

# FINANCIAL YEAR 2020 RESULTS.

Adslot.

# FY20 - RESULTS HIGHLIGHTS.

- During FY20, the Company continued its focus on a number of key strategic priorities:
  - Securing and activating large agency groups in the US and other markets to enable strong growth in **Adslot Media** trading fees going forward;
  - Diversifying the geographical and customer footprint for the **Symphony** product; and
  - Maintaining a focus on cost management.
- Whilst the impacts of COVID-19 delayed progress with some key client activities, the Company significantly advanced its strategic priorities during the year and ongoing management of the operating cost base resulted in improved **Adjusted** EBITDA and **Adjusted** NPAT.
  - Group Revenue up 3% on PCP;
  - Revenue from Continuing Operations down 1% on PCP;
  - Licence Fee revenue up 8% on PCP;
  - Trading Fee revenues down 34% on PCP;
  - Operating costs reduced by 9% vs PCP;
  - **Adjusted** EBITDA Loss reduced 54% from (\$2.62M) to (\$1.2M); and,
  - A 28% improvement in **Adjusted** NPAT.

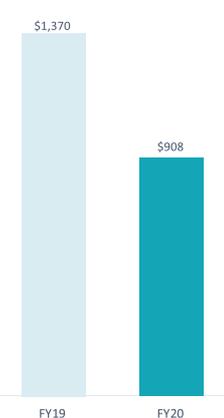
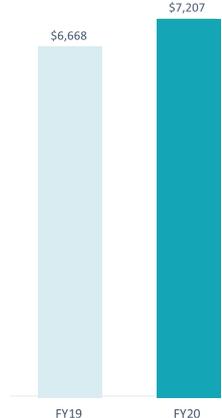
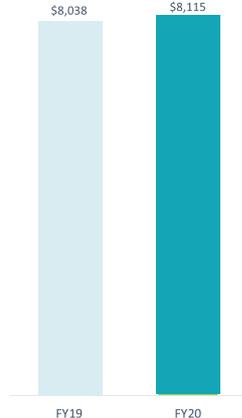
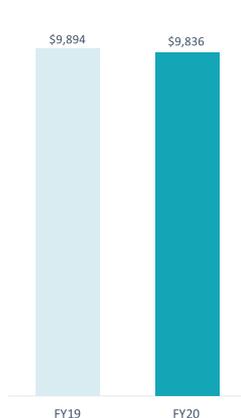
# FY20 - RESULTS HIGHLIGHTS CONTINUED.

- During FY20, the Company also saw increased cash receipts (growing 11% from \$17.4M to \$19.29M). Net operating cash outflows increased to \$3.38M and the Company had a closing cash balance of \$6.16M at year end.
- The Company also successfully completed a capital raising supported by key major shareholders during the financial year.

Note: Prior Corresponding Period (PCP) growth rates referenced are calculated against the prior financial year, being 12 months to June 2019

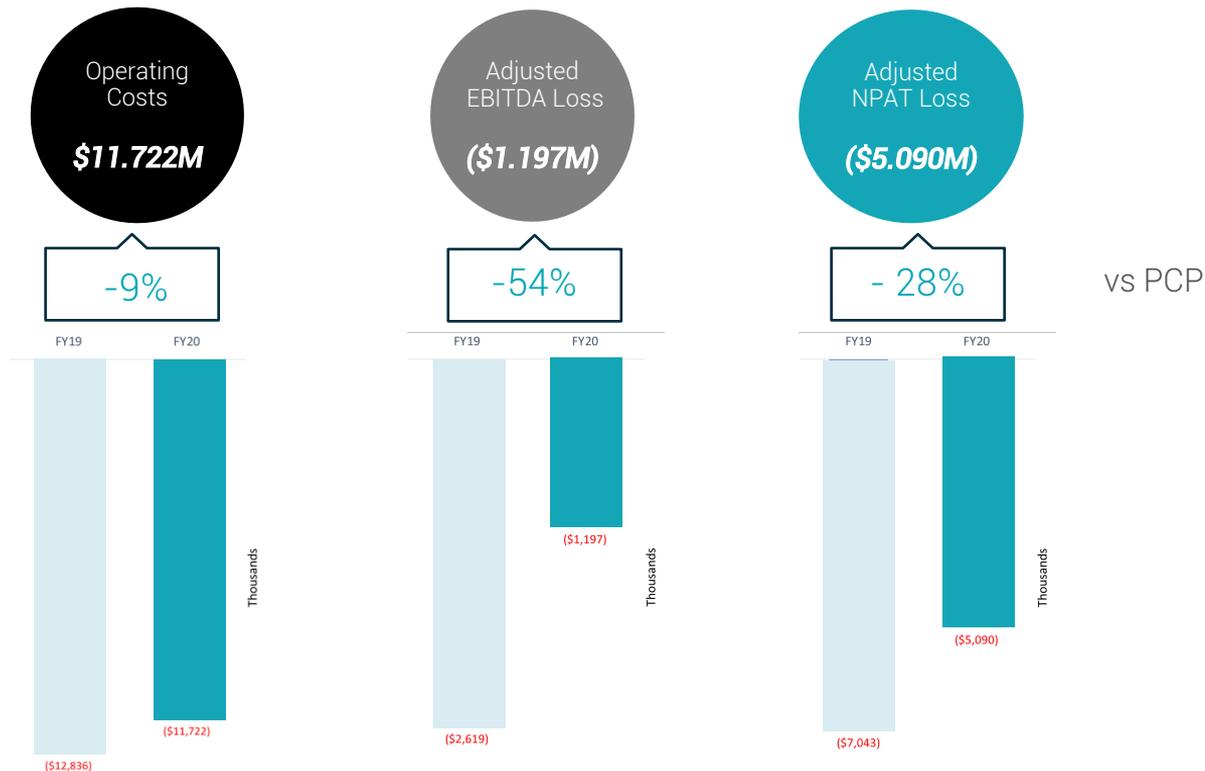
Note: Adjusted EBITDA loss and Adjusted NPAT loss is after adding back impairment of Goodwill of \$10.0M and once off provision for FY16 R&D Claim of \$1.528M to the Unadjusted EBITDA loss (\$12.725M) and Unadjusted NPAT loss (\$16.618M) as outlined in the June 2020 Financial Statements.

# DESPITE A CHALLENGING SECOND HALF, FY20 SAW CONSISTENT REVENUE ACROSS THE BUSINESS.



vs PCP

# REDUCED OPERATING COSTS, AND IMPROVED ADJUSTED EBITDA AND ADJUSTED NPAT.



Note: Adjusted EBITDA loss and Adjusted NPAT loss is after adding back impairment of Goodwill of \$10.0M and once off provision for FY16 R&D Claim of \$1.528M to the Unadjusted EBITDA loss (\$12.725M) and Unadjusted NPAT loss (\$16.618M).

# REVENUE SEGMENTS.

Three main revenue sources:

- **Licence Fees** generated primarily from **Symphony** but also from **Adslot Media**;
  - **Trading Fees** generated primarily from **Adslot Media** but also from **Symphony**; and,
  - **Services** provided to **Symphony** customers as well as services provided to SME customers by the company's **Webfirm** division.
- Licence Fees and Trading Fees combine to form **Trading Technology Revenue**. This is the strategic revenue that the business is focussed on.

## Strategic Revenue

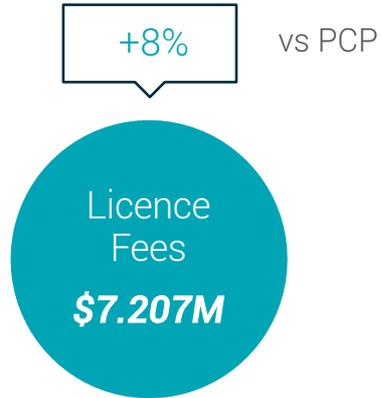


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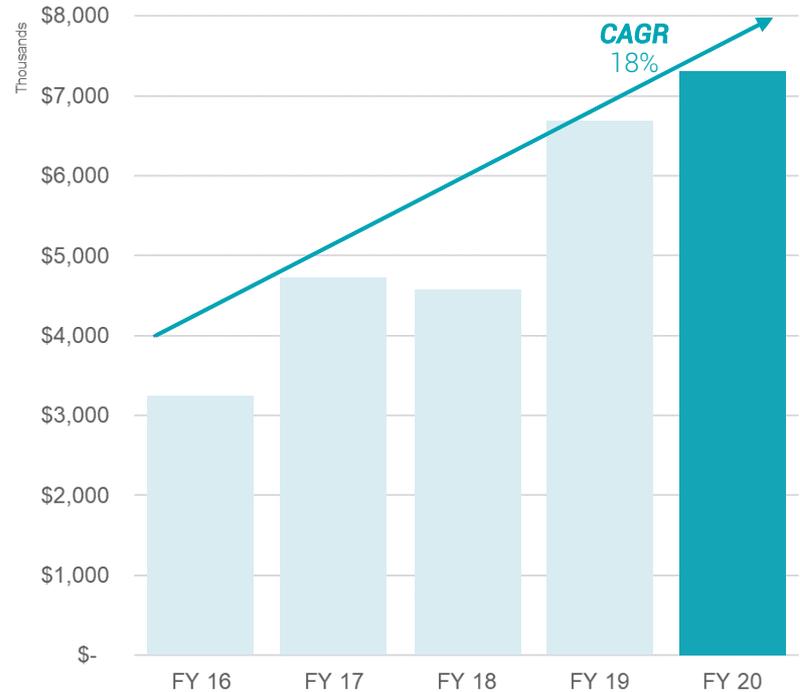
## Non-strategic Revenue



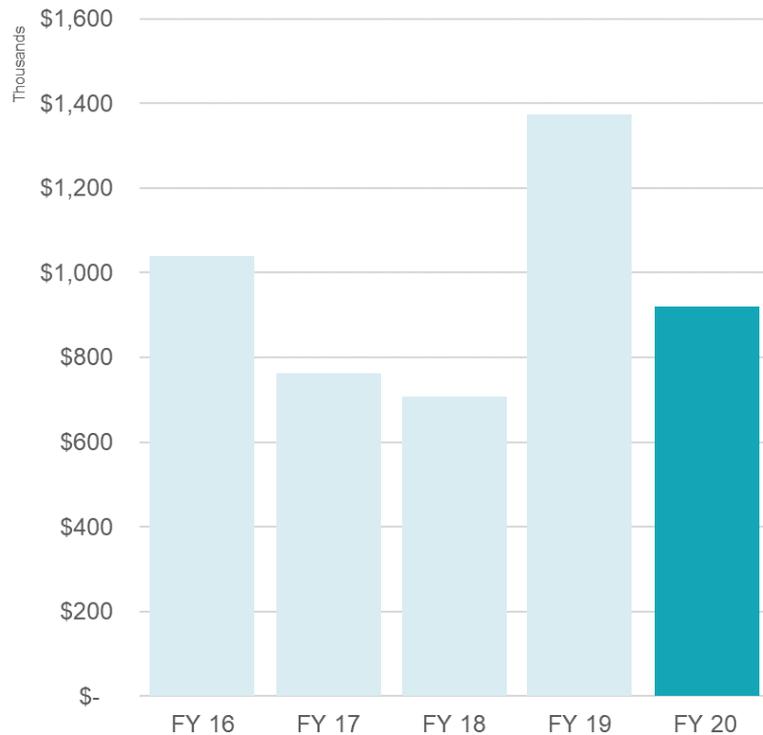
# LICENCE FEE REVENUE GROWTH.



- Licence Fees grew 8% on prior corresponding period (PCP)



# TRADING FEE REVENUE FELL BUT EXPECTED TO IMPROVE STRONGLY IN FY21.



-34% vs PCP

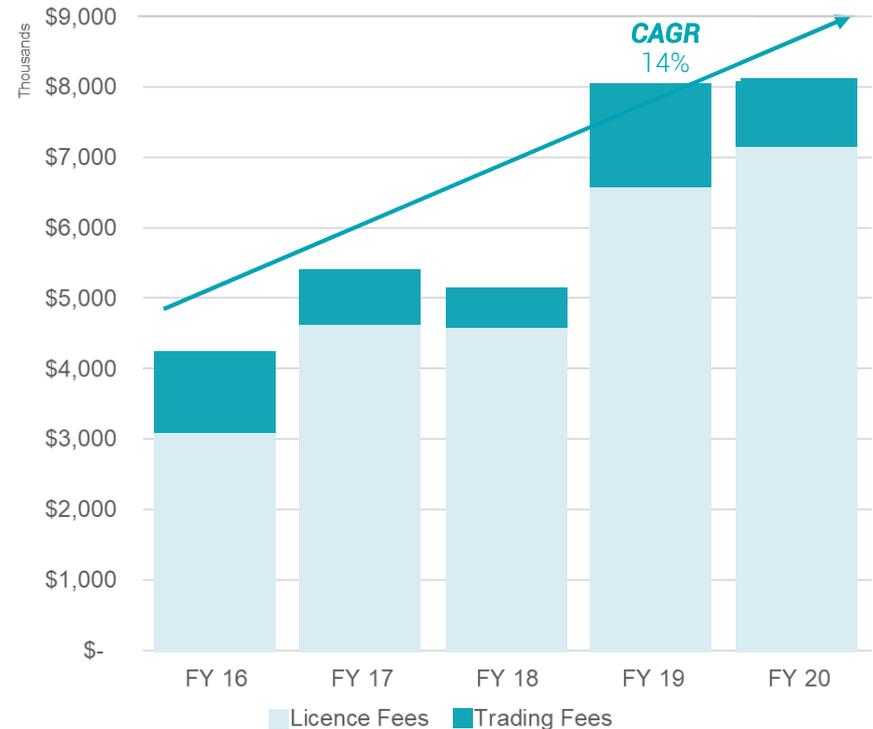
Trading Fees  
**\$0.908M**

- Note: Trading Fee revenues are invoiced and recognised in the Company accounts in the month(s) in which the advertising activity is published, and on a pro-rata basis where activity falls over multiple months.
- The value of media transactions booked on the platform, which the company announces in quarterly activity reports, reflect the value of all media traded in the relevant quarter, regardless of the dates in which the activity runs.

# TRADING TECHNOLOGY REVENUE OVERALL WAS MAINTAINED.



- Trading Technology revenue (Licence Fees and Trading Fees combined) grew by 1% on prior corresponding period (PCP).
- The increase in Trading Technology revenue was driven by a growth of \$0.539M (8%) in Licence Fees and a reduction of \$0.462M (-34%) in Trading Fees.



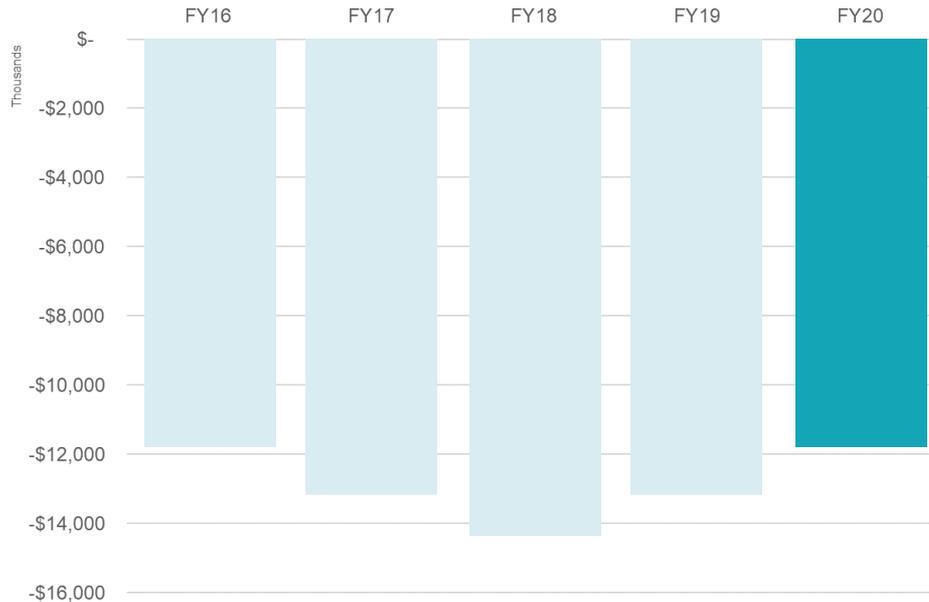
# SERVICES REVENUES DECLINED SLIGHTLY.



- The majority of services revenue comes from the Company's Webfirm services division (\$1.613M).
- Non-Strategic Services revenue of \$1.673M represents a -7% decrease on PCP.



# OPERATING COSTS REDUCED FOR SECOND YEAR.



-9%

vs PCP

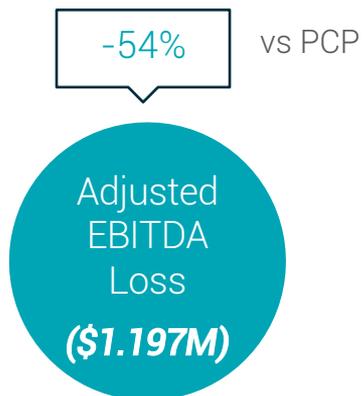
Operating  
Costs  
**\$11.722M**

- Total Operating costs of \$11.722M were 9% lower on prior corresponding period (PCP).
- Operating Costs are Total Expenses excluding Depreciation and Amortisation, interest expenses, once off R&D Provision, goodwill impairment and taxes.

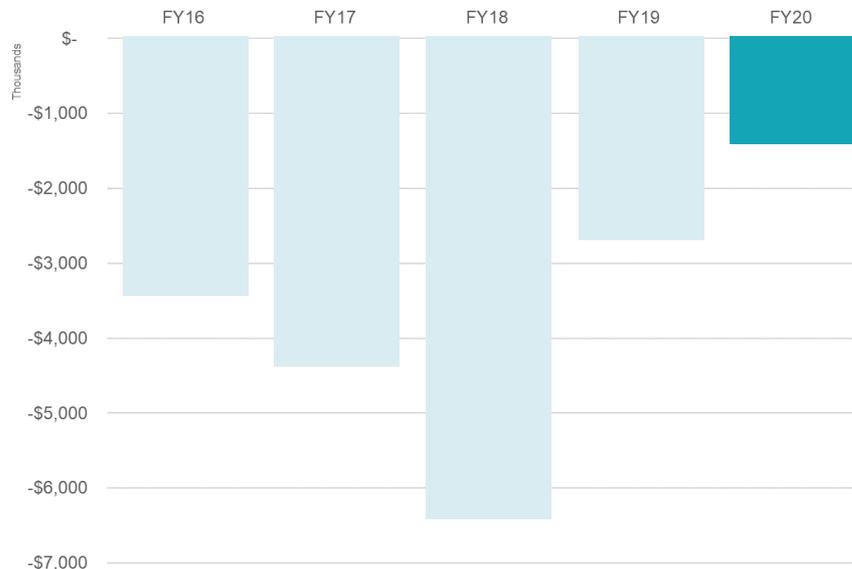
# OPERATING COSTS.

- Total Operating costs of \$11.722m for the year were 9% lower on PCP.
- Operating Costs are Total Expenses excluding depreciation and amortisation, interest expenses, once off R&D provision, intangible impairment and Taxes.
- The operating cost reduction was primarily driven by salary savings, down \$1.126M (13%) on PCP.
- A full review of the cost base was conducted following the start of the COVID-19 pandemic and appropriate reductions actioned.
- Cost reductions have been targeted to ensure:
  - No disruption to new client activation or existing client relationships.
  - continued investment in strategic and revenue-generating product development.

# SIGNIFICANTLY IMPROVED ADJUSTED EBITDA.

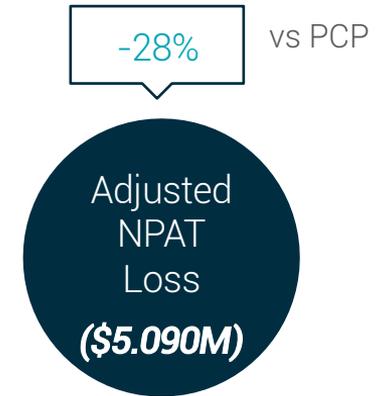
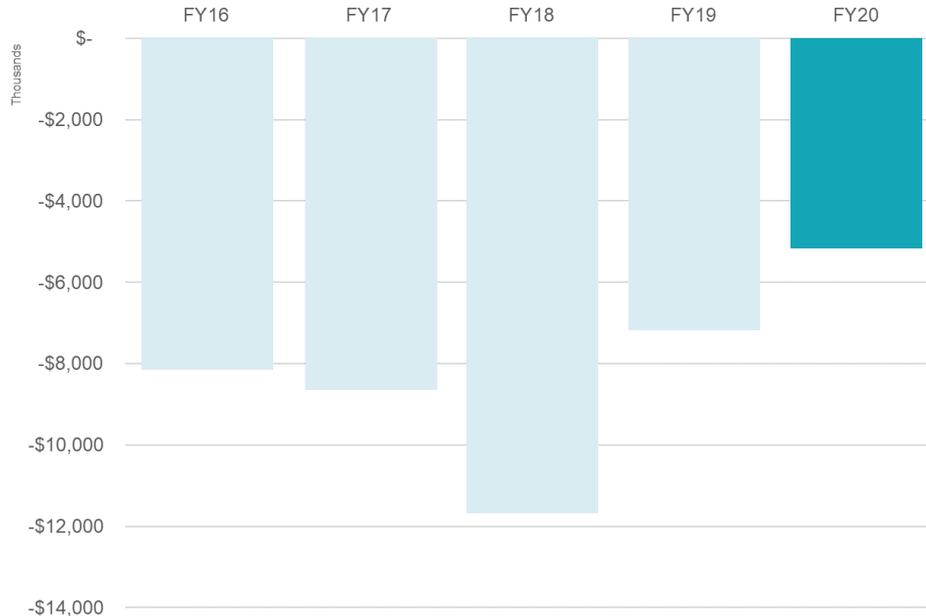


- Substantial improvement in Adjusted EBITDA for second consecutive year.



Note: Adjusted EBITDA is after adding back impairment of Goodwill of \$10.0M and once off provision for FY16 R&D Claim of \$1.528M to the Unadjusted EBITDA loss (\$12.725M) and Unadjusted NPAT loss (\$16.618M).

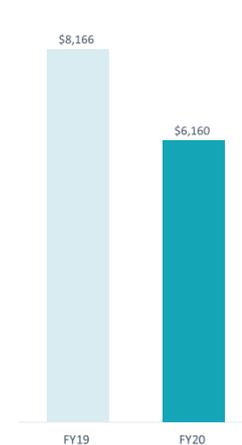
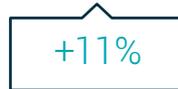
# IMPROVED ADJUSTED NPAT.



- Adjusted NPAT Loss also decreased by 28% on PCP to \$5.090M

Note: Adjusted NPAT loss is after adding back impairment of Goodwill of \$10.0M and once off provision for FY16 R&D Claim of \$1.528M to the Unadjusted EBITDA loss (\$12.725M) and Unadjusted NPAT loss (\$16.618M).

# CASH RECEIPTS, OPERATING CASH FLOWS AND YEAR END POSITION.



vs PCP

A person with long brown hair, wearing a green jacket and a backpack, stands on a rocky cliff edge. They are holding hands with another person whose arm is visible in the foreground. The person is pointing towards a valley below. The scene is set during sunset, with warm orange and yellow light illuminating the landscape. The valley contains a road, a parking lot with several cars, and a river winding through the trees. The background shows rolling hills and mountains under a hazy sky.

**STRATEGY UPDATE.**

# MARKET CONDITIONS.

Despite considerable uncertainty caused by the COVID-19 pandemic the Company remains positive on the prospects for the **Adslot Media** product in the coming year.

- Client engagement and sales pipeline have remained high over the past 6 months.
- Trading activity improved significantly in the June 2020 quarter (up 84% QoQ) and strong growth is expected to continue over coming quarters.
- Advertising spend in key markets including the US is expected to improve over the remainder of 2020 and in to 2021.
- **Adslot Media** is well positioned to take advantage of the accelerating transition of media trading to platforms driven by COVID-19 and the resulting cost pressures on agencies and publishers.





## FY21 STRATEGIC OBJECTIVES.

Key strategic objectives for FY21 are:

- Drive activation and trading activity from previously signed global agency holding companies.
- Execute Master Service Agreements (MSAs) with the 3 remaining global agency holding companies.
- Expand sources of supply on the **Adslot Media** marketplace to meet growing demand.
- Further explore opportunities to activate the **Adslot Media** marketplace with existing **Symphony** customers; and
- Maintain focus on cost management.

# AGENCY HOLDING COMPANIES.

The Company has made strong progress in progressing MSAs with the 6 global agency holding companies:

- MSAs executed with Interpublic Group (IPG), Dentsu and Havas during the 2020 Financial Year;
- Additional holding company has commenced trading whilst MSA in legal review; and
- Pilot with further agency holding company scheduled for September 2020 quarter.



# THE AGENCY LANDSCAPE.

MSA Signed

Hold Co	Media Division	Media Agencies	Trading Desks
	<b>IPG MEDIABRANDS</b>	 initiative <b>MEDIAHUB</b> <b>Deutsch</b>	<b>matterkind</b>
	<b>dentsu</b> <b>ÆGIS</b> network	 Carat <b>dentsu x</b> 	
			
		  <b>SPARK</b> FOUNDRY <b>DIGITAS</b>	
<b>WPP</b>	<b>groupm</b>	<b>MINDSHARE</b>  <b>MEDIACOM</b> 	 
<b>Omnicom</b>	<b>Omnicom</b> MediaGroup	  Hearts & Science <b>phd</b>	  <b>omni</b>

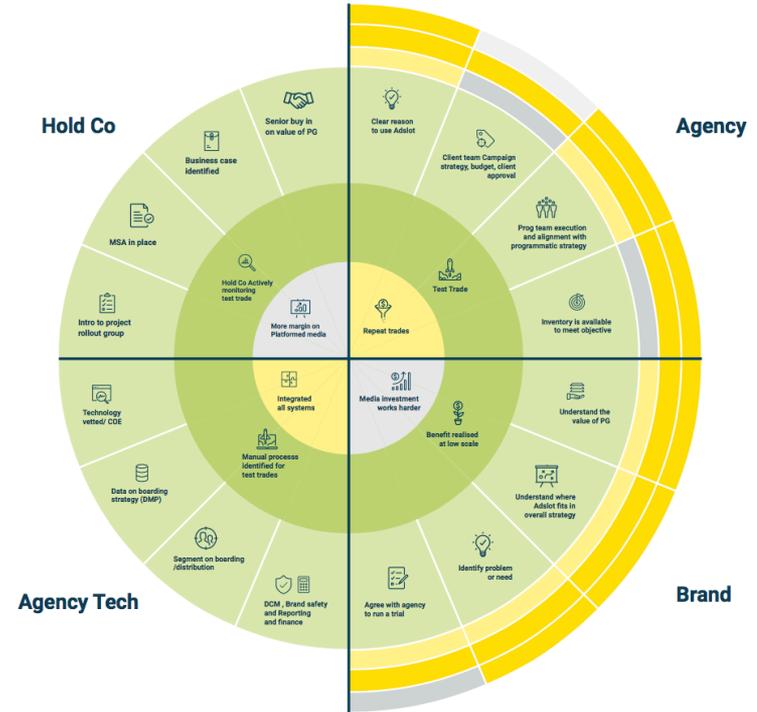
# AGENCY HOLDING COMPANIES.

We have also now carefully mapped out the required steps post MSA to scale adoption and trading and we ARE activating this plan now:

- Integration with internal agency systems and workflow.
- Onboarding of required customer data sets for targeting
- Identification and engagement with individual brand account teams.
- Synchronisation with agency planning cycles

The identification and execution of this activation plan creates a significant strategic advantage for Adslot:

- **Adslot Media** becomes a critical connection point for platforming of digital media trading.
- Solving complex activation problems creates incumbency generated with agency and brand teams
- Barriers to entry for alternative trading solutions



# GROWING SUPPLY IN OUR MARKETPLACE.

We have already built a highly credible base of supply in the **Adslot Media** marketplace:

- Almost 50% of the Comscore Top 50 publishers are available on the **Adslot Media** marketplace in the US; and
- Additional prominent publishers added to the marketplace throughout the year.

There are growing opportunities for publisher driven demand and specific instances of the **Adslot Media** marketplace:

- Numerous publishers on the platform now recommending trading to their own sources of demand; and
- Increasing opportunities for bespoke marketplaces for partners to curate their own supply and offer to specific sources of demand.



# ADSLOT'S COMMUNITY OF PUBLISHERS.

	CONDÉ NAST			Bloomberg	BUSINESS INSIDER		
							
	GANNETT				The Washington Post		
				VOGUE	HEARST		
bon appétit							

\*partial list



## **COST MANAGEMENT FOCUS.**

The Company has continued its commitment to cost management.

- Operating costs reduced by 9% on PCP. This follows a previous reduction of 10% in FY2019 (vs PCP).
- Operating expenses focused on key strategic areas that will drive revenue growth.
- Reductions in costs and associated headcount have had no impact on key client relationships or product development.
- Rigorous focus on costs to remain in FY2021.

# THE YEAR AHEAD.

Adslot is well positioned for growth in FY2021.

- Industry desire for greater efficiency in media trading has accelerated post COVID-19, and this is creating significant opportunity for platforms such as **Adslot Media** and **Symphony**.
- Activation planning in the US is well advanced and will see us deliver on the value of the agency MSAs signed during FY2020.
- The sales pipeline remains strong in regions across the world with both agencies and publishers.
- The cost base of the business has been reduced whilst maintaining product development velocity and sales momentum.



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**THANK YOU.**

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