

ASX Announcement

30 July 2024

QUARTERLY ACTIVITY REPORT Q4 FY24

Adslot Ltd (ASX: ADS) is pleased to provide its activity report on trading for the June 2024 quarter (Quarter ended 30 June 2024).

Key Developments

- Quarterly Total Transaction Value (TTV) of \$41.69M.
 - Quarter on Quarter (QoQ) 12% TTV increase.
 - FY24 TTV of \$182M is up 25% vs FY23
- TTV CAGR for FY20 – FY24 is 72%* pa.
- Receipts from customers down from record March 2024, however Q4 was the second-best quarter in the last five quarters.
- Continued disruption to global digital ad industry opening new opportunities for Adslot solutions across our markets in the US, UK, Germany and Australia.
- Refined offerings are being deployed in these markets to both media publishers (sell-side) and advertisers & agencies (buy-side) to deliver more effective outcomes.
- Cash at end of June 2024 quarter was \$3.15M.

**TTV for prior years include transactions previously managed by Symphony and which are now transacted via Adslot Media.*

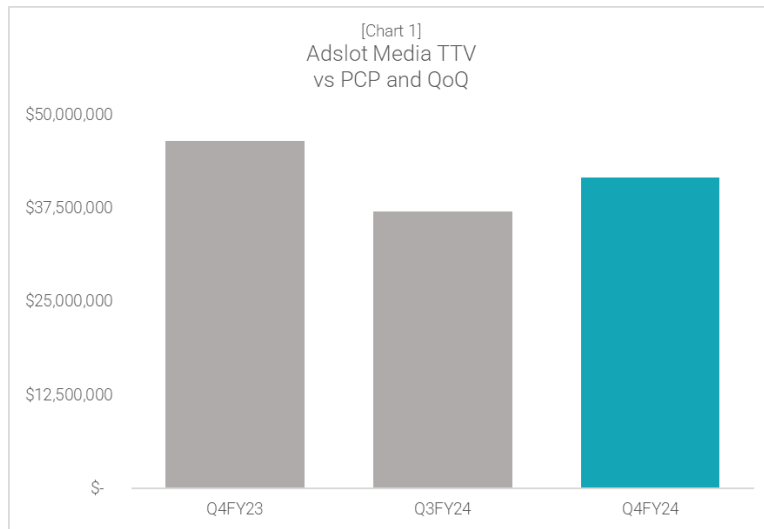
Quarterly Total Transaction Value: Adslot Media

TTV is the value of all media traded on the *Adslot Media* platform, including both those transactions for which fees are charged and those that are provided under trial/test, 'freemium' and other interim commercial arrangements, primarily in the Australian market.

Continued growth in average transaction size, with the average value of trades increasing by 21% vs previous corresponding period (PCP) and 25% QoQ.

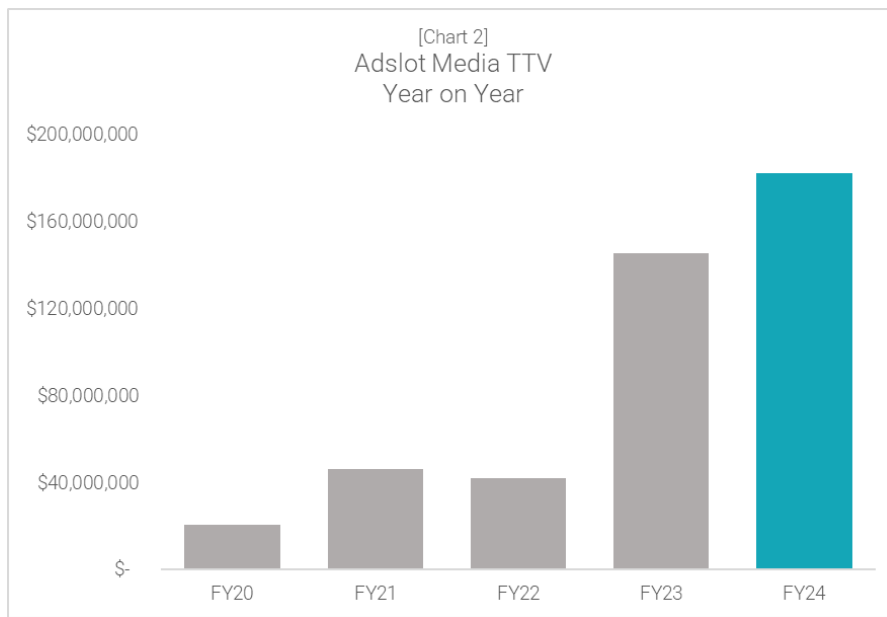
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TTV for the quarter was **\$41.69M**, an **increase of 12%** vs QoQ. See Chart 1.



Year on Year Total Transaction Value Growth: Adslot Media

FY24 TTV of \$182M is up 25% vs FY23, up 334% vs FY22, up 294% vs FY21 and up 771% vs FY20*. See Chart 2. This represents a four year CAGR of 72% per annum.



**Comparisons with prior years include transactions previously managed by Symphony and which are now transacted via Adslot Media.*

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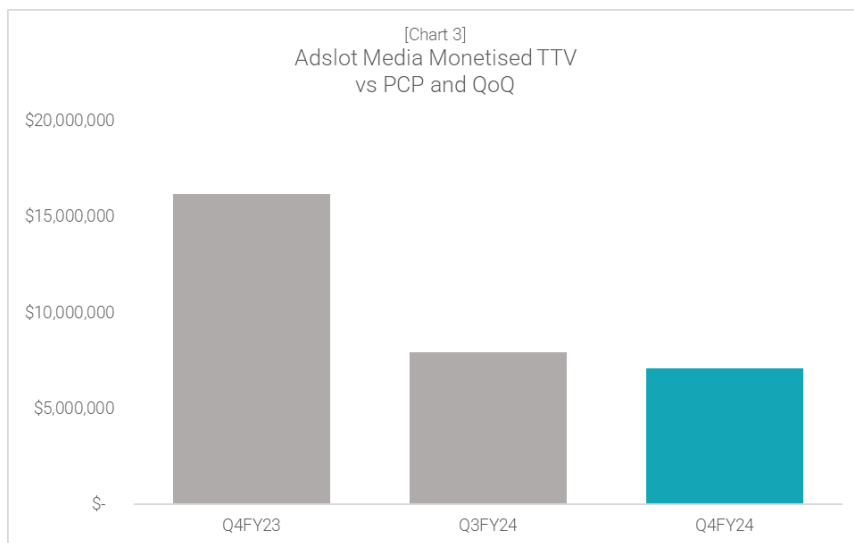
Monetised TTV: Adslot Media

MTTV refers to those transactions traded on the *Adslot Media* platform for which fees are generated.

MTTV for the quarter was **\$7.12M**, a **decrease of 10%**, compared to the March 2024 quarter and a **decrease of 56%** compared to PCP. See Chart 3.

QoQ declines reflect the weakness in the Australian advertising market, and structural reform taking place.

The company remains focused on increasing take rates for Australian based TTV, where trial and other freemium arrangements have resulted in lower levels of monetisation.



Global Ad Industry Disruption

The Company notes, that despite recent announcements from Google in relation to 3rd party cookie deprecation, the global advertising industry continues to experience significant disruption. This is expected to continue in the short to medium term.

When given a choice, consumers overwhelmingly opt-out of sharing their data via cookies. In some markets up to 70% of consumers no longer have a cookie. The company believes that because of the consumer choice solution Google proposes to introduce (rather than outright deprecation), the ability for advertisers to target audiences will continue to decline significantly.

In this environment, Publisher first-party data and signals are the only means to target audiences that work across 100% of consumers. Publishers therefore need to invest in collecting and managing their first party data and collaborate with partners that can make best use of that data to find reach and performance.

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Publisher Storefronts

Given both its direct integrations to publisher inventory management systems and automated buy side interfaces, Adslot platforms are well positioned for this shift. In the current quarter, the Company experienced a significant increase in interest in its 'Publisher Storefront' solution.

A Publisher Storefront is a single, exclusive selling environment that allows a publisher to reach many buyers, thereby enabling them to leverage their audience data. Adslot charges a SaaS fee and a fee based on a percentage of the value of the media traded.

With the inclusion of the Publisher Storefront, the Company has broadened its product offerings, aligning it more closely with industry change.

Table 1: Adslot Products	
Product Name	Definition
'br1dge'	Direct Audience Trading. One or many buyers to one or many sellers. Adslot charges the Agencies based on the number of impressions. Adslot charges the Agency a CPM fee for the volume of impressions delivered. Incorporates the Deal ID* capability.
'Adslot Open Marketplace'	Direct to Publisher trading. Many buyers to many sellers. Adslot charges Publishers on the value of the media traded.
'Publisher Storefront'	A single, exclusive seller environment to many buyers. White label solution. e.g. Viber. Adslot charges Publishers a SaaS fee plus a % fee on the value of the media traded.
'Agency Partner Marketplace'	Single buyer (Agency) to a curated portfolio of Publishers. White label solution. Incorporates the Deal ID* capability. Adslot charges Publishers on the value of the media traded.

**Deal ID: A platform feature that allows an Agency to plan in Adslot and execute in the broader programmatic environment, or across both Adslot and the programmatic landscape. Adslot charges the Agency a SaaS fee in addition to the other fees specified for that model.*

Operational Update

The Company continues to make progress on key commercial projects. See Table 2 below.

Table 2: Progress on Key Commercial Projects		
KEY PROJECT	JUNE 2024 QUARTER HIGHLIGHTS	UPCOMING ACTIVITIES
br1dge	<ul style="list-style-type: none"> Public launch of v1.0 of br1dge product. Active engagement with several global brands and agencies. 	<ul style="list-style-type: none"> Commence trials. Explore opportunities to launch br1dge in the UK.
German Market (incl CTV & Video*)	<ul style="list-style-type: none"> Detailed discussions with major publishers to surface required inventory. Responded to major holding company RFI for more direct access to publisher inventory. Commenced contract negotiations with major German CTV & other media publisher to create a Publisher Storefront. 	<ul style="list-style-type: none"> Conclude Springserve ad-server integration to increase publisher inventory. Commence trading with a major agency holding company. Execute go to market plans for launch of Publisher Storefronts for wider German market.
UK Market	<ul style="list-style-type: none"> Commenced discussions with large UK based publishers to implement Publisher Storefronts. Executed contract with Viber Rakuten for a Publisher Storefront. 	<ul style="list-style-type: none"> Expand existing clients across new geographies and verticals. Activate Viber Rakuten Publisher Storefront. Launch 'Direct Connection' which enables existing platform Publishers to bring agencies on-platform. Finalise long term discussions with a major holding company regarding deployment of Adslot's 'Deal ID' capability.
Australian Market		<ul style="list-style-type: none"> Assess opportunities in the Audio market with test client. Progress and conclude 2-year discussions with major Australian TV broadcaster for launch of a Publisher Storefront. Assess opportunities to convert TTV to MTTV from existing client base.

* **CTV & Video** includes "Connected Television (CTV)" advertising, i.e. video ads delivered via a streaming service (e.g. Netflix, Hulu, Apple TV+, Disney+, Amazon Prime, Stan, Binge, Kayo, etc.) to a smart TV set (e.g. Apple TV, Chromecast, etc.), with the ads appearing during a viewer's movie, TV show or other video content. It also includes "Over The Top" (OTT) advertising streamed to other devices, such as laptops, tablets (e.g. iPads), smart phones (e.g. iPhone), etc.

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Symphony

The annualised value of media managed by the *Symphony* platform was \$4.92B, which is flat QoQ (March 2024: \$4.90B).

The Company remains in discussions with multiple agency groups regarding potential *Symphony* deployments.

The Company has completed activation of Together Agency onto the *Symphony* platform. Together Agency is the NZ market's leading independent agency winning Media Agency of the Year, Beacon Awards & Campaign Asia Pacific 2022 and IAB Digital Agency of the Year 2022 & 2023.

Capital Raise

June 2024 Quarter

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 \$2.4M (Entitlement Offer).

As announced on 19 June 2024, the institutional component of the Entitlement Offer (Institutional Entitlement Offer) raised \$0.53M before cost with 525,176,248 New Shares issued on 26 June 2024.

September 2024 Quarter

On 15 July 2024 the Company announced that a further \$0.95M before costs was raised through the retail component of the Entitlement Offer for a total of \$1.48M.

The Company intends to place the residual shortfall of approximately \$0.94M within three months of the close of the Entitlement Offer in accordance with the ASX Listing Rules and the provisions of the Company's Retail Entitlement Offer Document dated 24 June 2024.

Supplementary Information: Quarterly Cashflow Commentary

The June 2024 quarter cash receipts from customers at \$4.01M were \$1.36M or 25% lower than QoQ and \$1.20M or 43% higher than PCP. The quarterly receipts were the second largest in the last five quarters.

Net cash outflows from operating activities for the quarter were \$0.21M, \$0.98M lower than QoQ (March 2024: net cash inflow \$0.77M) and \$0.34M lower than the PCP (June 2023: net cash outflow \$0.55M).

In the June 2024 quarter, total salary costs were \$2.54M, \$0.04M up QoQ (March 2024: \$2.5M) and \$0.14M or 6% up on PCP (June 2023: \$2.40M). The June 2024 quarter included \$0.39M of one-off redundancy cost, which is expected to reduce the annualized salary cost by approximately \$1.68M. Total salary costs include Staff Costs and Intellectual Property (capitalised development salaries).

Outgoing cash payments during the quarter at \$4.86M is \$0.56M or 10% lower than QoQ (March 2024: \$5.42M) and \$0.61M or 14% up on the PCP (June 2023: \$4.25M). This increase is mainly due to \$0.47M lower publisher payouts compared to the PCP.

Ongoing cash outflows excluding publisher payments for the June 2024 quarter were \$3.45M are \$0.09M less than QoQ (March 2024: \$3.54M) and \$0.08M less than PCP (June 2023: \$3.53M). Ongoing cash outflows excluding publisher payments and bridge costs for the June 2024 quarter were \$3.10M are \$0.43M less than the June 2023 quarter. This result for the June 2024 quarter represents annualized cost savings of approximately \$1.71M compared to the PCP.

Cash at the end of the June 2024 quarter was \$3.15M.

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For further enquiries, please contact:

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About Adslot

Adslot's mission is to automate the trading of forward guaranteed display advertising, referred to as automated guaranteed. Our leading technology is a purpose-built, global media trading platform. Adslot benefits a global community of media buyers and sellers, including media agencies, publishers and advertisers, by providing trading efficiencies and effectiveness made possible only via technology, and by doing so the basis on which the \$80B online display advertising industry will realise its full growth potential.

Adslot is a global organisation with operations in North America, Europe and Asia Pacific and is headquartered in Australia.

Future performance

This Announcement contains certain references to forecasts, estimates, assumptions and other forward-looking statements and statements regarding the intent, belief or current expectations of The Company. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Announcement contains such statements, which are subject to risk factors associated with an investment in The Company. The Company believes that these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause actual results, performance or achievements of The Company to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Announcement.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ADSLOT LTD

ABN

70 001 287 510

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,013	16,702
1.2 Payments for		
(a) staff costs	(1,964)	(7,147)
(b) research and development	-	-
(c) publishers	(1,410)	(6,917)
(d) other cost of sales	(346)	(1,328)
(e) advertising and marketing	(14)	(33)
(f) other working capital/overheads	(491)	(2,227)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	71
1.5 Interest and other costs of finance paid	(7)	(53)
1.6 Income taxes received/ (paid)	-	-
1.7 Government grants and tax incentives	-	272
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(213)	(660)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(8)
(d) investments	-	-
(e) intellectual property	(574)	(2,699)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (R&D Grant)	-	703
2.6	Net cash from / (used in) investing activities	(579)	(2,004)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	525	3,679
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(508)
3.5	Proceeds from borrowings	-	401
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9a	Other (Unmarketable parcel buyback)	-	(210)
3.9b	Other (Leased assets)	(48)	(414)
3.10	Net cash from / (used in) financing activities	470	2,948

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,538	2,875
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(213)	(660)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(579)	(2,004)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	470	2,948
4.5	Effect of movement in exchange rates on cash held	(69)	(12)
4.6	Cash and cash equivalents at end of period	3,147	3,147

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,835	3,138
5.2	Call deposits	312	400
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,147	3,538

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities (i)	401	401
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Lender: Radium Capital Interest rate: 16% Maturity date: 31 December 2024 Secured against associated tax rebate of the R&D expenditure for FY2024		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(213)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,147
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,147
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	14.8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 July 2024

Date:

By the Board

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.