

ASX Announcement  
30 April 2024

## Q3 FY24 ACTIVITY REPORT

Adslot Ltd (ASX: ADS) is pleased to provide an activity report on trading for the March 2024 quarter.

### Key Developments

- Receipts from customers up 54% Quarter on Quarter (QoQ)
- Quarterly Total Transaction Value (TTV) of \$37.13m.
  - 22% increase vs Prior Corresponding Period (PCP).
  - Quarter on Quarter (QoQ) decline in line with media buying seasonality.
  - Last 12 months (LTM) TTV up 345% vs FY22 and up 794% vs FY20.
- Continued disruption to global ad industry opening new opportunities for Adslot solutions.
- Launch of br1dge subsidiary in US market to capitalise on 3<sup>rd</sup> party cookie decline.
- Cash at end of March 2024 quarter was \$3.54M.

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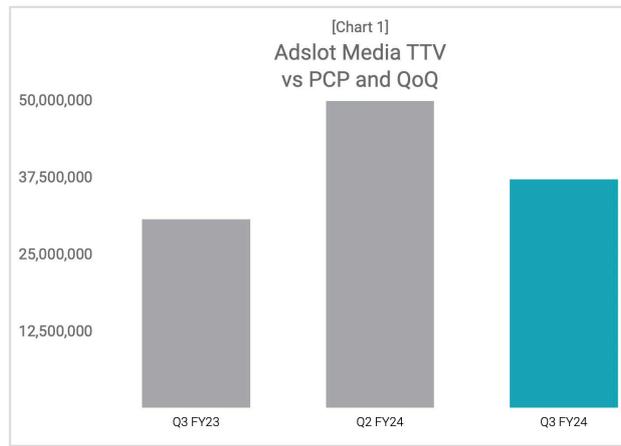
### Quarterly Total Transaction Value: Adslot Media

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

**Continued growth in average transaction size**, with the average value of trades increasing by 24% vs PCP and 8% QoQ.

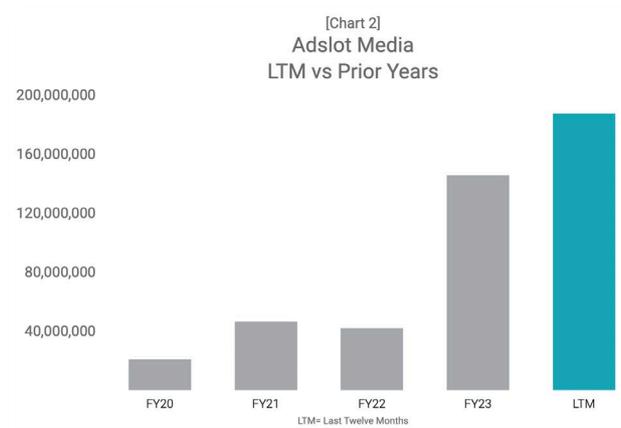
TTV for the quarter was **\$37.133M** an increase of **22%** vs PCP. See Chart 1.

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## Year on Year Total Transaction Value Growth: Adslot Media

Last Twelve Months [LTM] TTV is up 345% vs FY22 and up 794% vs FY20\*. See Chart 2.



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

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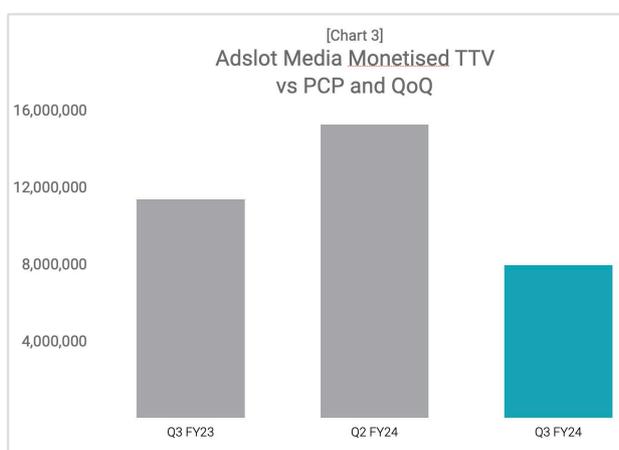
## Monetised TTV: Adslot Media

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

MTTV for the quarter was **\$7.95M**, a **decrease of 30%**, compared to the March 2023 quarter and a **decrease of 48%** on the December 2023 quarter. See Chart 3.

Quarter on Quarter (QoQ) declines reflect, in part, the lower seasonal levels of media buying in the March quarter and overall weakness in the Australian advertising market for that quarter.

The company remains focused on increasing take rates for Australian based TTV, where trial and other freemium arrangements, have resulted in lower levels of monetisation to date. This commercial approach has been deemed critical to drive very high overall platform participation in that market and to generate revenues from MTTV.



## Global Ad Industry Disruption and Operational Developments

The Company notes that the global advertising industry continues to experience significant disruption, driven in part by the impending decline of 3<sup>rd</sup> party cookies. These disruptions provide significant opportunities to drive adoption of the Company's solutions in large advertising markets around the world.

In particular, disruption is being experienced in the programmatic trading environment, where the roles of Supply Side Platforms (SSPs) and Demand Side Platforms (DSPs) in a post cookie world are being questioned by buyers and sellers alike. In this environment, there is increasing interest in solutions that enable direct, automated trading without the need for SSP and DSP infrastructure. Given both its direct integrations to publisher inventory management systems and automated buy side interfaces, ADS platforms are well positioned to manage this disruption over coming years.

Considering the above, the Company continues to make progress on key commercial projects. See Table 1 below.

Table 1: Progress on Key Commercial Projects		
KEY PROJECT	MARCH 2024 QUARTER HIGHLIGHTS	UPCOMING ACTIVITIES
br1dge	<ul style="list-style-type: none"> <li>Establishment of br1dge subsidiary with experienced leadership team.</li> <li>Development of v1.0 of br1dge product.</li> </ul>	<ul style="list-style-type: none"> <li>Commencement of trading with initial advertiser clients and select group of leading US publishers.</li> </ul>
German Market (incl CTV & Video*)	<ul style="list-style-type: none"> <li>Release of full CTV workflow including granular Zip Code targeting.</li> <li>Partnership established with German industry data consortium NetID.</li> <li>Discussion progress with 3<sup>rd</sup> agency holding company re CTV trading activation.</li> </ul>	<ul style="list-style-type: none"> <li>Further publisher onboarding driven by NetID partnership.</li> <li>Growth in CTV trading with initial two contracted German agency groups.</li> </ul>
UK Market	<ul style="list-style-type: none"> <li>Continued activation activities across key UK GroupM agencies.</li> <li>Discussions with large UK based publishers re use of Adslot Media for direct, frequency capped marketplace.</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of trading for large specialist mobile agency across new geographies and verticals.</li> <li>Further growth in trading driven by wider activation of GroupM marketplaces.</li> <li>Finalisation of plans for publisher marketplace roll out in the UK.</li> </ul>

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

## Symphony

The annualised value of media managed by the *Symphony* platform was \$4.90B, a decrease of **31%** on the prior quarter. This decline reflects the seasonality of media buying and was consistent with prior years.

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

## Supplementary Information: Quarterly Cashflow Commentary

The March 2024 quarter cash receipts from customers at \$5.38M were \$1.88M or 54% higher on the previous quarter's receipts of \$3.49M and 0.25M or 5% higher than the March 2023 quarter receipts of \$5.12M.

Net cash inflows from operating activities for the quarter were \$0.77M, an increase of \$1.77M or 177% on the previous quarter (December 2023: net cash outflow \$1.0M).

In the March 2024 quarter, total salary costs were \$2.5M, \$0.07M up on the previous quarter (December 2023: \$2.43M) and \$0.26M or 9% lower than the prior corresponding period (March 2023: \$2.75M). Total salary costs include Staff Costs and Intellectual Property (capitalised development salaries).

Outgoing cash payments during the quarter at \$5.42M is \$0.20M or 4% lower than the previous quarter (December 2023: \$5.62M) and \$0.59M or 10% lower than the prior corresponding period (March 2023: \$6.00M).

Ongoing cash outflows for the March 2024 quarter excluding publisher payments at \$3.54M are \$0.03M or 1% lower than the December 2023 quarter and \$0.08M or 2% lower than prior corresponding period (March 2023: \$3.63M). Ongoing cash outflows for the March 2024 quarter excluding publisher payments and Br1dge costs at \$3.15M are \$0.47M or 13% lower than the March 2023 quarter. This represents approximate annualized cost savings of \$1.88M.

The operating cash outflow included related party costs of \$0.11M for directors' remuneration. The non-executive directors of the Company have agreed to defer all director's fee payments from 1 March 2023 until 30 June 2024, after which time it will reassess whether continued deferrals are appropriate.

During the March quarter, Adslot entered into a secured loan agreement with Radium Capital for a loan secured against the company's FY24 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 \$0.40M in funding which is 80% of the FY24 R&D expenditure already funded by the company up to 31 December 2023. The Company expects to settle this loan in full in the December 2024 quarter, on receipt of the FY24 R&D tax rebate. These funds will be utilised to reduce volatility of the operating cashflows of the Company.

Cash at the end of the March 2024 quarter was \$3.54M.

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For further enquiries, please contact:

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Adslot Limited  
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### About Adslot

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

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

## Future performance

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

## Appendix 4C

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

**Name of entity**

ADSLOT LTD

**ABN**

70 001 287 510

**Quarter ended ("current quarter")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,377	12,689
1.2 Payments for		
(a) staff costs	(1,784)	(5,183)
(b) research and development	-	-
(c) publishers	(1,877)	(5,507)
(d) other cost of sales	(351)	(982)
(e) advertising and marketing	(9)	(19)
(f) other working capital/overheads	(592)	(1,736)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	65
1.5 Interest and other costs of finance paid	(9)	(46)
1.6 Income taxes received/ (paid)	-	-
1.7 Government grants and tax incentives	-	272
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>768</b>	<b>(447)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(3)
(d) investments	-	-
(e) intellectual property	(713)	(2,125)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (R&D Grant)	-	703
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(713)</b>	<b>(1,425)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,154
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(501)
3.5	Proceeds from borrowings	401	401
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9a	Other (Unmarketable parcel buyback)	-	(210)
3.9b	Other (Leased assets)	(82)	(366)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>319</b>	<b>2,478</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,114	2,875
4.2	Net cash from / (used in) operating activities (item 1.9 above)	768	(447)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(713)	(1,425)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	319	2,478
4.5	Effect of movement in exchange rates on cash held	50	57
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,538</b>	<b>3,538</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,138	1,434
5.2	Call deposits	400	1,680
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,538</b>	<b>3,114</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	768
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,538
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,538
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

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

30 April 2024

Date: .....

By the Board

Authorised by: .....

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

### Notes

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