

**Adslot Ltd ABN 70 001 287 510
and controlled entities**

**Half-Year Financial Report
31 December 2024**

Lodged with the ASX under Listing Rule 4.2A.3

The half-year financial report does not include full disclosures of the type normally included in an Annual Financial Report. Accordingly, this financial report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2024 and any public announcements made by Adslot Ltd during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

HALF-YEAR REPORT – 31 DECEMBER 2024
APPENDIX 4D (Rule 4.2A.3)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2024	December 2023	Movement	
	\$	\$	\$	%
Total revenue from continuing operations	2,799,592	4,408,761	(1,609,169)	(36%)
Net loss attributable to members of the parent entity after tax	(2,725,391)	(5,149,704)	2,424,313	47%
Net loss attributable to members of the parent entity	(2,725,391)	(5,149,704)	2,424,313	47%

Dividends

The Group has not proposed or declared to pay dividends.

Earnings Per Share	December 2024	December 2023
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	4,237,936,693	3,222,789,796
Basic loss per share (cents)	(0.06)	(0.16)
Diluted loss per share (cents)	(0.06)	(0.16)
Net Tangible Assets per share	December 2024	June 2024
Number of ordinary shares on issue used in the calculation of net tangible assets per share	4,237,936,693	3,242,291,812
Net tangible assets per share (cents)	(0.06)	(0.05)

Audit

MNSA Pty Ltd has been appointed as auditor of the Company following the resignation of the previous auditor, Grant Thornton Audit Pty Ltd.

The Half-Year Financial Report has been subject to review by MNSA Pty Ltd and is not subject to dispute or qualification.

Directors' Report

Your Directors submit the financial report of the Company and its controlled entities ("the Group") for the half-year ended 31 December 2024.

Directors

The names of Directors who held office during or since the end of the half-year:

Mr Andrew Dyer:	Executive Chairman ¹
Mr Adrian Giles:	Non-Executive Director
Ms Sarah Morgan:	Non-Executive Director
Mr Ben Dixon:	CEO and Executive Director ²
Mr Tom Triscari:	Non-Executive Director ³

¹ Mr Andrew Dyer was appointed as Executive Chairman on 13 August 2024

² Mr Ben Dixon resigned as CEO and Executive Director on 6 September 2024 and Mr Ben Loiterton was appointed as Interim CEO on 6 September 2024

³ Mr Tom Triscari resigned as Non-Executive Director on 29 October 2024

Review of Operations

Group results for the six months to 31 December 2024, benchmarked against the corresponding six-month period in 2023, were:

	6 months to December 2024	6 months to December 2023	Movement	
	\$	\$	\$	%
Trading technology revenue	2,058,212	3,627,385	(1,569,173)	(43%)
Total revenue and other income	2,878,241	4,554,430	(1,676,189)	(37%)
EBITDA (loss) ¹	(2,586,695)	(3,506,364)	919,669	26%
NPAT (loss)	(2,725,391)	(5,149,704)	2,424,313	47%

¹ EBITDA is calculated by adding back depreciation and amortisation of \$39,728, net interest expense of \$30,808 and income tax expense of \$68,160 to NPAT. December 2023 EBITDA is calculated by adding back depreciation and amortisation of \$1,563,244, deducting net interest income of \$15,448 and income tax expense of \$95,444 to NPAT.

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Revenue

Revenue from Trading Technology for the six months to 31 December 2024 was \$2.1 million; a \$1.6 million (43%) decrease on the prior corresponding period (pcp) to 31 December 2023. This result was primarily driven by \$1.5 million (55%) decline in licence fees.

Services related revenues for the period were \$733k, a marginal increase of \$4k (0.5%) when compared to the pcp. Service revenues includes Webfirm, and one off fees for custom development.

Grant Income for the six months to 31 December 2024 was \$78k (46%) decrease on pcp.

Total revenue and other income for the six months to 31 December 2024 of \$2.9 million, was a 37% decrease compared to the pcp of \$4.6 million.

Symphony

Symphony revenue at \$1.3 million decreased by \$1.4 million (53%) compared to the six months to 30 June 2024 and decreased 55% compared to the pcp. This drop in revenue is due to decreased Symphony license fees as a result of the amendments to the long-standing agreement with international agency group GroupM, from 1 July 2024. The amendments included the removal of dedicated development resources which were funded by GroupM and the removal of the Symphony platform from three markets; Vietnam, India and the Philippines. In September 2024, the Group successfully renegotiated and executed an extension of the Symphony contract with GroupM for an additional two years. Notably, the renewed contract includes a substantial 45% price increase to monthly revenue from the remaining markets.

Adslot Media

The total value of media traded across the platform is known as Total Trading Volume (TTV). Adslot charges a placement fee to Publishers on part of this volume known as Monetised Trading Value (MTV), which refers to those transactions traded on the Adslot Media platform for which fees are generated. MTV is the key focus for commercial performance, and for the six months to 31 December 2024 it was \$15.4 million, an increase of 2% over previous six months and a decrease of 46% compared to pcp. This decline of MTV over the pcp was experienced almost entirely in Australia, reflecting the weakness in the Australian advertising market, and structural reform taking place.

Adslot trading fee revenues were \$0.5 million for the period, a 74% increase compared to the six months to 30 June 2024 and a 20% decrease compared to the pcp. Trading fee revenue is recognised at the point in time at which the media runs and this may be several months following the point at which it was traded on the platform. As such, revenue for a given period will not represent the fees charged on all MTV for that period.

Adslot licence fee revenue was \$0.4 million, a 5% increase compared to the pcp.

Total Adslot Media revenue at \$0.9 million increased by \$0.2 million (31%) compared to the six months to 30 June 2024 and decreased 9% compared to the pcp.

R&D Tax Incentive Claims

In November 2024, the Group received in full the 2024 financial year R&D claim amount of \$0.9 million.

Net profit

The profitability for the half was impacted by a change in accounting treatment for development cost. Development cost were capitalised prior to 30 June 2024 and were expensed from 1 July 2024 (refer Note 2b).

Salaries and employment costs at \$3.4 million includes expensed development costs of \$0.5 million and is net of direct R&D claim amounting to \$0.2 million. The gross salaries and employment costs including direct R&D claim is \$3.6 million compared to \$4.7 million in the pcp; a reduction of \$1.1 million or 24%.

Total Operating costs at \$5.5 million increased by \$44k or 1% on pcp. Current year Operating costs includes \$0.5 million development costs expensed in comparison to \$1.4 million of development cost which were capitalised in the pcp. Operating costs including development costs, were \$1.4 million lower than the pcp due to cost reduction initiatives implemented during the year.

The EBITDA loss decreased by 26% to \$2.6 million and NPAT loss decreased by 47% to \$2.7 million compared to the pcp.

Cash Position

The Group had a cash position of \$1.5 million at 31 December 2024.

Corporate

On 17 June 2024 the Company announced a capital raise in the form of a partially underwritten 3:4 accelerated pro rata non-renounceable entitlement offer at a price of \$0.001 per share, to raise up to \$2.4 million (Entitlement Offer). A total \$2.02 million (before transaction costs) in new equity was raised, comprising:

- \$0.53 million on 19 June 2024 from the institutional component;
- \$0.95 million on 15 July 2024 from the retail component; and
- \$0.54 million on 7 October 2024 from the shortfall placement.

In September 2024, after a review of the US-market focused BrIdge project, the Group implemented a full phase-out of costs and ongoing investment for the project. This decision was driven by a range of factors including ongoing uncertain industry dynamics, medium-term delays with revenue performance and as part of the Strategic Review cost-outs initiatives. Adslot will retain the IP developed to date as a long term growth option as part of the Company's core platform.

In addition, the Directors agreed to take their compensation in equity to assist the Company to its pathway to breakeven. Effective 1 October 2024, the Directors also agreed to reduce their fees by one-third until the Company can sustainably afford otherwise.

Future Developments

Momentum and progress continue to build with StoreFront digital advertising sales solution, with contracts being implemented with Hearst (UK), Rakuten Viber (Global), Sonnant (USA) and Bloomberg (UK), and a substantial sales pipeline of premium digital publishers seeking to adopt the platform in all of the key initial target markets of the UK, USA and Australia.

The Group expects to build on the progress achieved in the European market with the implementation of the Springserve ad server integration project, and contract execution ongoing with leading Swiss/German media conglomerate Goldvertise (formerly known as Goldbach) to distribute ad inventory to buyers exclusively through the Adslot Open Marketplace.

Strategic initiatives are underway to improve revenue performance of Webfirm, explore new market opportunities for Media Auctions, and consider larger distribution and reseller deals for the Adslot Media platform offerings.

The Group continues to review its operations with careful cost management to maintain an efficient cost base.

Dividends

The Directors do not recommend the declaration of a dividend. No dividend has been declared or paid during the half-year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2024 under Section 307C of the *Corporations Act 2001* is set out on page 22.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



Andrew Dyer
Executive Chairman
 Melbourne
 24 February 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2024

	Note	December 2024 \$	December 2023 \$
Total revenue from continuing operations	4	2,799,592	4,408,761
Other income	4	78,649	145,669
Total revenue and other income		2,878,241	4,554,430
Hosting & other related technology costs		(522,392)	(558,386)
Employee benefits expense	5	(3,404,163)	(3,289,410)
Other operating expenses	5	(1,425,742)	(1,494,350)
Impairment of receivables		(3,637)	(1,675)
Share based payment expense		(100,915)	(68,832)
Depreciation and amortisation expenses	5	(39,728)	(1,563,244)
Impairment losses	8	-	(2,596,414)
Interest Expense		(38,895)	(36,279)
Total expenses		(5,535,472)	(9,608,590)
Loss before income tax expense		(2,657,231)	(5,054,160)
Income tax expense		(68,160)	(95,544)
Loss after income tax expense		(2,725,391)	(5,149,704)
Net loss attributable to members of the parent entity		(2,725,391)	(5,149,704)
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Foreign exchange translation		258,637	(60,801)
Total other comprehensive income		258,637	(60,801)
Total comprehensive loss for the half-year attributable to members		(2,466,754)	(5,210,505)
Earnings per share			
Basic earnings per share (cents)		(0.06)	(0.16)
Diluted earnings per share (cents)		(0.06)	(0.16)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2024

	Notes	December 2024	June 2024
		\$	\$
Current assets			
Cash and cash equivalents	6	1,494,999	3,147,242
Trade and other receivables	7	5,652,478	3,437,695
Prepayments		747	272,234
Total current assets		7,148,224	6,857,171
Non-current assets			
Property, plant and equipment	9	155,731	197,170
Intangible assets	8	38,267	38,267
Total non-current assets		193,998	235,437
Total assets		7,342,222	7,092,608
Current liabilities			
Trade and other payables	10	7,995,355	6,149,192
Other liabilities	11	282,541	678,369
Lease liability		212,148	207,029
Provisions		327,853	441,410
Total current liabilities		8,817,897	7,476,000
Non-current liabilities			
Lease liability		304,080	401,172
Provisions		622,300	778,602
Total non-current liabilities		926,380	1,179,774
Total liabilities		9,744,277	8,655,774
Net assets		(2,402,055)	(1,563,166)
Equity			
Issued capital	13	164,811,014	163,285,169
Reserves		1,008,220	1,276,672
Accumulated losses		(168,221,289)	(166,125,007)
Total equity		(2,402,055)	(1,563,166)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2024**

31 December 2024

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024 reported		163,285,169	1,276,672	(166,125,007)	(1,563,166)
Movement in foreign exchange translation reserve		-	258,637	-	258,637
Other comprehensive income/(loss)		-	258,637	-	258,637
Loss attributable to members of the Group		-	-	(2,725,391)	(2,725,391)
Total comprehensive income/(loss)		-	258,637	(2,725,391)	(2,466,754)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	12	1,525,845	-	-	1,525,845
Lapsed/forfeited options during the year		-	(629,109)	629,109	-
Increase/(decrease) in employees share based payments		-	100,915	-	100,915
Share based payments – third party		-	1,105	-	1,105
		1,525,845	(527,089)	629,109	1,627,865
Balance 31 December 2024		164,811,014	1,008,220	(168,221,289)	(2,402,055)

31 December 2023

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023 reported		160,134,280	1,371,381	(155,558,570)	5,947,091
Movement in foreign exchange translation reserve		-	(60,801)	-	(60,801)
Other comprehensive income/(loss)		-	(60,801)	-	(60,801)
Loss attributable to members of the Group		-	-	(5,149,704)	(5,149,704)
Total comprehensive income/(loss)		-	(60,801)	(5,149,704)	(5,210,505)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	12	2,718,832	-	-	2,718,832
Lapsed/forfeited options during the year		-	(95,876)	95,876	-
Increase/(decrease) in employees share based payments		-	68,832	-	68,832
		2,718,832	(27,044)	95,876	2,787,664
Balance 31 December 2023		162,853,112	1,283,536	(160,612,398)	3,524,250

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2024

	Note	December 2024	December 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers and other debtors		4,734,032	7,311,742
Interest received		9,494	51,268
Government grants		237,006	271,680
Payments to suppliers and employees		(8,100,870)	(8,813,806)
Interest paid		(55,779)	(36,968)
Net cash outflows from operating activities		(3,176,117)	(1,216,084)
Cash flows from investing activities			
Payments for property, plant and equipment		700	(3,169)
Payment for intangible assets		-	(1,411,546)
Government grants – R&D Incentive		644,460	703,424
Net cash outflows from investing activities		645,160	(711,291)
Cash flows from financing activities			
Proceeds from issue of shares		1,492,951	3,153,823
Proceeds from exercise of options		-	5
Payment for unmarketable parcel buyback			(210,145)
Repayment of Borrowings		(400,500)	-
Payments of equity raising costs		(135,356)	(501,199)
Payments for leased assets (principal component)		(101,173)	(284,353)
Net cash inflows from financing activities		855,922	2,158,131
Net (decrease)/increase in cash held		(1,675,035)	230,756
Cash at the beginning of the half-year		3,147,242	2,874,746
Effect of exchange rate changes on cash		22,792	7,299
Cash at the end of the half-year		1,494,999	3,112,801

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Basis of preparation of half-year financial report

This general purpose financial report for the half-year ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Adslot Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

a) Reporting basis and conventions

The half-year consolidated financial statements have been prepared on an accruals basis and are based upon historical costs. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2024 with the exception of the change in policy in relation to AASB 8 Operating Segments (Note 2a) and accounting treatment for development cost (Note 2b). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New standards and interpretations issued

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b) Going Concern

The half year financial report has been prepared on a going concern basis. This contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Management continues to invest resources to support growth in Adslot Storefront revenues and Adslot Media trading fees.

The Group incurred a net loss of \$2.7 million during the half year ended 31 December 2024.

The net cash outflow of \$1.7 million in the period under review included outflows from operating activities of \$3.2 million, inflows from investing activities of \$0.6 million and inflows from financing activities of \$0.9 million. Management anticipates incurring further net cash outflows from operations until such time as sufficient revenue growth is achieved.

In August 2024, the Group implemented a turnaround plan to accelerate reaching cash flow breakeven but which envisages further net cash outflows during FY2025. Cash flow breakeven is predicated on generating sufficient revenue growth. A delay in expected growth in revenues, and/or a delay in payment of the FY2025 R&D claim, has the potential to create a cash flow risk to the Group which could affect its ability to pay its debts as and when they fall due, and to realise its assets in the normal course of business.

However, the Directors believe the Group will be able to continue to pay its debts as and when they fall due for the following reasons:

- the Group had a cash position of \$1.5 million at 31 December 2024;
- the Group anticipates receipt of 2025 financial year R&D claim amount of approximately \$0.45 million in the first half of the 2026 financial year;
- receipt of Symphony licence fees which are largely recurring and predictable despite being lower than the previous financial year;
- receipt of Adslot licence fees which are recurring and predictable;
- Webfirm revenues and the associated receipts which are recurring in nature and have a stable track record;
- reduced cash outflows from already implemented cost management initiatives announced to the market and additional cost reductions planned; and
- additional capital cash inflows given the Group has a proven track record of successfully raising capital from existing and new investors.

The Directors believe there exists a reasonable expectation that the Group can continue to pay its debts as and when they fall due, and the financial report has been prepared on a going concern basis.

Note 2: Changes in significant accounting policies and critical accounting judgements

Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2024 are the relevant policies for the purposes of comparatives.

a) Operating Segments

AASB 8 Operating Segments governs the disclosure of information about operating segments in financial statements and focuses on providing financial information based on how management internally evaluates the performance of an organisation's segments.

In FY25 after a strategic review of operations, the Group revised its internal reporting and decision-making process, from a "Group Level" approach to a "Business Line Financial Reporting". As a result, the monthly financial reports provided to the Chief Operating Decision Maker, comprising the Board of Directors and the Executive Committee members, now include performance updates on individual business lines, in addition to the overall results. This change in focus of the management was announced to the market on 3 September 2024.

The Group identified that it operates in three main operating segments: Symphony, Adslot Media and Webfirm. All three segments are discretely identifiable within the Group as they engage in revenue generating activities, have the results regularly reviewed by the Chief Operating Decision Maker and have discrete financial information available.

Each of the operating segments is managed separately as each of these service lines requires separate resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

Symphony segment carries out provision of Digital Media workflow solutions to clients such as GroupM and Together NZ. Adslot Media offers a global digital marketplace that facilitates the trading of premium advertising space, connecting top publishers with leading advertisers. Media auctions business line is aggregated under Adslot Media as they have similar economic characteristics and uses same resources. Webfirm segment provides Digital Marketing services for SME clients. The segments cannot be aggregated further.

Identification of reportable segments

The standard stipulates applying the following quantitative thresholds for operating segments to identify reportable segments.

- Reported revenue, including both external and inter segment sales or transfers is 10% or more of combined revenue of all operating segments.
- Reported profit or loss is 10% or more of the greater in absolute amount, of:
 - The combined reported profit of all operating segments that did not report a loss; and
 - The combined reported loss of all operating segments that reported a loss.
- Assets are 10% or more of the combined assets of all operating segments.

The Group's operating segments identified above, meet the revenue threshold and therefore are considered reportable segments for the reporting period under review.

The standard also stipulates the identification of minimum number of reportable segments. External revenue of reportable segments already identified must constitute at least 75% of total consolidated revenue. Consolidated revenue for the purpose of this comparison would be by definition, external revenue, as inter segment revenue would be eliminated on consolidation. Identification of additional reportable segments is not required if this minimum threshold is met. External revenues of the three identified reportable segments constitute 99.7% of the consolidated revenue of the Group for the reporting period under review. Therefore, the identification of additional reporting segments is not required.

In prior periods, performance evaluation was carried out on a group level and accordingly entire Group was a single operating segment aggregated into a single reporting segment. Accordingly, the comparatives have not been restated as they are not readily available and impractical to reproduce.

This change in segment reporting does not impact the overall financial performance or position of the company but affects the presentation of segment results in the financial statements (refer to Note 3a).

The measurement policies the Group uses for segment reporting under AASB 8 are the same as those used in its financial statements, except that:

- Interest income;
- Corporate costs;
- Share based expenses;
- Forex gains and losses;
- Depreciation and amortisation; and
- Interest expenses,

are not included in arriving at the results of the reporting segments.

Segments assets or liabilities are not included in the internal reports to the Chief Operating Decision Maker and therefore not disclosed under reporting segments.

b) Development Cost

AASB 138 Intangible Assets requires that costs incurred in the development stage to be capitalised while costs incurred in the research stage to be expensed. An asset arising from development shall be recognised when a company can demonstrate all of the following:

1. The technical feasibility of completing the asset so that it will be available for use or sale
2. Its intention to complete the intangible asset and use or sell it
3. Its ability to use or sell the intangible asset
4. How the intangible asset will generate probable future economic benefits
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell the asset
6. Its ability to measure reliably the expenditure attributable to the intangible asset during its development

The Group is able to satisfactorily demonstrate all of the above conditions except how the intangible asset will generate probable future economic benefits. The economic conditions affecting the integrated Adslot Symphony asset, the Group share price and the financial outlook of the revenues for the integrated Adslot Symphony asset, has not changed significantly since the detailed impairment assessment done at 30 June 2024. Therefore, the Group believes that the probable economic benefits derived from the development cost up to six months to December 2024 will not be sufficient to justify capitalising the development cost. Therefore, the Group decided to expense the development costs of \$0.5 million to 31 December 2024 and ongoing development cost, until there is material improvement in the probable future economic value.

Note 3: Segment Information

a) Segment Information

The Segment information provided to the Chief Operating Decision Makers for the reportable segments for the period ended 31 December is as follows:

	Six months ended December 2024			
	Symphony	Adslot Media	Webfirm	Total
	\$	\$	\$	\$
Segment Revenue	1,284,878	862,798	722,479	2,870,155
Cost of Sales	(181,158)	(105,550)	(248,662)	(535,370)
Direct Expenses	(849,834)	(1,391,425)	(443,944)	(2,685,203)
Segment EBITDA	253,886	(634,177)	29,873	(350,418)

Comparative for prior periods not included as they are not available and impractical to be reproduced. In the prior periods, Chief Operating Decision maker evaluated performance on a group level and therefore the financial reports were prepared and presented on a group level basis.

b) Other segment information

The Totals presented for the Group's reportable segments reconcile to the Group's key financial figures as presented in its financial statements as follows:

	December 2024
	\$
Segment Revenue	2,870,155
Interest Income	8,087
Total Revenue and other Income	2,878,242
	December 2024
	\$
Segment EBITDA	(350,418)
Corporate Costs	(1,805,660)
Share Based Expenses	(100,915)
Foreign Exchange Loss	(397,628)
Depreciation & Amortisation	(39,728)
Interest Income	8,087
Interest & other expenses	(39,129)
Loss for the year	(2,725,391)

Comparative for prior periods not included as they are not available and impractical to be reproduced. In the prior periods, Chief Operating Decision Maker evaluated performance on a group level and therefore the financial reports were prepared and presented on a group level basis.

c) Geographical & major customer information

The Group's Total Revenue and Other Income (Note 4) and its non-current assets (other than financial instruments) (Note 8 & 9) are divided into the following geographical areas:

	2024 \$		2023 \$	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Australia (Domicile)	1,444,057	190,246	2,647,549	3,469,672
EMEA	634,790	3,374	620,722	4,035
The Americas	1,067	378	16,140	3,218
Other countries	798,327	-	1,270,019	-
Total	2,878,241	193,998	4,554,430	3,476,925

Revenues from external customers in the Group's domicile, Australia, as well as other major geographical areas have been attributed based on the customer's geographical location. There is no individual foreign country where 10% or more of the Group's revenue from services rendered could be attributed to.

Major customers

The Group provides services to and derives revenue from a number of customers across all the divisions. The Group had certain customers whose revenue individually represented 10% or more of the Group's total revenue from services rendered.

For the half year to 31 December 2024, one customer accounted for 10% or more of revenue from services rendered (2023: one).

Note 4: Revenue and Other Income

	December 2024 \$	December 2023 \$
Revenue		
Revenue from Trading Technology	2,058,212	3,627,385
Revenue from Services	733,293	729,649
Total revenue from services rendered	2,791,505	4,357,034
Interest income	8,087	51,727
Total revenue from continuing operations	2,799,592	4,408,761
Other income		
Grant income	78,649	145,669
Total other income	78,649	145,669
Total revenue and other income	2,878,241	4,554,430

Note 5: Expenses

Loss before income tax includes the following specific expenses:

	December 2024	December 2023
	\$	\$
Other operating expenses		
Recruitment costs	365	-
Directors' fees	129,167	150,000
Marketing costs	1,288	10,874
Short term lease-rental premises	54,764	55,354
Rent outgoings	75,720	49,350
Listing & registrar fees	21,337	40,645
Legal fees	87,892	57,818
Travel expense	13,227	26,580
Consultancy fees	246,440	674,708
Audit and accountancy fees	93,774	170,517
Foreign exchange loss/(gain)	397,628	(84,849)
Insurance Expenses	81,730	107,324
Other expenses	222,410	236,029
Total operating expenses	1,425,742	1,494,350
Depreciation and amortisation		
Amortisation – Software development costs	-	1,270,295
Amortisation – Right of Use Assets	29,816	273,179
Depreciation – Computer & equipment	9,878	19,623
Depreciation – Plant and equipment	34	147
Total depreciation and amortisation	39,728	1,563,244
Employee related expenses		
Employee benefits expense	3,404,163	3,289,410
Development wages included in R&D grant	181,687	-
Total capitalised development wages	-	1,407,539
Employee benefits included in Share based payment expense	100,703	57,153
Total employee benefits	3,686,553	4,754,102
Capitalised development wages (net of related grants) ¹	-	1,043,852
Capitalised development wages included in the R&D grant	-	363,687
Total development wages	-	1,407,539
Defined contribution superannuation expense included in Employee benefit expense	281,689	397,498
Foreign currency loss/(gain) included in other expenses	397,628	(84,849)

¹ Refer Note 2b

Note 6: Cash and Cash Equivalents

	31 December 2024	30 June 2024
	\$	\$
Cash at bank and on hand	1,494,999	3,147,242

Included in the Cash at bank is \$0.3 million of funds held on term deposit as guarantee for our corporate credit card facilities and for the benefit of landlords under office lease agreements.

Note 7: Trade & Other Receivables

	31 December 2024	30 June 2024
	\$	\$
Trade debtors	5,264,738	2,524,905
Less: Allowance for impairment	(7,358)	(4,590)
Trade debtors not impaired	5,257,380	2,520,315
Research and Development grant receivable	260,547	882,512
Other receivables	134,551	34,868
Total trade and other receivables	5,652,478	3,437,695

Trade debtors \$5.3 million include trade & accrued receivables (\$2.5 million, 30 June 2024) of which \$4.1 million are amounts collectible on behalf of publisher creditors (\$1.4 million, 30 June 2024).

Fair value of receivables

Fair value of receivables at period end is measured to be the same as receivables net of the allowance for impairment.

Note 8: Intangible Assets

Period ended 31 December 2024

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Opening net book amount	-	38,267	-	-	38,267
Carrying amount at 31 December 2024	-	38,267	-	-	38,267

At 31 December 2024

Cost	27,660,501	38,267	16,191,496	15,161,939	59,052,203
Accumulated amortisation and impairment	(27,660,501)	-	(16,191,496)	(15,161,939)	(59,013,936)
Carrying amount at 31 December 2024	-	38,267	-	-	38,267

Period ended 30 June 2024

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Opening net book amount	5,522,707	38,267	-	-	5,560,974
Acquisitions	2,049,264	-	-	-	2,049,264
Amortisation	(2,486,220)	-	-	-	(2,486,220)
Impairment of assets	(5,085,751)	-	-	-	(5,085,751)
Carrying amount at 30 June 2024	-	38,267	-	-	38,267

At 30 June 2024

Cost	27,660,501	38,267	16,191,496	15,161,939	59,052,203
Accumulated amortisation and impairment	(27,660,501)	-	(16,191,496)	(15,161,939)	(59,013,936)
Carrying amount at 30 June 2024	-	38,267	-	-	38,267

Note 9: Property, Plant & Equipment

Period ended 31 December 2024

	Right of Use Assets	Plant and Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Carrying amount at 01 July 2024	179,059	34	18,077	197,170
Disposals/Write Offs	-	-	(1,999)	(1,999)
Depreciation/amortisation expense	(29,816)	(34)	(9,878)	(39,728)
Net foreign exchange differences	-	-	288	288
Carrying amount at 31 December 2024	149,243	-	6,488	155,731

Note 10: Trade and other Payables

	31 December 2024	30 June 2024
	\$	\$
Trade creditors	371,804	477,780
Publisher creditors	7,135,515	4,840,473
Accrued expenses	276,870	411,597
Other creditors	211,166	419,342
Total Trade and Other Payables	7,995,355	6,149,192

Note 11: Other Liabilities

	31 December 2024	30 June 2024
	\$	\$
Current: Contract liabilities	282,541	277,869
Short Term Borrowings (i)	-	400,500
Total other liabilities	282,541	678,369

(i) In March 2024, Adslot entered into a secured loan agreement with Radium Capital for a loan secured against the company's FY2024 R&D claim. Radium Capital is a leading R&D finance provider, offering strategic capital by early access to R&D funds, secured against the associated tax rebate. Under this debt facility, the company obtained \$0.4million in funding.

The loan amount was repaid in full in November 2024.

Note 12: Equity Securities Issued

	December 2024	December 2023
Issues of Ordinary Shares during the half-year	\$	\$
New Ordinary Shares issued – value \$ ¹	1,566,186	3,149,074
Exercise of Options – value \$	-	5
Unmarketable Parcels Share Buy Back– value \$ ²	-	(164,281)
Total Ordinary Shares issued – value \$	1,566,186	2,984,798
New Ordinary Shares issued – number	1,566,185,996	787,268,541
Exercise of Options – number	-	758
Unmarketable Parcels Share Buy Back – number	-	(42,122,133)
Ordinary Shares issued – number	1,566,185,996	745,147,166

¹ On 17 June 2024, the Company announced a capital raise in the form of a partially underwritten 3:4 accelerated pro rata non-renounceable entitlement offer to raise \$2.4 million. The entitlement offer comprised of an institutional component (Institutional Entitlement Offer) and an offer to eligible shareholders to participate on similar terms under a retail component (Retail entitlement offer). The Institutional Entitlement Offer was concluded in FY2024 and on 15 July 2024, the Company successfully concluded the Retail Entitlement Offer of \$952,950 before costs for the issue of 952,949,896 ordinary shares. Entitlement Offer was completed on 7 October 2024 with the issue of 340,000,000 new shares on 8 October 2024 from new and existing shareholders and 200,000,000 new shares from related party of the former CEO, Mr Ben Dixon, which was later approved at the November 2024 Annual General Meeting.

In addition, out of the 1,566,185,996 ordinary shares issued, 73,236,100 securities (\$73,236 for the September 2024 quarter) were issued on 6 December 2024 as part of the Director Fees Plan approved by the shareholders at the November 2024 Annual General Meeting. The Board of Directors has agreed to take their compensation in equity instead of cash to assist the pathway to breakeven as announced on 6 September 2024.

² On 15 September 2023, Adslot completed a buyback of unmarketable parcels (UMPs) of ordinary shares. A total of 42,122,133 ordinary shares have been acquired and cancelled at a buyback price of \$0.0039 per share. Proceeds were distributed to relevant shareholders on 25 September 2023. The buyback enabled UMP Holders to sell their shares in the Company in accordance with the Company's constitution without incurring brokerage and other expenses.

Note 13: Issued Capital

	Dec 2024 Number	Jun 2024 Number	Dec 2024 \$	Jun 2024 \$
Ordinary Shares – Fully Paid (Including treasury shares)	5,315,857,791	3,749,671,795	164,811,014	163,285,169

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the numbers of shares.

At the shareholders meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Movements in Paid-Up Capital

Date	Details	Number of shares	Issue Price - \$	Costs - \$	Value- \$
01-Jul-23	Balance	2,479,348,381		(3,971,198)	160,134,280
01-Jul-23	June 2023 Share Placement	-		(17,670)	(17,670)
06-Jul-23	July 2023 Rights Issue	787,268,541	\$0.004	(244,459)	2,904,615
26-Jul-23	Exercise of Option	758	\$0.006	-	5
25-Sep-23	Unmarketable Parcels Share Buy Back	(42,122,133)	\$0.004	(3,841)	(168,118)
18-Jun-24	Institutional Entitlement Offer	525,176,248	\$0.001	(93,119)	432,057
30-Jun-24	Balance	3,749,671,795		(4,330,287)	163,285,169
01-Jul-24	Balance	3,749,671,795		(4,330,288)	163,285,169
15-Jul-24	Retail Entitlement Offer	952,949,896	\$0.001	(26,388)	926,562
08-Oct-24	Retail Entitlement Offer	340,000,000	\$0.001	(10,574)	329,426
06-Dec-24	Entitlement Offer via related party	200,000,000	\$0.001	(2,222)	197,778
06-Dec-24	Equity raised under Directors Fees share plan	73,236,100	\$0.001	(1,157)	72,079
31-Dec-24	Balance	5,315,857,791		(4,370,629)	164,811,014

Note 14: Events Subsequent to Reporting Date

On 6 September 2024, the Company has entered into agreements with its Board of Directors to take their compensation in equity instead of cash to assist the pathway to breakeven; which was subsequently approved by the shareholders at the November 2024 Annual General Meeting. For the quarter ended 31 December 2024, 61,443,240 securities were issued on 21 January 2025 as part of the Director Fees Plan.

In addition, the Company is in the process of winding down one of its subsidiaries, Facilitate Digital UK Limited as it has been non-operational since May 2021.

Directors' Declaration

In the Directors' opinion:

- (a) The financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, AASB 134 interim financial reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Adslot Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors.



Andrew Dyer
Executive Chairman

Melbourne
24 February 2025



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ADSLOT LIMITED AND CONTROLLED ENTITIES
ABN 70 001 287 510**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Adslot Limited.

As the auditor for the review of the financial report of Adslot Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney

Dated this 24th of February 2025

MNSA



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ADSLOT LIMITED AND CONTROLLED ENTITIES
ABN 70 001 287 510**

Report on the Half-year Financial Report

Conclusion

We have reviewed the half-year financial report of Adslot Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Adslot Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Adslot Limited financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of Adslot Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of Adslot Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to Going Concern

We draw your attention to Note 1b on going concern in the financial report, which indicates that the Group incurred an operating loss after tax from continuing operations \$2,725,391 (31 December 2023 loss: \$5,149,704) and net cash outflow from operating activities of \$3,176,117 (31 December 2023 \$1,216,084) during the half year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$1,669,673 (June 2024: \$618,829) and net liabilities of \$2,402,055 (June 2024: \$1,563,166). As stated in Note 1b, these events and conditions, along with other matters set forth in Note 1b, indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of Adslot Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

MNSA PTY LTD

MNSA Pty Ltd

**Mark Schiliro**

Director

Sydney

Dated this 24th of February 2025