

ASX Announcement

20 July 2018

GroupM Contract Update and Symphony Outlook

- **Contracted Symphony Licence Fee revenue forecast to grow by 38.7% to \$5.5m in FY19**
- **Agreed deployment schedule for a minimum of five additional markets in FY19**
- **Expected growth in Symphony License Fees for major markets already deployed**

GroupM Contract Update

Adslot Ltd (ASX:ADJ, "the Company") announces that it has agreed to a series of updated terms to its global Symphony agreement with GroupM (first announced on 18 August, 2016). The key amendments will result in the following outcomes:

- Agreed accelerated target market implementations with a minimum of five markets targeted for deployment across APAC and EMEA over the next 12 months.
- Expected growth in variable license fees for some large markets already deployed.

In addition to the above amendments, the Company has agreed to forgo a one-off payment due to it under terms in the original agreement. This includes a provision for \$131k in the Company's FY17 accounts. The provision will therefore be reversed in the FY18 year.

FY18 and FY19 Symphony Licence Fee Revenue Guidance

Based upon the newly agreed terms with GroupM, the Company is now able to provide guidance on estimated Symphony Licence Fee revenues for the financial year ended 30 June 2018 and projected Symphony License Fee revenues for the financial year ended 30 June 2019.

Licence Fee revenue derived from the provision of Symphony to customers is expected to exceed A\$5.50m in FY 2019. This compares to expected Symphony Licence Fee revenues of approximately A\$3.96m in FY 2018. The FY2019 forecast excludes any new market deployments, apart from India which was deployed for GroupM on 28 June 2018 (see separate announcement).

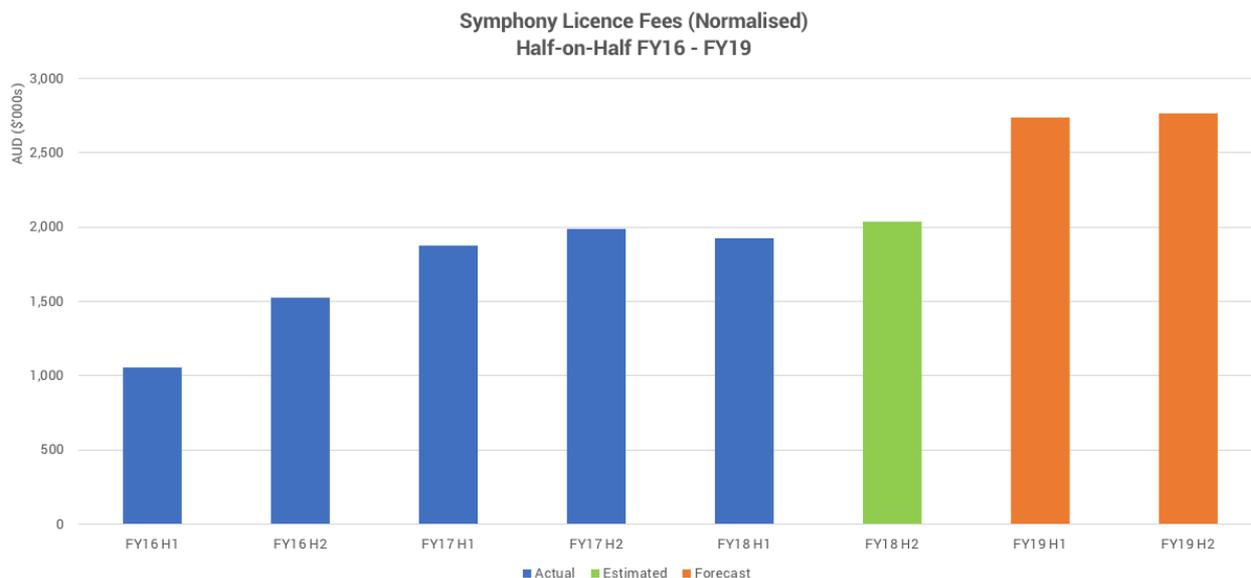
If Symphony Licence Fee revenues for FY17 and FY18 are normalised to allow for the aforementioned reversal, actual and projected Symphony Licence Fee revenue and Ending ARR (Annual Recurring Revenue) for the four financial years from FY16 to FY19 are expected to be as per the following table. Ending ARR is the annualised value of Symphony license fee revenues for the last quarter of the corresponding financial year.

	FY16 (a)	FY17 (a)	FY18 (f)	FY19 (f)
Sym Lice Fee Rev	2,579,351	3,862,710	3,967,948	5,502,560
YoY% Growth		49.8%	2.7%	38.7%
Ending ARR*	3,066,418	4,064,041	4,338,728	5,528,862
YoY% Growth		32.5%	6.8%	27.4%

* Ending ARR (Annual Recurring Revenue) is calculated by multiplying last quarter's revenue by 4

Adslot.

The following time series chart shows actual and projected Symphony Licence Fee revenues on a half on half basis for the period of FY16 to FY19 inclusive.



Important Notes

- A significant majority of the Company's Symphony Licence Fee revenues are derived in US dollars. As such any change in the AUD / USD exchange rate over FY19 will impact the above guidance.
- Symphony Licence Fee revenue shows only modest growth in FY18 due to churn in US-based legacy clients, as advised in the half year results for H1 FY18.
- Revenue forecast for FY19 only includes known, fixed contracted Symphony Licence Fee revenues.
- The FY19 forecast does **not** include:
 - Any Adslot Licence Fee revenue;
 - Any Symphony Licence Fees to be derived from additional market deployments in FY19;
 - Any Symphony Trading Fee revenue; or,
 - Any Adslot Trading Fee revenue.
- The Company will continue to provide further Symphony Licence Fee guidance updates as new markets are deployed, and/or when growth rates in deployed markets vary materially from current expectations.
- The Company notes that whilst it is currently unable to provide guidance on Trading Fee revenues, it anticipates that these will be an increasing contributor to revenues in FY19.

"We are pleased to see the expected strong improvement in Symphony License Fee revenues over the coming year," said Adslot CEO Ben Dixon. "The recurring nature of these revenues underlines the value of Symphony as a growing enterprise SaaS business. Building on the strength of the Symphony business was a key focus of the Company's renewed strategy announced in February, and this is a strong step in that direction."

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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.

Future performance

This Announcement contains certain references to forecasts, estimates, assumptions and other forward-looking statements and statements regarding the intent, belief or current expectations of The Company. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Announcement contains such statements, which are subject to risk factors associated with an investment in The Company. The Company believes that these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause actual results, performance or achievements of The Company to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Announcement.