

Chairman's Address
Adslot Ltd
Annual General Meeting of Shareholders
Tuesday 27 November 2018

Ladies and Gentleman,

The 2018 financial year started off as a very challenging one for the company.

In the first half to 31 December 2017, business performance was not meeting expectations.

Strategic Review of Operations

As a result, the Board undertook an in-depth strategic review of the Company's operations in February this year. The review resulted in a number of changes within the business.

Ian Lowe resigned from the business, and Executive Director, Ben Dixon, was appointed interim CEO. I also stepped back into the business full-time to support Ben and the executive team, becoming Executive Chairman.

We narrowed the strategic focus of the business to concentrate on two core opportunities:

- Reshaping the *Symphony* business to grow Licence Fees; and,
- Focussing *Adslot Media's* sales efforts on the US market opportunity in order to drive Trading Fees.

We also implemented a significant cost-reduction program. The workforce was reduced by 20%. Savings totalled more than \$2 million on a per annum basis.

***Symphony* Licence Fees Return to Strong Growth**

The narrowing of focus saw the long-awaited *Adslot-Symphony* integration put on hold, while the Company stabilised and focused on returning the existing *Symphony* business to growth.

I am pleased to say that with more stream-lined business disciplines, processes and reporting in place, the Company made strong progress.

The Company successfully deployed *Symphony* to the Indian market on-time in June 2018, which in addition to the deployments of Turkey and Belgium earlier in the financial year, brought the total number of markets deployed for Group M in FY18 to three.

Symphony has serviced 55 agencies in 16 countries around the world to date, with more than 13,500 individual users having registered on the platform since inception. More than 58,000 individual campaigns, valued at more than \$3 Billion in value, were managed by the *Symphony* platform in FY18 alone.

Further - following a review and agreed amendments to the Company's global *Symphony* contract with GroupM - the Company was pleasingly able to provide guidance that *Symphony* Licence Fees, on a normalised basis, will increase by an expected 38.7% from \$4M to \$5.5M in financial year 2019. These are fixed, contracted revenues, with additional revenues to be derived with the launch of each individual market for GroupM, of which five are anticipated in the 2019 financial year.

The Company has subsequently announced that total Licence Fees (including non-*Symphony* Licence Fees) in FY19 are now anticipated to be \$6.1M vs \$4.6M in FY18.

***Adslot Media* Delivers Record Quarter**

With regards to *Adslot Media* and Trading Fees, the Company decided to focus its sales efforts on foreign markets, particularly the United States, recognising this was the best opportunity to grow this part of the business.

Since taking this decision, the Company saw an increase in the value of media traded on the *Adslot Media* platform in the second half of FY18, and has subsequently seen a *significant* increase in media traded on the platform in the September quarter just gone, where the value of media traded increased 4-fold from \$1.38m in the June quarter, to more than \$5.46m in the September quarter.

The total combined value of media booked via both *Adslot Media* and *Symphony* from which the Company derives Trading Fee revenue was \$8.66M for the September quarter.

The most pleasing aspect of this increased trading activity is the fact that the vast majority of the September quarter trades were repeat trades, emanating from agencies both large and small from the US, UK, Europe and Australia. The agencies involved represent some of the world's largest and most well-known brands, who are advertising on some of the biggest publisher websites globally.

Corporate Developments

From a corporate perspective, the Company made a number of announcements during the 2018 financial year, including the appointment of Felicity Conlan as Chief Financial Officer in July 2017, and as Company Secretary in October 2017. The Company also announced the appointment of Andrew Dyer as non-executive director at the end of May 2018.

Subsequent to financial year end, the Company also completed a placement of \$3.5M to mostly existing sophisticated and institutional investors.

Summary

In summary, although it was a challenging year for the Company in the first half, the second half saw much positive change and we are now starting to make tangible progress.

The Board and the Executive Team will continue to work tirelessly to maintain and grow the *Symphony* and *Adslot Media* businesses, returning the Company to consistent revenue growth and ultimately profitability.

Thanks

In closing, I'd like to take this opportunity to first thank all our loyal shareholders who have not only stuck with the Company during one of its most challenging periods, but supported the Company through further investment via the placement and on-market buying when the risks were high, and the results far from certain.

I would also like to acknowledge the commitment of the executive team and all our employees, who similarly chose to stay and support the Company throughout what has been a difficult and challenging period, from which we have emerged stronger, and with an exciting year now ahead of us.

Thank you all again for joining us today.