

ASX Announcement

17 April 2025

QUARTERLY ACTIVITY REPORT MARCH QUARTER (Q3 FY25)

Adslot Ltd (ASX: ADS) is pleased to provide its activity report on trading for the Quarter ended 31 March 2025 (Q3 FY25).

Market Update Highlights


- Continued progress with activating the *StoreFront* digital advertising sales solution, in particular with Hearst Media (UK), Rakuten Viber (Global) and Bloomberg (US/UK) allowing these media organisations to sell digital advertising inventory via the Adslot automated system to agencies and direct advertisers, with first trades expected in May.
- Contract signed with Europe-based digital TV media platform Goldvertise (formerly Goldbach) in February. The publisher is now ready for activation with first trades also expected in May. Goldvertise is a leading provider of Online Video and CTV (app-based TV) in Germany, Switzerland & Austria and will be inviting many leading buyers of their inventory, both agencies and direct advertisers, to trade with them through the Adslot platform as part of their strategic objective of maximising direct sales of their inventory.
- Progress underway with approximately 10 other *StoreFront* media company prospects in advanced contract discussions. Substantial medium-term sales pipeline of premium digital publishers seeking to adopt the platform in all of the key initial target markets of the UK, USA and Australia.
- Trading in the three Software & Services business units was stable, with modestly increased operating performance by *Webfirm* and *Media Auctions*.
- Following completion of the Strategic Review in the December Quarter (resulting in substantial cost reductions including an approximate 40% reduction in monthly payroll) a further round of cost reductions was undertaken in March 2025 resulting in an additional reduction of approximately \$800k of annualised fixed overheads.

Adslot.

Financial Summary Q3 FY25 (Appendix 4C)

- Cash Receipts from Customers of \$3.68M
- Net Operating Cash Flow Positive \$89k
- Cash at end of March 2025 quarter was \$1.73M.
- Quarterly Monetised Transaction Value (“MTV”) of \$5.90M, a reduction of 35% QoQ predominantly due to seasonality.

Adslot Group Business Units

Stable Businesses			Growth Businesses	
 Media Auctions	Symphony.	webfirm	Adslot Media.	Adslot StoreFront
<ul style="list-style-type: none"> • Specialist enterprise auction-based platform that enables marketplaces to maximise value of advertising inventory. • Major client is REA (ASX:REA) Realestate.com.au • Business model – Monthly SaaS fee, annual contracts. 	<ul style="list-style-type: none"> • A global enterprise SaaS platform, providing digital media buying workflow solutions to the world's largest advertising agencies. • Major client is GroupM in 8 countries including China. • Business model – Monthly SaaS fee, annual contracts 	<ul style="list-style-type: none"> • Digital marketing agency providing Website Development, SEO, Search and Social Media solutions to SMEs nationally. • Business model – Fee for services, hosting fees. 	<ul style="list-style-type: none"> • A global digital media marketplace for media buyers and sellers to trade premium advertising inventory on a targeted, forward guaranteed basis. <i>Bridge</i> feature for bulk digital audience data trading. • Many sellers to many buyers marketplace. • Business model - Percentage-based fee on advertising spend on the platform (TTV trading fees). 	<ul style="list-style-type: none"> • Digital white label gateway for media companies to sell ad inventory and audience access to multiple media buyers. Enables publishers to increase revenue and efficiently manage sales process. • Single seller to many buyers. • Business model - Percentage-based fee on advertising spend via the gateway plus monthly and set-up fees

Sales & Marketing Highlights – Adslot Media Platform

The Adslot Media Platform is the core underlying Global marketplace platform that underpins the various Adslot solutions and use cases to seamlessly enable major media companies and advertiser buyer agencies to trade digital ad inventory and audience targeting.

Adslot solutions and products connected to the platform include *StoreFront*, *Adslot Open Marketplace*, and *Partner Marketplaces*.

Adslot StoreFront – Progress in Q3

Progress during Q2 FY25 for *StoreFront* included activation process momentum to bring online three major publishers:

- Bloomberg Media (USA market initially);

For personal use only

Adslot.

- Hearst UK (Harper's Bazaar, Cosmopolitan, Elle, Country Living, Men's & Women's Health, Esquire); and
- Viber Rakuten (global messaging platform, *StoreFront* servicing 34 countries).

Discussions are also progressing with other leading publishers, digital media companies, content platforms and organisations in Australia, the UK, Germany and the US.

Adslot Open Marketplace – Progress in Q3

Adslot Media operates the *Adslot Open Marketplace* which is the core long-standing platform of the Group and allows advertisers and their agencies to execute Direct-to-Publisher digital ad inventory trading. Many buyers to many sellers.

Progress during FY25 Q2 for *Adslot Open Marketplace* included implementing and activating the Goldvertise media trading solution, with first trades expected in May 2025.

Open Marketplace Trading Volumes

The total value of trading volumes of media traded across the platform is known as Total Trading Volume or "TTV". Adslot charges a placement fee to Publishers on part of this volume known as Monetised Trading Value ("MTV"), which refers to those transactions traded on the *Adslot Media* platform for which fees are generated.

MTV is the key focus for commercial performance, and for the March Quarter was \$5.90M, a decrease of 35% QoQ, and a decrease of 26% compared to PCP.

The QoQ decline of 35% is a result of seasonality. The March 2024 quarter experienced a QoQ decline of 48%.

The decline of MTV against PCP was experienced almost entirely in Australia, reflecting the weakness in the Australian advertising market, and structural reform taking place. For the Austrian and UK markets MTV has increase against PCP by 65% and 7% respectively. This shift in mix has resulted in a net margin increase of 23% even though MTV has reduced compared to PCP. Australian market has lower levels of monetization rates and margins compared to other markets.

Sales & Marketing Highlights for Q2 – Other Business Units

Symphony

Symphony is a global enterprise SaaS platform, providing digital media buying workflow solutions to the world's largest digital media agencies including GroupM. *Symphony* operates on a different independent tech platform to *Adslot Media*. Trading conditions were stable during the March Quarter.

Media Auctions

Adslot provides an enterprise auction-based platform for www.realestate.com.au (ASX:REA) as its sole customer. *Media Auctions* operates on a different independent tech platform to *Adslot Media*.

Adslot.

This business unit was financially stable, and its operating performance continues to increase year on year.

Webfirm

Melbourne-based *Webfirm* is an independent digital marketing agency specialising in web design, social media, search traffic and online advertising optimisation, and content creation.

The *StoreFront* strategy and, more specifically, its focus on the SME market is expected to deliver material benefits to *Webfirm* given its focus on the same market in the medium and long term. The implications for potential rebranding, increase of breadth to the portfolio of services offered and associated go to market strategies have all been explored with the future direction now determined. The alignment of *Webfirm* with the *StoreFront* strategy is expected to deliver growth in FY26 and beyond.

Reclassification of Software Development Cost

As disclosed in the Half-Year Financial Statements to 31 December 2024 released to the market in February, at the half-year financial review the Group changed its accounting treatment and judgement on capitalising software development cost. As a result, the Group decided to expense previously capitalised development costs for the six months to 31 December 2024. The Half-Year Financial Report to 31 December 2024 released to the market reflected this change.

The impact of this change on the Appendix 4C was that \$724K worth cash out flows to 31 December 2024 previously classified as cash flows from investing activities under 'Payments to acquire or for intellectual property' (2.1 (e)), has to be reclassified as cash flows for operating activities under 'payments for staff cost' (1.2 (a)). This reclassification has been reflected in this Appendix 4C for the quarter ending 31 March 2025.

Supplementary Information: Quarterly Cashflow Commentary

The March 2025 quarter cash receipts from customers at \$3.68M were \$1.70M up QoQ.

Net cash inflows from operating activities for the quarter were \$0.09M which is a \$1.02M improvement QoQ (Reclassified Dec 2024: net cash outflow \$0.93M).

In the March 2025 quarter, total salary costs were \$1.40M, \$0.46M down QoQ (Dec 2024: \$1.86M) and down \$1.09M on PCP (Mar 2024: \$2.50M). This reflects an annualized saving of \$4.37M. Total salary costs include Staff Costs and Intellectual Property (capitalised development salaries).

Outgoing cash payments during the quarter at \$3.64M are \$0.44M or 14% up QoQ (Dec 2024: \$3.20M). This increase in the current quarter is mainly due to \$0.59M higher publisher payments, higher Other Working Capital, higher Other Cost of sales, and offset by lower salary costs discussed above. The higher publisher payouts correspond to higher cash receipts. Outgoing cash payments were 33% or \$1.78M improvement on PCP (Mar 2024: \$5.42M).

Ongoing cash outflows for the March 2025 quarter excluding publisher payments at \$2.31M are \$0.16M or 6% lower QoQ. Ongoing cash outflows for the March 2025 quarter excluding publisher

Adslot.

payments at \$2.31M are \$1.23M or 35% lower than the PCP. This represents approximate annualised cost savings of \$4.90M.

There were \$0.01M related party payments in the March 2025 quarter in relation to statutory payments for the directors' fees. At the 2024 AGM held in November 2024, approval was received for the issue of Shares to Directors pursuant to Director Fees Plan instead of cash payments. \$0.06M worth of fees was paid via issue of ordinary shares in the March 2025 quarter.

During the March quarter, Adslot entered into a secured loan agreement with Radium Capital for a loan secured against the Company's FY2025 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 facility, the Company obtained \$0.20M in funding which is approximately 80% of the FY25 R&D expenditure already funded by the Company up to 31 December 2024. The Company expects to settle this loan in full in the December 2025 quarter, on receipt of the FY25 R&D tax rebate. These funds will be utilised to reduce the volatility of the operating cashflows of the Company.

Cash at the end of the March 2025 quarter was \$1.73M.

- END -

For further enquiries, please contact:

Ben Loiterton
Interim Chief Executive Officer
Adslot Limited
investor.relations@adslot.com

About Adslot

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

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

Future performance

This Announcement contains certain references to forecasts, estimates, assumptions and other forward-looking statements and statements regarding the intent, belief or current expectations of The Company. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this Announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-

Adslot.

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.

For personal use only

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 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,677	8,411
1.2 Payments for		
(a) staff costs	(1,404)	(5,752)
(b) research and development	-	-
(c) publishers	(1,325)	(3,830)
(d) other cost of sales	(409)	(974)
(e) advertising and marketing	-	(2)
(f) other working capital/overheads	(444)	(1,125)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	10
1.5 Interest and other costs of finance paid	(6)	(62)
1.6 Income taxes received/ (paid)	-	-
1.7 Government grants and tax incentives	-	237
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	89	(3,087)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

For personal use only

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)	-	644
2.6	Net cash from / (used in) investing activities	-	644

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,493
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(140)
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	-	(401)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9a	Other (Unmarketable parcel buyback)	-	-
3.9b	Other (Leased assets)	(51)	(152)
3.10	Net cash from / (used in) financing activities	144	1,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,495	3,147
4.2	Net cash from / (used in) operating activities (item 1.9 above)	89	(3,087)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	644

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	144	1,000
4.5	Effect of movement in exchange rates on cash held	(2)	22
4.6	Cash and cash equivalents at end of period	1,726	1,726

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,485	1,254
5.2	Call deposits	241	241
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,726	1,495

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	10
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities (i)	200	200
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Lender: Radium Capital Interest rate: 16% Maturity date: 31 December 2025 Secured against the tax rebate of the R&D expenditure for FY2025		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	89
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,495
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,726
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	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?	
○	
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.

17 April 2025

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.

For personal use only