

## ASX Announcement

Wednesday 26<sup>th</sup> April 2017

# Adslot completes data integration with Oracle; launches “*Guaranteed Audience*” media buying

(NEW YORK) Adslot, the leading global innovator of digital media workflow and trading technology, today announced it has completed a live data integration with Oracle (Bluekai), allowing media buyers to target specific “audiences” across Adslot’s catalogue of publishers.

“The world’s largest advertisers and publishers have made it clear they are no longer willing to endure the shortcomings of programmatic media buying via RTB, including lower rates of ad viewability, click fraud, data leakage, brand safety and lack of transparency”, said Adslot CEO Ian Lowe.

“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 (such as Oracles’ Bluekai), and then fulfill these trades via Adslot’s direct publisher integrations instead of the programmatic/RTB ecosystem. In other words, Adslot now offers the primary benefit of programmatic (RTB) media buying (audience targeting capabilities), but with significantly higher rates of viewability; significantly lower click fraud; zero data leakage; much higher levels of brand safety and complete transparency.”

Oracle’s Bluekai data includes high value audience segments such as ‘in market for a laptop’, and ‘in market for a car’. These segments provide clear value for certain advertisers. Via the Adslot platform, media buyers can nominate sites and ad products from Adslot’s significant publisher catalogue; overlay one or more Oracle audience segments to project the volume of inventory available; negotiate directly with the publisher(s); and then complete and execute a binding transaction.

### **What it means for the Company**

In its Half Year Results presentation, Adslot identified “integrations with audience data providers” as one of the key product features and enhancements required to support greater adoption and use of Adslot’s AG platform at scale.

Adslot’s data integration with Oracle (Bluekai) and the launch of Adslot’s **Guaranteed Audience** capability is expected to increase adoption of Adslot AG at scale, also effectively creating a new sales channel into the trading desks of major media buying houses.

In addition, with the launch of Adslot’s **Guaranteed Audience** capability, Adslot has effectively expanded its market opportunity to include the \$20B+ audience-focused segment of the display market, currently transacted via RTB.

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## Data Integrations Explained

Third Party audience data is provided by organisations such as Oracle (Bluekai), Salesforce (KruX) and Lotame. (Third party means not the advertiser/buyer and not the seller/publisher).

The global launch of Adslot's **Guaranteed Audience** capabilities includes integration with Oracle's Third Party audience data (Bluekai). The integration allows a media buyer to automatically overlay any of 1,600 Oracle audience profiles onto any ad product available within the Adslot platform, where the publisher has enabled the Oracle data.

First Party audience data is provided by either of the publisher or the advertiser/buyer. Adslot's **Guaranteed Audience** capabilities support First Party audience segments (provided by publishers), allowing a publisher to expose select audience segments for any of its ad products on the Adslot platform.

The Company advises that integrating advertiser/buyer First Party audience segments is a project already underway and further announcements will be made as features are released.

## Background to the Announcement

- The circa \$80B global online display advertising market is made up of two high level segments:
  - Forward Guaranteed - advertising purchased under a forward guaranteed model, where buyer and seller directly negotiate a fixed price and a known volume of ad impressions – this represents approximately two thirds or more of the \$80B global market, and
  - Programmatic (or RTB) - advertising purchased using programmatic (RTB) technology where buyer and seller use separate platforms that interact with each other in real time – representing over \$20B of the \$80B global market.
- Whilst the **Programmatic/RTB** segment is valued at less than the **Forward Guaranteed** segment, it has been an industry growth driver over the last few years because it offers advertisers the ability to buy unsold ad inventory cheaply against specific audience profiles, versus just site and placement.
- **Programmatic/RTB** media trading consists of sell-side platforms (SSPs) which allow publishers to expose unsold ad impressions to demand-side platforms (DSPs) operated by agency trading desks or advertisers, with each exposed impression profiled by audience. This profiling allows buyers to target very specific subsets of audience that can be more effective for the advertiser.
- In the **Programmatic/RTB** world, a media buyer and media seller are often anonymous to each other. This means the advertiser may not know exactly which site and position their ad will be displayed, nor does the publisher know what advertiser they have transacted with.
- Media buying via the **Programmatic/RTB** ecosystem also brings with it a range of transparency and brand safety issues, including:
  - Ad visibility – unsold ads purchased programmatically via the RTB ecosystem are more likely to appear at the foot of a web page, and are therefore non-viewable if the user doesn't scroll to the bottom. This sees advertisers effectively paying for ad impressions that are often never seen by a consumer.
  - Click fraud – the anonymous nature of many programmatic transactions allows fraudulent sites to falsify impressions and clicks to generate revenue (paid for by the advertiser). Again, in this scenario the advertiser is paying for ads that are never seen by a human.
  - Data leakage – occurs when audience profiles exposed to the many participants in the programmatic ecosystem can be stored (effectively stolen) and retargeted via different channels. Example: <http://bokonads.com/data-is-fallout-not-oil/>
  - Brand safety – The anonymous nature of many programmatic transactions means an advertiser may not know exactly where their ad will appear, nor a publisher know exactly what ad they will display. This can result in advertisers brands appearing next to undesirable content. Example: <http://www.abc.net.au/news/2017-03-30/google-ad-boycott-could-cost-750m/8401882>
  - Lack of transparency – the many technologies employed in the programmatic ecosystem (including buying platforms, selling platforms, exchanges, data providers, measurement tools, etc.) can diminish the proportion of advertiser budget that is actually being spent on media. This is exacerbated when in most cases the impact of this is not transparent to the buyer or the seller. Example: <https://www.businessinsider.com.au/guardian-takes-legal-action-against-rubicon-project-2017-3?r=US&IR=T>

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- The scale and cost of these issues has grown in line with the growth in ad spend channeled through the **Programmatic/RTB** ecosystem.
- Adslot's Automated Guaranteed platform (now with **Guaranteed Audience**) doesn't suffer from any of the issues plaguing **Programmatic/RTB** media buying, because Adslot has direct integrations with publishers' ad servers, allowing advertisers to book campaigns with known websites, known placements, known number of impressions and known price – guaranteed. Now also with the ability to target specific audiences.

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For further enquiries, please contact:

Ian Lowe  
Managing Director  
Adslot Limited  
investor.relations@adslot.com

Brendan Maher  
Chief Financial Officer  
Adslot Limited  
investor.relations@adslot.com

## 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 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.