

Chairman's Address
Adslot Ltd
Annual General Meeting of Shareholders
Friday 22 November 2019

Ladies and Gentleman,

As most of you know, the Company narrowed the strategy of the business to focus on three key strategic priorities in the 2019 financial year.

The first strategic priority was to turn around the Company's enterprise SaaS business, *Symphony*, which had actually declined in FY18, and return it to strong growth in Licence Fee revenue. This would be achieved by focussing on more efficient deployments of the *Symphony* platform to GroupM agencies around the world.

The second strategic priority was to validate and grow the value of media traded on the *Adslot Media* marketplace, by focussing on the US and UK markets in particular, in order to drive Trading Fee revenue.

And the third strategic priority was to implement a cost reduction program to reduce the Company's operating cost base and quarterly cash burn.

I am pleased to report that FY19 saw successful execution on all key objectives, and we saw a turnaround of the business, with the Company delivering strong revenue growth and increased business performance across all strategic revenue segments, compared to the prior financial year.

This, in combination with a reduced cost base, also saw the Company achieve significant reductions in EBITDA and NPAT losses, which had been steadily increasing up until the end of financial year 2018.

Specifically, in relation to the first strategic priority, I am delighted to report that following a full year of Licence Fees from GroupM India and further successful deployments of *Symphony* into Thailand, Indonesia, the Philippines and South Africa, *Symphony* Licence Fees exceeded guidance, growing 58% from \$3.8M to \$6.1M in FY19. Combined Licence Fees from both *Symphony* and *Adslot* grew 49% to \$6.7M, also exceeding guidance.

In regards to the second strategic priority, I am also pleased to report that *Adslot Media* successfully achieved pilot validation with some large agencies in the US and UK markets. The value of media traded via the stand alone *Adslot Media* platform grew 295% from \$3.9M in FY18 to \$15.4M in FY19.

It was also a record year for the number of transactions booked via the *Adslot Media* platform, which increased by almost 400% from 143 to 709 campaign bookings. As a result, Trading Fee revenues were up 104% in FY19 versus the prior year. *Adslot Media's* ecosystem also strengthened both in terms of the number and quality of demand and supply participants.

All of this, combined with a 10% reduction in operating costs, saw the Company's EBITDA loss reduced by 59% from a \$6.3M loss in FY18 to only a \$2.6M loss in FY19, with a 40% improvement in NPAT.

FY19 also saw a significant increase in cash receipts, which grew 110% from \$8.3M in FY18 to \$17.4M in FY19. Net operating cash outflows reduced by 79% from net outflows of \$5.3M in FY18, to net cash outflows of only \$1.1M in FY19. The Company held a closing cash balance of \$8.2M at year end, supplemented by two small capital raisings supported by key major shareholders during the year.

Despite the Company's turnaround and vastly improved financial results in FY19, there is still much to do.

In this current financial year, the Company's number one priority is now growing trading volume, and the value of media traded, on the *Adslot Media* marketplace. Ben will go into this a lot deeper in his presentation, but this will be achieved by focussing on four key objectives.

The first objective is to execute Master Service Agreements, or MSAs with as many of the six global agency holding companies as possible.

The second is to activate their demand on the *Adslot Media* marketplace.

The third objective is to continue to build out the supply side of the marketplace. This will be achieved by continuing to sign the world's largest publishers to the platform to grow the variety, quality and quantity of publisher inventory.

And the fourth objective, is to continue to expand our footprint of data partners to allow buyers powerful audience targeting capabilities across our network of premium publishers. This will also help drive activation and adoption within agency holding companies.

In relation to *Symphony*, the strategic priority is pursue further market deployments with GroupM, while also engaging with new prospective clients.

And finally, from an operational perspective, we will continue to maintain cost management disciplines across the business.

In summary, in financial year 2019, we adopted new business disciplines across the organisation which allowed us to execute efficiently and effectively on our strategic objectives. We successfully turned the business around, and set it back on the right path. In doing so, we have positioned the Company in readiness to realise material trading fees from *Adslot Media* in FY20 via the execution of MSAs with agency holding companies, and the subsequent activation of demand from those agencies.

In closing, I'd like to take this opportunity to first thank all our loyal shareholders who have continued to support the Company through further investment via the placements and on-market buying.

I would also like to acknowledge the commitment of the executive team, who are singularly focussed and committed to realising strong Trading Fee revenue growth in the *Adslot Media* business in the year ahead.

Thank you all again for joining us today.