

4 November 2013

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

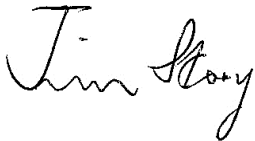
Dear Sirs

Re: Scheme Explanatory Booklet Amendments

There are some minor amendments to the Scheme Explanatory Booklet which was lodged on 31st October. These are that the Contents page has been updated with new page numbering and the Notice of Scheme Meeting was moved to its correct place under Appendix 3.

Attached is a copy of the revised Scheme Explanatory Booklet which is being sent to shareholders very shortly.

Yours sincerely



Jim Story
Company Secretary



**Facilitate Digital Holdings Limited
ACN 093 823 253**

Explanatory Booklet

For the scheme of arrangement in relation to the proposed acquisition of all of your Facilitate Shares by Adslot Ltd

The Notice of Scheme Meeting is included in Appendix 3 to this Explanatory Booklet. The proxy form for the Scheme Meeting accompanies this Explanatory Booklet. The Scheme Meeting will be held from 3.00pm on Wednesday, 4 December 2013 at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010.

VOTE IN FAVOUR

YOUR VOTE IS IMPORTANT IN DETERMINING WHETHER THE SCHEME PROCEEDS.

YOUR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME, IN THE ABSENCE OF A SUPERIOR PROPOSAL.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR URGENT ATTENTION.

If you are in any doubt as to how to deal with this Explanatory Booklet, please consult your legal, financial, taxation or other professional adviser immediately. If after reading this Explanatory Booklet you have any questions about the Scheme, please call Facilitate on 02 9690 3900 (within Australia) or 61 + 2 9690 3900 (outside Australia) Monday to Friday between 9.00am and 5.00pm (Sydney time).



Legal Adviser to Facilitate



Financial Adviser to Facilitate

Overview of this Explanatory Booklet

What is this Explanatory Booklet for?

This Explanatory Booklet has been sent to you to help you understand the terms of a proposed scheme of arrangement between Facilitate and its Shareholders under which all of your Facilitate Shares will be acquired by Adslot in exchange for New Adslot Shares (**Scheme**).

The effect of the Scheme is that Adslot will acquire 100% ownership and control of Facilitate.

The Scheme is subject to the approval of Facilitate Shareholders, so this Explanatory Booklet includes information relevant to your decision as a Facilitate Shareholder whether to approve the Scheme.

What you should do next

Read this Explanatory Booklet

This Explanatory Booklet contains information that is material to your decision whether or not to vote in favour of the Scheme. Accordingly, you should read and carefully consider the information in this Explanatory Booklet to help you make an informed voting decision.

Facilitate Shareholders should refer in particular to Section 4 for guidance on the advantages, disadvantages and other considerations relevant to the Scheme. Answers to some frequently asked questions are included in Section 2.

This Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Facilitate Shareholder. If you have any queries in relation to how the Scheme may affect your specific financial situation, investment objectives or other particular needs, you should consult your legal, financial, taxation or other professional adviser before making any decision in relation to your Facilitate Shares and how to vote at the Scheme Meeting referred to below.

Vote on the Scheme

As a Facilitate Shareholder, you have a say in whether or not the Scheme proceeds.

You can vote at the Scheme Meeting:

- by proxy, using the enclosed proxy forms; or
- in person, by attending the Scheme Meeting to be held on Wednesday, 4 December 2013 at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010, commencing at 3.00pm.

If you vote by proxy, your proxy form must be received by the Facilitate Share Registry (whether in person, by mail or by fax) by 3.00pm (Sydney time) on Monday, 2 December 2013, for your vote to be counted.

Further information relating to voting is contained in Section 3, in the notice of meeting in Appendix 3 and in the proxy form for the Scheme Meeting which accompany this Explanatory Booklet.

Is the Scheme in the best interests of Facilitate Shareholders?

✓ The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is **FAIR AND REASONABLE** and in the **BEST INTERESTS** of Facilitate Shareholders.

The Independent Expert's Report is included in Appendix 1 to this Explanatory Booklet.

What do the Facilitate Directors Recommend?

✓ Your Directors **UNANIMOUSLY RECOMMEND** that you vote **IN FAVOUR OF** the Scheme, in the absence of a Superior Proposal. Your Directors intend to vote all Facilitate Shares they hold or control **IN FAVOUR OF** the Scheme, in the absence of a Superior Proposal.

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Important Dates and Times

All references to time in this Explanatory Booklet are references to the time in Sydney, Australia unless otherwise stated.

Event	Date (and time)
First Court Hearing at which the Court made orders convening the Scheme Meeting.	30 October 2013
Last time and date by which proxy forms for the Scheme Meeting must be received by the Share Registry (whether in person, by mail or by fax).	3.00pm on Monday, 2 December 2013.
Time and date for determining eligibility to vote at the Scheme Meeting.	7.00pm on Monday, 2 December 2013
Scheme Meeting.	3.00pm on Wednesday, 4 December 2013
<p>All dates and times in the remainder of this timetable are indicative only and, among other things, are subject to all necessary approvals from the Court and Regulatory Authorities. Any changes to the remainder of this timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on Facilitate's website at http://www.facilitatedigital.com.</p>	
Second Court Hearing to obtain orders approving the Scheme.	Monday, 9 December 2013
Lodgment by Facilitate of the Court orders approving the Scheme with ASIC (Effective Date of the Scheme).	Monday, 9 December 2013
Suspension of trading in Facilitate Shares on ASX	Thursday, 12 December 2013
Commencement of trading on ASX of New Adslot Shares, initially on a deferred settlement basis	10.00am on Thursday, 12 December 2013
Record Date: time and date for determining entitlements to Scheme Consideration	7.00pm on Monday, 16 December 2013
Implementation Date:	Tuesday, 24 December 2013

Important Notices

General

You should read the whole of this Explanatory Booklet before making a decision on how to vote on the resolution to be considered at the Scheme Meeting. The notice convening the Scheme Meeting is contained in Appendix 3. The proxy form for the Scheme Meeting is enclosed with this Explanatory Booklet.

Defined terms

Capitalised terms in this Explanatory Booklet are defined either in the Glossary in Section 13 of this Explanatory Booklet or where the relevant term is first used.

Purpose of this Explanatory Booklet

The purposes of this Explanatory Booklet are to:

- explain the terms and effect of the Scheme to Facilitate Shareholders;
- explain the manner in which the Scheme will be considered and, if approved, implemented;
- state any material interests of the Directors, whether as directors, members or creditors of Facilitate or otherwise, and the effect on those interests of the Scheme as far as that effect is different from the effect on similar interests of other persons; and
- provide the information as is prescribed by the Corporations Act and the regulations to that Act or as is otherwise material to the decision of Facilitate Shareholders whether to approve the Scheme.

This Explanatory Booklet (other than Appendices 2 to 5 inclusive) constitutes the explanatory statement for the Scheme as required by section 412(1) of the Corporations Act.

No financial product advice

The information contained in this Explanatory Booklet is not financial product or investment advice. This Explanatory Booklet has been prepared without taking into account your investment objectives, financial situation, taxation position or other particular needs. Before deciding how to vote or act, Facilitate Shareholders and others should consider the appropriateness of the information having regard to their own investment objectives, financial situation, taxation position and other particular needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Neither Facilitate nor Adslot is licensed to provide financial product advice in respect of Facilitate Shares or any other financial products.

Responsibility for information

The Adslot Information contained in this Explanatory Booklet has been prepared by and is the responsibility of Adslot. Facilitate does not assume any responsibility for the accuracy or completeness of the Adslot Information.

The Joint Information contained in this Explanatory Booklet has been prepared by and is the joint responsibility of Adslot and Facilitate.

Pitcher Partners CF has prepared the Independent Expert's Report in relation to the Scheme in Appendix 1 and takes responsibility for that report.

Other than in respect of the information identified above, the information contained in the remainder of this Explanatory Booklet has been prepared by Facilitate and its advisers and is the responsibility of

Facilitate. Adslot does not assume responsibility for the accuracy or completeness of any part of this Explanatory Booklet other than the Adslot Information and the Joint Information.

Facilitate Shareholders outside Australia and New Zealand

This Explanatory Booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions. This Explanatory Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Restrictions in jurisdictions outside Australia and New Zealand may make it impractical or unlawful for New Adslot Shares to be issued under the Scheme to, or be received under the Scheme by, Facilitate Shareholders in those jurisdictions. Facilitate Shareholders whose registered addresses in the Share Register are outside Australia or New Zealand should refer to Section 11.5(f) for more information as to how the New Adslot Shares to which they would otherwise be entitled will be dealt with.

Facilitate Shareholders resident outside Australia for tax purposes should also seek specific taxation advice in relation to the Australian and overseas taxation implications of their participation in the Scheme.

Facilitate Shareholders resident in New Zealand

The offer of New Adslot Shares to New Zealand resident Facilitate Shareholders will comply with the laws of Australia applicable to the offer of New Adslot Shares and be made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 2013. Therefore, Adslot is not required to register a New Zealand prospectus or prepare and distribute a New Zealand investment statement to New Zealand resident Facilitate Shareholders in respect of the offer of New Adslot Shares.

It is a term of the offer of the New Adslot Shares to New Zealand resident Facilitate Shareholders that such offer will comply with the laws of Australia and any code, rules, or other requirements relating to the offer of the New Adslot Shares applicable in Australia.

ASIC and ASX

A copy of this Explanatory Booklet has been provided to ASIC for the purpose of section 411(2) of the Corporations Act, and registered by ASIC for the purpose of section 412(6) of the Corporations Act.

ASIC has examined a copy of this Explanatory Booklet. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme. The Scheme has not been proposed by Facilitate or Adslot for the purpose of enabling any person to avoid the operation of any of the provisions of Chapter 6 of the Corporations Act.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Booklet.

A copy of this Explanatory Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Explanatory Booklet.

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT

The fact that under section 411(1) of the Corporations Act the Court has ordered on Wednesday, 30 October 2013 that a meeting of Facilitate Shareholders be convened by Facilitate to consider and vote on the Scheme and that the Court has approved this Explanatory Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Facilitate Shareholders should vote on the Scheme (on this matter Facilitate Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Explanatory Booklet.

Forward looking statements

Certain statements in this Explanatory Booklet are about future matters, including forward looking statements. These forward looking statements and information, including statements and information relating to Facilitate and the transactions contemplated by the Scheme Implementation Deed, are not based solely on historical facts, but rather reflect the current expectations of Facilitate or, in relation to the Adslot Information, Adslot, concerning future results, events or other matters. These statements may sometimes be identified by the use of forward looking words or phrases such as *if, when, believe, aim, will, expect, anticipate, intend, foresee, likely, should, could, plan, may, estimate, budget, forecast, envisage, target, potential* or other similar words or phrases. Similarly, statements that describe Facilitate's or Adslot's objectives, plans, goals or expectations, estimates of future costs, and expenditure are or may be forward looking statements.

The statements contained in this Explanatory Booklet about the impact that the Scheme may have on the results of Facilitate's operations, the advantages and disadvantages of the Scheme are also forward looking statements.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results of Facilitate to be materially different from future results, performance or achievements expressed or implied by such statements. These statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Facilitate and Adslot will operate in the future, including anticipated costs and ability to achieve goals. See Section 8 for a discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Therefore forward looking statements and information should be construed in light of those limitations and undue reliance should not be placed on them.

You should note that the historical performance of Facilitate and Adslot provides no assurance as to their respective future financial performance or (if the Scheme is approved and implemented) that of the Expanded Adslot Group. None of Facilitate, Adslot, their respective Related Entities, their respective directors, nor any other person gives any representation, assurance or guarantee that the occurrence of the results or events expressed or implied in any forward looking statements and information in this Explanatory Booklet will actually occur.

The forward looking statements and information in this Explanatory Booklet reflect views held only at the date of this Explanatory Booklet.

Subject to any continuing obligations under law, Facilitate, Adslot, their respective Related Entities, and their respective directors disclaim any obligation or undertaking to disseminate after the date of this Explanatory Booklet any updates or revisions to any forward looking statements and information to reflect any change in expectations in relation to them or any change in the events, conditions or circumstances on which they are based.

Rounding of numerical information

Any discrepancies between totals in tables and sums of components contained in this Explanatory Booklet and between those figures and figures referred to in other parts of this Explanatory Booklet are due to rounding. Except as otherwise stated, all rounded numbers have been rounded either to one decimal place or to the nearest whole number.

Privacy and personal information

Facilitate and Adslot will need to collect personal information to implement the Scheme. This information may include the name, contact details and security holding of Facilitate Shareholders, and the name of persons appointed by Facilitate Shareholders to act as proxy, corporate representative or attorney at the Scheme Meeting. The primary purpose of collection of the personal information is to assist Facilitate in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by Facilitate in the manner described in this Explanatory Booklet. Without this information, Facilitate may

be hindered in its ability to carry out these purposes to full effect. The collection of certain personal information is authorised by the Corporations Act.

Personal information may be disclosed to the Share Registry, print and mail service providers, authorised securities brokers and to Related Entities of Facilitate and the parties to the Scheme Implementation Deed.

Facilitate Shareholders have certain rights to access personal information that has been collected.

Facilitate Shareholders should contact Facilitate's company secretary in the first instance if they wish to request access to their personal information.

Facilitate Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting should ensure that they inform that person of the matters outlined above.

No internet site is part of this Explanatory Booklet

Facilitate and Adslot each maintain internet sites at www.facilitatedigital.com and www.adslot.com. Any references in this Explanatory Booklet to those or other internet sites are for information purposes only and do not form part of this Explanatory Booklet.

Date of Explanatory Booklet

This Explanatory Booklet is dated 30 October 2013.

Letter from the Chairman of Facilitate

30 October 2013

Dear Facilitate Shareholder

Introduction

I am pleased to provide you with this Explanatory Booklet in relation to the proposal that was jointly announced on 12 September 2013 by Facilitate Digital Holdings Ltd (**Facilitate**) and Adslot Ltd (**Adslot**).

That announcement stated that it was proposed that all of the shares in Facilitate (**Facilitate Shares**) would be acquired by Adslot for new shares in Adslot under a members' scheme of arrangement between Facilitate and its shareholders (referred to in this Explanatory Booklet as the *Scheme*).

Under the Scheme, Facilitate Shareholders will receive 1.216 new Adslot shares for each Facilitate share they hold. If the Scheme is approved and implemented Facilitate Shareholders will hold approximately 28 per cent of the Expanded Adslot Group.

This Explanatory Booklet contains full details of the Scheme. The Facilitate Board encourages you to consider the information in this Explanatory Booklet to help you determine whether or not to vote in favour of the Scheme.

The decision of the Facilitate Board to proceed with the Scheme followed an extensive examination of growth options for Facilitate Shareholders conducted over a considerable period. This included analysis of options in Australia and overseas and with a wide range of potential partners and potential corporate scenarios.

As explained below and in the joint public announcement to ASX, the systems, processes and intellectual property from a combination of Adslot and Facilitate offer potential market synergies.

Adslot is a global provider of media trading technology primarily for publishers and Facilitate is a global provider of digital workflow and trading technology for media agencies. After considerable deliberation, the management of both companies believe that these synergies offer significant commercial potential and provide a compelling commercial rationale for the proposed Scheme.

Board Recommendation

The Board unanimously recommends that Facilitate Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. Subject to the same qualification, each Facilitate Director intends to vote in favour of the Scheme in respect of their own holdings in Facilitate.

The reasons for the unanimous recommendation by the Board are set out in Section 4.4 of this Explanatory Booklet.

In summary, the Facilitate Board believes that the Scheme will provide Facilitate Shareholders with a number of benefits including:

- the combined businesses will bring together supply at scale and demand at scale into a single media trading platform;
- by integrating the two companies' digital workflow and trading technologies, over A\$800m of premium online display agency advertising spend from Facilitate Digital agencies will be available to trade directly with Adslot publishers;
- an expanded global footprint, including sales offices in Sydney, New York, San Francisco, London, Hamburg, Shanghai and Auckland; and
- an improved cash position and access to potential immediate compliance related cost synergies.

Your Facilitate Board believes that the benefits of the Scheme significantly outweigh the potential disadvantages and risks associated with the Scheme, a summary of which is set out in Section 4.5 of this Explanatory Booklet.

Independent Expert

Pitcher Partners CF, the Independent Expert, engaged by the Facilitate Board, has concluded that the Scheme is in the best interests of Facilitate Shareholders, in the absence of a Superior Proposal. The Facilitate Board encourages you to read and consider the Independent Expert's Report, which is contained in Appendix 1 to this Explanatory Booklet.

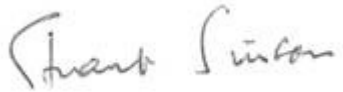
Next steps

Your vote is important and I encourage you to vote either by attending the Scheme Meeting to be held at 3.00pm on Wednesday, 4 December 2013 at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010, or by lodging a proxy vote. A proxy form for the Scheme Meeting accompanies this Explanatory Booklet.

I encourage you to read this Explanatory Booklet which contains important information in relation to the Scheme. If you have any questions in relation to the Scheme, please call Facilitate on 02 9690 3900 (within Australia) or +61 2 9690 3900 (outside Australia) Monday to Friday between 9.00am and 5.00pm (Sydney time) or contact your legal, financial, taxation or other professional adviser.

On behalf of the Facilitate Board, I recommend the Scheme to you and would like to take this opportunity once again to thank you for your support of Facilitate.

Sincerely



Stuart Simson
Chairman

Letter from the Chairman of Adslot

30 October 2013

Dear Facilitate Shareholder

It is my pleasure to present Facilitate Shareholders with this opportunity to participate in the Scheme, creating one of the first companies in the world to bring both supply and demand for premium display inventory under one roof.

Adslot is an ASX listed company and is a global provider of online display media trading technology. Adslot operates two main divisions, Adslot and Webfirm. The Adslot division provides advertising sales automation services that reduce selling costs and increase advertising revenue for its publisher clients. The Webfirm division offers products and services aimed at helping small and medium enterprise customers grow their business online.

The Adslot Board believe that the Scheme is compelling as it will combine Adslot's expertise in media trading technology for publishers with Facilitate's leading platform for media buyers.

This is in line with:

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

By linking Facilitate's large and growing media spend to Adslot's rapidly growing catalogue of premium advertising inventory, the Expanded Adslot Group will be able to offer both publishers and agencies improved efficiency and scalability, and simultaneously reduce their costs. This integration of buyers and sellers will in turn drive liquidity in our marketplace.

A merger of Facilitate with and into Adslot has the potential to create significant value for the shareholders of both companies.

The Directors of Facilitate unanimously recommend that Facilitate Shareholders vote in favour of the Scheme in the absence of a Superior Proposal. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Facilitate Shareholders.

This Explanatory Booklet provides important information in relation to the Scheme and the Expanded Adslot Group. On behalf of Adslot, I encourage you to read this Explanatory Booklet carefully and vote in favour of the Scheme at the Scheme Meeting to be held at 3.00pm on Wednesday, 4 December 2013.

I look forward to welcoming you as a shareholder of the Expanded Adslot Group and sharing with you the potential value created by the combination of Adslot and Facilitate.

Yours sincerely



Adrian Giles
Chairman

Key reasons to vote in favour of the Scheme

- ✓ The combined businesses will bring together supply at scale and demand at scale into a single media trading platform
- ✓ By integrating the two companies' digital workflow and trading technologies, over A\$800m of premium display agency advertising spend from Facilitate agencies will be available to trade directly with Adslot publishers
- ✓ Enlarged cash position and access to potential immediate compliance related cost synergies
- ✓ The acquisition of Facilitate will combine capable and experienced boards and management with a proven track record in driving innovation and development of software technology
- ✓ Adslot Shares provide increased liquidity and marketability than Facilitate Shares
- ✓ The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Facilitate Shareholders
- ✓ If you are an Australian resident for taxation purposes and receive New Adslot Shares, you should generally be able to obtain CGT rollover relief on any capital gains
- ✓ The price of Facilitate Shares may fall if the Scheme is not approved

Potential Reasons to Vote Against the Scheme

- ✗ You may not agree with the conclusions and/or recommendation of the Facilitate Directors and/or the Independent Expert
 - ✗ You may consider that there is potential for a Superior Proposal for Facilitate to emerge
 - ✗ There are risks of an investment in Adslot and Adslot Shares may not be attractive for some Facilitate Shareholders.
 - ✗ There are risks in integrating the respective businesses of Facilitate and Adslot and the identified product synergies have not as yet been commercialised
 - ✗ If the Scheme proceeds your percentage holding in Adslot will be lower than your holding in Facilitate
 - ✗ There may be individual adverse tax implications
-

YOUR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME, IN THE ABSENCE OF A SUPERIOR PROPOSAL

You should read this Explanatory Booklet in full before making any decision on the Scheme. In particular, you should refer to Section 4 for guidance on the advantages and disadvantages of the Scheme. This Explanatory Booklet does not take into account the financial situation, investment objectives and particular needs of any Facilitate Shareholder. You should consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.

1. Summary of the Scheme

1.1 Background

On 12 September 2013 the Facilitate Board announced it had entered into the Scheme Implementation Deed with Adslot under which Adslot will acquire all of the Facilitate Shares under a members' scheme of arrangement between Facilitate and its shareholders. A copy of the Scheme Implementation Deed is included as Appendix 4.

The Scheme is a proposal under which the holders of Facilitate Shares will transfer all of their Facilitate Shares to Adslot on the Implementation Date (expected to be Tuesday, 24 December 2013) in exchange for Adslot Shares at a ratio of 1.216 New Adslot Shares for every Facilitate Share held as at the Record Date.

The Scheme must be approved by the requisite majorities of the holders of Scheme Shares at the Scheme Meeting.

If all of the other approvals and conditions for the Scheme are satisfied or waived (as applicable) the Scheme will constitute a binding arrangement between Facilitate and each Shareholder participating in the Scheme to undertake the steps required to:

- transfer all of their Scheme Shares to Adslot on the Implementation Date; and
- otherwise give effect to the Scheme.

If all of the approvals and conditions for the Scheme are satisfied or waived (as applicable) the holders of Scheme Shares will be bound by the Scheme whether or not they:

- attend the Scheme Meeting;
- vote at the Scheme Meeting; or
- vote against the Scheme at the Scheme Meeting.

This Section provides a summary of the key commercial elements of the Scheme. This summary should be read in conjunction with the additional detailed information in this Explanatory Booklet.

1.2 What you will receive under the Scheme

Provided that the Scheme becomes Effective Facilitate Shareholders will be issued 1.216 New Adslot Shares for each Facilitate Share they hold.

If you are a Foreign Scheme Shareholder, you will not be issued with any New Adslot Shares. Instead, the New Adslot Shares that would otherwise have been issued to you will be sold by the Sale Agent and you will receive the net sale proceeds.

1.3 Warranty and releases provided by Facilitate Shareholders

The Scheme provides that Facilitate Shareholders who hold Facilitate Shares as at the Record Date (expected to be 7.00pm on Monday, 16 December 2013) are taken to have warranted to Facilitate and Adslot that:

- all their Facilitate Shares (including any rights and entitlements attaching to those shares) transferred to Adslot under the Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their Facilitate Shares (including any rights and entitlements attaching to those shares) to Adslot under the Scheme; and
- they have no existing right to be issued any Facilitate Shares, Facilitate Options, Facilitate performance rights, Facilitate convertible notes or any other Facilitate securities, other than, in the

case of any Scheme Shareholder who is also the holder of Facilitate Options, the right to be issued Facilitate Shares on the exercise of those Facilitate Options in accordance with their terms.

1.4 Taxation implications

Generally, Australian resident Facilitate Shareholders participating in the Scheme will be eligible for CGT roll-over relief which will enable them to defer any CGT liability in respect of any gains on the disposal of Facilitate Shares until their New Adslot Shares are sold.

It is important to note the tax consequences can vary depending on your particular circumstances. The general comments noted above are provided as a guide only and do not amount to definitive tax advice. You should consult your own tax adviser for tax advice in relation to the implications of participating in the Scheme. See Section 9 for further details.

1.5 Conditions

The Scheme is conditional on and will only become Effective if, amongst other things:

- the Scheme is approved by Facilitate Shareholders at the Scheme Meeting by:
 - (unless the Court orders otherwise), a majority in number of the holders of Scheme Shares present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
 - at least 75% of the total number of votes which are cast at the Scheme Meeting (in person or by proxy, corporate representative or attorney);
- the remainder of the Scheme Conditions are satisfied; and
- the Court approves the Scheme at the Second Court Hearing.

At the date of this Explanatory Booklet neither Facilitate nor any of the Facilitate Directors are aware of any circumstances that would cause any of the conditions to the Scheme not to be satisfied or which could result in termination of the Scheme Implementation Deed.

Facilitate will make a statement regarding the status of all of the conditions at the commencement of the Scheme Meeting.

The Scheme Conditions are discussed in more detail in Section 10.3 and are set out in full in the Scheme Implementation Deed, included as Appendix 4 to this Explanatory Booklet.

1.6 Exclusivity and break fee arrangements

Under the Scheme Implementation Deed:

- Facilitate has agreed to certain exclusivity arrangements in favour of Adslot; and
- Facilitate has agreed in certain circumstances to pay Adslot a break fee of A\$300,000 (inclusive of GST) (Break Fee).

Please refer to Section 4.6(e) and 4.6(f) for further information on these arrangements and to clauses 10 and 11 of the Scheme Implementation Deed in Appendix 4 for complete descriptions of these arrangements.

1.7 Implementation timetable

If all necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), it is expected that the Scheme will be fully implemented by Tuesday, 24 December 2013. The key dates and times in relation to the Scheme are set out at the beginning of this Explanatory Booklet. Sections 10 and 11 describe in further detail the procedural aspects of the Scheme and how it will be implemented.

1.8 Directors' recommendation and intentions

The Facilitate Directors unanimously recommend that Facilitate Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. Subject to that same qualification, each Facilitate Director intends to vote in favour of the Scheme in respect of their own holdings in Facilitate.

No Superior Proposal has been received as at the date of this Explanatory Booklet.

In forming their unanimous recommendation your Directors have carefully considered the conditions, advantages, disadvantages and risks of the Scheme. These matters are described in more detail in Section 4 of this Explanatory Booklet and in the Independent Expert's Report in Appendix 1. Your Directors consider that the advantages of the Scheme outweigh its disadvantages and risks.

1.9 Independent Expert's conclusion

Facilitate engaged the Independent Expert, Pitcher Partners CF to prepare a report expressing an opinion on whether the Scheme is in the best interest of Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of the Facilitate Shareholders.

The Independent Expert's Report is included as Appendix 1 to this Explanatory Booklet. You should read that report as part of your assessment of the Scheme. Section 4 of this Explanatory Booklet contains a summary of the key conclusions of the Independent Expert in relation to the Scheme.

2. Frequently asked questions

Set out below are summary answers to some questions that Facilitate Shareholders may have in relation to the Scheme. This information is a summary only and should be read in conjunction with the remainder of this Explanatory Booklet.

A. QUESTIONS ABOUT THE ADSLOT PROPOSAL

Question	Answer	Further Information
What are Facilitate Shareholders being asked to consider?	<p>If you are a Facilitate Shareholder you are being asked to consider and vote on a proposal under which Adslot will acquire all of your Facilitate Shares on the Implementation Date under a members' scheme of arrangement between Facilitate and all persons who hold Facilitate Shares as at the Record Date. The proposal is referred to in this Explanatory Booklet as the Scheme.</p> <p>The consideration that you will receive in exchange for the transfer of your Shares on the Implementation Date will be 1.216 New Adslot Shares for each Facilitate Share you own.</p> <p>If the Scheme becomes Effective Scheme Facilitate Shareholders will own approximately 28% of the Expanded Adslot Group.</p>	Section 1
Why have I received this Explanatory Booklet?	<p>The Explanatory Booklet has been sent to you because you are a Facilitate Shareholder. The purpose of this Explanatory Booklet is to explain the terms of the proposed acquisition by Adslot of all of the Facilitate Shares and the manner in which the acquisition will be considered and implemented, and to assist you in making a decision as to whether or not to vote in favour of the Scheme at the Scheme Meeting.</p>	Section 1
What is a members' scheme of arrangement?	<p>A members' scheme of arrangement is a statutory procedure that is commonly used for corporate reconstructions of solvent companies or to enable one company to acquire or merge with another. In this case, the Scheme is the mechanism by which Adslot proposes to acquire all Facilitate Shares. The Scheme requires the agreement of the Facilitate Shareholders by the majorities described below and also the approval of the Court.</p>	
Is this a takeover offer?	<p>No. However if the Scheme is agreed to by Facilitate Shareholders and approved by the Court and if all of the other conditions and approvals are satisfied or waived (as applicable) the outcome will be equivalent to a successful 100% scrip takeover bid in that:</p>	

Question	Answer	Further Information
	<ul style="list-style-type: none"> • all of your Scheme Shares will be transferred to Adslot; and • you will be entitled to receive scrip consideration in exchange for the transfer of your Scheme Shares, <p>whether or not you were present at the Scheme Meeting and whether or not you voted in favour of or against the resolution to agree to the Scheme or abstained from voting.</p>	
<p>Why has this proposed transaction been structured as a scheme of arrangement?</p>	<p>Facilitate and Adslot consider that the Scheme represents the most efficient structure to implement the Scheme.</p> <p>This structure provides the greatest certainty that if the Scheme is agreed to by Facilitate Shareholders and approved by the Court and proceeds to implementation, 100% ownership and control of Facilitate will be acquired by Adslot within a specific timeframe that meets the commercial objectives of Adslot as the intended acquirer and of Facilitate as the target company.</p>	
<p>What are the key conditions that need to be satisfied before the Scheme can proceed?</p>	<p>The key conditions that must be satisfied (and which are not capable of being waived) are:</p> <ul style="list-style-type: none"> • the Facilitate Shareholder agreeing to the Scheme at the Scheme Meeting; and • the Court approving the Scheme. <p>The Scheme is subject to various other conditions being satisfied or waived.</p> <p>Facilitate will make a statement at the commencement of the Scheme Meeting regarding the status of these other conditions.</p>	<p>Section 10.3</p>
<p>Are there any risks for me if the Scheme proceeds?</p>	<p>Yes. This is because you will receive New Adslot Shares as your Scheme Consideration.</p> <p>There are risks associated with an investment in the Expanded Adslot Group. The value of your investment in the Expanded Adslot Group will depend on the financial performance of the Expanded Adslot Group's business which is subject to the general and specific risks noted in Section 8.</p>	<p>Section 8</p>
<p>If the Scheme is approved, what will be the effect?</p>	<p>If the Scheme proceeds, Facilitate will become a wholly owned subsidiary of Adslot and Adslot will control Facilitate. Facilitate will be de-listed from ASX.</p> <p>Facilitate Shareholders will receive New Adslot Shares and will hold approximately 28% of the</p>	<p>Section 10.2 Section 11.5</p>

Question	Answer	Further Information
	Expanded Adslot Group,	
If the Scheme is not approved, what will be the effect?	<p>If the Scheme is not agreed to by Facilitate Shareholders or is not approved by the Court and you still hold any Facilitate Shares at either of those points in time:</p> <ul style="list-style-type: none"> • you will not receive the Scheme Consideration; • you will retain your current investment in Facilitate Shares and in doing so will continue to retain the benefits of an investment in Facilitate Shares and continue to be exposed to the risks presently associated with this investment. These risks include general risks of holding shares and risks that are specific to Facilitate's business as described in Section 5.13; • the advantages of the Scheme, as outlined in Section 4.4, will not be realised; • equally some of the disadvantages of the Scheme identified in Section 4.5 will no longer be relevant; and • Facilitate will have incurred substantial costs and expended management time and resources for a proposed change of control transaction that does not proceed. 	<p>Section 5.13 Section 4.4 Section 4.5</p>
Who is entitled to participate in the Scheme?	Facilitate Shareholders who are on the Share Register as at 7.00pm (Sydney time) on the Record Date are entitled to participate in the Scheme.	<p>Section 3.3 Section 10.2</p>
Is a Competing Proposal likely?	<p>Until the Scheme is approved by the Court, there is nothing preventing other parties from making unsolicited acquisition or merger proposals for Facilitate.</p> <p>As at the date of this Explanatory Booklet no Competing Proposal has emerged since the announcement of the Scheme on 12 September 2013 and the Facilitate Board is not aware of any Competing Proposal that may emerge.</p>	
What happens if a Competing Proposal for Facilitate emerges?	<p>If a Competing Proposal for Facilitate emerges prior to the Second Court Hearing, your Facilitate Directors will carefully consider the proposal to determine whether it is a Superior Proposal and will inform you of any material developments.</p> <p>If Facilitate Directors withdraw or adversely modify their recommendation to vote in favour of the Scheme, Facilitate may be obliged to pay a break</p>	<p>Section 10.4 Section 4.6</p>

Question	Answer	Further Information
	fee of \$300,000 to Adslot.	
Can I sell my Facilitate Shares now?	<p>Yes. Facilitate Shareholders may sell their Facilitate Shares at prevailing market price on market at any time before the close of trading on ASX on the Effective Date which is expected to be Monday, 9 December 2013.</p> <p>If you sell your Facilitate Shares before the Effective Date of the Scheme (the last day of trading in Facilitate Shares on ASX before suspension from the Official List of ASX):</p> <ul style="list-style-type: none"> • you will not receive any New Adslot Shares; • you may pay brokerage fees; and • there may be different tax consequences compared to those that would arise under the implementation of the Scheme. 	Section 10.5
Will I be giving any warranties in respect of my Facilitate Shares?	<p>Each Scheme Shareholder will be taken to have warranted to Facilitate and Adslot, and appointed and authorised Facilitate as its attorney and agent to warrant to Adslot, that all of their Facilitate Shares (including any rights and entitlements attaching to the Shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer the Scheme Shares to Adslot together with any rights attaching to the Scheme Shares.</p>	Section 10.2(f)
Under what circumstances can Adslot terminate the Scheme Implementation Deed?	<p>Adslot may terminate the Scheme Implementation Deed, if:</p> <ul style="list-style-type: none"> • Facilitate breaches its exclusivity provisions under the Scheme Implementation Deed; • a prescribed occurrence happens to Facilitate (for example, share capital reconstructions, acquiring, leasing or disposing of the whole, or a substantial part of its business property); or • the Facilitate Directors change or withdraw their recommendation that Facilitate Shareholders vote in favour of the Scheme. <p>In addition, there are also other circumstances where either Adslot or Facilitate may terminate the Scheme Implementation Deed. For further details please refer to Section 10.4</p>	Section 10.4

B. QUESTIONS ABOUT THE SCHEME CONSIDERATION

Question	Answer	Further Information
What consideration will I receive if the Scheme is implemented?	<p>Scheme Shareholders (other than Foreign Scheme Shareholders) will be entitled to receive 1.216 New Adslot Shares for each Facilitate Share they hold.</p> <p>If you are a Foreign Scheme Shareholder, you will not be issued with any New Adslot Shares. Instead, the New Adslot Shares that would otherwise have been issued to you will be sold via the Sale Agent and you will receive the net sale proceeds.</p>	Section 1.2
When will I receive my Scheme Consideration?	<p>If the Scheme becomes Effective Facilitate anticipates that the New Adslot Shares will be issued on or about the Implementation Date which is expected to be Tuesday, 24 December 2013.</p> <p>Foreign Scheme Shareholders will receive their portion of the cash proceeds from the New Adslot Shares attributable to them as soon as practicable after the sale of the New Adslot Shares by the Sale Agent.</p> <p>If the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, the timing of the issue of those New Adslot Shares as Scheme Consideration will also be delayed.</p>	Section 11.5
When can I start trading my New Adslot Shares on ASX?	<p>Deferred settlement of the New Adslot Shares issued as Scheme Consideration is expected to be available from 10.00am on Thursday, 12 December 2013.</p> <p>Trading on ASX of New Adslot Shares issued as Scheme Consideration is expected to commence on a normal settlement basis on Tuesday, 31 December 2013.</p>	Section 11.7
What are the tax implications of the Scheme?	<p>Generally, an Australian resident Facilitate Shareholder who participates in the Scheme will be eligible for CGT roll-over relief which will enable them to defer any CGT liability on any gains on the disposal of their Facilitate Shares until their New Adslot Shares are sold.</p>	Section 9
Will I have to pay brokerage fees or stamp duty?	<p>Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Facilitate Shares or the issue of the New Adslot Shares in connection with the Scheme.</p>	Section 4.6(d)

C. QUESTIONS ABOUT ADSLOT AND THE EXPANDED ADSLOT GROUP

Question	Answer	Further Information
Who is Adslot?	Adslot is an ASX listed company and is a global	Section 6

Question	Answer	Further Information
	<p>provider of online display media trading technology.</p> <p>Adslot operates two main divisions, Adslot and Webfirm.</p> <p>The Adslot division provides advertising sales automation services that reduce selling costs and increase advertising revenue for its publisher clients.</p> <p>The Webfirm division offers products and services aimed at helping small and medium enterprise customers grow their business online.</p>	
What will the Expanded Adslot Group be called?	The Expanded Adslot Group will continue to be named Adslot Limited (ASX: ADJ)	Section 7
What are the expected benefits of the Expanded Adslot Group?	<p>See Section 4.4 for the reasons why the Facilitate Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.</p> <p>Section 4.4 includes a statement of the expected benefits of merging Facilitate and Adslot businesses to form the Expanded Adslot Group.</p>	Section 4.4
Who will be on the Expanded Adslot Group's Board?	If the Scheme proceeds, the Expanded Adslot Group will comprise seven directors, including Mr Geoff Dixon and Mr Ben Dixon, both of whom are current Facilitate Directors.	Section 7
What will be the strategy for the Expanded Adslot Group?	See Section 7.3 for further details in relation to the vision and strategy for the Expanded Adslot Group.	Section 7.3
What are Adslot's intentions for Facilitate and the Expanded Adslot Group?	See Section 7.4 for further details in relation to the Expanded Adslot Group's intentions for Facilitate and the Expanded Adslot Group.	Section 7.4

D. QUESTIONS ABOUT YOUR DIRECTORS' RECOMMENDATIONS AND INTENTIONS

Question	Answer	Further Information
What do the Facilitate Directors recommend?	The Facilitate Directors unanimously recommend that, in the absence of a Superior Proposal, Facilitate Shareholders vote in favour of the Scheme.	Section 4.2
How are the Facilitate Directors going to vote?	Each Facilitate Director intends to vote all Facilitate Shares they have an interest in (whether direct or indirect) in favour of the Scheme, in the absence of a Superior Proposal.	Section 4.2
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable and is in the best interests of the Facilitate Shareholders. The	Section 4.3 Appendix 1

Question	Answer	Further Information
	Independent Expert's Report accompanies this Explanatory Booklet as Appendix 1.	

E. QUESTIONS ABOUT VOTING

Question	Answer	Further Information
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010 on Wednesday, 4 December 2013 at 3.00pm (Sydney time) (or in any event, after the conclusion of the General Meeting).	Section 3.1 Appendix 3
What am I being asked to vote on?	You are being asked to vote on whether to approve the Scheme.	Section 1.1
Who is entitled to vote?	Facilitate Shareholders who are recorded as members on the Facilitate Register as at 7.00pm (Sydney time) on Monday, 2 December 2013 are entitled to vote at the Scheme Meeting.	Section 3.3 Section 10.2
Is voting compulsory?	No, voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. The Facilitate Directors strongly encourage all Facilitate Shareholders to vote at the Scheme Meeting. If you cannot attend the Scheme Meeting, you are encouraged to complete the proxy form accompanying this Explanatory Booklet and return it in accordance with the instructions on the form so that it is received by no later than 3.00pm on Monday, 2 December 2013.	Section 4.7
How do I vote?	You may vote: <ul style="list-style-type: none"> • in person, by attending the Scheme Meeting; • by proxy, by completing and lodging the proxy form accompanying this Explanatory Booklet; or • in the case of a corporate Facilitate Shareholder, by a corporate representative. 	Section 3.3
What voting majority is required to approve the Scheme?	For the Scheme to become Effective, votes in favour of the Scheme must be received from a Requisite Scheme Majority. The Court has the discretion to waive the requirement for 50% of the Facilitate Shareholders by number to vote in favour of the Scheme. If the Scheme is not approved by the Requisite Scheme Majority and the Court, the Scheme will not proceed.	Section 10.2
When will the results of the Scheme	The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting	

Question	Answer	Further Information
Meeting be known?	on Wednesday, 4 December 2013 and will be announced to ASX as soon as practicable.	
What should I do if I wish to support the Scheme?	You should attend the Scheme Meeting, in person or by proxy, and vote in favour of the Scheme.	Section 3.3
What should I do if I wish to oppose the Scheme?	If, despite Facilitate Directors' unanimous recommendation and the conclusion from the Independent Expert that the Scheme is in the best interests of Facilitate Shareholders, you do not support the Scheme, you should vote against the Scheme at the Scheme Meeting.	Section 3.3
Can I be bound by the Scheme if I do not vote or if I vote against its approval?	Yes, if the Scheme is approved and becomes Effective, any Facilitate Shares held by you at (time) (Sydney time) on the Record Date will be transferred to Adslot and you will receive the Scheme Consideration, even if you did not vote on the Scheme, or you voted against it.	Section 10.2
What are my alternatives?	As a Facilitate Shareholder, your principal alternatives are to: <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting (this is the course of action unanimously recommended by your Directors who have concluded that the Scheme is in the best interest of Facilitate Shareholders in the absence of a Superior Proposal and whose conclusion is supported by the Independent Expert; • vote against the Scheme at the Scheme Meeting; or • do nothing; that is, neither vote in favour of nor against the Scheme. 	Section 4.7

F. GENERAL QUESTIONS

Question	Answer	Further Information
Do I have to sign anything in relation to the Scheme?	No. If the Scheme is approved, Facilitate will automatically have authority to sign a transfer on your behalf, and then the Scheme Consideration will be paid to you.	Section 11.5
What happens if the Scheme becomes Effective?	Trading in Facilitate Shares on ASX will be suspended from the close of trading on the Effective Date. Subject to obtaining ASX approval, the New Adslot Shares to be issued as Scheme Consideration will commence trading on ASX on a deferred settlement basis on the trading day after the Scheme becomes	Section 11.5

Question	Answer	Further Information
	<p>Effective (currently expected to be Monday 9 December 2013, however this date may change).</p> <p>For settlement purposes, trades effected during the deferred settlement period will be treated as having been effected on the day that normal T+3 trading commences (currently expected to be 31 December 2013, however, this date may change).</p>	
<p>What happens after the Implementation Date?</p>	<p>On the Implementation Date, Adslot will become the owner of all Facilitate Shares and Scheme Shareholders (other than Foreign Scheme Shareholders) will be issued 1.216 New Adslot Shares for each Facilitate Share they own as at the Record Date.</p> <p>The Implementation Date is currently expected to be Tuesday, 24 December 2013 (however, this is subject to change).</p>	<p>Section 11.5</p>
<p>What other information is available and who can help answer my questions about the Scheme?</p>	<p>If you have any questions, you should contact your broker, financial or legal advisor immediately. Alternatively you can call Facilitate on + 61 2 9690 3900, on Business Days between 9.00am and 5.00pm (Sydney time) or visit Facilitate's website www.facilitatedigital.com.</p>	

3. How to vote

3.1 Scheme Meeting

The notice convening the Scheme Meeting is contained in Appendix 3 to this Explanatory Booklet. A personalised proxy form for the Scheme Meeting is enclosed with this Explanatory Booklet.

The Scheme Meeting will be held at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010 on Wednesday, 4 December 2013, at 3.00pm (Sydney time).

For the Scheme to proceed, votes in favour of the Scheme must be received from a Requisite Scheme Majority.

The purpose and effect of the Scheme is described in Section 10 of this Explanatory Booklet.

3.2 Your vote is important

Your Directors urge all Facilitate Shareholders to vote on the Scheme at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the transaction proceeds.

Your Directors encourage all Facilitate Shareholders to vote in favour of the Scheme either by submitting a completed proxy form for the Scheme Meeting to Facilitate by 3.00pm (Sydney time) on Monday, 2 December 2013 or attending the Scheme Meeting on Wednesday, 4 December 2013 at 3.00pm.

3.3 How to vote

(a) Voting entitlements

If you are registered as a Facilitate Shareholder by the Share Registry at the Voting Entitlement Time (7.00pm, Sydney time, Monday, 2 December 2013), you will be entitled to vote at the **Scheme Meeting**.

Voting at the Scheme Meeting will be conducted by poll.

(b) Voting in person

Facilitate Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Scheme Meeting and bring a form of personal identification (such as their driver's licence).

Facilitate Shareholders, their attorneys or representatives (including proxies and their representatives) who plan to attend the Scheme Meeting in person are asked to arrive at the venue 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, so that their shareholding may be checked against the Share Register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meetings.

To vote in person at the Scheme Meeting, you, your proxy, your attorney, your representative or your corporate proxy's representative must attend the Scheme Meeting to be held at Level 6, 241 Commonwealth Street, Surry Hills NSW 2010 on Wednesday, 4 December 2013, at 3.00pm (Sydney time).

(c) Voting by proxy

Facilitate Shareholders wishing to vote by proxy at the Scheme Meeting must complete and sign or validly authenticate the personalised proxy form which is enclosed with this Explanatory Booklet. A person appointed as a proxy may be an individual or a body corporate.

Completed proxy forms must be delivered to Facilitate by 3.00pm (Sydney time) on Monday, 2 December 2013 in any of the following ways:

By post in the enclosed reply paid envelope provided to the Share Registry:

Link Market Services Pty Limited

Locked Bag A14 SYDNEY SOUTH NSW 1235

By hand delivery to the Share Registry at:

Link Market Services Pty Limited

Level 12, 680 George Street SYDNEY NSW 2000

By fax to the Share Registry on +61 9287 0309 (within Australia or outside Australia)

Undirected proxies

If a Facilitate Shareholder nominates the chairman of the Scheme Meeting as the Facilitate Shareholder's proxy, the person acting as chairman of the Scheme Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Scheme Meeting.

If a proxy appointment is signed or validly authenticated by the Facilitate Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting may at his election (a) act as proxy in respect of any or all items of business to be considered at the Scheme Meeting or (b) complete the proxy appointment by inserting the name or names of one or more Facilitate Directors or the Company secretary to act as proxy under the appointment, in respect of any or all items of business to be considered at the Scheme Meeting.

Proxy appointments in favour of the chairman of the Scheme Meeting, the secretary or any Facilitate Director which do not contain a direction will be voted in support of the Scheme resolution at the Scheme Meeting (in the absence of a Superior Proposal prior to the date of the Scheme Meeting).

(d) Voting by attorney

If a Facilitate Shareholder executes or proposes to execute any document, or do any act, by or through an attorney which is relevant to the Facilitate Shareholder's shareholding in Facilitate, that Facilitate Shareholder must deliver the instrument appointing the attorney to the Share Registry for notation.

Facilitate Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Facilitate for notation, deliver to the Share Registry (at the address or facsimile number provided in Section 3.3(c) of this Explanatory Booklet) the original instrument appointing the attorney or a certified copy of it by 3.00pm (Sydney time) on Monday, 2 December 2013.

Unless the contrary is evident from the express terms of the power of attorney, any power of attorney granted by a Facilitate Shareholder will, as between Facilitate and that Facilitate Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Facilitate Shareholder is lodged with Facilitate.

(e) Voting by corporate representative

To vote in person at the Scheme Meeting, a Facilitate Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.

To vote by corporate representative at the Scheme Meeting, a corporate Facilitate Shareholder or proxy should obtain an appointment of corporate representative form from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged at the registration desk on the day of the Scheme Meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

The chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if they have not produced a certificate or other satisfactory evidence of their appointment

3.4 Further information

Please refer to the notices of meeting in Appendix 3 to this Explanatory Booklet for further information on voting procedures and details of the resolutions to be voted on at the Scheme Meeting.

4. Relevant considerations for Facilitate Shareholders

4.1 Introduction

The purpose of this Section is to identify significant issues for Facilitate Shareholders to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, Facilitate Shareholders should carefully consider the factors discussed below as well as the other information contained in this Explanatory Booklet.

Your Directors recommend that you consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your individual circumstances.

4.2 Directors' recommendation and intentions

Your Facilitate Directors have unanimously formed the conclusion that the Scheme is in the best interests of Facilitate Shareholders and recommend that Facilitate Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

For the reasons set out below, the Facilitate Directors unanimously believe that:

- the advantages of the Scheme outweigh its disadvantages and risks; and
- the Scheme is expected to create long term value for Facilitate Shareholders (in their future capacity as Adslot Shareholders) and is in the best interests of Facilitate Shareholders.

Each Facilitate Director intends to vote any interest he has in his Facilitate Shares in favour of the Scheme, in the absence of a Superior Proposal. The interests of Facilitate Directors are disclosed in Section 5 of this Explanatory Booklet.

4.3 Independent Expert's conclusion

Your Directors' unanimous recommendation in relation to the Scheme is supported by the Independent Expert, Pitcher Partners CF.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of holders of Facilitate Shareholders.

The Independent Expert's Report is set out in full in Appendix 1 and you are strongly encouraged to read that report as part of your assessment of the Scheme.

You are not obliged to accept the Directors' recommendation or the view of the Independent Expert. In particular you may believe that Facilitate will deliver greater returns over the long term by not becoming part of the Adslot Group. Some of the other reasons why you may decide to vote against the Scheme are set out in Section 4.5.

You should note that if you decide to vote against the Scheme the Scheme will nevertheless proceed if it is agreed to by the requisite majority of Shareholders and if certain other conditions are satisfied or waived (see Sections 10 and 11).

4.4 Key reasons for Facilitate Directors' recommendation

In unanimously recommending the Scheme to Facilitate Shareholders your Directors have carefully considered the matters below.

- (a) The combined businesses will bring together supply at scale and demand at scale into a single media trading platform**
-

It has been Facilitate's intention to introduce enhanced trading capabilities to its agency customers in order to significantly grow transactional revenues. If the Scheme becomes Effective, it will enable the Expanded Adslot Group to allow programmatic media trading to commence earlier, whilst offering agency customers the synergy of Facilitate's demand side technology and experience, in combination with Adslot's supply side technology and experience.

(b) By integrating the two companies' digital workflow and trading technologies, over \$A800m of premium display agency advertising spend from Facilitate agencies will be available to trade directly with Adslot publishers

Facilitate's Symphony technology is deployed by a large and growing global community of media agency buyers across Australia, Asia, Europe and the United States, with more than A\$800m per annum of display media transactions flowing through Symphony.

By linking this large and growing media spend to Adslot's rapidly growing catalogue of premium advertising inventory, both publishers and agencies can be offered improved efficiency and scalability, and simultaneously reduce their costs. This proposal will make the Expanded Adslot Group one of the first companies in the world to bring both supply and demand for premium display inventory under one roof.

(c) Enlarged cash position and access to potential immediate compliance related costs synergies

The Facilitate Directors believe the Scheme will provide Facilitate with access to an enlarged cash position and potential synergies as a result of consolidating the corporate and administrative overheads of both companies.

(d) The acquisition of Facilitate will combine capable and experienced boards and management with a proven track record in driving innovation and development of software technology

The Scheme will combine the expertise and technical, industry, commercial, development and operating skills of both sets of boards and management, to successfully deliver the Expanded Adslot Group's plan of creating a marketplace for programmatically trading premium display digital advertising. There will be board representation from Facilitate as current directors, Geoff Dixon and Ben Dixon, will sit on the board of the Expanded Adslot Group.

Both Facilitate and Adslot have management with extensive experience with a successful track record of driving development of software technology through to completion. Senior management will benefit from the collective skills and experience of the Expanded Adslot Group workforce.

Further detail on the composition of the Expanded Adslot Group Board and management are set out in Section 7.

(e) Increased liquidity and marketability

If the Scheme is approved and implemented, eligible Facilitate Shareholders will exchange their Facilitate Shares for New Adslot Shares, which will be quoted on ASX. Facilitate Shareholders may benefit from the significantly higher liquidity of Adslot Shares compared to Facilitate Shares. In this regard, your Directors note that prior to the announcement of the Scheme to ASX on 13 September 2013, Facilitate Shares had been highly illiquid for some considerable time.

(f) The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Facilitate Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of Facilitate Shareholders, in the absence of a Superior Proposal.

The Independent Expert states:

'We have considered the fair value range assessed for a Facilitate share on a 100% controlling interest basis to the fair value of Adslot's share on a minority interest basis. Our assessment is summarised below:

Comparison of values – Adslot valued on a net asset backing basis	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	3.3	3.5
Fair value of the consideration:		
Fair value of Adslot share – minority interest basis (cents)	3.3	3.6
Scheme ratio (1.216 Adslot shares for every Facilitate share held)	1.216	1.216
Fair value of the consideration under the terms of the Scheme	4.0	4.4
Premium of Scheme Consideration over value of Facilitate share	0.7	0.9
percentage	21%	26%
Source: Pitcher Partners CF analysis		

On this basis, Facilitate's shareholders are receiving a premium in the range of 21% to 26%.

As our secondary approach, we have considered the fair value range assessed for a Facilitate share on a 100% controlling interest basis to the fair value of Adslot's share under the market approach based on Adslot's share trading prices up to the date before the Scheme was announced. Our assessment is summarised below.

Comparison of values – Adslot valued on a trading price basis	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	3.3	3.5
Fair value of the consideration:		
Adslot share price – 12 September 2013 (cents)	5.9	5.9
Scheme ratio (1.216 Adslot shares for 1 Facilitate share)	1.2166 6	1.216
Fair value of the consideration under the terms of the Scheme (cents)	7.2	7.2
Premium of Scheme Consideration over value of Facilitate	3.9	3.7
percentage	118%	106%
Source: Pitcher Partners CF analysis		

On this basis, Facilitate's shareholders are receiving a premium in the range of 106% to 118%.

We note that due to the low liquidity of Adslot's shares, the Adslot share price noted above may not be reflective of fair value.

On the basis that there is a premium of Scheme Consideration over the fair value range of a Facilitate share, in our opinion, the Scheme is considered to be fair to Facilitate shareholders.

In Section 9.3 we set out the advantages, disadvantages and other significant matters we considered in assessing the Scheme.

While individual Facilitate shareholders may interpret these factors differently depending on their own circumstances, in our opinion the potential advantages of the Scheme outweigh the potential disadvantages to the Facilitate shareholders as a whole.

Taking into consideration the matters detailed in this independent expert's report, in the opinion of Pitcher Partners CF, the Scheme is in the best interests of Facilitate shareholders.'

The Independent Expert's Report is included in full in Appendix 1. That report should be read in its entirety including the assumptions on which the conclusions are based

(g) If you are an Australian resident for taxation purposes and receive new Adslot Shares, you should generally be able to obtain CGT rollover relief on any capital gains

The New Adslot Shares issued as Scheme Consideration are expected to satisfy the general requirements of the CGT scrip for scrip roll-over provision of the Income Tax Assessment Act. As a result, CGT roll-over relief should be available to Australian tax resident Facilitate Shareholders who receive the Scheme Consideration. Further details of the tax implications of the Scheme are set out in Section 9.

(h) The price of the Facilitate Shares may fall if the Scheme is not approved

In the 30 day period before 12 September 2013, being the date that the Scheme was announced, the volume weighted average price of Facilitate Shares was \$0.019.

Between 12 September 2013 and the date immediately preceding the date on which this Explanatory Booklet was lodged for registration with ASIC, Facilitate Shares have traded in the range of \$0.059 - \$0.08per Share. Your Directors expect that if the Scheme does not proceed, the price of Facilitate Shares on ASX may fall, in the absence of a Superior Proposal.

Additionally, Facilitate Shareholders should be aware that if the Scheme does not proceed and no Superior Proposal for Facilitate is received, there are risks associated with a continued investment in Facilitate as a stand alone ASX listed company, in particular, with Facilitate pursuing its growth initiatives and otherwise executing its current business strategy. These risks are outlined in Section 5.13.

4.5 Possible disadvantages of the Scheme

The Scheme has a number of disadvantages and risks that Facilitate Shareholders should consider in deciding how they should vote at the Scheme Meeting.

Although your Directors consider that these disadvantages and risks are outweighed by the advantages of the Scheme and that the Scheme is in the best interest of Facilitate Shareholders in the absence of a Superior Proposal, Facilitate Shareholders should consider their individual circumstances in determining how to vote in relation to the Scheme.

(a) You may disagree with the recommendation of the Facilitate Directors and/or the Independent Expert.

In concluding that the Scheme is in the best interests of Facilitate Shareholders the Facilitate Directors and the Independent Expert are making judgements, in the absence of a Superior Proposal, based on future trading conditions and events which are not predictable with any certainty and which may later prove to be inaccurate (either positively or negatively).

Facilitate Shareholders may hold a different view from the Facilitate Directors, and may not agree with the Independent Expert's conclusions.

(b) Superior Proposal

It is possible that a Superior Proposal, which is more attractive for Facilitate Shareholders than the Scheme, may be made in the future. If the Scheme is implemented Facilitate Shareholders would not obtain the benefit of any Superior Proposal.

The Facilitate Board is not aware of any Superior Proposal and confirms that since the Scheme was announced on 12 September 2013 no alternative proposals have been made.

(c) There are risks with an investment in the Expanded Adslot Group

If the Scheme is implemented, Facilitate will become a wholly owned subsidiary of Adslot, and Scheme Shareholders will become Adslot Shareholders. As a result, Scheme Shareholders will be directly exposed to:

- new risks relating to Adslot (including risks specific to Adslot set out in Section 8 of this Explanatory Booklet); and
- certain additional risks related to the integration of Facilitate and its operations with Adslot and its operations (which are also set out in Section 8).

For certain Facilitate Shareholders, the change in risk profile of the Expanded Adslot Group may be perceived as a disadvantage. The risks identified below, together with other risks, are considered in further detail in Section 8 of this Explanatory Booklet.

In addition New Adslot Shares may not be attractive to Facilitate Shareholders either as a form of consideration or because of the risks set out in Section 8.

Further details of the risks which are applicable to both businesses and which the Expanded Adslot Group will be subject to following implementation of the Scheme are set out in Section 8.

(d) There are risks in integrating the respective businesses of Facilitate and Adslot.

The long-term success of the Expanded Adslot Group will depend, amongst other things, on the success of management in integrating the respective businesses and the management teams of Facilitate and Adslot. There is no guarantee that the businesses of Facilitate and Adslot will be able to be integrated successfully, or potential synergies realised.

There is a risk that the integration may take longer than expected and that anticipated efficiencies and benefits of that integration may be lower than estimated. Some of these risks include possible differences in the management culture of the two groups, inability to achieve potential synergy benefits and cost savings, and the potential loss of key personnel.

(e) Smaller relative holding

Upon the Scheme becoming Effective, the Scheme Shareholders' interests in the Expanded Adslot Group will be lower on a percentage basis than their percentage interest in Facilitate. This will mean that a Scheme Shareholder will have fewer votes as a percentage of total votes of all shareholders in the Expanded Adslot Group than the Scheme Shareholder had with Facilitate and this may be a negative factor for some Scheme Shareholders.

4.6 Other relevant considerations

(a) Potential collateral benefit for Mr Ian Lowe

Mr Ian Lowe is the Chief Executive Officer and Executive Director of Adslot. Mr Lowe was formerly the Chief Executive Officer and an Executive Director of Facilitate until his resignation in September 2012.

Mr Lowe holds or controls 6,958,823 Facilitate Shares, representing approximately 3.1% of Facilitate Shares. If the Scheme is implemented, the Facilitate Shares held by Mr Lowe will be transferred to Adslot and Mr Lowe, as with all other Scheme Shareholders, will receive 1.216 New Adslot Shares for each Facilitate Share he owns (approximately 8,461,929 New Adslot Shares will be issued to Mr Lowe under the Scheme).

Under Mr Lowe's current terms of employment with Adslot:

- Mr Lowe is entitled to a short term cash bonus of up to \$125,000 per annum, subject to the discretion of the Adslot Board based on performance against financial and non-financial key performance indicators (KPI Targets); and
-

- Mr Lowe has been granted 20,000,000 Adslot Rights Over Adslot Shares which will be released from escrow once the VWAP of Adslot Shares is above certain specified levels (VWAP Targets).

The implementation of the Scheme may have the effect of accelerating or contributing to Mr Lowe achieving the KPI Targets and/or VWAP Targets. Accordingly, there is the potential for Mr Lowe to receive a collateral benefit, being a benefit in addition to the Scheme Consideration that no other Facilitate Shareholder will receive.

In line with the principles enunciated by ASIC in its Regulatory Guide 60 – Schemes of Arrangement (at paragraph 23) and the Takeover Panel's Guidance Note 21 – Collateral Benefits, the Independent Expert has valued and quantified this potential collateral benefit.

In relation to Mr Lowe's short term cash bonus, the Independent Expert has valued and quantified this as being in the range of nil to \$125,000 (being the maximum amount payable to Mr Lowe, subject to achieving the KPI Targets).

In relation to the conversion of Mr Lowe's Rights Over Adslot Shares, the Independent Expert has been unable to quantify the value of the potential collateral benefit to Mr Lowe as the achievement of the VWAP Targets is uncertain.

For further details, please refer to section 9.3.4 of the Independent Expert's Report.

Given the potential for this collateral benefit to arise, Adslot and Facilitate have implemented the following measures:

- Mr Lowe has not been directly involved in the negotiation of the Scheme on behalf of Adslot;
- Mr Lowe has not been directly involved in the negotiation of the Scheme on behalf of Facilitate; and
- Mr Lowe will abstain from voting any of his Facilitate Shares on the Scheme Resolution at the Scheme Meeting.

(b) The Scheme has a number of conditions

In addition to the need to obtain Shareholder and Court approval, the Scheme is subject to a number of other conditions. These conditions are outlined in Section 10.3 and are set out in full in clause 3.1 of the Scheme Implementation Deed in Appendix 4. All these conditions need to be satisfied (or alternatively waived, in the case of certain conditions that are capable of being waived) in order for the Scheme to proceed.

Your Directors have reviewed the conditions and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Explanatory Booklet your Directors are not aware of any matter that would result in a breach or non fulfilment of any of those conditions.

(c) All or nothing outcome – Scheme

If all of the conditions and approvals for the Scheme are satisfied or waived (as applicable):

- it will bind all persons registered as Facilitate Shareholders as at the Record Date, including those who do not vote on the Scheme and those who vote against it, meaning that all persons who qualify as Scheme Shareholders will relinquish ownership of their Facilitate Shares and will be entitled to receive the Scheme Consideration; and
- Facilitate will become wholly owned subsidiary of Adslot and delisted from ASX.

Conversely if all of the conditions and approvals for the Scheme are not satisfied or waived (as applicable), the status quo will be preserved, meaning that:

- Facilitate Shareholders will retain all of their Shares;
-

- the existing Facilitate Board and management will continue to operate Facilitate's business;
- the advantages of the Scheme, as outlined in Section 4.4, will not be realised and equally some of the disadvantages of the Scheme, as outlined in Section 4.5 will no longer be relevant; and
- Facilitate Shareholders will retain their current investment in Facilitate Shares and in doing so will continue to retain the benefits of that investment and continue to be exposed to the risks associated with this investment. These risks include risks that are specific to Facilitate's business (see Section 5.13).

(d) Transaction costs

Facilitate Shareholders

If the Scheme proceeds Facilitate Shareholders will not be required to pay any brokerage or other costs on the disposal of their Facilitate Shares under the Scheme.

Facilitate

As at the date of this Explanatory Booklet Facilitate has incurred (or expects to incur) costs of approximately A\$570,000 in developing the Scheme to the point that it is capable of being submitted to Facilitate Shareholders as a formal offer for their consideration, \$400,000 of which is contingent upon the Scheme becoming Effective. These costs include negotiations with Adslot, facilitating Adslot's due diligence investigations, the retention of advisers, engagement of the Independent Expert and preparation of this Explanatory Booklet.

If the Scheme does not proceed and no Superior Proposal is implemented Facilitate's results for the financial year ending 30 June 2014 will be negatively impacted by the non-contingent component of these transaction costs, being \$170,000.

(e) Exclusivity arrangements

The following is a summary only of the exclusivity arrangements agreed to in the Scheme Implementation Deed. The full terms of these exclusivity arrangements are set out in clause 10 of the Scheme Implementation Deed which is included as Appendix 4.

No shop

During the exclusivity period, Facilitate must not solicit, invite, encourage or initiate any competing proposal or any enquiries, negotiations or discussions with any third party in relation to a competing proposal, or communicate any intention to do any of those things.

No talk

During the exclusivity period, Facilitate must not enter into, continue or participate in negotiations or discussions with, or enter into any agreement or understanding with, any third party in relation to a competing proposal unless:

- the Facilitate Board determines that the competing proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Facilitate Board proposes to take; and
- the Facilitate Board determines that failing to respond to that competing proposal would constitute or would be likely to constitute a breach of the Facilitate Board's fiduciary or statutory duties,

but only if that competing proposal was not solicited, invited, encouraged or initiated by Facilitate in a manner that would breach its obligations under clause 10.2, 10.3 or 10.4 under the Scheme Implementation Deed.

No due diligence

During the exclusivity period, Facilitate must not make available to any third party or permit any third party to receive any non-public information relating to any member of the Facilitate Group in connection with that third party formulating, developing or finalising a competing proposal, unless:

- the competing proposal was not solicited, invited, encouraged or initiated by Facilitate in a manner that would breach its obligations under clause 10.2 and 10.3 of the Scheme Implementation Deed;
- the Facilitate Board acting in good faith determines that:
 - the competing proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Facilitate Board proposes to take; and
 - failing to respond to that competing proposal would constitute or would be likely to constitute a breach of the Facilitate Board's fiduciary or statutory duties, and
- if Facilitate proposes that any non-public information be provided to a third party, before the provision of such information, the third party has entered into a written agreement in favour of Facilitate regarding the use and disclosure of the confidential information and that restricts the third party's ability to solicit the employees of any member of the Facilitate Group and that information has also been provided to Adslot.

Notification

During the exclusivity period, Facilitate must promptly notify Adslot if Facilitate is approached by any third party to take any action of a kind referred to above or Facilitate proposes to take any action of a kind referred to above.

Any such notification must include a summary of all material terms and conditions of the actual, proposed or potential competing proposal including price and the identity of the third party making the actual, proposed or potential competing proposal.

Matching right

During the exclusivity period, Facilitate must not publically recommend a Competing Proposal or enter into any legally binding agreement, arrangement or understanding to give effect to a Competing Proposal, unless Facilitate has provided Adslot with all material terms of the Competing Proposal.

If the Facilitate Board determines that Adslot matches or exceeds the terms of a Competing Proposal (Adslot Counter Proposal), then Facilitate and Adslot must use their best endeavours to agree to the amendments to the Scheme Implementation Deed that are reasonably necessary to reflect the Adslot Counter Proposal.

(f) Break fee

Facilitate must pay Adslot the Break Fee if at any time after the release of the joint public announcement but on or before the earlier of the End Date and the time the Court makes an order approving the Scheme:

- the Facilitate Board makes a public statement withdrawing or adversely changing or modifying its recommendation that Facilitate Shareholders vote in favour of the Scheme or makes a recommendation or statement that is inconsistent with such recommendation or statement; or
 - the Facilitate Board makes a public statement indicating that they no longer support the Scheme or that they support another transaction (including a competing proposal); or
 - at any time before the termination or expiry of the Scheme Implementation Deed, a Competing Proposal of any kind is announced by a third party and the third party completes in all material respects a Competing Proposal.
-

The Break Fee triggers do not include a situation where the Scheme does not proceed simply because Facilitate Shareholders do not approve the Scheme at the Scheme Meeting to be held on Wednesday, 4 December 2013. In addition, the Break Fee is not payable (or is recoverable from Adslot if already paid) to the extent that a court or the Takeovers Panel determines that all or any part of the Break Fee is unlawful, involves a breach of directors' duties or constitutes unacceptable circumstances or breaches an order of the Takeovers Panel.

The Break Fee operates as Adslot's sole and exclusive remedy, unless the entitlement to the Break Fee arises from wilful misconduct or wilful default by Facilitate.

For a complete description of the circumstances in which the Break Fee would be payable by Facilitate, please refer to clause 11 of the Scheme Implementation Deed in Appendix 4.

In negotiating the amount of the Break Fee and the circumstances in which it would be payable, Facilitate had regard to the guidelines issued by the courts and the Takeovers Panel. Your Directors consider that the Break Fee arrangements are reasonable and appropriate in amount, structure and effect, and that it was appropriate to agree to their terms to secure Adslot's participation in the Scheme.

4.7 What are your alternatives?

The following principal alternatives are available to Facilitate Shareholders. Facilitate encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Facilitate Shares.

Vote in favour of the Scheme	<p>This is the course of action unanimously recommended by your Directors, in the absence of a Superior Proposal.</p> <p>To follow your Directors' unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting. For a summary of how to vote on the Scheme, please refer to Section 3 of this Explanatory Booklet.</p>
Vote against the Scheme	<p>If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting.</p> <p>However, if all of the conditions and approvals for the Scheme are satisfied or waived (as applicable), the Scheme will bind all relevant Facilitate Shareholders, including those who do not attend the Scheme Meeting, those who do not vote on the Scheme and those who vote against it.</p>
Sell your Shares	<p>The existence of the Scheme does not preclude you from selling your Facilitate Shares, if you wish and if you are not precluded from doing so by escrow arrangements, provided the transfer form in respect of that sale is received by the Share Registry on or before the Record Date.</p>
Do nothing	<p>Facilitate Shareholders who do not elect to vote at the Scheme Meeting will:</p> <ul style="list-style-type: none"> • if the Scheme becomes Effective and is implemented - have their Scheme Shares compulsorily transferred to Adslot, by operation of the Scheme and be entitled to receive the Scheme Consideration; and • if the Scheme is not implemented - retain their Facilitate Shares.

5. Profile of Facilitate

5.1 Who is Facilitate

Facilitate is a leading global provider of digital marketing technology and services to the digital media sector. Established in 2001 and headquartered in Sydney, Australia, Facilitate has a global footprint spanning Sydney (HQ), NY, London, Hamburg, Shanghai and Auckland.

Since its founding in 2001, Facilitate has rapidly evolved into a leading global provider of integrated digital marketing solutions. Its client list includes some of the most sophisticated media agencies and advertisers worldwide in multiple territories across the globe.

Facilitate offers two primary products to its client base;

- **Symphony Media:** Symphony is a purpose built workflow and trading solution for digital media agencies.
- **Facilitate For Agencies (FFA):** FFA is a campaign execution toolset for agencies including advertising serving, rich media management, search tracking. In addition it provides detailed reporting and analytics to assist in the measurement of campaign performance.

Facilitate's vision is for the company to become the dominant provider of digital media workflow and trading solutions for the APAC region and beyond. In Australia, Facilitate aims to become the standard through which a majority of digital display media is transacted.

5.2 Overview of operations

Facilitate's clients globally include international agency groups:

- WPP (Mindshare, Mediacom, Mediaedge:cia, Maxus)
- Omnicom (OMD, PhD)
- Publicis (Zenith Optimedia, Starcom)
- Interpublic Group (Universal McCann, Initiative)

Digital media is of increasing importance to advertising agencies with almost 30 per cent of their total revenues coming from this sector. This strong growth, however, creates challenges for agencies due to the complex and fragmented nature of digital when compared to other media.

Symphony, is specifically designed to address the complexity associated with digital media management for media agencies. The solution has been fully internationalised and is uniquely positioned to meet the needs of tier 1 agencies with a global footprint. The collaborative workflow system integrates media agencies, publishers and creative agencies into a single platform.

Considerable momentum has been achieved in recent times with the Symphony solution. Over the past twelve months Facilitate has:

- Successfully deployed Symphony to new clients in a number of markets including China, Japan, Australia, Hong Kong, Singapore and Malaysia;
 - Had its Symphony technology mandated by one of the largest agency groups in Australia for electronic trading and sign off with its media partners;
 - Continued investment in new product features including further internationalisation and the Company's recently released Electronic Insertion Order module;
 - Furthered its partnership agreements with complementary technology sets globally. Notably, Facilitate's partnership with US based MASS Exchange is likely to see a commercial launch.
-

Facilitate has also continued to extend its sales pipeline with ongoing interest in adoption from agencies in a number of markets around the world. Facilitate anticipates further client agreements to be confirmed in coming months and in particular believes it is well placed to further grow its market share across key markets in APAC and Europe.

5.3 Historical financial information

(a) 2013 Annual Report for the period ended 30 June 2013

On 30 September 2013, Facilitate lodged a copy of the full year 2013 Facilitate Annual Report with ASX. The 2013 Facilitate Annual Report contains detailed information about Facilitate's assets, business and operations, structure and shareholders' profile. It also includes a copy of the audited consolidated financial statements of Facilitate for the financial year ended 30 June 2013.

In the interval between the end of the period to 30 June 2013 and the date of this Explanatory Booklet, no item, transaction or event of a material and unusual nature has arisen, or is likely, in the opinion of the Facilitate Directors, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years other than as disclosed in the 30 June 2013 full year financial statements and any subsequent filings on ASX.

Facilitate Shareholders may view complete copies of the audited financial statements of FAC for the reporting period ended 30 June 2013 and the reviewed financial statements for the period ended 31 December 2012 on ASX's website at www.asx.com.au or on the FAC website at www.facilitatedigital.com.

The following historical financial information is extracted from the audited and reviewed consolidated financial statements of Facilitate for the financial period to 30 June 2013. The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial information presented in the table below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

(b) Statement of Financial Performance as at 30 June 2013

	2013	2012
	\$	\$
Revenue from continuing operations	4,116,281	6,405,578
Other income	1,141,402	1,184,234
Total revenue and other income from continuing operations	5,257,683	7,589,812
Cost of Sales	(578,080)	(946,030)
Employee benefits expense	(2,352,838)	(3,189,770)
Depreciation and amortisation expenses	(1,632,251)	(1,379,350)
Occupancy expenses	(377,208)	(424,275)

Professional fees	(305,058)	(355,486)
Finance costs	(47,520)	(52,138)
Other expenses	(589,723)	(727,203)
Gain on foreign exchange	3,781	47,511
Profit/(loss) before income tax	(621,214)	563,071
Income tax expense	(49,304)	(74,758)
Profit/(loss) for the year from continuing operations	(670,518)	488,313
Loss for the year from discontinued operations	(157,302)	-
Profit/(loss) for the year	(827,820)	488,313
Other comprehensive income		
Foreign currency translation reserve	36,687	(99,216)
Other comprehensive income for the year, net of tax	36,687	(99,216)
Total comprehensive income/(loss) for the year	(791,133)	389,097

(c) Statement of Financial Position as at 30 June 2013

The amounts noted for financial year 2012 has been restated. Please refer to the Facilitate Annual Report, lodged with ASX on 30 September 2013.

	Consolidated	
	2013	2012
	\$	\$
ASSETS		
Current Assets		
Cash & cash equivalents	1,819,676	840,810
Trade and other receivables	1,986,937	2,112,606
Total Current Assets	3,806,613	2,953,416
Non Current Assets		
Property, plant and equipment	68,564	134,207
Intangible assets	4,733,111	4,223,385
Other	28,111	379,684
Total Non Current Assets	4,829,786	4,737,276
Total Assets	8,636,399	7,690,692
LIABILITIES		
Current Liabilities		
Trade and other payables	1,573,67	1,825,110
Interest bearing liabilities	4,544	21,403
Employee benefits	295,309	461,319
Current tax liabilities	(3,837)	72,594

Other	33,882	33,882
Total Current Liabilities	1,903,56	2,414,308
Non Current Liabilities		
Interest bearing liabilities	-	4,544
Employee benefits	158,865	29,675
Other	73,036	105,131
Total Non Current Liabilities	231,901	139,350
Total Liabilities	2,135,46	2,553,658
Net Assets	6,500,93	5,137,034
EQUITY		
Contributed Equity	16,785,5	14,684,727
Foreign Currency Translation Reserve	127,746	91,059
Share Option Reserve	403,719	349,503
Accumulated Losses	(10,816,	(9,988,255)
Total Equity	6,500,93	5,137,034

5.4 Material changes in the financial position of Facilitate

The only material change in the financial position of Facilitate post the 30 June 2013 reporting date is that Facilitate announced entering into the scheme of arrangement with Adslot, which is the subject of this Explanatory Booklet.

5.5 Facilitate Board details

The Facilitate Directors as at the date of this Explanatory Booklet are:

- Mr Stuart Simson, Chairman, member of the Audit & Risk Committee
- Mr Ben Dixon, Acting Chief Executive Officer and Executive Director
- Mr Geoff Dixon, Non-Executive Director, member of the Audit & Risk Committee
- Mr Charles Sweeney, **Non-Executive Director, member of the Audit & Risk Committee**

Profiles of Geoff Dixon and Ben Dixon, who will become directors of the Expanded Adslot Group if the Scheme is implemented, are set out in Section 7.5.

5.6 Capital structure

The information in this section, unless otherwise stated, is correct as at 25 October 2013.

(a) Facilitate Issued Shares

As at 25 October 2013, Facilitate has:

- 225,107,552 Facilitate Shares on issue;
- 1,250,000 options currently on issue and unexercised.

(b) Distribution of equity securities

Number of Equity Securities	Number of Shareholders	Ordinary Shares on Issue
1 – 1000	14	5,533
1,001 – 5,000	81	238,376
5,001 – 10,000	99	815,244
10,001 – 100,000	170	6,678,391
100,001 +	94	217,370,008
Total	458	225,107,552

The number of security investors holding less than a marketable parcel of 7,250 securities (based on a price of \$0.14 on 25 October 2013) is 75 and they hold 159,243 securities.

(c) Twenty largest quote equity shareholders

The number of securities held by the top 20 shareholders is set out below:

Rank	Shareholder	Number of Shares	Percentage
1	Dawnie Dixon Pty Ltd	59,582,803	26.47%
2	Ambleside Ventures Pty Ltd	25,993,062	11.55%
3	National Nominees Limited	19,817,806	8.80%
4	Eyewonder Australia Pty Ltd	16,257,616	7.22%
5	G & D Dixon Investments Pty Ltd	10,116,928	4.49%
6	Sandhurst Trustees Ltd	8,741,902	3.88%
7	Michael Lane	7,462,130	3.31%
8	Ian Lowe & Ben Dixon	5,706,192	2.53%
9	Dunsmore Nominees Pty Ltd	5,226,454	2.32%
10	Registry Systems LLC	4,136,362	1.84%
11	Internet Associates Inc	3,916,170	1.74%
12	JP Morgan Nominees Australia Limited	3,751,116	1.67%
13	Mr Austin Sydney Evan Miller	3,419,533	1.52%
14	Ben Dixon	2,888,117	1.28%
15	Hazelwood Pty Ltd	2,756,843	1.22%
16	Prudence Margaret Connolly & Charles Augustine Sweeney	2,647,141	1.18%
17	Publicis Communications Pty Ltd	2,089,104	0.93%

18	Internet Billing Services Ltd	1,919,962	0.85%
19	Pethol (VIC) Pty Ltd	1,644,737	0.73%
20	Mr John Vines & Mrs Lynette Vines	1,578,672	0.70%
	TOTAL	189,652,650	84.25%
	Balance of Register	35,454,902	15.75%
	Grand TOTAL	225,107,552	100.00%

(d) Substantial shareholders

The number of securities held by substantial shareholders and their associates are set out below:

Shareholder	Number of Shares	Percentage
Geoffrey Dixon	70,930,934	31.5
Ben Dixon	28,881,179	12.83
Private Portfolio Managers Pty Ltd	19,817,804	8.8
Eyewonder Australia Pty Ltd	16,257,616	7.2

5.7 Interests in Facilitate Shares held directly or indirectly by the Facilitate Directors

Shareholder	Number of Shares
Stuart Simson	1,073,832
Geoff Dixon	70,930,934
Ben Dixon	28,881,179
Charles Sweeney	7,996,095

5.8 Dealings by Facilitate Directors in Facilitate Shares

There have been no dealings in Facilitate shares by the directors in recent years apart from subscriptions to rights issues in 2010, 2011 and 2013.

5.9 Interests in Adslot held directly or indirectly by the Facilitate Directors

None of the Facilitate Directors has any interest in any Adslot Shares.

5.10 Dealings by Facilitate Directors in Adslot Shares

None of the Facilitate Directors have had any dealings in Adslot Shares.

5.11 Recent Facilitate share performance

The last recorded share price of Facilitate Shares traded on ASX before the public announcement of the Scheme on 12 September 2013 was \$0.020. The latest recorded sale price of Facilitate Shares on ASX on 25 October 2013 was \$0.14.

During the 3 month period immediately preceding the date on which this Explanatory Booklet was lodged for registration with ASIC, the highest and lowest recorded sale prices of Facilitate Shares on ASX were respectively \$0.017 on 29 August 2013 and \$0.14 on 25 October 2013.

The chart below shows Facilitate's Share price performance from 25 October 2012 to 25 October 2013.



5.12 Information publicly available on Facilitate

Facilitate is listed on ASX. Facilitate is a disclosing entity for the purposes of the Corporations Act and the ASX Listing Rules and is subject to regular reporting and disclosure obligations that require Facilitate to immediately disclose to the market any information of which it is aware which a reasonable person may expect to have a material impact on the price or value of Facilitate's Shares.

ASIC also maintains a record of documents lodged with it by Facilitate, and these may be obtained from or inspected at any office of ASIC.

5.13 Risks Specific to Facilitate

There are existing risks relating to Facilitate's business and an investment in Facilitate that will continue to be relevant if the Scheme is not approved and implemented including the following risks.

(a) Possible requirement to raise further capital

The Annual Report lodged with ASX on 30 September 2013 included a financial report which was prepared on a going concern basis. The Facilitate Directors believe that Facilitate is in a stable financial position to grow its current operations. This view is based on relevant information and expectations including revenue forecasts, anticipated R & D Tax Incentive receipts, the Scheme becoming Effective and the range of alternative sources of funding available to Facilitate.

The Annual Report contained an independent auditor's report which includes an emphasis of matter paragraph in relation to Facilitate's ability to continue as a going concern in the event that all of the above expectations failed to occur.

There is a risk that if revenue forecasts and anticipated R & D Tax Incentive receipts failed to occur as expected and the Scheme does not proceed that Facilitate would need to raise further equity capital which could be dilutionary for current Facilitate Shareholders if they did not participate (or were not able to participate) in a further capital raising.

(b) Product development risk

New products from Facilitate may face development risk. The risk is that a product development plan is too aggressive or inadequate (including having the required skill sets) to bring products to the market in the timeframe required.

(c) Product scalability risk

The success of Facilitate's business depends on the ability of its current product offerings to be scalable. Products previously delivered have required extensive bespoke development with substantial investment on a per client basis.

(d) Technology changes

The online media industry is constantly evolving with new technologies and products which could act as substitutes for the products and services offered by Facilitate. There is no guarantee that Facilitate can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in Facilitate's business finding it increasingly difficult to compete in its chosen target segments.

(e) Market opportunity risk

Some of the products from Facilitate have limited market acceptance given that they represent products which are new to the market. There is a risk that the timing and extent of market acceptance is insufficient to generate acceptable returns to Facilitate Shareholders over the long term.

(f) Competition risk

Facilitate faces competition from Australian and international online media trading technology companies. Increased competition in the future, including from new competitors, may emerge. The early stage nature of the market for online media products results in limited intelligence being available on potential competitors. The barriers to entry are perceived to be medium to high given the time to market and technical intelligence involved in Facilitate's products.

(g) Investment Risk

As with any investment in ASX listed securities there are general risks associated with investing in Facilitate including that the market price of Facilitate Shares may fall as a result of the specific risks identified above or general market risks.

6. Profile of Adslot

This Section contains information in relation to Adslot.

The Independent Expert's Report set out in Appendix 1 contains further information about Adslot.

The information contained in this Section has been prepared by Adslot. The information concerning Adslot and the intentions, views and opinions contained in this Section are the responsibility of Adslot. Facilitate and its Directors and officers do not assume any responsibility for the accuracy or completeness of this information.

The historical financial information in this Section relates to Adslot on a stand alone basis and does not include the effect of any synergies that may arise in connection with the Scheme.

6.1 Background information

Adslot Limited (ASX: ADJ) is listed on ASX and is a global provider of online display media trading technology. Adslot operates two main divisions, Adslot and Webfirm. The Adslot division provides media trading technology to buyers (advertisers and media agencies) and sellers (online publishers) of online display advertising. The Webfirm division offers products and services aimed at helping small and medium enterprise customers grow their business online.

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

Further information on Adslot can be found on its website at www.adslot.com. The most recent Adslot ASX announcements can be found at <http://www.adslot.com/about/investor-relations/asx-announcements/>.

6.2 Overview of operations

Adslot division

The Adslot division provides media trading technology to buyers and sellers of online display advertising. It was created via the acquisition of three core pieces of technology during 2010 (Adslot, QDC and Adimise). Once these technologies were integrated and further innovated, the integrated and innovated product was successfully sold and implemented into a small number of large online classifieds publishers in Australia and New Zealand.

From the 2012 financial year Adslot began to focus on increasingly productised iterations of its technology (versus what were previously highly customised installations), and correspondingly feature sets that would appeal to a broader set of online publishing businesses. Leveraging its various technology assets and knowledge acquired from working closely with publishers, in October 2012 Adslot launched Adslot Publisher. Adslot Publisher is a technology platform that allows any online publisher to expose premium advertising inventory into a purpose designed buying interface. The buying interface allows a media buyer to purchase advertising inventory direct from publishers and is an entirely electronic process.

Since October 2012 Adslot has signed over 650 publishers to its Adslot Publisher platform, from markets including US, UK, Europe and Australia. The next phase of Adslot's strategy will see this diverse and growing catalogue of publishers assembled into a marketplace, in which large sophisticated advertisers – such as media agencies – will be able to plan and buy premium display advertising inventory across multiple publishers simultaneously.

Adslot's marketplace capability was released globally on 22 October 2013. This product is known as Adslot Media. Adslot is also in the process of partnering with organisations already servicing large buyers – such as media agencies – and large publishers. This is to scale the volume of inventory supplied by

publishers and the value of advertising spend committed by agencies and advertisers and in turn grow marketplace liquidity.

Adslot Create was also released as a stand-alone product in the 2013 financial year, enabling advertisers to quickly and easily build banner ads via a library of banner and design templates. This capability transforms a process of days into minutes, in the process removing manual labour and associated cost. Adslot Create also forms a key component of several customised installations and is available as an integrated module within Adslot Publisher for advertisers that do not have appropriate creative assets readily available.

Webfirm division

The Webfirm division offers products and services aimed at helping small and medium enterprise customers grow their business online. Despite the 2013 financial year sales slightly reducing to \$2.6 million the Webfirm division contributed a profitable result of \$0.3 million after covering its share of corporate costs.

Whilst the Webfirm divisions strategic focus changed to primarily Search Engine Marketing services for its client base last year it has also successfully refocused on providing website development for new and existing clients.

6.3 Adslot group structure

Adslot has a number of subsidiaries through which it conducts its operations. A legal structure of Adslot is set out below.

Parent entity	
Adslot Ltd	Australia
Controlled entities – 100% Equity Interest	
Adslot Technologies Pty Ltd	Australia
Ansearch.com.au Pty Ltd	Australia
Ansearch Group Services Pty Ltd	Australia
Webfirm Media Pty Ltd	Australia
Searchworld Pty Ltd	Australia
Webfirm Pty Ltd	Australia
Adimise Pty Ltd	Australia
Full Circle Online Pty Ltd	Australia
QDC IP Technologies Pty Ltd	Australia
Adslot UK Limited	United Kingdom
Adslot Inc.	United States

6.4 Board of directors and senior management

As at the date of this Explanatory Booklet, the Adslot Board comprises:

Mr Adrian Giles	Non-Executive Chairman
Mr Ian Lowe	Chief Executive Officer and Executive Director

Mr Andrew Barlow	Non-Executive Director
Mr Chris Morris	Non-Executive Director
Ms Tiffany Fuller	Independent Non-Executive Director

Profiles of the Adslot Directors are set out in Section 7.5 of this Explanatory Booklet

6.5 Capital structure and substantial shareholders

(a) Adslot securities

Adslot Shares

As at 25 October 2013, Adslot had 707,569,978 ordinary shares on issue which are quoted on ASX.

Adslot options

As at 25 October 2013, Adslot had 5,300,000 options on issue, comprising:

- 2,000,000 options exercisable before 8 July 2014 at \$0.151;
- 3,000,000 options exercisable before 30 September 2014 at \$0.116; and
- 300,000 options exercisable before 30 September 2014 at \$0.19.

These options were issued under the Adslot Employee Share Ownership Plan and each option will convert into one Adslot Share on exercise.

Adslot Rights Over Shares

As at 25 October 2013, Adslot had 20,000,000 Adslot Rights Over Shares. Adslot Rights Over Shares are rights that will convert into Adslot Shares if the share price of Adslot trades above a certain 30 day VWAP. No amounts are paid or payable by the recipient on receipt of any Adslot Rights Over Shares. The Adslot Rights over Shares carry no voting rights.

(b) Substantial shareholders

Based on publicly available information, as at 25 October 2013, Adslot had received notifications from the following shareholders holding more than 5% of Adslot Shares:

Shareholder Name	Number of Adslot shares	Percentage shareholding
Chris Morris	70,410,696	9.95%
Andrew Barlow	62,803,769	8.88%
Total	133,214,465	18.83%

(c) Top 20 Adslot shareholders

As at 25 October 2013, the top 20 Adslot shareholders and their respective holdings were:

	Name	Listed Ordinary Shares	
		Number of shares	% of shares
1.	VENTURIAN PTY LTD <MAVERICK INNOVATION A/C>	61,055,667	8.63
2.	FINICO PTY LIMITED	55,148,796	7.79
3.	OVERACHIEVE PTY LTD <OVERACHIEVE	28,500,000	4.03

	A/C NO 1>		
4.	ANDAMA HOLDINGS PTY LTD <J & M BARLOW PENSION A/C>	23,000,000	3.25
5.	ANSEARCH COM AU PTY LTD	15,137,923	2.14
6.	FINICO PTY LIMITED <MORRIS SUPER FUND A/C>	9,179,849	1.30
7.	CAPITAL ACCRETION PTY LTD <THE FORTIFIED VALUE A/C>	9,033,336	1.28
8.	YARRA VENTURES PTY LTD <GILES SHARE A/C>	8,706,577	1.23
9.	KHALON PTY LIMITED	8,451,867	1.19
10.	COTU INVESTMENTS PTY LTD <COTU SUPER FUND A/C>	8,088,888	1.14
11.	PHILIP MURPHY INVESTMENTS PTY LTD <P & J MURPHY S/F A/C>	7,310,222	1.03
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,400,238	0.90
13.	SISUG PTY LTD <SISU SUPERANNUATION FUND A/C>	6,194,236	0.88
14.	YARRA VENTURES PTY LTD <GILES SHARE A/C>	5,569,629	0.79
15.	ALCATT PTY LTD <TRUSTCAT INVESTMENT A/C>	5,487,858	0.78
16.	MR JASON CONRAD SQUIRE <THE JASQUI A/C>	5,250,000	0.74
17.	MS & IM 67 FUND PTY LTD <MS & IM 67 FUND A/C>	5,000,000	0.71
18.	COMSEC NOMINEES PTY LIMITED	4,986,999	0.70
19.	YARRA VENTURES PTY LTD <THE GILES SHARE A/C>	4,848,485	0.69
20.	D & J PAGNIN SUPERANNUATION FUND PTY LTD <D & J PAGNIN SUPER FUND A/C>	4,750,000	0.67
	Total Top 20 holders of Ordinary Shares	282,100,570	39.87

As at 25 October 2013, the Adslot Directors hold approximately 21.83% of all Adslot Shares on issue.

(d) Interests of Adslot Directors in Adslot securities

As at 25 October 2013, the Adslot Directors have the following relevant interests in Adslot Shares:

Adslot Director	Number of Adslot Shares (direct and indirect interests)	% interest in Adslot issued capital
Mr Adrian Giles	19,633,409	2.77%
Mr Andrew Barlow	62,803,769	8.88%
Mr Chris Morris	70,410,696	9.95%
Mr Ian Lowe	3,000,000	0.42%
Ms Tiffany Fuller	100,000	0.01%

As at 25 October 2013, Mr Ian Lowe holds no Adslot Shares directly but has an interest in 3,000,000 Adslot Shares which are held in the Adslot Employee Share Trust. Approximately 1,500,000 of these Adslot Shares are subject to a service escrow condition which expires on 9 October 2014. The balance of approximately 1,500,000 are no longer subject to any service escrow conditions but Mr Lowe has not yet exercised his rights over these Adslot Shares. Accordingly, they remain subject to the terms of the Adslot Employee Share Trust.

(e) Adslot Directors' dealing in Adslot securities

Mr Lowe also holds 20,000,000 Rights Over Adslot Shares which are described in Section 6.5(a).

(f) Interests of Adslot Directors in Facilitate securities

As at 25 October 2013, the Adslot Directors have the following relevant interests in Facilitate Shares:

Adslot Director	Number of Facilitate Shares (direct and indirect interests)	% interest in Facilitate issued capital
Mr Ian Lowe	6,958,823	3.1%

Other than as set out above, there are no other Facilitate securities held by or on behalf of any Adslot Director as at the date of this Explanatory Booklet.

(g) Adslot Directors' dealing in Facilitate securities

No Adslot Director has acquired or disposed of a relevant interest in any Facilitate securities in the four month period ending on the date immediately before this Explanatory Booklet.

6.6 Historical financial information

The summary financial information below has been extracted from the full year financial reports for Adslot for the years ended 30 June 2012 and 30 June 2013, respectively, which have been audited by Grant Thornton and published by Adslot on ASX. The financial information is intended to provide a high level overview of Adslot's historical financial position and is not intended to provide the level of detail or

understanding which is available from a review of the published financial reports which are available on ASX or Adslot's website.

The information includes the following:

- Summary statements of financial position as at 30 June 2012 and 30 June 2013; and
- Summary statements of financial performance for the years ended 30 June 2012 and 30 June 2013.

It should be noted that past financial performance is not an indicator of future performance.

(a) **Consolidated statement of financial performance**

\$000	30-Jun-13	30-Jun-12
Revenue	4,729	5,342
Cost of sales	(748)	(1,158)
Gross profit	3,981	4,183
Operating expenses	(6,946)	(7,695)
Depreciation and amortisation	(2,711)	(2,659)
Other expenses	(784)	(1,162)
Profit/(Loss) before tax	(6,460)	(7,332)
Income tax expense	(1)	-
Loss after income tax expense	(6,461)	(7,332)
Other comprehensive income	30	36
Total comprehensive loss	(6,431)	(7,295)
Earnings Per Share	30-Jun-13	30-Jun-12
	Cents	Cents
Basic earnings per share	(0.94)	(1.08)
Diluted earnings per share	(0.94)	(1.08)

Note: Rounding may result in some differences

(b) **Consolidated statement of financial position**

\$000	30-Jun-13	30-Jun-12
Current Assets		
Cash and cash equivalents	9,132	13,746
Trade and other receivables	1,797	1,362
Total current assets	10,929	15,108
Non-Current Assets		
Property, plant & equipment	130	168
Other financial assets	213	213
Intangible assets	5,772	7,870
Total non-current assets	6,114	8,250
Total assets	17,043	23,358
Current Liabilities		
Trade and other payables	813	1,016
Other liabilities	651	1,011
Provisions	212	175
Total current liabilities	1,676	2,202

Non-Current Liabilities		
Provisions	47	26
Total non-current liabilities	47	26
Total liabilities	1,723	2,228
Net Assets	15,320	21,131
Equity		
Issued capital	76,871	76,674
Reserves	1,039	1,946
Accumulated losses	(62,590)	(57,490)
Total Equity	15,320	21,131

Note: Rounding may result in some differences

6.7 Material changes to the financial position of Adslot

Except as disclosed in this Explanatory Booklet and other than as disclosed to ASX, no member of the Adslot Board is aware of any material change to the financial position of Adslot since the date of its annual financial report for the financial year ended 30 June 2013, as filed with ASX on 30 September 2013.

6.8 Share price performance

Adslot shares are granted official quotation on ASX. The last recorded closing price for Adslot shares on ASX on 12 September 2013, the last trading day before public announcement of the Scheme, was \$0.061. The last recorded closing price for Adslot shares on ASX on 25 October 2013 was \$0.130. The last recorded closing price for Adslot shares on ASX on 30 October 2013 was \$0.125.

There can be no guarantee as to the performance of the price of Adslot Shares in the future.

The following chart shows the closing price of Adslot Shares on ASX over the past 12 months to 25 October 2013.



6.9 Interests in Facilitate Shares

As at the date of this Explanatory Booklet, Adslot does not have any relevant interest in Facilitate Shares.

6.10 Further information

As a company listed on ASX and a disclosing entity under the Corporations Act, Adslot is subject to regular reporting and disclosure obligations. Broadly, these require Adslot to announce price sensitive information as soon as it becomes aware of the information, subject to exemptions for certain confidential information. Adslot's recent announcements are available from www.adslot.com.

Further announcements concerning Adslot will continue to be made available on the ASX website after the date of this Explanatory Booklet.

Adslot is required to prepare and lodge with ASIC and ASX both annual and half year financial statements accompanied by a statement and report from Adslot Directors and an audit or review report.

Adslot also lodges quarterly activity reports with ASX. Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible from ASX's website at www.asx.com.au.

7. Profile of the Expanded Adslot Group

7.1 Overview of the Expanded Adslot Group

The Expanded Adslot Group will continue to be named Adslot Limited and will retain its ASX code 'ADJ'. The Expanded Adslot Group is expected to be a leading digital media technology services company that brings together online display media trading technology and digital workflow and trading technology into a single media trading platform to service both publishers and media buyers.

Adslot and Facilitate believe that the Scheme will deliver significant mutual benefits for Adslot and Facilitate customers, employees and shareholders. Anticipated benefits arising from the Scheme are:

- the Expanded Adslot Group is expected to bring together digital media inventory supply at scale and media buyer demand at scale into a single media trading platform;
- by integrating the two companies' digital workflow and trading technologies, over A\$800m per annum of premium display agency advertising spend from Facilitate's media buying customers will be available to trade directly with Adslot publisher customers;
- the Expanded Adslot Group is expected to have an expanded global footprint, including a sales and client service organisation located in Sydney, Melbourne, New York, San Francisco, London, Hamburg, Shanghai and Auckland; and
- the Expanded Adslot Group is expected to have a strong capital position and access to compliance related cost synergies.

7.2 Activities and assets of the Expanded Adslot Group

The key activities and assets of the Expanded Adslot Group will include:

- sales and support of proprietary technology to publishers that allow them to expose online display advertising inventory directly to buyers for purchase electronically;
- sales and support of proprietary technology to media agencies and large advertisers that allow them to access our catalogue of online display inventory for purchase electronically;
- sales and support of proprietary technology that automates media buying workflow for media agencies;
- sales and support of proprietary technology that dynamically serves, tracks and optimises online display advertising creative for media agencies and large advertisers;
- sales and support of proprietary technology to automate the creation, manipulation and versioning of creative files used for online display advertising by advertisers, media agencies and publishers; and
- a combined sales organisation with personnel based in key global markets including Australia, New Zealand, China, Germany, the United Kingdom and the United States.

7.3 Vision and strategy of the Expanded Adslot Group

The vision of the Expanded Adslot Group is to become the world's leading technology platform for the trading of online display media by leveraging the Expanded Adslot Group's combined technology and geographic reach.

The strategy of the Expanded Adslot Group includes:

- providing media agencies already using Facilitate's toolset (and the *Symphony* workflow product in particular), with seamless, integrated access to the inventory of publishers using the *Adslot Publisher* platform;
-

- providing publishers using the *Adslot Publisher* platform direct access to the demand of media agencies using *Symphony*. This includes tools that enable publishers to actively market and promote their advertising products direct to media buyers and allow media buyers to purchase these advertising products in one ‘click’;
- using the supply captured by Adslot to attract and grow demand and use the demand captured by Facilitate to attract and grow supply;
- leveraging the global reach of the combined sales and client service organisation to enter into regional and global agreements with international agency groups and international publishing groups;
- using Facilitate's campaign performance data (derived from their *Adserving* technology) to present media buyers with a series of value based metrics. In conjunction with price data already captured by the Expanded Adslot Group's combined technology, this will inform buying decisions to the benefit of advertisers in a fashion not previously available; and
- offering both media buyers and publishers significant business process efficiencies that will reduce cost, reduce time to market and reduce human error through integration of the buy side and sell side toolsets (now both available under the Expanded Adslot Group's combined technology).

7.4 Intentions in relation to Facilitate and the Expanded Adslot Group

This Section sets out Adslot's intentions for Facilitate, on the basis of facts and information concerning Facilitate known to Adslot and the general business environment as at the time of preparing this Explanatory Booklet, in relation to the following:

- corporate matters
- continuation of the business of Facilitate
- employees
- head office
- board of directors and senior management

The Expanded Adslot Group's Board and management intend to explore opportunities to optimise the Expanded Adslot Group's existing operations and product development projects of the combined business and maximise value for its shareholders. Final decisions regarding these matters will be made by the Expanded Adslot Group's Board in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intentions only, which may vary as new information becomes available or circumstances change and the Expanded Adslot Group further develops its strategic focus and outlook.

(a) Corporate matters

If the Scheme is implemented, it is intended that Facilitate Shares will cease to be officially quoted on the Official List of ASX.

(b) Continuation of the business of Facilitate

If the Scheme is implemented, Adslot's intention is to conduct a detailed review of Facilitate's strategy and operations to allow it to develop its detailed plans to deliver the optimal outcomes for the Expanded Adslot Group.

Adslot's intentions include:

- ensuring on-going business and service continuity for customers;
-

- identifying and realising available cost and revenue synergies across the Expanded Adslot Group;
- continuing with the existing employment arrangements in place across the Expanded Adslot Group, other than where there is a need to review duplicate roles and responsibilities; and
- continuing responsible corporate governance and management which protect the interests of all stakeholders.

(c) Employees

If the Scheme is implemented, Adslot will undertake a detailed review of the combined business. This will include a review of human resource requirements to determine the best way to utilise Facilitate employees for the benefit of the Expanded Adslot Group. Without having conducted the abovementioned review, Adslot cannot formulate a view in relation to employee numbers. Any reduction in employee levels would be achieved through employees being made redundant in compliance with all applicable regulatory requirements and their contractual rights.

(d) Head office

Adslot will conduct a strategic review of the combined portfolio of the Adslot and Facilitate assets with a view to maximising value for shareholders of the Expanded Adslot Group. This will include appropriate priorities for the operation of the offices and sites of the Expanded Adslot Group.

(e) Board of directors and senior management

If the Scheme is implemented, Geoff Dixon and Ben Dixon will join the Adslot Board as new directors.

Ian Lowe will retain his current role as Chief Executive Officer of Adslot and Ben Dixon will undertake a staged transition to the role of Chief Operating Officer of Adslot, including responsibility for the continued management of the Facilities business.

7.5 Board of Directors and senior management

If the Scheme is implemented, the board of Adslot will comprise seven members, being five non-executive directors and two executive directors. The board of Adslot will comprise the following individuals:

Mr Adrian Giles	Non-Executive Chairman
Mr Ian Lowe	Chief Executive Officer and Executive Director
Mr Ben Dixon	Chief Operating Officer and Executive Director
Mr Geoff Dixon	Non-Executive Director
Mr Andrew Barlow	Non-Executive Director
Mr Chris Morris	Non-Executive Director
Ms Tiffany Fuller	Independent Non-Executive Director

Profiles of each of the above directors are set out below.

Mr Adrian Giles

Non-Executive Chairman

Adrian Giles is an entrepreneur with businesses in the internet, information technology and manufacturing industries. In 1997 Adrian co-founded Sinewave Interactive which researched and pioneered the concept of marketing a website using search engines and was the first company in Australia to offer Search Engine Optimisation (SEO) as a service.

In 1998 Adrian co-founded Hitwise which grew over 10 years to become one of the most recognised global internet measurement brands operating successfully in the United States, the United Kingdom, Australia, New Zealand, Hong Kong, and Singapore. Whilst positioning the company for a NASDAQ listing in early 2007 Hitwise was sold to Experian (LSE: EXPN) for US\$240m in one of Australia's most successful venture backed internet trade sales.

Adrian is a member of the Remuneration Committee and the Audit & Risk Committee.

Mr Ian Lowe

Chief Executive Officer and Executive Director

Ian Lowe is one of Australia's most experienced digital media executives, having established and operated a number of successful global media technology companies from Australia. He has also developed a strong reputation in the advertising, media and technology community domestically and internationally, and has a deep understanding of both agency (demand-side) and publisher (supply-side) businesses.

Mr Lowe previously held the role of Chief Executive Officer of Facilitate. Prior to that, worked for and managed numerous other media and media technology businesses including Traffion, Red Sheriff, PMP Limited, and George Patterson Bates.

Mr Ben Dixon

Proposed incoming Chief Operating Officer and Executive Director

Ben's experience in the advertising industry goes back almost 20 years and includes roles at several large multinational agency groups including DDB and Publicis. He has wide experience across both the media buying and account management fields having held senior positions directing accounts for advertisers such as Telstra and Kraft Foods. In particular Ben was responsible for the development and implementation of eCommerce and online strategies across a number of advertisers.

In 2000 Ben conceptualised and then co-founded Facilitate Digital Pty Ltd, assuming the role of General Manager. Ben assumed the role of Chief Operating Officer in 2003. Ben was appointed Acting Chief Executive Officer on 4 September 2012. If the Scheme is approved and implemented, Ben will assume the role of Chief Operating Officer of the Expanded Adslot Group.

Mr Geoff Dixon

Proposed incoming Non-Executive Director

Geoff Dixon is one of Australia's most experienced and successful corporate executives. He is the former Managing Director and Chief Executive Officer of Qantas Airways Limited and has wide experience at board level in the media, general business and philanthropic sectors. He is a director of Crown Limited and Consolidated Media Holdings Limited. He is also Chairman of the Garvan Research Foundation, and Chairman of Tourism Australia.

Mr Andrew Barlow

Non-Executive Director

Mr Barlow is an experienced entrepreneur who acts as an investor and mentor to early-stage technology companies with unique IP, highly scalable business models and strong executive teams. Mr Barlow co-founded Hitwise with Adrian Giles in 1997, was Chairman and Managing Director of Hitwise from 1997 – 2000, and Director of R&D from 2000 – 2002. Hitwise was ranked one of the Top 10 fastest growing companies by Deloitte for five years running, before being sold to Experian (LSE:EXPN) in May 2007 for US\$240m. Mr Barlow is also a co-founder of Adslot.

Mr Barlow is the founder of Venturian, a privately-owned venture capital fund with investments in a number of other technology ventures, including Nitro PDF (the second biggest distributor of PDF editing

software in the world), Brandscreen (Asia's leading demand side platform for online media buying) and QMCodes (which makes print media interactive via mobile devices). Mr Barlow has significant expertise in online media and business building with a strong understanding of the UK and North America markets.

Andrew is the Chair of the Remuneration Committee.

Mr Chris Morris

Non-Executive Director

Chris Morris is among Australia's most accomplished entrepreneurs and business leaders having founded Computershare (ASX:CPU) in 1978 – one of Australia's most successful global technology companies. Mr Morris was Chief Executive Officer of Computershare from 1990 to 2006, and Executive Chairman from 2006 to 2010. He is now Non-Executive Chairman of Computershare.

Mr Morris has extensive knowledge of the securities industry from both a national and international perspective, and his diverse experience in building and managing a large global enterprise, will aid Adslot in its international expansion aspirations.

Chris is a member of the Remuneration Committee and the Audit & Risk Committee. Chris is also Chair of Smart Parking Limited (ASX:SPZ).

Ms Tiffany Fuller

Non-Executive Director

Ms Fuller is a qualified Chartered Accountant who has a 20 year career across Chartered Accounting, Corporate Finance, Investment Banking and Private Equity. Ms Fuller joined Rothschild Australia in 1997 in the Investment Banking Group after 8 years at Arthur Andersen in Audit, Corporate Finance and Management Consulting in Australia, UK and the United States.

At Rothschild, Ms Fuller advised various public and private clients, was responsible for managing a Microcap Fund on behalf of a number of Australia's large superannuation funds, and was a founding director of the Rothschild e-Fund, a technology focused venture capital fund. In her roles Tiffany has worked closely with emerging technology companies at Board level and as a corporate advisor.

Tiffany is the Chair of the Audit & Risk Committee. Tiffany is also a Non-Executive Director of Smart Parking Limited (ASX:SPZ).

7.6 Capital Structure and substantial shareholders

(a) Share capital

As at 25 October 2013, Adslot had 707,569,978 Adslot shares on issue.

If the Scheme is approved and implemented, Adslot will issue approximately 273,730,783 New Adslot Shares to Facilitate Shareholders, with the result that existing Facilitate Shareholders will own approximately 28% of the Expanded Adslot Group.

(b) Substantial shareholders in the Expanded Adslot Group

Based on the shareholders of Facilitate and Adslot as at 25 October 2013, following implementation of the Scheme, the top 20 shareholders of Adslot are expected to be as follows:

	Name	Listed Ordinary Shares	
		Number of shares	% of shares
1	DAWNIE DIXON PTY LTD <DIXON FAMILY SUPER FUND A/C>	72,452,688	7.38%
2	VENTURIAN PTY LTD <MAVERICK INNOVATION A/C>	61,055,667	6.22%
3	FINICO PTY LIMITED	55,148,796	5.62%
4	AMBLESIDE VENTURES PTY LTD <AMBLESIDE INVESTMENTS A/C>	31,607,563	3.22%
5	OVERACHIEVE PTY LTD <OVERACHIEVE A/C NO 1>	28,500,000	2.90%
6	NATIONAL NOMINEES LIMITED	24,098,452	2.46%
7	ANDAMA HOLDINGS PTY LTD <J & M BARLOW PENSION A/C>	23,000,000	2.34%
8	EYEWONDER AUSTRALIA PTY LTD	19,769,261	2.01%
9	ANSEARCH COM AU PTY LTD	15,137,923	1.54%
10	G & D DIXON INVESTMENTS PTY LTD	12,302,184	1.25%
11	SANDHURST TRUSTEES LTD <DMP ASSET MANAGEMENT A/C>	10,630,153	1.08%
12	FINICO PTY LIMITED <MORRIS SUPER FUND A/C>	9,179,849	0.94%
13	MICHAEL LANE	9,073,950	0.92%
14	CAPITAL ACCRETION PTY LTD <THE FORTIFIED VALUE A/C>	9,033,336	0.92%
15	YARRA VENTURES PTY LTD <GILES SHARE A/C>	8,706,577	0.89%
16	KHALON PTY LIMITED	8,451,867	0.86%
17	COTU INVESTMENTS PTY LTD <COTU SUPER FUND A/C>	8,088,888	0.82%
18	PHILIP MURPHY INVESTMENTS PTY LTD <P & J MURPHY S/F A/C>	7,310,222	0.74%
19	IAN LOWE & BEN DIXON <THE BIG GREEN A/C>	6,938,729	0.71%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,400,238	0.65%
Total Top 20 holders of Ordinary Shares			43.50%

7.7 Pro Forma historical financial information

(a) Financial profile of the Expanded Adslot Group

The Expanded Adslot Group pro forma historical financial information provided in this Section comprises:

- (i) a pro forma consolidated statement of financial position as at 30 June 2013 which is based on:
- Facilitate's consolidated statement of financial position as at 30 June 2013; and
 - Adslot's consolidated statement of financial position as at 30 June 2013, (the **Historical Financial Information**); and

- (ii) the relevant acquisition accounting and other adjustments required to present the pro forma consolidated statement of financial position of the Expanded Adslot Group, (together the Pro Forma Financial Information).

(b) Basis of preparation

The Pro Forma Financial Information is provided for illustrative purposes and is presented in accordance with the recognition and measurement requirements of the Australian Accounting Standards on the assumption that the Scheme was implemented on 30 June 2013. The Pro Forma Financial Information is based on Facilitate's and Adslot's respective audited financial statements as at 30 June 2013, which were each audited by Grant Thornton Audit Pty Ltd.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with Adslot's accounting policies, as set out in the financial report for Adslot for the year ended 30 June 2013. The accounting policies regarding the treatment of the research and development (**R&D**) tax incentive of Facilitate and Adslot are different. If the Scheme is approved and implemented, under Adslot's accounting policies a greater share of the Facilitate R&D tax incentive receivable will be offset against the carrying value of the developed software as opposed to the current Facilitate accounting treatment of recording this as revenue.

(c) Pro forma adjustments

Based on the terms of the Scheme, Australian Accounting Standards require the Scheme to be accounted for as an acquisition, with Adslot as the acquirer. Acquisition accounting is applied in accordance with AASB 3: Business Combinations. The value of the consideration given to Facilitate Shareholders will be based upon the Scheme Consideration of 1.216 New Adslot Shares for every Facilitate Share held by Facilitate Shareholders as at the Record Date which will be determined by the value of New Adslot Shares at the close of trading on the Implementation Date. For the purposes of the Pro Forma Financial Information, a value of \$0.130 per Adslot Share has been assumed, being the closing price of Adslot Shares on 25 October 2013. The ultimate value of the purchase consideration for accounting purposes as at the Implementation Date may differ from the amount assumed for the purposes of the Pro Forma Financial Information. The following pro forma adjustments to the Historical Financial Information have been made in order to present the Pro Forma Financial Information:

- the acquisition of Facilitate for 273.7 million Adslot shares; and
- the inclusion of transaction costs associated with the above transaction.

(d) Pro forma financial information

This Section contains the Pro Forma Financial Information for the Expanded Adslot Group, reflecting the combined businesses of Facilitate and Adslot. The Pro Forma Financial Information is presented to provide Facilitate Shareholders with an indication of the Expanded Adslot Group's statement of financial position as if the Scheme was implemented on 30 June 2013.

The table in this Section differs from the table in section 5.3 of the Independent Expert's Report because it is based on a share price of \$0.13 (the closing price of Adslot shares on 25 October 2013) whereas the table in the Independent Expert's Report is based on a share price of \$0.055 (the 90 day volume weighted average price of Adslot shares on 11 September 2013).

Pro forma Expanded Adslot Group Statement of Financial Position - 30 June 2013

\$000	Adslot	Facilitate	Acquisition of Facilitate (note 1)	Transaction costs (note 2)	Pro forma Statement of Financial Position
Current Assets					
Cash and cash equivalents	9,132	1,820		(1,005)	9,947
Trade and other receivables	1,797	1,987			3,784
Total current assets	10,929	3,807	-	(1,005)	13,730
Non-Current Assets					
Property, plant & equipment	130	69			199
Other financial assets	213	-			213
Intangible assets	5,772	4,733	29,084		39,589
Other	-	28			28
Total Non-Current Assets	6,114	4,830	29,084	-	40,028
Total assets	17,043	8,636	29,084	(1,005)	53,759
Current Liabilities					
Trade and other payables	813	1,574			2,387
Interest bearing liabilities	-	5			5
Other liabilities	651	30			681
Provisions	212	295			507
Total current liabilities	1,676	1,904	-	-	3,580
Non-Current liabilities					
Provisions	47	159			205
Other	-	73			73
Total Non-Current Liabilities	47	232	-	-	279
Total Liabilities	1,723	2,135	-	-	3,858
Net Assets	15,320	6,501	29,084	(1,005)	49,900
Equity					
Issued Capital	76,871	16,786	18,799		112,456
Reserves	1,039	531	(531)		1,039
(Accumulated Losses)	(62,590)	(10,816)	10,816	(1,005)	(63,595)
Total Equity	15,320	6,501	29,084	(1,005)	49,900

Notes:

- Represents the acquisition of Facilitate for 273.7 million New Adslot Shares. The acquisition accounting has been determined under AASB 3: Business Combinations. The fair value of the consideration paid, assets acquired and liabilities assumed by Adslot have been determined based on preliminary fair value estimates as at 30 June 2013 which may be different to the ultimate fair values at the Implementation Date and may be adjusted at any time within 12 months of the acquisition date in accordance with AASB 3.

The provisional purchase price allocation is as follows:

Fair value of consideration paid:	\$000
Consideration of 273.7 million Adslot shares	35,585
Fair value of net assets acquired:	
Book value of Facilitate net assets at 30 June 2013	6,501
Intangible assets on acquisition	29,084
	35,585

- Represents the transaction costs of the Scheme

3. Note: Rounding may result in some differences

(e) Forecast financial information for the Expanded Adslot Group

Facilitate and Adslot have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for the Expanded Adslot Group. The Facilitate and Adslot Directors have concluded that, as at the date of this Explanatory Booklet, it would be misleading to provide forecast financial information for the Expanded Adslot Group, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Expanded Adslot Group will be influenced by various factors that cannot be predicted with a high level of confidence and are generally outside its control. These factors include:

- the timing and quantum of synergies to be gained from the acquisition;
- competitive forces and changes in customer expectations and behaviours which impact revenue and growth opportunities; and
- future economic conditions in Australia and in particular the regions which the businesses operate, which can be impacted by both global and local events and government policies.

Facilitate and Adslot do not have an established practice of issuing financial forecasts. It should be noted that past financial performance is not an indicator of future performance.

7.8 Summary of Adslot Constitution and the rights and liabilities attaching to Adslot Shares

If the Scheme is approved and implemented, the New Adslot Shares issued to Scheme Shareholders will:

- rank equally in all respects with all other Adslot Shares on issue; and
- be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

The rights and liabilities attaching to New Adslot Shares are:

- set out in the constitution of Adslot, a copy of which is available for inspection at Adslot's registered office during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The key provisions of the Adslot Constitution and the principal rights, liabilities and obligations of Adslot shareholders are summarised below.

Key provision	Summary
Voting rights	<p>At meetings of Adslot shareholders:</p> <ul style="list-style-type: none"> • each Adslot shareholder entitled to vote may vote in person or by proxy, attorney or representative; • on a show of hands, every person present who is an Adslot shareholder has one vote; and • on a poll, every person present who is an Adslot shareholder has one vote for each Adslot Share held by the Adslot shareholder.
Meeting of shareholders	Each Adslot shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Adslot and to receive all notices, accounts and other documents required to be sent to shareholders

Key provision	Summary
	under the Adslot Constitution, the Corporations Act or the ASX Listing Rules.
Dividend Rights	<p>Subject to the rights of holders of Adslot Shares that are issued with special rights as to dividends, all holders of fully paid Adslot Shares are entitled to participate in dividends equally.</p> <p>The Adslot directors may determine that a dividend is payable, fix the amount and the time for payment of the dividend and determine the method of payment of the dividend to each Adslot shareholder entitled to the dividend.</p>
Transfer of Adslot Shares	<p>Subject to the Adslot Constitution, an Adslot shareholder may transfer any of its Adslot Shares by a written transfer in any usual or common form, or in any other form approved by the Adslot directors, or any other electronic system established or recognised by the ASX Listing Rules.</p> <p>The Adslot Directors must:</p> <ul style="list-style-type: none"> • except as permitted by ASX, refuse to register a transfer of Adslot Shares which are restricted securities if that transfer is in breach of the ASX Listing Rules or any escrow agreement relating to restricted securities entered into by Adslot under the ASX Listing Rules; and • refuse to register a transfer of Adslot Shares where Adslot is or the Adslot Director are required to do so under the ASX Listing Rules.
Future increases in capital	Subject to the ASX Listing Rules, the Corporations Act and the Constitution, the Adslot directors may allot, issue or otherwise dispose of Adslot Shares from time to time.
Rights on winding up	On a winding up the liquidator may, with sanction of a special resolution, distribute all or any of Adslot's assets to the Adslot shareholders and determine how to carry out the division of assets between the different classes of Adslot shareholders but may not require an Adslot shareholder to accept any Adslot Shares or other securities in respect of which there is any liability.
Unmarketable parcels	<p>Adslot may, consistent with the ASX Listing Rules, give notice to Adslot shareholders who hold Adslot Shares which would not constitute a marketable parcel (as defined in the ASX Listing Rules), setting out its intention to sell the Adslot Shares on behalf of the Adslot shareholder.</p> <p>The notice must set a period of at least six weeks within which the Adslot shareholder can notify Adslot that they wish to retain the Adslot Shares. If an Adslot shareholder notifies Adslot that they wish to retain their Adslot Shares, Adslot will not sell those Adslot Shares.</p> <p>Subject to the Corporations Act, Adslot or the purchaser will pay the costs of the sale. The proceeds of the sale (less any unpaid calls and interest) are held on trust for the former Adslot shareholder and are to</p>

Key provision	Summary
	be paid at that former Adslot shareholder's direction.
Variation of Rights	The rights attaching to any class of shares may be varied in accordance with the Corporations Act.
Amendment of Adslot Constitution	The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the members of the company (e.g. passed by at least 75% of the votes cast by members entitled to vote on the resolution). The Adslot Constitution does not provide for any further requirements to be complied with to effect a modification of, or to repeal, the Adslot Constitution.
Adslot directors	<p>The Adslot Constitution provides the Adslot board of directors must comprise at least 3 directors and not more than 10 directors.</p> <p>Adslot directors are not required to hold any shares in Adslot.</p> <p>Nominations to the position of director must be received by the company at least 30 Business Days before the general meeting, except in the case of Adslot directors standing for re-election.</p> <p>A quorum for a board meeting is two directors, unless the Adslot Board decides otherwise. Resolutions at a meeting of directors are to be decided by a majority vote. Subject to the ASX Listing Rules, in the case of an equality of votes, the chairperson of a meeting has a casting vote (except where only two directors are present and entitled to vote).</p>
Election and removal of Adslot directors	<p>Adslot directors are appointed for terms not exceeding three years (other than the chief executive officer) and are eligible for re-appointment.</p> <p>Subject to the Corporations Act, Adslot, in general meeting, may by resolution remove any director before the expiration of their period of office, and may by resolution appoint another person in their place.</p>
Remuneration of Adslot directors	<p>The Adslot non-executive directors will be paid out of the funds of Adslot by way of remuneration for their services which must not exceed an aggregate maximum amount determined from time to time by Adslot in a general meeting. The current limit is set at \$350,000 per annum.</p> <p>Remuneration for the Adslot executive directors may be fixed from time to time by the directors.</p>
Indemnity	To the extent permitted by law and subject to the restrictions in section 199A of the Corporations Act, Adslot indemnifies every person who is or has been an officer of Adslot against any liability (other than legal costs) incurred by the person as an officer of Adslot.

8. Potential risk factors associated with the Expanded Adslot Group

8.1 Introduction

Facilitate Shareholders are currently exposed to various risks as a result of their investment in Facilitate.

If the Scheme is approved and implemented, there will be a change in the risk profile to which Facilitate Shareholders are exposed. This is because:

- Facilitate will become a wholly-owned subsidiary of Adslot;
- Facilitate Shareholders as at the Record Date (other than Foreign Scheme Shareholders) will receive New Adslot Shares and become Adslot Shareholders;
- Facilitate Shareholders will continue to be exposed to the risks associated with an interest in Facilitate's assets (as they will have an indirect interest in Facilitate through their holding of New Adslot Shares); and
- Facilitate Shareholders will potentially be exposed to additional risks associated with an investment in the Expanded Adslot Group through their holding of New Adslot Shares - the nature of the Expanded Adslot Group's business will change from that of the stand-alone business of Facilitate. In a number of cases, those risks are different from, additional to or greater than, those faced by Facilitate Shareholders currently.

This Section sets out some of the potential risks associated with implementation of the Scheme and the Expanded Adslot Group that Facilitate Shareholders will be exposed to through their holding of New Adslot Shares. These risks include:

- risks relating to the Scheme;
- specific risks relating to an investment in the Expanded Adslot Group; and
- general risks relating to an investment in the Expanded Adslot Group.

8.2 Qualifications and limitations

The risks summarised below and the information set out in this Section should be considered in conjunction with other information contained in this Explanatory Booklet. In particular the risks summarised below and the information set out in this Section:

- are not an exhaustive statement of the risks that Facilitate Shareholders may face if the Scheme is implemented and they receive New Adslot Shares; and
- are general in nature and regard has not been had to the individual circumstances, including the investment objectives, financial situation, tax position or particular needs of Facilitate Shareholders.

Facilitate Shareholders should consult their professional adviser if they have any doubts about an investment in the Expanded Adslot Group.

Additional risks and uncertainties that Facilitate is currently unaware of, or that Facilitate currently considers to be immaterial, may also become important factors that can adversely affect the Expanded Adslot Group's operating and financial performance in the future.

8.3 Risk relating to the Scheme

This Section describes those specific areas that are believed to be the key risks associated with the Scheme and an investment in the Expanded Adslot Group.

(a) Market value of the Scheme Consideration

Under the terms of the Scheme, Facilitate Shareholders will receive 1.216 New Adslot Share for every one Facilitate Share they hold; equating to an implied value of \$0.158 per Facilitate Share (based on the closing price of Adslot Shares on ASX on 25 October 2013). However, the exact value of the Scheme Consideration that individual Facilitate Shareholders will receive will be dependent on the price at which the New Adslot Shares trade on ASX after the Implementation Date.

In addition, the Sale Agent will be issued New Adslot Shares attributable to Foreign Scheme Shareholders and will sell them after the Implementation Date. Although the quantum of Sale Shares being sold is not considered to be material, it is possible that such sales may exert downward pressure on the Expanded Adslot Group's share price during the applicable period.

There is no guarantee regarding the prices that will be realised by the Nominee or the future market price of the New Adslot Shares. Future market prices may be either above or below current or historical market prices.

(b) Risks of trading during deferred settlement trading period

Scheme Shareholders will not necessarily know the exact number of New Adslot Shares (due to rounding) that they will receive as Scheme Consideration until a number of days after those shares can be traded on ASX on a deferred settlement basis. Facilitate Shareholders who trade New Adslot Shares on a deferred settlement basis, without knowing the number of New Adslot Shares they will receive as Scheme Consideration, may risk adverse financial consequences if they purport to sell more New Adslot Shares than they receive.

(c) Court delays

There is a risk that the Court may not approve the Scheme. There is also a risk that some or all of the aspects of the approvals required for the Scheme to be implemented may be delayed or not granted.

8.4 Specific risks relating to an investment in the Expanded Adslot Group

A list of some of the specific investment risks associated with the Expanded Adslot Group is set out below.

(a) Integration risks and realisation of anticipated synergies

The long-term success of the Expanded Adslot Group will depend, among other things, on the success of management in integrating the respective businesses and the strength of management of the Expanded Adslot Group. The acquisition of Facilitate by Adslot to form the Expanded Adslot Group involves the integration of businesses and operations that have previously operated as independent entities. There is no guarantee that the businesses of the Expanded Adslot Group will be able to be integrated successfully, without unexpected delays or incurring additional costs.

Further, while Facilitate expects that significant value can be added to the Expanded Adslot Group through the realisation of synergies, as discussed in Sections 4.4(c) and 7.3 of this Explanatory Booklet, there is a risk that implementation of the Scheme may not result in realisation of the synergies expected due to:

- (i) unexpected delays, challenges, liabilities and costs in relation, but not limited, to integrating operating and management systems;
-

- (ii) possible differences in the management culture of the two groups leading to the loss of key employees, customers or suppliers of Facilitate; and
- (iii) the termination of contractual arrangements as a result of the change in control of Facilitate.

If the integration is not achieved in an orderly fashion and within a reasonable time period, the full benefits, cost savings and other expected synergies, efficiencies and benefits may be achieved only in part, or not at all. This could adversely impact the Expanded Adslot Group's financial performance and position, and the future prospects of the Expanded Adslot Group.

(b) Market opportunity risk

Some of the products from Facilitate and Adslot have limited market acceptance given that they represent products which are new to the market. The integration of products from both Adslot and Facilitate is expected to increase the Expanded Adslot Group's ability to attract the demand and supply side of online media. However there is a risk that the timing and extent of market acceptance is insufficient to generate acceptable returns to shareholders over the long term.

(c) Revenue modelling risk

New revenue models may be introduced for products from Facilitate and Adslot. Specifically, the Adslot Publisher product has introduced a new commission based revenue model which will involve technology fees, demand fees and supply fees. There is the risk that there may be resistance from the marketplace and agencies in adopting this revenue clip model.

(d) Competition risk

The Expanded Adslot Group faces competition from Australian and international online media trading technology companies. Increased competition in the future, including from new competitors, may emerge. The early stage nature of the market for online media products results in limited intelligence being available on potential competitors. The barriers to entry are perceived to be medium to high given the time to market and technical intelligence involved in the Expanded Adslot Group's products.

(e) Product development risk

New products from the Expanded Adslot Group may face development risk. In particular, *Adslot Publisher*, *Adslot Media* and *Adslot Create* (products from Adslot) are still undergoing significant development. The risk is that the product development plan is too aggressive or inadequate (including having the required skill sets) to bring these products to the market in the timeframe required.

(f) Product scalability risk

The success of the Expanded Adslot Group's business depends on the ability of its current product offerings to be scalable. Products previously delivered have required extensive bespoke development with substantial investment on a per client basis. Adslot has implemented a revised strategy to deliver more productised technology. However there is a risk that this strategy may not be successful.

(g) Technology changes

The online media industry is constantly evolving with new technologies and products which could act as substitutes for the products and services offered by the Expanded Adslot Group. There is no guarantee that the Expanded Adslot Group can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in the Expanded Adslot Group's business finding it increasingly difficult to compete in its chosen target segments.

8.5 General risks relating to an investment in the Expanded Adslot Group

A list of some of the general investment risks associated with the Expanded Adslot Group is set out below.

(a) Reliance on key personnel

The Expanded Adslot Group's growth and profitability may be limited by the loss of key executive management personnel, the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.

(b) Litigation and disputes

As with any company, each of Facilitate and Adslot are exposed to the risks of litigation (either as the complainant or as the defendant) which may have a material adverse effect of the financial position of the relevant entity. Facilitate, Adslot and the Expanded Adslot Group could become exposed to claims or litigation by persons alleging that they are owed fees for services, or by employees, regulators, competitors or other third parties. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on financial performance.

(c) Accounting risk

In accounting for the Scheme, the Expanded Adslot Group will need to perform a fair value assessment of all of Facilitate's assets, liabilities and contingent liabilities, which will include the identification and valuation of intellectual property and intangible assets. As a result of this fair value assessment, the Expanded Adslot Group's depreciation and amortisation charges may be substantially greater than the depreciation and amortisation charges of Facilitate and Adslot as separate businesses and to that extent may significantly reduce the future earnings of the Expanded Adslot Group.

To the extent goodwill is recognised in respect of accounting for the acquisition of Facilitate by Adslot, it will be subject to annual impairment testing. If the recoverable amount of goodwill is impaired, this will result in a charge against future earnings.

The Expanded Adslot Group will be subject to the usual business risk that there may be changes in accounting policies which may have an adverse impact on the Expanded Adslot Group.

The impact of changes to AIFRS could adversely affect the Expanded Adslot Group's reported earnings performance in any given period and its financial position from time to time.

(d) Taxation risk

Changes to income tax (including capital gains tax), GST, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following implementation of the Scheme or adversely affect the Expanded Adslot Group's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

In addition, an investment in New Adslot Shares involves tax considerations which may differ for each Scheme Shareholder. Each Scheme Shareholder is encouraged to seek professional tax advice in connection with any investment in New Adslot Shares.

(e) Dividends

The payment of dividend on Adslot's shares is dependent on a range of factors including the profitability of the Expanded Adslot Group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the board of directors of the Expanded Adslot Group having regard to its operating results and financial position at the relevant time.

(f) Stock market fluctuations and economic conditions

The New Adslot Shares issued under this Scheme carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the New Adslot Shares will be determined by the stock market and will be subject to a range of factors beyond the control of

Facilitate, the Facilitate Directors, and Facilitate's management. The risk is similar to that faced by Facilitate Shareholders currently.

These factors include, but are not limited to, the demand for, and availability of, Adslot Shares, movements in domestic interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Returns from an investment in the New Adslot Shares may also depend on general stock market conditions as well as the performance of the Expanded Adslot Group.

8.6 Other risks

Additional risks and uncertainties not currently known to Facilitate may also have a material adverse effect on Facilitate's business and that of the Expanded Adslot Group and the information set out above does not purpose to be, nor should it be construed as representing, an exhaustive list of the risks affecting Facilitate or the Expanded Adslot Group.

9. Taxation implications

9.1 Introduction

This Section contains a general description of certain Australian tax consequences for Facilitate Shareholders that participate in the Scheme including:

- the Australian income tax implications of the disposal of Facilitate Shares under the Scheme;
- the Australian income tax implications of holding and disposing of New Adslot Shares; and
- the Australian stamp duty implications of the acquisition of New Adslot Shares under the Scheme.

The information contained in this Section applies to Australian tax resident shareholders who hold their Facilitate and New Adslot Shares on capital account (and assumes that all Facilitate and New Adslot Shareholders are Australian tax residents).

This Section does not consider the Australian tax consequences for Facilitate Shareholders:

- who hold their Facilitate Shares as trading stock or as revenue assets;
- who acquired their Facilitate Shares through an employee share scheme;
- that may be subject to special tax rules, such as financial institutions, insurance companies, partnership, (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- who are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act in relation to gains and losses on their Facilitate Shares.

The information contained in this Section is based on the taxation law at the date of this Explanatory Booklet. The taxation consequences outlined in this Section may alter if there is a change in the taxation law after the date of this Explanatory Booklet.

The information contained in this Section is general in nature and should not be relied on by Facilitate Shareholders as tax advice. This Section is not intended to be an authoritative or complete statement of the taxation law applicable to the particular circumstances of every Facilitate Shareholder

All Facilitate Shareholders should seek their own independent advice on the tax implications of participation in the Scheme in light of their own particular circumstances.

9.2 Disposal of Facilitate Shares

(a) Australian capital gains tax

If the Scheme is approved and implemented, all Facilitate Shareholders who participate in the Scheme will transfer their Facilitate Shares to Adslot in exchange for the Scheme Consideration. This transfer under the Scheme will constitute a disposal of Facilitate Shares. The disposal of Facilitate Shares by an Australian tax resident Facilitate Shareholder will constitute a CGT event for Australian income tax purposes. The CGT event should occur when the legal and beneficial ownership of Facilitate Shares transfers to Adslot, and this should be when Adslot becomes registered as the holder of the Facilitate Shares under the Scheme. This will take place on the Implementation Date. This date will be advised to Facilitate Shareholders via an announcement on ASX and the Facilitate website (facilitatedigital.com).

Broadly, Australian tax resident Facilitate Shareholders will make a capital gain on the disposal of their Facilitate Shares where the 'capital proceeds' from the disposal of the shares exceed the 'cost base' of those shares. Conversely, a capital loss will be made where the capital proceeds are less than the reduced cost base of the shares. Capital losses may be used to offset capital gains made in the current year or may

be carried forward for offset against any future capital gains, subject to the satisfaction of certain loss recoupment rules for some shareholders.

Specific CGT rollover relief provisions are relevant to the Scheme. These are outlined in Section 9.6 below.

9.3 Capital proceeds

The capital proceeds for the CGT event arising from the disposal of Facilitate Shares will be the market value of the New Adslot Shares received as consideration (determined at the Implementation Date).

The market value of a New Adslot Share may be determined by reference to the ASX closing price of a New Adslot Share, on the date of the CGT event.

Information on the market value of a New Adslot Share will be made available to Facilitate Shareholders via an announcement on ASX and the Facilitate website (facilitatedigital.com).

9.4 Cost base of an Facilitate Share

The Scheme Shareholder's cost base and reduced cost base of a Facilitate Share will generally be the cost of acquiring the Facilitate Share plus any incidental costs associated with both the acquisition and disposal of the share. The cost base of each Facilitate Share will depend on the individual circumstances of each Facilitate Shareholder.

9.5 CGT discount

Facilitate Shareholders that are individuals, trusts or complying superannuation funds may be entitled to reduce the amount of any capital gain on the disposal of their Facilitate Shares if they have held their shares for at least 12 months (excluding the date of acquisition or day of disposal) before the disposal of the shares on the CGT event date. The CGT discount is applied after available capital losses have been offset to reduce the capital gain.

The discount rate for individuals and trusts is 50%. The discount rate for complying superannuation funds is 33⅓%.

As the rules relating to discount capital gains for trusts are complex, we recommend trustees seek their own advice on how the CGT discount provisions will apply to them and the beneficiaries.

The CGT discount is not available to shareholders that are companies.

9.6 CGT rollover relief

Facilitate Shareholders who would otherwise make a capital gain on the disposal of their Facilitate Shares under the Scheme may choose CGT rollover relief.

Where CGT rollover relief applies in respect of the exchange of Facilitate Shares for New Adslot Shares, any capital gain in respect of the disposal of the Facilitate Shares is disregarded. Taxation of that capital gain is effectively deferred until the disposal of the New Adslot Shares received in exchange for the Facilitate Shares.

The relative benefit of choosing to obtain CGT rollover is dependent on each Scheme Shareholders' particular circumstances. Scheme Shareholders should obtain their own independent tax advice as to the most appropriate course of action.

Scrip for scrip rollover relief cannot apply where a Scheme Shareholder makes a capital loss.

9.7 Consequences of choosing CGT rollover

(a) Cost base of New Adslot Shares

The first element of the cost base, or reduced cost base of the New Adslot Shares should be equal to the cost base, or reduced cost base, of their original Facilitate Shares (spread proportionately across the New Adslot Shares received).

(b) Acquisition date for CGT discount purposes

For CGT discount purposes, Facilitate Shareholders that elect CGT rollover should be deemed to have acquired their New Adslot Shares at the same time they acquired their original Facilitate Shares. This may be relevant for the purpose of determining the CGT consequences of a future disposal of the New Adslot Shares.

(c) Choosing rollover relief

Generally, a choice to adopt CGT rollover relief must be made before lodgement of the shareholder's income tax return for the income year in which the CGT event occurs.

No formal election notice to choose CGT rollover relief is required to be lodged with the ATO. The Facilitate Shareholder's income tax return should, however, be prepared in a manner consistent with electing CGT rollover relief.

9.8 Consequences of not choosing CGT rollover relief

Facilitate Shareholders who are ineligible to choose CGT rollover, or elect not to choose it, will be assessable on any capital gain derived on the disposal of their Facilitate Shares.

(d) Calculating the capital gain or loss

A capital gain will arise for a Facilitate Shareholder on disposal of their Facilitate Shares if the Scheme Consideration (i.e. the market value of New Adslot Shares as at the CGT event date) exceeds the cost base of their Facilitate Shares.

Any capital gain realised will be included in the Scheme Shareholder's assessable income for the income year in which the Implementation Date occurs (unless offset against other capital losses of the Scheme Shareholder).

A capital loss will arise where the Scheme Consideration is less than the reduced cost base of the shares. As outlined above, capital losses may be used to offset any capital gain made in the current year or may be carried forward for offset against any future capital gain, subject to the satisfaction of certain loss recoupment rules for some shareholders.

(e) Cost base of New Adslot Shares

The first element of the cost base (and reduced cost base) of each replacement New Adslot Shares will be the market value of the Facilitate Share exchanged (measured as at the date the New Adslot Shares are issued).

In the absence of any contrary indication of the value of the Facilitate Shares, their market value should be equal to the market value of the New Adslot Shares on the date the New Adslot Shares are issued.

Information on the market value of a New Adslot Share will be made available to Facilitate Shareholders via an announcement on ASX and the Facilitate website (facilitatedigital.com).

(f) Acquisition date for CGT discount purposes

The acquisition date of the New Adslot Shares for CGT purposes should be their issue date. This may be relevant when working out the CGT consequences of a future disposal of the New Adslot Shares.

9.9 Implications to Australian tax residents of holding New Adslot Shares

(a) Dividend distributions

Scheme Shareholders holding New Adslot Shares will generally be taxable on any dividends received from Adslot. A tax offset for any franking credits attached to those dividends may be available.

Scheme Shareholders may notify Adslot of their Australian Tax File Number (or Australian Business Number if the New Adslot Shares are held in the course of carrying on an enterprise). If the required notifications are not provided, tax will be deducted from the unfranked component of dividends paid by Adslot at the top marginal rate of tax plus the Medicare levy (currently 46.5%). However, shareholders will be entitled to claim an income tax credit/refund (as applicable) in respect of the tax withheld in their income tax returns.

9.10 Future disposal of New Adslot Shares

The disposal of New Adslot Shares by an Australian tax resident that holds their interests in Adslot on capital account will be subject to Australian CGT.

A capital gain is derived where the capital proceeds received from the disposal of the New Adslot Shares exceeds their CGT cost base (as worked out under Section 9.7(a) where CGT rollover is chosen and Section 9.8(b) where CGT rollover is not chosen or is not available). Alternatively, a shareholder will incur a capital loss where the proceeds received from the disposal are less than the CGT reduced cost base of those shares.

Capital losses incurred during the year, or carried forward from prior years, can be used to reduce any capital gains derived. However, capital losses can only be offset against capital gains and can be subject to certain recoupment tests.

Net capital gains are included as assessable income of an Australian tax resident shareholder. The tax payable on the net capital gain will be dependent on the type of shareholder. Shareholders that are individuals, complying superannuation funds or trusts may be able to reduce their capital gain by a CGT discount provided they have held their New Adslot Shares for at least 12 months. The discount percentage for individuals and trusts is 50% and for complying superannuation funds it is 33 $\frac{1}{3}$ %. Corporate shareholders are not eligible for the CGT discount.

For CGT discount purposes, for those Facilitate Shareholders who choose CGT rollover relief the acquisition date for the New Adslot Shares is taken to be the acquisition date of their original Facilitate Shares. The acquisition date for Facilitate Shareholders that are not eligible or do not choose CGT rollover relief should be the issue date of the New Adslot Shares.

9.11 Stamp duty

There should be no stamp duty payable by Facilitate Shareholders on either the disposal of their Facilitate Shares or on the acquisition of New Adslot Shares via the Scheme.

9.12 GST

No GST will be payable by Facilitate Shareholders in respect of the disposal of their Facilitate Shares to Adslot under the Scheme.

Facilitate Shareholders may however be charged GST on costs (such as advisor fees) that relate to their participation in the Scheme. Facilitate Shareholders may be entitled to full or partial input tax credits for any GST payable on such costs, but this will depend on each Facilitate Shareholder's individual circumstances. Facilitate Shareholders should seek independent advice in this regard.

9.13 Adslot Disclaimer

Adslot has prepared this Section 9. To the extent anything in this Section constitutes financial product advice to a retail client (each within the meaning of the Corporations Act), the following statement applies:

- Adslot is not licensed to provide financial product advice under the Corporations Act;
 - taxation is only one of a number of the matters that must be considered when making a decision on a financial product; and
 - the client should consider taking advice from the holder of an Australian Financial Services Licence before making a decision on a financial product.
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10. The Scheme in further detail

10.1 Introduction

This Section:

- discusses the purpose and effect of the Scheme;
- provides a summary of the conditions and approvals required for the Scheme to proceed; and
- provides a summary of the rights of Facilitate and Adslot to withdraw from the Scheme.

If the conditions for the Scheme are satisfied or waived (as applicable), the manner in which the Scheme will be implemented is described in Section 10.3.

10.2 Scheme

(a) Purpose

The purpose of the Scheme is to give effect to a proposed arrangement between Facilitate and Scheme Shareholders. That arrangement in turn contemplates that Adslot will acquire 100% ownership and control of Facilitate, in exchange for Adslot issuing the New Adslot Shares to eligible Facilitate Shareholders as Scheme Consideration. If the Scheme becomes Effective, Facilitate will become a wholly owned and controlled subsidiary of Adslot and will be delisted from ASX.

The terms of the Scheme are set out in full in Appendix 2.

(b) Legal effect

If the Scheme becomes Effective, it will constitute a binding arrangement between Facilitate and each Scheme Shareholder under which:

- all Facilitate Shares held by each Scheme Shareholder (including those who do not vote on the Scheme and those who vote against it) will be transferred to Adslot free of any security interest (in accordance with, without limitation, section 32(1) of the Personal Property Securities Act 2009 (Cth) and Regulation 7.1 of the Personal Property Securities Act Regulations 2010 (Cth)), without the need for any action on the part of the Scheme Shareholders; and
- each Scheme Shareholder (including those who do not vote on the Scheme and those who vote against it) will receive the Scheme Consideration, subject to any security interest which attaches to the Scheme Consideration in accordance with section 32(1) of the Personal Property Securities Act 2009 (Cth), as consideration in full for the transfer of all of their Facilitate Shares to Adslot.

(c) Scheme Meeting

At the First Court Hearing on Wednesday, 30 October 2013, the Court ordered Facilitate to convene a meeting of Facilitate Shareholders to consider and vote on the Scheme.

The notice convening the Scheme Meeting is set out in Appendix 3. The fact that the Court has ordered that the Scheme Meeting be convened is no indication that the Court has a view as to the merits of the Scheme or as to how Facilitate Shareholders should vote. On these matters, Shareholders must reach their own decision.

(d) Eligibility to vote at the Scheme Meeting

Each person who is registered on the Share Register as a Facilitate Shareholder as at the Voting Entitlement Time (7.00pm on Monday, 2 December 2013) is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Facilitate Shareholder or proxy, by a representative.

Section 3 provides full details of how to vote at the Scheme Meeting. The proxy form for the Scheme Meeting is enclosed with this Explanatory Booklet.

(e) Voting majority required

The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act. The Scheme Resolution must be approved by a Requisite Scheme Majority.

The Court has the power to approve the Scheme even if the Headcount Test has not been satisfied. For example, the Court may do so if there is evidence that the result of the vote has been unfairly influenced by activities such as share splitting.

(f) Your warranties under the Scheme

To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests, and interests of third parties of any kind, whether legal or otherwise.

Each Scheme Shareholder is deemed to have warranted to Facilitate, and appointed and authorised Facilitate as its attorney and agent to warrant to Adslot, that:

- all their Facilitate Shares (including any rights and entitlements attaching to those shares) transferred to Adslot under the Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions of transfer of any kind and that they have full power and capacity to sell and transfer their Facilitate Shares (including any rights and entitlements attaching to those shares) to Adslot under the Scheme; and
- they have no existing right to be issued any Facilitate Shares, Facilitate Options, Facilitate performance rights, Facilitate convertible notes or any other Facilitate securities, other than, in the case of any Scheme Shareholder who is also the holder of Facilitate Options, the right to be issued Facilitate Shares on the exercise of those Facilitate Options in accordance with their terms.

(g) Deed Poll

Adslot has executed a Deed Poll in favour of the Scheme Shareholders and promises to acquire and provide consideration for all of the Facilitate Shares under the Scheme subject to the satisfaction of certain conditions precedent. A copy of the Deed Poll is set out in Appendix 5.

10.3 Scheme conditions

The Scheme is subject to the conditions noted in paragraphs (a), (b) and (c), all of which must be satisfied or waived (as applicable) by 8.00am on the Second Court Date.

(a) Joint conditions

The following conditions apply for the mutual benefit of Adslot and Facilitate (noting that those relating to regulatory approvals, Facilitate Shareholder approval and Court approval are not capable of waiver).

ASIC and ASX consents - before 8.00am on the Second Court Date, ASIC and ASX (or any other regulatory authority) issues or provides consents or approvals that are reasonably necessary to implement the Scheme.

Other Regulatory Authority Approvals - none of the following has been issued or made:

- a conditional or unconditional decision, determination or statement by any Regulatory Authority to the effect that it objects to the Scheme, and that decision, determination or statement would have the effect or likely effect of materially impeding the implementation of the Scheme;
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- a preliminary or final decision, determination, or order issued by any Regulatory Authority preventing the Scheme; or
- a temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or the Takeovers Panel or other legal restraint or prohibition preventing the Scheme.

ASX Quotation - before 8.00am on the Second Court Date ASX grants quotation of the New Adslot Shares subject only to the approval of the Scheme by the Court, the implementation of the Scheme as approved by the Court and usual and customary conditions of ASX of a procedural or administrative nature.

Facilitate Shareholder approval - before 8.00am on the Second Court Date, the Scheme is approved by Facilitate Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

Court approval - the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably),

Independent Expert's Report - the Independent Expert's Report contains an opinion of the Independent Expert to the effect that the Scheme is in the best interest of Facilitate Shareholders and the Independent Expert maintains that opinion (including by not withdrawing or changing that opinion) at all times up to 8.00am on the Second Court Date.

(b) Scheme conditions that apply for the benefit of Adslot

The following conditions apply under the Scheme Implementation Deed for the sole benefit of Adslot and can only be waived by Adslot:

No Facilitate Material Adverse Change - no Facilitate Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date;

No Facilitate Prescribed Occurrence - no Facilitate Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;

Facilitate Representations and Warranties - the Facilitate Representation and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date,

Escrow - before 8.00am on the First Court Date, Ben Dixon entering into a voluntary escrow deed on terms acceptable to the parties under which he agrees not to deal with any New Adslot Shares received by him and/or his related entities under the Scheme for a period of 12 months from the Implementation Date.

(c) Scheme conditions that apply for the benefit of Facilitate

The following conditions apply for the sole benefit of Facilitate and can only be waived by Facilitate:

No Adslot Material Adverse Change - no Adslot Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date

No Adslot Prescribed Occurrence - no Adslot Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date; and

Adslot Representations and Warranties - the Adslot Representation and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date.

Escrow - before 8.00am on the First Court Date, Ian Lowe entering into a voluntary escrow deed on terms acceptable to the parties under which he agrees not to deal with any New Adslot Shares received by him and/or his related entities under the Scheme for a period of 12 months from the Implementation Date.

10.4 Termination rights

(a) Mutual termination rights

Either party may terminate the Scheme Implementation Deed without any liability to the other party if:

- the Scheme has not become Effective by the End Date; or
- any event occurs which would, or in fact does, prevent a condition precedent under the Scheme Implementation Deed being satisfied and that condition precedent is not waived by Facilitate or Adslot or both (as applicable),

except where the failure to satisfy the condition precedent occurs as a result of a breach of the Scheme Implementation Deed by a party or a deliberate act or omission of that party.

Either party may terminate the Scheme Implementation Deed by written notice to the other at any time before 8.00am on the Second Court Date if:

- the other party has materially breached any provision of the Scheme Implementation Deed including any Facilitate Representation and Warranty or Adslot Representation and Warranty (as applicable);
- the party wishing to terminate has given written notice to the other in a timely manner setting out the relevant circumstances and stating an intention to terminate this deed; and
- the relevant circumstances continue to exist for ten Business Days from the time the notice of intention to terminate is given (or any shorter period ending at 5pm on the Business Day before the Second Court Date).

(b) Adslot termination rights

In addition to the mutual termination rights, Adslot may terminate the Scheme Implementation Deed by written notice to Facilitate if:

- the Facilitate Board makes a public statement withdrawing or adversely changing or modifying its or their recommendation that Facilitate Shareholders vote in favour of the Scheme Resolution or makes a recommendation or statement that is inconsistent with such recommendation or statement;
- without limiting the foregoing, the Facilitate Board makes a public statement indicating that it no longer supports the Scheme or that they support another transaction (including, without limitation, a Competing Proposal).
- Facilitate has breached any provision of clause 10 of the Scheme Implementation Deed or permitted any Facilitate Prescribed Occurrence to occur.

(c) Facilitate termination rights

In addition to the mutual termination rights, Facilitate may also terminate the Scheme Implementation Deed by written notice to Adslot if any Adslot Prescribed Occurrence occurs (as that term is defined in the Scheme Implementation Deed).

10.5 Status of conditions and termination rights

As at the date of this Explanatory Booklet, neither Facilitate nor Adslot is aware of any circumstances which would cause any of the conditions summarised in Section 10.3 not to be satisfied or which could result in termination of the Scheme Implementation Deed.

Facilitate will make a statement regarding the status of the conditions to the Scheme Implementation Deed at the commencement of the Scheme Meeting.

10.6 Cancellation arrangements in respect of Facilitate Options

Between August 2011 and July 2013 Facilitate made various offers to its eligible employees under the Facilitate Employee Share Option Plan (ESOP). Under the terms of the Facilitate ESOP employees are eligible to participate in the ESOP upon nomination by the Facilitate Board from time to time subject to being, at the time of the offer, a full or part time employee of Facilitate or a subsidiary, but excluding any director of the Company.

As at 30 June 2013, 1,250,000 options had been issued, were current and remain unexercised. The option holders are two employees of Facilitate, Thomas Wiroth and Tom Peacock. Tom Peacock also holds 610,725 Shares.

Both option holders have agreed to cancel their options in consideration for receiving a number of Adslot shares, based on the five day volume weighted average price commencing on 10 October 2013. Thomas Wiroth will receive \$5,000 worth of Adslot shares and Tom Peacock will receive \$15,000 worth of Adslot shares.

11. Implementation

11.1 Introduction

If:

- (a) the Scheme is approved by Facilitate Shareholders at the Scheme Meeting; and
- (b) all other conditions to the Scheme as described in Section 10.3 (other than Court approval of the Scheme) have been satisfied or waived (as applicable),

the further general steps required to implement the Scheme are as described in the remainder of this Section.

The description of these general steps is based on the obligations that Facilitate and Adslot have under the Scheme Implementation Deed. Adslot has also signed the Deed Poll in which it covenants in favour of Scheme Shareholders to perform the actions attributed to it under the Scheme and to provide the Scheme Consideration in accordance with the Scheme. The Scheme Implementation Deed is contained in Appendix 4. The Deed Poll is contained in Appendix 5.

11.2 Apply to Court for approval of Scheme

At the Second Court Hearing, Facilitate will apply to the Court for orders approving the Scheme. It is expected that the Second Court Date will be held on or about Monday, 9 December 2013. Any change to this date will be announced through ASX and will be available on ASX's website, asx.com.au.

The Court has a wide, overriding discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

11.3 Opposing the Scheme

If you wish to oppose approval of the Scheme by the Court at the Second Court Hearing you must file with the Court, and serve on Facilitate, a notice of appearance in the form prescribed under the *Corporations Proceedings Rules, Schedule 1A* to the *Uniform Civil Procedure Rules 1999* (Qld), together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Facilitate at its address for service at least one day before the Second Court Date.

The address for service is: c/o Cooper Grace Ward Lawyers, Level 21, 400 George Street, Brisbane, 4000. Attention: Rocco Russo.

11.4 Receipt of Court orders

If the Court approves the Scheme:

- (a) Facilitate will make an announcement to ASX notifying the market of the receipt of Court approval, with that announcement to be made on the day on which the Court approves the Scheme;
- (b) in that same announcement, Facilitate Directors will set the Record Date; and
- (c) as soon as possible and in any event by 5.00pm on the first Business Day after the day on which the Court approves the Scheme, Facilitate will lodge an office copy of the Court's orders with ASIC under section 411(10) of the Corporations Act. On that date (which is expected to be Monday, 9 December 2013), the Scheme will become Effective.

If the Scheme becomes Effective, Facilitate and Adslot will become bound to implement the Scheme in accordance with the terms of the Scheme Implementation Deed, the Deed Poll and the Scheme. Only Facilitate Shareholders who qualify as Scheme Shareholders will be bound by and have the benefit of the Scheme. Section 11.6 of this Explanatory Booklet describes the principles in the Scheme for determining the identity of Scheme Shareholders.

If the Scheme does not become Effective before the End Date, the Scheme will lapse.

11.5 Implementation of Scheme

(a) Record Date

Facilitate Shareholders will be entitled to receive consideration under the Scheme if they are registered as the holders of Scheme Shares at 7.00pm on the Record Date. The Record Date is the date which is five Business Days after the Effective Date, and is currently expected to be Monday, 16 December 2013. In this Explanatory Booklet, those Facilitate Shareholders and the Facilitate Shares that they hold are referred to as Scheme Shareholders and Scheme Shares, respectively.

(b) Suspension of trading of Facilitate Shares

It is expected that suspension of trading on ASX in Facilitate Shares will occur from close of business on the Effective Date. On the current timetable, the Effective Date is expected to be Monday, 9 December 2013.

(c) Transfer and registration of Scheme Shares

Under the Scheme, Scheme Shareholders irrevocably authorise Facilitate to Convert (within the meaning of the ASX Settlement Operating Rules) all Scheme Shares held in CHESS Holdings into Issuer Sponsored Holdings (each as defined in the ASX Settlement Operating Rules).

Under the Scheme, each Scheme Shareholder, without the need for any further act, irrevocably appoints Facilitate and each of its directors, officers and secretaries, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any document necessary to give effect to the Scheme, including (without limitation) the master transfer of all or part of the Scheme Shares.

On the Implementation Date, the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to those shares as at the Implementation Date, will be transferred to Adslot without the need for any further act by any Scheme Shareholder, by Facilitate executing and delivering a valid transfer or transfers of the Scheme Shares to Adslot under the Corporations Act.

In consideration of the transfer of the Scheme Shares to Adslot, Adslot will provide the Scheme Consideration to each Scheme Shareholder, in accordance with the provisions of the Scheme. See Sections 11.5(d) to (g) inclusive for further details on the provision of the Scheme Consideration.

(d) Issue of New Adslot Shares

The obligation of Adslot to issue New Adslot Shares to Scheme Shareholders will be satisfied by Adslot taking the following steps:

- on or before the Implementation Date, Adslot will issue the applicable number of New Adslot Shares to each Scheme Shareholder and, in the case of Foreign Scheme Shareholders, to the Sale Agent; and
- within five Business Days after the Implementation Date, Adslot will procure the dispatch to Scheme Shareholders and to the Sale Agent of an allotment advice or holding statement (or equivalent document) reflecting the number of New Adslot Shares issued to them under the Scheme.

Each Scheme Shareholder to whom New Adslot Shares are issued under the Scheme agrees:

- to become a member of Adslot for the purposes of section 231 of the Corporations Act;
 - to have their name and address entered in the Adslot Share Register; and
 - to be bound by the constitution of Adslot as in force from time to time in respect of the New Adslot Shares.
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Each Scheme Shareholder, without the need for any further act, irrevocably appoints Facilitate and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any form of application required for the New Adslot Shares to be issued to that Scheme Shareholder pursuant to the Scheme.

(e) Joint holders

In the case of Scheme Shares held in joint names, any uncertificated holding statements for New Adslot Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders, and forwarded to the holder whose name appears first in the Share Register as at the Record Date.

(f) Foreign Scheme Shareholders

Adslot will be under no obligation to issue, and will not issue, any New Adslot Shares to Foreign Scheme Shareholders.

If a Scheme Shareholder's address in the Share Register is not in Australia, its external territories or New Zealand, the Scheme Shareholder will be regarded as a Foreign Scheme Shareholder (unless Adslot and Facilitate agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Adslot Shares under the Scheme).

The New Adslot Shares which would otherwise be required to be issued to Foreign Scheme Shareholders under the Scheme will be issued instead to the Sale Agent on the Implementation Date. The Sale Agent will hold an Australian Financial Services Licence and will be authorised to deal in securities. Adslot will procure that, as soon as reasonably practicable and, in any event, not more than 15 Business Days after the Implementation Date, the Sale Agent:

- sells all of the New Adslot Shares issued to it under the Scheme in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith (and at the risk of Foreign Scheme Shareholders); and
- remits to Facilitate the proceeds of sale (after deduction of any applicable brokerage and other selling costs, taxes and charges) (the Proceeds).

Promptly after the last sale of New Adslot Shares by the Sale Agent, Adslot will pay to the Foreign Scheme Shareholder a proportional part of the Proceeds reflecting the number of New Adslot Shares which would have been issued to the Foreign Scheme Shareholder but for the application of this process.

(g) Delisting of Facilitate

At a time determined by Adslot following the implementation of the Scheme, Adslot will cause Facilitate to apply for the termination of the official quotation of Facilitate Shares on ASX and to have itself removed from the official list of ASX. It is expected that this will occur shortly after the Implementation Date.

11.6 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Facilitate Shares or other alterations to the Share Register will only be recognised if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Facilitate Shares on or before the Record Date; and
 - in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the place where the Share Register is kept.
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Facilitate must register any non-CHESS registrable transmission applications or transfers of Facilitate Shares by, or as soon as practicable after, the Record Date.

Facilitate will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Facilitate Shares received on or after the Record Date or received prior to the Record Date but not in registrable or actionable form, other than a transfer to Adslot in accordance with the Scheme and any subsequent transfer by Adslot or its successors in title.

Under the terms of the proposed Scheme,

- Facilitate Shareholders may not dispose of or otherwise deal with any Scheme Shares or any interest in them after the Record Date; and
- any dealings in Scheme Shares after the Record Date will not be recognised by the Share Registry.

For the purpose of determining entitlements to the Scheme Consideration, Facilitate must maintain (or cause the Share Registry to maintain) the Share Register until the Scheme Consideration has been provided to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

Any statements of holding for Facilitate Shares will cease to have effect from the Record Date as documents or evidence of title in respect of those shares (other than statements of holding in favour of the Excluded Shareholders). After the Record Date, each entry current at that date on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

As soon as possible on or after the Record Date and in any event within one Business Day after the Record Date, Facilitate will ensure that details of the names, registered addresses and holdings of Facilitate Shares for each Scheme Shareholder as shown in the Share Register are available to Adslot in the form Adslot reasonably requires.

11.7 Trading of New Adslot Shares on ASX

(a) Deferred settlement market

Trading on ASX of New Adslot Shares issued as Scheme Consideration is expected to commence on a deferred settlement basis on or about Thursday, 12 December 2013 (being the first Business Day after the Effective Date). Deferred settlement trading will continue until the dispatch of holding statements, which is expected to occur on or about 31 December 2013. These dates are indicative only and are subject to change without notice.

Adslot will apply to ASX after the date of this Explanatory Booklet for official quotation of the New Adslot Shares to be issued on implementation of the Scheme.

It is the responsibility of each Scheme Shareholder to confirm their allocation of New Adslot Shares before trading in those securities, to avoid selling New Adslot Shares they do not own. Any Facilitate Shareholder who sells New Adslot Shares before receiving confirmation of their allocation does so at their own risk.

Adslot and Facilitate disclaim all liability, whether in negligence or otherwise, to any Scheme Shareholder who trades New Adslot Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Adslot or otherwise.

(b) CHESS and holding statements

Shortly following the issue of New Adslot Shares to Scheme Shareholders, they will receive an initial statement of holding (similar to a bank account statement) that sets out the number of New Adslot Shares

which have been allocated to them under the Scheme. This statement will also provide details of a shareholder's HIN in the case of a holding on the CHESSE subregister or SRN in the case of holding on the issuer-sponsored subregister. Scheme Shareholders receiving New Adslot Shares under the Scheme will be required to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the Adslot share registry.

Scheme Shareholders receiving New Adslot Shares under the Scheme will receive subsequent statements at the end of any month in which there has been a change to their holding on the Adslot Share Register and as otherwise required under the Listing Rules.

12. Additional Information

12.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the *Corporations Regulations 2001* (Cth) to be included in this Explanatory Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that your Directors consider material to a decision on how to vote on the resolution to be considered at the Meetings.

In this Section, the terms 'associate', 'marketable securities', 'related body corporate' and 'subsidiary' have the meanings given to them in the Corporations Act. The term 'executive officer' is used to mean 'senior manager' as defined in the Corporations Act, including the company secretary.

12.2 Directors' interests in any contracts with Adslot

No Director or any of his associates has entered into, or otherwise any interest in, any contract entered into by Adslot or any of its associates.

12.3 Directors' interests in agreements connected with or conditional on the Scheme

No Director has an interest in any agreement connected with or conditional on the Scheme, other than as set out below.

(a) Appointment of Facilitate Directors to the board of Adslot

Adslot has invited the following two existing Facilitate Directors to become directors of Adslot, subject to the Scheme being approved and implemented, Messrs Geoff Dixon and Ben Dixon. It is anticipated that a Facilitate Director who is appointed as an Adslot director would be entitled to receive fees for his services as a director, travel allowances and reimbursement of incidental expenses from Adslot in connection with the performance of their duties for Adslot. As at the date of this Explanatory Booklet, no specific arrangements in this regard have been agreed between Adslot and any Facilitate Director.

12.4 Retirement benefits

No payment or other benefit is proposed to be made or given in connection with the Scheme to any Director, secretary or executive officer of Facilitate, or of any Related Entity of Facilitate, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Facilitate or in a Related Entity.

12.5 Directors' intentions regarding the business, assets and employees of Facilitate

If the Scheme is approved and implemented, the existing Facilitate Board will be reconstituted in accordance with the instructions of Adslot as the only shareholder in Facilitate. Accordingly, it is not possible for your Facilitate Directors to provide a statement of their intentions regarding:

- the continuation of the business of Facilitate or how Facilitate's existing business will be conducted after the Scheme is implemented;
- any major changes to be made to the business of Facilitate, including any redeployment of the fixed assets of Facilitate; or
- the future employment of the present employees of Facilitate, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, Adslot will have 100% ownership of Facilitate's issued Shares and will control Facilitate.

12.6 No unacceptable circumstances

The Facilitate Board believes that the Scheme does not involve any circumstances in relation to the affairs of Facilitate that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

12.7 Disclosure of fees and other benefits

Except for directors' fees as referred to in Section 12.3(a) no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to a director or proposed director of Adslot:

- to induce them to become or to qualify as a director of Adslot; or
- for services provided by that person in connection with the formation or promotion of Adslot.

12.8 ASX waivers

ASX waiver from Listing Rule 6.23.2

ASX Listing Rule 6.23.2 requires that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change. ASX has granted Facilitate waiver from ASX Listing Rule 6.23.2 to allow for the cancellation of any Options in accordance with the Option Cancellation Deed arrangements outlined in Section 10.6 without the need to obtain specific Shareholder approval. The waiver is conditional on the Scheme becoming Effective.

12.9 Consents and disclaimers

The following parties have given and have not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn their written consent to be named in this Explanatory Booklet in the form and context in which they are named:

- Cooper Grace Ward Lawyers as legal adviser to Facilitate;
- Atlas Technology Group as financial adviser to Facilitate;
- Pitcher Partners CF as the Independent Expert; and
- Link Market Services Pty Limited as the Share Registry.

Adslot has given, and has not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn its consent, to the inclusion of the Adslot Information, Section 9 ('Taxation implications') and the Joint Information in this Explanatory Booklet and the references to that Section in the form and context in which they are included.

Pitcher Partners CF has given, and has not, before the time of registration of this Explanatory Booklet by ASIC, withdrawn its consent, to the inclusion of statements attributed to Pitcher Partners CF in this Explanatory Booklet and to the inclusion of the Independent Expert's Report set out in Appendix 1 to this Explanatory Booklet in the form and context in which they are included.

Each of the above persons:

- has not authorised or caused the issue of this Explanatory Booklet;
 - does not make, or purport to make, any statement in this Explanatory Booklet or any statement on which a statement in this Explanatory Booklet is based other than a statement or report included in this Explanatory Booklet with the consent of that party;
 - to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Booklet, other than as described in this Explanatory Booklet with the consent of that party; and
-

- except for Adslot, does not assume any responsibility for the accuracy or completeness of the Adslot Information. The Adslot Information has been prepared by and is the responsibility of Adslot.

12.10 Independent advice

Facilitate Shareholders should consult their financial, legal or other professional adviser if they have any queries regarding:

- the Scheme;
- the taxation implications for them if the Scheme is implemented;
- your Facilitate Directors' recommendations and intentions in relation to the Scheme, as set out in Sections 1.8 and 4.1 of this Explanatory Booklet; or
- any other aspects of this Explanatory Booklet.

Facilitate Shareholders may also call Facilitate on 02 9690 3900 (within Australia) or 61 + 2 9690 3900 (outside Australia) Monday to Friday between 9.00am and 5.00pm (Sydney time) with any queries they may have on the Scheme.

12.11 Other material information

Except as set out in this Explanatory Booklet, in the opinion of the Facilitate Board, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Facilitate Director or of any Related Entity of Facilitate, which has not been previously disclosed to Facilitate Shareholders.

Facilitate will issue a supplementary document to this Explanatory Booklet if it becomes aware of any of the following between the date of lodgement of this Explanatory Booklet for registration by ASIC and the Effective Date:

- a material statement in this Explanatory Booklet that is false or misleading in a material respect;
- a material omission from this Explanatory Booklet;
- a significant change affecting a matter included in this Explanatory Booklet; or
- a significant new matter that has arisen and that would have been required to be included in this Explanatory Booklet if it had arisen before the date of lodgement of this Explanatory Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Facilitate may circulate and publish any supplementary document by any one or more of the following methods:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Facilitate Shareholders at their registered address as shown in the Share Register; and/or
- posting a statement on the Facilitate's corporate website,

as Facilitate in its absolute discretion considers appropriate, subject to any approval that may be required from the Court. In particular, where the matter is not materially adverse to Facilitate Shareholders such circulation and publication may be only by an announcement to ASX.

13. Glossary

The following terms used in this Explanatory Booklet (including the Notice of Meeting in Appendix 3 of this Explanatory Booklet) have the meanings given to them below, unless the context otherwise requires.

Term	Meaning
Adslot	Adslot Limited ACN 001 287 510
Adslot Constitution	Adslot's current constitution
Adslot Group	means Adslot and each of its subsidiaries (excluding, at any time, Facilitate and its subsidiaries to the extent that Facilitate and its subsidiaries are subsidiaries of Adslot at that time). A reference to a member of the Adslot Group or an Adslot Group Member is a reference to Adslot or any such subsidiary
Adslot Information	the information prepared by Adslot for inclusion in this Explanatory Booklet and for which Adslot is responsible, being the letter from the Chairman of Adslot, Section 6 and Section 9.
Adslot Material Adverse Change	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Adslot Prescribed Occurrences	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Adslot Representation and Warranty	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Adslot Rights Over Shares	Rights that will convert into Adslot Shares if the share price of Adslot trades above a certain 30 day VWAP
Adslot Share Register	the register of members of Adslot maintained by or on behalf of Adslot in accordance with section 168(i) of the Corporations Act
Appendix	an Appendix of this Explanatory Booklet
ASIC	the Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it
Board or Board of Directors or Facilitate Board	the board of Directors of Facilitate as at the date of this Explanatory Booklet
Business Day	any day that is both a Business Day within the meaning given in the Listing Rules and a day that banks are open for business in Brisbane, Australia
CHESS	the Clearing House Electronic Subregister System, the system established and operated by ASX Settlement Limited ACN 088 504 532
Competing Proposal	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Corporations Act	the <i>Corporations Act 2001</i> (Cth)

Term	Meaning
Court	the Supreme Court of Queensland or such other court of competent jurisdiction as Facilitate and Adslot agree in writing
Deed Poll	the deed poll executed by Adslot on [*] 2013 for the benefit of Facilitate Shareholders in which Adslot acknowledges and confirms certain of its obligations under the Scheme for the benefit of Scheme Shareholders. A copy of the executed Deed Poll is reproduced in Appendix 5.
EBITDA	earnings before interest tax depreciation and amortisation
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act approving the Scheme
Effective Date	the date upon which the Scheme becomes Effective. The Effective Date is expected to be on or about Monday, 9 December 2013
End Date	27 January 2014 or such other date agreed in writing between Facilitate and Adslot
Excluded Share	any Facilitate Share held by an Excluded Shareholder
Excluded Shareholder	has the meaning given in the Scheme Implementation Deed
Expanded Adslot Group	means the Adslot Group following implementation of the Scheme, when the Facilitate Group will become wholly owned subsidiaries of Adslot. References to the Expanded Adslot Group include all joint venture interests (incorporated or unincorporated) held by a member of the Expanded Adslot Group
Explanatory Booklet	this explanatory booklet dated 30 October 2013 in relation to the Scheme
Facilitate	Facilitate Digital Holdings Limited ACN 093 823 253
Facilitate Directors or your Directors	the current directors of Facilitate
Facilitate Group	means Facilitate and each of its subsidiaries. A reference to a member of the Facilitate Group or Facilitate Group Member is a reference to Facilitate or any such subsidiary
Facilitate Information	all information included in this Explanatory Booklet other than: <ul style="list-style-type: none"> (a) the Adslot Information; (b) the Joint Information; and (c) the information contained in the Independent Expert's Report
Facilitate Material Adverse Change	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Facilitate Options	means an option granted by Facilitate to acquire by way of issue one or more Facilitate Shares

Term	Meaning
Facilitate Prescribed Occurrences	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Facilitate Representation and Warranty	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)
Facilitate Share	means a fully paid ordinary share in the capital of Facilitate
Facilitate Shareholder	means a person who is registered as the holder of Facilitate Shares from time to time (or if two or more persons are registered on the Share Register as a member of Facilitate in respect of the same Shares, those persons together)
First Court Date	the Court hearing on Wednesday, 30 October 2013, at which Facilitate made an application to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting
First Court Hearing	the hearing of the application made to the Court by Facilitate for an order to convene the Scheme Meeting
Foreign Scheme Shareholder	means a Scheme Shareholder whose address in the Facilitate Share Register is a place outside Australia and its external territories or New Zealand unless Adslot and Facilitate agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Adslot Shares under the Scheme
Implementation Date	the date which is fifth Business Day after the Record Date or such other date as Facilitate and Adslot agree in writing. The Implementation Date is expected to be on or about 24 December 2013
Independent Expert	Pitcher Partners CF
Independent Expert's Report	the report from the Independent Expert (a full copy of which is set out in Appendix 1 of this Explanatory Booklet), and any update to such report that the Independent Expert issues
Joint Information	the information in this Explanatory Booklet jointly prepared by Adslot and Facilitate (and for which they share responsibility), being the information contained in Sections 7 and 8 of this Explanatory Booklet
Listing Rules	the official listing rules of ASX
New Adslot Shares	the new Adslot Shares to be issued under the terms of the Scheme as the Scheme Consideration
Pitcher Partners CF	Pitcher Partners Corporate Finance Limited ACN 054 784 619
Proxy Form	the Proxy Form for the Scheme Meeting accompanying this Explanatory Booklet or, as the context requires, any replacement or substitute Proxy Form provided by or on behalf of Facilitate

Term	Meaning
Record Date	the date for determining entitlements to the Scheme Consideration, being 7.00 pm Sydney time on the fifth Business Day (or such other Business Day as Adslot and Facilitate agree) following the date on which the Scheme becomes Effective. The Record Date is expected to be 7.00pm on Tuesday, 17 December 2013
Regulatory Authority	means: <ul style="list-style-type: none"> (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity; (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or (c) any regulatory organisation established under statute, in Australia whether federal, state, territorial or local.
Related Entity	of a corporation means: <ul style="list-style-type: none"> (a) a related body corporate of that corporation within the meaning of the Corporations Act; and (b) a trustee of any unit trust in relation to which that corporation, or a corporation referred to in paragraph (a) directly or indirectly: <ul style="list-style-type: none"> (i) controls the right to appoint the trustee; (ii) is in a position to control the casting of more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or (iii) holds or is in a position to control the disposal of more than one half of the issued units in the trust
relevant interest	has the meaning given in the Corporations Act
Requisite Scheme Majority	the threshold for approval of a scheme of arrangement under Part 5.1 of the Corporations Act, being: <ul style="list-style-type: none"> (a) unless the Court orders otherwise, a majority in number (more than 50%) of the Facilitate Shareholders, who are present and voting (whether in person, by direct vote, by proxy or representative); and (b) at least 75% of the Scheme Shares voted by Facilitate Shareholders, on the resolution to approve the Scheme at the Scheme Meeting
Sale Agent	the facility contemplated by the Scheme and described in Section 11.5(f) under which the Sale Agent will sell the New Adslot Shares attributable to Foreign Scheme Shareholders

Term	Meaning
Scheme or Scheme of Arrangement	means the scheme of arrangement under Part 5.1 of the Corporations Act between Facilitate and the Scheme Shareholders under which Adslot proposes to acquire all of the Facilitate Shares (other than Facilitate Shares held by an Excluded Shareholder) as set out in Appendix 2, subject to any alterations or conditions: <ul style="list-style-type: none"> (a) agreed to in writing by Adslot and Facilitate; or (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Adslot and Facilitate
Scheme Conditions	the conditions precedent specified at clause 3.1 of the Scheme Implementation Deed
Scheme Consideration	the New Adslot Shares to be issued by Adslot to each Scheme Shareholder in accordance with the Scheme, being 1.216 Adslot Shares per Scheme Share (other than in the case of Foreign Scheme Shareholders)
Scheme Implementation Deed	the deed between Facilitate and Adslot setting out certain arrangements in relation to the Scheme. The Scheme Implementation Deed is reproduced in Appendix 4 of this Explanatory Booklet
Scheme Meeting	the meeting of Facilitate Shareholders to be held on Wednesday, 4 December 2013 to consider and vote on the Scheme. The notice convening the Scheme Meeting is contained in Appendix 3
Scheme Share	a Facilitate Share on issue on the Record Date, other than an Excluded Share
Scheme Shareholders	means a Facilitate Shareholder (other than an Excluded Shareholder) at the Record Date
Section	means a section of this Explanatory Booklet
Second Court Date	the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard. This date is expected to be on or about Monday, 9 December 2013
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme
Share Register	the register of members of Facilitate maintained by or on behalf of Facilitate in accordance with section 168(i) of the Corporations Act
Share Registry	Link Market Services Limited ACN 083 214 537
Superior Proposal	has the meaning given to that term in the Scheme Implementation Deed (see Appendix 4)

Appendix 1 - Independent Expert's Report

FACILITATE DIGITAL HOLDINGS LIMITED



Independent expert's report

29 October 2013

Financial Services Guide

29 October 2013

What is a Financial Services Guide?

This Financial Services Guide (“FSG”) provides important information to assist you in deciding whether to use our services. It includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you a FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide general financial product advice or to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes and government debentures, stocks or bonds.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

How are we and all employees remunerated?

We will receive a fee of approximately \$50,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the Scheme of Arrangement between Facilitate Digital Holdings Limited and its shareholders.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits. We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associates and relationships

We are ultimately owned by the partners of Pitcher Partners Brisbane. Please see www.pitcher.com.au for a detailed description of the firm. Pitcher Partners or Pitcher Partners Corporate Finance Limited has not provided any previous services to Facilitate Digital Holdings Limited or Adslot Limited.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (“FOS”). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS’ contact details are also set out below.

Pitcher Partners	Financial Ombudsman Service
Complaints Office	GPO Box 3
GPO Box 1144	MELBOURNE VIC 3001
BRISBANE QLD 4001	infor@fos.org.au
	www.fos.org.au
	Tel: 1300 780 808

What compensation arrangements do we have?

Pitcher Partners and Pitcher Partners Corporate Finance Limited holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001.



29 October 2013

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Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide

Dear Directors

INDEPENDENT EXPERT'S REPORT

Introduction

Facilitate Digital Holdings Limited ("Facilitate") is listed on the Australian Securities Exchange ("ASX") and is engaged in digital advertising solutions for advertising agencies worldwide. Facilitate is primarily focused on the deployment of two software products, *Symphony* and *Facilitate for Agencies* ("FFA"), to large international advertising agency groups. These products typically relate to the demand side of the digital advertising market.

Adslot Limited ("Adslot") is an ASX listed company engaged in providing online display media trading technology for publishers (website owners). Adslot is primarily focussed on its Adslot products which provide advertising automation services that reduce selling costs and increase advertising revenue for publishers. These products typically relate to the supply side of the digital advertising market.

On 12 September 2013, Facilitate and Adslot jointly announced that they had entered into a Scheme Implementation Deed (the "Deed") in which Adslot intends to acquire all the issued shares in Facilitate by way of scheme of arrangement (the "Scheme"). Under the Scheme, Facilitate shareholders will receive 1.216 Adslot shares for each Facilitate share held. If the Scheme is implemented, based on the number of shares in the respective companies currently on issue, the Facilitate shareholders will collectively own approximately 28% of the issued shares in Adslot. This ignores any shares in Adslot that Facilitate shareholders may currently own. Facilitate will then be de-listed from the ASX.

The Directors of Facilitate unanimously recommend that Facilitate shareholders vote in favour of the Scheme in the absence of a superior proposal. Subject to that same qualification, the Directors of Facilitate intend to vote in favour of the Scheme in respect of all Facilitate shares they hold or control.

Purpose of this report and basis of assessment

As Adslot does not own any shares in Facilitate and there are no common directors, an independent expert's report is not specifically required in relation to the Scheme. Nevertheless, the Directors of Facilitate have engaged Pitcher Partners Corporate Finance Limited ("Pitcher Partners CF") to prepare an independent expert's report in relation to the Scheme as if such a report was required under the Corporations Regulations 2001 (the "Regulations").

Accordingly, we have prepared this independent expert's report to consider whether or not, in our opinion, the Scheme is in the best interests of Facilitate shareholders and setting out the reasons for that opinion. Our report will accompany the Explanatory Booklet sent to Facilitate shareholders in respect of the Scheme Meeting.

Neither the Corporations Act (the "Act") nor the Regulations define the term 'in the best interests of'. Australian Securities & Investments Commission ("ASIC") has, however, issued Regulatory Guide 111: *Content of expert reports* ("RG 111") which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover offer and is therefore representative of a 'control transaction'.

If the Scheme is implemented, Adslot will own 100% of Facilitate. Therefore the Scheme results in a change of control and as such, for the purposes of an independent expert report, the Scheme should be treated as a takeover offer.

In the circumstance of a scheme that achieves the same outcome as a takeover offer, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover offer. Independent expert's reports required under the Act for a takeover are required to provide an opinion as to whether or not the takeover offer is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the term should be interpreted in a range of circumstances. With respect to a takeover offer:

- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- an offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 states that, in the case of a scheme, if an expert can conclude that an offer is 'fair and reasonable' then the expert will be able to conclude that the scheme is 'in the best interests' of shareholders.

RG 111 states that the comparison of the value of the consideration and the value of the securities subject to a takeover offer is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares".

Summary of our opinion

In section 9.2 we set out our valuation conclusions which shows that the Scheme Consideration (the value of which we have assessed at between 4.0 cents and 4.4 cents) is greater than the range of values assessed for a Facilitate share (being between 3.3 cents and 3.5 cents), on a control basis.

We have considered the fair value range assessed for a Facilitate share on a 100% controlling interest basis to the fair value of Adslot's share on a minority interest basis. Our assessment is summarised below:

Comparison of values – Adslot valued on a net asset backing basis	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	3.3	3.5
Fair value of the consideration:		
Fair value of Adslot share – minority interest basis (cents)	3.3	3.6
Scheme ratio (1.216 Adslot shares for every Facilitate share held)	1.216	1.216
Fair value of the consideration under the terms of the Scheme (cents)	4.0	4.4
Premium of Scheme Consideration over value of Facilitate share - cents	0.7	0.9
- percentage	21%	26%

Source: Pitcher Partners CF analysis

On this basis, Facilitate's shareholders are receiving a premium in the range of 21% to 26%.

As our secondary approach, we have considered the fair value range assessed for a Facilitate share on a 100% controlling interest basis to the fair value of Adslot's share under the market approach based on Adslot's share trading prices up to the date before the Scheme was announced. Our assessment is summarised below.

Comparison of values – Adslot valued on a trading price basis	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	3.3	3.5
Fair value of the consideration:		
Adslot share price – 5 day VWAP prior to Announcement Date (cents)	5.9	5.9
Scheme ratio (1.216 Adslot shares for 1 Facilitate share)	1.216	1.216
Fair value of the consideration under the terms of the Scheme (cents)	7.2	7.2
Premium of Scheme Consideration over value of Facilitate share - cents	3.9	3.7
- percentage	118%	106%

Source: Pitcher Partners CF analysis

On this basis, Facilitate's shareholders are receiving a premium in the range of 106% to 118%.

We note that due to the low liquidity of Adslot's shares, the Adslot share price noted above may not be reflective of fair value.

On the basis that there is a premium of Scheme Consideration over the fair value range of a Facilitate share, in our opinion, the Scheme is considered to be fair to Facilitate shareholders.

In Section 9.3 we set out the advantages, disadvantages and other significant matters we considered in assessing the Scheme.

While individual Facilitate shareholders may interpret these factors differently depending on their own circumstances, in our opinion the potential advantages of the Scheme outweigh the potential disadvantages to the Facilitate shareholders as a whole.

Taking into consideration the matters detailed in this independent expert's report, in the opinion of Pitcher Partners CF, the Scheme is in the best interests of Facilitate shareholders.

Limitations

This report has been prepared specifically for Facilitate shareholders in their consideration of the Scheme. Neither Pitcher Partners CF, Pitcher Partners, nor any member or employee thereof, undertakes responsibility to any person, other than the Facilitate shareholders, in respect of this report, including any errors or omissions however caused.

This independent expert's report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Facilitate shareholders. The decision as to whether to approve or not to approve the Scheme is a matter for individual Facilitate shareholders. Facilitate shareholders should have regard to the Notice of Meeting and Explanatory Booklet prepared by the Directors and management of Facilitate. Facilitate shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

Our opinion is expressed as at the date of this report and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full independent expert's report as attached.

Our Financial Services Guide ("FSG"), in accordance with the Act, is included at the beginning of this report.

A glossary of terms used throughout this report is set out in Appendix C.

Yours faithfully

PITCHER PARTNERS CORPORATE FINANCE LIMITED



Ross Walker

Director and Representative

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1. DETAILS OF THE SCHEME

1.1. Overview of the Scheme

On 12 September 2013 (“Announcement Date”), Facilitate Digital Holdings Limited (“Facilitate”) and Adslot Limited (“Adslot”) jointly announced they had entered into a Scheme Implementation Deed (“the Deed”) under which Adslot would acquire all of the ordinary shares in Facilitate under a Scheme of Arrangement between Facilitate and its shareholders (“the Scheme”), subject to shareholder and regulatory approvals.

Under the terms of the Scheme, Facilitate shareholders will receive 1.216 Adslot shares for each Facilitate share held (“the Scheme Consideration”).

Facilitate is a global provider of digital workflow and trading technology for media agencies.

Adslot is a global provider of online display media trading technology for publishers.

The following table summarises the number of shares the respective companies have on issue and the number of new shares Adslot will need to issue to Facilitate shareholders if the Scheme becomes effective.

Capital structure of Facilitate and the shares to be issued	No of Shares ('000)
Number of Facilitate shares on issue	225,108
Scheme ratio: 1.216 Adslot shares for 1 Facilitate share	1.216
Total Adslot shares to be issued to Facilitate shareholders	<u>273,731</u>

As at the Announcement Date, Adslot has 703,741,287 ordinary shares on issue and has since issued a further 3,828,691 shares under the Adslot Limited Share and Option Plan (“ESOP”). The following table summarises the position of the Expanded Adslot Group after the Scheme.

Expanded Adslot Group’s capital structure post the Scheme	No of Shares ('000)	Percentage held
Number of shares on completion of the Scheme		
– Adslot shares currently on issue	707,570	72.1%
– Total Adslot shares to be issued to Facilitate shareholders	273,731	27.9%
	<u>981,301</u>	<u>100.0%</u>

The analysis shows that on implementation of the Scheme, Facilitate shareholders will have a collective 27.9% interest in the Expanded Adslot Group with current Adslot shareholders retaining 72.1%.

The current Board of Directors of Facilitate and Adslot are summarised as follows:

Facilitate – Board of Directors

Stuart Simson	Non-Executive Chairman
Geoff Dixon	Non-Executive Director
Charles Sweeney	Non-Executive Director
Ben Dixon	Acting Chief Executive Officer and Executive Director

Adslot – Board of Directors

Adrian Giles	Non-Executive Chairman
Andrew Barlow	Non-Executive Director
Ian Lowe	Chief Executive Officer and Executive Director
Chris Morris	Non-Executive Director
Tiffany Fuller	Non-Executive Director

Under the Deed, Adslot will appoint two current Facilitate Directors as additional Directors to Adslot's Board. The proposed two new Adslot directors are Geoff Dixon (a Director of Facilitate and the largest shareholder of Facilitate) and Ben Dixon (Acting Chief Executive Officer of Facilitate). Accordingly, after completion of the Scheme, Adslot will have seven members on its Board.

Facilitate shareholders are to consider a resolution seeking approval of the Scheme at a general meeting of Facilitate that is to be held on 9 December 2013 (the "Scheme Meeting"). For the Scheme to take effect, the Scheme must be approved by a majority of Facilitate shareholders in number (i.e. more than 50%) present and voting at the Scheme Meeting, either in person or by proxy or representative, and at least 75% of the votes that may be cast on the resolution by Facilitate shareholders present and voting at the Scheme Meeting, either in person or by proxy or representative.

If the Scheme is approved and all the other conditions precedent are met, the acquisition of Facilitate by Adslot will be implemented. We recommend that Facilitate shareholders read the Explanatory Booklet to obtain a full understanding of the Scheme.

The Facilitate Board has unanimously recommended that Facilitate shareholders vote in favour of the Scheme, in the absence of a superior proposal, and subject to that same qualification they have stated that they intend to do so for their own shareholdings in Facilitate.

1.2. Conditions precedent

Completion of the Scheme is subject to a number of conditions (some of which, pursuant to the Deed, may be waived by agreement between Facilitate and Adslot) including, amongst other matters:

- Facilitate shareholders and the Supreme Court of Queensland approving the Scheme;
- Any regulatory authority approvals necessary to implement the Scheme (including from the Australian Securities & Investments Commission ("ASIC") and the Australian Securities Exchange ("ASX"), being obtained and not withdrawn;

- An independent expert's report concluding that the Scheme is in the best interests of Facilitate shareholders;
- The Facilitate Board does not change or withdraw its recommendation to vote in favour of the Scheme;
- No material adverse change to Facilitate which means any matter, event, action or occurrence that individually or when aggregated has, or would reasonably likely to have, the effect of reducing the forecast EBITDA of Facilitate by at least \$0.5m for the period 1 September 2013 to the Second Court Date (excluding the impact of costs incurred by Facilitate in relation to the Scheme);
- No material adverse change to Adslot which means any event, occurrence or matter that individually or when aggregated has, or would reasonably likely to have, the effect of negatively impacting on Adslot's FY14 budget by at least \$1m or Adslot being unable to carry on its business in substantially the same manner as carried on at the date of the Deed;
- Both Ben Dixon (Acting CEO and executive director of Facilitate) and Ian Lowe (managing director of Adslot) entering into a voluntary escrow deed not to deal with any New Adslot Shares received by them and by their related entities for a period of 12 months from completion of the Scheme;
- The representations and warranties of Facilitate and Adslot set out in the Deed are true and correct in all material respects, up to the Second Court Date;
- No Facilitate prescribed occurrences have occurred and Facilitate is not in breach, in any material respect, of its obligations under the Deed;
- No Adslot prescribed occurrences have occurred and Adslot is not in breach, in any material respect, of its obligations under the Deed;
- No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the Scheme.

Full disclosure of the conditions precedent to the Scheme is included in the Explanatory Booklet.

2. SCOPE OF THE REPORT

2.1. Purpose of report

The Scheme is a scheme of arrangement being proposed under Part 5.1 of the Act. Under clause 8303 of Schedule 8 of the Corporations Regulations 2001 (“the Regulations”), if the bidding party to a scheme holds at least 30% of the target company or if both parties have a common director, then the documents sent to shareholders must be accompanied by an independent expert’s report stating whether or not, in the expert’s opinion, the scheme is in the best interests of the shareholders of the target company.

As Adslot does not hold any shares in Facilitate and there are no common directors, an independent expert’s report is not legally required in relation to the Scheme. Nevertheless, the Directors of Facilitate have engaged Pitcher Partners CF to prepare an independent expert’s report in relation to the Scheme as if such a report was required under the Regulations.

Accordingly, Pitcher Partners CF have prepared this report expressing, in our opinion, whether or not the Scheme is in the best interest of the Facilitate shareholders and setting out the reasons for that opinion. Our report is to be included in an Explanatory Booklet being sent to Facilitate shareholders in respect to the Scheme Meeting.

This independent expert’s report considers the interests of the Facilitate shareholders as a whole and not individually. Individual Facilitate shareholders may have issues that affect them in particular ways that are not applicable to all Facilitate shareholders as a whole and this report cannot, and does not, consider such issues.

2.2. Basis of assessment

Neither the Act nor the Regulations define the term ‘in the best interests of’. However, RG 111 provides guidance as to what an independent expert should consider when determining whether or not a particular transaction is in the best interest of shareholders.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover offer and is therefore representative of a ‘control transaction’.

Given that Adslot will acquire 100% of Facilitate if the Scheme is implemented, the Scheme represents a control transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover offer, RG 111 indicates that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act for a takeover are required to provide an opinion as to whether or not the takeover offer is ‘fair and reasonable’. While there is no definition of ‘fair and reasonable’, RG 111 provides some guidance as to how the term should be interpreted in a range of circumstances.

With respect to a takeover offer:

- An offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer.
- An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 states that, in a scheme, if an expert can conclude that the offer is 'fair and reasonable' then the expert will be able to conclude that the scheme is in the 'best interests' of shareholders.

RG 111 states that the expert should examine the value of that consideration and compare it with the valuation of the target's securities, assuming 100% ownership of the target, and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares".

In assessing whether the Scheme is fair and reasonable (and therefore in the best interests of Facilitate shareholders), we have compared the fair value of the Facilitate shares being given up with the fair value of the Adslot shares being issued. In assessing the value of a Facilitate share, we have assumed 100% ownership, which implicitly includes a control premium. In assessing the fair value of an Adslot share we have not included a control premium as Facilitate shareholders will receive shares representing a minority or portfolio interest in Adslot.

If the value of the shares being issued by Adslot under the terms of the Scheme is equal to or greater than the value assessed for a Facilitate share then the Scheme would be in the best interests of Facilitate shareholders. Value is required to be measured on a 'fair value' basis.

"Fair value" is considered to be *"the price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer both acting at arm's length"*. Our assessment of the fair value of a Facilitate share and the fair value of the shares being issued by Adslot are on a basis consistent with this definition.

In assessing whether the Scheme is in the best interests of Facilitate shareholders, in addition to considering whether or not it is 'fair', we have considered a range of other factors including:

- whether the fair value of a Facilitate share is higher or lower than the value of the Scheme Consideration;
- whether the Scheme Consideration includes a premium for control;
- the rationale for the Scheme;
- other qualitative factors which we believe represent either advantages or disadvantages to Facilitate shareholders;
- the likelihood of an alternative superior offer being made to Facilitate shareholders; and
- alternatives available to Facilitate shareholders.

Our fair value assessments of Facilitate and Adslot are detailed in section 7 and 8, respectively.

All amounts in this report are expressed in Australian dollars ("A\$") unless otherwise stated.

In undertaking our analysis and preparing this report, we have had access to management information in relation to Facilitate and Adslot. A list of the sources of information used and relied on is contained in Appendix B.

A glossary summarising the abbreviations we have used in this report is contained in Appendix C.

2.3. Shareholders' decisions

This independent expert's report has been prepared specifically for Facilitate shareholders at the request of the Directors of Facilitate with respect to the Scheme. As such, Pitcher Partners CF, Pitcher Partners and any member or employee thereof, take no responsibility to any entity other than Facilitate shareholders, in respect of this report, including any errors or omissions howsoever caused.

This report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Facilitate shareholders. The decision to approve or not approve the Scheme is a matter for individual shareholders. Facilitate shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Facilitate shareholders should have regard to the Notice of Meeting and Explanatory Booklet prepared by the Facilitate Directors and management. Facilitate shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

Pitcher Partners CF has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included at the beginning of this report.

3. OVERVIEW OF FACILITATE

3.1. Background

Facilitate was previously named Purus Energy Limited and was incorporated in July 2000 to explore for coal seam gas in Victoria. In September 2005 Facilitate undertook an initial public offering, raising \$9m and listing its shares on the ASX. In 2006 Facilitate ceased exploration activities while still holding approximately \$4m cash on hand. In April 2007 Facilitate acquired all the issued capital of Facilitate Digital Pty Ltd (“Facilitate Digital”) for \$11m, the consideration paid by the issue of shares in Facilitate (at approx 17 cents per share).

In September 2007 Facilitate acquired all the issued shares in Impact Data Pty Ltd under an earn-out arrangement with \$6.5m paid up front (in shares and cash), \$4m due in October 2008 and the balance (estimated at \$9.3m) due in October 2009. A dispute arose between Facilitate and the Impact Data vendors which was not resolved until June 2009. Under the settlement Facilitate agreed to sell the business back to the vendors, the consideration being the forgiveness of the loans owing to them, cancellation of 6.5m shares in Facilitate (held by the vendors) and a cash payment of \$0.65m due in 5 years. The cash component was settled earlier in two tranches at a reduced amount.

An analysis of the movement in Facilitate’s issued capital is summarised in Section 3.2.3 of this Report, which also shows the recent funding history.

Facilitate provides digital marketing technology and services to the digital media sector. Facilitate is headquartered in Sydney, with offices in Sydney, Shanghai, Hamburg, New York and Auckland. Its software products comprise:

- *Symphony* which is used by media agencies to provide an automated workflow to manage the complexities associated with the trading of digital media. It does this by integrating with a variety of solutions used by the media agency, publishers and creative agencies to purchase and deploy digital media campaigns. It is the only solution of its kind fully internationalised and with a global footprint.
- *Facilitate for Agencies (FFA)* which operates as a third party ad-serving platform with purpose built modules which include search, rich media, and performance media. FFA is primarily used for advertising campaign delivery, tracking and reporting. This was the original product developed by Facilitate Digital prior to its acquisition by Facilitate in 2007.

While both products are fully integrated, they are often sold separately. The Symphony product is increasingly the main focus for Facilitate as it has fewer competitors and greater growth potential. However, although the product adoption has recently been successful, Facilitate has been unable to scale revenue as the product is primarily sold on a licence model based on the number of seats/users.

Ian Lowe was the CEO and managing director of Facilitate Digital and Facilitate following the acquisition in 2007, until October 2012 when he became the CEO and managing director of Adslot. Ben Dixon is currently the Acting CEO of Facilitate since October 2012. Ben was one of the founders of Facilitate Digital and has been an executive director of Facilitate since April 2007.

Facilitate has previously disclosed that it was investigating potential corporate opportunities including the possible sale and/or delisting of Facilitate. Its current market capitalisation suggests that Facilitate is small for an ASX listed company.

3.2. Financial information

3.2.1. Financial performance

Set out below is a summary of Facilitate's audited financial performance for the years ended 30 June 2011 – 2013 (inclusive).

\$'000	FY11	FY12	FY13
Revenue			
Sales - Asia Pacific	3,612	3,306	2,510
- Europe	2,730	2,087	1,323
- Americas	843	998	250
	7,185	6,391	4,083
Interest	17	14	33
R & D tax incentive	-	1,061	1,107
Government grants	51	68	13
	7,253	7,534	5,236
Expenses			
Cost of sales	(1,154)	(946)	(578)
Employee benefits	(3,606)	(3,175)	(2,299)
Share based payments	(14)	(15)	(54)
Occupancy	(457)	(424)	(377)
Professional fees	(386)	(355)	(305)
Foreign exchange loss	(79)	(31)	(148)
Other	(532)	(758)	(591)
	(6,228)	(5,704)	(4,352)
	1,025	1,830	884
EBITDA			
Finance costs	(49)	(52)	(48)
Depreciation	(95)	(77)	(77)
Amortisation	(1,437)	(1,272)	(1,555)
	(556)	429	(796)
Profit/(Loss) from operations			
Non-operating items:			
Discount on deferred consideration	51	56	22
Foreign exchange – inter-company	-	78	152
Impairment – receivable from Impact Data vendors	-	-	(157)
	(505)	563	(779)
Profit/(Loss) before income tax			
Income tax expense	(48)	(75)	(49)
	(553)	488	(828)
Profit/(Loss) for the year			
Earnings (loss) per share (cents)	(4.2)c	2.9c	(4.9)c

Comments on Facilitate's Earnings:

- Sales have been in decline over the past three years. While revenue is disclosed (in the financial statements) by geographic region, sales by product show 75% - 80% contributed by FFA and the balance by Symphony. In particular, one of Facilitate's US agency customers in FY12, (who used both products under a fee bundling arrangement based on volume), lost a major advertising client in FY12, contributing approximately \$710k to the decline in sales in FY13.

- Sales of FFA products in FY13 were also impacted by the loss of customers utilising the rich media product offered through a partner arrangement with EyeWonder Australia Pty Ltd (“EyeWonder”). In FY12 EyeWonder was acquired, ultimately by DG Fast Channel Inc., who owned a competing product to FFA. Although there has been a transition of rich media partners to Facilitate’s new partner Admotion, the loss in revenue from this business in FY13 was estimated at \$430k.
- As revenue has declined, so too have expenses, particularly employee costs. Facilitate currently employs 37 staff which includes 9 staff outside Australia.
- Over FY13 Facilitate completed deployment of its Symphony workflow automation platform to clients in a number of Asian markets including China, Hong Kong, Japan, Singapore and Vietnam. Symphony is currently deployed in 12 markets globally. Management believe that the revenue performance of Symphony does not reflect the product adoption rate which has shown growth. More importantly, we are advised that the value of digital media traded using the Symphony platform has grown significantly and is currently around \$80m per month.

3.2.2. Cash flow

Set out below is a summary of Facilitate’s cashflow for the years ended 30 June 2011 – 2013 inclusive:

\$'000	FY11	FY12	FY13
EBITDA (section 3.2.1)	1,025	1,830	884
Capitalised development costs	(1,718)	(1,982)	(2,065)
Finance costs paid	(49)	(52)	(48)
Income tax paid	(47)	(51)	(135)
Purchase of plant and equipment	(114)	(47)	(10)
Movement in working capital	234	(317)	(105)
Net cash outflow - operations	(669)	(619)	(1,479)
Proceeds from issue of shares, net of costs	689	(19)	2,101
Loan from director	-	-	89
Proceeds from disposal of subsidiary – Impact Data	-	154	221
Net increase/(decrease) in cash	(20)	(484)	932
Net foreign exchange differences	(78)	(12)	47
Cash at beginning of the year	1,435	1,337	841
Cash at end of year	1,337	841	1,820

Comments on Facilitate’s Cash Flow:

- Facilitate’s earnings and cash flow in FY12 and FY13 were assisted by the R & D tax incentive received in both years of approximately \$1.1m each year.
- Capitalised development costs continue to exceed amortisation of related intangible assets.
- Cash flow from operations, after capitalisation of development costs, has been negative over the last 3 years, which has effectively been funded by capital raisings.

- At June 2013 Facilitate had \$1.8m in cash, following the \$2.1m capital raising in May 2013. Based on the FY13 cash-burn rate (net cash outflow from operations), Facilitate may require further capital in late FY14 or early FY15 depending on improvement in revenue or further cost savings. Facilitate is targeting a return to profitability in FY14.

3.2.3. Financial position

A summary of Facilitate's balance sheets as at 30 June 2011, 30 June 2012 and 30 June 2013 is presented in the table below.

\$'000	Jun-11	Jun-12	Jun-13
Cash and cash equivalents	1,337	841	1,820
Trade receivables	1,523	943	915
Other receivable – R & D tax incentive	-	1,061	1,107
Other debtors and prepayments	152	108	44
Total current assets	3,012	2,953	3,886
Deferred consideration receivable – Impact Data	454	356	-
Property, plant and equipment	195	134	69
Development costs – see below	3,352	4,063	4,573
Goodwill	160	160	160
Other	34	24	28
Total non current assets	4,196	4,737	4,830
Total assets	7,208	7,691	8,716
Trade and other payables	1,760	1,847	1,578
Employee benefits	431	491	454
Current tax liabilities	43	73	(4)
Finance lease liabilities	57	26	5
Other	165	117	102
Total liabilities	2,456	2,554	2,135
Net assets	4,752	5,137	6,581
Contributed equity	14,704	14,685	16,786
Foreign currency translation reserve	(323)	(344)	(307)
Share option reserve	335	350	404
Accumulated losses	(9,964)	(9,554)	(10,302)
Total equity	4,752	5,137	6,581
No. of shares on issue ('000)	139,352	139,352	225,108
Net asset value per share (cents)	3.4c	3.7c	2.9c

Summary Facilitate's Development Costs

Capitalised development costs at Jun-13 was allocated between the two product categories as follows:

\$'000	Symphony	FFA	Total
Total capitalised costs	6,021	6,537	12,558
Accumulated amortisation	(2,958)	(5,027)	(7,985)
Net carrying value	3,063	1,510	4,573

Movement in Facilitate's issued capital

Set out below is a summary of the movement in Facilitate's share capital since the acquisition of Facilitate Digital in April 2007.

Date	Description	No of Shares	Issue Price (cents)	Issued Capital \$000	Capital Raising Costs \$000
Apr-07	Balance	23,450		677	
Apr-07	Acquisition of Facilitate Digital Pty Ltd	65,145	16.9	11,000	
Apr-07	Capital raising (prospectus)	1,500	20.0	300	
Apr-07	Settlement of liabilities	1,996	20.0	400	
Sep-07	Capital raising	12,195	41.0	5,000	(263)
Sep-07	Acquisition of Impact Data	6,506	48.0	3,125	
Nov-07	Purchase of customer database	104	48.0	50	
Aug-08	Placement – EyeWonder	3,333	15.0	500	
Sep-08	Minority interests in subsidiary	377	20.0	75	
Feb-09	Placement – EyeWonder	12,924	3.5	447	
Aug-09	Share cancellation – Impact Data vendors	(6,506)	6.5	(423)	
Apr-10	Rights issue (1 for 12) – see below	9,504	8.0	760	(44)
Jun-11	Right issue (1 for 14) – see below	8,825	8.0	706	(36)
May-13	Rights issue (8 for 13) – see below	85,755	2.5	2,144	(43)
Jun-13	Balance	225,108		24,761	(386)

The amount showed as issued capital in the above table, net of capital raising costs, is not the same as issued capital reflected in Facilitate's consolidated financial statements as the acquisition of Facilitate Digital in April 2007 was accounted for as a reverse takeover. For accounting purposes, Facilitate Digital was identified as the acquirer and as such, the acquisition of Facilitate Digital was not recognised in the consolidated financial statements.

The rights issues undertaken by Facilitate since April 2010 have resulted in substantial shortfalls that were allocated to the underwriters or placed with institutions, as summarised below.

Rights issues taken up by	No. of shares ('000)		
	Apr-10	Jun-11	May-13
Existing shareholders	3,205	2,761	25,373
Underwriters - Geoff Dixon (or his related entity)	1,620	4,527	60,382
- Other (including other directors)	1,116	1,537	-
Placements	3,563	-	-
	9,504	8,825	85,755

3.2.4. Major Shareholders

The major shareholders in Facilitate at the date of this report are summarised below.

Shareholder	Director Related	No. of shares ('000)	%
Dawnie Dixon Pty Ltd	Geoff Dixon	59,583	26.5%
Ambleside Ventures Pty Ltd	Ben Dixon	25,993	11.6%
National Nominees Limited		19,818	8.8%
EyeWonder Australia Pty Ltd		16,258	7.2%
G & D Dixon Investments Pty Ltd	Geoff Dixon	10,117	4.5%
Sandhurst Trustees Ltd		8,742	3.9%
Michael Lane (Facilitate employee)		7,462	3.3%
HSBC Custody Nominees		5,715	2.5%
Ian Lowe*		5,706	2.5%
Dunsmore Nominees Pty Ltd	Charles Sweeney	5,226	2.3%
Total		164,620	73.1%
Other shareholders		60,488	26.9%
Total shareholders		225,108	100.0%
Substantial shareholders			
Geoff Dixon – Non-Executive Director		70,931	31.5%
Ben Dixon – Acting CEO & Executive Director		28,881	12.8%
Private Portfolio Managers Pty Ltd		19,818	8.8%
EyeWonder Australia Pty Ltd		16,258	7.2%

* Ian Lowe was the former managing director of Facilitate and now CEO and managing director of Adslot.

Source: Facilitate's share register and 2013 Annual Report

Unlisted employee options

The following table outlines the number of unlisted employee share options on issue:

Vesting date	Expiry date	Exercise price (cents)	No. of options ('000)
1 Jul-13	30 Jun-15	6.4c	1,000
1 Jul-13	30 Jun-15	7.0c	250
Total			1,250

Source: Facilitate's 2013 Annual Report

We note, as at the date of this report, all options are currently 'in-of-the-money'. Under the Deed, Facilitate is to use all reasonable endeavours to have these options cancelled.

We have been advised that the Facilitate optionholders have agreed to have their options cancelled and replaced by shares in Adslot under the Adslot's employee incentive scheme (ESOP). The number of Adslot shares to be issued to the Facilitate optionholders, at completion of the Scheme, is to be determined based on a conversion value of \$15k (1m options) and \$5k (0.25m options), divided by the 5 day VWAP of Adslot's share price from 10 October 2013. The Adslot shares are to be held in escrow on the condition that the Facilitate optionholders remain employees of the Expanded Adslot Group for 12 months and other conditions of the Adslot ESOP. See Section 4.2.6 for further information of Adslot employee shares held in escrow.

3.2.5. Share price analysis and ASX announcements

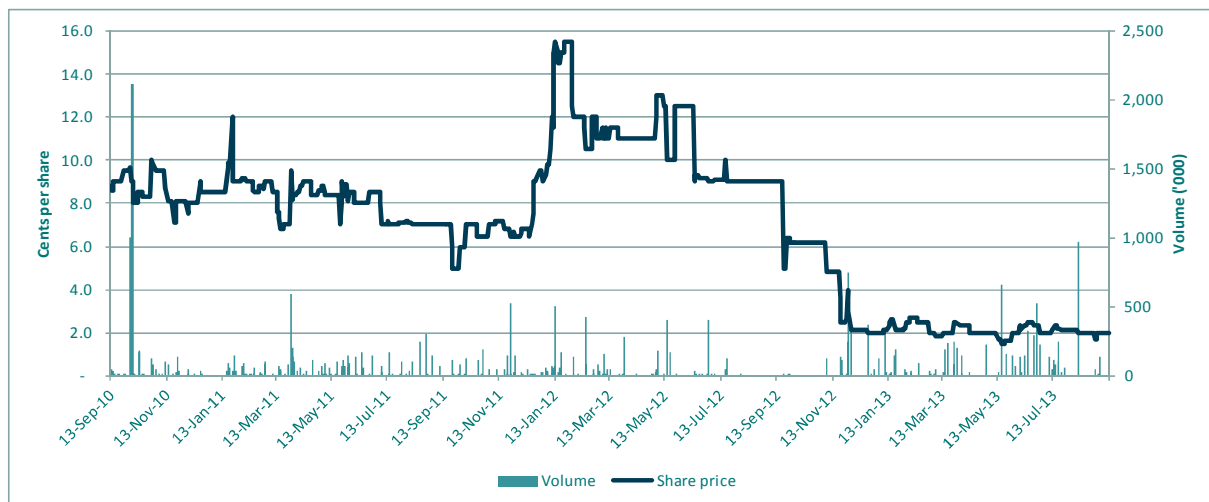
The table below summarises the monthly share price range, volume and liquidity in Facilitate shares on the ASX over the 12 month prior to the announcement of the Scheme.

\$ per share	Share Price		Volume traded ('000s)	% of total shares traded
	High Cents	Low Cents		
Sep-12	9.0	5.0	25	0.0%
Oct-12	6.2	6.2	-	0.0%
Nov-12	6.2	2.5	1,388	0.9%
Dec-12	2.7	2.0	771	0.5%
Jan-13	2.6	2.0	916	0.6%
Feb-13	2.7	2.0	201	0.1%
Mar-13	2.5	1.8	1,033	0.7%
Apr-13	2.3	2.0	393	0.3%
May-13	2.1	1.5	1,061	0.7%
Jun-13	2.5	2.0	1,674	1.1%
Jul-13	2.3	2.0	817	0.5%
Aug-13	2.2	1.7	1,024	0.7%
To 12-Sept-13	2.0	2.0	135	0.1%

Source: Capital IQ

The chart below shows the daily share price and trading volumes on the ASX for Facilitate over the past three years.

Facilitate share price trading history



Source: Capital IQ

The above graph indicates that Facilitate's share price over the past three years has decreased from a high of 16 cents in January 2012 to a low of 1.5 cents in May 2013. We note the share price has traded relatively consistently between 2 cents and 2.5 cents from December 2012 up until the Announcement Date.

Announcements made by Facilitate over the past 12 months that may have had an impact on Facilitate's share price are summarised below.

Facilitate ASX announcements

Date	Note
13 Sep 2013	Facilitate announces that it has entered into a Scheme Implementation Deed with Adslot in respect of the proposed acquisition by Adslot of all of Facilitate's shares
30 Aug 2013	Preliminary Final Report for FY13 lodged.
28 Jun 2013	Trading update
2 May 2013	Notification of completion of the rights issue and shortfall allocation to the underwriters.
26 Mar 2013	Announces the rights issue and lodges the rights issue offer document.
28 Feb 2013	Lodges the December 2012 half year financial report.
1 Feb 2013	Shareholders approve the proposed delisting of Facilitate's shares on ASX.
28 Nov 2012	Announces the proposed delisting of the company's shares.
4 Sep 2012	Announces the resignation of Ian Lowe as CEO and appointment of Ben Dixon as Acting CEO.

As noted above, Facilitate received approval from shareholders and ASX to delist its shares, although this did not occur (due to the rights issue announced in March 2013). The rationale provided by the Facilitate directors for delisting was due to the illiquid nature of the shares, the costs associated with maintaining the ASX listing and that the listed structure had been a disincentive to a number of corporate discussions. We were advised that Facilitate had been looking at a possible sale over the past 12-18 months although no firm opportunities eventuated.

4. OVERVIEW OF ADSLOT

4.1. Company background

4.1.1. History

Adslot was originally listed on the ASX on 17 December 1987 and had operated a number of different businesses before being renamed as Ansearch Limited (“Ansearch”) in 2005. Ansearch became a search engine company that bought search traffic from external search engines and directed these to different websites. The Ansearch business experienced operational issues in late 2007 and a new management team was formed to provide a new strategic business model. In 2009 Ansearch changed its name to Webfirm Group Limited (“WGL”) to expand its offering to a range of web design and development services to support small businesses.

In February 2010 WGL acquired all the issued shares of Adslot Pty Ltd for \$6m, the consideration paid by the issue of 171.4m shares in WGL at 3.5 cents each. At the same time WGL undertook a capital raising by way of 3 for 5 rights issues, and issued 119.1m shares (at 3.5 cents) to raise approx \$4.2m.

Adslot Pty Ltd was established in January 2007 by Andrew Barlow (current non-executive director of Adslot) and Anthony Du Preez to develop an online technology platform for the buying and selling of advertising inventory using the combination auction platform (“CAP”). Using the CAP core technology, Adslot Pty Ltd developed a unique advertising sales platform which allows publishers to sell their advertising inventory (either text, display, classified, directories, video, TV, radio or newspaper advertisements) in a manner that maximises revenue for the publisher.

In July 2010 WGL acquired Admise Pty Ltd and Full Circle Online Pty Ltd for approximately \$0.5m, the consideration paid by the issue of 4.3m shares in WGL (at 11.5 cents each). The acquisition provided an online ad-serving technology which formed a key component to the Adslot software platform.

During September to October 2010 WGL undertook a further capital raising at an issue price of 13 cents to raise approximately \$19m.

In December 2010 WGL acquired all the issued capital of QDC IP Technologies Pty Ltd (“QDC”) for \$6.5m, the consideration paid in cash (\$0.8m) and shares in WGL (29.3m shares at 19 cents each) and \$0.1m as a deferred payment. Andrew Barlow was also one of the vendors in the QDC transaction and received the \$0.8m cash. QDC’s Display Ad Builder and Personalised Video Ad Platform technologies were acquired to be combined with Adslot and Admise Technologies to create the new Adslot Direct Platform. This allowed online publishers to offer an automated end to end advertisement sales system.

In December 2012 WGL changed its name to Adslot.

4.1.2. Products and divisions

Adslot

The initial strategy was to develop bespoke applications to a small number of large classified publishers. The product became known as *Adslot Enterprise* and, to date, has been deployed by Realestate.com, Carsales.com, Wotif.com and a small number of other customers.

It became apparent that rather than develop bespoke applications, a more sustainable revenue model was to productise the technology so that the corresponding feature sets would appeal to a broader group of online publishing businesses. This led to the launch in September 2012 of the following products that allows website owners (publishers) of any size to sell advertising space on their websites directly to customers.

- *Adslot Publisher* – Publishers can setup adslots on their website in minutes, and start taking direct sales orders almost immediately with a number of options available for ad serving, including Adslot’s proprietary ad server, or integration with the world’s most popular ad server: Google’s Doubleclick for Publishers.
- *Adslot Create* – Adslot’s banner ad builder, is also part of the platform, allowing advertisers of any size to develop creative, while Adslot’s payment processing also removes credit risk for publishers.

In October 2013 Adslot intends to undertake a global launch *Adslot Media*, a purpose designed buying interface for large buyers such as media agencies. *Adslot Media* will include advanced buying tools such as advanced inventory filtering tools, data driven audience profiling and programmatic optimisation of budget allocation. The expectation is that a majority of future revenue will be derived from the *Adslot Media* platform.

Webfirm

The Webfirm division has been operating since 2009 and offers online marketing services including search engine optimisation, search engine marketing (paid search advertising), social media marketing, website hosting and website development. In FY11 Adslot decided to exit the web-site creation business to focus primarily on online marketing services. It was subsequently decided to continue the Webfirm division as it now contributes positively to earnings.

4.2. Financial information

4.2.1. Financial performance

Set out below is a summary of Adslot's financial performance over the past three financial years.

\$'000	FY11	FY12	FY13
Revenue			
Sales - Adslot	932	988	928
- Webfirm	3,514	2,803	2,601
	4,446	3,791	3,529
Interest	903	891	527
R & D tax incentive	26	659	674
Government grants	49	-	-
	5,424	5,341	4,730
Expenses			
Website publishers and related costs	(1,319)	(1,158)	(748)
Employee benefits (including contractors)	(5,481)	(6,339)	(5,637)
Share based payments	(823)	(211)	(430)
Impairment of receivables	(341)	(70)	(13)
Occupancy	(584)	(377)	(320)
Professional fees	(384)	(307)	(243)
Foreign exchange loss	(50)	(44)	(21)
Other	(1,602)	(1,150)	(1,163)
	(10,584)	(9,656)	(8,575)
EBITDA	(5,160)	(4,315)	(3,845)
Depreciation	(101)	(71)	(63)
Amortisation	(2,082)	(2,588)	(2,648)
Profit/(Loss) from operations	(7,343)	(6,974)	(6,556)
Non-operating items:			
Deferred vendor consideration (QDC acquisition)	(248)	(308)	96
Impairment – goodwill	(2,749)	50	-
Profit/(Loss) before income tax	(10,340)	(7,332)	(6,460)
Income tax expense	(1)	-	(1)
Profit/(Loss) for the year	(10,341)	(7,332)	(6,461)
Earnings/(loss) per share (cents)	(1.7)c	(1.1)c	(0.9)c

Source: Adslot's Annual Reports

Comments on Adslot's financial performance:

- The majority of sales to date have been derived by the Webfirm division which is not anticipated to be reflective of future revenues. Revenues from the Adslot division to date have been sourced from *Adslot Enterprise* through bespoke applications. There has only been negligible sales to date from *Adslot Publisher* although there has been significant uptake from publishers signing up with Adslot.

- In late August 2013, with the release of the 2013 annual report, Adslot announced that 668 publishers had signed up to use *Adslot Publisher*, an increase of 152 publishers since May 2013.
- Adslot's financial performance reflects a technology company that currently has some revenue, but has mostly been involved to date in developing the next generation of products. *Adslot Publisher* has provided the company with a growing number of publishers in their portfolio, which will assist in the offering by *Adslot Media* once released.
- The majority of development costs associated with *Adslot Publisher* and *Adslot Media* have been expensed as the initial expenditure did not satisfy all the tests required under accounting standards to be recognised as intangible assets.

4.2.2. Cash flow

Set out below is a summary of Adslot's cashflow for the years ended 30 June 2011 – 2013 inclusive:

\$'000	FY11	FY12	FY13
EBITDA (section 4.2.1)	(5,163)	(4,315)	(3,845)
Capitalised development costs	-	(14)	(986)
Income tax paid	-	-	(1)
Proceeds on sale of plant and equipment	43	20	1
Purchase of plant and equipment	(293)	(57)	(33)
Movement in working capital	394	(381)	271
Net cash outflow – operations	(5,019)	(4,747)	(4,593)
Proceeds from issue of shares, net of costs	19,612	83	-
Payment for investment – Brandscreen Pte Ltd	(106)	-	-
Net cash acquired via acquisition of subsidiary	108	-	-
Net increase/(decrease) in cash	14,595	(4,664)	(4,593)
Net foreign exchange differences	(50)	57	(21)
Cash at beginning of the year	3,808	18,353	13,746
Cash at end of year	18,353	13,746	9,132

Comments of Adslot's cash flow

- Adslot has recorded negative earnings and cash flow over the past three financial years. These losses have been funded from the capital raisings in September and October 2010 with the issue of 152.7m shares at 13 cents each. See further comments on the movement in Adslot's issued capital in Section 4.2.3.
- At June 2013 Adslot had \$9.1m in cash. Based on FY12 and FY13, Adslot has a cash burn of approximately \$4.6m per annum. Management expects that the release of *Adslot Media* will assist in reducing the cash loss in FY15 and beyond.

4.2.3. Financial position

A summary of Adslot's balance sheets as at 30 June 2011, 2012 and 2013 is presented in the table below.

\$'000	Jun-11	Jun-12	Jun-13
Cash and cash equivalents	18,353	13,746	9,132
Trade receivables	1,194	513	585
Other receivables – R & D tax incentive	-	659	954
Other debtors and prepayments	197	190	258
Total current assets	19,744	15,108	10,929
Employee loans	200	-	-
Plant and equipment	197	167	129
Investment – Brandscreen Pte Ltd	213	213	213
Intangible assets – intellectual property	10,303	7,719	5,185
– internally developed software	146	113	549
– other	38	38	38
Total non current assets	11,097	8,250	6,114
Total assets	30,841	23,358	17,043
Trade and other payables	1,470	1,016	813
Other liabilities	1,111	1,011	651
Provisions	172	201	259
Total liabilities	2,753	2,228	1,723
Net assets	28,088	21,130	15,320
Issued capital	76,548	76,674	76,871
Reserves	5,830	1,946	1,039
Accumulated losses	(54,290)	(57,490)	(62,590)
Total equity	28,088	21,130	15,320
No. of shares on issue ('000)	681,699	687,567	692,432
Net asset value per share (cents)	4.1c	3.1c	2.2c

Comments on Adslot's Financial Position

- Intellectual property of \$5.2m at June 2013 relates to the copyright and licences acquired from the vendors of Adslot Pty Ltd at \$5.9m, with a current written down value of \$1.9m after amortisation, and the creative ad building and video advertising technology that was acquired from the vendors of QDC at \$6.5m, with a current written down value of \$3.1m after amortisation. Further analysis of Adslot's technologies is set out in Section 8.3 of this Report.
- The investment in Brandscreen Pte Ltd, an unlisted company in Singapore, is recorded at fair value. We note that in the 2013 financial statements of Adslot, there is disclosure around the uncertainty with regards to the fair value of this investment due to the absence of a quoted market price. However, the Directors of Adslot commented in the financial statements that they were satisfied that the fair value of the investment is not below the carrying value based on share transactions carried out by Brandscreen during FY13.

Movement in Adslot's issued capital

Set out below is a summary of the movement in Adslot's share capital over the past 4 years.

Date	Description	No of Shares	Issue Price (cents)	Issued Capital (\$'000)	Capital Raising Costs (\$'000)
Jun-09	Balance	138,559		37,358	(61)
Sep-09	Share placements	60,000	6.0	3,447	(153)
Feb-10	Share placement	121,307	3.5	4,035	(210)
Feb-10	Acquisition of Adslot Pty Ltd	171,429	3.5	6,000	-
Jul-10	Acquisition of Admise and Full Circle	4,286	11.5	493	-
Sep-10	Share placement	58,250	13.0	7,391	(181)
Oct-10	Share placement and SPP	94,412	13.0	11,945	(329)
Dec-10	Acquisition of QDC	29,309	19.0	5,569	-
FY11/FY12	Exercise of options/ESOP	5,626	7.0	392	-
Mar-12	Share cancellation	(2,000)	10.1	(200)	-
Jun-12	QDC deferred vendor consideration	8,558	4.4	377	-
Nov-12	QDC deferred vendor consideration	4,776	4.0	191	-
FY13	Issue of shares under ESOP	9,229	5.0	463	-
Jun-13	Balance	703,741		77,461	(934)
Sep-13	Issue of shares under ESOP	3,829	5.9		
		<u>707,570</u>			

In September 2010 Adslot completed a placement of 58.25m shares at 13 cents to raise \$7.57m which was heavily oversubscribed. Chris Morris, who was executive chairman and founder of Computershare, contributed 36% of total funds received and became a cornerstone investor. At the same time Adslot announced a share purchase plan (SPP) which received a positive response from Adslot shareholders. The SPP resulted in the issue of 94.4m shares at 13 cents.

The directors of Adslot include Adrian Giles and Andrew Barlow, who founded and managed Hitwise from 1997-2002 (which was sold to Experion Group in May 2007 for US \$240m), and Chris Morris. Having these individuals (who have significant shareholdings in Adslot) on the Adslot board was seen as an attraction to other potential shareholders and had a favourable impact on Adslot's share price, particularly in the earlier years.

Since then, the decrease in Adslot's share price more likely reflects the realisation that the company's products need time to be fully developed and accepted in the market place.

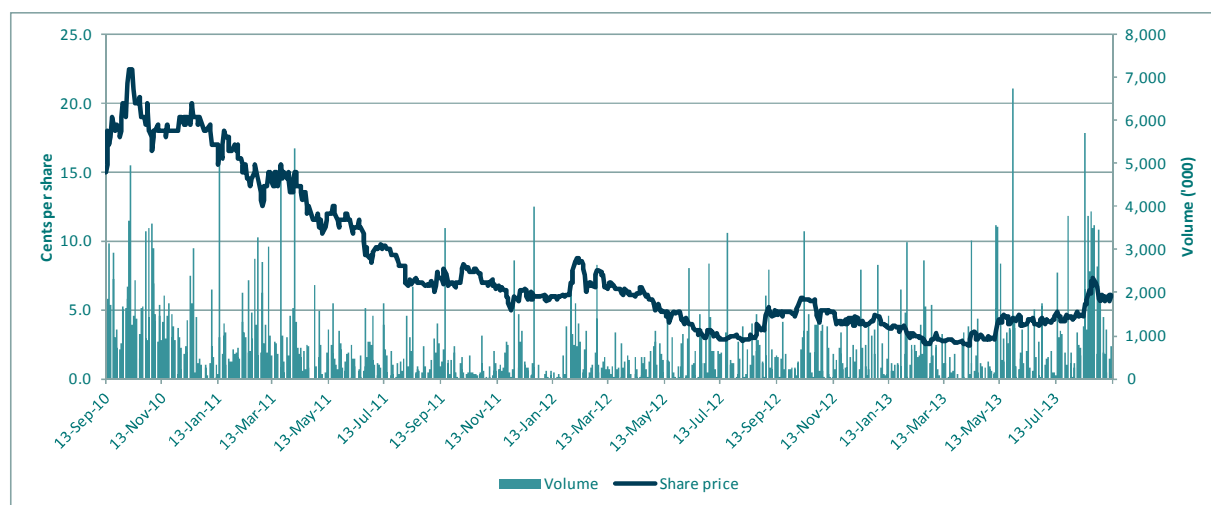
4.2.4. Share price analysis and ASX announcements

The table below summarises the monthly share price range, volume and liquidity in Adslot Shares on the ASX over the 12 month prior to the announcement of the Scheme.

Month	Share Price		Volume Traded ('000s)	% of total shares traded
	High (cents)	Low (cents)		
Sep-12	4.9	4.5	4,052	0.6%
Oct-12	5.9	3.9	17,661	2.5%
Nov-12	5.2	3.7	9,555	1.4%
Dec-12	4.6	3.8	13,539	1.9%
Jan-13	5.0	3.4	9,352	1.3%
Feb-13	3.5	2.4	17,801	2.5%
Mar-13	3.3	2.6	6,423	0.9%
Apr-13	4.5	2.4	10,616	1.5%
May-13	5.2	2.8	29,644	4.2%
Jun-13	4.6	3.5	12,165	1.7%
Jul-13	5.0	4.0	13,924	2.0%
Aug-13	7.3	4.2	42,091	6.0%
To 12-Sept-13	6.2	5.5	5,333	0.8%

Source: Capital IQ

Adslot share price graph



Source: Capital IQ

The above graph indicates that Adslot's share price over the past three years has decreased from a high of over 20 cents in October 2010 to a low of 2.4 cents in February 2013 and April 2013. We note that the share price has recently improved and was trading at around 6 cents at the Announcement Date.

Announcements made by Adslot over the past 12 months that may have had an impact on Adslot's share price are summarised below.

Date	Note
13 Sep 2013	Announces that it has entered into Scheme Implementation Deed with Facilitate in respect of the proposed acquisition by Adslot of all of Facilitate's shares.
29 Aug 2013	Lodges Appendix 4E and the June 2013 Annual Report.
14 Aug 2013	Responds to a price query from ASX.
26 Feb 2013	Lodges its December 2012 half year financial report.
30 Oct 2012	Provides market update.
4 Sep 2012	Announces the appointment of Ian Lowe as CEO and Acting CEO, Andrew Barlow, to continue as an executive director.

4.2.5. Major shareholders

The major shareholders in Adslot at the date of this report are summarised below.

Shareholder	Director Related	No. of shares ('000)	%
Venturian Pty Ltd	Andrew Barlow	61,056	8.7%
Finico Pty Ltd	Chris Morris	55,149	7.8%
Overachieve Pty Ltd		28,500	4.1%
Andama Holdings Pty Ltd		23,000	3.3%
Ansearch Com Au Pty Ltd		11,309	1.6%
Capital Accretion Pty Ltd		10,000	1.4%
Finico Pty Ltd	Chris Morris	9,180	1.3%
Yarra Ventures Pty Ltd	Adrian Giles	8,707	1.2%
Mr Jason Conrad Squire		8,500	1.2%
Khalon Pty Ltd		7,990	1.1%
Total		223,391	31.7%
Other shareholders		480,350	68.3%
Total shareholders		703,741	100.0%
Substantial shareholders			
Chris Morris – Non-Executive Director		70,411	10.0%
Andrew Barlow - Non-Executive Director		62,804	8.9%

Source: 2013 Annual Report

4.2.6. Employee options and Rights over Shares

Employee options

The following options had been granted as at the date of this Report:

Expiry Date	Exercise price (cents)	Number of options ('000)
8 July 2014	15.1c	2,000
30 September 2014	11.6c	3,000
30 September 2014	19.0c	300
Total		5,300

Source: Adslot 2013 Annual Report

Rights over shares

On commencement of employment (8 October 2012), Ian Lowe, Adslot's CEO and managing director, was granted the right to receive the following shares after the share price of Adslot trades above a 30 day VWAP as per the table below. Each right converts into one ordinary share of Adslot when the VWAP criteria is met. No amounts are paid or payable by Mr Lowe on receipt of the right. The rights carry no voting rights. Some rights are subject to escrow per the table below and all rights are subject to Mr Lowe remaining an employee of Adslot.

Required VWAP Price (cents)	Escrow Required from Award	No. of rights over shares ('000)
10c	2 years	3,000
20c	2 years	3,000
30c	-	4,000
40c	-	5,000
50c	-	5,000
Total		20,000

Source: Adslot 2013 Annual Report

Employee shares held in escrow

In November 2012 Adslot established an employee incentive scheme comprising the Adslot ESOP and the Adslot Employee Share Trust (the "Trust"). Rights to shares are available to be issued to eligible employees based on the performance against agreed key performance indicators. Any rights awarded are subject to a two-year service period and if this service period is not met, the rights to shares will be forfeited by the eligible employee. Shares held by the Trust under the scheme have voting and dividends rights, and the right to participate in further issues pro-rata to all ordinary shareholders. The following table shows grants of share-based compensation to directors and senior management under the ESOP.

Escrow End Date	No of Shares ('000)
30 November 2013	414
12 December 2013	833
18 January 2014	833
13 September 2014	6,229
9 October 2013	1,500*
9 October 2014	1,500*
24 September 2015	3,829**
Total	15,138

* These shares were issued to Ian Lowe, CEO and managing director of Adslot, as a sign-on bonus in October 2012. There are no performance related hurdles in relation to these shares.

** These shares were issued post June 2013

5. PROFILE OF THE EXPANDED ADSLOT GROUP

5.1. Capital structure and major shareholders

Based on the number of shares Facilitate and Adslot have on issue at the date of this report, Facilitate shareholders will have a collective 27.9% interest in the Expanded Adslot Group with current Adslot shareholders retaining 72.1%.

Analysis of the Expanded Adslot Group's capital structure post the Scheme	No of Shares ('000)	Percentage held
Number of shares on completion of the Scheme		
– Adslot shares on issue	707,570	72.1%
– Total Adslot shares to be issued to Facilitate shareholders	273,731	27.9%
	981,301	100.0%

Source: Pitcher Partners CF analysis

Immediately after the Scheme is implemented Facilitate shareholders will collectively hold a minority share in the Expanded Adslot Group.

The pro forma top 10 shareholders of the Expanded Adslot Group, based on the respective top 10 list for Facilitate and Adslot, will be as follows:

The Expanded Adslot Group – Proforma shareholder base	Director Related of Expanded Adslot Group	Current Facilitate Shareholder	No. of shares ('000)	%
1. Dawnie Dixon Pty Ltd	Geoff Dixon	✓	72,453	7.5%
2. Venturian Pty Ltd	Andrew Barlow		61,056	6.3%
3. Finico Pty Ltd	Chris Morris		55,149	5.7%
4. Ambleside Ventures Pty Ltd	Ben Dixon	✓	31,608	3.3%
5. Overachieve Pty Ltd			28,500	2.9%
6. National Nominees Limited		✓	24,099	2.5%
7. Andama Holdings Pty Ltd			23,000	2.4%
8. EyeWonder Australia Pty Ltd		✓	19,769	2.0%
9. G & D Dixon Investments Pty Ltd	Geoff Dixon	✓	12,302	1.3%
10. Ansearch Com Au Pty Ltd			11,309	1.6%
Top 10 shareholders			339,245	34.6%
Other Expanded Adslot Group shareholders			642,056	65.4%
Total shares on issue			981,301	100.0%
Substantial shareholders				
Geoff Dixon – Non-Executive Director		✓	86,252	8.8%
Chris Morris – Non-Executive Director			70,411	7.2%
Andrew Barlow – Non-Executive Director			62,804	6.4%

Source: Pitcher Partners CF analysis

Based on this pro forma analysis, half of the top 10 shareholders of the Expanded Adslot Group will be ex-Facilitate shareholders. No shareholder is expected to have an interest of greater than 9% of the shares in the Expanded Adslot Group. On this basis, no single shareholder would be in a position of control.

5.2. Board and management

Post-Scheme the Board of the Expanded Adslot Group will be comprised of the existing Adslot directors and two members of the Facilitate Board. Accordingly, after completion of the Scheme, the Expanded Adslot Group will have seven Board members. The Facilitate directors that will be appointed to the Board of the Expanded Adslot Group are Geoff Dixon (a non-executive Director of Facilitate and the largest shareholder of Facilitate) and Ben Dixon (an executive director and acting CEO of Facilitate). Ben Dixon will assume the role of Chief Operating Officer of the Expanded Adslot Group.

5.3. Pro-forma financial position

Included below is a pro forma summary of the assets and liabilities of the Expanded Adslot Group after the implementation of the Scheme. The pro forma financial position is based on the audited accounts for Facilitate and Adslot as at 30 June 2013, with adjustments for the following items:

- The acquisition of Facilitate by Adslot, the consideration paid by the issue of 273,730,783 shares in Adslot. For the purpose of this Report we have assumed an issue price of 5.5 cents per share (per the transaction summary disclosed in the joint announcement to ASX on 12 September 2013). The value of the consideration given to Facilitate's shareholders is likely to be determined by the value of Adslot's shares on the implementation date, but for the purposes of the pro forma financial information, the price of Adslot's shares as at Announcement Date has been used.
- Payment of estimated transaction costs of \$1m (\$435k by Adslot and \$570k by Facilitate).

\$'000	Facilitate	Adslot	Adjustments	Expanded Adslot Group
Cash and cash equivalents	1,820	9,132	(1,005)	9,947
Trade receivables	915	585		1,500
Other receivable – R & D tax incentive	1,107	954		2,061
Other debtors and prepayments	44	258		302
Total current assets	3,886	10,929	(1,005)	13,810
Investment – Brandscreen	-	213		213
Property, plant and equipment	69	129		198
Development costs	4,573	549	(4,573)	549
Goodwill	160	-	(160)	-
Intellectual property	-	5,185	13,207	18,392
Other	28	38		66
Total non current assets	4,830	6,114	8,474	19,418
Total assets	8,716	17,043	7,469	33,228
Trade and other payables	1,578	813		2,391
Employee benefits	454	259		713
Current tax liabilities	(4)	-		(4)
Finance lease liabilities	5	-		5
Other	102	651		753
Total liabilities	2,135	1,723	-	3,858
Net assets	6,581	15,320	7,469	29,370
No of shares currently on issue ('000)	N/A	707,570	273,731	981,301
Net asset value per share (cents)	N/A	2.2c	N/A	3.0c

Source: Pitcher Partners CF analysis

The ultimate fair values of the assets of the Expanded Adslot Group may be different to those shown in the table above, following the completion of the Scheme, when Adslot undertakes a comprehensive assessment of the fair values of assets acquired and liabilities assumed at the acquisition date.

6. VALUATION METHODOLOGIES

6.1. Definition of Fair Value

In forming our opinion as to whether or not the Scheme is in the best interests of Facilitate shareholders, we have assessed the fair value of a Facilitate share (on a control basis) in order to compare that amount with the Scheme Consideration being offered by Adslot (on a minority basis).

Fair value in these circumstances is generally defined as:

“the price at which an asset could be exchanged between a knowledgeable, willing but not anxious seller and a knowledgeable, willing but not anxious buyer both acting at arm’s length.”

Our assessment of the fair value of Facilitate shares has been done on a basis consistent with this definition. Given that Adslot will acquire 100% of Facilitate if the Scheme is implemented, the Scheme should be assessed on a basis consistent with a takeover offer. Consequently, in assessing the fair value of a Facilitate Share we have valued Facilitate assuming 100% ownership, which implicitly includes a control premium.

6.2. Common valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of independent expert reports. These methods are listed below and broadly categorised as:

- Market based approach;
- Income based approach – the discounted cash flow (“DCF”) method;
- Asset based approach; and
- The quoted price for listed securities.

Each of these methodologies has application in different circumstances. The decision as to which methodology to use generally depends on the methodology most commonly adopted in valuing the asset in question and the availability of appropriate information.

Details of the valuation methodologies are provided at Appendix D to this Report.

7. VALUATION OF FACILITATE

7.1. Selected methodology

In view of the lack of suitable forecast financial information, it is not possible to derive long term cash flow forecasts with a degree of certainty. As such, we do not consider it appropriate to apply the DCF methodology.

We believe it was not appropriate to adopt an EBITDA earnings approach and ignore either the amortisation of development costs or the cash outflow from capitalised development costs. Either of these two factors result in negative earnings in FY13. Furthermore, revenue has been in significant decline and a major component impacting the positive EBITDA has been the R&D tax incentive of approximately \$1.1m in FY12 and FY13, which would likely be excluded in any assessment of maintainable earnings.

The quoted market price of a listed security is expected to provide good evidence of the value a security, where the market is well informed and there is regular high volume trading in that security (i.e. the market for the security is reasonably liquid). The volume of trading of Facilitate's shares on ASX over the past twelve months (as shown in Section 3.2.5) has been minimal as Facilitate's shares are effectively illiquid. As such, we do not consider it appropriate to apply the quoted market price as the valuation methodology.

In May 2013 Facilitate completed a non-renounceable rights issue of 85.7m shares at 2.5 cents each to raise \$2.14m. This represented 38% of Facilitate's total issued capital post equity raising. Although the rights issue resulted in a 70% shortfall in shareholder take-up, which was placed with Geoff Dixon (or related entity), we believe this price reflects a value paid for a similar size parcel of shares acquired by knowledgeable sophisticated investors.

Therefore, for the purpose of this Report, we have considered the rights issue price of 2.5 cents per share as a reliable indicator of fair value of minority interest in Facilitate. To arrive at a 100% valuation of Facilitate we have applied an implied control premium based on industry data.

Prior to reaching our valuation conclusions, we have assessed the reasonableness of our valuation by cross-checking our valuation range using another valuation methodology, namely the asset based methodology on a going concern basis. This requires an assessment of the fair value of Facilitate's intellectual property.

We did not carry out a valuation of the notionally combined entity as this would have required an assessment of the combined earnings which would have been based on hypothetical assumptions around revenue forecasts (existing and combined), the timeframe and cost of integrating the two software platforms, and associated risks. We note that Adslot has recorded EBITDA losses over the past 3 years. Furthermore, we have not been provided with a FY14 forecast of Adslot on a standalone basis or on a combined basis, given the difficulty in providing reliable forecasts.

7.2. Premium for control/minority discount

The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control. Australian studies indicate the premiums required to obtain control of companies range between 25% and 40% of the portfolio holding values (“the observed range”).

The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors;
- determine the strategy and policy of the company;
- make acquisitions or divest operations; and
- control the composition of the board of directors.

We have considered the findings of a Control Premium Study 2013 undertaken by RSM Bird Cameron (“RSM Study”) which showed that the average implied control premium at 20 days pre-bid for the Australian market lies at 35.3% (based on transactions completed in the period FY06 – FY12). Based on the RSM Study, we believe that the range should be at the higher end of the observed range and have selected a premium for control in the range of 30% to 40%. This implies a minority discount (the reverse of a control premium) in the range of 23% to 30%.

7.3. Assessed value of Facilitate

As noted in Section 7.1 we believe that non-renounceable rights issue in May 2013 at 2.5 cents per share, is the best indicator of the fair value of a Facilitate share on a minority basis. Although the rights issue was completed five months ago, there has been no material change in Facilitate’s activities since then, other than the announcement of the Scheme.

In our view the shortfall in shareholder take-up of the rights issue in May 2013 does not detract from the fair value of 2.5 cents per share (on a minority basis). Since the underwriter was also a director of Facilitate, the share purchase under the May 2013 rights issue cannot be classified as parties acting at “arm’s length”. However, we note that the May 2013 rights issue represented an offer to all shareholders based on information included in the offer document and information provided to shareholders under the directors’ continuous disclosure requirements. Given the significance of the capital raising (which represented 38% of Facilitate’s total issued capital post equity raising) and shortfall (70%), the substance of the share issues in May 2013 entitlement offer, in our view, reflects the circumstances of a buyer and willing seller.

The valuation of Facilitate on 100% ownership derived from the May 2013 rights issue is summarised below:

	\$'000	
	Low	High
Equity value (on a minority basis @ 2.5c per share)	5,628	5,628
Premium for control (30% - 40%) – Section 7.2	1,688	2,251
Equity value (on a control basis)	7,316	7,879
Number of shares ('000)	225,108	225,108
Value per share (cents)	3.3c	3.5c

7.4. Cross-check of our valuation of Facilitate

There are limited valuation methodologies available to us to cross-check our valuation, however, we have cross-checked our valuation using an asset based methodology on a going concern basis, which we consider to be of relevance. As discussed above, an asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF calculation is appropriate.

As shown in Section 3.2.3, Facilitate's major asset is the intellectual property related to the Symphony and FFA technologies. To derive an asset based valuation of Facilitate, we need to value the Facilitate technologies.

A number of valuation methodologies can be adopted to determine the fair market value of an identifiable intangible asset. The principal methodologies are:

- Market approach – which compares the asset under review to similar assets that were bought and sold in recent market transactions. We do not consider this is appropriate as the Symphony technology is relatively unique and no prices of similar assets are available; and
- Cost approach – which seeks to estimate fair value by quantifying the amount required to repurchase or reproduce the asset.

For the purpose of providing a valuation cross-check we have used a cost based methodology to estimate the value the Facilitate technologies by considering the costs incurred by Facilitate to develop the technologies to their current state. This provides an approximation of the cost required to reproduce the assets.

As shown in Section 3.2.3, Facilitate has capitalised approximately \$12.5m of internal development costs associated with the Symphony and FFA technologies. This excludes the original purchase cost to acquire Facilitate Digital Pty Ltd, which is not recognised in Facilitate's consolidated accounts as this transaction was accounted for as a reverse acquisition. The original technology developed by Facilitate Digital related to the FFA product.

As noted earlier, the Symphony product is Facilitate's main focus as it has less competitors and increasing traffic flows. This is also what attracted Adslot to make a takeover offer for Facilitate and enter into the Scheme. While the FFA product currently has value, the declining revenues and competitive environment indicate that this technology has a lower value than cost. As such, we have adopted the written down value of the development costs relating to FFA.

The following summarises the estimated asset backed valuation of Facilitate on a going concern basis:

	Section Reference	\$'000
Net assets at 30 June 2013	3.2.3	6,581
Adjustments for valuation purposes:		
– Add back accumulated amortisation of the Symphony development	3.2.3	2,958
Equity value (on a control basis)		9,539
Number of shares ('000)		225,108
Value per share (cents)		4.2c

7.5. Valuation conclusion

Our assessed value of a Facilitate share on a control basis is between 3.3 cents – 3.5 cents (Section 7.3) whereas our cross-check, using an asset backed valuation approach, shows a share value on a control basis of 4.2 cents (Section 7.4). We believe the possible reasons for the higher value under the net asset backing methodology could relate to the following:

- Facilitate has been unable to scale revenue under the current product licensing model (as it applies to Symphony) based on the number of users/seats rather than on a volume usage basis;
- Over the past three years sales have been in decline, particularly the FFA product, and while the Symphony platform is considered to be in its early stage of commercialisation, revenue generation has been slow;
- Facilitate’s historical financial performance may have resulted in a general lack of interest by its investors and shareholders evidenced by the significant shortfall in the past three rights issues.

While the above reasons relate more to matters which may have impacted Facilitate’s quoted share price, as opposed to the rights issue offer price, we note that the issue price for any entitlement offer is normally determined based on a company quoted share price.

Based on the above analysis, we believe the fair value of a Facilitate share on a control basis is between 3.3 cents to 3.5 cents.

8. VALUATION OF ADSLOT

8.1. Selected methodology

In considering the value of Adslot, we determined the share value of Adslot on a minority interest basis given that Facilitate shareholders will have a minority interest in the Expanded Adslot Group.

Adslot has been making losses and, therefore, it is not appropriate to apply a capitalisation of earnings methodology. We also do not consider it appropriate to apply a DCF methodology because the key operating products, *Adslot Publisher* and *Adslot Media*, are in relatively early stages of commercialisation. Therefore, it is not possible to derive reliable long term cash flow forecasts with a degree of certainty.

The volume of trading of Adslot's shares on ASX over the past twelve months (as shown in Section 4.2.4) has not been sufficient to determine that the security is reasonably liquid. Although the total shares traded over the 12 month period was below 30% of Adslot's total issued capital, the share liquidity is significantly higher than Facilitate, which was below 4%. As such, we have decided to use the quoted price of Adslot as a cross-check of our valuation.

As noted earlier, an asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate and where there is no other market evidence to support the value of the shares. Therefore, we have applied an asset based methodology to derive a valuation of Adslot.

8.2. Approach to valuing Adslot's technologies

This valuation methodology was used as a cross-check of our valuation of Facilitate in Section 7.4. Adslot's major assets are intellectual property related to the Adslot products, *Adslot Publisher* and *Adslot Media*, with the latter soon to be released.

As noted in Section 7.4 the principal methodologies adopted to determine the fair value of intellectual property assets are the market approach and cost approach. A fair value estimate under the market approach is generally derived from the transaction price for an asset or a number of similar assets for which observable market data is available. We understand there are currently only two competitors to the Adslot technology, both of which are privately owned. As such, we do not consider the market approach to be appropriate.

The cost approach generally provides an estimate of fair value by quantifying the amount of expenditure required to repurchase or reproduce the asset. In our cross check valuation of Facilitate in Section 7.4, we used actual costs incurred by Facilitate to develop the Symphony technology as an approximation of the cost required to reproduce the asset. We have adopted the same approach in estimating the fair value of the Adslot technology, bearing in mind that this represents historical costs only.

8.3. Cost based valuation of Adslot technologies

The historical costs incurred in developing the Adslot technology is partly reflected in the company's balance sheet, under intangible assets, and partly reflected in accumulated losses, for expenditure incurred which did not satisfy all the tests for capitalisation under the accounting standards. Often in the early development stage of technology projects it is difficult to satisfy all the tests and, as such, a substantial amount of upfront development costs are often expensed.

We asked management to provide an analysis of development costs relating to the Adslot products that have been expensed over the past three financial years. This, together with an analysis of intangible assets as recorded in Adslot's June 2013 financial statements, has been used to estimate the cost based valuation of Adslot's technologies as shown below:

\$'000	Adslot	Webfirm	Total
Intangible assets – at cost			
– Intellectual property acquired	12,670	-	12,670
– Goodwill acquired	249	5,133	5,382
– Development costs capitalised	556	234	790
– Domain names acquired	288	-	288
	13,763	5,367	19,130
Amortisation	(7,795)	(181)	(7,976)
Impairment	(249)	(5,133)	(5,382)
Carrying value – June 2013	5,719	53	5,772
Adjustments for valuation purposes:			
– Add back accumulated amortisation	7,795	} 17,070	
– Development costs previously expensed:	9,275		
Cost of Adslot technologies	22,789		

The above costs include acquisition and development costs associated with the *Adslot Enterprise* platform, which was the foundation product to *Adslot Publisher* and *Adslot Media*. Although the strategy around the bespoke *Adslot Enterprise* product subsequently shifted to productise the technology to a broader group of online publishers (one system for all publishers), the building blocks included the initial product suite.

Development costs previously expensed relate to direct salaries and oncosts for the period FY11 – FY13, as calendar 2010 was the year in which the original Adslot technologies were acquired.

Based on the above analysis, we have valued the Adslot technologies based on their original acquisition and subsequent development cost. We have selected this approach because it is difficult to reliably estimate the present value of the future cash flows that may be able to be generated from the commercialisation of the Adslot technologies.

The cost base valuation methodology does not necessarily take into consideration the value attached to the underlying patents which protects the company (and shareholders) from replicating the products. Furthermore, historical development costs does not include a premium for the developer's profit or the commercialisation of Adslot's products to date achieved by the (approximately) 700 publishers having already signed up to use *Adslot Publisher*.

Therefore, in our opinion the cost based valuation of Adslot's technologies is likely to represent its minimum value on a going concern basis.

8.4. Fair value of Webfirm

In the FY11 financial statements it was disclosed that Adslot had made the decision to exit the highly competitive web-site creation business (Webfirm) and focus primarily on online marketing through the Adslot technologies. The goodwill relating to the acquisition of Webfirm (\$5.1m) was fully impaired by 30 June 2011. Disclosure in the FY12 financial statements indicated that management undertook a strategic review of the Webfirm operations, including the potential sale of the division. However, during this period Webfirm began to trade profitably and it was decided to retain the business.

In FY13, despite sales reducing from \$2.8m to \$2.6m, Webfirm's profit contribution (EBITDA) increased from \$194k in FY12 to \$320k in FY13. While the focus changed to primarily search engine marketing services from FY12 onwards, Webfirm continues to provide website development for new and existing clients. As such, we believe the business has a separate value to the Adslot technologies which needs to be considered as part of an overall valuation of Adslot.

For the purpose of this Report we have valued the Webfirm goodwill at \$960k by capitalising the division's FY13 EBITDA earnings (\$320k) by a multiple of 3. As the value is not significant to the overall valuation of Adslot, and substantially less than the original acquisition cost, we have not provided any further analysis to support our assessment of the value attributable to Webfirm.

8.5. Assessed value of Adslot

Our valuation of Adslot on a minority basis, after considering the underlying value of the company's assets and liabilities as a going concern, is summarised below. Our assessment is based on Adslot's balance sheet at 30 June 2013, which Adslot management has confirmed has not significantly changed subsequent to that date. Where appropriate, we have made adjustments for the value of Adslot's technology as assessed above.

	Section Reference	Low	High
Net assets – June 2013	4.2.3	15,320	15,320
Adjustment for valuation purposes:			
– Increment to reflect cost based valuation of Adslot technologies	8.3	17,070	17,070
– Increment to reflect market valuation of Webfirm	8.4	960	960
Equity value (on a control basis)		33,350	33,350
Discount for minority interest (23% - 30%)	7.2	(10,005)	(7,670)
Equity value (on a minority basis)		23,345	25,680
Number of shares ('000)	4.2.3	707,570	707,570
Value per share (cents)		3.3c	3.6c

8.6. Cross-check of our valuation of Adslot

We have compared our assessed valuation range of an Adslot share with recent market trading, as shown in the table below. In conducting our analysis we have reviewed the trading prices of Adslot's shares before 12 September 2013, being the last trading day before the Announcement Date.

The liquidity of Adslot's shares may impact the reliance that can be placed on adopting the trading price of Adslot's shares as an appropriate basis to measure the fair value of Adslot. We note that the trading prices above do not incorporate a premium for control, and inherently reflect a minority interest

Adslot's historic share trading data	Cents
5 day VWAP prior to Announcement Date	5.9
10 day VWAP	5.9
20 day VWAP	6.2
30 day VWAP	5.9

Source: Capital IQ and Pitcher Partners CF analysis

Our assessed value of an Adslot share on a minority interest basis is in the range of 3.3 cents and 3.6 cents. However, our cross-check using the recent quoted market trading prices, shows a share value of between 5.9 cents – 6.2 cents, which is outside the range of values assessed in adopting the net asset backing approach. We believe the possible reasons for the higher value under the quoted market trading prices could relate to the following:

- *Adslot Publisher* and *Adslot Media* are in early stage commercialisation with a revenue model based on usage/volume which may be more attractive to investors;
- There may be an expectation in the market that the release of *Adslot Media* will introduce greater demand than in the previous products; and
- There may still be some speculation reflected in the share price as a result of the previous success by Adslot's board members, Adrian Giles, Andrew Barlow and Chris Morris, although this would be less today due to the length of time since these individuals were appointed to the Board.

8.7. Valuation conclusion

Based on the above analysis, we believe the fair value of an Adslot share on a minority interest basis is in the range of 3.3 cents and 3.6 cents. Since the purpose of estimating a fair value of Adslot's shares is to assess the fairness of the consideration being offered to the Facilitate shareholders, a higher valuation of Adslot, as provided under the cross-check methodology set out above, would only further support the fairness conclusion, if this was appropriate.

9. ASSESSMENT OF THE SCHEME

9.1. Approach

In forming our opinion as to whether the Scheme is fair and reasonable, and therefore in the best interests of Facilitate shareholders, we have considered:

- whether the fair value of a Facilitate share is higher or lower than the value of the Scheme Consideration;
- whether the Scheme Consideration includes a premium for control;
- the rationale for the Scheme;
- other qualitative factors which we believe represent either advantages or disadvantages to Facilitate shareholders;
- the likelihood of an alternative superior offer being made to Facilitate shareholders; and
- alternatives available to Facilitate shareholders.

9.2. Fairness

In determining whether the Scheme is in the best interests of Facilitate shareholders we have compared the fair value assessed for a Facilitate share with the Scheme Consideration being offered by Adslot. The Scheme Consideration has been assessed based on the fair value of an Adslot share under the terms of the Scheme, being 1.216 of a share for each Facilitate share held. On the basis that the Scheme represents a control transaction, we have performed the comparison based on Facilitate on a 100% interest basis and Adslot on a minority interest basis.

The comparison of values below is based on the fair values assessed for Facilitate in Section 7 and for Adslot in Section 8 as follows:

Comparison of values – Adslot valued on a net asset backing basis	Section Reference	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	7.3	3.3	3.5
Fair value of the consideration:			
Fair value of Adslot share – minority interest basis (cents)	8.5	3.3	3.6
Scheme ratio		1.216	1.216
Fair value of the consideration under the terms of the Scheme (cents)		4.0	4.4
Premium of Scheme Consideration over value of Facilitate share - cents		0.7	0.9
- percentage		21%	26%

Source: Pitcher Partners CF analysis

On this basis, Facilitate shareholders are receiving a premium in the range of 21% to 26%.

Although this analysis provides a range of fair values of a Adslot share, if the Scheme proceeds Facilitate shareholders will receive Adslot shares that are traded on the ASX. As such, the 'fair value' of the consideration Facilitate shareholders will receive will be dependent on the prices at which Adslot shares trade on the ASX after the implementation of the Scheme, which may be greater than, or lower than, the fair value range for a Adslot share presented above.

As our secondary approach, we have considered the fair value range assessed for a Facilitate share on a 100% controlling interest basis to the fair value of Adslot's share under the market approach based on Adslot's share trading prices up to the date before the Scheme was announced. Our assessment is summarised below.

Comparison of values – Adslot valued on a trading price basis	Section Reference	Low	High
Fair value of Facilitate share – 100% controlling interest (cents)	7.3	3.3	3.5
Fair value of the consideration:			
Adslot share price – 5 day VWAP prior to Announcement Date (cents)	8.6	5.9	5.9
Scheme ratio		1.216	1.216
Fair value of the consideration under the terms of the Scheme (cents)		7.2	7.2
Premium of Scheme Consideration over value of Facilitate share - cents		3.9	3.7
- percentage		118%	106%

Source: Pitcher Partners CF analysis

On this basis, Facilitate's shareholders are receiving a premium in the range of 106% to 118%. We note that due to the low liquidity of Adslot's shares, the share price noted above may not be reflective of fair value.

We did not use our cross-check valuation of Facilitate (at 4.2 cents per share) to compare to the value of the consideration (which we assessed at between 4 cents and 4.4 cents per share). The cross-check valuation was not our assessed value of a Facilitate share. As such, it was not considered necessary to compare the cross-check valuation against the value of the consideration.

We did, however, also compare the fair value of Facilitate against the Adslot 5 day VWAP share price prior to the Announcement Date as a secondary approach since Facilitate shareholders will receive Adslot shares at Completion. The secondary approach was provided because Facilitate shareholders will receive shares in Adslot as consideration and not as a comparison to our cross-check valuation of a minority interest in Adslot. Notwithstanding the above comments, we note that based on the cross-check valuation of Facilitate (at 4.2 cents per share), the consideration payable by Adslot would still be considered as fair as it falls within the range of the fair value of the consideration.

On the basis that there is a premium of Scheme Consideration over the fair value range of a Facilitate share, in our opinion, the Scheme is considered to be fair to Facilitate shareholders.

9.3. Reasonableness

RG 111 provides that "an offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, the expert believes that there are sufficient reasons for shareholders to accept the offer in the absences of any higher bid before the closer of the offer". As we have concluded that the Scheme is fair, it is also, by definition, reasonable.

Notwithstanding the fairness conclusion described above, in assessing whether or not the Scheme is reasonable, we have had regard to the commercial and qualitative factors set out below, including the likely advantages and disadvantages to the Facilitate shareholders if the Scheme is implemented, with the advantages and disadvantages to those shareholders if it is not. We note that individual Facilitate shareholders may interpret these factors differently depending on their specific circumstances.

9.3.1. Strategic rationale

On the Announcement Date Facilitate and Adslot jointly released an Investor Presentation which, among other matters, provided an overview of the strategic rationale for the Scheme.

The premium online display advertising market currently has no single, recognised, scalable platform of record for buying and selling digital adslots. The selling process for publishers and the buying processes for advertising agencies is manual, slow and expensive. Combining Facilitate's workflow and trading technology *Symphony* used by the large advertising groups, with Adslot's premium display media trading technology (*Adslot Publisher* and *Adslot Media*) brings together supply at scale and demand at scale into a single media trading platform. We are advised that Facilitate, through its *Symphony* customers, currently has \$800m per annum of digital display buying traffic and Adslot currently has 700 publishers signed up to *Adslot Publisher*.

The advantage to both Facilitate and Adslot is speed to market and by integrating to a single trading platform, both are able to more rapidly execute their strategic goals. Facilitate gains real time access to Adslot's premium display inventory. The revenue model for the Expanded Adslot Group will predominantly follow the supply side which is based on volume/usage. Adslot gains access to advertising demand at scale.

While the opportunities for the Expanded Adslot Group are substantial, the success or otherwise will depend on various factors, including:

- the number of publishers, both size and mix, that sign up to Adslot's technologies;
- amount of inventory that becomes available on Adslot's platform and the sell through rate;
- the volume of media spend that trades via the Adslot platform; and
- the ability to integrate the two software platforms in a timely and cost effective manner.

9.3.2. Advantages

Increased share liquidity and marketability - As a result of the Scheme, Facilitate shareholders will exchange their shares for Adslot shares that are listed on ASX. As shown in Section 3.2.5 Facilitate's shares have had very little liquidity to the point where Facilitate has approval to have the shares delisted. Although Adslot's shares are not regularly traded to suggest the market for the shares are reasonably liquid, the Adslot's share liquidity is significantly greater than Facilitate.

Access to additional cash - As described in Section 3.2.2, at 30 June 2013 Facilitate had \$1.8m in cash following a \$2.1m capital raising in May 2013. Based on Facilitate's FY13 cash-burn rate, Facilitate may require further capital in 12-18 months or less depending on whether revenue increases or costs decrease. Adslot, at 30 June 2013, had \$9.1m in cash with a cash-burn of approximately \$4.6m per annum (see Section 4.2.2).

Shareholders will continue to participate in possible future increases in the value of the Expanded Adslot Group - Existing Facilitate shareholders will continue to participate in any future increases in the value of the Expanded Adslot Group's shares which includes future growth realised through the integration of the *Symphony* and *Adslot Media* technologies.

9.3.3. Disadvantages

Consideration is not paid in cash - Since the Scheme Consideration to be paid to Facilitate shareholders in the form of shares as opposed to cash, the value of the Adslot shares received by Facilitate shareholders will be dependent upon the price at which Adslot shares trade once the Scheme is implemented. As the consideration is fixed at 1.216 shares for every Facilitate share held, the implied value of the consideration will change.

Exposure to additional risks - While the Scheme will increase the diversification of the assets that Facilitate shareholders will have exposure to through the Expanded Adslot Group, Facilitate shareholders will also be subject to the risks associated with Adslot's technology assets.

Loss of control - If the Scheme proceeds, Facilitate shareholders will collectively hold approximately 28% of the Expanded Adslot Group and will no longer collectively control Facilitate and its future operations. In stating this, the shareholder with the largest shareholding in the Expanded Adslot Group will have an 8.8% interest. As such, no individual shareholder will have control of the Expanded Adslot Group.

9.3.4. Collateral benefit for Ian Lowe

Ian Lowe is the Chief Executive Officer and Executive Director of Adslot and was formerly the Chief Executive Officer and an Executive Director of Facilitate until his resignation in September 2012. He holds or controls 6,958,823 Facilitate shares, representing approximately 3.1% of Facilitate shares. If the Scheme is implemented, the Facilitate shares held by Mr Lowe will be transferred to Adslot and Mr Lowe, as with all other Facilitate shareholders, will receive 1.216 New Adslot shares for each Facilitate share he owns (meaning that 8,461,929 New Adslot Shares will be issued to Mr Lowe under the Scheme).

Under Mr Lowe's current terms of employment with Adslot:

- Mr Lowe is entitled to a short term cash bonus of up to \$125k per annum, subject to the discretion of the Adslot Board based on performance against financial and non-financial key performance indicators (KPI Targets); and
- Mr Lowe has been granted rights to Adslot shares (see Rights over Shares in Section 4.2.6) which will be released from escrow once the VWAP of Adslot shares is above certain specified levels (VWAP Targets).

The implementation of the Scheme may have the effect of accelerating or contributing to Mr Lowe achieving the KPI Targets and/or VWAP Targets. Accordingly, there is the potential for Mr Lowe to receive a *collateral benefit*, being a benefit in addition to the Scheme Consideration, that no other Facilitate shareholder will receive.

Collateral benefits are referred to by ASIC in its Regulatory Guide 60 – *Schemes of Arrangement* (at paragraph 23) and by the Takeovers Panel's in its Guidance Note 21 – *Collateral Benefits*. As such, we have considered the potential collateral benefit available to Mr Lowe. In regard to the short term cash bonus, the value of the potential collateral benefit is in the range of \$nil to \$125k (being the maximum amount payable to Mr Lowe, subject to achieving the KPI Targets). In regard to the conversion of the rights to Adslot shares, we are unable to quantify the value of the potential collateral benefit to Mr Lowe as the achievement of the VWAP Targets is uncertain.

9.3.5. Other considerations

Market reaction to the Scheme - Adslot's and Facilitate's share price immediately before the Announcement Date was 5.9 cents and 2.0 cents respectively. Since then to 7 October 2013, both Adslot's and Facilitate's share price have traded over the 17 trading day period, on average (VWAP), at 7.1 cents and 7.0 cents respectively. Based on this analysis the market appears to view the Scheme favourably.

Alternatives - As an alternative to the Scheme proceeding, Facilitate shareholders can vote against the Scheme with a view to either realising greater value through maintaining the stand alone business of Facilitate or with an expectation that a superior proposal may emerge in the future. There is no evidence to suggest that the Facilitate shareholders would be better off under either alternative. We have discussed with the Directors of Facilitate the likelihood of alternative offers emerging and we have been advised that the Directors are not aware of any alternative or superior offer for Facilitate.

Board view - We note that the Directors of Facilitate have unanimously recommended the Scheme to Facilitate shareholders, in the absence of a superior proposal, and subject to that same qualification, they each intend to vote in favour of the Scheme in respect of all Facilitate shares they hold or control.

Tax implications - Pitcher Partners CF has not considered the specific taxation implications for individual Facilitate shareholders. If the Scheme is approved, Facilitate shareholders may be liable to pay tax on the disposal of their Facilitate shares. The specific tax consequences of the Scheme will vary depending on the circumstances of each individual Facilitate shareholder. A general outline of the tax implications of the Scheme for Australian resident Facilitate Shareholders is set out in Section 9 of the Explanatory Booklet.

9.4. Conclusion on the Scheme

For the reasons set out above, in the absence of a superior proposal, we consider the Scheme to be fair and reasonable to Facilitate shareholders, and therefore in the best interests of Facilitate shareholders.

APPENDIX A - QUALIFICATIONS AND DECLARATIONS

Qualifications

Pitcher Partners CF is the licensed corporate advisory arm of the accounting firm Pitcher Partners, Brisbane. Pitcher Partners CF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and the provision of expert reports.

Ross Walker, FCA, B.Com, is a director of Pitcher Partners CF, a partner of Pitcher Partners and is responsible for the preparation of this report. Mr Walker has in excess of 25 years experience in corporate finance and has undertaken numerous corporate finance assignments involving acquisitions, divestments, valuations and financial due diligence.

Disclaimers

This report has been prepared at the request of the Directors of Facilitate for inclusion in the Explanatory Booklet which will be distributed to all Facilitate shareholders. Facilitate has engaged Pitcher Partners CF to prepare an independent expert's report to consider whether the Scheme is in the best interest of the Facilitate shareholders.

It is not intended that this Report should be used or relied upon for any purpose other than Pitcher Partners CF's opinion as to whether the Scheme is in the best interests of Facilitate shareholders. Pitcher Partners CF expressly disclaims any liability to any Facilitate shareholder who relies or purports to rely on the Report for any other purpose and to any other party who relies or purports to rely on the Report for any purpose whatsoever.

Other than this report, Pitcher Partners CF not the Pitcher Partners Brisbane Partnership have not been involved in the preparation of the Explanatory Booklet or any other documentation prepared in respect of the Scheme. Accordingly, we take no responsibility for the content of the Explanatory Booklet as a whole or other documents prepared in respect of the Scheme.

Our report makes reference to "Pitcher Partners CF analysis". This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.

Independence

In addition to the disclosures in our FSG it is relevant to a consideration of our independence that, during the course of this engagement, Pitcher Partners CF provided draft copies of this report to management of Facilitate for comment as to factual accuracy, as opposed to opinions which are the responsibility of Pitcher Partners CF alone. Changes made to this report as a result of those reviews have not altered the opinions of Pitcher Partners CF as stated in this report.

Consent

Pitcher Partners CF consents to the inclusion of this Report in the form and context in which it is included with the Explanatory Booklet to be issued to Facilitate shareholders. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of Pitcher Partners CF as to the form and context in which it appears.

APPENDIX B - SOURCES OF INFORMATION

In arriving at our views, we have had regard to the following sources of information:

- audited financial statements of Facilitate for the financial years ended 30 June 2011 – 2013;
- audited financial statements of Adslot for the financial years ended 30 June 2011 – 2013;
- Explanatory Booklet for a scheme of arrangement between Facilitate and Adslot;
- details of company shareholders as provided by Facilitate and Adslot management;
- ASX announcements for Facilitate and Adslot;
- pro forma financial information provided by Facilitate Management;
- company websites for Facilitate and Adslot; and
- market data obtained from sources including S&P Capital IQ.

In addition we held discussions and correspond with various members of the management of Facilitate and Adslot and their advisors.

APPENDIX C - GLOSSARY OF TERMS

Abbreviation	Full Title/Description
\$	Australian dollars
Act	The Corporations Act 2001
Adslot	Adslot Limited
Announcement Date	12 September 2013
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Board	Board of Directors
CEO	Chief Executive Officer
DCF	Discounted cash flow
Deed	Scheme Implementation Deed dated 12 September 2013
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESOP	Adslot Limited Share Option Plan
EyeWonder	EyeWonder Australia Pty Ltd
Expanded Adslot Group	The combined operations of Facilitate and Adslot post-Scheme implementation
Explanatory Booklet	Booklet prepared for the Scheme, to which this report is attached
Facilitate	Facilitate Digital Holdings Limited
Facilitate Digital	Facilitate Digital Pty Limited
FFA	Facilities For Agencies
FY11, FY12, FY13	Financial year ended 30 June 2011, 2012 and 2013
GST	Goods and Services Tax
Jun 11, Jun 12 and Jun13	Financial position as at 30 June 2011, 30 June 2012 and 30 June 2013
k	Thousands
m	Millions
New Adslot Shares	Shares in Adslot to be issued to Facilitate shareholders in accordance with the Scheme.
Pitcher Partners CF	Pitcher Partners Corporate Finance Limited
QDC	QDC IP Technologies Pty Ltd, a wholly owned subsidiary of Adslot
Regulations	Corporations Regulation 2001
Report	This independent expert's report prepared by Pitcher Partners CF for Facilitate dated 29 October 2013
RG 111	Regulatory Guide 111: Content of expert reports
Scheme	The proposed merger between Facilitate and Adslot
Scheme Consideration	The consideration offered by Adslot, being 1.216 Adslot share for every one Facilitate share
Scheme Meeting	General meeting of Facilitate that is to be held on [9 December 2013]
VWAP	Volume Weighted Average Price
Webfirm	A division of Adslot which offers web design and development services for small to medium size businesses.
WGL	Webfirm Group Limited, the former name of Adslot

APPENDIX D - VALUATION METHODOLOGIES

In establishing the equity value of QK Technologies we have considered the following valuation approaches:

- Discounted cash flow (“DCF”) methodology;
- CFME;
- Asset based methodologies;
- Quoted market price basis; and
- Industry specific methodologies.

Discounted cash flow methodology

The DCF methodology has regard to the expected future economic benefits discounted to present value. This is considered appropriate where a forecast of future cash flows can be made with a reasonable degree of certainty. This approach is particularly relevant to the valuation of a business in its early growth stage, but is equally applicable to any business with expectations of significant growth or with volatility in cash flows.

In undertaking the DCF methodology, regard is generally had to:

- The projected expected future cash flows;
- An appropriate discount rate; and
- The perpetuity or terminal value, if any.

Capitalisation of future maintainable earnings

The CFME methodology involves capitalising the estimated future maintainable earnings at a multiple that reflects the risk and opportunities of the business and a stream of income it generates.

In utilising this methodology, it is necessary to determine the appropriate income stream to value, such as EBITDA, EBIT or NPAT.

Most commonly businesses are valued by reference to EBITDA or EBIT as such results are not affected by differing depreciation, interest and taxation expenditure, which can vary from investor to investor as a result of factors that do not relate to the nature of the business.

The selection of a multiple is undertaken by analysing either guideline company data or merger and acquisition data. In using guideline company data, a portfolio of public companies is selected based on comparability of the subject company from which valuation multiples and other analytics are calculated. Multiples are then selected and applied to the subject entity to calculate an indication of value.

The multiples derived from guideline companies are based on share prices reflective of the trades of small parcels of shares. As such, they generally reflect multiples reflective of the prices at which portfolio interest change hands. That is to say, there is no premium for control incorporated within such pricing. The multiples may also be impacted by the level of liquidity in the particular stock.

The same principles apply to the merger and acquisition data, however the multiples derived are based on an analysis of recent trades of entire companies, rather than minority trades of listed companies.

Asset based methodologies

The asset based approach determines the value of the business having regard to the value of the underlying assets and liabilities thereof. This approach includes the following methodologies:

- Going concern;
- Orderly realisation; and
- Liquidation.

Under a going concern method, the value of the business is derived by assessing the market value of every asset and liability on a going concern basis. This may include a premium to reflect the value of intangible assets not recorded on the balance sheet, if appropriate, to reflect market position, profitability and overall attractiveness of the business. A net asset or cost based methodology is most appropriate for businesses where value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies).

The orderly realisation method has regard to the amount that would be distributed to shareholders on the assumption that the entity would be liquidated with the funds realised from the sale of its assets, after payment of all liabilities including realisation costs and taxes, being distributed to shareholders.

The liquidation method is based on the same principles except that in the orderly realisation method, the assets are realised in an orderly manner, whereas, the liquidation method assumes that the assets are sold within a shorter timeframe.

Quoted market price basis

The quoted market price basis relate to the valuation of companies by the shares of which are traded of a stock exchange. Whilst the share price would, prima facie, constitute the fair value of the shares, such market prices usually reflect the price paid for small parcels of shares and do not include a premium for control relevant to significant share parcels.

Appendix 2 - Scheme

Scheme of Arrangement

Facilitate Digital Holdings Limited
Scheme Shareholders

MinterEllison

L A W Y E R S

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
AUSTRALIA DX 204 MELBOURNE
T +61 3 8608 2000 F +61 3 8608 1000
www.minterellison.com

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Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Facilitate Digital Holdings Limited 093 823 253 of Level 6, 241 Commonwealth Street, Surry Hills NSW 2010, Australia

and

Each Scheme Shareholder

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

Adslot Share means a fully paid ordinary share in the capital of Adslot.

Adslot Group means Adslot and each of its subsidiaries (excluding, at any time, Facilitate and its subsidiaries to the extent that Facilitate and its subsidiaries are subsidiaries of Adslot at that time). A reference to a **member of the Adslot Group** is a reference to Adslot or any such subsidiary

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, or as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

Adslot means Adslot Ltd ACN 001 287 510, of Level 2, 85 Coventry Street, South Melbourne, Victoria, Australia.

Business Day means a business day as defined in the ASX Listing Rules.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ACN 008 504 532.

CHESS Holding has the meaning given in the Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Queensland or such other court of competent jurisdiction under the Corporation act agreed to in writing between Facilitate and Adslot.

Deed Poll means the deed poll dated [*] 2013 executed by Adslot under which Adslot covenants in favour of the Scheme Shareholders to perform the actions attributed to it under this Scheme.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the 'End Date' determined in accordance with the Scheme Implementation Deed.

Excluded Shareholder means any Facilitate Shareholder who is a member of the Adslot Group or any other Facilitate Shareholder to the extent it holds Facilitate Shares on behalf of, or for the benefit of, any member of the Adslot Group.

Foreign Scheme Shareholder means a Scheme Shareholder whose address in the Facilitate Share Register is a place outside Australia and its external territories or New Zealand unless Adslot and Facilitate agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Adslot Shares under this Scheme.

Facilitate Registry means Link Market Services Limited ACN 083 214 537 or any replacement provider of share registry services to Facilitate.

Facilitate Share means a fully paid ordinary share in the capital of Facilitate.

Facilitate Share Register means the register of members of Facilitate maintained in accordance with the Corporations Act.

Facilitate Shareholder means each person who is registered as the holder of Facilitate Shares from time to time.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date agreed to in writing between Facilitate and Adslot.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

New Adslot Shares means the new Adslot Shares to be issued under the terms of the Scheme as the Scheme Consideration.

Registered Address means, in relation to a Facilitate Shareholder, the address shown in the Facilitate Share Register as at the Scheme Record Date.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- (c) any regulatory organisation established under statute,

in any part of the world, and whether foreign, federal, state, territorial or local.

Sale Agent means a person appointed by Adslot, in consultation with Facilitate, to sell the Sale Securities under clause 5.2(b).

Sale Proceeds means the gross proceeds of sale of the Sale Shares under clause 5.2(b), less any applicable taxes and charges incurred by Adslot or the Sale Nominee in connection with the sale.

Sale Shares means the Adslot Shares to which Foreign Scheme Shareholders would have been entitled under this Scheme but for the operation of clause 5.2.

Scheme means this scheme of arrangement, subject to any alterations or conditions:

- (a) agreed to in writing by Adslot and Facilitate; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Adslot and Facilitate.

Scheme Consideration means 1.216 Adslot Shares per Scheme Share, subject in the case of Foreign Scheme Shareholders to the operation of clauses 5.2 and 5.4.

Scheme Implementation Deed means the scheme implementation deed dated 12 September 2013 between Adslot and Facilitate.

Scheme Meeting means the meeting of Facilitate Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between the Adslot and Facilitate.

Scheme Share means a Facilitate Share held by a Scheme Shareholder at the Scheme Record Date.

Scheme Shareholders means Facilitate Shareholders (other than Excluded Shareholders) at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Settlement Rules means the ASX Settlement Operating Rules.

Trust Account means an Australian dollar denominated trust account operated by Facilitate as trustee for the benefit of Scheme Shareholders.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause or schedule is a reference to a clause of or schedule to this Scheme.
- (f) A reference to an **agreement or document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this Scheme or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.

- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to **dollars** and **\$** is to Australian currency.
- (l) All references to time are to Melbourne, Australia time.
- (m) Mentioning anything after *includes, including, for example*, or similar expressions, does not limit what else might be included.
- (n) A reference to, an **officer** or subsidiary is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any act, matter or thing under this Scheme is to be done is not a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 Listing requirements included as law

A listing rule or business rule of a financial market will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 Facilitate

- (a) Facilitate is a public company limited by shares, registered in Victoria and admitted to the official list of ASX.
- (b) Facilitate Shares are officially quoted on ASX. As at 12 September 2013:
 - (i) 225,107,552 Facilitate Shares were on issue which are officially quoted on ASX; and
 - (ii) 1,250,000 Facilitate Options were on issue which are not quoted on any financial market.

2.2 Adslot

- (a) Adslot is a public company limited by shares, registered in New South Wales and admitted to the official list of ASX.
- (b) Adslot Shares are officially quoted on ASX. As at 12 September 2013:
 - (i) 703,741,287 Adslot Shares were on issue which are officially quoted on ASX; and
 - (ii) 5,300,000 Adslot Options were on issue which are not quoted on any financial market.

2.3 General

- (a) Facilitate and Adslot have agreed by executing the Scheme Implementation Deed to implement this Scheme.
- (b) This Scheme attributes actions to Adslot but does not itself impose an obligation on it to perform those actions, as Adslot is not a party to this Scheme. Adslot has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme,

including the providing or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

2.4 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) Adslot will apply for all New Adslot Shares to be quoted on ASX;
- (b) Adslot will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and
- (c) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to Adslot, and Facilitate will enter Adslot in the Facilitate Share Register as the holder of the Scheme Shares with the result that Facilitate will become a wholly-owned subsidiary of Adslot.

3. Conditions

- (a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:
 - (i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(e)) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8.00am on the Second Court Date;
 - (ii) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
 - (iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by Adslot and Facilitate; and
 - (iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied.
- (b) The satisfaction of the conditions referred to in clause 3(a) of this document is a condition precedent to the operation of clauses 4 and 5.
- (c) This Scheme will lapse and be of no further force or effect if:
 - (i) the Effective Date does not occur on or before the End Date or any later date as the Court, with the consent of the parties, may order; or
 - (ii) the Scheme Implementation Deed is terminated before implementation of this Scheme on the Implementation Date.

4. Implementation

4.1 Lodgement of Court orders

Facilitate must lodge with ASIC office copies of any Court orders under section 411 of the Corporations Act approving this Scheme as soon as possible and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Adslot, without the need for any further act by any Scheme Shareholder (other than acts performed by Facilitate or its officers as agent and attorney of the Scheme Shareholders under clause 8.5 or otherwise) by:
 - (i) Facilitate delivering to Adslot a duly completed and executed share transfer form to transfer all the Scheme Shares to Adslot; and
 - (ii) Adslot duly executing such transfer form and delivering it to Facilitate for registration; and
- (b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), Facilitate must enter, or procure the entry of, the name of Adslot in the Facilitate Share Register in respect of the Scheme Shares.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration.

5.2 Foreign Scheme Shareholders

- (a) Adslot will be under no obligation to issue, and must not issue, any Adslot Shares under this Scheme to Foreign Scheme Shareholders.
- (b) Instead, Adslot must procure that:
 - (i) the Sale Shares are issued by Adslot to the Sale Agent on the Implementation Date (rounded down, if necessary, to the nearest whole number);
 - (ii) as soon as practicable and, in any event, not more than 15 Business Days after the Implementation Date, the Sale Agent sells the Sale Shares in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith; and
 - (iii) promptly after the last sale of Sale Shares in accordance with clause 5.2(b)(ii), the Sale Agent pays the Sale Proceeds into the Trust Account (for payment by Facilitate to the Foreign Scheme Shareholders in accordance with clauses 5.4(c) to (g) (inclusive) of this Scheme).
- (c) None of Adslot, Facilitate or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Sale Shares by the Sale Agent. The sale of Sale Share by the Sale Agent will be at the risk of the Foreign Scheme Shareholders.
- (d) Each Foreign Scheme Shareholder appoints Facilitate as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Foreign Scheme Shareholders under the Corporations Act.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Adslot Shares comprised in the Scheme Consideration are to be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Facilitate Share Register as at the Scheme Record Date; and
- (c) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Facilitate Share Register as at the Scheme Record Date.

5.4 Provision of Scheme Consideration

- (a) Adslot must before 5.00pm on the Implementation Date:
 - (i) procure that the name of each Scheme Shareholder entitled to receive Adslot Shares under this Scheme is entered in Adslot's register of members as the holder of those Adslot Shares (in holdings having the same holding name and address and other details as the holding of the relevant Scheme Shares, and in CHESS Holdings if the relevant Scheme Shares were held in the CHESS Holdings and in Issuer Sponsored Holdings if the relevant Scheme Shares were held in Issuer Sponsored Holdings); and
 - (ii) procure that the name of the Sale Agent is entered in Adslot's register of members as the holder of the Sale Shares (with such holding details as the Sale Agent notifies).
- (b) On or before the date that is five Business Days after the Implementation Date, Adslot must send or procure the sending of an allotment advice or holding statement (or equivalent document) to each Scheme Shareholder entitled to receive Adslot Shares under this Scheme, reflecting the issue of such Adslot Shares in accordance with clause 5.4(a)(ii).
- (c) As soon as practicable following payment into the Trust Account of the Sale Proceeds, Facilitate must pay from the Trust Account to each Foreign Scheme Shareholder such amount of cash as is due to that Scheme Shareholder as Scheme Consideration in respect of their Scheme Shares, being in the case of each such person the amount they would have received had they:
 - (i) received the Adslot Shares to which they would have been entitled under this Scheme but for the operation of clause 5.2; and
 - (ii) sold them for an amount per Adslot Share equal to that part of the Sale Proceeds which is attributable to the sale of Adslot Shares divided by the total number of Adslot Shares included in the Sale Shares, provided that for the purposes of the foregoing the total cash amount payable to a Foreign Scheme Shareholder in respect of its parcel of Scheme Shares shall be rounded down to the nearest whole cent.
- (d) The amount referred to in clause 5.4(c) must be paid by Facilitate doing any of the following at its election:
 - (i) sending (or procuring the Facilitate Registry to send) it to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the Trust Account; or

- (ii) depositing (or procuring the Facilitate Registry to deposit) it into an account with any Australian ADI (as defined in the Corporations Act) notified to Facilitate (or the Facilitate Registry) by an appropriate authority from the Scheme Shareholders.
- (e) If there is any surplus in the amount held by Facilitate in the Trust Account, that surplus must be paid by Facilitate to Adslot following the satisfaction of Facilitate's obligations under this clause. Any interest on the amounts deposited in the Trust Account (less bank fees and other charges) will be to Adslot's account.
- (f) If any amount is required under any Australian law or by any Australian Regulatory Authority to be:
 - (i) withheld from an amount payable under clauses 5.4(c) or 5.4(e) and paid to that entity or authority; or
 - (ii) retained by Facilitate out of an amount payable under clauses 5.4(c) or 5.4(e), its payment or retention by Facilitate (or the Facilitate Registry) will constitute the full discharge of Facilitate's obligations under this clause with respect to the amount so paid or retained until, in the case of 5.4(f)(ii), it is no longer required to be retained.
- (g) If:
 - (i) written notice is given to Facilitate (or the Facilitate Registry) of an order made by a court of competent jurisdiction that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Facilitate in accordance with clause 5.4(c), then Facilitate shall be entitled to procure that payment is made in accordance with that order; or
 - (ii) written notice is given to Facilitate (or the Facilitate Registry) of an order made by a court of competent jurisdiction that prevents Facilitate from making a payment by Facilitate to any particular Scheme Shareholder in accordance with clause 5.4(c), or such payment is otherwise prohibited by applicable law, Facilitate shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with clause 5.4(c) is permitted by that order or otherwise by law.

5.5 Fractional entitlements and splitting

- (a) Subject to clause 5.5(b), where the calculation of the number of New Adslot Shares to be issued to a particular Scheme Shareholder would result in the issue of a fraction of a New Adslot Share, the fractional entitlement:
 - (i) which is 0.5 or greater will be rounded up to the nearest whole number of New Adslot Shares; and
 - (ii) which is less than 0.5 will be rounded down to the nearest whole number of New Adslot Shares,

after aggregating all holdings of the Scheme Shareholder and in a manner which avoid manipulation of a Scheme Shareholder's holdings to take advantage of the rounding entitlement.
- (b) If Adslot reasonably forms the opinion that two or more Scheme Shareholders, each of whom holds a number of Scheme Shares which results in rounding in accordance with

clause 5.5(a), have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain advantage by reference to such rounding, Adslot may send a notice to those Scheme Shareholders stating that opinion and attributing to one of them specifically identified in the notice (**Deemed Holder**) all of the Scheme Shares held by all of them, on which, for the purposes of the Scheme:

- (i) the Deemed Holder will be taken to hold all of the Scheme Shares referred to in the notice; and
- (ii) each of the other Scheme Shareholders whose names are set out in the notice, will be taken not to hold any of the Scheme Shares,

and by complying with this clause 5.5(b), Adslot will be taken to have satisfied and discharged its obligations under the terms of the Scheme to all the Scheme Shareholders named in the notice.

5.6 Status of Adslot Shares

Subject to this Scheme becoming Effective, Adslot must:

- (a) issue the Adslot Shares required to be issued under this Scheme on terms such that each such Adslot Share will rank equally in all respects with each other Adslot Share;
- (b) ensure that each Adslot Share required to be issued under this Scheme is duly issued and is fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of Adslot); and
- (c) use all reasonable endeavours to ensure that such Adslot Shares are approved for listing on the ASX and that quotation of them on ASX commences as soon as practicable after the Effective Date, initially on a deferred settlement basis and thereafter on an ordinary (T+3) settlement basis.

5.7 Definition of 'sending'

For the purposes of clause 5, the expression **sending** means, in relation to each Scheme Shareholder:

- (a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Shareholder as at the Scheme Record Date; or
- (b) delivery to the Registered Address of that Scheme Shareholder as at the Scheme Record Date by any other means at no cost to the recipient.

6. Dealings in Facilitate Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Facilitate Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Facilitate Share Register as the holder of the relevant Facilitate Shares on or before 5.00pm on the Scheme Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the Scheme Record Date at the **place** where the Facilitate Share Register is kept,

and Facilitate will not accept for registration, nor recognise for any purpose (except a transfer to Adslot under this Scheme and any subsequent transfer by Adslot or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) **(Registration of transfers)** Facilitate must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by or as soon as reasonably practicable after the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires Facilitate to register a transfer that would result in a Facilitate Shareholder holding a parcel of Facilitate Shares that is less than a 'marketable parcel' (as defined in the Settlement Rules).
- (b) **(No registration after Scheme Record Date)** Facilitate will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Facilitate Shares received after 5.00pm on the Scheme Record Date, other than to Adslot in accordance with this Scheme.
- (c) **(Maintenance of Facilitate Share Register)** For the purpose of determining entitlements to the Scheme Consideration, Facilitate must maintain the Facilitate Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Facilitate Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) **(No disposal after Scheme Record Date)** From the Scheme Record Date until registration of Adslot in respect of all Scheme Shares under clause 4, no Facilitate Shareholder may dispose or otherwise deal with Facilitate Shares in any way except as set out in this Scheme and any attempt to do so will have no effect and Facilitate shall be entitled to disregard any such disposal.
- (e) **(Statements of holding from Scheme Record Date)** All statements of holding for Facilitate Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of any Excluded Shareholders). As from the Scheme Record Date, each entry current at that date on the Facilitate Share Register (other than entries in respect of any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Facilitate Shares relating to that entry.
- (f) **(Provision of Scheme Shareholder details)** As soon as practicable after the Scheme Record Date and in any event within one Business Days before the Scheme Record Date, Facilitate will ensure that details of the names, Registered Addresses and holdings of Facilitate Shares for each Scheme Shareholder are available to Adslot in the form Adslot reasonably requires.

7. Quotation of Facilitate Shares

- (a) Facilitate will apply to ASX to suspend trading on the ASX in Facilitate Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Adslot, and only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), Facilitate will apply:
 - (i) for termination of the official quotation of Facilitate Shares on ASX; and

- (ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Facilitate may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which Adslot has consented in writing; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel for Facilitate has consented.

8.2 Binding effect of Scheme

This Scheme binds Facilitate and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of Facilitate.

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

- (a) agrees to the transfer of their Facilitate Shares together with all rights and entitlements attaching to those Facilitate Shares in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Facilitate Shares constituted by or resulting from this Scheme;
- (c) who holds their Facilitate Shares in a CHESS Holding agrees to the Conversion of those Facilitate Shares to an Issuer Sponsored Holding and irrevocably authorises Facilitate to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such Conversion;
- (d) agrees to become a shareholder in Adslot and to be bound by the constitution of Adslot; and
- (e) acknowledges that this Scheme binds Facilitate and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Facilitate, in its own right and for the benefit of Adslot that as at the Implementation Date:
 - (i) all of its Facilitate Shares which are transferred to Adslot under this Scheme will, on the date on which they are transferred to Adslot, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its Facilitate Shares which are transferred to Adslot under this Scheme will, on the date on which they are transferred to Adslot, be fully paid;
 - (iii) it has full power and capacity to transfer its Facilitate Shares to Adslot together with any rights attaching to those shares; and

- (iv) it has no existing right to be issued any Facilitate Shares, Facilitate Options, Facilitate performance rights, Facilitate convertible notes or any other Facilitate securities, other than, in the case of any Scheme Shareholder who is also the holder of Facilitate Options, the right to be issued Facilitate Shares on the exercise of those Facilitate Options in accordance with their terms.
- (b) Facilitate undertakes that it will provide the warranties in clause 8.4(a) to Adslot as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) On and from the Implementation Date, Adslot will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Facilitate of Adslot in the Facilitate Share Register as the holder of the Scheme Shares.

8.6 Authority given to Facilitate

- (a) Scheme Shareholders will be deemed to have authorised Facilitate to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2.
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Facilitate and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

8.7 Appointment of sole proxy

On and from the Implementation Date and until Facilitate registers Adslot as the holder of all Facilitate Shares in the Facilitate Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Adslot as its attorney and agent (and directed Adslot in such capacity) to appoint an officer or agent nominated by Adslot as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Facilitate, exercise the votes attaching to the Scheme Shares registered in its name and sign any Facilitate Shareholders' resolutions;
- (b) undertakes not to otherwise attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as under clause 8.7(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Adslot reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), Adslot and any officer or agent nominated by Adslot under clause 8.7(a) may act in the best interests of Adslot as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Shareholder to Facilitate binding or deemed binding between the Scheme Shareholder and Facilitate relating to Facilitate or Facilitate Shares (including any email addresses, instructions relating to communications from Facilitate, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from Facilitate) will be deemed from the Implementation Date (except to the extent determined otherwise by Adslot in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Adslot and to be a binding instruction, notification or election to, and accepted by, Adslot in respect of the New Adslot Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Adslot at its registry.

9. General

9.1 Stamp duty

Adslot must pay all stamp duty payable in connection with the transfer of the Scheme Shares to Adslot.

9.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to Facilitate, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Facilitate's registered office or at the office of the Facilitate Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further assurances

- (a) Facilitate must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Shareholder consents to Facilitate doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 Governing law and jurisdiction

- (a) This Scheme is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Queensland and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme.

Schedule 9 - Form of Deed Poll

Appendix 3 - Notice of Scheme Meeting



FACILITATE DIGITAL HOLDINGS LIMITED
ABN 84 093 823 253

NOTICE OF SCHEME MEETING

Notice is given that by order of the Supreme Court of Queensland pursuant to s411(1) of the *Corporations Act 2001* (Cth) a meeting of ordinary shareholders of Facilitate Digital Holdings Limited (the Company) (other than Excluded Shareholders) will be held at 3:00pm on Wednesday 4th December 2013 at the office of the Company at level 6, 241 Commonwealth Street, Surry Hills, NSW, 2010.

The Supreme Court of Queensland has also directed that Stuart Simson or, if he is unable or unwilling to attend, Ben Dixon act as Chairman of the Scheme Meeting.

This notice should be read in conjunction with the Explanatory Booklet of which this notice forms part. A proxy form accompanies this notice.

Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without any alterations or conditions agreed between the Company and Adslot Ltd or any alteration or conditions made or requested by the Court, to which the Company and Adslot Ltd agreed) to be made between the Company and its shareholders (other than Excluded Shareholders).

Resolution 1 – Approval of the Facilitate Scheme of Arrangement

To consider and, if thought fit, to pass the following resolution:

*“That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement between Facilitate and its ordinary shareholders (other than Excluded Shareholders) designated the **Scheme** and which is set out in Appendix 2 of the Explanatory Booklet of which the notice convening this meeting forms part, is agreed to (with or without any alterations or conditions agreed between the Company and Adslot Ltd or any alteration or conditions made or requested by the Court, to which the Company and Adslot Ltd agree) and, subject to the approval of the Scheme by the Court, the Board of Directors of the Company is authorised to implement the Scheme with any such alterations or conditions.”*

DATED: 30 October 2013
BY ORDER OF THE COURT

A handwritten signature in black ink that reads "Jim Story".

Jim Story
Company Secretary

Notes

1. How to vote

You may vote by:

- attending the Scheme Meeting in person;
- appointing an attorney to vote on your behalf;
- appointing a proxy to attend on your behalf; or
- in the case of a corporation which is a Facilitate shareholder, by appointing an authorised corporate representative to attend on its behalf.

2. Proxies

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Scheme Meeting.

If you are entitled to cast two or more votes, you may nominate one or two persons to vote on your behalf at the Scheme Meeting. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes resulting from the appointment of proxies will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes. A proxy form and a reply paid envelope have been included for members with the notice of meeting. Proxy voting instructions are provided on the back of the proxy form.

A proxy need not be a holder of Facilitate Digital Holdings Limited shares. If you wish to direct a proxy how to vote on any resolution, place a mark (e.g. a cross) in the appropriate box on the proxy form and your votes may only be exercised in that manner. You may split your voting direction by inserting the number of shares or percentage of shares that you wish to vote in the appropriate box.

3. Proxy Delivery

Proxies given by post, fax or delivery must be received by Facilitate Digital Holdings Limited's share registry, Link Market Services Limited by no later than **3.00 pm (Sydney time) on 2 December 2013 being 48 hours before the Scheme Meeting:**

Online: Go to www.linkmarketservices.com.au (see proxy form for instructions)

By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By facsimile: In Australia (02) 9287 0309
From outside Australia +61 2 9287 0309

By delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Or

1A Homebush Bay Drive

Rhodes, NSW 2038

If you intend to mail or hand deliver your proxy form, it must be received by the Share Registry by 3.00pm on Monday 2 December 2013.

Any revocations of proxies must be received at one of these places before the commencement of the meeting, or at the registration desk for the meeting from **2:30 pm** on the day of the meeting until the commencement of the meeting.

4. Power of Attorney

If a member has appointed an attorney to attend and vote at the meeting, or if the proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Facilitate Digital Holdings Limited's share registry, **Link Market Services Limited, at the address or fax number in 3. above, by no later than 3.00 pm (Sydney time) on 2 December 2013 being 48 hours before the Scheme Meeting**, unless the power of attorney has been previously lodged with the Company's share registry for notation and has not expired or otherwise been revoked.

5. Corporate Representatives

If a corporate member wishes to appoint a person to act as its representative at the meetings, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance

with its constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of certificate may be obtained from the Company's share registry.

6. Members Eligible to Vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that for the purposes of the Scheme Meeting all ordinary shares in Facilitate other than ordinary shares held by Excluded Shareholders will be taken to be held by the persons who held them as registered shareholders at 7.00pm on Monday 2 December 2013.

All holders of Facilitate Shares other than Excluded Shareholders at 7.00pm on Monday 2 December 2013 are entitled to attend and vote at the meeting.

7. Voting at the Scheme Meeting

The resolution to approve the Scheme must be passed at the Scheme Meeting by:

- unless the Court orders otherwise, a majority in number of the holders of ordinary shares of Facilitate (other than Excluded Shareholders) present and voting; and
- at least 75% of the votes cast on the resolution by holders of ordinary shares of Facilitate (other than Excluded Shareholders) present and voting.

The vote will be conducted by poll.

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

8. Court approval

In accordance with section 411(4)(b) of the Corporations Act, for the Scheme to become Effective, it must be approved by the order of the Court and an office copy of the order must be lodged with ASIC. If the resolution set out in this notice is agreed to by the required majorities set out above and the Conditions Precedent set out in the Scheme Implementation Deed are satisfied or waived, Facilitate will apply to the Court for the necessary orders to give effect to the Scheme.

Voting

The Facilitate Directors unanimously recommend that you vote in favour of the resolution, in the absence of a superior proposal. The Facilitate Directors intend to vote any Facilitate shares held by them in favour of the resolution, in the absence of a superior proposal.

Material Accompanying This Notice

This notice of meeting and the resolution should be read in conjunction with the Explanatory Booklet of which this notice forms part. Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in Section 13 of the Explanatory Booklet of which this notice forms part.

A copy of the Scheme and a copy of the Explanatory Statement required under section 412 of the Corporations Act in relation to the Scheme are contained in the Explanatory Booklet of which this notice forms part. A proxy / voting form also accompanies this Explanatory Booklet.

Appendix 4 - Scheme Implementation Deed

Execution version

Scheme Implementation Deed

Facilitate Digital Holdings Limited (**Facilitate**)
Adslot Ltd (**Adslot**)

MinterEllison

L A W Y E R S

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
AUSTRALIA DX 204 MELBOURNE
T +61 3 8608 2000 F +61 3 8608 1000
www.minterellison.com

Scheme Implementation Deed

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Details

Date 12 September 2013

Parties

Name **Adslot Ltd ACN 001 287 510**
Short form name **Adslot**
Notice details Level 2, 85 Coventry Street, South Melbourne VIC 3205
Facsimile: 03 8695 9199
Attention: Chief Financial Officer & Company Secretary

Name **Facilitate Digital Holdings Limited ACN 093 823 253**
Short form name **Facilitate**
Notice details Level 6, 241 Commonwealth Street, Surry Hills, NSW 2010
Facsimile: 02 9690 3901
Attention: Chief Executive Officer

Background

- A Adslot has agreed to acquire all of the issued shares in Facilitate by means of a scheme of arrangement.
- B The directors of Facilitate intend to propose to Facilitate Shareholders for their approval a merger with Adslot by way of a scheme of arrangement under section 411 of the Corporations Act, the effect of which would be to make Facilitate a wholly owned subsidiary of Adslot.
- C Adslot and Facilitate have agreed to implement the Scheme on the terms and conditions of this deed.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

Adslot Accounts means the audited individual and consolidated accounts (including the financial statements, notes forming part of or intended to be read with the financial statements, directors' report and declaration, and auditor's report) of Adslot at and for the year ended 30 June 2013.

Adslot Board means the board of directors of Adslot.

Adslot Conditions means the conditions precedent set out in under the heading 'Adslot Conditions' in clause 3.1.

Adslot Consolidated Tax Group means the Consolidated Group of which Adslot is the Head Company.

Adslot Disclosure Letter means the letter so entitled provided by Adslot to Facilitate on or before the execution of this deed and countersigned by Facilitate.

Adslot Due Diligence Material means:

- (a) all documents and information that were at any time during the period ending on or before the Disclosure Cut-off Date contained in the USB stick delivered by or on behalf of Adslot to Facilitate on 28 August 2013; and
- (b) all written answers given to written questions submitted by Facilitate or its Representatives as part of the question and answer process on or before the Disclosure Cut-off Date.

Adslot Group means Adslot and each of its subsidiaries (excluding, at any time, Facilitate and its subsidiaries to the extent that Facilitate and its subsidiaries are subsidiaries of Adslot at that time). A reference to a **member of the Adslot Group** or an **Adslot Group Member** is a reference to Adslot or any such subsidiary.

Adslot Information means information about the Adslot Group provided or approved by Adslot or any of its Advisers to Facilitate in writing for inclusion in the Explanatory Booklet.

Adslot Material Adverse Change means any event, occurrence or matter (or the disclosure or discovery of any event, occurrence or matter) that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have, the effect of:

- (a) negatively impacting the Adslot Group budget for the year ending 30 June 2014, as disclosed in the Adslot Due Diligence Materials, by at least \$1 million; or
- (b) the Adslot Group being unable to carry on its business in substantially the same manner as carried on as at the date of this deed,

other than changes, events, occurrences or matters:

- (c) required or permitted by this deed;
- (d) to the extent Fairly Disclosed on or before the Disclosure Cut-off Date in the Adslot Due Diligence Material or Fairly Disclosed in the Adslot Disclosure Letter;

- (e) to the extent Fairly Disclosed in public announcements issued by Adslot on or by the day before the date of this deed on ASX;
- (f) which do not relate specifically to the Adslot Group and which are beyond the control of Adslot and which arise from:
 - (i) changes in exchange rates or interest rates; or
 - (ii) general economic or business conditions; or
 - (iii) arising as a result of any changes of accounting standards or laws in Australia; or
 - (iv) to the extent any losses or liabilities arising from such change, event, occurrence or matter are covered by insurance which the Adslot Group's insurers have agreed to pay.

Adslot Parties means the members of the Adslot Group and their respective directors, officers, employees and Advisers.

Adslot Prescribed Occurrences means any of the occurrences set out in Schedule 4, provided that none of the following will constitute an Adslot Prescribed Occurrence:

- (a) anything required or permitted to be done by any member of the Adslot Group by this deed;
- (b) anything approved in writing by Facilitate;
- (c) anything Fairly Disclosed on or before the Disclosure Cut-off Date in the Adslot Due Diligence Material or Fairly Disclosed in the Adslot Disclosure Letter; or
- (d) anything Fairly Disclosed in public announcements issued by Adslot to ASX on or by the day before the date of this deed,

and provided further that the occurrences set out in Part 2 of Schedule 4 will not constitute Adslot Prescribed Occurrences if they occur in the ordinary course of Adslot Group's ordinary business.

Adslot Representation and Warranty means a representation and warranty of Adslot set out in Schedule 1.

Adslot Shares means a fully paid ordinary share in the capital of Adslot.

Adviser means in relation to an entity:

- (a) a financier to the entity in connection with the Scheme; or
- (b) a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Scheme by the entity.

AIFRS means the International Financial Reporting Standards as adopted in Australia.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, if the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

Break Fee means \$300,000 (inclusive of GST).

Business Day means a business day as defined in the ASX Listing Rules.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (including any takeover bid, scheme of arrangement, shareholder approved acquisition, share or asset sale, recapitalisation or issue of securities, capital reduction, share buy back or repurchase, joint venture, reverse takeover, dual listed company structure or other synthetic merger) under which a Third Party will or may, if the expression of interest, proposal, offer, transaction or arrangement is entered into and completed:

- (a) acquire control of Facilitate;
- (b) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in assets with an aggregate book value representing 20% or more of the total assets of the Facilitate Group as set out in Facilitate's consolidated balance sheet as at 30 June 2013;
- (c) otherwise (whether directly or indirectly) acquire or merge or amalgamate with Facilitate;
- (d) come to have voting power in Facilitate of more than 20%; or
- (e) enter into any agreement or understanding requiring Facilitate to abandon, or otherwise fail to proceed with, the Scheme

Confidentiality Deed means the confidentiality deed between Facilitate and Adslot dated 11 December 2012.

Consolidated Group means a Consolidated Group or a MEC group as those terms are defined in section 995-1 of the ITAA 1997.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Queensland or any other court of competent jurisdiction agreed between Adslot and Facilitate.

Court Approval Date means the date the Court approves the Scheme for the purposes of section 411(4)(b) of the Corporations Act.

Deed Poll means the deed poll in favour of all Scheme Shareholders in the form set out in Schedule 9 (or such other form agreed in writing between the parties acting reasonably).

Disclosure Cut-off Date means 5.00pm AEST on 11 September 2013.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 27 January 2014, subject to any extension under clause 3.4.

Excluded Shareholder means any Facilitate Shareholder who is a member of the Adslot Group or any other Facilitate Shareholder to the extent it holds Facilitate Shares on behalf of, or for the benefit of, any member of the Adslot Group.

Exclusivity Period means the period from and including the date of this deed to the earlier of:

- (a) the termination of this deed; and
- (b) the End Date.

Explanatory Booklet means the explanatory booklet to be prepared by Facilitate in respect of the Scheme in accordance with the terms of this deed and to be despatched to Facilitate Shareholders.

Facilitate Accounts means the audited individual and consolidated accounts (including the financial statements, notes forming part of or intended to be read with the financial statements, directors' report and declaration, and auditor's report) of Facilitate at and for the year ended 30 June 2013.

Facilitate Board means the board of directors of Facilitate.

Facilitate Conditions means the conditions precedent set out under the heading 'Facilitate Conditions' in clause 3.1.

Facilitate Consolidated Tax Group means the Consolidated Group of which Facilitate is the Head Company.

Facilitate Disclosure Letter means the letter so entitled provided by Facilitate to Adslot on or before the execution of this deed and countersigned by Adslot.

Facilitate Due Diligence Material means:

- (a) all documents and information that were at any time during the period ending on or before the Disclosure Cut-off Date contained in the Project Falcon/Stonecutter on-line data room, the indices for which materials have been initialled for identification by Facilitate's solicitors on behalf of Facilitate and by Adslot's solicitors on behalf of Adslot; and
- (b) all written answers given to written questions submitted by Adslot or its Representatives as part of the question and answer process on or before the Disclosure Cut-off Date.

Facilitate Group means Facilitate and each of its subsidiaries. A reference to a **member of the Facilitate Group** or **Facilitate Group Member** is a reference to Facilitate or any such subsidiary.

Facilitate Information means information about the Facilitate Group provided or approved by Facilitate or any of its Advisers for inclusion in the Explanatory Booklet.

Facilitate Material Adverse Change means any event, occurrence or matter (or the disclosure or discovery of any event, occurrence or matter) that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have the, effect of:

- (a) reducing by at least \$500,000 the forecast EBITDA for the Facilitate Group for the period 1 September 2013 to 8.00am on the Second Court Date, as disclosed in the FY14 budget that forms part of the Facilitate Due Diligence Materials, provided:
 - (i) the reduction is determined and/or arises applying the same accounting principles used to prepare the Facilitate Group FY14 budget; and
 - (ii) the reduction is not attributable to costs directly incurred by Facilitate in relation to the Scheme; or
- (b) the Facilitate Group being unable to carry on its business in substantially the same manner as carried on as at the date of this deed,

other than changes, events, occurrences or matters:

- (c) required or permitted by this deed;
- (d) to the extent Fairly Disclosed in the Facilitate Due Diligence Material on or before the Disclosure Cut-off Date or Fairly Disclosed in the Facilitate Disclosure Letter;

- (e) to the extent Fairly Disclosed in public announcements issued by Facilitate to ASX on or by the day before the date of this deed;
- (f) which do not relate specifically to the Facilitate Group and which are beyond the control of Facilitate and which arise from:
 - (i) changes in exchange rates or interest rates; or
 - (ii) general economic or business conditions;
 - (iii) arising as a result of any changes to accounting standards or laws in Australia; or
 - (iv) to the extent any losses or liabilities arising from such change, event, occurrence or matter are covered by insurance which the Facilitate Group's insurers have agreed to pay.

Facilitate Option means an option granted by Facilitate to acquire by way of issue one or more Facilitate Shares.

Facilitate Parties means the members of the Facilitate Group and their respective directors, officers, employees and Advisers.

Facilitate Prescribed Occurrence means any of the occurrences set out in Schedule 3, provided that none of the following will constitute a Facilitate Prescribed Occurrence:

- (a) anything required or permitted to be done by any member of the Facilitate Group by this deed;
- (b) anything approved in writing by Adslot;
- (c) anything Fairly Disclosed on or before the Disclosure Cut-off Date in the Facilitate Due Diligence Material or Fairly Disclosed in the Facilitate Disclosure Letter; or
- (d) anything Fairly Disclosed in public announcements issued by Facilitate to ASX on or before the day before the date of this deed,

and provided further that the occurrences set out in Part 2 of Schedule 3 will not constitute Facilitate Prescribed Occurrences if they occur in the ordinary course of Facilitate Group's ordinary business.

Facilitate Registry means Link Market Services Limited ACN 083 214 537 or any replacement provider of share registry services to Facilitate.

Facilitate Representation and Warranty means a representation and warranty of Facilitate set out in Schedule 2.

Facilitate Share means a fully paid ordinary share in the capital of Facilitate.

Facilitate Share Plan means the Facilitate Digital Holdings Limited Employee Share Option Plan.

Facilitate Shareholder means a person who is registered as the holder of Facilitate Shares from time to time.

Facilitate Share Register means the register of members of Facilitate maintained in accordance with the Corporations Act.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Foreign Scheme Shareholder means a Scheme Shareholder whose address in the Facilitate Share Register is a place outside Australia and its external territories or New Zealand unless Adslot and Facilitate agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Adslot Shares under the Scheme.

Head Company has the same meaning as that term is defined in section 995-1 of the ITAA 1997.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date agreed to in writing between the parties.

Independent Expert means the independent expert in respect of the Scheme appointed by Facilitate.

Independent Expert's Report means a report (including any updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interest of Facilitate Shareholders.

Insolvency Event means in the case of any entity:

- (a) it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets;
- (b) it stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- (c) it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or Claim the subject of a good faith dispute);
- (d) it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken;
- (e) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for:
 - (i) its winding up, dissolution or administration; or
 - (ii) it entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,(other than frivolous or vexatious applications, orders, proceedings, notices or steps);
- (f)
 - (i) a receiver, receiver and manager, administrative receiver or similar officer is appointed to;
 - (ii) a security interest becomes enforceable or is enforced over; or
 - (iii) a distress, attachment or other execution is levied or enforced or applied for over,all or a substantial part of its assets; or
- (g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Joint Conditions means the conditions precedent set out under the heading 'Joint Conditions' in clause 3.1.

Joint Information means the information to be included in the Explanatory Booklet regarding the profile of the combined Facilitate Group/Adslot Group, assuming the Scheme is approved and implemented, and risk factors associated with the Scheme, being information that is to be prepared jointly by Facilitate and Adslot.

Joint Public Announcement means the public announcement in relation to the Scheme to be issued by Facilitate and Adslot to ASX in the form set out in Schedule 7, subject to any amendments agreed between the parties.

Liability means a debt, obligation, liability, loss, expense, cost or damage of any kind and however arising, including any penalty, fine or interest and including those which are prospective or contingent and those the amount of which for the time being is not ascertained or ascertainable.

Listing Rules means the official listing rules of ASX as amended from time to time.

Material Agreements means the agreements specified in:

- (a) Schedule 5 for the purposes of the definition of Third Party Consents and Schedule 3; and
- (b) Schedule 6 for the purposes of Schedule 4.

New Adslot Shares means the new Adslot Shares to be issued under the terms of the Scheme as the Scheme Consideration.

Regulatory Approvals means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without notification.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- (c) any regulatory organisation established under statute, in Australia whether federal, state, territorial or local.

Relevant Date means in relation to a condition precedent, the date or time specified in this deed for its fulfilment (or where no such date or time is specified, the Business Day before the End Date), subject to extension under clause 3.4.

Representative means in relation to Adslot or Facilitate:

- (a) each other member of the Adslot Group or Facilitate Group (as applicable);
- (b) an officer or employee of a member of the Adslot Group or Facilitate Group (as applicable); or
- (c) an Adviser to a member of the Adslot Group or Facilitate Group (as applicable).

RG 60 means Regulatory Guide 60 issued by ASIC on 11 December 2009.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Facilitate and the Scheme Shareholders under which Adslot proposes to acquire all of the Facilitate Shares (other than Facilitate Shares held by an Excluded Shareholder) substantially in the form of Schedule 8, subject to any alterations or conditions:

- (a) agreed to in writing by Adslot and Facilitate; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Adslot and Facilitate.

Scheme Consideration has the meaning set out in the Scheme.

Scheme Meeting means the meeting of Facilitate Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between the parties.

Scheme Resolution means the approval of the Scheme by Facilitate Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

Scheme Share means a Facilitate Share held by a Scheme Shareholder.

Scheme Shareholder means a Facilitate Shareholder (other than an Excluded Shareholder) at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Superior Proposal means a bona fide Competing Proposal received after the date of this deed (that has not been directly or indirectly solicited, invited, encouraged or initiated in breach of clauses 10.2, 10.3 or 10.4) that the Facilitate Board determines, acting in good faith in order to satisfy what the Facilitate Board considers to be its fiduciary or statutory duties (having taken advice from its external financial and legal advisers):

- (a) is reasonably capable of being valued and implemented, taking into account all aspects of the Competing Proposal, including any conditions and the likely availability of finance; and
- (b) would, if completed substantially in accordance with its terms, be likely to be more favourable to Facilitate Shareholders than the Scheme, taking into account all the terms and conditions of the Competing Proposal.

Tax means all forms of taxes, duties, imposts, charges, withholdings, rates, levies or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines, expenses and other additional statutory charges, incidental or related to the imposition.

Tax Law means any law in relation to any Tax.

Tax Relief means any relief, allowance, exemption, credit, exclusion set-off, deduction, loss, refund or rebate granted or available in respect of Tax under any Tax Law.

Third Party means any person or entity (including a Regulatory Authority) other than a member of the Adslot Group or a member of the Facilitate Group.

Third Party Consent means the waiver or consent in writing in a form reasonably satisfactory to Adslot from the relevant counterparty to a Material Agreement (or any other agreement or arrangement to which a member of the Facilitate Group is party which Adslot considers material (acting reasonably) in the context of the Facilitate Group) and which if not provided results or could result in such agreement or arrangement being terminated or varied or any action being taken or arising in each case as a result of the implementation of the Scheme.

Timetable means the indicative timetable for the implementation of the Scheme set out in Schedule 10, including any amendments to that timetable agreed by the parties in writing and acting reasonably.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or attachment is a reference to a clause of, or schedule or attachment to, this deed.
- (f) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document, and includes the recitals, schedules and attachments to that agreement or document.
- (g) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to dollars and \$ is to Australian currency.
- (l) All references to time are to Melbourne, Australia time.
- (m) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (n) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.
- (o) A reference to associate, control (by an entity of another entity), officer, related body corporate, subsidiary, relevant interest or voting power is to that term as it is defined in the Corporations Act.
- (p) A reference to Fairly Disclosed means disclosed in English to any of Adslot or Facilitate, as the context requires, or any of their respective Representatives in sufficient detail so as to enable a reasonable and sophisticated recipient of the relevant information who is

experienced in a transaction similar to the Scheme in the online display media industry to identify and understand the nature and scope of the relevant matter, event or circumstance.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.5 Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.6 Statements on the basis of knowledge

- (a) Any statement made by Facilitate on the basis of its knowledge is made on the basis that its knowledge is limited to the knowledge that Ben Dixon has or would have if he had made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates.
- (b) Any statement made by Adslot on the basis of its knowledge is made on the basis that its knowledge is limited to the knowledge that any of Ian Lowe and Brendan Maher have or would have if either or them had made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates.

1.7 Reasonable endeavours

Any provision of this deed which requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
 - (b) to commence any legal action or proceeding against any person,
- except where that provision expressly specifies otherwise.

2. Agreement to Proceed with Scheme

2.1 Facilitate to propose the Scheme

Facilitate agrees to propose and implement the Scheme on and subject to the terms of this deed.

2.2 Adslot to assist

Adslot agrees to assist Facilitate to propose and implement the Scheme on and subject to the terms of this deed.

3. Conditions Precedent and Pre-implementation Steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Adslot under clauses 4.2 and 4.3 are not binding, unless each of the following conditions precedent is satisfied or waived in accordance with clauses 3.3 and 3.4:

Joint Conditions

(Conditions precedent for the benefit of all parties)

- (a) **(ASIC and ASX consents)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals or have done such other acts which Facilitate and Adslot agree are reasonably necessary to implement the Scheme;
- (b) **(Other Regulatory Authority approvals)** before 8.00am on the Second Court Date:
 - (i) all other approvals of a Regulatory Authority which Facilitate and Adslot agree are necessary to implement the Scheme are obtained and have not been withdrawn or revoked; and
 - (ii) none of the following has been issued or made:
 - (A) a conditional or unconditional decision, determination or statement by any Regulatory Authority to the effect that it objects to the Scheme, and that decision, determination or statement would have the effect or likely effect of materially impeding the implementation of the Scheme;
 - (B) a preliminary or final decision, determination, or order issued by any Regulatory Authority preventing the Scheme; or
 - (C) a temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or the Takeovers Panel or other legal restraint or prohibition preventing the Scheme;
- (c) **(ASX Quotation)** before 8.00am on the Second Court Date ASX grants quotation of all the New Adslot Shares subject only to the approval of the Scheme by the Court, the implementation of the Scheme as approved by the Court and usual and customary conditions of ASX of a procedural or administrative nature;
- (d) **(Facilitate Shareholder approval)** before 8.00am on the Second Court Date, the Scheme is approved by Facilitate Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
- (e) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (f) **(Independent Expert's Report)** the Independent Expert's Report contains an opinion of the Independent Expert to the effect that the Scheme is in the best interest of Facilitate Shareholders and the Independent Expert maintains that opinion (including by not withdrawing or changing that opinion) at all times up to 8.00am on the Second Court Date;

Adslot Conditions

(Conditions precedent for the benefit of Adslot only)

- (g) **(No Facilitate Material Adverse Change)** no Facilitate Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date;
- (h) **(No Facilitate Prescribed Occurrence)** no Facilitate Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;
- (i) **(Facilitate Warranties)** the Facilitate Representation and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date;
- (j) **(Escrow)** before 8.00am on the First Court Date, Ben Dixon entering into a voluntary escrow deed on terms acceptable to the parties under which he agrees not to deal with any New Adslot Shares received by him and/or his related entities under the Scheme for a period of 12 months from the Implementation Date;

Facilitate Conditions

(Conditions precedent for the benefit of Facilitate only)

- (k) **(No Adslot Material Adverse Change)** no Adslot Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date;
- (l) **(No Adslot Prescribed Occurrence)** no Adslot Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date; and
- (m) **(Adslot Warranties)** the Adslot Representation and Warranties being true and correct in all material respects on the date of this deed and at 8.00am on the Second Court Date.
- (n) **(Escrow)** before 8.00am on the First Court Date, Ian Lowe entering into a voluntary escrow deed on terms acceptable to the parties under which he agrees not to deal with any New Adslot Shares received by him and/or his related entities under the Scheme for a period of 12 months from the Implementation Date;

3.2 Satisfaction

- (a) Adslot and Facilitate must use reasonable endeavours to procure that the Joint Conditions (other than the condition precedent in clause 3.1(d)) are satisfied.
- (b) Adslot must use reasonable endeavours to procure that the Facilitate Conditions are satisfied.
- (c) Facilitate must use reasonable endeavours to procure that the Adslot Conditions (and the condition precedent in clause 3.1(d)) are satisfied.
- (d) Adslot and Facilitate must provide reasonable assistance in satisfying the other conditions precedent in clause 3.1, and ensure that there is no occurrence within the control of a member of the Adslot Group or Facilitate Group (as the context requires) that would prevent any condition precedent in clause 3.1 being satisfied.
- (e) Facilitate must ensure that no Facilitate Prescribed Occurrence occurs, and that no occurrence within the control of a member of the Facilitate Group takes place which would cause a Facilitate Material Adverse Change to occur, in each case on or before the End Date.
- (f) Adslot must ensure that no Adslot Prescribed Occurrence occurs, and that no occurrence within the control of a member of the Adslot Group takes place which would cause an Adslot Material Adverse Change to occur, in each case on or before the End Date.

- (g) Adslot and Facilitate must:
 - (i) consult and co-operate fully with the other party in relation to the satisfaction of the conditions precedent, including in relation to all material communications with Regulatory Authorities in relation to Regulatory Approvals;
 - (ii) promptly provide to the other party all material communications with Regulatory Authorities in relation to Regulatory Approvals;
 - (iii) promptly notify the other if it becomes aware that any condition precedent has been satisfied; and
 - (iv) promptly notify the other of any failure to satisfy a condition precedent or of any fact or circumstance that may result in a condition precedent becoming incapable of being satisfied or that may result in a condition precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under this clause).
- (h) Without limiting this clause:
 - (i) Facilitate must provide Adslot with all information reasonably requested in connection with Adslot's applications for each Regulatory Approval referred to in clauses 3.1(a) and 3.1(b); and
 - (ii) Adslot must consult with Facilitate, and Facilitate must consult with Adslot, as applicable, in relation to the submission of and progress of obtaining each Regulatory Approval referred to in clause 3.1.
- (i) On the Second Court Date:
 - (i) Adslot and Facilitate must give the Court a joint certificate (or such other evidence as the Court requires) confirming whether or not the Joint Conditions (other than the condition precedent at clause 3.1(e)) have been satisfied or waived;
 - (ii) Adslot must:
 - (A) give the Court a certificate (or such other evidence as the Court requires) confirming (in respect of matters within its knowledge) whether or not Facilitate Conditions have been satisfied or waived; and
 - (B) give Facilitate a draft of its certificate by 5pm on the Business Day before the Second Court Date; and
 - (iii) Facilitate must:
 - (A) give the Court a certificate (or such other evidence as the Court requires) confirming (in respect of matters within its knowledge) whether or not Adslot Conditions have been satisfied or waived; and
 - (B) give Adslot a draft of its certificate by 5pm on the Business Day before the Second Court Date.

3.3 Waiver of conditions precedent

- (a) The conditions precedent in clauses 3.1(a), 3.1(b), 3.1(d) and 3.1(e) cannot be waived.
- (b) The remaining Joint Conditions are for the benefit of Adslot and Facilitate and may only be waived by both of them in writing.
- (c) The Adslot Conditions are for the sole benefit of Adslot and may only be waived by Adslot in writing.

- (d) The Facilitate Conditions are for the sole benefit of Facilitate and may only be waived by Facilitate in writing.
- (e) A party entitled to waive a condition precedent may do so conditionally or unconditionally in its absolute discretion.
- (f) If a party waives the breach or non-fulfilment of a condition precedent, that waiver will not preclude it from suing the other party for any breach of this deed that resulted from the breach or non-fulfilment of the condition precedent that was waived or arising from the same event which gave rise to the breach or non-fulfilment of the condition precedent.
- (g) Waiver of a breach or non-fulfilment in respect of a condition precedent does not constitute:
 - (i) a waiver of the breach or non-fulfilment of any other condition precedent resulting from the same event; or
 - (ii) a waiver of the breach or non-fulfilment of that condition precedent resulting from any other event.

3.4 If a condition precedent is not fulfilled or waived

If a condition precedent cannot be fulfilled (or has not been fulfilled or waived) by the Relevant Date, or the Scheme has not become Effective by the End Date, Facilitate and Adslot must, prior to any termination under clause 3.7, consult in good faith and act reasonably (and obtain appropriate advice) for a period of at least 10 Business Days to develop potential structures and approaches and to determine whether:

- (a) the Scheme may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods (to avoid doubt, any such alternative means or methods must not involve any material additional economic cost (including increasing the amount of any Tax payable or reducing any Tax Relief available) to Adslot or to Facilitate or any Facilitate Shareholder or be materially less advantageous to Adslot or Facilitate Shareholders);
- (b) to extend the Relevant Date;
- (c) to adjourn or change the date of the Scheme Meeting; and/or
- (d) to extend the End Date.

Without limiting the foregoing, if a condition precedent is not satisfied by the date contemplated in the Timetable as the Second Court Date, Facilitate and Adslot agree (unless there is no reasonable prospect that the condition precedent will be satisfied) that the Second Court Date be deferred until such date (not later than the Business Day before the End Date) as reasonably required to enable more time to satisfy the condition precedent.

3.5 Appeal process

- (a) Without limiting clause 3.4, if the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, Facilitate must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or Facilitate is advised in writing by its legal counsel that an appeal would have no reasonable prospect of success, and in the latter case a copy of that advice must be provided to Adslot).
- (b) Any costs incurred as a result of the operation of clause 3.5(a) are to be borne equally by Adslot and Facilitate.

3.6 Scheme voted down

Without limiting clause 3.4 or clause 3.5, if the Scheme is not approved by a majority in number of the Facilitate Shareholders (other than Excluded Shareholders) present and voting (in person or by proxy) at the Scheme Meeting (headcount test), that fact will not of itself be treated as preventing the condition precedent in clause 3.1(d) from being satisfied, and Facilitate must, if counsel for Adslot has certified that there are reasonable prospects of success on such an application, do everything it reasonably can to obtain Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act, and an order of the Court in accordance with section 411(4)(a)(ii)(B) of the Corporations Act that the headcount test need not be satisfied, and must consult and co-operate fully with Adslot in that regard.

3.7 Termination on failure of condition precedent

- (a) If:
- (i) the Scheme has not become Effective by the End Date; or
 - (ii) any event occurs which would, or in fact does, prevent a condition precedent being satisfied and that condition precedent is not waived by Facilitate or Adslot or both (as applicable) in accordance with clause 3.3,

then, subject to clause 3.7(b), Adslot or Facilitate party may terminate this deed without any liability to the other party because of that termination.

- (b) A party will not be entitled to terminate this deed under clause 3.7(a) if the relevant occurrence, or the failure of the satisfaction of a condition precedent, or of the Scheme becoming Effective, arises out of, or is substantially contributed to by:
- (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party.
- (c) Subject to any rights or obligations arising under or under clauses that are expressed to survive termination of this deed, on termination of this deed no party will have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued before termination.

4. Transaction Steps

4.1 Scheme

Facilitate must propose the Scheme under which:

- (a) all of the Scheme Shares will be transferred to Adslot; and
- (b) the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 Scheme Consideration

Adslot undertakes to Facilitate (in its own right and as trustee on behalf of the Scheme Shareholders) that, in consideration of the transfer to Adslot of each Scheme Share under the terms of the Scheme, on the Implementation Date it will accept that transfer and Adslot will provide each Scheme Shareholder the Scheme Consideration in accordance with the terms of the Scheme.

4.3 Allotment and issue of New Adslot Shares

- (a) Subject to the Scheme becoming Effective, Adslot must:
 - (i) allot and issue the New Adslot Shares to Scheme Shareholders in accordance with the Scheme on terms such that each New Adslot Share will rank equally in all respects with each existing Adslot Share;
 - (ii) do everything reasonably necessary to ensure that the New Adslot Shares are approved for official quotation on ASX and that trading in the New Adslot Shares commences on an ordinary (T+3) settlement basis by the first Business Day after the Implementation Date; and
 - (iii) ensure that on issue, each New Adslot Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (b) To facilitate the issue of the New Adslot Shares to Scheme Shareholders, Facilitate must provide to Adslot, or procure the provision to Adslot of, a complete copy of the Facilitate Share Register as at the Scheme Record Date (which must include the name, address and registered holding of each Scheme Shareholder as at the Scheme Record Date), within two Business Days after the Scheme Record Date. The details and information to be provided under this clause must be provided in such form as Adslot, its Representatives or share registry may reasonably require.
- (c) Adslot will not issue any New Adslot Shares to Foreign Scheme Shareholders, and instead will issue the New Adslot Shares that would otherwise have been issued to the Foreign Scheme Shareholders to a nominee appointed by Adslot. Adslot will procure that the nominee sell those New Adslot Shares on-market and remit the proceeds from that sale (after deducting any selling costs and taxes) to Adslot. Adslot will then remit the proceeds it receives to the Foreign Scheme Shareholders in accordance with their entitlement.
- (d) Any fractional entitlement of a Scheme Shareholder to Scheme Consideration:
 - (i) which is 0.5 or greater will be rounded up to the nearest whole number of New Adslot Shares; and
 - (ii) which is less than 0.5 will be rounded down to the nearest whole number of New Adslot Shares.

4.4 Facilitate Options

- (a) As soon as reasonably practicable after the date of this deed but in any event within 20 Business Days of that date, Facilitate must use all reasonable endeavours to obtain the written agreement of each person who is a holder of Facilitate Options to have their options cancelled, with effect from the Effective Date, for consideration to be determined by private treaty agreement between Adslot, Facilitate and each Option holder.
- (b) If, within 20 Business Days of the date of this deed, Facilitate has not obtained the agreement of each person who is a holder of Facilitate Options to have their options cancelled in accordance with clause 4.4(a):
 - (i) Facilitate agrees, if directed to do so by Adslot, to propose a creditors' scheme of arrangement under Part 5.1 of the Corporations Act between Facilitate and all holders of Facilitate Options (including, for the avoidance of doubt, any holder of Facilitate Options who provides a written agreement within the terms contemplated by clause 4.4(a)), the purpose of which is to cancel all of the Facilitate Options on issue for the consideration to be determined in accordance with 4.4(a);

- (ii) the creditors' scheme of arrangement contemplated by clause 4.4(b)(i), if required, will be in a form to be agreed between the parties acting reasonably; and
 - (iii) the approval and implementation of the Scheme will not be conditional on the approval and implementation of the creditors' scheme of arrangement contemplated by clause 4.4(b)(i), if that scheme is required.
- (c) Before Adslot gives Facilitate a direction under clause 4.4(b)(i), Adslot agrees to give due and reasonable consideration to the alternative of Adslot initiating after the Implementation Date the compulsory acquisition of any Facilitate Options that remain on issue as at that date, under Part 6A.2 (Div 2) of the Corporations Act.

5. Implementation

5.1 Facilitate's obligations

Facilitate must take all necessary steps to propose and (subject to all of the conditions in clause 3.1 being satisfied or waived in accordance with their terms) implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with Adslot on a regular basis about its progress in that regard), including by doing any acts it is authorised and able to do on behalf of Facilitate Shareholders and each of the following.

- (a) **(Preparation of Explanatory Booklet)** Prepare the Explanatory Booklet in accordance with clause 5.3.
- (b) **(Confirmation of Facilitate Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to Facilitate Shareholders, either:
 - (i) confirm in writing to Adslot that the Facilitate Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) make the changes required to ensure that the Facilitate Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (c) **(Joint Information)** Promptly contribute to and assist with the preparation and verification of the Joint Information.
- (d) **(Confirmation of Joint Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to Facilitate Shareholders, either:
 - (i) confirm in writing to Adslot that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to Adslot the changes required to ensure that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission,

to the extent that any part of the Joint Information is prepared or contributed solely by Facilitate.

- (e) **(Regulatory notifications)** In relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by Facilitate in relation to the Scheme.
- (f) **(Independent Expert)** Appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare the Independent Expert's Report as soon as practicable (but ensuring that clause 5.1(aa) is complied with in briefing the Independent Expert).
- (g) **(Consult with Adslot on ancillary documents)** Consult with Adslot as to the content and presentation of all relevant originating process, affidavits, submissions and draft minutes of Court orders and other civil procedure documents to be filed with the Court in connection with the Scheme, such consultation to include allowing Adslot a reasonable opportunity to review and make comments on drafts of those documents, consider in good faith, for the purpose of amending those drafts, comments from Adslot and its Representatives on those drafts, and provide Adslot with copies of any correspondence with ASIC and ASX in connection with the Scheme (and an opportunity to comment on drafts of any substantive written communications to ASIC or ASX).
- (h) **(approval of draft for ASIC)** As soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the Facilitate Board, or of a committee of the Facilitate Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act.
- (i) **(liaison with ASIC)** As soon as reasonably practicable after the date of this deed:
 - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with this deed to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet and keep Adslot reasonably informed of any matters raised by ASIC in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with Adslot, to resolve any such matters.
- (j) **(approval of Explanatory Booklet)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the Facilitate Board, or of a committee of the Facilitate Board appointed for the purpose, is held to consider approving the Explanatory Booklet for despatch to the Facilitate Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act.
- (k) **(Section 411(17)(b) statement)** Apply to ASIC for a statement under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme.
- (l) **(first Court hearing)** Apply to the Court under section 411(1) of the Corporations Act for orders directing Facilitate to convene the Scheme Meeting.
- (m) **(ASIC registration)** Request ASIC to register under section 412(6) of the Corporations Act the explanatory statement for the Scheme as contained in the Explanatory Booklet, in the form approved by the Court.
- (n) **(Scheme Meeting)** Use all reasonable endeavours necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Facilitate Shareholders and convening and holding the Scheme Meeting, and using reasonable

endeavours to ensure that all Facilitate Shareholders vote as a single class and with equal weight being given to their votes.

- (o) **(Proxy reports)** Cause the Facilitate Registry to report to it and Adslot on the status of proxy forms received by Facilitate Registry for the Scheme Meeting, at 15 Business Days before the Scheme Meeting, at each subsequent Business Day up to the deadline for receipt of proxy forms and at such deadline, and provide such other information as it may receive concerning the voting intentions of Facilitate Shareholders to Adslot.
- (p) **(Court approval)** Subject to all conditions precedent in clause 3.1 (other than that in clause 3.1(e)) being satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme, and consult with Adslot as to the content of all relevant affidavits, submissions and draft minutes of Court orders.
- (q) **(Court order)** Lodge with ASIC an office copy of any Court order approving the Scheme in accordance with the Timetable (or such later date as Adslot may agree in writing).
- (r) **(Cancellation of Facilitate Options)** Procure the grant by ASX of a waiver from ASX Listing Rule 6.2 to allow for the cancellation of all Facilitate Options.
- (s) **(Third Party Consents)** Facilitate must consult with Adslot concerning Third Party Consents and use its best endeavours to obtain any Third Party Consents. Facilitate must involve Adslot in meetings or discussions with Third Parties relating to the obtaining of Third Party Consents and keep Adslot informed of progress in obtaining any such Third Party Consents (and must do everything it can to ensure that the relevant counterparties provide information promptly as to how they propose to exercise their rights and keep Adslot informed of all such information) and assist Adslot generally in relation to matters required for the implementation of the Scheme, and consult with Adslot in relation to the foregoing.
- (t) **(Implementation of Scheme)** If the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, within the timeframe contemplated by the Timetable;
 - (ii) procure ASX to suspend trading in Facilitate Shares from the close of trading on the Effective Date;
 - (iii) with effect from the Scheme Record Date, determine the identity of Scheme Shareholders and their entitlements to the Scheme Consideration;
 - (iv) subject to Adslot satisfying its obligations under clause 4.2 execute proper instruments of transfer of the Scheme Shares on behalf of the Scheme Shareholders and procure the registration in the Facilitate Share Register of all transfers of Scheme Shares to Adslot under those instruments on the Implementation Date;
 - (v) use its best endeavours to ensure that the termination of official quotation and removal of Facilitate from the official list of the ASX does not occur until after the Implementation Date; and
 - (vi) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme.
- (u) **(Regulatory notifications)** In relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by Facilitate in relation to the Scheme.

- (v) **(Adslot Information)** Without the prior written consent of Adslot, not use the Adslot Information or the Joint Information (to the extent any part of the latter is prepared or contributed solely by Adslot) for any purposes other than those expressly contemplated by this deed or the Scheme.
- (w) **(Facilitate Share Plan)** Terminate the Facilitate Share Plan with effect from the Implementation Date.
- (x) **(Compliance with laws)** Do everything reasonably within its power to ensure that the Scheme are effected in accordance with all applicable laws and regulations.
- (y) **(Engagement with major Facilitate Shareholders)** In co-operation with Adslot, consult with major Facilitate Shareholders regarding the Scheme and encourage the public support of the Scheme by major Facilitate Shareholders.
- (z) **(Practical assistance)** Make its officers and employees available for any meetings with Facilitate shareholders which Adslot may seek, and permit Adslot to accompany them at such meetings and take such other steps as Adslot may require to facilitate an explanation by Adslot of the merits of the Scheme.
- (aa) **(Presentation of information to the Independent Expert)** Allow Adslot such opportunities as it reasonably requests (and equal opportunity with Facilitate) to present to the Independent Expert in relation to its business, to assist the Independent Expert's understanding of those matters, and, to the extent any parts of the Independent Expert's Report are made available for review, provide those to Adslot and convey Adslot's comments to the Independent Expert (and enable Adslot to meet with the Independent Expert), and ensure that the Independent Expert is briefed in a manner which is balanced and fair to Adslot. Facilitate must ensure that Adslot receives equal access with Facilitate in briefing the Independent Expert.

5.2 Adslot's obligations

Adslot must take all necessary steps to facilitate the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with Facilitate on a regular basis about its progress in that regard), including by doing each of the following:

- (a) **(Adslot Information)** Prepare and provide to Facilitate the Adslot Information for inclusion in the Explanatory Booklet to comply with all applicable laws, including the Corporations Act, RG 60 and the ASX Listing Rules relevant to the Adslot Information and consult with Facilitate as to the content and presentation of the Adslot Information in the Explanatory Booklet, such consultation to include allowing Facilitate a reasonable opportunity to review and make comments on successive drafts of the Adslot Information before lodgement of the Explanatory Booklet with ASIC.
- (b) **(Joint Information)** Promptly contribute to and assist with the preparation and verification of the Joint Information.
- (c) **(Confirmation of Joint Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to Facilitate Shareholders, either:
 - (i) confirm in writing to Facilitate that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or

- (ii) provide to Facilitate the changes required to ensure that the Joint Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission,

to the extent that any part of the Joint Information is prepared or contributed solely by Adslot.

- (d) **(Regulatory notifications)** In relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by Adslot in relation to the Scheme.
- (e) **(Assist Independent Expert)** Promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report as soon as practicable.
- (f) **(ASX quotation)** Do everything reasonably necessary to ensure that the New Adslot Shares are approved for official quotation on ASX and that trading in the New Adslot Shares commences by the first Business Day after the Implementation Date.
- (g) **(Review drafts of Explanatory Booklet)** As soon as practicable after delivery, review drafts of the Explanatory Booklet prepared by Facilitate and provide any comments on those drafts, with this review to incorporate a review of any parts of the Independent Expert's Report that have been supplied for review.
- (h) **(Confirmation of Adslot Information)** Before the Explanatory Booklet is provided to ASIC under section 411(2) of the Corporations Act and again before the Explanatory Booklet is despatched to Facilitate Shareholders, either:
 - (i) confirm in writing to Facilitate that the Adslot Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to Facilitate the changes required to ensure that the Adslot Information in the form and context in which it appears in the Explanatory Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (i) **(Deed Poll)** Before the First Court Date, enter into the Deed Poll and deliver it to Facilitate. If the Scheme becomes Effective, discharge its obligations under and in accordance with the Deed Poll.
- (j) **(Court representation)** If requested by Facilitate or if Adslot acting reasonably considers it necessary or appropriate, procure that it is represented by counsel at the Court hearings convened for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act, at which, through its counsel or solicitors, Adslot will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this deed, the Scheme and the Deed Poll.
- (k) **(Cancellation of Facilitate Options)** Promptly enter into any written agreement arranged by Facilitate under clause 4.4(a) in the form agreed between Facilitate and Adslot (which will be conditional on the Scheme becoming Effective and on all holders of Facilitate Options entering into equivalent deeds before the Second Court Date).
- (l) **(Facilitate Information)** Without the prior written consent of Facilitate, not use Facilitate Information or the Joint Information (to the extent any part of the latter is prepared or

contributed solely by Facilitate) for any purposes other than those expressly contemplated by this deed or the Scheme.

- (m) **(Scheme Consideration)** If the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4.2 on the Implementation Date and apply for the New Adslot Shares issued to Scheme Shareholders to be officially quoted on ASX.
- (n) **(Compliance with laws)** Do everything reasonably within its power to ensure that the Scheme are effected in accordance with all applicable laws and regulations.

5.3 Explanatory Booklet – preparation principles

- (a) As soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, Facilitate must prepare the Explanatory Booklet in compliance with:
 - (i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 5.3.
- (b) The Explanatory Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting;
 - (iii) the Facilitate Information;
 - (iv) the Adslot Information;
 - (v) the Joint Information;
 - (vi) a copy of this deed (without the schedules or annexures) or a summary of it;
 - (vii) a copy of the executed Deed Poll; and
 - (viii) a copy of the Independent's Expert Report.
- (c) The Explanatory Booklet must include a statement that:
 - (i) other than the Adslot Information and the Independent Expert's Report, the Explanatory Booklet has been prepared by Facilitate and is the responsibility of Facilitate, and that no Adslot Party assumes any responsibility for the accuracy or completeness of the Explanatory Booklet (other than the Adslot Information and the Joint Information);
 - (ii) the Adslot Information has been provided by Adslot and is the responsibility of Adslot, and that no Facilitate Party assumes any responsibility for the accuracy or completeness of the Adslot Information; and
 - (iii) the Joint Information has been provided by Adslot and Facilitate and is their joint responsibility.
- (d) The Explanatory Booklet must include information on the Facilitate Directors' recommendations in connection with the Scheme in compliance with paragraph 8301 of Schedule 8 to the Corporations Regulations.

- (e) Facilitate must make available to Adslot drafts of the Explanatory Booklet (including any part of the draft of the Independent Expert's Report that has been made available to Facilitate), consult with Adslot in relation to the content of those drafts, and consider in good faith, for the purpose of amending those drafts, comments from Adslot on those drafts, such consultation to include allowing Adslot a reasonable opportunity to review and make comments on successive drafts of the Facilitate Information before lodgement of the Explanatory Booklet with ASIC. Adslot acknowledges and agrees that Facilitate has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as expressly provided in this deed with respect to the Adslot Information.
- (f) Facilitate must seek approval from Adslot for the form and context in which the Adslot Information appears in the Explanatory Booklet, which approval Adslot must not unreasonably withhold or delay, and Facilitate must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Adslot.
- (g) Facilitate must take all reasonable steps to ensure that the Explanatory Booklet (other than the Adslot Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to Facilitate Shareholders.
- (h) Adslot must take all reasonable steps to ensure that the Adslot Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to Facilitate Shareholders.
- (i) Adslot and Facilitate must jointly take all reasonable steps to ensure that the Joint Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to Facilitate Shareholders.
- (j) Facilitate must provide to Adslot all such further or new information of which Facilitate becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (k) Adslot must provide to Facilitate all such further or new information of which Adslot becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Adslot Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (l) Facilitate and Adslot each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Facilitate Shareholders and Adslot and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 5.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

5.4 Conduct of Facilitate business

- (a) Subject to clause 5.6, from the date of this deed up until and including the Implementation Date, Facilitate must ensure that Facilitate and the other members of the Facilitate Group:
 - (i) conduct their businesses in the ordinary course and substantially (subject to any applicable laws, regulations and Regulatory Approvals) in the manner in which each such business and operation has been conducted in the period before the date

of this deed and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;

- (ii) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
 - (iii) not enter any lines of business or other activities in which members of the Facilitate Group are not engaged at the date of this deed;
 - (iv) respond to any reasonable request from Adslot and its Representatives (including in response to requests for information from stock exchanges and Regulatory Authorities) for information concerning the Facilitate Group and its business and operations; and
 - (v) provide Adslot and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of members of the Facilitate Group, and otherwise provide reasonable co-operation to Adslot and its Representatives, for the purpose of doing all things necessary or desirable under this deed or in connection with the Scheme (including compliance with any regulatory or stock exchange reporting requirements), any financing undertaken by Adslot in connection with the Scheme and any plans for the integration of the Facilitate Group into the Adslot Group following the Implementation Date.
- (b) Nothing in this clause 5.4 requires Facilitate to provide Adslot with any information:
- (i) in breach of an obligation of confidentiality to any person;
 - (ii) of a commercially sensitive nature, except under clause 5.4(a); or
 - (iii) concerning the consideration of the Scheme by the Facilitate Board or Facilitate management,
- or to provide access or co-operation to the extent it would result in a disruption to any material aspects of the Facilitate Group's businesses and operations.

5.5 Conduct of Adslot business

- (a) Subject to clause 5.6, from the date of this deed up until and including the Implementation Date, Adslot must ensure that Adslot and the Adslot Group:
- (i) conduct their businesses in the ordinary course and substantially (subject to any applicable laws, regulations and Regulatory Approvals) in the manner in which each such business and operation has been conducted in the period before the date of this deed and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
 - (ii) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;

- (iii) not enter any lines of business or other activities in which members of the Adslot Group are not engaged at the date of this deed;
 - (iv) respond to any reasonable request from Facilitate and its Representatives (including in response to requests for information from stock exchanges and Regulatory Authorities) for information concerning the Adslot Group and its business and operations; and
 - (v) provide Facilitate and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of members of the Adslot Group, and otherwise provide reasonable co-operation to Facilitate and its Representatives, for the purpose of doing all things necessary or desirable under this deed or in connection with the Scheme (including compliance with any regulatory or stock exchange reporting requirements), and any plans for the integration of the Facilitate Group into the Adslot Group following the Implementation Date.
- (b) Nothing in this clause 5.5 requires Adslot to provide Facilitate with any information:
- (i) in breach of an obligation of confidentiality to any person;
 - (ii) of a commercially sensitive nature, except under clause 5.5(a); or
 - (iii) concerning the consideration of the Scheme by the Adslot Board or Adslot management,

or to provide access or co-operation to the extent it would result in a disruption to any material aspects of the Adslot Group's businesses and operations.

5.6 Permitted activities

- (a) The obligations of Facilitate or Adslot under clauses 5.4 and 5.5 respectively, do not apply in respect of any matter:
- (i) undertaken by a member of the Facilitate Group or Adslot Group, as the case may be, in conducting its businesses in the usual and ordinary course and consistent with past practice;
 - (ii) required to be done or procured by Facilitate or Adslot, as the case may be, under, or which is otherwise contemplated by this deed or the Scheme;
 - (iii) subject to clause 5.6(b), Fairly Disclosed:
 - (A) in the case of Facilitate, either in the Facilitate Due Diligence Material on or before the Disclosure Cut-off Date or in the Facilitate Disclosure Letter; and
 - (B) in the case of Adslot, either in the Adslot Due Diligence Material on or before the Disclosure Cut-off Date or in the Adslot Disclosure Letter,
 as being actions that the Facilitate Group or the Adslot Group, as the case may be, may carry out between the date of this deed and the Implementation Date; or
 - (iv) the undertaking of which:
 - (A) in the case of Facilitate, Adslot; and
 - (B) in the case of Adslot, Facilitate

has approved in writing (which approval must not be unreasonably withheld or delayed).

- (b) Facilitate and Adslot must, in respect of any matter referred to in clause 5.6(a)(iii) above that it proposes to undertake:
 - (i) if the Facilitate Due Diligence Material, Facilitate Disclosure Letter, Adslot Due Diligence Material or Adslot Disclosure Letter, as the case may be, permits the carrying out of the action only in accordance with certain conditions, ensure those conditions are met;
 - (ii) not undertake that matter (or commit to undertake that matter) without first consulting with:
 - (A) in the case of Facilitate, Adslot; and
 - (B) in the case of Adslot, Facilitate;
 - (iii) promptly provide Adslot or Facilitate, as the case may be, with any information regarding the matter reasonably requested by the other party.

For the avoidance of doubt, clause 5.6(b) does not operate to provide Adslot or Facilitate, as the case may be, with a veto right in respect of any matter referred to in clause 5.6(a)(iii).

5.7 Facilitate Board Recommendations and Intentions

- (a) The parties acknowledge that the Joint Public Announcement will state that the Facilitate Board:
 - (i) unanimously considers the Scheme to be in the best interests of Facilitate Shareholders; and
 - (ii) recommends that Facilitate Shareholders approve the Scheme Resolution, in each case in the absence of a Superior Proposal for Facilitate and subject to the Independent Expert's Report concluding that the Scheme is in the best interests of Facilitate Shareholders (**Recommendation**).
- (b) Facilitate represents and warrants that the Facilitate Board and each of the Facilitate Directors will:
 - (i) not withdraw the statements and recommendations set out in the Joint Public Announcement;
 - (ii) in the Explanatory Booklet, state that the Facilitate Board unanimously considers the Scheme to be in the best interests of Facilitate Shareholders and unanimously recommends that Facilitate Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal for Facilitate, and will not withdraw those statements or recommendations once made; and
 - (iii) does not make any public statement to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended,

unless any of the following occur:

 - (iv) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Facilitate Shareholders;
 - (v) Facilitate receives a Competing Proposal and, subject to Facilitate complying with clause 10.6, a majority of the Facilitate Board determines that the Competing Proposal constitutes a Superior Proposal and any Facilitate Director, after

considering the matter in good faith, no longer considers the Scheme to be in the best interests of Facilitate Shareholders;

- (vi) an Adslot Material Adverse Change occurs; or
 - (vii) an Adslot Prescribed Occurrence occurs.
- (c) Facilitate must ensure that the Joint Public Announcement and the Explanatory Booklet state that each Facilitate Director intends to cause any Facilitate Shares in which they have a relevant interest to be voted in favour of the Scheme Resolution (**Voting Intention**), which statement must not be qualified in any way other than by words to the effect of "in the absence of a Superior Proposal" and, in the case of the Joint Public Announcement only, "subject to the Independent Expert concluding that the Scheme is in the best interests of Facilitate Shareholders".
- (d) Adslot acknowledges that each Facilitate Director may, at any time after the date of this deed, publicly (or otherwise) withdraw, change or in any way qualify their Voting Intention if:
- (i) a Superior Proposal is made;
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Scheme is not in the best interests of Facilitate Shareholders;
 - (iii) an Adslot Material Adverse Change occurs; or
 - (iv) an Adslot Prescribed Occurrence occurs.
- (e) Facilitate represents and warrants to Adslot that each Facilitate Director has confirmed their agreement not to do anything inconsistent with their Voting Intention (including withdrawing, changing, or in any way qualifying their Recommendation or Voting Intention) other than in circumstances referred to in clause 5.7(d).

5.8 Integration Committee

- (a) From the date of the announcement of the Scheme the parties agree to form an operational integration committee (**Integration Committee**) to facilitate and plan for the Scheme and integration of the businesses of the Facilitate Group with the businesses of Adslot Group following the Implementation Date. The Integration Committee will comprise members of the management each of Facilitate and Adslot and such other persons as the managing directors may agree from time to time.
- (b) The Integration Committee will meet (in person or by telephone) as and when deemed necessary from the date of this deed until the Scheme is fully implemented.
- (c) The Integration Committee will consider all matters relevant to implementing the Scheme, including the following:
 - (i) the structure and timetable for accomplishing the Scheme;
 - (ii) integration planning issues;
 - (iii) employee share options and superannuation funds;
 - (iv) communication strategies, including with ASX, employees, shareholders and other stakeholders of each party and the media; and
 - (v) consultation with appropriate Regulatory Authority in relation to any Regulatory Approvals.

- (d) Without limiting clause 5.8(c), Facilitate must procure that its members of the Integration Committee provide to Adslot's members of the Integration Committee all such input and assistance as those members may reasonably require or reasonably request with respect to the development of Adslot's merger integration plan.

6. Actions on and following Implementation Date

6.1 Reconstitution of the board of each member of the Facilitate Group

- (a) On the Implementation Date, but subject to the Scheme Consideration having been provided in full to Scheme Shareholders and receipt by Facilitate of signed consents to act, Facilitate must take all actions necessary (and in accordance with the constitution of the Facilitate Group member, the Corporations Act and the Listing Rules) to reconstitute the Facilitate Board and the Board of each Subsidiary in accordance with the directions of Adslot.
- (b) Without limiting clause 6.1(a), on the Implementation Date, subject to receipt by Facilitate of written notices of resignation to the effect that the outgoing directors have no claim outstanding against any member of the Facilitate Group, Facilitate must procure that:
 - (i) all outgoing Facilitate Directors resign from the Facilitate Board; and
 - (ii) all outgoing directors of each Subsidiary of Facilitate resigns from their office.

6.2 Appointment of Facilitate nominees to the Adslot Board

On the Implementation Date, but subject to the Scheme Consideration having been provided in full to Scheme Shareholders and receipt by Facilitate of signed consents to act, Adslot must take all actions necessary (and in accordance with the constitution of Adslot, the Corporations Act and the Listing Rules) to appoint Geoff Dixon and Ben Dixon, being the persons nominated by Facilitate, as new directors of Adslot.

6.3 Sequence of actions on the Implementation Date

On the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:

- (a) Adslot will provide the Scheme Consideration in accordance with the Scheme;
- (b) the Facilitate Board and the board of each Subsidiary of Facilitate will be reconstituted in accordance with clause 6.1;
- (c) the Adslot Board will be reconstituted in accordance with clause 6.2;
- (d) Adslot will acquire all of the Scheme Shares;
- (e) all Facilitate Options will be cancelled; and
- (f) Adslot will provide the consideration to those holders of Facilitate Options with whom Adslot has entered into private treaty arrangements for the cancellation of their Options.

7. Representations and Warranties

7.1 Adslot Representations and Warranties

- (a) Adslot represents and warrants to Facilitate (in its own right and separately as trustee or nominee for each of the other Facilitate Parties) that each Adslot Representation and Warranty is true and correct.
- (b) Each Adslot Representation and Warranty is subject to matters required or permitted to be done by this deed and to matters:

- (i) Fairly Disclosed in the Adslot Disclosure Letter;
- (ii) Fairly Disclosed on or before the Disclosure Cut-off Date in the Adslot Due Diligence Materials; or
- (iii) Fairly Disclosed in announcements issued by Adslot on ASX up to and including the day before the date of this deed.

7.2 Facilitate Representations and Warranties

- (a) Facilitate represents and warrants to Adslot (in its own right and separately as trustee or nominee for each of the other Adslot Parties) that each Facilitate Representation and Warranty is true and correct.
- (b) Each Facilitate Representation and Warranty is subject to matters required or permitted to be done by this deed and to matters:
 - (i) Fairly Disclosed in the Facilitate Disclosure Letter;
 - (ii) Fairly Disclosed on or before the Disclosure Cut-off Date in the Facilitate Due Diligence Materials; or
 - (iii) Fairly Disclosed in announcements issued by Facilitate on ASX up to and including the day before the date of this deed.

7.3 Timing of representations and warranties

Unless expressed to be given at a particular time (in which case it is given at that time), each Adslot Representation and Warranty and each Facilitate Representation and Warranty is given:

- (a) at the date of this deed; and
- (b) at all times up until 8.00am on the Second Court Date.

7.4 Survival of representations

Each Adslot Representation and Warranty and Facilitate Representation and Warranty:

- (a) is severable; and
- (b) survives the termination of this deed (but does not survive, and will be taken to have no further force or effect following implementation of the Scheme).

8. Releases

8.1 Facilitate Parties

- (a) Without limiting Adslot's rights under clause 12, Adslot (for itself and as agent of every member of the Adslot Group) releases all rights against and agrees with Facilitate that it will not make a Claim against, any Facilitate Party (other than Facilitate) in connection with:
 - (i) Facilitate's execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of Facilitate in this deed;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure made by any Facilitate Party including in the Facilitate Due Diligence Material or the Facilitate Disclosure Letter that contains any statement which is false or misleading whether in content or by omission,

except to the extent the relevant Facilitate Party has not acted in good faith or has engaged in wilful misconduct.

- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Facilitate receives and holds the benefit of this clause as trustee for each other Facilitate Party.

8.2 Adslot Parties

- (a) Without limiting Facilitate's rights under clause 12, Facilitate releases its rights against, and agrees with Adslot that it will not make a Claim against, any Adslot Party (other than Adslot) in connection with:
 - (i) Adslot's execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of Adslot in this deed;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure made by any Adslot Party including in the Adslot Due Diligence Material or the Adslot Disclosure Letter that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant Adslot Party has not acted in good faith or has engaged in wilful misconduct.

- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Adslot receives and holds the benefit of this clause as trustee for each other Adslot Party.

8.3 Directors' and officers' insurance

Adslot acknowledges that Facilitate will:

- (a) prior to the Effective Date, arrange for the cover currently provided under its directors' and officers' insurance policy (**Policy**) to be extended for a further period of 12 months; and
- (b) by no later than the Implementation Date, to the extent practicable at normal commercial rates, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a 7 year period from the end of the term of the Policy, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until that date.

8.4 Obligations in relation to directors' and officers' insurance

From the Implementation Date, Facilitate must not:

- (a) vary or cancel the Policy; or
- (b) unless required under the Policy, commit any act or omission that may prejudice any claim by a director or officer of Facilitate under the Policy as extended under clause 8.3(b) above.

Nothing in clauses 8.3 or 8.4 shall require Adslot or Facilitate to incur any additional premium after the Implementation Date or require Facilitate to not fulfil its contractual obligations under the Policy.

9. Public Announcements

9.1 Announcement of the Scheme

Immediately after the execution of this deed, the parties must each issue the Joint Public Announcement.

9.2 Other public announcements

Subject to clause 9.3, prior to making any public announcement or disclosure of or in relation to the Scheme or any other transaction the subject of this deed or the Scheme each party must use its reasonable endeavours to consult with the other party as to, and seek to agree with the other party (each party acting reasonably and in good faith), the timing, form and content of that announcement or disclosure.

9.3 Required announcement

Where a party is required by applicable law, the ASX Listing Rules or any other applicable stock exchange regulation to make any announcement or to make any disclosure in connection with the Scheme or any other transaction the subject of this deed or the Scheme, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practical.

9.4 Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end but without limitation, clauses 9.2 and 9.3 apply to any such statements or disclosures.

10. Exclusivity

10.1 Termination of existing discussions

Facilitate warrants that, as at the time of execution of this deed, it is not, and must ensure that none of its Representatives are, in any negotiations or discussions, and that it has, and its Representatives are, ceased any existing negotiations or discussions, in respect of any Competing Proposal (or which may reasonably be expected to lead to a Competing Proposal) with any person.

10.2 No shop restriction

During the Exclusivity Period, except with the prior written consent of Adslot, Facilitate must not, and must ensure that none of its Representatives or agents, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

10.3 No talk restriction

During the Exclusivity Period, Facilitate must not, and must ensure that none of its Representatives or agents, (whether directly or indirectly) enter into, continue or participate in negotiations or discussions with, or enter into any agreement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Facilitate; or
- (b) the Competing Proposal has been publicly announced,

unless:

- (c) the Facilitate Board, acting in good faith, determines (after having taken written advice from its external financial and legal advisers) that, where there is a Competing Proposal, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Facilitate Board proposes to take; and

- (d) the Facilitate Board, acting in good faith, determines (after having taken written advice from its external legal advisers) that failing to respond to that Competing Proposal would constitute or would be likely to constitute a breach of the Facilitate Board's fiduciary or statutory duties,

but only if that Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Facilitate or any of its Representatives in a manner that would breach its obligations under this clause 10.3 or clauses 10.2 or 10.4.

10.4 No due diligence

Without limiting the general nature of clause 10.3, during the Exclusivity Period Facilitate must not, and must ensure that its Representatives and agents do not, make available to any Third Party, or permit any Third Party, to receive any non public information relating to any member of the Facilitate Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal, unless:

- (a) the Competing Proposal has not been directly or indirectly solicited, invited, encouraged or initiated in breach of this clause or clauses 10.2 or 10.3;
- (b) the Facilitate Board, acting in good faith, determines (after having taken written advice from its external financial and legal advisers) that:
 - (i) the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Facilitate Board proposes to take; and
 - (ii) failing to provide any non-public information to a Third Party would be likely to constitute a breach of the Facilitate Board's fiduciary or statutory duties; and
- (c) if Facilitate proposes that any non-public information be provided to a Third Party, before Facilitate provides such information, the Third Party has entered into a written agreement in favour of Facilitate regarding the use and disclosure of the confidential information and that restricts the Third Party's ability to solicit the employees of any member of the Facilitate Group and that information has also been provided to Adslot.

10.5 Notification by Facilitate

- (a) Subject to clause 10.5(b), during the Exclusivity Period, Facilitate must promptly notify Adslot if:
 - (i) Facilitate is approached, directly or indirectly, by any Third Party to take any action of a kind referred to in clauses 10.3 or 10.4; or
 - (ii) Facilitate proposes to take any action of a kind referred to in clauses 10.3 or 10.4 (for the avoidance of doubt, such notice being given before the taking of the relevant action).
- (b) A notification given under clause (a) must include a summary of all material terms and conditions of the actual, proposed or potential Competing Proposal including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal.

10.6 Response to Competing Proposal

- (a) During the Exclusivity Period, Facilitate must not, and must procure that its Representatives do not publically recommend a Competing Proposal or enter into any legally binding agreement, arrangement or understanding to give effect to or implement a Competing Proposal, unless Facilitate has provided Adslot with all material terms of the

Competing Proposal, including, without limitation, the identity of the relevant Third Party, the consideration offered under its Competing Proposal and any conditions to the Competing Proposal, and at least 3 Business Days to match the terms of the Competing Proposal. Facilitate's obligations under this clause 10.6 apply in respect of each new Competing Proposal and any material variation or amendment to a Competing Proposal.

- (b) If the Facilitate Board determines that Adslot matches or exceeds the terms of a Competing Proposal (**Adslot Counter Proposal**), then Facilitate and Adslot and each of their respective Representatives must use their best endeavours to agree the amendments to this deed that are reasonably necessary to reflect the Adslot Counter Proposal and to enter into an amended deed to give effect to those amendments and to implement the Adslot Counter Proposal, and Facilitate must use its best endeavours to procure that the Facilitate Board unanimously recommends the Adslot Counter Proposal to Facilitate's Shareholders and not recommend the applicable Competing Proposal.

10.7 Normal provision of information

Nothing in this clause prevents a party or its Representatives or agents from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Regulatory Authority; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

10.8 Acknowledgement

Each of Facilitate and Adslot has required the other to agree to the obligations set out in this clause in consideration of it proceeding with the Scheme and incurring significant costs in doing so. In the absence of obtaining these obligations from the other party, each of Facilitate and Adslot would not have entered into this deed.

11. Break Fee

11.1 Background

This clause has been agreed to in circumstances where:

- (a) each of Adslot and Facilitate believes the implementation of the Scheme has the potential to provide significant benefits to it and its respective shareholders, and acknowledges that, if Adslot enters into this deed and the Scheme is subsequently not implemented, Adslot will have incurred significant costs, including significant opportunity costs;
- (b) Adslot requested provision be made for the payment outlined in this clause, without which Adslot would not have entered into this deed;
- (c) Facilitate's board of directors believes that it is appropriate to agree to the payment referred to in this clause to secure Adslot's entry into this deed; and
- (d) Facilitate has received separate legal advice in relation to this deed and the operation of this clause.

Each of Adslot and Facilitate acknowledge and agree that the costs actually incurred by Adslot under clause 11.1(a) will be of such nature that they cannot be accurately ascertained, but that the Break Fee is a genuine and reasonable pre-estimate of the cost and loss that would actually be suffered by the other party.

11.2 Payment of Break Fee

Subject to clauses 11.3, 11.6 and 11.7, Facilitate must pay Adslot the Break Fee:

- (a) if at any time after the release of the Joint Public Announcement but on or before the earlier of the End Date and the time the Court makes, or refuses to make, an order approving the Scheme:
 - (i) the Facilitate Board (or a majority of the Facilitate Board) makes a public statement withdrawing or adversely changing or modifying its or their recommendation that Facilitate Shareholders vote in favour of the Scheme or makes a recommendation or statement that is inconsistent with such recommendation or statement; or
 - (ii) without limiting the foregoing, the Facilitate Board (or a majority of the Facilitate Board) makes a public statement indicating that they no longer support the Scheme or that they support another transaction (including a Competing Proposal), but excluding in either case where the reason for the withdrawal, change or modification of recommendation is that:
 - (iii) the Independent Expert does not conclude that the Scheme is in the best interests of Facilitate Shareholders;
 - (iv) the Independent Expert has changed or withdrawn its conclusion that the Scheme is in the best interest of Facilitate Shareholders (unless that change in or withdrawal of the Independent Expert's conclusion is as a result of the existence of a Competing Proposal); or
 - (v) Facilitate has exercised a right to terminate this deed under clause 3.7 (as a result of non-satisfaction of a Facilitate Condition or Joint Condition (unless the existence of a Competing Proposal substantially contributed to the failure to satisfy that Facilitate Condition or Joint Condition)) or 12.1(a) or 12.1(e); or
- (b) if at any time before the termination or expiry of this deed, a Competing Proposal of any kind is announced by a Third Party and, within one year of that announcement, the Third Party or an associate of the Third Party completes in all material respects a transaction of the kind referred to in paragraph (a), (b), (c) or (d) of the definition of Competing Proposal. For this purpose, 'completes in all material respects' means that the relevant Competing Proposal is free from any defeating conditions.

11.3 Payment conditions

- (a) Notwithstanding the occurrence of any event under clause 11.2, no amount is payable under the clause if the Scheme becomes Effective.
- (b) Facilitate can only ever be liable to pay the Break Fee once.

11.4 Timing of payment

If the Break Fee is payable under this clause, Facilitate (as applicable) must pay that break fee without set-off or withholding within 5 Business Days of receipt of a tax invoice for payment from the other party.

11.5 Nature of payment

The amount payable by Facilitate to Adslot under clause 11.2 is an amount to compensate Adslot for:

- (a) advisory costs (including costs of Advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) opportunity costs incurred in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,

incurred by Adslot.

11.6 Exclusive Remedy

Each party agrees that if an amount is paid by Facilitate to Adslot as required under this clause 11, that payment constitutes Adslot's sole and exclusive remedy for any liability arising under or in connection with this deed in respect of that act or event except in relation to wilful misconduct or wilful default by Facilitate, in which case Adslot shall retain all rights and remedies it has or may have in connection with this deed in respect of that act or event in excess of any payment made by Facilitate under this clause 11.

11.7 Compliance with law

This clause 11 imposes obligations on Facilitate only to the extent that the performance of all or part of those obligations:

- (a) do not constitute unacceptable circumstances, as declared by the Australian Takeovers Panel;
- (b) do not breach the fiduciary or statutory duties of the Facilitate Board, as determined by a court; and
- (c) are not otherwise held to be unlawful or unenforceable by a court.

If and to the extent any of the above apply, Adslot must reimburse all or part of the Break Fee within five Business Days of receipt of a demand for reimbursement from Facilitate, which demand must be accompanied by reasonable evidence of any of the above applying and the extent to which it applies.

12. Termination

12.1 General rights

- (a) Adslot or Facilitate may terminate this deed by written notice to the other at any time before 8.00am on the Second Court Date if:
 - (i) the other has materially breached any provision of this deed including any Facilitate Representation and Warranty or Adslot Representation and Warranty (as applicable);
 - (ii) the party wishing to terminate has given written notice to the other in a timely manner setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (iii) the relevant circumstances continue to exist for ten Business Days from the time the notice of intention to terminate is given (or any shorter period ending at 5pm on the Business Day before the Second Court Date).

- (b) Adslot may terminate this deed by written notice to the other party if the Facilitate fails to issue the Joint Public Announcement in accordance with clause 9.1 or if, after issuing the Joint Public Announcement, the Facilitate Board:
 - (i) makes a public statement withdrawing or adversely changing or modifying its or their recommendation that Facilitate Shareholders vote in favour of the Scheme Resolution or makes a recommendation or statement that is inconsistent with such recommendation or statement; or
 - (ii) without limiting the foregoing, makes a public statement indicating that they no longer support the Scheme or that they support another transaction (including, without limitation, a Competing Proposal).
- (c) Adslot or Facilitate may terminate this deed by written notice to the other in the circumstances set out in, and in accordance with clause 3.7.
- (d) Adslot may terminate this deed by written notice to Facilitate if Facilitate has breached any provision of clause 10 or permitted any Facilitate Prescribed Occurrence to occur.
- (e) Facilitate may terminate this deed by written notice to Adslot if any Adslot Prescribed Occurrence occurs.

12.2 Effect of termination

If this deed is validly terminated by a party in compliance with clauses 3.7 or 13.1, this deed will be of no force or effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued before termination and the provisions of this clause and of clauses 1, 7.4, 8, 9, 11.2(a) or 11.2(b), 13, 14, 15 and 16, which will remain in force after the termination.

12.3 Termination by written agreement

The parties may terminate this deed by another written agreement between them.

13. Confidentiality

13.1 Confidentiality Obligation

Subject to clause 13.2, the parties acknowledge and agree that:

- (a) they continue to be bound by the Confidentiality Deed after the date of this deed; and
- (b) the rights and obligations of the parties under the Confidentiality Deed survive termination of this deed.

13.2 Exceptions to confidentiality

Nothing in the Confidentiality Deed restricts any party (the Recipient) from disclosing any confidential information of the other party (the Discloser) where that disclosure is required for the purpose of implementing the Scheme or any other transaction the subject of this deed or the Scheme.

14. GST

14.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the GST Amount). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the

extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability, it may be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

14.3 Adjustment events

If an adjustment event occurs in relation to a supply under or in connection with this deed, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties and the supplier shall issue an adjustment note to the recipient.

14.4 Survival

This clause will continue to apply after expiration or termination of this deed.

14.5 Definitions

Unless the context requires otherwise, words used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) have the same meaning in this clause.

15. Notices

Any notice, demand, consent or other communication (**Notice**) given or made under this deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number specified in the Details or the address or fax number last notified by the intended recipient to the sender;
- (c) will be conclusively taken to be duly given or made:
 - (1) in the case of delivery in person, when delivered;
 - (2) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (3) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5pm (local time) it will be taken to have been duly given or made at the start of business on the next business day in that place.

16. General Provisions

16.1 Amendment

- (a) This deed other than clause 8 may be amended only by another deed executed by all the parties.

- (b) Clause 8 may be amended only by another deed executed by all of the parties and the consent of all of the Adslot Parties and all of the Facilitate Parties.

16.2 Assignment

A party cannot assign, charge, encumber or otherwise deal with at law or in equity any of its rights or obligations under this deed, or attempt or purport to do so, without the prior consent of each other party.

16.3 Costs and stamp duty

Each party must each bear their own costs arising out of the negotiation, preparation and execution of this deed. All stamp duty (including fines, penalties and interest) payable on or in connection with this deed and any instrument executed under or any transaction evidenced by this deed must (subject to the remaining provisions of this clause) be borne by Adslot.

16.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

16.5 Entire agreement

This deed and the Confidentiality Deed contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct relied on by the parties and supersede all earlier conduct and prior agreements and understandings between the parties in connection with their subject matter.

16.6 Further assurances

Each party must do anything necessary (including executing agreements and documents) to give full effect to this deed.

16.7 Governing law and jurisdiction

This deed is governed by the laws of Queensland. In relation to it and related non contractual matters each party irrevocably submits to the non exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

16.8 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Scheme.

16.9 No third party beneficiary

This deed is binding upon and inures solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed, express or implied, is intended to or will confer upon any other person, other than the Adslot Parties and the Facilitate Parties (to the extent set out in clause 8), any third party beneficiary rights.

16.10 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

16.11 Severability of provisions

Any provision of this deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate

the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

16.12 Waiver of immunity

With respect to any legal action or proceedings arising out of or in any way related to this deed and related non contractual matters, Adslot irrevocably and unconditionally:

- (a) waives any immunity that it or its assets may have at any time (including from suit, judgment, attachment, execution or other enforcement);
- (b) agrees that it will not raise, rely on or claim any immunity; and
- (c) consents to any relief or any process, including against any property (irrespective of its use or intended use).

Schedule 1 - Adslot Representations and Warranties

1. Adslot is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this deed has been properly authorised by all necessary corporate action and Adslot has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed.
3. This deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Adslot is a party or is bound.
4. As at the date of this deed, there are 703,741,287 Adslot Shares and 5,300,000 Adslot options on issue, and Adslot has not issued (and is not required to issue) any other securities or instruments which are still outstanding (or may become outstanding) and which may convert into Adslot securities by way of new issue other than under a dividend reinvestment plan (including under any underwriting of that plan) or an incentive scheme or option or performance share plans for the benefit of employees and directors only (including any security issued upon conversion, vesting or exercise of rights attaching to any security issued under an incentive scheme, option or performance share plan).
5. To the best of Adslot's knowledge, after making due and proper enquiry, all information Adslot has provided to Facilitate or its Representatives on or before the Disclosure Cut-off Date is not misleading in any material respect (whether by omission or otherwise), including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information.
6. After making due and proper enquiry, Adslot is not aware of any material information relating to its businesses that has not been disclosed to Facilitate or its Representatives on or before the Disclosure Cut-off Date which:
 - (a) is objectively necessary for Facilitate to make an informed decision as to whether to proceed with the Scheme; or
 - (b) might reasonably be expected to cause Facilitate not to proceed with the Scheme at all or to only proceed with the Scheme on materially different terms.
7. The Adslot Due Diligence Materials and each disclosure in the Adslot Disclosure Letter have been disclosed in good faith and, so far as the Adslot Board and the senior management of Adslot are aware after due enquiry, Adslot has not knowingly or recklessly:
 - (a) omitted anything from such information such as to make any part of that information materially false or misleading; or
 - (b) included anything materially false or misleading in such information;
8. The Adslot Information provided to Facilitate for inclusion in the Explanatory Booklet will:
 - (a) be provided in good faith;
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60, including disclosure of all the information that would be required under paragraphs (c), (f), (g), (h), (i), (k), (l) and (m) of section 636(1) of the Corporations Act

to be included in a bidder's statement if Adslot were offering the Scheme Consideration as consideration under a takeover bid; and

- (c) be provided on the understanding that Facilitate will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act.
9. The Joint Information provided by Adslot to Facilitate for inclusion in the Explanatory Booklet will, to the extent that the Joint Information relates solely to Adslot or has been prepared by Adslot:
- (a) be provided in good faith;
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60, including disclosure of all the information that would be required under paragraphs (c), (f), (g), (h), (i), (k), (l) and (m) of section 636(1) of the Corporations Act to be included in a bidder's statement if Adslot were offering the Scheme Consideration as consideration under a takeover bid; and
 - (c) be provided on the understanding that Facilitate will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act.
10. All information provided by or on behalf of Adslot to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet.
11. As at the date the Explanatory Booklet is despatched to Facilitate Shareholders, the Adslot Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise).
12. As at the date of this deed, Adslot is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Scheme or as disclosed in writing to Facilitate on or before the Disclosure Cut-off Date) and its public disclosures to ASX (taken as a whole) are not misleading in any material respect (whether by omission or otherwise).
13. Adslot will, as a continuing obligation, provide to Facilitate all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Adslot Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise).
14. No Adslot Prescribed Occurrence has occurred.
15. There are no restrictions on Adslot issuing New Adslot Shares to Scheme Shareholders in accordance with the Scheme and there are no restrictions to those New Adslot Shares being quoted on the financial market conducted by ASX (initially on a deferred settlement basis and thereafter on an ordinary settlement basis), other than receiving permission from ASX to have those Adslot Shares so quoted.

Schedule 2- Facilitate Representations and Warranties

1. Facilitate is a validly existing corporation registered under the laws of its place of incorporation.
2. The execution and delivery of this deed by Facilitate has been properly authorised by all necessary corporate action and Facilitate has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed.
3. This deed constitutes legal, valid and binding obligations on Facilitate and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Facilitate or any of its Subsidiaries is a party or to which they are bound.
4. The Facilitate Information contained in the Explanatory Booklet:
 - (a) will be prepared and included in the Explanatory Booklet in good faith; and
 - (b) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60.
5. The Joint Information provided by Facilitate for inclusion in the Explanatory Booklet will, to the extent that the Joint Information relates solely to Facilitate or has been prepared by Facilitate:
 - (a) be provided in good faith; and
 - (b) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (c) be provided on the understanding that Adslot will rely on that information for the purposes of preparing the section of the Explanatory Booklet containing the Joint Information,
6. As at the date the Explanatory Booklet is despatched to Facilitate Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Adslot Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise).
7. As at the date of this deed, Facilitate is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Scheme or as disclosed in writing to Adslot on or before the Disclosure Cut-off Date) and its public disclosures to ASX (taken as a whole) are not misleading in any material respect (whether by omission or otherwise).
8. No Facilitate Prescribed Occurrence has occurred.
9. To the best of Facilitate's knowledge, after making due and proper enquiry, all information Facilitate has provided to Adslot or its Representatives as at and from the Disclosure Cut-off Date is not misleading in any material respect (whether by omission or otherwise), including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information.
10. After making due and proper enquiry, Facilitate is not aware of any material information relating to its businesses that has not been disclosed to Adslot or its Representatives as at the date of this deed which:

- (a) is objectively necessary for Adslot to make an informed decision as to whether to proceed with the Scheme; or
 - (b) might reasonably be expected to cause Adslot not to proceed with the Scheme at all or to only proceed with the Scheme on materially different terms.
11. The Facilitate Due Diligence Materials and each disclosure in the Facilitate Disclosure Letter have been disclosed in good faith and, so far as the Facilitate Board and the senior management of Facilitate are aware after due enquiry, Facilitate has not knowingly or recklessly:
- (a) omitted anything from such information such as to make any part of that information materially false or misleading; or
 - (b) included anything materially false or misleading in such information.
12. As at the date of this deed, the total issued capital of Facilitate is:
- (a) 225,107,552 Facilitate Shares; and
 - (b) 1,250,000 Facilitate Options,
- and there are no other Facilitate options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing).

Schedule 3 - Facilitate Prescribed Occurrences

Part 1

Changes to capital structure, distributions

1. Facilitate converts all or any of its shares into a larger or smaller number of shares.
2. Any Facilitate Group Member (other than a direct or indirect wholly-owned subsidiary of Facilitate) resolves to reduce its share capital in any way or reclassify, combine, split, redeem or repurchase directly or indirectly any of its shares.
3. Any Facilitate Group Member (other than a direct or indirect wholly-owned subsidiary of Facilitate):
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. Any Facilitate Group Member (other than a direct or indirect wholly-owned subsidiary of Facilitate) declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members.
5. Any Facilitate Group Member issues, agrees to issue or incurs any obligation (including any contingent obligation) to issue or have transferred to any person securities in or of it or any other Facilitate Group Member, other than:
 - (a) to Facilitate or a direct or indirect wholly-owned subsidiary of Facilitate; or
 - (b) Facilitate Shares, to the holders as at the date of this deed of Facilitate options as required by their terms following a valid exercise of the Facilitate options.
6. Any Facilitate Group Member issues or grants, agrees to issue or grant or incurs any obligation (including any contingent obligation) to issue, grant or have transferred to any person:
 - (a) options over shares or other securities convertible into shares in or of it or any other Facilitate Group Member; or
 - (b) any debt securities (including any performance rights or options).

Entering into, varying or terminating agreements

7. A Facilitate Group Member enters into, varies in a material respect or terminates any of the following, other than in the ordinary course of business to the extent necessary prior to the Implementation Date for the proper conduct of the business of the relevant Facilitate Group Member:
 - (a) an agreement with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity or currency derivatives or options) or similar instruments;
 - (b) a joint venture, partnership or similar arrangement;
 - (c) an agreement or understanding restraining any Facilitate Group Member from competing with any person or conducting activities in any market; or
 - (d) a Material Agreement (other than an agreement, arrangement or understanding of the type referred to in item 7(a) to (c) inclusive).

8. A Facilitate Group Member, varies in a materially adverse respect or terminates any agreement or arrangement (other than an agreement, arrangement or understanding of the type referred to in item 7(a) to (d) or enters into a new agreement (other than an agreement with a customer of a Facilitate Group member) where the agreement or arrangement concerned involves an amount (including any payment, incurring of expenditure or foregoing of revenue by a Facilitate Group Member) or assets or liabilities to the value, of more than \$500,000 (per annum, in any case involving recurring payments), other than in the ordinary course of business, or waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$500,000 (per annum, in any case involving recurring payments) (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Borrowing or lending other than in the ordinary course

9. A Facilitate Group Member incurs or makes available any finance debt other than in the ordinary course of business.

Encumbering assets

10. A Facilitate Group Member creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or substantially all, of its business or property, other than by operation of law in the ordinary course of business.

Insolvency Events

11. A Facilitate Group Member suffers an Insolvency Event or (without limitation) becomes unable to pay its debts as and when due.

Changes to the nature of business

12. A Facilitate Group Member ceases, or threatens to cease, to carry on its business or makes a material change to the nature of its business.

Varying or granting employee benefits

13. Except as specifically provided for in an existing employment contract or in an existing entitlement under an employee incentive scheme, in each case in place prior to the date of this deed, details of which have been Fairly Disclosed on or before the Disclosure Cut-off Date in the Facilitate Disclosure Materials, any Facilitate Group Member:
- (a) paying any bonus to, or increasing the compensation of, any officer or employee of any Facilitate Group Member;
 - (b) accelerating the rights of any officer or employee of any Facilitate Group Member to compensation or benefits of any kind (including under any Facilitate executive or employee share plan);
 - (c) granting to any officer or employee of any Facilitate Group Member any increase in severance or termination pay or superannuation entitlements or issuing any Facilitate Shares or securities convertible to Facilitate Shares to any of those persons; or
 - (d) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of Facilitate or relating to the officers or employees of any Facilitate Group Member,

- (e) where the aggregate incremental cost to the Facilitate Group of all such actions exceeds \$50,000, provided that paragraphs 13(a) to (d) above will not prevent the entry into any enterprise bargaining agreement, Australian workplace agreement or other similar agreement with a group of Facilitate Group operational employees if that occurs in the ordinary course of business as a result of the fact that existing arrangements of that kind with that group of operational employees will expire before the End Date.

Disposing of subsidiaries etc

- 14. Facilitate or a Facilitate Group member disposes, or agrees to dispose, of shares in a subsidiary or any Facilitate Group Member is deregistered or dissolved.

Part 2

Changes to accounting methods

- 15. Any Facilitate Group Member making a change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any Facilitate Group Member, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation.

Related party Scheme

- 16. A Facilitate Group Member entering into or resolving to enter into a transaction with any related party of Facilitate (other than a related party which is a Facilitate Group Member) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the ASX Listing Rules.

Changes to arrangements with financial advisers

- 17. A Facilitate Group Member amending in any adverse respect any arrangement with its financial advisor, or entering into arrangements with a new financial advisor which arrangements with any such new financial advisor may involve the payment of fees of in excess of \$250,000 (individually or in aggregate), in respect of the Scheme.

Tax deconsolidation

- 18. A Facilitate Group Member doing anything that would result in a de-consolidation of the Facilitate Consolidated Tax Group, other than acquiring or disposing of a wholly owned subsidiary (subject always to the other provisions of this deed).

Transactions requiring consultation

- 19. A Facilitate Group Member:
 - (a) enters into, varies in a material respect or terminates any agreement or arrangement where the agreement or arrangement concerned involves an amount (including any payment, incurring of expenditure or foregoing of revenue) or assets or liabilities to the value, of more than \$200,000 (per annum, in any case involving recurring payments); or
 - (b) waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$200,000 (per annum, in any case involving recurring payments),without Facilitate having consulted first with Adslot in respect of such event (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Schedule 4 - Adslot Prescribed Occurrences

Part 1

Changes to capital structure, distributions

1. Adslot converts all or any of its shares into a larger or smaller number of shares.
2. Any Adslot Group Member (other than a direct or indirect wholly-owned subsidiary of Adslot) resolves to reduce its share capital in any way or reclassify, combine, split, redeem or repurchase directly or indirectly any of its shares.
3. Any Adslot Group Member (other than a direct or indirect wholly-owned subsidiary of Adslot):
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. Any Adslot Group Member (other than a direct or indirect wholly-owned subsidiary of Adslot) declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members.
5. Any Adslot Group Member issues, agrees to issue or incurs any obligation (including any contingent obligation) to issue or have transferred to any person securities in or of it or any other Adslot Group Member, other than:
 - (a) to Adslot or a direct or indirect wholly-owned subsidiary of Adslot; or
 - (b) Adslot Shares, to the holders as at the date of this deed of Adslot options as required by their terms following a valid exercise of Adslot options.
6. Any Adslot Group Member issues or grants, agrees to issue or grant or incurs any obligation (including any contingent obligation) to issue, grant or have transferred to any person:
 - (a) options over shares or other securities convertible into shares in or of it or any other Adslot Group Member; or
 - (b) any debt securities (including any performance rights or options).

Entering into, varying or terminating agreements

7. An Adslot Group Member enters into, varies in a material respect or terminates any of the following, other than in the ordinary course of business to the extent necessary prior to the Implementation Date for the proper conduct of the business of the relevant Adslot Group Member:
 - (a) an agreement with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity or currency derivatives or options) or similar instruments;
 - (b) an agreement or understanding restraining any Adslot Group Member from competing with any person or conducting activities in any market; or
 - (c) a Material Agreement (other than an agreement, arrangement or understanding of the type referred to in item 7(a) to (b) inclusive).
8. An Adslot Group Member varies in a materially adverse respect or terminates any agreement or arrangement (other than an agreement, arrangement or understanding of the type referred to in item 7(a) to (d) inclusive) where the agreement or arrangement concerned involves an amount

(including any payment, incurring of expenditure or foregoing of revenue) or assets or liabilities to the value, of more than \$500,000 (per annum, in any case involving recurring payments), other than in the ordinary course of business, or waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$200,000 (per annum, in any case involving recurring payments) (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Borrowing or lending other than in the ordinary course

9. An Adslot Group Member incurs or makes available any finance debt other than in the ordinary course of business.

Encumbering assets

10. An Adslot Group Member creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or substantially all, of its business or property, other than by operation of law in the ordinary course of business.

Insolvency Events

11. An Adslot Group Member suffers an Insolvency Event or (without limitation) becomes unable to pay its debts as and when due.

Changes to the nature of business

12. An Adslot Group Member ceases, or threatens to cease, to carry on its business or makes a material change to the nature of its business.

Varying or granting employee benefits

13. Except as specifically provided for in an existing employment contract or in an existing entitlement under an employee incentive scheme, in each case in place prior to the date of this deed, details of which have been Fairly Disclosed on or before the Disclosure Cut-off Date in the Adslot Disclosure Materials, any Adslot Group Member:
 - (a) paying any bonus to, or increasing the compensation of, any officer or employee of any Adslot Group Member;
 - (b) accelerating the rights of any officer or employee of any Adslot Group Member to compensation or benefits of any kind (including under any executive or employee share plan);
 - (c) granting to any officer or employee of any Adslot Group Member any increase in severance or termination pay or superannuation entitlements or issuing any shares in Adslot or securities convertible to shares in Adslot to any of those persons; or
 - (d) establishing, adopting, entering into or amending in any material respect (including by taking any action to accelerate any rights or benefits due under) any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of the Adslot Group or relating to the officers or employees of any Adslot Group Member,

where the aggregate incremental cost to the Adslot Group of all such actions exceeds \$50,000 provided that paragraphs 13(a) to (d) inclusive above will not prevent the entry into any enterprise bargaining agreement, Australian workplace agreement or other similar agreement with a group of Adslot Group operational employees if that occurs in the ordinary course of business as a result of the fact that existing arrangements of that kind with that group of operational employees will expire before the End Date.

Disposing of subsidiaries etc

14. An Adslot Group Member disposes, or agrees to dispose, of shares in a subsidiary or any Adslot Group Member is deregistered or dissolved.

Part 2

Changes to accounting methods

15. Any Adslot Group Member making a change in its accounting methods, principles or practices which would materially affect the reported consolidated assets, liabilities or results of operations of any Adslot Group Member, other than as required to comply with any changes to generally accepted accounting principles, standards, guidelines or practices in the jurisdiction of the relevant entity's incorporation.

Changes to arrangements with financial advisers

16. An Adslot Group Member amending in any respect any arrangement with its financial advisor, or entering into arrangements with a new financial advisor which arrangements with any such new financial advisor may involve the payment of fees of in excess of \$250,000 (individually or in aggregate), in respect of the Scheme

Tax deconsolidation

17. An Adslot Group Member doing anything that would result in a de-consolidation of the Adslot Consolidated Tax Group, other than acquiring or disposing of a wholly owned subsidiary (subject always to the other provisions of this deed).

Transactions requiring consultation

18. An Adslot Group Member:
 - (a) enters into, varies in a material respect or terminates any agreement or arrangement where the agreement or arrangement concerned involves an amount (including any payment, incurring of expenditure or foregoing of revenue) or assets or liabilities to the value, of more than \$200,000 (per annum, in any case involving recurring payments); or
 - (b) waives a default or accepts a compromise, where the waiver or compromise involves an amount of more than \$200,000 (per annum, in any case involving recurring payments),without Adslot having first consulted Facilitate in respect of such event (and for the purposes of the foregoing a number of separate transactions shall be treated as a single transaction if they are with the same or associated parties or if a reasonable person would otherwise consider them to be related).

Schedule 5 - Facilitate Material Agreements

- The Service Agreement between Facilitate Digital and Westpac Banking Corporation dated 23 July 2010.
- The Service Agreement between Facilitate and Switch Digital (on behalf of Sportingbet) dated 10 June 2013.
- The Service Agreement between Facilitate (Singapore branch) and GroupM Asia Pacific Holdings Pte Limited dated 11 August 2009.
- The Service Agreement between Facilitate (Singapore branch) and GroupM Asia Pacific Holdings Pte Limited intended to replace the existing agreement between the parties dated 11 August 2009
- The Service Agreement between Facilitate (Singapore branch) and Omnicom Media Group APAC (intended to commence on 1 September 2013).
- The agreement for the delivery of ads by Facilitate between Facilitate Digital Deutschland GmbH and GroupM Germany GmbH (undated).
- The Software Licence and Services Agreement between Facilitate Digital and Mediabrands Worldwide Inc dated 30 June 2011.
- The Development and Integration Agreement between Facilitate Digital LLC and Managed Audience Share Solutions LLC dated 20 August 2012.
- The Reseller Agreement between Facilitate and Admotion USA Inc dated 9 March 2012.

Schedule 6 - Adslot Material Agreements

Nil

Schedule 7- Form of Joint Public Announcement



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Insert FAC's logo

ASX ANNOUNCEMENT

12th September 2013

ADSLLOT TO ACQUIRE FACILITATE DIGITAL

- **Adslot to acquire Facilitate Digital via a Scheme Of Arrangement**
- **Facilitate Digital shareholders to receive Adslot Shares and to hold 28 per cent of the enlarged Adslot**
- **The combined business will be the [first in the world ~ subject to verification] to 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**

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 connect supply (digital content publishers) and demand (advertisers and media agencies) via our purpose-built trading platform, 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 US. 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 the [first company 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, an expected 111% increase in Group revenue
- Based on FY13, an expected 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\$15.1 million, a 204.0% premium to Facilitate Digital's 90-day VWAP of A\$0.022 on 11 September 2013.

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 in 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 in mid December 2013; and
- the Scheme will become effective in mid-late 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

Adslot

Brendan Maher – CFO & Company Secretary
Ph: +61 (0)3 8695 9100
E: brendan.maher@adslot.com

Facilitate Digital

Ben Dixon – CEO
Ph: +61 (0)2 9690 3900
E: ben.dixon@facilitatedigital.com

Schedule 8 – Form of Scheme

Schedule 10- Indicative timetable

Event	Date
Enter into Scheme Implementation Deed and announce Scheme to ASX	12 September 2013
Lodge Explanatory Booklet with ASIC for review and comment	18 October 2013
First Court Date	1 November 2013
Explanatory Booklet registered with ASIC	1 November 2013
Despatch Explanatory Booklet to Facilitate Shareholders	8 November 2013
Scheme Meeting	9 December 2013
Second Court Date	13 December 2013
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	13 December 2013
Record Date	20 December 2013
Implementation Date (refer clause 6.3 for actions on this date)	By 27 December 2013

Signing page

Executed as a deed

Executed by Adslot Ltd in accordance with
Section 127 of the Corporations Act 2001



Signature of director

ANDREW BARLOW

Name of director (print)

←



Signature of ~~director~~/company secretary
(Please delete as applicable)

BRENDAN MAHER

Name of ~~director~~/company secretary (print)

←

Executed by Facilitate Digital Holdings
Limited in accordance with Section 127 of
the Corporations Act 2001

Signature of director

Name of director (print)

←

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

←

Signing page

Executed as a deed

Executed by Adslot Ltd in accordance with
Section 127 of the *Corporations Act 2001*

Signature of director

← _____ ←
Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

**Executed by Facilitate Digital Holdings
Limited** in accordance with Section 127 of
the *Corporations Act 2001*



Signature of director

←  ←

Signature of director/company secretary
(Please delete as applicable)

BEN DIXON

Name of director (print)

Charles Sweeney

Name of director/company secretary (print)

Appendix 5 - Deed Poll

Execution version

Deed Poll

Adslot Ltd ACN 001 287 510 (**Adslot**)

MinterEllison

LAWYERS

LEVEL 23 RIALTO TOWERS 525 COLLINS STREET MELBOURNE VIC 3000
AUSTRALIA DX 204 MELBOURNE
T +61 3 8608 2000 F +61 3 8608 1000
www.minterellison.com

Deed Poll

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Details

Date

29 October 2013

Parties

Name **Adslot Ltd ACN 001 287 510**
Short form name **Adslot**
Notice details Level 2, 85 Coventry Street, South Melbourne, Vic 3205

Background

- A On 12 September 2013, Adslot and Facilitate entered into the Scheme Implementation Deed to provide for (among other matters) the implementation of the Scheme.
- B The effect of the Scheme will be to transfer all Scheme Shares to Adslot in return for the Scheme Consideration.
- C Adslot enters this deed poll to covenant in favour of Scheme Shareholders to:
 - (i) perform the steps attributed to it under the Scheme; and
 - (ii) provide the Scheme Consideration in accordance with the Scheme.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Facilitate means Facilitate Digital Holdings Limited as trustee for the Scheme Shareholders.

Scheme Implementation Deed means the Scheme Implementation Deed dated 12 September 2013 between Adslot and Facilitate.

1.2 Terms defined in Scheme Implementation Deed

Words and phrases defined in the Scheme Implementation Deed have the same meaning in this deed poll unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme Implementation Deed form part of this deed poll as if set out at length in this deed poll but with 'deed poll' substituted for 'deed' and with any reference to 'party' being taken to include the Scheme Shareholders.

2. Nature of this deed poll

Adslot acknowledges that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

3. Conditions

3.1 Conditions

Adslot's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

Adslot's obligations under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date or any later date as the Court, with the consent of the parties, may order,

unless Facilitate and Adslot otherwise agree.

3.3 Consequences of termination

If this deed poll terminates under clause 3.2, in addition and without prejudice to any other rights, powers or remedies available to them:

- (a) Adslot is released from its obligations to further perform this deed poll; and
- (b) Scheme Shareholders retain the rights they have against Adslot in respect of any breach of this deed poll which occurred before it terminated.

4. Performance of obligations

4.1 Generally

Subject to clause 3, Adslot covenants in favour of Scheme Shareholders to perform the actions attributed to it under, and otherwise comply with, the Scheme as if Adslot were a party to the Scheme.

4.2 Provision of Scheme Consideration

- (a) Subject to clause 3, Adslot undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.
- (b) The obligations of Adslot under clause 4.2(a) will be satisfied if, on or before 5.00pm on the Implementation Date, it issues all of the New Adslot Shares which it is obliged to issue to Scheme Shareholders and to the Sale Agent under the Scheme, and provides Facilitate with written confirmation that it has done so.

5. Warranties

Adslot represents and warrants to each Scheme Shareholder that:

- (a) **(status)** it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;
- (b) **(power)** it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **(corporate authorisations)** it has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(documents binding)** this deed poll is its valid and binding obligation enforceable in accordance with its terms;
- (e) **(transactions permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it;
 - (ii) its constitution or other constituent documents; or
 - (iii) any other document which is binding on it or its assets; and
- (f) **(solvency)** it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

6.1 Deed poll irrevocable

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Adslot having fully performed its obligations under this deed poll; and

- (b) termination of this deed poll under clause 3.2.

6.2 Variation

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Facilitate; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Facilitate and is approved by the Court,

in which event Adslot will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. Notices

Any notice, demand or other communication (a **Notice**) to Adslot in respect of this deed poll:

- (a) must be in writing and signed by the sender or a person duly authorised by it;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number specified in the Details;
- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered at the address of the addressee as provided in clause 7(b), unless that delivery is not made on a Business Day, or is made after 5.00pm on a Business Day, in which case that Notice will be deemed to be received at 9.00am on the next Business Day;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

8. General Provisions

8.1 Assignment

- (a) The rights and obligations of Adslot and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of Adslot and Facilitate.
- (b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 Cumulative rights

The rights, powers and remedies of Adslot and each Scheme Shareholder under this deed poll are cumulative with and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

8.3 No waiver

- (a) Adslot may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.
- (c) No Scheme Shareholder may rely on words or conduct of Adslot as a waiver of any right unless the waiver is in writing and signed by Adslot, as appropriate.
- (d) The meanings of the terms used in this clause 8.4 are set out below.

conduct includes delay in the exercise of a right.

right means any right arising under or in connection with this deed poll and includes the right to rely on this clause.

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4 Stamp duty

Adslot:

- (a) must pay or procure the payment of all stamp duty (if any) any related fines, penalties and interest in respect of the Scheme and this deed poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under or pursuant to the Scheme and this deed poll; and
- (b) indemnifies and undertakes to keep indemnified each Scheme Shareholder against any liability arising from failure to comply with clause 8.4(a).

8.5 Further assurances

Adslot will, at its own expense, do all things reasonably required of it to give full effect to this deed poll.

8.6 Governing law and jurisdiction

This deed poll is governed by the laws of the State of Queensland. In relation to it and related non-contractual matters Adslot irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

Signing page

EXECUTED as a deed poll.

Executed by Adslot Ltd ACN 001 287 510
in accordance with Section 127 of the
Corporations Act 2001



Signature of director

ANDREW J. BARLOW

Name of director (print)



Signature of director/company secretary
(Please delete as applicable)

BRENDAN MAHER

Name of director/company secretary (print)

Corporate Directory

FACILITATE DIGITAL HOLDINGS LIMITED

Directors

Mr Stuart Simson (Chairman)

Mr Geoff Dixon (Non-Executive Director)

Mr Charles Sweeney (Non-Executive Director)

Mr Ben Dixon (Acting Chief Executive Officer and Executive Director)

Company Secretary

Mr Jim Story

Share Registry

Link Market Services Limited

Level 12, 680 George St,

SYDNEY NSW 2000

AUSTRALIA

Telephone: 1300 554 474

Website: www.linkmarketservices.com.au

Registered Office

Level 6, 241 Commonwealth St

SURRY HILLS NSW 2010

AUSTRALIA

Lawyers

Cooper Grace Ward Lawyers

Level 21, 400 George St

BRISBANE QLD 4000

AUSTRALIA

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ASX Code

FAC
