

ASX Announcement

21 February 2018

Supplementary Disclosure – Appendix 3Ys

Reference is made to the Appendix 3Y statements issued earlier today in relation to Mr Andrew Barlow, Mr Adrian Giles and Mr Ian Lowe respectively.

Adslot Limited ("**Adslot**" or the "**Company**") is pleased to provide the following further information by way of supplementary voluntary disclosure.

With regard to the 37,510,336 disposal shares that were collectively the subject of the separate Appendix 3Ys from Messrs Barlow, Giles and Lowe, Adslot notes the following:

Background

Between May 2015 and November 2016, Mr Barlow (through Venturian Pty Ltd, an entity controlled by Mr Barlow), Mr Giles (through Yarra Ventures Pty Ltd, an entity controlled by Mr Giles) and Mr Lowe entered into separate non-recourse margin loan facilities ("**Facilities**") with Equities First Holdings LLC ("**Lender**").

The Facilities were market-based instruments, compliant with Adslot's Securities Trading Policy, and were entered into with the prior knowledge of the Adslot Board.

Secured Shares

The total number of shares used to secure repayment of the Facilities was 30,815,940 as follows:

- 17,000,000 shares for Mr Barlow's facility;
- 10,615,940 shares for Mr Giles's facility; and
- 3,200,000 shares for Mr Lowe's facility, ("**Secured Shares**").

At the time the Facilities were entered into, the Secured Shares represented a very small portion (less than 2.4%) of the Company's total issued share capital, and in Mr Barlow and Mr Lowe's cases, a small portion of their total shareholdings.

Use of Loan Funds

Mr Barlow's Facility was entered into for personal financial reasons, and enabled him to participate in the Company's capital raising announced on 22 September 2016.

Mr Giles also utilised a portion of the loan funds provided under his Facility to participate in that capital raising.

Adslot.

Mr Lowe's Facility was taken out to assist him with funding a tax liability that crystallised on shares previously issued to Mr Lowe under the Company's long-term incentive plan.

Successive Margin Calls

In late 2017 and early 2018, each of the Facilities became subject to successive margin calls which were satisfied by each of the three directors transferring a total of 6,694,396 of their unencumbered shares to the Lender in the following amounts:

- 4,094,485 additional shares were transferred by Mr Barlow to the Lender;
- 1,902,315 additional shares were transferred by Mr Giles to the Lender; and
- 697,596 additional shares were transferred by Mr Lowe to the Lender, ("Margin Shares").

Non-recourse Rights Exercised by Lender

Following the receipt of further significant margin calls which fell due in the past five days, each of the three directors elected not to satisfy these by way of further cash payments or the transfer of further unencumbered Adslot shares. This was primarily in order to protect their remaining interests in the Company.

The Lender subsequently exercised its non-recourse rights over all of the Secured Shares and all of the Margin Shares.

As a result, neither Venturian, Yarra Ventures or Mr Lowe have any current obligation to the Lender with regard to interest payments or repayment of the Facilities.

Equally, the Lender no longer has any obligation to any of Venturian, Yarra Ventures or Mr Lowe with respect to their Secured Shares or Margin Shares.

Accordingly, each Facility has now been closed out, and the Company confirms there are no further or continuing director margin loan arrangements.

Limited Potential Market Overhang

On the basis of enquiries made by the Company, the Company has reasonable grounds to believe that the Lender has previously disposed of most, if not all, of the 30,815,940 Secured Shares in the normal course of trading over a period of time prior to February 2017.

The Lender has notified the Company that the Lender still holds all of the 6,694,396 Margin Shares (representing less than 0.52% of the total shares on issue) transferred from Messrs Barlow, Giles and Lowe to satisfy margin calls during late 2017 and early 2018.

With regards to those remaining Margin Shares, the Lender has agreed to work with the Company to effect an orderly disposal of those shares over a period of time.

Therefore, no significant overhang should exist in the market with respect to the Lender's forthcoming disposal of the remaining Margin Shares.

Adslot.

Remaining Shareholding of Barlow, Giles and Lowe

Each of Mr Barlow, Mr Giles and Mr Lowe retain a sizeable shareholding in the Company, representing approximately 4% of the Company's issued share capital, as set out below:

- 31,980,272 shares - Mr Barlow (through Venturian);
- 7,571,452 shares – Mr Giles (through Yarra Ventures); and
- 10,655,243 shares – Mr Lowe.

Each of the above shareholdings are held on an unencumbered basis and reflects each of the three directors' continuing belief in the underlying strength of the Company's business and its future prospects.

Each of the three directors has also informed the Board that if the share price remains at its current levels during the next trading window, and they are in a position to do so, they each presently intend to purchase additional shares.

Please see the Summary Table below which summarises the Facilities, Secured Shares, Margin Shares and remaining unencumbered shares of Messrs Barlow, Giles and Lowe.

	Director's Name	Mr Andrew Barlow	Mr Adrian Giles	Mr Ian Lowe	TOTALS
	Indirect Holding Entity (if applicable)	Venturian Pty Ltd	Yarra Ventures Pty Ltd	N/A	
A	Total shares held prior to non-recourse margin loan maturity	53,074,757	20,089,707	14,552,839	87,717,303
B	Original "Secured Shares"	17,000,000	10,615,940	3,200,000	30,815,940
C	Further "Margin Shares"	4,094,485	1,902,315	697,596	6,694,396
D	Total shares subject to security arrangement (prior to maturity) (=B+C)	21,094,485	12,518,255	3,897,596	37,510,336
E	Remaining unencumbered shares (following non-recourse margin loan maturity) (=A-D)	31,980,272	7,571,452	10,655,243	50,206,967

The Company confirms that it has at all times complied with its continuous disclosure obligations, and that all material price sensitive information has been disclosed to the ASX in compliance with the Company's continuous disclosure obligations.

- END -

For further enquiries, please contact:

Andrew Barlow
Chairman
Adslot Limited
investor.relations@adslot.com

Felicity Conlan
Company Secretary
Adslot Limited
investor.relations@adslot.com