



Adslot Limited
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3205 Australia



Facilitate Digital Holdings Limited
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Surry Hills NSW
2010 Australia

ASX ANNOUNCEMENT

12th September 2013

ADSLOT TO ACQUIRE FACILITATE DIGITAL

- **Adslot to acquire Facilitate Digital via a Scheme Of Arrangement**
- **The combined business will bring together supply at scale and demand at scale into a single media trading platform**
- **By integrating the companies digital workflow and trading technologies, over A\$800m of premium display agency ad spend from Facilitate Digital agencies will be available to trade directly with Adslot publishers**
- **An expanded global footprint, including sales offices in Sydney, Melbourne, New York, San Francisco, London, Hamburg, Shanghai and Auckland**
- **Enlarged cash position and access to immediate compliance related cost synergies**
- **Facilitate Digital shareholders to receive Adslot Shares and to hold 28 per cent of the enlarged Adslot**

Adslot Limited (ASX:ADJ, **Adslot**), a global provider of online display media trading technology, and Facilitate Digital Holdings Limited (ASX:FAC, **Facilitate Digital**), a global provider of digital workflow and trading technology for media agencies, today announced they have entered into an agreement under which Adslot will acquire Facilitate Digital via a recommended scheme of arrangement between Facilitate Digital and its shareholders (**Scheme**).

Strategic Rationale

The acquisition will combine Adslot's expertise in media trading technology for publishers with Facilitate Digital's leading platform for media buyers.

Adslot Chairman Adrian Giles said:

"Adslot's vision is to become the world's leading provider of premium display media trading technology. Our strategy is to create a dynamic marketplace in which buyers and sellers of premium display media can trade seamlessly and with greater efficiency."

"Since the global launch of Adslot Publisher in October 2012, we have signed more than 650 online publishers to our platform, building a significant catalogue of supply in the process."

"Facilitate Digital's Symphony technology is being deployed by a large and growing global community of media agency buyers across Australia, Asia, Europe and the United States. More than A\$800m per annum of display media transactions flow through Symphony. By linking this large and growing media spend to Adslot's rapidly growing catalogue of premium ad inventory, we can offer both publishers and

agencies improved efficiency and scalability, and simultaneously reduce their costs. In turn, this integration of buyers and sellers will drive liquidity in our marketplace.

"This arrangement makes Adslot one of the first companies in the world to bring both supply and demand for premium display inventory under one roof."

Facilitate Digital's CEO Ben Dixon, said:

"Facilitate Digital's agency workflow product Symphony has been adopted in multiple markets by some of the world's largest agency groups, including WPP and Interpublic, and we continue to grow the number of media agencies using the technology throughout Australasia, Asia, Europe and the United States.

"It has been our intention to introduce real-time media trading to our agency customers in order to establish transactional revenues. The arrangement with Adslot allows us to pursue this more rapidly, whilst offering our agency customers the synergy of Facilitate Digital's demand side technology and experience, in combination with Adslot's supply side technology and experience.

"On this basis, we can provide media agencies with a genuinely differentiated and compelling proposition, and do so under a commercial model that has the potential to significantly increase the size of our revenue opportunity."

Adslot's acquisition of Facilitate Digital is expected to deliver significant benefits.

Expected benefits to Adslot and Adslot Shareholders

- A more rapid execution of its strategic vision
- Access to advertising demand at scale (over A\$800m per annum)
- Ownership of a proven, incumbent buy side technology (Symphony)
- Greater scale, including a combined sales organisation encompassing Australia, New Zealand, China, Germany, UK and US
- Enlarged Group cash position and access to immediate compliance related cost synergies
- Based on FY13, a 111% increase in Group revenue
- Based on FY13, a A\$1.18m positive contribution to Group EBITDA

Expected benefits to Facilitate Digital and Facilitate Digital Shareholders

- A more rapid execution of its strategic vision
- Real time access to the premium display inventory of more than 650 publishers across the globe
- Greater scale, including a combined sales organisation encompassing Australia, New Zealand, China, Germany, UK and US
- Enlarged Group cash position and access to immediate compliance related cost synergies
- Greater liquidity for shareholders through their holding of Adslot shares
- A significant valuation premium

Ben Dixon will undertake a staged transition to the role of Adslot Group Chief Operating Officer, including responsibility for the continued management of the Facilitate Digital business. Ian Lowe will assume responsibilities of Group CEO.

Transaction Summary

Under the Scheme, Facilitate Digital's shareholders will be offered 1.216 new Adslot shares for each Facilitate Digital share they hold. The enlarged Adslot will be approximately 28 per cent owned by current Facilitate Digital shareholders.

Based on Adslot's 90-day volume weighted average price (VWAP) of A\$0.055 on 11 September 2013, the Adslot offer values Facilitate Digital at A\$15 million, or A\$0.067 per share. This equates to 2.9 times Facilitate Digital's FY13 revenue and 12.8 times Facilitate Digital's FY13 EBITDA.

Following implementation of the Scheme, Geoff Dixon (the largest shareholder of Facilitate Digital) and Ben Dixon (the current CEO of Facilitate Digital) will join the Adslot board.

The Scheme is unanimously recommended by the boards of both companies.

Facilitate Digital Board Recommendation and Intentions

Facilitate Digital's directors unanimously recommend that Facilitate Digital shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in shareholders best interests.

Subject to those two qualifications, each Facilitate Digital Director intends to vote in favour of the Scheme in respect of their own holdings in Facilitate Digital.

Timetable and Conditions

The Scheme is subject to minimal conditions comprising:

- usual regulatory approvals from ASIC and the Court;
- Facilitate Digital shareholder approval;
- receipt of an independent expert's report confirming that the Scheme is in the best interests of Facilitate Digital shareholders;
- no Material Adverse Change (as defined in the Scheme Implementation Deed) occurring to either Facilitate Digital or Adslot; and
- no Prescribed Occurrence (as defined in the Scheme Implementation Deed) occurring in relation to either Adslot or Facilitate Digital

The full conditions are included in the executed Scheme Implementation Deed, which accompanies this announcement.

Facilitate Digital has agreed to give typical deal protections to Adslot including exclusivity undertakings and payment of a break fee of A\$300,000 in certain circumstances where the Scheme does not proceed. Full details of these deal protections are included in the executed Scheme implementation Deed which accompanies this announcement.

It is expected that:

- an Explanatory Booklet will be despatched to Facilitate Digital shareholders by early November 2013 – this will contain full details in relation to the Scheme, an Independent Expert's Report, a notice convening the Scheme meeting and a proxy form,
- the meeting of Facilitate Digital shareholders to vote on the Scheme will be held by early December 2013; and
- the Scheme will become effective by mid December 2013 and fully implemented shortly thereafter.

Advisers

Canterbury Partners is acting as financial adviser to Adslot and Minter Ellison is acting as legal adviser to Adslot.

Atlas Technology Group is acting as financial adviser to Facilitate Digital and Cooper Grace Ward is acting as legal adviser to Facilitate Digital.

Enquiries

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