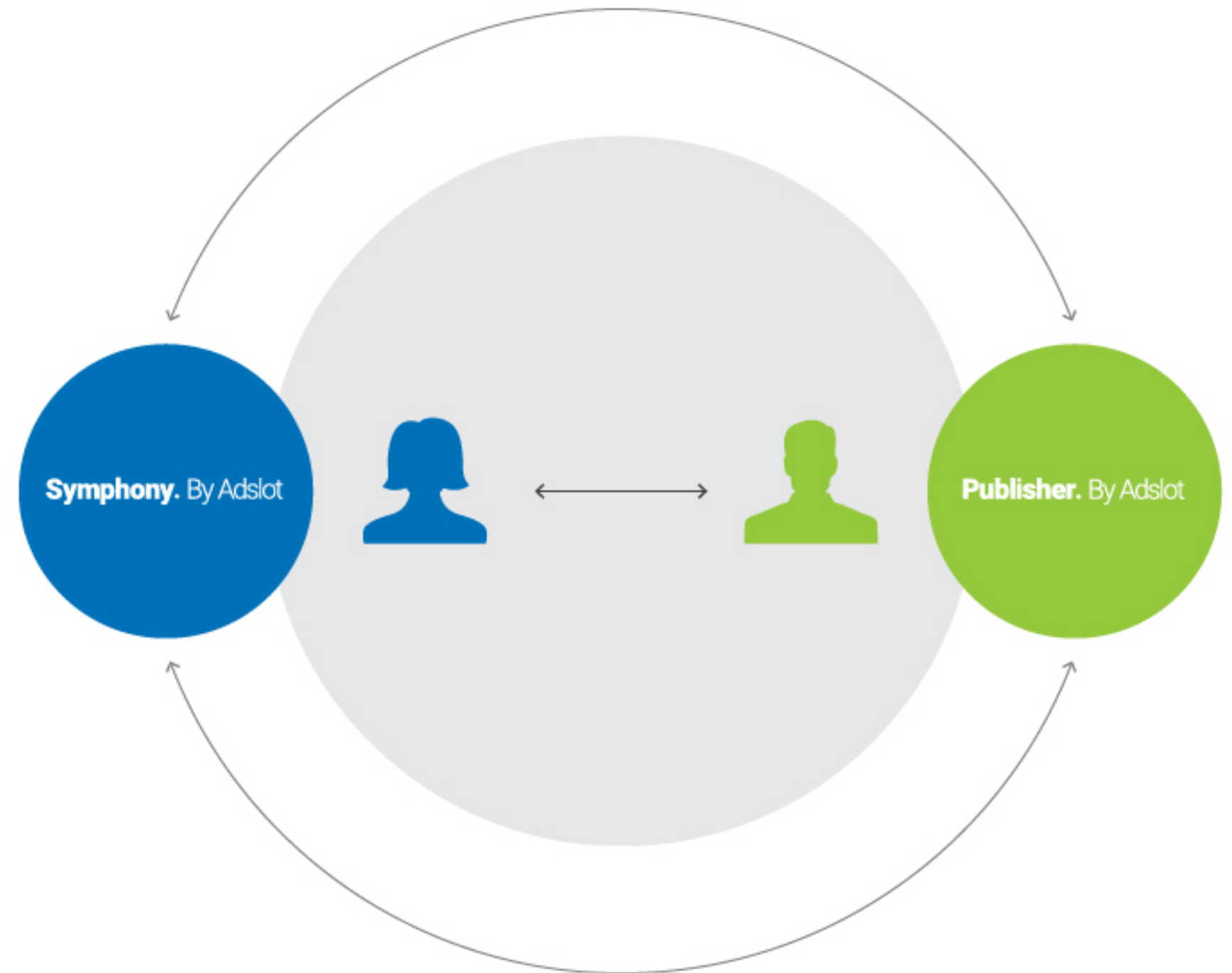


Future product enhancements to drive revenue growth

3. Complete the Symphony-Adslot integration

(Objective: migrate agency demand within Symphony to Adslot's Automated Guaranteed technology)

- Integrate Symphony (workflow) and Adslot (trading) to automate the end-to-end campaign process within a singular product experience for both the buyer and the seller
- Combine the expanding analytical capabilities of Symphony and Adslot



Outlook

Outlook

Trading Fees are expected to emerge in 1H FY18 to make a more meaningful contribution

- Commitments secured from two significant agencies, one in Europe, and one in APAC, to undertake a phased activation of Adslot's Automated Guaranteed (AG) technology
- Major feature enhancements including the audience data integrations announced in April/May 2017, are resonating strongly with agencies and advertisers of all profiles, including non Symphony agencies
- Advertisers pushing agencies for greater transparency is translating to a renewed focus on buying higher quality inventory, which is Adslot's core proposition
- Adslot's Automated Guaranteed platform remains the leading technology of its kind globally

Market/Region	Driving adoption of AG via Symphony agency customers	Driving adoption of AG via direct sales to Agency/Advertiser
Australia	✓	
Europe	✓	
UK		✓
US		✓

As adoption of Automated Guaranteed builds and becomes more predictable in 1H FY18, the Company intends to commence releasing key business metrics to quantify its progress. A first release of these business metrics will be included in the September quarter Trading Update, and will include the quantum of advertising purchased via Adslot's Automated Guaranteed technology.

Outlook

Licence Fees will continue to grow into FY18 and beyond

- Successful new market activations for GroupM in Austria, Taiwan and Turkey
- A further x3 new market activations are in various stages of scoping and development
- Larger markets are expected to be scheduled for activation for GroupM in FY18 and beyond

Further benefits from additional investment in R&D and sales/marketing will emerge

- Material increase already seen in product development velocity is expected to continue to improve
- By the end of FY18 the integration of Symphony and Adslot platforms will be close to reaching the single product experience objective
- Increased marketing activity in FY18 will expand market awareness
- Increased marketing and sales activity is expected to significantly increase the Company's sales pipeline and conversion

Outlook

As revenue grows net cash outflows are expected to recede

- The FY18 Operating Plan does not contemplate additional growth in headcount
- Non strategic Services revenue is expected to remain flat but modestly profitable
- Non strategic Adserving revenue is expected to decline significantly but contribute modest profit
- The Company's cost base is expected to remain flat (at similar levels to the June Quarter 2017)
- Being a cloud based technology there are no significant increases in COS to support significant growth in Trading Technology revenues
- Revenue growth will drive a corresponding reduction in cash burn and lift in net margin

Thank you



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