

ASX Announcement

10 December 2020

## Adslot Announces \$4.0M Share Placement

**Adslot Ltd** (ASX:ADS) (Adslot or Company) is pleased to announce the successful closing of a \$4.0 million share placement (**Placement**) to new and existing institutional and sophisticated investors.

The Company was pleased to experience strong demand from a variety of investors, welcoming participation from new and existing institutional investors, existing shareholders and directors of the Company.

The Company's shares will recommence trading from market-open today, 10 December 2020.

Funds raised will be used to continue execution of the Company's strategy with a focus on the development of trading fees via the *Adslot Media* Marketplace in the US market.

### Placement details

The Placement involves the issue of 138,000,001 new, fully paid ordinary shares (**New Shares**) at \$0.029 per New Share (**Offer Price**) to raise \$4.0 million (before costs). The issue of 11,310,345 of the New Shares will be subject to shareholder approval (as described below).

The Offer Price represents:

- A discount of approximately 5.8% to the Volume Weighted Average Price (VWAP) for the 30-day period up to and including 7 December 2020 (the last day of trading prior to the trading halt in connection with the Placement), which was \$0.031.
- A discount of approximately 12.1% to the closing price on 7 December 2020, which was \$0.033.

The Placement will be conducted in two tranches. The first tranche (**Tranche 1**) comprising 126,689,656 New Shares at the Offer Price (\$3.67M) will be placed to sophisticated and institutional investors utilising the Company's 15% capacity under Listing Rule 7.1. Tranche 1 is expected to settle on Tuesday, 15 December 2020 and the New Shares are expected to be issued and commence trading on Wednesday, 16 December 2020.

The second tranche (**Tranche 2**) of 11,310,345 New Shares at the Offer Price (\$0.33M) will be placed to related parties (being Directors Andrew Barlow, Adrian Giles, Sarah Morgan and Andrew Dyer, and/or their related entities) and are accordingly subject to shareholder approval at the Annual General Meeting to be held in late January 2021. Assuming Tranche 2 is approved by shareholders, those New Shares are expected to be issued and commence trading shortly after the Annual General Meeting.

New Shares issued under the Placement will rank equally with Adslot's existing ordinary shares on issue.

New Shares issued under the Placement will represent approximately 7.48% of Adslot's existing share capital. On completion of the Placement, the Company will have 1,982,006,270 ordinary shares on issue.

### Use of funds

The Placement is being undertaken to provide additional working capital in order to maintain current velocity in *Adslot Media* product development and sales resourcing in anticipation of increased trading fee revenues through 2021.

The funds raised in the Placement will be applied to:

- support the continued product development \$0.5M and sales and marketing of Adslot Media \$1.7M;
- strengthen the balance sheet and provide additional working capital \$1.5; and
- pay transaction costs \$0.3M.

# Adslot.

## Additional Disclosure

In line with the Company's continuous disclosure obligations in the context of a capital raising, the Company makes the following disclosure:

### *GroupM contract negotiations*

The Company is currently in negotiations with GroupM regarding mutually beneficial amendments to the terms of the multi-market *Symphony* licence agreement first announced in August 2016.

Negotiations are currently incomplete, however the Company believes that key terms are likely to include:

- A multi-year extension of the term of the agreement;
- An annualised reduction in development and resourcing fees payable to the Company of approximately \$500,000 per annum, not related to market deployments;
- A cap on monthly market tier-related licence fees as at March 2020 levels for calendar 2020; and
- Market tiers and licence fees to revert to uncapped levels on 1 January 2021, resulting in increased licence fees in three active markets from 1 January 2021.

Further the Company notes that it anticipates additional market deployments under this agreement in calendar year 2021, which would result in further increased licence fee revenues.

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For further enquiries, please contact:

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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.