

2024 Annual Report

Contents

Adslot 2024 Annual Report

5	Message from our Executive Chairman
6	Directors' Report
17	Audited Remuneration Report
26	Auditor's Independence Declaration
27	Consolidated Statement of Profit or Loss and Other Comprehensive Income
28	Consolidated Statement of Financial Position
29	Consolidated Statement of Changes in Equity
30	Consolidated Statement of Cash Flows
31	Notes to the Financial Statements
67	Consolidated Entity Disclosure Statement
68	Directors' Declaration
69	Independent Auditor's Report
73	Corporate Governance Statement
73	Shareholder Information
74	Corporate Directory

Adslot.

**To simplify premium
media trading
through technology
and collaboration.**

Message from our Executive Chairman

Mr Andrew Dyer



Dear Shareholders and Valued
Team Members,

It is with a mix of humility and determination that I share with you the Adslot Annual Report for the year ended 30 June 2024. It has been a year filled with challenges, tests of resilience, and moments that demanded tough decisions.

The global digital advertising industry is grappling with significant change whether it is being driven by tightening economic conditions, regulatory pressures or technological innovation.

Notwithstanding this, the fundamental problems we are trying to solve remain - digital media industry economics are high cost and opaque as 50 – 70% of ads do not reach their target audience. Google's consumer choice solution (rather than outright cookie depreciation) will further reduce advertisers' ability to target audiences, manage frequency, measure impact and reconcile ad campaigns. In this environment first party data and signals become the only means to target 100% of audiences. Adslot is the only audience focused digital media trading solutions that is not consumer ID based.

Over the year we directly experienced the impact of the major holding companies tightening their costs with the loss of three markets for our Symphony product. We also experienced longer sales cycles and challenges to move a number of key initiatives forward. These factors have undeniably impacted our performance, and it is essential to acknowledge this. Despite these hurdles, our dedication to our mission remained steadfast. We continued during the FY24 Year to invest in products (br1dge) and key markets (Germany and the UK) but in a more targeted way to ensure a better return on investment. Our teams have worked tirelessly, often going above and beyond, to deliver cutting-edge solutions that address the needs of our clients and stakeholders.

I would like to extend my thanks to our employees, who have persevered and adapted through many of the challenges. Their hard work and commitment have stabilised the core business and prepared us for new initiatives which has set the stage for future growth and success. To our shareholders, thank you for your unwavering support and trust in our vision. Your confidence in our potential fuels us.

Since the end of the Financial Year, we have also taken significant steps to streamline our operations and enhance our efficiency. We have re-evaluated our processes, identifying areas for improvement, and implementing measures to ensure we are well-positioned to capitalize on emerging opportunities. We have formulated plans to significantly reduce costs and our cash burn rate, and we are focused on achieving price rises and new revenue initiatives including rolling out the publisher "buy-side" solution known as StoreFront. We have intuitively changed the way we financially analyse, manage and report the five product offerings and the group as a whole, but acknowledge that more work is required.

Looking ahead, we remain optimistic and confident in our ability to navigate the complexities and opportunities of our industry. Our roadmap for the coming year is clear: to continue activate key opportunities; strengthen the balance sheet and move the business to profitability.

In closing, I want to reiterate my appreciation for everyone who has played a part in our journey this year. The path forward may still present challenges, but with the collective strength of our teams and the support of our shareholders, I am confident that we will emerge stronger and more resilient.

Sincerely,
Andrew Dyer
Executive Chairman

Directors' Report



Mr Andrew Dyer
Executive Chairman

Andrew Dyer is Chair of Rozetta Institute, an independent, not-for-profit research organisation that seed-funds transformative research centres to deliver societal impact. Mr Dyer is also a Senior Partner Emeritus and Senior Advisor of The Boston Consulting Group (BCG), and a member of BCG's global Senior Partner Emeritus Council. Mr Dyer is also an advisor to several public and private company CEO's and boards.

In his 29 years with BCG Mr Dyer supported senior executives in leading companies around the world. He also held local, regional and global leadership positions, including leading BCG's People & Organization and Enablement Practices and was also a member of BCG's global Executive Committee, including roles on several BCG Board Committees.

Prior to joining BCG in 1994, Mr Dyer worked for the Commonwealth Bank and the Australian Federal Government. Mr Dyer is a member of the Adslot's Audit & Risk Committee and Remuneration Committee.

Mr Dyer was appointed as Chairman of Adslot on 9 June 2023.

Mr Dyer was appointed as Executive Chairman of Adslot on 13 August 2024



Mr Adrian Giles
Non-Executive Director

Adrian Giles is an entrepreneur in the Internet and Information Technology industries. In 1997 Mr Giles co-founded Sinewave Interactive which 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.

Mr Giles co-founded Hitwise which grew over 10 years to become one of the most recognised global internet measurement brands in the USA, UK, Australia, NZ, Hong Kong, and Singapore. Whilst positioning the company for a NASDAQ listing in early 2007 Hitwise was sold to Experian (LSX: EXPN) in one of Australia's most successful venture capital backed trade sales.

Mr Giles is also Chairman of Fortress Esports - an esports and video game entertainment company.

Mr Giles is Chair of the Remuneration Committee and a member of the Audit & Risk Committee.

continued Directors' Report



Ms Sarah Morgan
Non-Executive Director

Sarah Morgan has extensive experience in the finance industry, primarily as part of independent corporate advisory firm Grant Samuel. Ms Morgan has been involved in public and private company mergers and acquisitions, as well as equity and debt capital raisings. She holds a degree in Engineering and a Master of Business Administration from the University of Melbourne and is a Graduate of Australian Institute of Company Directors.

Ms Morgan is a Non-Executive Director of Future Generation Global Investment Limited (from July 2015) and Intrepid Group Pty Ltd (from January 2019). Ms Morgan was previously a Non-Executive Director of Hansen Technology Limited (from October 2014 to December 2019), Nitro Software Limited (from November 2019 to March 2023) and Whispir Limited (from January 2019 to January 2024).

Ms Morgan is Chair of the Audit and Risk Committee.



Mr Tom Triscari
Non-Executive Director

Tom Triscari is a leading expert in the programmatic AdTech industry. He is the founder and CEO of Lemonade Projects, a programmatic innovation firm based in NYC running strategic projects and experiments at the intersection of economics, game theory, and principles of radical transparency. The underlying thesis of Tom's work is based on his methodology paper Programmatic Lemon Market Game published in May 2020.

Mr Triscari's programmatic experience began in 2007 developing addressable TV and data product requirements as a consultant for Project Canoe in New York, an initiative led by Comcast and Time Warner. He managed a multi-market team at Yahoo! Europe in Barcelona with responsibility for Right Media, the first programmatic exchange. At pre-IPO Criteo in London, Mr Triscari built and managed supply-side and data science teams. Mr Triscari was brought on as CEO to reposition Amsterdam-based Yieldr, a DSP platform. In 2015, he founded Labmatik, a programmatic transformation consultancy.

Mr Triscari has a B.A. in Economics from UCLA, an MBA from the University of Notre Dame, and hosts Quo Vadis, a leading industry newsletter.

Mr Triscari was appointed as a non-executive director on 9 August 2021 and Executive Director, Head of Corporate Development and Interim Chief Financial Officer on 6 April 2022.

Mr. Triscari resigned from Executive Director, Head of Corporate Development & Interim Chief Financial Officer on 30 April 2024.

Directors' Report

Chief Executive Officer and Executive Director

Mr Ben Dixon

Ben Dixon has over 27 years' experience in the advertising and ad-tech industries. This includes both media planning and strategy roles at leading agencies groups such as Publicis and Omnicom. During this period, he was involved in the development of digital media strategies for a number of prominent technology and telecommunications brands in Australia.

Mr Dixon was then a founder of Facilitate Digital where he was involved in conceptualizing and developing the *Symphony* Media workflow platform. During his tenure as Chief Executive Officer at Facilitate Digital he oversaw the international expansion of *Symphony* and its first adoption by global agency groups.

Following the acquisition of Facilitate Digital by Adslot in late 2013 he became an Executive Director of Adslot Limited.

Mr Dixon was appointed as the CEO in February 2018.

Mr Dixon resigned as a Director and Chief Executive Officer on 6 September 2024.

Interim Chief Executive Officer

Mr Ben Loiterton

Ben Loiterton's career spans 35 years as a company director, executive, investment banker and involved in entrepreneurial activity.

He is an experienced public company director having served on five ASX-listed company boards, two as chair, and various unlisted public company and private company boards.

Mr Loiterton has extensive experience with driving commercial strategy, corporate finance, equity capital raising, IPOs, mergers & acquisitions, financial structuring, and providing legal and business advice for both fast-growth businesses, and companies navigating turnaround and restructuring.

Mr Loiterton has direct experience in a wide array of sectors including technology, software / SaaS, telecoms, media, resources, energy, FMCGs & food, commercial property, financial services and traditional businesses. He has co-founded several start-up businesses and arranged equity funding across the full spectrum from initial angel rounds to large private equity transactions.

Mr Loiterton is a Principal at Sydney-based merchant banking firm Andover Partners.

Mr Loiterton graduated B. Comm LL. B from the University of New South Wales.

Mr Loiterton was appointed as Interim Chief Executive Officer on 6 September 2024 replacing Mr Ben Dixon who resigned as Chief Executive Officer on the same date.

Company Secretary

Mr Mark Licciardo

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services, now Acclime Corporate Services Australia. A former Company Secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Company Secretaries and Administrators and the Governance Institute of Australia.

Mr Licciardo holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice.

Mr Licciardo is a non-executive director of ASX listed Frontier Digital Ventures (ASX: FDV) and a number of other unlisted public and private companies.

Mr Licciardo joined Adslot Ltd as Company Secretary on 20 April 2022.

Chief Financial Officer

Mr Mal Jayakody

Mr Jayakody has been with the Adslot since 2011, the last eight years as the company's Group Financial Controller. He was acting CFO for a brief stint in 2017 and has been head of finance since April 2023.

Prior to joining Adslot, Mr Jayakody was the CFO of Sintesi, a research, design, and manufacturing business servicing the global apparel manufacturing market. He holds a Master of Business Administration and is a fellow member (FCPA) of CPA Australia, fellow member (FCMA) of the Chartered Institute of Management Accountants (CIMA) UK and member of Chartered Global Management Accountant (CGMA)

Mr Jayakody was appointed as Chief Financial Officer on 1 May 2024.

Directors

Mr Andrew Dyer, Ms Sarah Morgan, Mr Adrian Giles & Mr Tom Triscari were directors for the whole financial year and up to the date of this report.

Mr Andrew Barlow resigned as a Director on 16 February 2024.

Directorships of other listed companies

Other than those disclosed on pages 6 to 8 of this Annual Report no director holds a Directorship in any other listed companies in the three-year period immediately before the end of the financial year.

Directors' shareholdings

The following table sets out each director's relevant interest in shares or options in shares of the Group as at the date of this report.

Directors	Ordinary Shares	Share Options
	#	#
Mr Andrew Dyer	252,362,652	43,914,681
Mr Adrian Giles	84,416,487	-
Ms Sarah Morgan	72,956,406	634,320
Mr Tom Triscari	-	6,000,000

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report.

Directors' Meetings

The following table sets out the number of meetings of the Group's Directors held during the year ended 30 June 2024 and the number of meetings attended by each Director.

Directors	Board of Directors		Remuneration Committee		Audit and Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr Andrew Dyer	9	9	2	2	7	7
Mr Adrian Giles	9	9	2	2	7	7
Mr Ben Dixon (i)	9	9	-	-	-	-
Ms Sarah Morgan	9	9	-	-	7	7
Mr Tom Triscari	9	8	-	-	-	-
Mr Andrew Barlow (ii)	6	6	1	-	-	-

(i) Mr Dixon resigned as a Director and Chief Executive Officer on 6 September 2024.

(ii) Mr Barlow resigned as a Director on 16 February 2024.

Directors' Report (Continued)

Principal activities

Adslot Ltd derives revenue from two principal activities:

- 1. Trading Technology** - comprises *Adslot Media*, a leading global media trading technology platform, and *Symphony*, market-leading workflow automation technology for media agencies.
- 2. Services** - comprises digital marketing services - provided by the Group's *Webfirm* division - and project-based customisation of Trading Technology.

Operating Results

	2024	2023	Movement	
	\$	\$	\$	%
Revenue from Trading Technology	6,913,064	7,462,448	(549,384)	(7%)
Revenue from Services	1,527,363	1,457,274	70,089	5%
Total revenue and other income	8,746,714	9,229,962	(483,248)	(5%)
EBITDA (loss)	(7,582,565)	(8,371,565)	789,000	9%
Adjusted EBITDA (loss) ¹	(2,095,459)	(2,086,826)	(8,633)	(0)%
NPAT (loss)	(10,703,881)	(12,078,360)	1,374,479	11%
Adjusted NPAT (loss) ¹	(5,216,775)	(5,793,621)	576,846	10%

¹ Adjusted EBITDA (loss) and Adjusted NPAT (loss): Adding back impairment of intangible assets of \$5.1 million and impairment of right of use asset of \$0.4 million for FY2024 and \$6.3 million for FY2023 (refer note 10 for further information). Adjusted EBITDA (loss) and Adjusted NPAT (loss) are non-IFRS metrics used for management reporting. The Group believes Adjusted EBITDA (loss) and Adjusted NPAT (loss) reflects what it considers to be the underlying performance of the business.

Review of Operations

Total revenue and other income for FY2024 was \$8.7 million a decrease of 5% versus \$9.2 million in FY2023 largely due to a 7% decrease in Trading Technology revenue.

The Consolidated Group operating loss before interest, income tax, depreciation and amortisation (EDITDA) in FY2024 was \$7.2 million a 14% improvement versus the \$8.4 million loss in FY2023. The Consolidated Group operating loss after tax (NPAT) of \$10.3 million is a 15% improvement to the prior year loss of \$12.1 million.

FY2024 EBITDA and NPAT were substantially impacted by an impairment of intangible assets of \$5.1 million and impairment of right of use asset of \$0.4 million. FY2024 Adjusted EBITDA loss remained flat at \$2.1 million and adjusted NPAT loss improved by 10% to \$5.2 million.

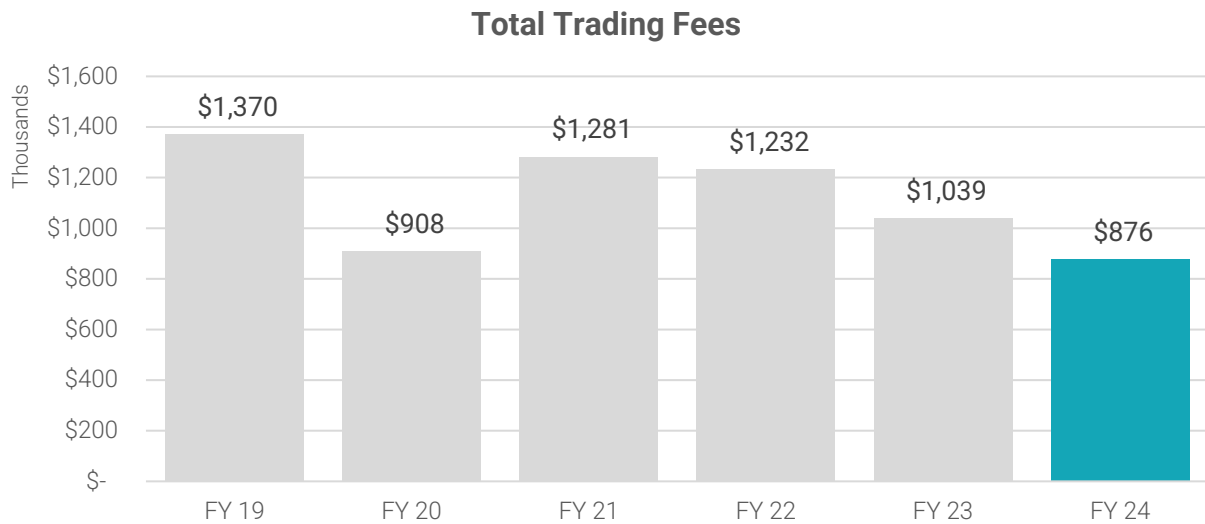
Trading Technology

The strategic focus of the business remains Trading Technology revenues. These revenues are comprised of:

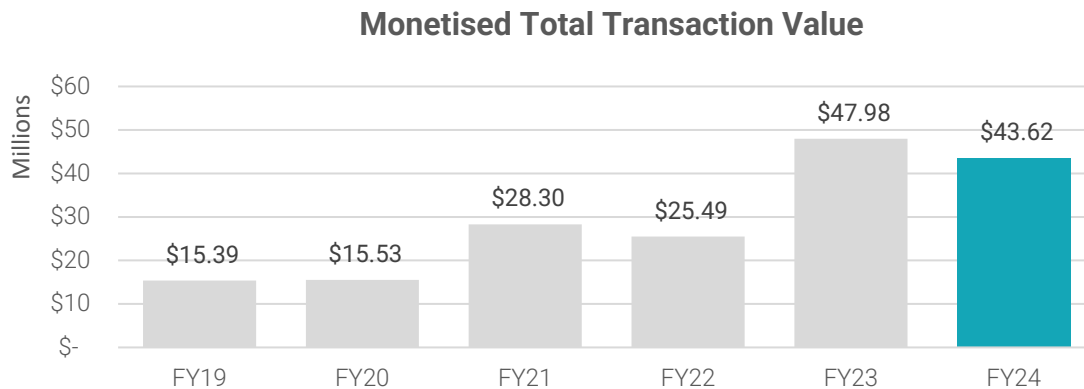
- *Trading Fees* – fees charged as a percentage of media traded; generated primarily from *Adslot Media* but also from *Symphony*. Trading fees generated via the *Adslot Media* platform attract a higher percentage fee and represent the significant majority of Trading Fees; and
- *Licence Fees* – generated primarily from *Symphony*, a market-leading workflow automation tool for Media Agencies, and also from customised solutions developed for Publishers.

Trading Fees

Total Trading Fee revenue across *Symphony* and *Adslot Media* was \$0.9 million in FY2024, a 16% decrease on the prior financial year (FY2023: \$1 million).



Adslot Media trading fees revenue for FY2024 was \$0.8 million, a 11% decrease compared to the prior period (FY2023: \$0.9 million). This decrease largely reflected a 9% fall in monetised total transaction value (TTV) for the *Adslot Media* platform due to adverse macroeconomic conditions which is impacting digital advertising spend, as well as, broader industry disruption, particularly in the US and UK.



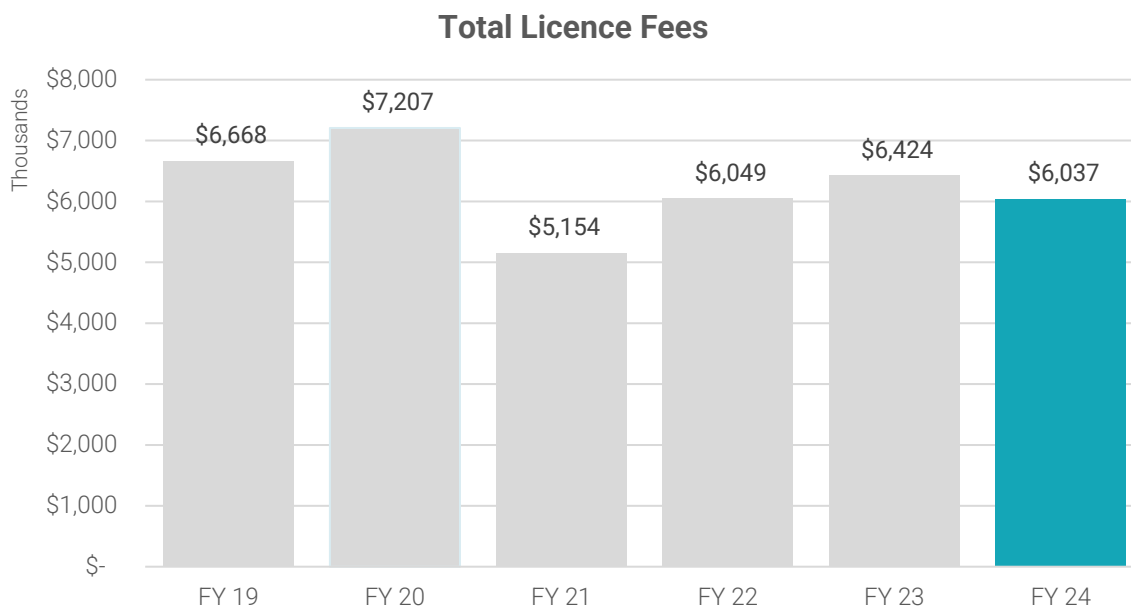
Other key initiatives during the year included the:

- Development of the German CTV market – during the year, Adslot established a technical partnership with Net ID, the European foundation that has created a privacy compliant, transparent and persistent user identifier as an alternative to US single sign-on providers. This is an important initiative to unlock marketplace demand from agencies. In addition, key publishers have been onboarded and an integration with the Springserve (CTV) ad server was commenced to enable the onboarding of more supply;
- Activation of the agency partner marketplace in the UK which has been slow to progress and trading activity expected from the restructure of GroupM has not yet materialised;
- Launch of the Publisher Storefront strategy at the end of the year with a specific focus on the UK, German and Australian markets; and
- Launch of Br1dge.

Directors' Report (Continued)

Licence Fees

Total Licence Fee revenue across *Symphony* and *Adslot Media* was \$6.0 million in FY2024, representing a 6% reduction on the prior financial year (FY2023: \$6.4 million).



In April 2024, the Company announced amendments to its long standing agreement with international agency group, GroupM, for the provision of the standalone *Symphony* workflow management solution. 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. The amendments will result in a reduction of around \$3.4 million in annualised licence fees from FY2025. The Company implemented cost reductions which offset some of the revenue reductions.

The *Symphony* solution will remain active in eight markets for GroupM and contract terms extended GroupM's commitment to maintain *Symphony* in those markets. The revised agreement also includes provisions for ongoing custom development to be conducted on a time and materials basis.

Services

Services revenue, including Webfirm and custom development work for *Symphony* and *Adslot Media* customers was \$1.5 million in FY2024, a \$0.07 million increase on the previous year (FY2023: \$1.5 million).

Webfirm revenue for FY2024 was \$1.5 million, a \$0.14 million increase on the previous year. (FY2023: \$1.4 million).

Cost Management

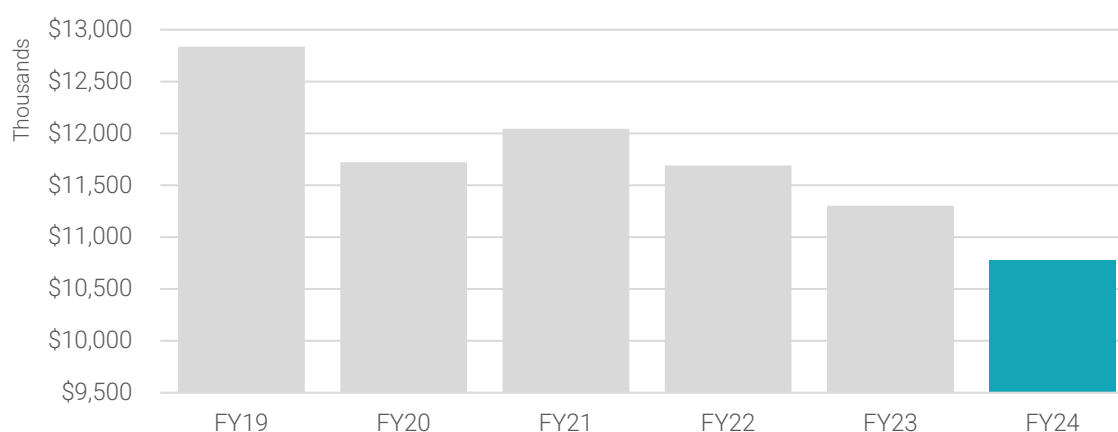
Total operating costs of \$10.8 million for FY2024 represented a 5% decrease in costs (FY2023: \$11.3 million). Total operating costs are derived by adding back non-cash and non-operating expenses to Total expenses:

	2024	2023
	\$	\$
Total expenses	19,251,583	21,084,780
Depreciation and amortisation expenses	(2,921,250)	(3,413,260)
Interest Expenses	(69,544)	(84,693)
Impairment – Right of use asset - Melbourne	(401,355)	-
Impairment – Intangible assets	(5,085,751)	(1,122,800)
Impairment - Goodwill	-	(5,161,939)
Total operating costs (i)	10,773,683	11,302,088

- (i) Total operating cost is total expenses excluding non-cash and non-operating expenses. Non-cash expenses include depreciation and amortisation among other non-cash expenses,

As disclosed to the market in over the last 24 months, the Group has made pre-emptive steps to reduce cash outflows and extend its cash operating runway via a series of targeted cost reductions across the business. Cost reductions were targeted to ensure continued investment in strategic and revenue-generating product development, and no disruption to existing client relationships.

Total Operating Cost



Out of the total operating costs of \$10.8 million, Br1dge related costs amounted to \$1.3 million. Excluding Br1dge, operating costs decreased by 16%. The costs savings largely represented headcount savings which were realised through natural attrition, redundancies and optimising internal workflows.

Capitalised development costs also reduced by 15% from \$3.2 million to \$2.7 million.

EBITDA

The EBITDA loss for FY2024 was \$7.6 million, a \$0.8 million decrease on the prior year (FY2023: \$8.4 million).

FY2024 includes \$5.1 million impairment of intangible assets & \$0.4 million impairment of right of use assets while FY2023 included a \$6.3 million impairment of intangible assets. Excluding the intangible assets impairment, the adjusted EBITDA loss for FY2024 remained constant at \$2.1 million. (FY2023: \$2.1 million excluding \$6.3 million impairment of intangible assets) The adjusted NPAT loss improved from \$5.8 million in FY2023 to \$5.2 million in FY2024.

Directors' Report (Continued)

Cash Management

Net cash outflows from operating activities for FY2024 were \$0.7 million, representing a \$0.9 million improvement (FY2023: \$1.6 million). This improvement was largely realised through an increase in customer receipts.

Total R&D incentives received in FY2024 was \$1.0 million which was recorded across operating activities (\$0.3 million) and investing activities (\$0.7 million).

The Group also partially concluded a successful capital raising towards the end of FY2024 and start of FY2025. \$0.53 million before costs was raised through an institutional entitlement offer with 525 million fully paid ordinary shares issued before the end of the year.

Additionally, at the start of FY2024 the Group raised \$3.15 million after costs via an entitlement offer. The initial \$1.1 million of this capital raise was carried out via a share placement in June 2023.

Cash as at 30 June 2024 was \$3.1 million (FY2023: \$2.9 million).

Business growth strategy

The Group's growth strategies for products are focussed on:

Adslot Media

- **StoreFront** Solution Roll-out to media clients with which Adslot has historic relationships and API's,
- **Open Marketplace** Grow TTV across platform, and increase ratio of monetised TTV, and
- **Media Auctions** approach other clients including property platforms in US, UK, EU and Asia.

Symphony: Re-approach other global media buyer agencies.

Webfirm: Plan to extend sales and business development including cross-over leads from other business units.

Br1dge: Early-stage roll-out under review with initial trial customers (major brands in US) already engaged.

In addition, the Group will continue its focus on cost management as it progresses towards cash flow break-even.

Material business risks

The Group is subject to risks of both a general nature and those specific to its business activities including, but not limited to:

- Retaining existing customers and keeping them engaged in the product;
- Attracting new customers and achieving revenue growth;
- Cyber security incidents involving unauthorised access to data and assets, causing disruption to services;
- Retaining key personnel and attracting new personnel; and
- Ongoing access to funds in capital markets.

The information presented in this Review of Operations has not been audited in accordance with the Australian Auditing Standards.

Matters Subsequent to the End of the Financial Year

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 on 17 June 2024. 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. The latter raised \$0.95 million before costs for the issue of 953 million ordinary shares.

The residual shortfall of up to approximately 940 million shares (representing an amount of approximately \$0.94 million) maybe be placed by the company within three months after 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.

On 13 August 2024 the Company announced that Mr Andrew Dyer, the Company's Chairman will assume the role of Executive Chairman with immediate effect and that the Company has commenced a strategic and operational review, with the objective of accelerating its pathway to breakeven.

On 6 September 2024 the Company announced the resignation of Mr Ben Dixon as Chief Executive Officer and that he has also resigned as a director of Adslot and certain subsidiaries. To assist with various projects, and to ensure an orderly transition, Mr Dixon will provide advisory services until 31 December 2024. Mr Ben Loiterton, who was advising the company on its strategic review and associated restructure, was appointed Interim Chief Executive Officer.

The 6 September 2024 announcement also confirmed that Mr Dyer's term as Executive Chair was extended to 30 June 2025 and that 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, subject to ASX and shareholder approval.

Environmental regulations

The Group's operations are not subject to any significant environmental regulations under the Commonwealth, State or any other country in which the entity operates.

Dividends

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

Shares under option

Details of unissued shares or interests under option as at the date of this report are:

Issue Type	Expiry Date	Exercise Price	Balance at beginning of the period	Issued during the period	Lapsed/ Forfeited during the period	Exercised during the period	Balance at end of the period
		\$	(Number)	(Number)	(Number)	(Number)	(Number)
Ordinary options	02/09/2023	0.041	8,600,000	-	(8,600,000)	-	-
Ordinary options	12/07/2024	0.028	16,666,667	-	(2,750,000)	-	13,916,667
Ordinary options	06/08/2024	0.034	18,000,000	-	-	-	18,000,000
Ordinary options	16/12/2024	0.043	2,500,000	-	-	-	2,500,000
Ordinary options	29/07/2025	0.041	8,500,000	-	-	-	8,500,000
Ordinary options	29/07/2025	0.041	6,250,000	-	-	-	6,250,000
Ordinary options	08/08/2025	0.028	6,000,000	-	-	-	6,000,000
Ordinary options	11/10/2025	0.040	2,500,000	-	-	-	2,500,000
Ordinary options	15/06/2026	0.018	37,600,000	-	(2,400,000)	-	35,200,000
Ordinary options	15/11/2026	0.018	3,200,000	-	-	-	3,200,000
Ordinary options ⁽ⁱ⁾	31/12/2024	0.006	96,562,817	-	-	-	96,562,817
			206,379,484	-	(13,750,000)	-	192,629,484

(i) After the conclusion of 2023 financial year, as part of the Entitlement Offer finalised on 6 July 2023, the Directors of Adslot Ltd including their personally related parties received attaching share options.

Directors' Report (Continued)

Indemnification and Insurance of Officers

The Group has during the financial year, in respect of each person who is or has been an officer of the Group or a related body Corporate, made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Since the end of the financial year, the Group has paid premiums to insure all directors and officers of Adslot Ltd and the Adslot Group of companies, against costs incurred in defending any legal proceedings arising out of their conduct as a director and officer of the Group, other than for conduct involving a wilful breach of duty or a contravention of Sections 232 (5) or (6) of the *Corporations Act 2011*, as permitted by section 241A (3) of the *Corporations Act*. Disclosure of the premium amount is prohibited by the insurance contract.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 26 of the financial report. Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 – Part 4A of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Audited Remuneration Report

The audited remuneration report is set out under the following headings:

Section 1:	Non-executive directors' and Chairman's remuneration
Section 2:	Executive remuneration
Section 3:	Details of remuneration
Section 4:	Executive contracts of employment
Section 5:	Long Term Incentives (equity-based compensation)
Section 6:	Culture, accountability and remuneration
Section 7:	Equity holdings and transactions
Section 8:	Other transactions with key management personnel

Section 1: Non-executive directors' and Chairman's remuneration

Non-executive directors' fees are reviewed annually and are determined by the Board. In making its determination it takes into account fees paid to other non-executive directors of comparable companies.

Non-executive directors' fees are within the maximum aggregate limit of \$600,000 per annum agreed to by shareholders at the Annual General Meeting held on 23 November 2021. To preserve the independence and integrity of their position, non-executive directors do not receive performance-based bonuses.

For the 2024 financial year, the Chairman's fees were \$100,000 per annum and non-executive directors' fees were \$50,000 per annum. In addition, the Chair of the Audit & Risk Committee and the Remuneration Committee received a further \$25,000 in recognition of the additional workload of those positions.

In March 2023, the Chairman and the non-executive directors agreed to defer all non-executive directors' remuneration until end of May 2024. The Chairman and the non-executive directors' fees from March 2023 to June 2024 was subsequently settled in June 2024.

Mr Tom Triscari has been engaged via his consulting company, Lemonade Projects, to provide advisory services (US\$50,000 per annum). These have been included in key management personnel remuneration.

On the 13 August 2024, Mr Andrew Dyer was appointed as Executive Chairman. Mr Dyer's term as Executive Chairman was extended to 30 June 2025. From 1 September 2024, his fees will increase by \$75,000 per annum. In addition, the Board of Directors have agreed to take their compensation in equity to assist the pathway to breakeven.

Section 2: Executive remuneration

The Board of Directors are responsible for determining and reviewing compensation arrangements for key management personnel and the executive team. The Remuneration Committee makes recommendations on remuneration of key management personnel to the Board.

The Board assesses the appropriateness of the nature and amount of emoluments of these employees on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit by:

- Attracting the highest quality employees;
- Retaining the best performing employees;
- Aligning the employees with shareholder outcomes;
- Aligning employee motivation to a cascading set of key performance indicators that drive the most optimal strategic outcomes for the business; and
- Ensuring it aligns with the latest industry best practice.

Executives' remuneration consists of a fixed cash component, short-term incentives in the form of cash bonuses, and long-term incentives in the form of equity-based compensation linked to the long-term prospects and future performance of the Group. The inclusion of equity-based compensation in executives' remuneration provides a direct link between their remuneration and shareholder wealth, otherwise there are no direct relationships.

The Board has regard to the following variables to assess the Group's performance and benefits for shareholder wealth:

Item	2024	2023	2022	2021	2020
EPS (cents)	(0.33)	(0.55)	(0.23)	(0.33)	(0.96)
Net loss (\$)	(10,703,881)	(12,078,360)	(4,647,402)	(6,280,774)	(16,617,725)
Share price at 30 June (\$)	0.001	0.003	0.012	0.028	0.018

Audited Remuneration Report (Continued)

Section 3: Details of remuneration

Details of the remuneration of the directors and the key management of the Group and its controlled entities are set out in the following tables.

The key management personnel of Adslot Ltd and its controlled entities include the following directors and executive officers:

Directors	Position	Date appointed/resigned as Director
Mr Andrew Dyer	Executive Chairman Chairman Non-Executive Director	Appointed 13 August 2024 Appointed 9 June 2023 Appointed 28 May 2018
Mr Andrew Barlow	Non-Executive Director Non-Executive Chairman Non-Executive Director and Chairman	Resigned 16 February 2024 Resigned 9 June 2023 Appointed 15 February 2010
Mr Ben Dixon (i)	Executive Director Chief Executive Officer Executive Director	Resigned 6 September 2024 Appointed 1 February 2018 Appointed 23 December 2013
Mr Adrian Giles	Non-Executive Director	Appointed 26 November 2013
Ms Sarah Morgan	Non-Executive Director	Appointed 27 January 2015
Mr Tom Triscari	Non-Executive Director Executive Director, Head of Corporate Development and Interim Chief Financial Officer	Appointed 9 August 2021 Appointed 6 April 2022 Resigned in an executive capacity 30 April 2024
Executive Officers	Position	Date appointed/resigned as Executive
Mr Ben Loiterton (i)	Interim Chief Executive Officer	Appointed 6 September 2024
Mr Tom Peacock	Chief Commercial Officer	Appointed 23 December 2013
Mr Nirupamal Jayakody	Chief Financial Officer	Appointed 1 May 2024

- (i) Subsequent to the end of financial year 2024, Mr Ben Dixon resigned as Chief Executive Officer on 6 September 2024 and Mr Ben Loiterton has since then been appointed as Interim Chief Executive Officer.

Group 2024	Short-term benefits			Long Term Benefits	Post- employment benefits	Share-based payment		Total
	Name	Salary & fees \$	Short Term Incentive \$	Other \$	Long Service Leave \$	Super- annuation \$	Share Options Expensed \$	
<i>Executive directors</i>								
Mr B Dixon (i)	300,000	-	-	6,185	27,399	1,001	-	334,585
<i>Non-executive directors</i>								
Mr T Triscari (ii)	99,884	-	14,381	-	-	8,082	-	122,347
Mr A Barlow (iii)	25,333	-	-	-	6,132	-	-	31,465
Mr A Giles	68,150	-	-	-	6,850	-	-	75,000
Ms S Morgan	68,150	-	-	-	6,850	-	-	75,000
Mr A Dyer	100,000	-	-	-	-	-	-	100,000
<i>Other key management personnel</i>								
Mr T Peacock	259,000	-	-	5,657	27,399	12,138	-	304,194
Mr N Jayakody (iv)	35,000	-	-	585	3,850	151	-	39,586
Totals	955,517	-	14,381	12,427	78,480	21,372	-	1,082,177

- (i) Mr Dixon resigned as Chief Executive Officer on 6 September 2024. Mr Loiterton has since then been appointed as Interim Chief Executive Officer.
- (ii) In April 2024, Mr Triscari stepped down from his role of Executive Director, Head of Corporate Development and Interim Chief Financial Officer.
- (iii) Mr Barlow resigned from Board of Adslot's Directors on 16 February 2024 and was considered as a KMP until then. The superannuation amount shown relates to \$55,750 which includes frees from FY2023.
- (iv) On 1 May 2024, Mr Jayakody was appointed as Chief Financial Officer.

During the 2024 financial year the Options outlined below expired without being exercised. These expiring options are excluded from the above Share-based remuneration figures. These amounts were previously included as share-based remuneration when they were expensed in the financial statements. On the date of expiry, the total amounts that were already expensed were moved from share-based payments reserve to retained earnings in the financial statements. There were no such expiring options in 2023 financial year.

Name	Options Expired (Number)	Value (\$)
Mr T Peacock	1,000,000	10,724
	1,000,000	10,724

Short Term Incentives

Short Term Incentives (STIs) paid in the year, along with the total STI opportunity in each year, relating to the 2023 and 2024 financial years, are outlined in the table below:

Name	Amount Paid \$	Total 2023 STI Opportunity \$	Amount Paid \$	Total 2024 STI Opportunity \$	Assessment Criteria
Mr B Dixon	-	100,000	-	100,000	Group performance to budget and executive management to achieve KPIs
Mr T Peacock	-	100,000 (a)	-	100,000 (a)	Group revenue achievement and individual KPIs
Mr T Triscari	-	USD 100,000 (b)	-	USD 100,000 (b)	Achieving key performance criteria in the realization of shareholder value

- (a) A new STI plan was introduced in 2020 with a \$100,000 STI opportunity. A third assessed on revenue targets at the half year and the balance assessed on revenue targets and personal KPIs at the full year

Audited Remuneration Report (Continued)

- (b) The Company may in its absolute discretion pay a performance bonus of up to USD\$100,000, based on achieving key performance criteria in the realization of shareholder value, with such performance criteria to be agreed between the Company and the Employee.

No STIs were paid to key management personnel in relation to the 2024 financial year.

Group 2023 Name	Short-term benefits			Long Term Benefits	Post- employment benefits	Share-based payment		Total
	Salary & fees \$	Short Term Incentive \$	Other \$	Long Service Leave \$	Super- annuation \$	Share Options Expensed \$	Performance Rights \$	
<i>Executive directors</i>								
Mr B Dixon	300,000	-	-	6,406	25,292	13,513	-	345,211
Mr T Triscari (i)	299,902	-	13,509	-	-	26,748	-	340,159
<i>Non-executive directors</i>								
Mr A Barlow (ii)	87,868	-	-	-	6,335	-	-	94,203
Mr A Giles	70,249	-	-	-	4,751	-	-	75,000
Ms S Morgan	70,249	-	-	-	4,751	-	-	75,000
Mr A Dyer (ii)	18,297	-	-	-	-	30,936 (v)	-	49,233
<i>Other key management personnel</i>								
Ms F Conlan (iii)	52,171	-	-	-	3,150	14,044	-	69,365
Mr T Peacock	259,000	-	-	5,956	25,292	29,329	-	319,577
Totals	1,157,736	-	13,509	12,362	69,571	114,570	-	1,367,748

- (i) In May 2023, Mr Tom Triscari agreed to a reduced fee for his executive roles.
- (ii) Mr Andrew Dyer was appointed as Chairman by the Board on 9th June 2023 replacing Mr Andrew Barlow who resigned as Chairman on 9th June 2023.
- (iii) Ms Conlan resigned as the Chief Financial officer on 6 April 2022 and as the Company Secretary on 20 April 2022. She remained with the Company till 30 August 2022 and was considered a KMP until her last day.
- (iv) In March 2023, the Chairman and the non-executive directors agreed to defer all non-executive directors' remuneration until end of June 2023. Accordingly, Chairman's fees \$33,333 and the non-executive directors' fees of \$62,500 were accrued but not paid. Those amounts have been included in the above table.
- (v) Options from the year ended 30 June 2023 have been restated to reflect a correction based on an incorrect calculation.

Short Term Incentives

Short Term Incentives (STIs) paid in the year, along with the total STI opportunity in each year, relating to the 2022 and 2023 financial years, are outlined in the table below:

Name	Amount Paid \$	Total 2022 STI Opportunity \$	Amount Paid \$	Total 2023 STI Opportunity \$	Assessment Criteria
Mr B Dixon	-	100,000	-	100,000	Group performance to budget and executive management to achieve KPIs
Ms F Conlan	-	100,000 (a)	-	-	Group revenue achievement and individual KPIs
Mr T Peacock	5,000	100,000 (a)	-	100,000 (a)	Group revenue achievement and individual KPIs
Mr T Triscari	-	USD 100,000 (b)	-	USD 100,000 (b)	Achieving key performance criteria in the realization of shareholder value

- (a) A new STI plan was introduced in 2020 with a \$100,000 STI opportunity. A third assessed on revenue targets at the half year and the balance assessed on revenue targets and personal KPIs at the full year.
- (b) The Company may in its absolute discretion pay a performance bonus of up to USD\$100,000, based on achieving key performance criteria in the realization of shareholder value, with such performance criteria to be agreed between the Company and the Employee.

No STIs were paid to key management personnel in relation to the 2023 financial year.

Section 4: Executive contracts of employment

Formal contracts of employment for all members of the key management personnel are in place. Contractual terms for most executives are similar but do, on occasions, vary to suit different needs. The following table summarises the key contractual terms for all key management personnel.

Length of contract	Open ended.
Fixed Remuneration	Remuneration comprises salary and statutory employer superannuation contributions.
Incentive Plans	Eligible to participate. Incentive criteria and award opportunities vary for each executive.
Notice Period	Key Management Personnel, including executive directors, have notice periods ranging from four weeks to 16 weeks. The Chief Executive Officer has a notice period of 16 weeks, the Chief Financial Officer has 4 weeks, and the Chief Commercial Officer a period of 3 months. Other Executives have notice periods ranging from four weeks to three months.
Resignation	Employment may be terminated by giving notice consistent with the notice period.
Retirement	There are no financial entitlements due from the Group on retirement of an executive.
Termination by the Group	The Group may terminate the employment agreement by providing notice consistent with the notice period or payment in lieu of the notice period.
Redundancy	Payments for redundancy are discretionary and are determined having regard to the particular circumstances. There are no contractual commitments to pay redundancy over and above any statutory entitlement.
Termination for serious misconduct	The Group may terminate the employment agreement at any time without notice, and the executive will be entitled to payment of remuneration only up to the date of termination.

Section 5: Long Term Incentives (equity-based compensation)

Incentive Option Plan

At the November 2017 Annual General Meeting, shareholders approved the creation of the Group's Incentive Option Plan which enables the Board to offer eligible employees and directors the right to options which convert to fully paid ordinary shares upon exercise, subject to meeting certain vesting criteria. For current options in issue the only vesting criteria are service conditions. The Incentive Option Plan was re-approved by shareholders at the November 2023 Annual General Meeting.

The objective of the Incentive Option Plan is to attract, motivate and retain key employees and the Group considers that the adoption of the Incentive Option Plan and the future issue of options under the Incentive Option Plan will provide selected employees and directors with the opportunity to participate in the future growth of the Group.

Adslot continually reviews its operations, performance and the broader market conditions to ensure that incentives offered to key executives are aligned with the growth of the Group and shareholder outcomes whilst ensuring it can attract and retain experienced talent in a competitive industry. Adslot continues to operate within a highly competitive employment environment for experienced people in the technology and software field.

No amounts are paid or payable by the recipient on the receipt of the options. The options carry no voting rights. All options are subject to service periods which require the employees remain an employee or Director of the Group.

The following tables show grants and movements of share-based compensation to directors and senior management during the current financial year and the previous financial year:

Audited Remuneration Report (Continued)

2024

Name	Series	Balance at beginning of the year (Number)	Granted during the year (Number)	Lapsed/ Forfeited during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)	Vested and exercisable at the end of the year (Number)
Tom Peacock	OP # 20-1	1,000,000	-	(1,000,000)	-	-	-
Nirupamal Jayakody (i)	OP # 20-1	350,000	-	(350,000)	-	-	-
Tom Peacock	OP # 21-1	1,250,000	-	-	-	1,250,000	1,250,000
Nirupamal Jayakody (i)	OP # 21-1	250,000	-	-	-	250,000	250,000
Ben Dixon (ii)	OP # 21-2	18,000,000	-	-	-	18,000,000	18,000,000
Andrew Dyer	DOP # 21-1	2,500,000	-	-	-	2,500,000	2,500,000
Tom Peacock	OP # 22-1	1,000,000	-	-	-	1,000,000	666,667
Tom Triscari	DOP # 22-1	6,000,000	-	-	-	6,000,000	5,500,000
Andrew Dyer (iii)	DOP # 22-2	2,500,000	-	-	-	2,500,000	2,500,000
Tom Peacock	OP # 22-2	6,000,000	-	-	-	6,000,000	4,000,000
Nirupamal Jayakody (i)	OP # 22-2	600,000	-	-	-	600,000	400,000
Andrew Dyer (ii)	DOP # 23-1	3,200,000	-	-	-	3,200,000	3,200,000
		42,650,000	-	(1,350,000)	-	41,300,000	38,266,667

- (i) Mr Jayakody was appointed as Chief Financial Officer on 1 May 2024. Options granted before his appointment is included in the opening balance.
- (ii) Subsequent to the end of FY2024, Mr Dixon resigned as Chief Executive Officer on 6 September 2024.
- (iii) Mr Dyer's options were granted outside of the Option Plan and are subject to the same terms and conditions as set out in the Option Plan. The grants were approved at the Annual General Meetings on 23 November 2021 and 16 November 2022.
- (iv) Options relating to Ms Conlan have been removed from the opening balance.

2023

Name	Series	Balance at beginning of the year (Number)	Granted during the year (Number)	Lapsed/ Forfeited during the year (Number)	Exercised during the year (Number)	Balance at the end of the year (Number)	Vested and exercisable at the end of the year (Number)
Felicity Conlan (i)	OP # 20-1	1,000,000	-	-	-	1,000,000	1,000,000
Tom Peacock	OP # 20-1	1,000,000	-	-	-	1,000,000	1,000,000
Felicity Conlan	OP # 21-1	1,250,000	-	-	-	1,250,000	833,333
Tom Peacock	OP # 21-1	1,250,000	-	-	-	1,250,000	833,333
Ben Dixon	OP # 21-2	18,000,000	-	-	-	18,000,000	16,000,000
Andrew Dyer	DOP # 21-1	2,500,000	-	-	-	2,500,000	2,500,000
Felicity Conlan	OP # 22-1	1,000,000	-	-	-	1,000,000	333,333
Tom Peacock	OP # 22-1	1,000,000	-	-	-	1,000,000	333,333
Tom Triscari	DOP # 22-1	6,000,000	-	-	-	6,000,000	3,500,000
Andrew Dyer (ii)	DOP # 22-2	2,500,000	-	-	-	2,500,000	2,500,000
Felicity Conlan	OP # 22-2	2,000,000	-	-	-	2,000,000	666,667
Tom Peacock	OP # 22-2	6,000,000	-	-	-	6,000,000	2,000,000
Andrew Dyer (ii)	DOP # 23-1	-	3,200,000	-	-	3,200,000	3,200,000
		43,500,000	3,200,000	-	-	46,700,000	34,699,999

- (i) Ms Conlan resigned as the Chief Financial officer on 6 April and as the Company Secretary on 20 April 2022. She remained with the Company till 30 August 2022 and was considered a KMP until her last day. The Board agreed that

Ms Conlan will retain all 5,250,000 options after cessation of employment under the same conditions, other than the condition that she continued to be an employee.

- (ii) Mr Dyer's options were granted outside of the Option Plan and are subject to the same terms and conditions as set out in the Option Plan. The grants were approved at the Annual General Meetings on 23 November 2021 and 16 November 2022.

The options are valued using the Black-Scholes pricing model. The model inputs for options granted during the year ended 30 June 2023 included:

Model Input	DOP # 23-1
Grant Date	16/11/22
Expiry Date	15/06/26
Exercise Price \$	0.018
Grant Date Share Value \$	0.012
Expected Volatility	80.73%
Risk Free Interest Rate	2.71%

Details of Share Options, ESOP and other rights to ordinary shares in the Group provided as remuneration of directors and the key management personnel of the Group are set out below:

Name	Options Granted During the Year			
	2024 (Options)		2023 (Options)	
	Number	\$	Number	\$
<i>Directors</i>				
Mr A Dyer	-	-	3,200,000	20,473

No other directors or key management personnel have been granted options during the financial years of 2024 and 2023.

The assessed fair value at issue date of the rights, and the assessed fair value at grant date of the options, granted to the executive are allocated equally over the period from issue/grant date to vesting date, and the amount is included in the remuneration tables above.

Section 6: Culture, accountability and remuneration

The Group's values of respect, collaboration, communication, integrity and innovation remain critical to our culture and effectively guide our employees in making decisions that realise opportunity for the benefit of our clients, our shareholders, our employees and the communities in which we operate.

Employees are made aware that these values form the basis of all behaviours and actions. These behavioural expectations are outlined in the Board approved Code of Conduct. The Group communicates and reinforces our culture through executive communications, non-monetary performance recognition, policy reminders and updates, training, learning and development.

The Remuneration Committee and the Board are able to assess culture in many ways including through People & Culture reporting, senior management off-sites, department head presentations, staff survey results, as well as through personal observation of management and staff behaviours and actions.

The remuneration framework supports our principles by motivating staff to be innovative but also be accountable for their decisions within the business.

Audited Remuneration Report (Continued)

Section 7: Equity holdings and transactions

The number of shares in the Group held during the financial year by each Director of Adslot Ltd and other key management personnel of the Group, including their personally related parties, are set out below:

2024	Balance at the start of the year (Number)	Received during the year on exercise of an option or right (Number)	Net other changes during the year (Number)	Balance at the end of the year (Number)
<i>Directors</i>				
Mr A Giles	17,328,483	-	-	17,328,483
Mr A Barlow (resigned on 16 Feb 2024)	84,743,388	42,002,876	-	126,746,264
Mr B Dixon (resigned on 6 Sep 2024)	40,754,588	14,555,215	3,655,725	58,965,528
Ms S Morgan	1,776,089	634,320	-	2,410,409
Mr A Dyer	66,096,971	99,964,800	12,108,621	178,170,392
Mr T Triscari	-	-	-	-
<i>Other key management personnel</i>				
Mr T Peacock	3,375,000	-	-	3,375,000
Mr N Jayakody (appointed on 1 May 2024)	299,993	-	-	299,993
Totals	214,374,512	157,157,211	15,764,346	387,296,069

After the conclusion of financial year 2024, as part of the Retail Entitlement Offer finalised on 15 July 2024, the Directors of Adslot Ltd including their personally related parties obtained below shares.

Name	Shares (Number)
Mr A Giles	67,088,004
Mr B Dixon (resigned on 6 Sep 2024)	44,224,147
Ms S Morgan	70,545,997
Mr A Dyer	74,192,260
Totals	256,050,408

Section 8: Other transactions with Key Management Personnel

Transactions with Directors and their personally related entities:

During the year the Company earned revenue of \$1,383 (FY2023: \$10,215) from a company requiring web development, hosting and marketing services related to Mr Adrian Giles on normal commercial terms and conditions.

As part of the Entitlement Offer announced on 9 June 2023 and finalised on 6 July 2023, the Company paid below sub-underwriting fees to Directors of Adslot Ltd including their personally related parties:

- Mr Andrew Dyer \$1,111.52; and
- Mr Benjamin Dixon \$335.58.

There were no other transactions with directors and their personally related entities for the financial years ending 30 June 2024 and 30 June 2023.

On 17 June 2024, Adslot announced a capital raise in the form of a partially underwritten 3:4 accelerated pro rata non-renounceable entitlement offer. 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). On 15 July 2024, the shortfall after the Retail Entitlement Offer was 197,022,090 shares (approx. \$0.02m) which were issued to the underwriters Directors Adrian Giles, Sarah Morgan and Andrew Dyer (through their related shareholding entities).

This marks the end of the audited remuneration report.

This report is made in accordance with a resolution of directors.



Andrew Dyer
Executive Chairman
30 September 2024

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Adslot Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Adslot Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 30 September 2024

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Total revenue from continuing operations	3	8,508,917	8,934,422
Other income	3	237,797	295,540
Total revenue and other income		8,746,714	9,229,962
Hosting & other related technology costs		(1,128,964)	(1,084,846)
Employee benefits expense	4,10	(7,038,141)	(7,380,620)
Other operating expenses	4	(2,513,999)	(2,419,794)
Share-based payment expense	21	(92,579)	(416,828)
Depreciation and amortisation expenses	4	(2,921,250)	(3,413,260)
Impairment losses	4	(5,487,106)	(6,284,739)
Interest expense		(69,544)	(84,693)
Total expenses		(19,251,583)	(21,084,780)
Loss before income tax expense		(10,504,869)	(11,854,818)
Income tax benefit/(expense)	5	(199,012)	(223,542)
Loss after income tax expense		(10,703,881)	(12,078,360)
Net loss attributable to the members		(10,703,881)	(12,078,360)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange translation		(49,844)	91,601
Total other comprehensive income/(loss)		(49,844)	91,601
Total comprehensive loss attributable to the members		(10,753,725)	(11,986,759)
		2024	2023
		Cents	Cents
Earnings per share (EPS) from loss from continuing operations attributable to the ordinary equity holders of the Group			
Basic earnings per share	17	(0.33)	(0.55)
Diluted earnings per share	17	(0.33)	(0.55)

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 30 June 2024

	Notes	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	7	3,147,242	2,874,746
Trade and other receivables	8	3,437,695	4,902,035
Prepayments		272,234	19,282
Total current assets		6,857,171	7,796,063
Non-current assets			
Property, plant & equipment	9	197,170	1,654,882
Intangible assets	10	38,267	5,560,974
Total non-current assets		235,437	7,215,856
Total assets		7,092,608	15,011,919
Current liabilities			
Trade and other payables	11	6,149,192	5,743,146
Other liabilities	12	678,369	326,512
Lease liability	13	207,029	590,933
Provisions	14	441,410	531,838
Total current liabilities		7,476,000	7,192,429
Non-current liabilities			
Lease liability	13	401,172	1,077,921
Provisions	14	778,602	794,478
Total non-current liabilities		1,179,774	1,872,399
Total liabilities		8,655,774	9,064,828
Net (liabilities)/assets		(1,563,166)	5,947,091
Equity			
Issued capital	15	163,285,169	160,134,280
Reserves	16	1,276,672	1,371,381
Accumulated losses		(166,125,007)	(155,558,570)
Total equity		(1,563,166)	5,947,091

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

2024

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023		160,134,280	1,371,381	(155,558,570)	5,947,091
Movement in foreign exchange translation reserve	16	-	(49,844)	-	(49,844)
Other comprehensive income		-	(49,844)	-	(49,844)
Loss attributable to members of the Group		-	-	(10,703,881)	(10,703,881)
Total comprehensive income/(loss)		-	(49,844)	(10,703,881)	(10,753,725)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	15	3,150,889	-	-	3,150,889
Vested options lapsed or expired	16	-	(137,444)	137,444	-
Share-based expenses	16	-	92,579	-	92,579
		3,150,889	(44,865)	137,444	3,243,468
Balance 30 June 2024		163,285,169	1,276,672	(166,125,007)	(1,563,166)

2023

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2022		159,242,345	1,203,847	(143,808,638)	16,637,554
Movement in foreign exchange translation reserve	16	-	91,601	-	91,601
Other comprehensive income		-	91,601	-	91,601
Loss attributable to members of the Group		-	-	(12,078,360)	(12,078,360)
Total comprehensive income/(loss)		-	91,601	(12,078,360)	(11,986,759)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	15	879,468	-	-	879,468
Cancellation of Treasury Shares	15	12,467	(12,467)	-	-
Vested options lapsed or expired	16	-	(328,428)	328,428	-
Share-based expenses	16	-	416,828	-	416,828
		891,935	75,933	328,428	1,296,296
Balance 30 June 2023		160,134,280	1,371,381	(155,558,570)	5,947,091

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from trade and other debtors		16,701,965	15,967,590
Interest received		71,290	9,140
Receipt of R&D tax incentive and other Grants		271,680	318,834
Payments to trade creditors, other creditors and employees		(17,650,765)	(17,811,204)
Interest paid		(53,061)	(86,811)
Net cash outflows from operating activities	22	(658,891)	(1,602,451)
Cash flows from investing activities			
Payments for property, plant and equipment		(8,274)	(5,388)
Receipt of R&D tax incentive relating to capitalised assets		703,426	913,537
Payments for intangible assets		(2,698,568)	(3,189,305)
Net cash outflows from investing activities		(2,003,416)	(2,281,156)
Cash flows from financing activities			
Proceeds from issue of shares		3,678,999	1,100,000
Proceeds from borrowings	12	400,500	-
Proceeds from exercise of options		5	-
Payment for unmarketable parcel buyback		(210,145)	-
Payments of equity raising costs		(508,086)	(58,197)
Payments for leased assets (principal component)		(414,083)	(522,349)
Net cash inflows from financing activities		2,947,190	519,454
Net increase/(decrease) in cash held		284,883	(3,364,153)
Cash at the beginning of the financial year		2,874,746	5,951,807
Effects of exchange rate changes on cash		(12,387)	287,092
Cash at the end of the financial year	7	3,147,242	2,874,746

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

Notes to the Financial Statements

1. Summary of Material Accounting Policies

The financial report covers Adslot Ltd ('the Company') and controlled entities ('the Group'). Adslot Ltd is a listed public company, incorporated and domiciled in Australia. The financial report is for the financial year ended 30 June 2024 and is presented in Australian dollars.

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations

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) Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial statements and notes of Adslot Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Adslot Ltd is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention except for where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Going concern

The Group incurred a net loss of \$10.7 million during the full year ended 30 June 2024 including a \$5.5 million impairment of Goodwill, other intangibles and the right of use asset. Inflows from financing activities of \$2.9 million, combined with the net cash outflows from operating and investing activities of \$2.7 million, resulted in net cash inflows of \$0.3 million in FY2024.

Net cash inflows included the FY2023 R&D claim of \$1.0 million which was received in November 2023. Cash flows from financing activities included funds raised through two separate capital programs, one at the start of FY2024 and one at the end. At the start of FY2024 the Group raised \$3.15 million (after costs) via an entitlement offer. The initial \$1.1 million of this capital raise was carried out via a share placement in June 2023. At the end of FY2024, the Group raised \$0.53 million (before costs) through an institutional entitlement offer with 525 million fully paid ordinary shares issued before the end of the year.

As a result of these activities, cash at 30 June 2024 was \$3.1 million (FY2023: \$2.9 million).

The capital raised at the end of FY2024 was part of a broader program that raised additional capital in the start of FY2025 and is still ongoing. On top of the \$0.53 million raised in June 2024, in July 2024, the Group successfully raised an additional \$0.95 million (before costs) via a partially underwritten 3 for 4 accelerated pro-rata non-renounceable entitlement offer which sought to raise up to \$2.4 million. The residual shortfall of up to \$0.9 million maybe be placed by the Group within three months after 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.

Notes to the Financial Statements (Continued)

1. Summary of Material Accounting Policies (Continued)

In August 2024, the Group implemented a turnaround plan to accelerate reaching cash flow breakeven but which envisages further net cash outflows during FY2025. This plan includes completing the existing capital raise and the FY2024 R&D claim of \$0.9 million which is expected to be received in the first half of 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 FY2024 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's cash position of \$3.1 million at 30 June 2024;
- planned capital raise of \$1.5 million in October 2024 from the capital raise process currently being finalised including the residual shortfall of \$0.9 million of the Entitlement Offer;
- receipt of the FY2024 R&D claim of \$0.9 million which is expected to be received in the first half of FY2025;
- 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 to be implemented in October 2024; and
- additional capital cash inflows given the Group has a proven track record of successfully raising capital from existing and new investors.

Accordingly, 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.

(d) Principles of consolidation

Subsidiaries

The consolidated financial statements comprise those of the Group, and the entities it controlled at the end of, or during, the financial year. The Group controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All intra-group transactions, balances, income and expenses between entities in the Group included in the financial statements have been eliminated in full. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased. The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the Group.

Investments in subsidiaries are accounted for at cost less impairment losses in the parent entity information in Note 24.

Foreign Currency Exchange

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the closing exchange rates for the period. Exchange differences arising, if any, are charged/credited to other comprehensive income and recognised in the Group's foreign currency translation reserve in equity. On disposal of a foreign operation the cumulative translation difference recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(e) Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and deposits at call which are readily convertible to cash and are not subject to significant risk of changes in value, net of bank overdrafts.

Cash held on behalf of Publishers represents the share of campaign fees held before releasing to Adslot Publishers

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Leasehold improvements are depreciated using the straight-line method over the remaining period of the underlying lease.

Depreciation is calculated on a straight-line basis for all plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of asset and is recognised in profit or loss. The following depreciation rates are used for each class of depreciable asset:

Computer Equipment	33 – 40% per annum
Plant & Equipment	20 – 33% per annum
Leasehold Improvements	20 – 100% per annum

(g) Receivables

Trade receivables are initially measured at their transaction price if they do not contain a significant financing component. They are non-derivative financial assets with fixed or determinable amounts not quoted in an active market. Trade accounts receivables are generally settled between 14 and 60 days and carried at amounts recoverable.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. The Group makes use of AASB 9 simplified approach in accounting for trade receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. The amount of the expected credit loss is recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against the allowance account.

(h) Trade and other creditors – financial liabilities

Trade accounts payable and other creditors represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

(i) Borrowings

Borrowings are initially recognised at fair value (less transaction costs) and subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowing using the effective interest method.

(j) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred except where they are incurred in the construction of a qualifying asset in which case the finance costs are capitalised as part of the asset.

Notes to the Financial Statements (Continued)

1. Summary of Material Accounting Policies (Continued)

(k) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities are always provided for in full.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Adslot Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Adslot Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right where the entity is subject to tax as part of the tax-consolidated group.

To the extent that it is not probable that taxable profit will be available in the foreseeable future against which the unused tax losses or unused tax credits can be utilised, the deferred tax assets of its own and its controlled entities are not recognised.

(l) Employee benefits

Wages and salaries, annual leave and sick leave

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'provisions'. The Group does not discount the leave liability calculations as the Group expects all annual leave for all employees to be used wholly within 12 months of the end of reporting period.

Long service leave

The liability for long service leave is recognised in the non-current provision for employee benefits and is measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Share-based compensation benefits

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value at grant date is determined using an appropriate pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividends yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity-settled share-based payments is recognised as an expense, with a corresponding increase in equity (share-based payments reserve) on a straight-line basis over the vesting period.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital while the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(m) Intangible Assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (acquisition date). Goodwill is measured as the excess of the fair value of consideration paid over the fair value of the identifiable net assets of the entity or operations acquired. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment at least on an annual basis. An impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

Research and development expenditure

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development costs is tested for impairment annually when the asset is not yet available for use or more frequently when an indicator of impairment arises during the reporting period.

Intellectual property

The intellectual property relates to the platform technology, branding and domains acquired as a result of the acquisition of Adslot and Facilitate Digital businesses. Where the useful life is assessed as indefinite, assets are not amortised and the carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment. It is carried at cost less impairment losses. For those assets assessed as having a finite life, they are amortised on a straight-line basis over the estimated useful life of the asset. The expected accounting useful life of intellectual property relating to the Adslot and Facilitate Digital business is 4 to 5 years.

Domain name

Acquired domain names are accounted for at cost, useful life is assessed as indefinite and the assets are not amortised. The carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment. They are carried at cost less impairment losses.

Software

Internally developed software represents internally developed software platforms capitalised according to accounting standards. Software is assessed as having a finite life and is amortised on a straight-line basis over the estimated useful life of the asset. The expected accounting useful life of software is 5 years.

The carrying value of the software is tested for impairment when an indicator of impairment arises during the reporting period.

(n) Leased assets and liabilities

In line with AASB 16 'Leases', the Group recognises a right-of-use asset and a corresponding lease liability at the commencement of a lease. The right-of-use asset is recognised at an amount equal to the initial measurement of the lease liability, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

The lease liability is measured at the present value of future lease payments comprising; fixed lease payments less incentives, variable lease payments, residual guarantees payable, payment of purchase options where exercise is reasonably certain and any anticipated termination penalties. The lease payments are discounted at the rate implicit in the lease, or where not readily determinable, at the entity's incremental borrowing rate.

For all new contracts, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract or a part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations as follows:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

Notes to the Financial Statements (Continued)

1. Summary of Material Accounting Policies (Continued)

- the Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the liability is remeasured, the corresponding amount is reflected in the right-of-use asset.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(p) Revenue recognition

The Group derives revenue from trading technology and services. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue recognised for the major business activities for each category as follows:

Revenue from Trading Technology

Revenue from Trading Technology - Licence Fees

Adslot and *Symphony* licence fees are derived by providing customers access to the Group's technology platform. The fee is based on either annual contracted amounts, the number of users, a tier system based on historical volumes traded on the platform, and/or resources allocated. The contracts are ongoing but cancellable with defined notice periods. The Group is expected to maintain its performance obligations throughout the contracted period for the client to achieve the benefits of the platforms. As per AASB 15, revenue is recognised over time; since the promise to grant a licence as a performance obligation is satisfied over time. The client simultaneously receives and consumes the benefit from the Group's performance of providing access to the platforms.

Revenue from Trading Technology – Trading Fees

Adslot and *Symphony* trading fees are derived based on the transaction value transacted via Group's technology platforms in a given period.

Adslot trading fee revenues are recognised over time. Only the portion of the media campaign that is retained by the Group for their services is recorded as revenue. This is typically a percentage of the total media transacted on the *Adslot* platform. Where media campaigns are realised over a period a time, the portion that extends beyond the reporting period is not taken up as revenue as the performance obligations have not been satisfied. Where the funds for these campaigns are prepaid by advertisers those amounts are treated as contract liabilities in the Consolidated Statement of Financial Position. As the fees are usage-based revenues the revenue is recognised over time when the usage occurs and the performance obligations are satisfied.

Funds collected or collectable from advertisers and due to be repaid to publisher clients are disclosed in the accounts as publisher creditors and categorised under Trade and other payables in the Consolidated Statement of Financial Position.

Symphony trading fees are charged to publishers for the use of the *Symphony* platform as a workflow solution. The fee is based on a percentage fee calculated from the total transacted value of campaigns. As per AASB 15, revenue is recognised over time when the usage occurs and the performance obligations are satisfied.

Revenue from Services

Service revenue is recognised at a point in time or over time based on when the performance obligations are met, and the customer can realise benefit from service received without further involvement from the Group.

A one-off *Symphony* activation fee is charged to customers when new markets are activated, to cover work required to deploy *Symphony* in a new market. The work typically involves (but not limited to):

- In-country workshops to establish current media buying and business processes,
- information gathering to identify country specific product requirements,
- user training, and
- account set-up.

Activation fees are recognised over a period of time when the Group satisfies its performance obligation by measuring the progress towards satisfaction of that performance obligation based on output method prescribed in AASB 15.

Revenue derived from custom development work is recognised over a period of time when the Group satisfies its performance obligation and the customer obtains the ability to direct the use of, and obtain substantially all of the remaining benefits from, the work carried out. Revenue is recognised by measuring the progress towards satisfaction of performance obligations based on the output method prescribed in AASB 15.

Website development revenue is recognised over time. All projects are assigned percentages of project completion which can be reliably measured based on actual work in progress. Revenue is recognised over time when the performance obligations are met and when the Group receives an enforceable right to payment for performance completed to date. Any incomplete website development project amounts invoiced are recorded as contract liabilities.

Search Engine Optimisation and Search Engine Advertising attempts to improve search engine rankings of the client's website or bid on certain keywords in order for their clickable ads to appear in search results. These are ongoing contracts and can be cancelled with 90 days' notice. The Group needs to continuously manage these campaigns; as such the revenue is recognised over time as the clients simultaneously receive the service and the Group satisfies its performance obligations.

Hosting revenue is derived for hosting the client's websites in third party cloud servers managed by the Group. These contracts are ongoing and can be cancelled with 90 days' notice. Clients may pay upfront annually. The Group needs to continually satisfy the performance obligations of hosting the site and provide customer support, as and when required. Therefore, revenue is recognised over time.

For Domain Names Registration and SSL Certification, at the time of initial activation the service has been transferred in full to the customer; and the customer is able to realise benefits from services received without further involvement from the Group. Furthermore, the Group separately prices and sells these products. There is no further performance obligation for the Group. As such revenue needs to be recognised at a point in time.

Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably, taking into account the effective yield on the financial asset.

Notes to the Financial Statements (Continued)

1. Summary of Material Accounting Policies (Continued)

Government grants

In accordance with AASB 120, government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Where appropriate grants relating to expense items are recognised as other income, over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income and are amortised on a straight-line basis over the expected lives of the assets.

Sale of non-current assets

The net gain from the sale of non-current asset sales is recognised as income at the date control of the asset passes to the buyer, usually when the signed contract of sale becomes unconditional.

(q) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through the profit or loss statement, and which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified as financial assets at amortised cost.

Classifications are determined by both:

- The entity's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as financial assets at fair value through profit and loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Trade and other receivables and contract assets are subject to review at least at each reporting date to identify expected credit losses.

At reporting date and throughout the reporting period the Group did not have any other financial instruments other than trade and other receivables.

(r) Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

(s) Earnings per share

Basic earnings per share

Basic earnings per share for continuing operations and total operations attributable to members of the Group are determined by dividing net profit after income tax from continuing operations and the net profit attributable to members of the Group respectively, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period. The number of shares used in the calculation at any time during the period is based on the physical number of shares issued.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Dividends

Provision is made for the amount of any dividend determined or recommended by the directors on or before the end of the financial year but not distributed at reporting date.

(u) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Where the assets do not generate cash inflows that are not largely independent of the cash inflows of other assets, the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer.

The Company's global platforms and services form one operating segment.

(w) Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Notes to the Financial Statements (Continued)

1. Summary of Material Accounting Policies (Continued)

(x) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Unrecognised deferred tax assets

As disclosed in Note 5, the Group recognises deferred tax assets relating to temporary differences, capital losses or operating losses when it is probable that they will be able to be utilised in future reporting periods. Due to the continuing operating losses, the Directors have determined it is not appropriate to recognise deferred tax assets until a point in time where it is probable that future taxable income is going to be available to utilise the assets. The tax benefit of deferred tax assets not recognised is \$19,424,229 (FY2023: \$18,187,746). Refer to Note 5 for further details.

Revenue recognition

In web development and web hosting business operations, management assesses stage of completion of each project and recognises revenue in the period in which development work is undertaken. In making its judgement, management considered the standard duration of such contracts, stage of progress in contracts and commencement date of such contracts. Accordingly, management has deferred recognising some web development and web hosting revenue of an estimated value of services to be rendered in the future.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and intangible assets

At 31 December 2022, for the purpose of impairment testing, goodwill had been allocated to a group of CGUs (Adslot and Symphony CGU's) that was expected to benefit from the Facilitate acquisition.

Since the acquisition, the Group has allocated significant resources to integrate Adslot Media and Symphony platforms. The aim was to offer clients an integrated solution, foster adoption of value added features, increase trading volumes and maximise the deal synergies expected at acquisition.

In FY2023, the Group successfully launched the integrated Symphony - Adslot Media solution. The impact of this launch was the transition of Symphony publishers to the integrated Adslot Media and Symphony platform. The Group concluded the transition process by retiring the Symphony Publisher functionality towards the end of the FY2023.

As per AASB136 Impairment of Assets, if it is not possible to estimate the recoverable amount of the individual asset due to the asset not generating cash flows that are largely independent of those from other assets; an entity shall determine the recoverable amount of the CGU to which the asset belongs.

As a result of increased technical integration, interdependency of the Adslot and Symphony platforms and increased number of customers utilising the integrated platform for what was historically the group of CGUs, it is no longer possible to identify a single intangible asset associated with each product; instead, a single asset is identified which both products leverage. In the absence of any product-specific assets, the Company now identifies a single CGU encompassing both products, being the "Adslot-Symphony CGU".

At 30 June 2024, the impairment testing of intangible assets has considered the aggregated recoverable amount of the single CGU in assessing the value in use of all intangible assets.

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the underlying cash-generating unit. The value in use calculations requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. The future cash flows included in the assessments are predicated largely on growth and integration of platforms.

In the event that these products do not generate revenues as planned an impairment of the related intangible assets may result.

The carrying amount of intangible assets at the reporting date was \$38,267 (FY2023: \$5,560,974). Refer to Note 10 for further details of goodwill and intangible assets.

Capitalisation of internally developed software

Distinguishing the research and development phases of software projects and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

The capitalisation of internally developed software amount for the year was \$2,049,264 (FY2023: \$2,505,316). Refer to Note 10 for further details.

Share-based payments

The calculation of the fair value of options issued requires significant assumptions to be made in regard to volatility, along with market and non-vesting conditions. The estimations made are subject to variability that may alter the overall fair value determined. The share-based payment expense for the year was \$92,579 (FY2023: \$416,828).

Research and development tax concessions

A receivable of \$882,512 (FY2023: \$970,516) has been recognised in relation to a research and development tax concession for the 2024 financial year. Refer to Note 8 for further details. The actual claim is yet to be submitted with the Australian Tax Office and therefore there remains some uncertainty in regard to the quantum of the concession to be received. The financial statements reflect the Directors' estimate of the receivable after taking into account the likelihood of each component of the claim being received.

New standards and interpretations issued but not effective

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the AASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed.

Notes to the Financial Statements (Continued)

2. Segment Information

The Group examines performance both from a product and geographic perspective and has identified that the Group operates as one operating segment which is aggregated as a single reporting segment. However, the Group's Total Revenue and Other Income (Note 3) and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	2024		2023	
	\$		\$	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Australia (Domicile)	5,249,034	229,973	5,135,537	7,208,598
EMEA	984,374	4,589	1,412,092	1,641
The Americas	17,743	875	42,979	5,617
Other countries	2,495,563	-	2,639,354	-
Total	8,746,714	235,437	9,229,962	7,215,856

Revenues from external customers in the Group's domicile, Australia, as well as other major geographical areas have been attributed on the basis of 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

For the year ended to 30 June 2024, one customer accounted for 10% or more of revenue from services rendered (FY2023: one).

3. Revenue and Other Income

	2024	2023
	\$	\$
Revenue		
Licence fees	6,036,623	6,423,549
Trading fees	876,441	1,038,899
Revenue from Trading Technology	6,913,064	7,462,448
Revenue from Services	1,527,363	1,457,274
Total revenue for services rendered	8,440,427	8,919,722
Interest revenue	68,490	14,700
Total revenue from continuing operations	8,508,917	8,934,422
Other income		
Grant income	237,797	295,540
Total other income	237,797	295,540
Total revenue and other income	8,746,714	9,229,962

Revenue derived from the two product lines are described as follows:

Trading Technology

Comprises *Adslot Media*, a leading global media trading technology, and *Symphony*, market-leading workflow automation technology, purpose built for digital media agencies.

Services

Comprising marketing services that are provided by the Group's Webfirm division to SME clients and project-based customisation of *Trading Technology*.

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

2024

	Trading Technology	Services	Total
	\$	\$	\$
Services transferred over time	6,913,064	1,509,943	8,423,007
Services transferred at a point in time	-	17,420	17,420
	6,913,064	1,527,363	8,440,427

2023

	Trading Technology	Services	Total
	\$	\$	\$
Services transferred over time	7,462,448	1,441,626	8,904,074
Services transferred at a point in time	-	15,648	15,648
	7,462,448	1,457,274	8,919,722

	2024	2023
	\$	\$
Grant income		
R&D Tax Incentive – AusIndustry (i)	237,797	295,540
Total Grant income	237,797	295,540

(i) Amounts recognised as revenue in relation to financial year 2024 R&D Tax Incentive.

Notes to the Financial Statements (Continued)

4. Expenses

	2024	2023
	\$	\$
Loss before income tax includes the following specific expenses:		
Other operating expenses		
Recruitment fees	-	8,974
Directors' fees	283,827	262,500
Marketing costs	38,878	10,484
Short term lease - rental premises	99,196	119,524
Rent outgoings	99,642	91,477
Listing & registrar fees	69,712	69,198
Legal fees	147,436	105,369
Travel expenses	54,976	59,887
Consultancy fees	851,326	588,412
Audit and accountancy fees	343,294	277,675
Foreign exchange (gain)/loss	(70,712)	36,568
Insurance expenses	191,681	230,903
Impairment of trade receivables	(4,514)	(20,049)
Write off of trade receivables	2,213	29,832
Other expenses	407,044	549,040
Total other operating expenses	<u>2,513,999</u>	<u>2,419,794</u>
Depreciation and amortisation		
Amortisation – Software development costs	2,486,220	2,826,663
Amortisation – Right of use assets	399,346	546,227
Depreciation – Computer & equipment	35,392	40,078
Depreciation – Plant & equipment	292	292
Total depreciation and amortisation	<u>2,921,250</u>	<u>3,413,260</u>
Other charges against assets		
Impairment of trade receivables	(4,514)	(20,049)
Write off of trade receivables	2,213	29,832
Impairment of Goodwill (i)	-	5,161,939
Impairment of Internally Developed Software (ii)	5,085,751	1,122,800
Impairment of right of use asset (iii)	401,355	-

- (i) Goodwill balance of \$5,161,939 relating to the acquisition of Facilitate has been fully impaired in FY2023 (refer to note 10).
- (ii) Intangible assets relating to internally developed software were impaired by \$5,085,751 in FY2024 (refer to note 10) & by \$1,122,800 in FY2023.
- (iii) The right of use asset relating to the Melbourne office lease was impaired by \$401,355 in FY2024 (refer to note 9)

	2024	2023
	\$	\$
Loss before income tax includes the following specific expenses:		
Employee benefits expense	7,038,141	7,380,620
Total capitalised development wages	2,694,560	3,204,733
Employee benefits included in share-based payment expense	78,449	336,239
Total employee benefits	<u>9,811,150</u>	<u>10,921,592</u>
Defined contribution superannuation expense included in employee benefit expense	762,515	813,432
Capitalised development wages (net of related grants)	2,049,264	2,505,316
Capitalised development wages included in the R&D grant	645,296	699,417
Total capitalised development wages	<u>2,694,560</u>	<u>3,204,733</u>

5. Income Tax Expense

	2024	2023
	\$	\$
a) Numerical reconciliation of income tax expense to prima facie tax benefit		
Loss before income tax	(10,504,869)	(11,854,818)
Prima facie tax benefit on loss before income tax at 25% (FY2023: 25%)	(2,626,217)	(2,963,705)
Tax effect of:		
Other non-allowable items	3,312	2,874
Share-based expenses during year	23,145	104,207
Research and development tax concession	507,191	557,768
Income tax benefit attributable to entity	<u>(2,092,569)</u>	<u>(2,298,856)</u>
Deferred tax income relating to utilisation of unused tax losses	-	-
Deferred tax assets relating to tax losses not recognised	1,236,483	1,919,676
Other – adjustments and net foreign exchange differences	657,074	155,638
Income tax benefit/(expense) attributable to entity	<u>(199,012)</u>	<u>(223,542)</u>

b) Movement in deferred tax balances

	Balance at 1 July 2023	Recognised in Profit & Loss	Acquired in Business combination	Balance at 30 June 2024		
				Net	Deferred tax assets	Deferred tax liabilities
	\$	\$	\$	\$	\$	\$
Trade and other receivables	(104,964)	-	-	(104,964)	-	(104,964)
Property, plant and equipment	165	-	-	165	-	165
Intangible assets	137,863	-	-	137,863	-	137,863
Unused tax losses	(33,064)	-	-	(33,064)	(33,064)	-
Net tax (assets)/liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,064)</u>	<u>33,064</u>

Notes to the Financial Statements (Continued)

5. Income Tax Expense Continued

	Balance at 1 July 2022	Recognised in Profit & Loss	Acquired in Business combination	Balance at 30 June 2023		
				Net	Deferred tax assets	Deferred tax liabilities
				\$	\$	\$
Trade and other receivables	(104,964)	-	-	(104,964)	-	(104,964)
Property, plant and equipment	165	-	-	165	-	165
Intangible assets	137,863	-	-	137,863	-	137,863
Unused tax losses	(33,064)	-	-	(33,064)	(33,064)	-
Net tax (assets)/liabilities	-	-	-	-	(33,064)	33,064

c) Deferred tax assets not brought to account

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out on Note 1(k) occur.

	2024	2023
	\$	\$
Temporary differences	1,871,927	(3,278,162)
Tax Losses:		
Operating losses	53,968,420	54,172,574
Capital losses	21,856,570	21,856,570
	77,696,917	72,750,982
Potential tax benefit (25% FY2023: 25%)	19,424,229	18,187,746

The Group and its wholly owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Adslot Ltd. The operating losses above includes all estimated losses available to the Group including from overseas jurisdictions.

Deferred tax assets from temporary differences of \$467,982 (FY2023: liability of \$819,541) have not been recognised as they have been offset with deferred tax liabilities of the same value.

Capital losses remain unchanged in FY2024. In FY2023, capital losses increased by \$1,562,091 due to forgiving of intercompany loan by an Australian resident entity.

6. Dividends

The Group did not declare any dividends in the current year or prior year. There are no franking credits available to shareholders of the Group.

7. Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	3,147,242	2,874,746

Included in the Cash at Bank is \$311,770 (FY2023: \$462,400) of funds held on term deposit as guarantee for our corporate credit card facilities and for the benefit of landlords under office lease agreements.

8. Trade and Other Receivables

	2024	2023
Current:	\$	\$
Trade debtors	2,524,905	3,674,534
Less: Allowance for impairment	(4,590)	(9,104)
Trade debtors not impaired	2,520,315	3,665,430
Research and Development grant receivable	882,512	970,516
Other receivables	34,868	266,089
	<u>3,437,695</u>	<u>4,902,035</u>

The average age of the Group's trade debtors is 56 days (FY2023: 46 days).

(a) Ageing of trade debtors not impaired

	2024	2023
	\$	\$
0 – 30 days	942,904	1,142,619
31 – 60 days	662,062	1,133,400
61 – 90 days	494,400	677,660
Over 91 days	420,949	711,751
	<u>2,520,315</u>	<u>3,665,430</u>

(b) Movement in the provision for impairment

	2024	2023
	\$	\$
Balance at beginning of the year	9,104	27,667
Provision Impairment recognised/(reversed) during the year	(3,898)	9,104
Amounts recovered during the year	(616)	(68)
Amounts written off as uncollectible	-	(29,086)
Net foreign exchange differences	-	1487
Balance at the end of the year	<u>4,590</u>	<u>9,104</u>

In determining the recoverability of a trade receivable, the Group considers any recent history of payments and the status of the projects to which the debt relates. No payment terms have been renegotiated. The concentration of credit risk is limited due to the customer base being large and unrelated.

Accordingly, the directors believe that there is no further provision required in excess of the allowance for impairment.

Fair value of receivables

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

Notes to the Financial Statements (Continued)

9. Property, Plant and Equipment

	2024	2023
	\$	\$
Leasehold improvements – at cost	7,787	7,817
Less: Accumulated amortisation	(7,787)	(7,817)
	-	-
Right of use asset – at cost	1,736,500	3,501,823
Less: Accumulated depreciation	(1,156,086)	(1,896,547)
Less: Impairment of right of use asset (i)	(401,355)	-
	179,059	1,605,276
Plant and equipment – at cost	59,515	59,517
Less: Accumulated depreciation	(59,481)	(59,191)
	34	326
Computer equipment – at cost	358,282	425,416
Less: Accumulated depreciation	(340,205)	(376,136)
	18,077	49,280
Total carrying amount of property, plant and equipment	197,170	1,654,882

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2024

	Right of Use Assets	Plant and Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2023	1,605,276	326	49,280	1,654,882
Additions	-	-	7,068	7,068
Disposal/write -off	(625,814)	-	(2,911)	(628,725)
Lease Modifications	298	-	-	298
Depreciation/amortisation expense	(399,346)	(292)	(35,392)	(435,030)
Impairment of right of use assets	(401,355)	-	-	(401,355)
Net foreign exchange differences	-	-	32	32
Carrying amount at 30 June 2024	179,059	34	18,077	197,170

2023

	Right of Use Assets	Plant and Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2022	2,151,908	618	85,386	2,237,912
Additions	-	-	5,147	5,147
Disposal/write -off	-	-	(1,488)	(1,488)
Lease Modifications	(405)	-	-	(405)
Depreciation/amortisation expense	(546,227)	(292)	(40,078)	(586,597)
Net foreign exchange differences	-	-	313	313
Carrying amount at 30 June 2023	1,605,276	326	49,280	1,654,882

Impairment of Right of Use Asset

As per AASB 136 Impairment of Assets, an asset needs to be tested for impairment when there are indicators of impairment. An impairment test of the intangible assets of the Group was performed as there were indicators of impairment. Adslot's discounted cash flow performed for the value in use calculation in respect of testing impairment of intangible assets was negative, which is an indicator of impairment of assets other than intangible assets held at 30 June 2024. Therefore, Adslot needed to assess the recoverability of other assets, with the Right of Use Asset (ROU) relating to the Melbourne office lease being one of them. This ROU asset carried a net book value of \$580,414.

In measuring the recoverable amount of the ROU asset, Adslot adopted the fair value less cost of disposal (FVLCD) method. To measure the FVLCD of the ROU asset, Adslot employed an independent valuer in FTI Consulting (Australia) Pty Ltd (FTI).

FTI used following assumptions to arrive at FVLCD.

Assumption	Range	
Incremental Borrowing Rate	8.5%	9.5%
Sublease yield	6.5%	5.5%
Sublease rate (% of original lease rate)	30.0%	40.0%

Based on the above assumptions, a FVLCD of \$179,059 was arrived at by FTI which was the recoverable amount of the Melbourne ROU asset. This recoverable amount was a deficit when compared to the ROU asset's NBV as at 30 June 2024.

Recoverable Amount	\$179,059
Net Book Value	\$580,414
Excess/(Deficit)	(\$401,355)

At 30 June 2024, the directors having assessed the recoverable amount of the ROU asset, determined to impair the carrying value by \$401,355.

Notes to the Financial Statements (Continued)

10. Intangible Assets

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Year ended 30 June 2024					
Opening net book amount	5,522,707	38,267	-	-	5,560,974
Additions	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

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Year ended 30 June 2023					
Opening net book amount	6,966,855	38,267	-	5,161,939	12,167,061
Additions	2,505,315	-	-	-	2,505,315
Amortisation	(2,826,663)	-	-	-	(2,826,663)
Impairment of assets	(1,122,800)	-	-	(5,161,939)	(6,284,739)
Carrying amount at 30 June 2023	5,522,707	38,267	-	-	5,560,974

At 30 June 2023					
Cost	25,611,238	38,267	16,191,496	15,161,939	57,002,940
Accumulated amortisation and impairment	(20,088,531)	-	(16,191,496)	(15,161,939)	(51,441,966)
Carrying amount at 30 June 2023	5,522,707	38,267	-	-	5,560,974

Internally Developed Software

The following table shows the portion of platform development costs that are capitalised for the current and prior financial years:

Platform	Capitalised Wages	R&D grants offsetting capitalised wages	Net Capitalised Wages
	\$	\$	\$
2024	2,694,560	(645,296)	2,049,264
2023	3,204,733	(699,417)	2,505,316

The Directors have assessed the accounting useful life of these internally developed software systems, for accounting purposes, to be five years. This assessment has given regard to the expected financial benefits of the technology.

Domain names

Domain names opening carrying value of \$38,267 (FY2023: \$38,267) relates to the various domain names held by Webfirm and Adslot. The Directors have assessed that this intellectual property has an indefinite useful life on the basis that the Directors do not believe that there is a foreseeable limit on the period over which this asset is expected to generate cash inflows for the entity.

Intellectual property

The *Symphony* technology was acquired as part of the Facilitate Digital Holdings Limited acquisition. The cost attributable and the accumulated amortisation to the *Symphony* technology intellectual property was \$16,191,496. This asset was fully amortised in FY2019.

Goodwill

The Goodwill balance relating to the acquisition of Facilitate was impaired in full during FY2023.

(a) Cash Generating Units (CGU)

As a result of increased technical integration, interdependency of the Adslot and Symphony platforms and increased number of customers utilising the integrated platform for what was historically the group of CGUs, it is no longer possible to identify a single intangible asset associated with each product; instead, a single asset is identified which both products leverage. In the absence of any product-specific assets, the Company now identifies a single CGU encompassing both products, being the "Adslot-Symphony CGU".

(b) Impairment testing and key assumptions

The Group tests whether intangible assets with definite life have suffered any impairment in accordance with the Group's accounting policies. The directors' have deemed that a *value in use* method reliant on forecast cash flows is appropriate to assess recoverable amounts of assets and CGU.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

At 30 June 2024, the directors assessed the recoverable amount of the \$2.5 million intangible asset with definite life and determined to impair the carrying value in full by \$2.5 million.

Notes to the Financial Statements (Continued)

10. Intangible Assets Continued

The most significant judgements and key assumptions pertaining to the calculation are:

Discount rate	The discount rates reflect appropriate adjustments relating to market risk (6%) and specific risk factors (9%). The post-tax discount rate for the Combined CGU is 22.24% (31 December 2023: 16.97%).
Growth Rate	The short term (12 month) forecasted revenue by revenue stream averages a 11% decline due to the full year impact of a reduction in revenue from amendments to Symphony agreement with GroupM. Medium-term growth rates are linked to industry growth rates and historical growth rates, and average 6%.
Terminal Growth Rate	The long-term growth rate for the CGU is 2.5%.
Cash Flow Forecasts	Cash flow calculations use cash flow projections based on the financial forecast approved by management covering a 5-year period.
Capital expenditure	Capital expenditure to maintain and enhance the existing technologies has been projected for the forecast period at an average of \$0.8 million per annum.

11. Trade and Other Payables

	2024	2023
	\$	\$
Trade creditors	477,780	261,831
Publisher creditors (i)	4,840,473	4,628,393
Accrued expenses	411,597	629,699
Other creditors	419,342	223,223
	6,149,192	5,743,146

(i) Refer to Note 1(p) for further information on publisher creditors.

12. Other Liabilities

	2024	2023
	\$	\$
Current: Contract liabilities (i)	277,869	326,512
Short Term Borrowings (ii)	400,500	-
	678,369	326,512

(i) Contract liabilities relates to:

- website development and hosting invoices that are rendered based on full contract terms at the contracts' inception, however performed over stages which straddle the reporting date,
- licence fees billed in advance, and
- advertising campaigns that have been purchased but whose delivery will occur after the reporting date.

During the financial year 2024, out of \$326,512 of the contract liabilities at the start of the year, \$212,057 was recognised as revenue.

(ii) 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 \$0.4 million in funding, under the following terms:

- Loan amount \$400,500
- Date of disbursement 25 March 2024
- Maturity date 31 December 2024
- Annual interest 16%
- Application fee \$768.90

13. Lease Liabilities

	2024	2023
	\$	\$
Current: Lease liability	207,029	590,933
Non-current: Lease liability	401,172	1,077,921
	<u>608,201</u>	<u>1,668,854</u>

The lease for the office premises in Melbourne is classified as leases under AASB 16. The Melbourne lease is due to end in July 2027.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

At 30 June 2024 short term and low value leases that were not recognised as a liability represented a total commitment of \$112,064 (FY2023: \$80,963) for the Group, of which the short term leases are \$69,733 (FY2023: \$71,409) and low value leases are \$42,331 (FY2023: \$9,554).

14. Provisions

	2024	2023
	\$	\$
Current: Employee benefits	441,410	531,838
Non-current: Employee benefits	696,740	650,385
Non-current: Provision for make good costs (i)	81,862	144,093
	<u>778,602</u>	<u>794,478</u>

(i) Present value of estimated make good costs for lease liabilities classified as leases under AASB 16.

Notes to the Financial Statements (Continued)

15. Contributed equity

	2024	2023	2024	2023
	Number	Number	\$	\$
Ordinary Shares – Fully Paid	3,749,671,795	2,479,348,381	163,285,169	160,134,280

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. Adslot conducts a poll for resolutions at annual general meetings (since 2019).

Movements in Paid-Up Capital

Date	Details	Number of shares	Issue price	Capital raising costs	Value
		Number	\$	\$	\$
01-Jul-22	Balance (including Treasury shares)	2,204,478,656		(3,750,666)	159,254,812
16-Nov-22	Treasury shares cancelled	(130,275)		-	-
20-Jun-23	Share Placement	275,000,000	\$0.004	(90,681)	1,009,319
30-Jun-23	July 2023 Right Issue costs	-		(129,851)	(129,851)
30-Jun-23	Balance	2,479,348,381		(3,971,198)	160,134,280
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	June 2024 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

Options movements during the financial year are summarised below:

Issue Type	Expiry Date	Exercise Price	Balance at beginning of the year	Issued during the year	Lapsed/Forfeited during the year	Exercised during the year	Balance at end of the year
		\$	(Number)	(Number)	(Number)	(Number)	(Number)
Ordinary options	02/09/2023	0.041	8,600,000	-	(8,600,000)	-	-
Ordinary options	12/07/2024	0.028	16,666,667	-	(2,750,000)	-	13,916,667
Ordinary options	06/08/2024	0.034	18,000,000	-	-	-	18,000,000
Ordinary options	16/12/2024	0.043	2,500,000	-	-	-	2,500,000
Ordinary options	29/07/2025	0.041	8,500,000	-	-	-	8,500,000
Ordinary options	29/07/2025	0.041	6,250,000	-	-	-	6,250,000
Ordinary options	08/08/2025	0.028	6,000,000	-	-	-	6,000,000
Ordinary options	11/10/2025	0.040	2,500,000	-	-	-	2,500,000
Ordinary options	15/06/2026	0.018	37,600,000	-	(2,400,000)	-	35,200,000
Ordinary options	15/06/2026	0.018	3,200,000	-	-	-	3,200,000
			109,816,667	-	(13,750,000)	-	96,066,667

16. Reserves

	Note	2024 \$	2023 \$
Reserves			
Share-based payments reserve		940,115	984,980
Foreign currency translation reserve		336,557	386,401
		1,276,672	1,371,381
<i>Share-based payments reserve</i>			
Opening balance		984,980	909,047
Lapsed/forfeited options during the year - Employees		(137,444)	(276,962)
Lapsed/forfeited options during the year - 3rd Party		-	(51,466)
Treasury Shares cancelled		-	(12,467)
Share-based payment expense - employees	21	78,449	336,239
Share-based payment expense – third party	21	-	-
Share-based payment expenses - directors	21	14,130	80,589
Closing balance		940,115	984,980
<i>Foreign currency translation reserve</i>			
Opening balance		386,401	294,800
Movement on currency translation		(49,844)	91,601
Closing balance		336,557	386,401

The Share-based payments reserve is used to record the value of options accounted for in accordance with AASB 2: Share-Based Payments.

The foreign currency translation reserve is used to record the value of aggregate movements in the translation of foreign currency in accordance with AASB 121: The Effects of Changes in Foreign Exchange Rates.

Notes to the Financial Statements (Continued)

17. Earnings Per Share

	2024	2023
	Cents	Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Group	(0.33)	(0.55)
(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Group	(0.33)	(0.55)
	2024	2023
	\$	\$
(c) Reconciliation of earnings used on calculating earnings per share (i)		
Loss from continuing operations attributable to the members of the Group used on calculating basic and diluted earnings per share	(10,703,881)	(12,078,360)
	2024	2023
	Number	Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares on issue used in the calculation of basic EPS	3,242,291,812	2,212,636,052
(e) Weighted average number of shares used as the denominator		
Weighted average number of shares on issue used in the calculation of diluted EPS	3,242,291,812	2,212,636,052

(i) During FY2024 and FY2023 there were no discontinued operations or values attributable to minority interests.

	2024	2023
	Number	Number
Weighted average number of rights and options that could potentially dilute basic earnings per share in the future, but are not included in the calculation of diluted EPS because they are anti-dilutive for the period presented.	101,636,612	103,026,334

18. Contingencies

No contingent assets and liabilities are noted.

19. Remuneration of auditors

	2024	2023
	\$	\$
During the year the following fees were paid/payable to the auditor of the Group:		
Audit services		
Audit and review of financial reports	173,361	144,000
During the year the following fees were paid/payable to a related entity of the auditor of the Group:		
Other services		
Taxation compliance, GroupM compliance audit, review of R&D expenditure and other taxation advice	31,213	136,696
	204,574	280,696

20. Key Management Personnel Disclosures

Directors

The following persons were directors of the Group during the financial year:

Mr Andrew Dyer (Non-Executive Chairman)

Mr Andrew Barlow (Non-Executive Director) (i)

Mr Adrian Giles (Non-Executive Director)

Ms Sarah Morgan (Non-Executive Director)

Mr Ben Dixon (Executive Director & CEO)

Mr Tom Triscari (Non-Executive Director) (ii)

- (i) Mr Barlow resigned from Board of Adslot's Directors on 16 February 2024.
- (ii) Mr Triscari stepped down from his role of Executive Director on 30 April 2024.

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position
Mr Tom Peacock	Chief Commercial Officer
Mr Nirupamal Jayakody (i)	Chief Financial Officer

- (i) Mr Jayakody was appointed as Chief Financial Officer on 1 May 2024.

Key management personnel compensation

	2024	2023
	\$	\$
Short-term employee benefits	969,898	1,171,245
Post-employment benefits	78,480	69,571
Other long-term employee benefits	12,427	12,362
Share-based payments	27,419	108,523
Total compensation	1,088,224	1,361,701

There were 8 key management personnel throughout FY2024, some of whom have a part year of service (FY2023: 8).

Business Acquisitions:

There were no related party business acquisition transactions during the year ended 30 June 2024.

Transactions with Directors and their personally related entities:

During the year the Company earned revenue of \$1,383 (FY2023: \$10,215) from a company requiring web development, hosting and marketing services related to Mr Adrian Giles on normal commercial terms and conditions.

In addition, as part of the Entitlement Offer finalised on 6 July 2023 the Company incurred below sub-underwriting fees paid to Directors of Adslot Ltd including their personally related parties:

- Mr Andrew Dyer \$1,111.52; and
- Mr Benjamin Dixon \$335.58.

There were no other transactions with directors and their personally related entities for the financial years ending 30 June 2024 and 30 June 2023.

On 17 June 2024, Adslot announced a capital raise in the form of a partially underwritten 3:4 accelerated pro rata non-renounceable entitlement offer. 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). On 15 July 2024, the shortfall after the Retail Entitlement Offer was 197,022,090 shares (approx. \$0.02m) which were issued to the underwriters Directors Adrian Giles, Sarah Morgan and Andrew Dyer (through their related shareholding entities).

Notes to the Financial Statements (Continued)

21. Share-Based Payments

Employee Option Plan

Shareholders re-approved the Incentive Option Plan at the November 2023 Annual General Meeting. The Incentive Option Plan which enables the Board to offer eligible employees and directors the right to options which can be exercised to shares subject to the certain vesting criteria as long as they remain an eligible participant. For current options in issue the only vesting criteria are service conditions.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Group that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees and directors with the opportunity to participate in the future growth of the Group.

No amounts are paid or payable by the recipient on the receipt of the options. The options carry no voting rights. All options are subject to service periods which require the employees remain an employee or Director of the Group or at directors' discretion.

The following table shows grants and movements of share-based compensation to employees under the Employee Option Plan during the current financial year:

2024

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
03/09/19	02/09/23	0.041	8,600,000	-	-	(8,600,000)	-	-	-
13/07/20	12/07/24	0.028	16,666,667	-	(2,750,000)	-	-	13,916,667	13,916,667
07/08/20	06/08/24	0.034	18,000,000	-	-	-	-	18,000,000	18,000,000
30/07/21	29/07/25	0.041	8,500,000	-	-	-	-	8,500,000	5,666,669
16/06/22	15/05/26	0.018	37,600,000	-	(2,400,000)	-	-	35,200,000	23,466,670
Total			89,366,667	-	(5,150,000)	(8,600,000)	-	75,616,667	61,050,006
Weighted average exercise price			\$0.027	-	\$0.023	\$0.041	-	\$0.026	\$0.027

There were no new options granted to employees under the Incentive Option Plan during the year ended 30 June 2024.

2023

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
30/01/19	30/01/23	0.060	5,050,000	-	-	(5,050,000)	-	-	-
03/09/19	02/09/23	0.041	9,100,000	-	(500,000)	-	-	8,600,000	8,600,000
30/01/20	29/01/24	0.032	8,000,000	-	(8,000,000)	-	-	-	-
13/07/20	12/07/24	0.028	19,000,000	-	(2,333,333)	-	-	16,666,667	11,166,667
07/08/20	06/08/24	0.034	18,000,000	-	-	-	-	18,000,000	16,000,000
30/07/21	29/07/25	0.041	9,500,000	-	(1,000,000)	-	-	8,500,000	2,833,333
16/06/22	15/05/26	0.018	38,800,000	-	(1,200,000)	-	-	37,600,000	12,533,333
Total			107,450,000	-	(13,033,333)	(5,050,000)	-	89,366,667	51,133,333
Weighted average exercise price			\$0.029	-	\$0.031	\$0.060	-	\$0.027	\$0.030

There were no new options granted to employees under the Incentive Option Plan during the year ended 30 June 2023

Equity Based Payments

2024

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
30/07/21	29/07/25	0.041	6,250,000	-	-	-	-	6,250,000	6,250,000
Total			6,250,000	-	-	-	-	6,250,000	6,250,000
Weighted average exercise price			\$0.041	-	-	-	-	\$0.041	\$0.041

There were no new options granted during the year ended 30 June 2024.

2023

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
30/01/20	15/12/22	0.044	8,000,000	-	-	(8,000,000)	-	-	-
30/07/21	29/07/25	0.041	6,250,000	-	-	-	-	6,250,000	6,250,000
Total			14,250,000	-	-	(8,000,000)	-	6,250,000	6,250,000
Weighted average exercise price			\$0.043	-	-	\$0.044	-	\$0.041	\$0.041

On 30 January 2020 the Group granted 8,000,000 new Options under mandate to Peloton Capital Pty Ltd as consideration for corporate advisory services received. The Options have expired on 15 December 2022.

There were no new options granted during the year ended 30 June 2023.

Notes to the Financial Statements (Continued)

21 Share-Based Payments Continued

Non-Executive Director Options

The Group grants options to non-executive directors under LR 10.11 subject to approval at the AGM.

2024

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
17/12/20	16/12/24	0.043	2,500,000	-	-	-	-	2,500,000	2,500,000
09/08/21	08/08/25	0.028	6,000,000	-	-	-	-	6,000,000	5,500,000
23/11/21	11/10/25	0.040	2,500,000	-	-	-	-	2,500,000	2,500,000
16/11/22	15/06/26	0.018	3,200,000	-	-	-	-	3,200,000	3,200,000
Total			14,200,000	-	-	-	-	14,200,000	13,700,000
Weighted average exercise price			\$0.030	-	-	-	-	\$0.030	\$0.031

2023

In lieu of cash remuneration for services as a director, 3,200,000 Options was granted to a director which were approved at the AGM held on 16 November 2022. Options are to acquire fully paid ordinary shares, at an exercise price of \$0.018 with an expiry date of 15 June 2026. The options vest in two equal tranches on the six-month anniversary of the grant date.

Grant Date	Expiry Date	Exercise Price \$	Balance at start of the year (Number)	Granted during the year (Number)	Forfeited during the year (Number)	Lapsed during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
17/12/20	16/12/24	0.043	2,500,000	-	-	-	-	2,500,000	2,500,000
09/08/21	08/08/25	0.028	6,000,000	-	-	-	-	6,000,000	3,500,000
23/11/21	11/10/25	0.040	2,500,000	-	-	-	-	2,500,000	2,500,000
16/11/22	15/06/26	0.018	-	3,200,000	-	-	-	3,200,000	3,200,000
Total			11,000,000	3,200,000	-	-	-	14,200,000	11,700,000
Weighted average exercise price			\$0.034	\$0.018	-	-	-	\$0.030	\$0.031

The options are valued using the Black-Scholes pricing model. The model inputs for options granted were:

Model Input	DOP # 23-1
Grant Date	16/11/22
Expiry Date	15/06/26
Exercise Price \$	0.018
Grant date share value \$	0.021
Expected Volatility	80.76%

22. Cash Flow reconciliation

	2024	2023
Reconciliation of Net Cash Flows from Operating Activities to Loss for the year	\$	\$
Loss for the year after income tax	(10,302,527)	(12,078,360)
<u>Add/(less) non-cash and other items</u>		
Depreciation and amortisation	2,921,250	3,413,260
Non-operating interest payments	17,226	-
Impairment losses (intangible assets)	5,085,751	6,284,739
Share-based payment	92,579	416,828
Impairment of receivables	(4,514)	(20,049)
(Profit)/Loss on asset write off	(1,013)	(313)
Unrealised foreign currency loss/(gain)	86,990	(96,901)
Movements in receivables relating to investing activities	(54,121)	(229,547)
<u>Changes in assets and liabilities (net of effects of acquisition and disposal of entities)</u>		
(Increase)/Decrease in receivables	1,215,902	(54,122)
(Decrease)/Increase in payables and other provisions	283,586	762,014
Net cash outflow from operating activities	<u>(658,891)</u>	<u>(1,602,451)</u>

During the financial year, a lease modification resulting in the recognition of additional lease assets and corresponding lease liabilities of \$298 (FY2023: \$405) was carried out. Additionally, the Sydney lease was cancelled in January 2024. Refer notes 9 and 13 for further details.

23. Financial Risk Management

The Group's operations expose it to various financial risks including market, credit, liquidity and cash flow risks. Risk management programmes and policies are employed to mitigate the potential adverse effects of these exposures on the results of the Group.

Financial risk management is carried out by the Chief Financial Officer with oversight provided by the Audit & Risk Committee and Board.

(a) Market risks

Market risks include foreign exchange risk, interest rate risk and other price risk. The Group's activities expose it to the financial risks of changes in foreign currency, interest rate risk relating to interest earned on cash and cash equivalents.

Disclosures relating to foreign currency risks are covered in Note 23(d) and interest rate risk is covered in Note 23(e). The Group does not have formal policies that address the risks associated with changes in interest rates or changes in fair values of financial assets.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets, other than investments, of the Group which have been recognised in the Consolidated Statement of Financial Position is the carrying amount net of any provision for doubtful debts.

The Group has no significant concentrations of credit risk. As disclosed in Note 8(b), 'Impairment of receivables', the Group has policies in place to ensure that sales of services are made to customers with appropriate credit history. Before accepting any new customers, the Group internally reviews the potential customer's credit quality. A substantial deposit on contract in website development and hosting segment of the Group mitigates initial credit risk.

Notes to the Financial Statements (Continued)

23. Financial Risk Management (Continued)

The Group held the following financial assets with potential credit risk exposure:

Financial assets

	2024	2023
	\$	\$
Cash and cash equivalents	3,147,242	2,874,746
Trade debtors and other receivables (Note 8)	3,437,695	4,902,035
	<u>6,584,937</u>	<u>7,776,781</u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying business, the Board aims at maintaining flexibility in funding by keeping sufficient cash available to settle financial liabilities as per the contractual terms of the obligations.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources (see Note 7) and trade receivables (see Note 8) exceed the current cash outflow requirements.

As at 30 June 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Contractual maturities of financial liabilities

	2024	2023
	\$	\$
Due within 12 months		
Trade and other payables	6,149,192	5,743,146
Current: Lease liability	207,029	590,933
Short Term Borrowings (Radium Capital Loan)	417,726	-
	<u>6,773,947</u>	<u>6,334,079</u>
Due after 12 months		
Non-current: Lease liability	401,172	1,077,921
Total	<u>7,175,119</u>	<u>7,412,000</u>

(d) Foreign currency risk

Most of the Group's financial assets and liabilities are in Australian Dollars (AUD) and US dollars (USD). Exposures to currency exchange rates arise from the Group's overseas operations which are primarily denominated in US dollars (USD), Pound Sterling (GBP), Euros (EUR), New Zealand dollars (NZD), Chinese Yuan (CNY) and Malaysian Ringgit (MYR).

Foreign currency exposure is monitored by the Board on a periodic basis.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

	USD A\$	GBP A\$	EUR A\$	NZD A\$	CNY A\$	MYR A\$
30 June 2024						
Financial Assets	5,723,047	645,735	361,846	1,760	99,524	1,429
Financial Liabilities	(6,217,199)	(920,106)	(400,429)	(493)	(36,265)	-
Total Exposure	(494,152)	(274,371)	(38,583)	1,267	63,259	1,429
30 June 2023						
Financial Assets	5,405,247	497,542	575,171	1,680	43,847	1,228
Financial Liabilities	(5,771,301)	(512,883)	(258,769)	(1,502)	(37,695)	-
Total Exposure	(366,054)	(15,341)	316,402	178	6,152	1,228

The following table illustrates the sensitivity on profit and equity in relation to the Group's financial assets and liabilities and the USD/AUD exchange rate, GBP/AUD exchange rate, EUR/AUD exchange rate, NZD/AUD exchange rate, CNY/AUD exchange rate & MYR/AUD exchange rate 'all other things being equal'. It assumes a +/- 10% change of the following exchange rates for the year ended 30 June 2024 (30 June 2023: 10%).

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. There is no Equity exposure to foreign currency risk.

	+10%						
	USD A\$	GBP A\$	EUR A\$	NZD A\$	CNY A\$	MYR A\$	Total A\$
30 June 2024							
Impact on Profit	330,091	66,813	9,323	-	-	(130)	406,097
Impact on Reserves	(285,168)	(41,870)	(5,815)	(115)	(5,751)	-	(338,719)
Impact on Equity	44,923	24,943	3,508	(115)	(5,751)	(130)	67,378
30 June 2023							
Impact on Profit	241,779	28,973	(24,467)	-	-	(112)	(246,173)
Impact on Reserves	(208,501)	(27,578)	(4,297)	(16)	(559)	-	(240,951)
Impact on Equity	33,278	1,395	(28,764)	(16)	(559)	(112)	5,222
	-10%						
	USD A\$	GBP A\$	EUR A\$	NZD A\$	CNY A\$	MYR A\$	Total A\$
30 June 2024							
Impact on Profit	(403,445)	(81,660)	(11,395)	-	-	159	(496,341)
Impact on Reserves	348,539	51,174	7,108	141	7,029	-	413,991
Impact on Equity	(54,906)	(30,486)	4,287	141	7,029	159	(82,350)
30 June 2023							
Impact on Profit	(295,508)	(35,411)	29,904	-	-	136	(300,879)
Impact on Reserves	254,835	33,706	5,252	20	683	-	294,496
Impact on Equity	(40,673)	(1,705)	35,156	20	683	136	(6,383)

Notes to the Financial Statements (Continued)

23. Financial Risk Management (Continued)

(e) Cash flow and interest rate risk

As the Group has no significant interest-bearing assets or liabilities (except cash), the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on exposure to interest rates on interest bearing bank balances throughout the reporting period. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates (also comparable to movement in interest rates during the reporting year).

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's net profit would:

	+1%	-1%
	\$	\$
30 June 2024	17,622	(10,615)
30 June 2023	23,645	(7,415)

This is mainly attributable to the Group's exposure to interest rate on its bank balances bearing interest.

(f) Fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and other short-term financial assets and financial liabilities of the Group approximates their carrying value.

The net fair value of other financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

24. Parent Entity Information

The following details of information are related to the parent entity, Adslot Ltd, at 30 June 2024. This information has been prepared using consistent accounting policies as presented in Note 1.

	2024	2023
	\$	\$
Current assets	894,635	1,376,605
Non-current assets	242,927	6,906,857
Total assets	1,137,562	8,283,462
Current liabilities	790,188	478,792
Non-current liabilities	690,063	1,812,947
Total liabilities	1,480,251	2,291,739
Contributed equity	163,285,169	160,134,280
Share-based payments reserve	940,113	984,978
Retained losses	(164,567,971)	(155,127,534)
Total equity	(342,689)	5,991,724
Loss for the year	(9,577,881)	(20,613,240)
Total comprehensive loss for the year	(9,577,881)	(20,613,240)

The recoverable amount of non-current assets, which consists primarily of investments in subsidiaries and receivables from subsidiaries, was subjected to impairment testing. Impairment charges – comprising impairment of investments in subsidiaries – totalling \$5,235,595 (FY2023: \$17,409,073) were recorded in the current year. These transactions were eliminated upon consolidation and do not impact the Group results.

Retained losses as at 30 June 2024 increased by \$9,440,437 due to; \$9,577,881 total comprehensive loss for the year for the parent entity and the \$137,444 relating to lapsed options which were reversed through retained losses.

25. Related Party Transactions

Other than the transactions disclosed in Note 20 relating to key management personnel, there have been no related party transactions that have occurred during the current or prior financial year.

Notes to the Financial Statements (Continued)

26. Events Subsequent to Reporting Date

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. The latter raised \$0.95 million before costs for the issue of 953 million ordinary shares.

The residual shortfall of up to approximately 940 million shares (representing an amount of approximately \$0.94 million) maybe be placed by the company within three months after 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.

On 13 August 2024 the Company announced that Mr Andrew Dyer, the Company's Chairman will assume the role of Executive Chairman with immediate effect and that the Company has commenced a strategic and operational review, with the objective of accelerating its pathway to breakeven.

On 6 September 2024 the Company announced the resignation of Mr Ben Dixon as Chief Executive Officer and that he has also resigned as a director of Adslot and certain subsidiaries. To assist with various projects, and to ensure an orderly transition, Mr Dixon will provide advisory services until 31 December 2024. Mr Ben Loiterton, who was advising the company on its strategic review and associated restructure, was appointed Interim Chief Executive Officer.

The 6 September 2024 announcement also confirmed that Mr Dyer's term as Executive Chair was extended to 30 June 2025 and that 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, subject to ASX and shareholder approval.

27. Consolidated Entities

Name	Country of Incorporation	Ordinary Share Consolidated Equity Interest	
		2024	2023
Parent entity		%	%
Adslot Ltd	Australia		
Controlled entities			
Adslot Technologies Pty Ltd	Australia	100	100
Ansearch.com.au Pty Ltd	Australia	100	100
Ansearch Group Services Pty Ltd	Australia	100	100
Webfirm Pty Ltd	Australia	100	100
QDC IP Technologies Pty Ltd	Australia	100	100
Adslot UK Limited	United Kingdom	100	100
Adslot Inc.	United States	100	100
Symphony International Solutions Pty Limited	Australia	100	100
Symphony Workflow Pty Ltd	Australia	100	100
Symphony Media Pty Ltd	Australia	100	100
Facilitate Digital (Shanghai) Software Service Co., Ltd	China	100	100
Facilitate Digital Limited	New Zealand	100	100
Facilitate Digital Trust	New Zealand	100	100
Br1dge, Inc (i)	United States	100	100
Facilitate Digital UK Limited	United Kingdom	100	100
Facilitate Digital Deutschland GmbH	Germany	100	100

Equity interests in all controlled entities are by way of ordinary shares.

(i) In January 2024 Facilitate Digital LLC, a Georgia (US) limited liability company converted to Br1dge, Inc, a Delaware corporation.

Consolidated Entity Disclosure Statement as at 30 June 2024

Name of Entity	Type of Entity	Trustee, partner or participant in JV	Country of Incorporation	% of Share Capital	Australian or Foreign Resident for tax purpose	Foreign Tax Jurisdiction of Foreign Residents
Parent entity						
Adslot Ltd (i)	Body Corporate	-	Australia		Australian	N/A
Controlled entities						
Adslot Technologies Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Ansearch.com.au Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Ansearch Group Services Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Webfirm Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
QDC IP Technologies Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Adslot UK Limited	Body Corporate	-	United Kingdom	100	Foreign	United Kingdom
Adslot Inc.	Body Corporate	-	United States	100	Foreign	United States
Symphony International Solutions Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Symphony Workflow Pty Ltd (ii)	Body Corporate	-	Australia	100	Australian	N/A
Symphony Media Pty Ltd	Body Corporate	-	Australia	100	Australian	N/A
Facilitate Digital Limited (iii)	Trustee	Trustee	New Zealand	100	Foreign	New Zealand
Facilitate Digital Trust	Trust	-	New Zealand	100	Foreign	New Zealand
Br1dge, Inc (iv)	Body Corporate	-	United States	100	Foreign	United States
Facilitate Digital UK Limited	Body Corporate	-	United Kingdom	100	Foreign	United Kingdom
Facilitate Digital Deutschland Gmb	Body Corporate	-	Germany	100	Foreign	Germany
Facilitate Digital (Shanghai) Software Service Co., Ltd (v)	Body Corporate	-	China	100	Foreign	China

(i) Adslot Ltd is the parent entity.

(ii) Symphony Workflow Pty Ltd is the settlor of Facilitate Digital Limited.

(iii) Facilitate Digital Limited is the trustee of Symphony Workflow Pty Ltd.

(iv) In January 2024 Facilitate Digital LLC, a Georgia (US) limited liability company converted to Br1dge, Inc, a Delaware corporation.

(v) Facilitate Digital (Shanghai) Software Service Co., Ltd is a tax resident of China. It is Adslot Limited's only unlisted controlled foreign company, and its attributable income is included under Adslot Limited's consolidated income tax return.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements

Directors' Declaration

The Directors declare that the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes, as set out on pages 31 to 66 are in accordance with the *Corporations Act 2001* and:

- (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements in Australia;
- (b) give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (c) the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (d) the consolidated entity disclosure statement on page 67 is true and correct at the end of the financial year.

In the directors' opinion:

- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (b) the audited remuneration disclosures set out on pages 17 to 25 of the Directors' Report comply with section 300A of the *Corporations Act 2001*.

The directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Andrew Dyer

Executive Chairman

Adslot Ltd

30 September 2024

Independent Auditor's Report

To the Members of Adslot Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Adslot Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (c) in the financial statements, which indicates that the Group incurred a net loss of \$10.7 million during the year ended 30 June 2024. As stated in Note 1 (c), these events or conditions, along with other matters as set forth in Note 1 (c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

www.grantthornton.com.au
ACN-130 913 594

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets (note 10)	
<p>At 30 June 2024, the carrying value of intangible assets was \$38,000, following an impairment of \$5.09 million.</p> <p>An entity is required in accordance with AASB 136 <i>Impairment of Assets</i>, to assess at the end of each reporting period whether there is any indication that an asset may be impaired. Should any indication of impairment exist, the entity shall estimate the asset's recoverable amount. Where the carrying amount exceeds the recoverable amount, an impairment charge should be recognised. Impairment testing was undertaken due to the presence of indicators of impairment during the financial year.</p> <p>This area is a key audit matter as impairment testing of intangible and other assets requires a high degree of estimation and judgement by management. In addition, there is subjectivity involved relating to assumptions and key inputs.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Reviewing management's indicators of impairment assessment;• Assessing management's determination of the Group's cash-generating units (CGUs) based on our understanding of the nature of the Group's business, how management monitors the entity's operations and reports to those charged with governance;• Obtaining management's impairment model and testing the mathematical accuracy and appropriateness of the methodology of the underlying model calculations;• Reviewing the impairment model for compliance with AASB 136;• Assessing the reasonableness of key inputs and assumptions prepared by management; and• Reviewing relevant disclosures in the financial statements.
Revenue Recognition (note 3)	
<p>We have determined revenue to be a key audit matter, due to the level of management's judgement and estimation involved in recognising revenue from the Group's revenue streams:</p> <ul style="list-style-type: none">• Trading Technology<ul style="list-style-type: none">○ License Fees○ Trading Fees• Services<ul style="list-style-type: none">○ Webfirm	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Reviewing revenue recognition policies for consistency and compliance with AASB 15 <i>Revenues from Contracts with Customers</i>;• Selecting a sample of revenue transactions and vouching to supporting documentation, including invoices and contracts, to verify whether the revenue recognised is accurate and in the correct period;• Reviewing contract liabilities and publisher liability accounts to determine whether they are appropriately treated; and• Reviewing relevant disclosures in the financial statements.

Research and development grants and capitalised wages (note 8 and note 10)

During the year ended 30 June 2024, the Group recognised \$2.05 million relating to capitalised development costs as intangible assets prior to impairment. These capitalised costs were impaired to nil at period end within the \$5.09m impairment loss posted for the period. In addition, the Group has recognised a receivable for associated research and development (R&D) grants to the value of \$883k under the R&D Tax Incentive Scheme from AusIndustry, for estimated and submitted R&D claims at year-end.

A high level of judgement is required in determining whether the criteria for capitalising R&D costs are met. As such, there is a risk that the criteria for capitalisation in accordance with AASB 138 *Intangible Assets* costs are not achieved. Under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*, grants received relating to capitalised costs must be offset against the capitalised amount, while grants relating to costs not capitalised are to be recognised as income. Estimated R&D grant claims pertaining to costs incurred during the prior financial year and R&D grant claims submitted but not yet received relating to costs incurred in the previous financial year are to be recognised as a receivable.

This area is a key audit matter given the subjectivity and management judgement applied in assessing whether costs meet the recognition criteria of AASB 138 and meet the recognition requirements of the R&D Tax Incentive Scheme.

Our procedures included, amongst others:

- Obtaining an understanding of the capitalisation process and whether any changes have occurred since the most recent year end audit;
- Reviewing compliance with criteria for capitalisation of costs under AASB 138;
- Assessing the reasonableness of total development costs against expectations, considering prior year costs and current year budgeted costs;
- Obtaining an understanding of the current status of claims and whether there is any cause for uncertainty in receiving the claimed amounts;
- Testing on a sample basis, capitalised development costs incurred to underlying supporting documentation;
- Ensuring the above sample meets the recognition requirements of accounting standard AASB 138;
- Testing the mathematical accuracy of R&D grant claims accrued for;
- Utilising Grant Thornton's internal R&D expert to review R&D receivable for reasonableness; and
- Assessing the appropriateness of the disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 17 to 25 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Adslot Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 30 September 2024

Corporate Governance Statement

In accordance with Listing Rule 4.10.3, Adslot's Corporate Governance Statement can be found at <http://www.adslot.com/investor-relations/governance/>

The 2024 Corporate Governance Statement will be lodged with ASX along with the Annual Report.

Shareholder Information

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 27 September 2024.

Distribution of equity securities

	Ordinary Shares	
	Number of Holders	Number of Shares
The number of shareholders by size of shareholding are:		
1 – 1,000	26	799
1,001 – 5,000	13	52,502
5,001 – 10,000	17	138,262
10,001 – 100,000	95	3,910,906
100,001 +	729	4,698,519,222
TOTAL	880	4,702,621,691
The number of shareholders holding less than a marketable parcel of \$500 (500,000 shares):	524	96,115,554

Twenty largest shareholders

	Listed Ordinary Shares	
	Number of Shares	% of Shares
The names of the twenty largest holders of quoted shares are:		
1 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,161,317,276	24.70
2 GIDGELL PTY LTD	693,782,998	14.75
3 CITICORP NOMINEES PTY LIMITED	593,183,066	12.61
4 MR ANDREW BARLOW	232,617,342	4.95
5 DAWNIE DIXON PTY LTD	216,381,701	4.60
6 CAPITAL ACCRETION PTY LTD	118,079,227	2.51
7 STOCK RANGE PTY LTD	83,991,831	1.79
8 AMBLESIDE VENTURES PTY LTD	83,215,925	1.77
9 ASHMOG INVESTMENTS PTY LTD	72,956,406	1.55
10 INVIA CUSTODIAN PTY LIMITED	63,797,136	1.36
11 YARRA VENTURES PTY LTD	59,879,004	1.27
12 MR PETER STANKOVIC	46,751,159	0.99
13 ZERO NOMINEES PTY LTD	38,600,000	0.82
14 SAPEAME PTY LTD	32,941,379	0.70
15 G & D DIXON INVESTMENTS PTY LTD	30,936,378	0.66
16 SISUG PTY LTD	30,000,001	0.64
17 SCINTILLA STRATEGIC INVESTMENTS LIMITED	30,000,000	0.64
18 MR DAVID WILLIAM HOLZWORTH + MRS JANE ELIZABETH HOLZWORTH	27,000,000	0.57
19 CHARMED5 PTY LTD	21,399,999	0.46
20 BEN DIXON	19,973,750	0.42
Total Top 20 holders of Ordinary Shares	3,656,804,578	77.76
Remaining holders balance	1,045,817,113	22.24

Classes of Shares - Adslot Ltd has only one class of share on issue, being fully paid ordinary shares.

Substantial Shareholders

	Shares	% Shares
PPM Domestic assets private portfolio managers Pty Limited	749,354,941	15.93
John Barlow	693,782,998	14.75
Jencay Capital Pty Ltd	411,962,334	8.76
Geoff Dixon	270,581,540	5.75
Andrew Dyer	252,362,651	5.37

Voting Rights - All ordinary shares carry one vote per share without restrictions.

Unquoted Share Options – Adslot Ltd has on issue 1,126,417,783 unquoted share options to purchase ordinary shares of Adslot Ltd, consisting of 171 holders. This includes 64,150,000 options held by current employees under the employee incentive scheme.

Corporate Directory

Directors

Mr Andrew Dyer – Executive Chairman
Mr Adrian Giles – Non-Executive Director
Ms Sarah Morgan – Non-Executive Director
Mr Tom Triscari – Non-Executive Director

Interim Chief Executive Officer

Mr Ben Loiterton

Company Secretary

Mr Mark Licciardo
Acclime Corporate Services Aust Pty Ltd
Level 7, 330 Collins Street
Melbourne, VIC 3000
Australia

Auditors

Grant Thornton Australia Pty Ltd
Collins Square, Tower 5
727 Collins Street
Melbourne, VIC 3008
Australia

Bankers

National Australia Bank Limited
330 Collins Street
Melbourne, VIC 3000
Australia

Share Register

Computershare Registry Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, VIC 3001
Australia

Home Stock Exchange

Australian Securities Exchange Limited
Level 45, South Tower
Rialto, 525 Collins Street
Melbourne, VIC 3000
Australia
ASX Code: ADS

Website

www.adslot.com

Registered Office

Adslot Ltd
Level 2, 419 Collins Street
Melbourne, VIC 3000
Australia
Phone: + 613 8695 9100

Head Office

Adslot Ltd
Level 2, 419 Collins Street
Melbourne, VIC 3000
Australia
Phone: + 613 8695 9100

Asia Pacific Office

1-231, Shanghai 1933
No 10 Shajing Road
Shanghai 200080
China

North America Office

228 Park Ave S
PMB 23637
New York, New York 10003
United States of America

European Offices

10 John Street
London, WC1N 2EB
United Kingdom

Poststraße 33
20354 Hamburg
Germany

Adslot.

adslot.com