

ADSLLOT LIMITED

Annual General Meeting

Friday 27 November 2015 at 11:00AM

Offices of Grant Thornton, Level 30, 525 Collins St, Melbourne

CHAIRMAN'S ADDRESS

Ladies and Gentlemen.

The 2015 Financial Year marked another year of steady progress for the Company, but was a pivotal year in one important respect. Over the past 12 months, **Adslot** has achieved unambiguous validation of its technology and the value it creates for the media industry.

As you know, the Company continues to position itself to capitalise on the shift away from manual media buying processes towards automated trading of premium digital advertising. And we are now seeing this strategy validated in all key metrics across the business.

From a revenue perspective: the long-awaited arrival of meaningful Trading Technology revenues finally emerged, becoming the largest revenue segment for the Company, growing 69% on the last financial year. This was in part driven by the significant increase in the value of media traded via Adslot Marketplace (up 437% on FY14).

Revenues from continuing operations and total income were both up 28% and 26% respectively on the prior corresponding period, and the Company's EBITDA loss was reduced by 32%.

From a cash-flow perspective, receipts from trade and other creditors grew 73% year on year, from \$4.78m to \$8.28m, while net cash outflows from operating activities were reduced by 43%.

In terms of capturing media buying demand: in the twelve months to 30 June 2015, we saw the annualised value of digital ad spend via *Symphony* grow by 39% from \$1.65 billion to \$2.3 billion. Growth in *Symphony* spend was due to an increased investment from existing customers, and the signing of further *Symphony* contracts with major agencies across the world. New clients signed over the year included **Starcom MediaVest** in Australia (one of Australia's largest media buying agencies); **Haworth** in the US; and **Goldbach** in Europe.

On the "supply-side" (or "publisher" side of the business), we signed partnership agreements in the United States with two of the biggest brand-name publishers in the world: **Microsoft** and **Yahoo**. We are slowly moving towards integration with these companies, as they wait for the industry to adopt standard protocols by which premium ad inventory can be made available via platforms such as Adslot.

On this note, I am pleased to advise that Adslot has taken an active leadership role in designing the "Open Direct" standard protocols for *automated guaranteed*, to be adopted by the **Internet Advertising Bureau** by the end of the year. Once these protocols are confirmed, we will prioritise integration projects with **Yahoo** and **Microsoft** to be completed shortly after, and we expect to see meaningful trading volume for this premium inventory.

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In addition, during the 2015 financial year we signed global partnership agreements with two of the largest software platform vendors to publishers, **Operative** and **Pubmatic**.

Innovation is at the core of everything **Adslot** does. We take a design-led approach to building the best user interfaces and user experiences in the world, combined with seamless, efficient functionality. This has allowed us to maintain product leadership and superiority as it pertains to the trading of forward guaranteed inventory.

In August 2014, we announced the launch of *Adslot Media's* first integration with *Symphony*, followed up in April 2015 with a significant integration update. This update allowed true automation from media planning via *Symphony*, straight through to campaign execution, management and reporting via *Adslot Media*.

Through a collaboration with **Neilsen**, we are now also able to provide enhanced planning tools based on audience demographics.

From a corporate perspective, in July 2014 we raised \$6.5m via a share placement to sophisticated and institutional investors to allow the Company to move quicker on a lot of these ambitious projects. We also welcomed another independent director to the Board, Sarah Morgan, who now chairs the Company's Audit & Risk Committee.

All in all, it's been a big year, with considerable progress having been made – but as I said last year, the race is still far from over. It feels like it's been a long time coming, but FY15 has shown very good signs that our original vision for **Adslot** is proving not only realistic and achievable, but is now within reach.

As the industry continues to shift towards the automation of premium media buying and campaign execution, **Adslot** is at the forefront and will continue to strategically position itself to capitalise on this shift. We expect to see further validation and growth in the 2016 financial year.

I'd like to thank all our loyal shareholders for their continued support in FY15, and all our hard-working employees who have consistently pushed themselves during the period to make steady progress towards our ultimate goal: to become the leading platform for trading premium digital advertising globally.

Thanks for joining us on this journey.