ADSLOT LTD (ABN 70 001 287 510)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
Appendix 4E - Final report

Details of the reporting period and the previous corresponding period.

Reporting Period	Financial Year ended	**30 June 2021**
Previous Corresponding Period	Financial Year ended	**30 June 2020**

The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities (Appendix 4E item 2.1).

Revenue from ordinary activities	$	**9,622,603**
Previous corresponding period	$	**10,572,950**
Percentage change up or down from the previous corresponding period of revenue from ordinary activities	%	**(8.99%)**

The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members (Appendix 4E item 2.2).

Loss from ordinary activities after tax	$	**(6,280,774)**
Previous corresponding period	$	**(16,617,725)**
Percentage change up or down from the previous corresponding period of loss from ordinary activities after tax attributable to members	%	**62.20%**

The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members (Appendix 4E item 2.3).

Loss attributable to members	$	**(6,280,774)**
Previous corresponding period	$	**(16,617,725)**
Percentage change up or down from the previous corresponding period of net loss for the period attributable to members	%	**62.20%**

The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends (Appendix 4E items 2.4 and 2.5).

No dividends proposed relating to the reporting period

Net tangible assets per security with the comparative figure for the previous corresponding period.

Reporting Period	cents	**0.14**
Previous Corresponding Period	cents	**0.23**

***Explanation of income** (Appendix 4E item 2.6)*

Revenue by Principal Activity

Adslot Ltd derives revenue from two principal activities:

1. **Trading Technology** – is made up of:

   - **Licence Fees** (annual subscription revenue), derived predominantly from Symphony, a global enterprise SaaS business providing market-leading workflow automation technology to the world's largest media buying agencies; and
   - **Trading Fees** (% of trade value), derived predominantly from *Adslot*, a leading global media trading technology platform that enables the world's largest advertisers and publishers to trade premium display advertising directly.

2. **Services** – comprises **Services Fees** derived from:

   - *Webfirm*, an Australian-based digital marketing services business, providing website design, hosting, search engine optimisation (SEO), search engine marketing (SEM) and social media marketing services; and
   - project-based customisation of *Symphony* and *Adslot Media's* Trading Technology.

The strategic focus of the Group is the growth of its *Symphony* and *Adslot Media* Trading Technology businesses.

Principal Activity	Profile	FY21 Revenue ($)	FY20 Revenue ($)	YOY Growth Rate
Trading Technology	Global opportunity, rapidly emerging, highly strategic, and key growth driver	**6,434,298**	8,115,100	(21%)
Services	Complimentary to Trading Technology, stand-alone non-strategic	**1,790,976**	1,672,767	7%

***Explanation of profit/(loss) from ordinary activities and net profit/(loss) after tax attributable to members** (Appendix 4E item 2.6)*

The prior reporting period operating loss after tax of $16,617,725 includes a one-off provision of $1,527,734 for the part repayment of the FY16 R&D claim and a non-cash goodwill impairment charge of $10,000,000. There were no similar expenses in the current period.

The adjusted loss from ordinary activities after tax for the prior period (excluding the FY16 R&D provision and goodwill impairment) was $5,089,991 compared to $6,280,774 in the current period and represents a 23% increase on the prior period.

Audited results

This report is based on the following financial statements that have been the subject of an independent audit and are not subject to any dispute or qualification.

Other Appendix 4E disclosures

Additional Appendix 4E disclosures can be found in the attached Adslot Ltd financial statements.

Specifically we draw readers' attention to the Review of Operations and likely developments found on pages 8 and 14 respectively.

ADSLOT LTD

ABN 70 001 287 510

FINANCIAL STATEMENTS

for the year ended 30 June 2021

Contents

Directors' Report

Your Directors present their report, together with the financial report of Adslot Ltd ACN 001 287 510 ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2021 and the auditor's report thereon.

Information on Directors

All directors listed below were directors for the whole financial year and up to the date of this report.

Mr Andrew Barlow
Chairman
(Age 48)

Andrew Barlow is the Founder and Non-Executive Chairman of Adslot.

An experienced technology entrepreneur, Mr Barlow co-founded online competitive intelligence company, Hitwise, with Adrian Giles in 1997. Hitwise was ranked one of the Top 10 fastest growing companies by Deloitte for five years running, before being sold to Experian Group (LSX.EXPN) in May 2007.

Mr Barlow was also Founder and CEO of Max Super, an online retail superannuation fund sold to Orchard Funds Management in 2007.

Mr Barlow also led the seed investment round in Nitro Software Limited (ASX: NTO) and served as a non-executive director and strategic advisor to Nitro (from January 2007 until August 2020).

Mr Barlow is also the Founder of Venturian, a privately-owned venture capital fund with investments in early-stage technology companies with unique IP, highly scalable business models and global market potential, currently focused on emerging fintech and crypto platforms.

Mr Barlow was first appointed as a Non-Executive Director of Adslot on 16 February 2010. During the 2021 financial year, he was Executive Chairman until 28 July 2020, and then Non-Executive Chairman for the remainder of the 2021 financial year. Mr Barlow is also a member of the Remuneration Committee.

Mr Ben Dixon
CEO and Executive Director
(Age 47)

Ben Dixon has over 25 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 Chief Executive Officer of Adslot in February 2018.

Mr Adrian Giles
Non-Executive Director
(Age 47)

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.

Ms Sarah Morgan
Non-Executive Director
(Age 51)

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 Nitro Software Limited (from November 2019), Future Generation Global Investment Company Limited (from July 2015) and Whispir Limited (from January 2019). Ms Morgan was previously a Non-Executive Director of Hansen Technology Limited (from October 2014 to December 2019).

Ms Morgan is Chair of the Audit and Risk Committee.

Mr Andrew Dyer
Non-Executive Director
(Age 57)

Andrew Dyer is a Senior Partner Emeritus and Senior Advisor of The Boston Consulting Group (BCG). Mr Dyer is a member of BCG's global Senior Partner Emeritus Council.

Mr Dyer is a member of the Advisory Committee of the recently created Digital Financial Cooperative Research Centre and a member of the Finance Committee of the Council of the Australian National University.

In his 27 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. He was also a member of BCG's global Executive Committee and held 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 Audit & Risk Committee and a member of the Remuneration Committee.

Mr Tom Triscari
Non-Executive Director
(Age 52)

Tom Triscari is a leading expert in the programmatic adtech industry. He is the founder and CEO of Lemonade Projects, a programmatic innovation agency 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, and Criteo in London, Tom built and managed supply-side and data science teams and was CEO at Amsterdam-based Yieldr, a DSP platform. In 2015, Tom 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 10 August 2021.

Ms Felicity Conlan
Company Secretary
(Age 55)

Felicity Conlan brings to the Group extensive experience in the media/advertising and technology sectors where she has held General Manager - Finance and CFO roles with companies including M&C Saatchi, Network Ten, Beattie McGuinness Bungay (London) and Genero Media.

Ms Conlan is a Fellow of CPA Australia and a member of the Australian Institute of Company Directors.

Directorships of other listed companies

Other than those disclosed on pages 5 to 6 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 Barlow	67,702,668	-
Mr Adrian Giles	14,694,791	-
Mr Ben Dixon	37,603,660	19,000,000
Ms Sarah Morgan	1,234,983	-
Mr Andrew Dyer	54,111,342	6,500,000
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 2021 and the number of meetings attended by each Director.

	Board of Directors		Remuneration Committee		Audit and Risk Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Mr Andrew Barlow	8	8	4	4	-	-
Mr Adrian Giles	8	8	4	4	6	5
Mr Ben Dixon	8	8	-	-	-	-
Ms Sarah Morgan	8	8	-	-	6	6
Mr Andrew Dyer	8	8	3	3	6	6

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

	2021	2020	Movement	
	$	$	$	%
Trading technology revenue	**6,434,298**	8,115,100	(1,680,802)	(21%)
Total revenue and other income	**9,622,603**	10,572,950	(950,347)	(9%)
EBITDA (loss)	**(2,429,954)**	(12,725,348)	10,295,394	81%
Adjusted EBITDA (loss) [1]	**(2,429,954)**	(1,197,614)	(1,232,340)	(103%)
NPAT (loss)	**(6,280,774)**	(16,617,725)	10,336,951	62%
Adjusted NPAT (loss) [1]	**(6,280,774)**	(5,089,991)	(1,190,783)	(23%)

Group revenues for FY21 were $9,622,603 a decrease of 9% versus FY20 ($10,572,950).

The Consolidated Group operating loss before interest, income tax, depreciation and amortisation in FY21 was $2,429,954, an 81% reduction in losses versus FY20 ($12,725,348).

The Consolidated Group operating loss after tax of $6,280,774 is 62% lower than the loss for the prior year of $16,617,725.

Review of Operations

FY21 continued to present challenges for businesses globally with the ongoing impacts of COVID-19 pandemic on employees, business and financial markets.

Despite these challenges, total revenue and other income for FY21 reduced by only 9% compared to the corresponding period to 30 June 2020. This result was driven by a growth in *Adslot Media* trading fee revenues of 43% to $1.1 million compared to the prior year, offset by a lowering of *Symphony* licence fees from $7.2 million in FY20 to $5.2 million in FY21. The reduction in license fees incorporated both temporary and permanent fee reductions as part of a mutually beneficial renegotiation and extension of GroupM's *Symphony* agreement negotiated over 2020.

The Company continued to focus on the following key strategies for the business in FY21:

1. *Adslot Media*
   - Activate contracted agency groups to drive growth in trading activity;
   - Continue to secure Master Service Agreements (MSAs) with agency holding companies;
   - Deploy further markets for the integrated *Symphony – Adslot Media* platform;
   - Secure additional activations of private marketplace instances of *Adslot Media;*
2. *Symphony*
   - Pursue further deployments for *Symphony* with existing and prospective clients; and
3. Operations
   - Maintain focus on the cost base of the business.

During FY21, *Adslot Media* achieved its highest Total Transaction Value [2] (TTV) result which reflected the activation of new buyers on the *Adslot Media* platform. This was driven by a significant improvement in trading activity on the *Adslot Media* platform from European agencies and from newly contracted opportunities in the US market.

Activation of signed MSAs and implementation of new partner marketplaces accelerated towards the end of FY21. As a result, significant improvement in *Adslot Media* trading activity from the US and UK markets is anticipated in FY22.

[1] Adjusted EBITDA (loss) and Adjusted NPAT (loss): Adding back impairment of Goodwill (refer note 10 for further information) and once off Provision for R&D Claim for Financial Year 2015/2016 (refer note 8 for further information) to EBITDA and NPAT for the for financial year 2020.

[2] Total Transaction Value represents the net value of media traded on the *Adslot Media* platform, including new bookings and any adjustments or cancellations made to previous bookings for a nominated period. TTV was previously reported by the Company as "the value of media traded on the *Adslot Media* platform"

Review of Operations (Continued)

Trading Technology

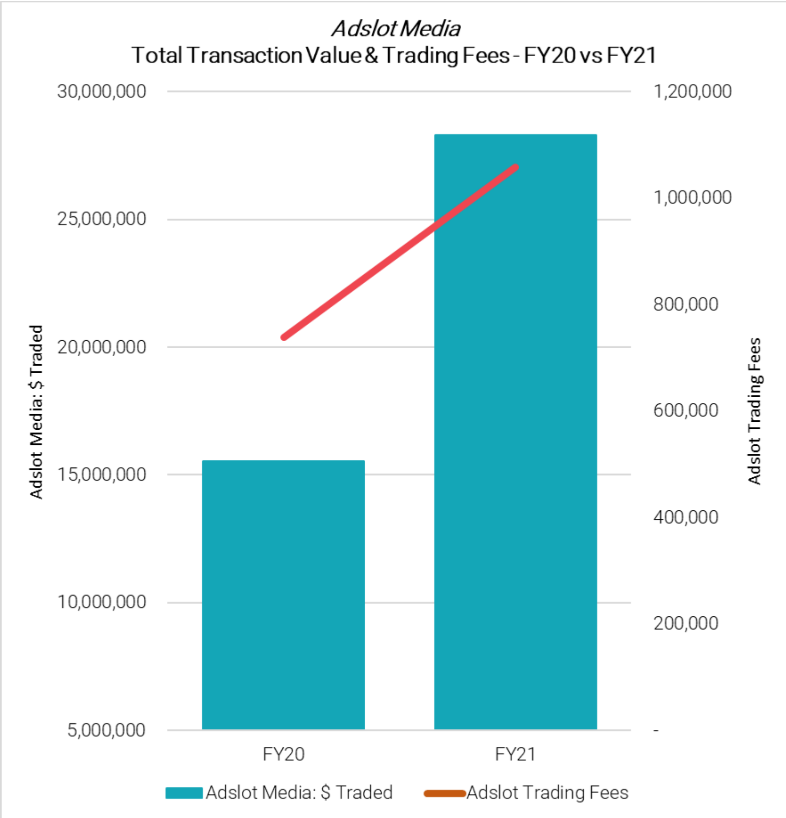
The strategic focus of the business remains Trading Technology revenues. These revenues are comprised of:

- *Trading Fees* – fees charged as a percentage of media traded; generated primarily from *Adslot Media* but also from *Symphony*. Trading fees generated via the stand alone *Adslot Media* platform attract a higher % fee and represent a 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 Transaction Value (TTV) for the *Adslot Media* platform for FY21 was $28.3 million. This was an 82% increase when compared to FY20 as advertisers are increasingly demanding higher inventory quality. Adslot trading fees for FY21 was $1.1 million, a 43% increase compared to the prior period.



The Company notes that it has made significant progress on the activation of large sources of demand (i.e. media buyers) including those utilising white-labelled partner marketplaces. The impacts of the large demand sources are expected to drive growth in trading activity over the first two quarters of FY22.

Review of Operations (Continued)

In particular, during FY21, the Company:

- Signed an MSA with GroupM, the world's largest media investment company, to enable the use of the *Adslot Media* platform as a component of GroupM's Premium Supply initiative. Trading under this agreement commenced in August 2021 and is expected to scale over future quarters.
- Achieved repeat trading with Orion, the trade-enabled media division of the Interpublic Group of Companies (IPG).
- Signed an MSA with Sir Martin Sorrell's leading-edge media company S4 Capital and its subsidiary agencies, Firewood Marketing and Media Monks for use of the *Adslot Media* platform. Trading under this agreement commenced in August 2021 and is expected to scale over future quarters.
- Successfully launched a custom, white-labelled, media marketplace for the fast-growing cannabis industry with partner FlowerShop Media. Publisher onboarding is underway and trading is expected to commence in the September 2021 quarter.
- Substantially advanced discussions with a currently-contracted, US-based agency holding company regarding the activation of a white-labelled marketplace for high value audiences.
- Seen recurring and consistent trading from European agencies via the integrated deployments of *Symphony* and *Adslot Media*.
- Improved the sales pipeline with strategic buyers in the US and other markets for use of the *Adslot Media* platform, either stand alone or as a white-labelled partner marketplace.

The Company continues to progress on its core strategic objective of executing and activating Master Services Agreements (MSAs) with the six largest global media agency holding companies, enabling access to the demand they control. The Company's status with the six largest global media agency holding companies is as follows:

- Formal MSAs in place with four of the six largest global media agency holding companies – WPP / GroupM, IPG / Matterkind, Havas and Dentsu / Amplifi;
- An active interim trading agreement with a fifth holding company; and
- Ongoing discussions with the remaining sixth holding company.

During FY21, the Group continued to add premium publishers to its *Adslot Media* marketplace in key markets around the world. Prominent publishers added during this period included Time Out, REA Group, Glewed, Hello! Magazine, Times of India, Gallery Media, Car Expert, The New Daily, CityAM, ESI Media and Frommers. The Company notes it has a strong sales pipeline of large publishers and expects its catalogue of premium publishers to grow further over the coming year.

The Company has previously disclosed that one of the key emerging use cases for *Adslot Media* is the use of white-labelled and/or customised instances of the platform. This enables the creation of new or existing media marketplaces, powered by *Adslot Media* technology and managed by Adslot's partners rather than by the Company itself.

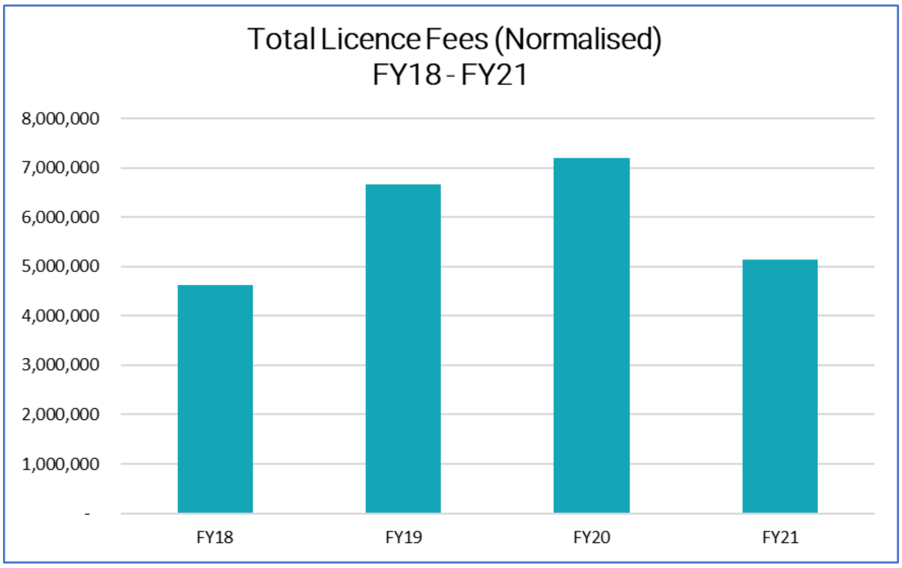
In this context, the Company anticipates a future in which the primary *Adslot Media* marketplace co-exists with a number of partner specific versions of the marketplace, some of which may feature specific functionality. The *Adslot Media* platform has been architected to manage this situation including the ability for publishers to easily opt into multiple marketplaces without any duplication of effort.

Based on the above, the Company believes that a substantial component of the anticipated growth in trading activity over the next 12 months will come from activations of partner marketplaces on behalf of a diverse base of clients.

Review of Operations (Continued)

Licence Fees

Total Licence Fee revenues across *Symphony* and *Adslot Media* were $5.2 million in FY21, representing a reduction on the prior financial year (FY20: $7.2 million).



Note: *Symphony* Licence Fee revenues for FY18 were normalised to allow for the reversal of a one-off payment, as outlined in the 20 July 2018 Symphony Outlook release.

Significant events for the past year for *Symphony* include:

- Partnership and integration with *Marathon*, a Sweden-based provider of Enterprise Resource Planning (ERP) software to the media industry across Europe, opening up new European markets for *Symphony;*
- Execution of a multi-year agreement for deployment of *Symphony* with Omnicom Media Group in the Netherlands, representing additional diversification of the Company's geographic and client footprint for the *Symphony* product;
- Validation of the *Symphony – Adslot Media* offering with a significant increase in media traded in Europe on the integrated platform; and
- Conclusion of negotiations with GroupM regarding mutually beneficial amendments to its multi-market *Symphony* Master Services Agreement first signed in August 2016. Amendments included:
  - an effective extension of the term of the MSA by no less than 3 years, until at least July 2024;
  - the extension of trading terms for the *Adslot Media* marketplace to any market where *Symphony* is deployed, enabling GroupM markets using *Symphony* to access the integrated *Symphony – Adslot Media* solution without the need for commercial agreements at a local level; and
  - temporary fee reductions and market tier caps in the half year to 31 December 2020 removed from 1 January 2021.

The Company continues to progress discussions with a number agency holding companies regarding potential multi-market deployments of *Symphony*. The Company anticipates further positive developments in these negotiations, providing growth in licence fees in FY22.

Review of Operations (Continued)

Services

Services revenue is derived predominantly from Webfirm, the Group's Australian-based digital marketing services business, providing website design, hosting, search engine optimisation (SEO), search engine marketing (SEM) and social media marketing services to small-to-medium enterprises.

The COVID-19 pandemic resulted in Webfirm's digital marketing services clients putting a hold on their SEO retained services in the last quarter of FY20, with reductions continuing in FY21. Webfirm revenue for FY21 was $1.5 million, a $0.1 million reduction year-on-year (FY20: $1.6 million).

Services revenue, including Webfirm and custom development work for *Symphony* and *Adslot Media* customers, for FY21 was $1.8 million, a $0.1 million increase year-on-year (FY20: $1.7 million).

Government Stimulus

The Group was eligible for Government stimulus in FY21 including JobKeeper (Australia), Paycheck Protection Program (US), Victorian government business support grant and the short time work allowance (Germany), which totalled $1.1 million (FY20: $0.3 million).

People

The impacts of COVID-19 necessitated a number of changes to the Company's employee policies, in particular related to time spent in the office. This included:

- Company's entire workforce initially moved to working from home in March 2020 with little measured disruption to productivity;
- The cancellation of all international travel, with the exception of limited intra-Europe travel; and
- The introduction of a hybrid in-office/remote arrangement for Australian staff (subject to subsequent lockdowns).

The Group adopted all government and public health authority guidelines in each of our markets. We have also put additional measures in place to support the health and wellbeing of all our employees in these uncertain times, including a new Employee Assistance Program offering counselling advice to employees and their families and a People & Culture team focused of employee engagement.

Cost Management

Total operating costs of $12.0 million for FY21 represents a $0.3 million (3%) increase in costs (FY20: $11.7 million), including increased legal fees of $0.6 million primarily due to the FY16 R&D AAT appeal.

Due to the impact of the COVID-19 pandemic a number of cost saving initiatives were implemented. The following employee cost reductions were implemented in FY20 (but also impacted FY21) and in FY21:

- The Chairman and non-executive directors waived all fees for the quarter to September 2020 (reductions starting March 2020);
- 15% salary reduction for the CEO and CFO for the quarter to September 2020 (following 30% reduction in the quarter to June 2020);
- up to 12.5% salary reductions across employees earning above a minimum threshold for the quarter to September 2020 (following 25% reductions in the quarter to June 2020); and
- ongoing management of all employee related expenses.

These initiatives resulted in a $1.5 million or 12% cash saving in employment costs across employee benefits expense and Intellectual Property.

Premises costs represents the largest fixed cost of the business. In FY21:

- the UK and Germany offices were terminated with employees working 100% remotely;
- rent savings resulting from the Sydney team moving to a smaller premises in the same building in November 2020; and
- significant rent reduction from WeWork co-working space in New York due to COVID-19.

Cost reductions were targeted to ensure continued investment in strategic and revenue-generating product development, and no disruption to existing client relationships.

Review of Operations (Continued)

EBITDA

The EBITDA loss for FY21 was $2.4 million (FY20 $12.7 million).

In FY20 the Group made a one-off provision of $1.5 million for the part repayment of the FY16 R&D claim and a non-cash goodwill impairment charge of $10.0 million. The Adjusted EBITDA loss for the FY20, excluding these adjustments, was $1.2 million. The EBITDA loss for FY21 was $2.4 million, representing a $1.2 million increased loss on the prior period Adjusted EBITDA, primarily due to the $0.9 million reduction in revenue.

Cash Management

Key major shareholders and new investors supported the Group in a capital raise of $4.0 million in FY21 contributing net cash inflows of $3.7 million (after transaction costs).

Net cash outflows from operating activities for FY21 were $0.3 million, representing a $3.1 million decrease (FY20: $3.4 million). Cash receipts for FY21 were $13.6 million, a 30% decrease of $5.7 million on the prior period (FY20: $19.3 million). Cash payments for operating activities at $15.4 million was a 32% reduction of $7.3 million on the prior period (FY20: $22.8 million), primarily due to reduced publisher payments.

The lower cash collections resulted from the reduction in Licence Fees in FY21 and the composition of *Adslot Media* trades under a 'direct' model - the latter also resulting in reduced publisher payments (see *Adslot Media* payment methods).

The Group received $1.7 million (FY20: $0.3 million) in R&D receipts across operating activities ($0.4 million) and investing activities ($1.3 million).

The Group received $1.3 million in government stimulus in the period (FY20: $0.1 million). Cash as at 30 June 2021 was $6.8 million (FY20: $6.2 million).

Adslot Media Payment Methods:

The Company employs two distinct payment methods for trades conducted via *Adslot Media*. The method employed may be determined by the preferences of either the buyer or seller, but is agreed between those parties prior to transaction. The two payment methods are:

- Clearing House: in this model the Company collects the total fees associated with the campaign from the buyer and remits to the publisher net of its fees. This results in higher cash collections but also an associated publisher payment outflow.

- Direct: in this model the publisher invoices the buyer directly whilst the Company invoices the publisher for its fees associated with the activity traded. This results in lower cash collections but no associated publisher payment outflow.

The Company notes that trades in Europe via the *Symphony* integration are primarily via a direct model. In addition a larger proportion of US trading via partner marketplaces in the 2021 financial year occurred via the direct model. All other trading is generally conducted via the clearing house model.

Review of Operations (Continued)

Matters Subsequent to the End of the Financial Year

On 1 July 2021, Adslot announced the launch of the FlowerShop private marketplace.

On 2 August 2021, Adslot announced the commencement of trading with Firewood Marketing, a subsidiary of S4 Capital.

On 10 August 2021, Mr Tom Triscari was appointed as a US-based Non-Executive Director, as outlined in the ASX release lodged on 10 August 2021. In conjunction with his appointment, Mr Triscari received 6,000,000 options as outlined in Appendix 3X lodged on 10 August 2021.

The Company granted the following unlisted share options:

- 9,500,000 options issued to employees as outlined in the Appendix 3G lodged on 4 August 2021
- 6,250,000 options issued to a third party as outlined in the Appendix 3G lodged on 4 August 2021

On 11 August 2021, Adslot announced that GroupM had commenced trading on its private, white-labelled version of the *Adslot Media* marketplace.

On 30 August 2021, Adslot announced the extension of its global *Symphony* contract with GroupM.

COVID-19 Pandemic

The coronavirus pandemic continues to impact how the business operates across all geographic regions (at the time of lodgement, the Company's employees are working remotely, with the exception of the Shanghai team).

It is not practicable to estimate the duration or potential quantum of the impact of the health and economic crisis, after the reporting date.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

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.

Review of Operations (Continued)

Shares under option

Details of unissued shares or interests under option as at 30 June 2021 are:

Issue Type	Expiry Date	Exercise Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Forfeited during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)
Ordinary options	04/10/2021	0.073	3,000,000	-	-	-	3,000,000
Ordinary options	25/11/2021	0.060	5,600,000	-	-	-	5,600,000
Ordinary options	25/02/2022	0.035	23,500,000	-	-	-	23,500,000
Ordinary options	15/05/2022	0.034	11,400,000	-	-	-	11,400,000
Ordinary options	27/05/2022	0.036	4,000,000	-	-	-	4,000,000
Ordinary options	30/01/2023	0.060	5,050,000	-	-	-	5,050,000
Ordinary options	02/09/2023	0.041	11,700,000	-	(550,000)	-	11,150,000
Ordinary options	12/12/2023	0.045	4,000,000	-	-	-	4,000,000
Ordinary options	15/12/2022	0.044	8,000,000	-	-	-	8,000,000
Ordinary options	29/01/2024	0.032	8,000,000	-	-	-	8,000,000
Ordinary options	12/07/2024	0.028	-	25,625,000	(2,250,000)	-	23,375,000
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
			84,250,000	**46,125,000**	**(2,800,000)**	**-**	**127,575,000**

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 2021 has been received and can be found on page 24 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 year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Remuneration Report

The 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 $350,000 per annum agreed to by shareholders at the Annual General Meeting held on 30 November 2009. To preserve the independence and integrity of their position, non-executive directors do not receive performance-based bonuses.

For the 2021 financial year, the Chairman's fees were $100,000 per annum.

For the 2021 financial year, non-executive directors' fees were $50,000 per annum. Mr Andrew Dyer received options in lieu of his non-executive director fees for the 2021 year. 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.

With the onset of the COVID-19 pandemic and in support of the Group's immediate actions to reduce costs, the Chairman and non-executive directors waived their fees from March 2020 to September 2020 inclusive.

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:

a) Attracting the highest quality employees;
b) Retaining the best performing employees;
c) Aligning the employees with shareholder outcomes;
d) Aligning employee motivation to a cascading set of key performance indicators that drive the most optimal strategic outcomes for the business; and
e) 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	2021	2020	2019	2018	2017
EPS (cents)	(0.33)	(0.96)	(0.49)	(0.91)	(0.70)
Net loss ($)	6,280,774	16,617,725	7,042,755	11,653,319	8,630,187
Share price at 30 June ($)	0.028	0.018	0.028	0.026	0.051

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 Barlow	Non-Executive Chairman	Appointed 16 February 2010
Mr Ben Dixon	Chief Executive Officer Executive Director	Appointed 1 February 2018 Appointed 23 December 2013
Mr Andrew Dyer	Non-Executive Director	Appointed 28 May 2018
Mr Adrian Giles	Non-Executive Director	Appointed 26 November 2013
Ms Sarah Morgan	Non-Executive Director	Appointed 27 January 2015
Executive Officers	**Position**	**Date appointed/resigned as Executive**
Ms Felicity Conlan	Company Secretary Chief Financial Officer	Appointed 9 October 2017 Appointed 30 August 2017
Mr Tom Peacock	Chief Commercial Officer	Appointed 23 December 2013

Due to the impact of COVID-19 on the Group, a number of employment cost reduction initiatives were implemented in the period which included:

- The Chairman and non-executive directors waived all fees from March to September 2020 (inclusive);
- The CEO and the CFO had a salary reduction of 30% in the quarter to June 2020 and 15% in the quarter to September 2020;
- Up to 25% and 12.5% salary reductions across employees earning above a minimum threshold for the quarters to June 2020 and September 2020 respectively;
- Further headcount reductions due to redundancy and natural attrition; and
- A freeze on all salary increases and new hires.

Remuneration Report (Continued)

Group 2021	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 $	Performance Rights $	$
Executive directors								
Mr B Dixon	288,750	-	-	5,443	21,694	249,231	-	565,118
Non-executive directors								
Mr A Barlow (i)	68,493	-	-	-	6,507	-	-	75,000
Mr A Giles	51,370	-	-	-	4,880	-	-	56,250
Ms S Morgan	51,370	-	-	-	4,880	-	-	56,250
Mr A Dyer	-	-	-	-	-	46,505	-	46,505
Other key management personnel								
Ms F Conlan	264,688	-	-	1,390	21,694	9,397	-	297,169
Mr T Peacock	231,531	-	-	4,350	21,237	9,397	-	266,515
Totals	**956,202**	**-**	**-**	**11,183**	**80,892**	**314,530**	**-**	**1,362,807**

(i) Mr Barlow moved from an Executive Chairman role to a non-executive role in July 2020.

Short Term Incentives

Short Term Incentives (STIs) paid in the year, along with the total STI opportunity in each year, relating to the 2020 and 2021 financial years, are outlined in the table below:

Name	Amount Paid $	Total 2020 STI Opportunity $	Amount Paid $	Total 2021 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)	-	100,000 (a)	Revenue achievement and KPIs
Mr T Peacock	-	100,000 (a)	-	100,000 (a)	Revenue achievement and KPIs

(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

No STIs were paid to key management personnel in relation to the 2021 financial year.

Remuneration Report (Continued)

Group 2020	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 $	Performance Rights $	$
Executive directors								
Mr A Barlow (i)	95,883	-	-	-	5,784	-	-	101,667
Mr B Dixon	277,500	-	-	5,715	20,739	2,557	-	306,511
Non-executive directors								
Mr A Giles	50,000	-	-	-	-	-	-	50,000
Mr Q George (ii)	2,273	-	-	-	-	-	-	2,273
Ms S Morgan	45,662	-	-	-	4,338	-	-	50,000
Mr A Dyer	-	-	-	-	-	4,409	-	4,409
Other key management personnel								
Ms F Conlan	237,708	-	-	1,186	20,324	2,979	-	262,197
Mr T Peacock	224,063	-	-	4,685	20,009	2,979	-	251,736
Totals	**933,089**	**-**	**-**	**11,586**	**71,194**	**12,924**	**-**	**1,028,793**

(i) includes $35,000 consultancy fees incurred during his appointment as Executive Chairman.
(ii) Mr George resigned on 16 July 2019.

Short Term Incentives

Short Term Incentives (STIs) paid in the year, along with the total STI opportunity in each year, relating to the 2019 and 2020 financial years, are outlined in the table below:

Name	Amount Paid $	Total 2019 STI Opportunity $	Amount Paid $	Total 2020 STI Opportunity $	Assessment Criteria
Mr B Dixon	50,000	100,000	-	100,000	Group performance to budget and executive management to achieve KPIs
Ms F Conlan	-	50,000	-	100,000 (b)	Revenue achievement and KPIs
Mr T Peacock	-	N/A (a)	-	100,000 (b)	Revenue achievement and KPIs

(a) Not applicable as total bonus opportunity is based on a percentage of the Group's performance.
(b) 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

No STIs were paid to key management personnel in relation to the 2020 financial year.

Remuneration Report (Continued)

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 three to four months. The Chief Executive Officer has a notice period of four months and the Chief Financial Officer and Chief Commercial Officer have notice periods of three 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. The Incentive Option Plan was re-approved by shareholders at the January 2021 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:

Remuneration Report (Continued)

2021

Name	Series	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired 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)
Ian Lowe (i)	OP # 18-1	2,000,000	-	-	-	2,000,000	2,000,000
Ben Dixon	OP # 18-1	1,000,000	-	-	-	1,000,000	1,000,000
Felicity Conlan	OP # 18-2	1,000,000	-	-	-	1,000,000	1,000,000
Tom Peacock	OP # 18-2	1,000,000	-	-	-	1,000,000	1,000,000
Felicity Conlan	OP # 18-3	6,500,000	-	-	-	6,500,000	6,500,000
Tom Peacock	OP # 18-3	6,500,000	-	-	-	6,500,000	6,500,000
Andrew Dyer	OP # 18-5	4,000,000	-	-	-	4,000,000	4,000,000
Felicity Conlan	OP # 20-1	1,000,000	-	-	-	1,000,000	333,334
Tom Peacock	OP # 20-1	1,000,000	-	-	-	1,000,000	333,334
Felicity Conlan	OP # 21-1	-	1,250,000	-	-	1,250,000	-
Tom Peacock	OP # 21-1	-	1,250,000	-	-	1,250,000	-
Ben Dixon (ii)	OP # 21-2	-	18,000,000	-	-	18,000,000	12,000,000
Andrew Dyer (iii)	DOP # 21-1	-	2,500,000	-	-	2,500,000	1,250,000
		24,000,000	**23,000,000**	**-**	**-**	**47,000,000**	**35,916,668**

(i) Based on the Separation and Exit Deed signed with the Group, Mr Lowe is entitled to retain the 2,000,000 options issued to him. The Board has agreed to exercise its discretion to waive the vesting condition that Mr Lowe remains an employee.
(ii) Approved at the Annual General Meeting on 28 January 2021.
(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 grant was approved at the Annual General Meeting on 28 January 2021.

The options are valued using the Black-Scholes pricing model. The model inputs for options granted during the year ended 30 June 2021 included:

Model Input	OP # 21-1	OP # 21-2	DOP # 21-1
Grant Date	13/07/20	07/08/20	17/12/20
Expiry Date	12/07/24	06/08/24	16/12/24
Exercise Price $	0.028	0.034	0.043
Grant date share value $	0.019	0.023	0.029
Expected Volatility	126.55%	129.74%	137.18%
Risk Free Interest rate	0.25%	0.25%	0.09%

Remuneration Report (Continued)

2020

Name	Series	Balance at beginning of the year (Number)	Granted during the year (Number)	Expired 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)
Ian Lowe (i)	OP # 18-1	2,000,000	-	-	-	2,000,000	2,000,000
Ben Dixon	OP # 18-1	1,000,000	-	-	-	1,000,000	1,000,000
Felicity Conlan	OP # 18-2	1,000,000	-	-	-	1,000,000	1,000,000
Tom Peacock	OP # 18-2	1,000,000	-	-	-	1,000,000	1,000,000
Felicity Conlan	OP # 18-3	6,500,000	-	-	-	6,500,000	6,500,000
Tom Peacock	OP # 18-3	6,500,000	-	-	-	6,500,000	6,500,000
Andrew Dyer	OP # 18-5	4,000,000	-	-	-	4,000,000	4,000,000
Felicity Conlan	OP # 20-1	-	1,000,000	-	-	1,000,000	-
Tom Peacock	OP # 20-1	-	1,000,000	-	-	1,000,000	-
		22,000,000	**2,000,000**	**-**	**-**	**24,000,000**	**22,000,000**

(i) Based on the Separation and Exit Deed signed with the Group, Mr Lowe is entitled to retain the 2,000,000 options issued to him. The Board has agreed to exercise its discretion to waive the vesting condition that Mr Lowe remains an employee.

The options are valued using the Black-Scholes pricing model. The model inputs for options granted during the year ended 30 June 2020 included:

Model Input	**OP # 20-1**
Grant Date	03/09/19
Expiry Date	02/09/23
Exercise Price $	0.041
Grant date share value $	0.028
Expected Volatility	62.60%
Risk Free Interest rate	0.99%

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**			
	2021 (Options)		**2020 (Options)**	
	Number	**$**	**Number**	**$**
Directors				
Mr A Giles	-	-	-	-
Mr A Barlow	-	-	-	-
Mr B Dixon	18,000,000	324,301	-	-
Ms S Morgan	-	-	-	-
Mr A Dyer	2,500,000	58,743	-	-
Other key management personnel				
Ms F Conlan	1,250,000	18,225	1,000,000	10,724
Mr T Peacock	1,250,000	18,225	1,000,000	10,724

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.

Remuneration Report (Continued)

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.

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:

2021 **Name**	**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)**
Directors				
Mr A Giles	12,571,452	-	2,123,339	14,694,791
Mr A Barlow	58,352,668	-	9,350,000	67,702,668
Mr B Dixon	37,603,660	-	-	37,603,660
Ms S Morgan	200,500	-	1,034,483	1,234,983
Mr A Dyer	49,111,342	-	5,000,000	54,111,342
Other key management personnel				
Ms F Conlan	500,000	-	-	500,000
Mr T Peacock	3,375,000	-	-	3,375,000
Totals	**161,714,622**	**-**	**17,507,822**	**179,222,444**

Section 8: Other transactions with Key Management Personnel

Transactions with Directors and their personally related entities:

During the year the Company earned revenue of $25,888 (2020: $28,242) from a company requiring web development, hosting and marketing services related to Mr Adrian Giles on normal commercial terms and conditions. There were no other transactions with directors and their personally related entities for the financial years ending 30 June 2021 and 30 June 2020.

This marks the end of the audited remuneration report.

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

Andrew Barlow
Chairman
30 August 2021

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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 2021, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 30 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Total revenue from continuing operations	3	**8,233,147**	9,835,906
Other income	3	**1,389,456**	737,044
Total revenue and other income		**9,622,603**	10,572,950
Hosting & other related technology costs		**(1,370,854)**	(1,290,381)
Employee benefits expense	4,10	**(7,629,008)**	(7,654,417)
Impairment of receivables	4,8	**19,085**	(19,565)
Other operating expenses	4	**(2,526,739)**	(2,550,892)
Share-based payment expense	21	**(537,168)**	(207,270)
Depreciation and amortisation expenses	4	**(3,596,794)**	(3,665,792)
Impairment of Goodwill	10	**-**	(10,000,000)
Provision for R&D claim for financial year 2015/2016	8	**-**	(1,527,734)
Interest Expense		**(97,994)**	(148,041)
Total expenses		**(15,739,472)**	(27,064,092)
Loss before income tax expense		**(6,116,869)**	(16,491,142)
Income tax benefit / (expense)	5	**(163,905)**	(126,583)
Loss after income tax expense		**(6,280,774)**	(16,617,725)
Net loss attributable to the members		**(6,280,774)**	(16,617,725)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation		**(3,383)**	31,588
Total other comprehensive income / (loss)		**(3,383)**	31,588
Total comprehensive loss attributable to the members		**(6,284,157)**	(16,586,137)

		2021 Cents	2020 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)**	(0.96)
Diluted earnings per share	17	**(0.33)**	(0.96)

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 2021

	Notes	2021 $	2020 $
Current assets			
Cash and cash equivalents	7	**6,826,853**	6,160,440
Trade and other receivables	8	**4,040,885**	4,822,711
Prepayments		**249,988**	209,723
Total current assets		**11,117,726**	11,192,874
Non-current assets			
Property, plant & equipment	9	**1,780,962**	1,845,736
Deferred tax assets	5	**34,386**	36,370
Intangible assets	10	**12,694,084**	13,184,940
Total non-current assets		**14,509,432**	15,067,046
Total assets		**25,627,158**	26,259,920
Current liabilities			
Trade and other payables	11	**4,516,056**	3,098,704
Other liabilities	12	**641,141**	685,610
Lease liability	13	**594,101**	886,952
Provisions	14	**720,720**	634,916
Total current liabilities		**6,472,018**	5,306,182
Non-current liabilities			
Lease liability	13	**1,161,470**	960,915
Provisions	14	**683,482**	675,146
Deferred tax liabilities	5	**34,386**	36,370
Total non-current liabilities		**1,879,338**	1,672,431
Total liabilities		**8,351,356**	6,978,613
Net assets		**17,275,802**	19,281,307
Equity			
Issued capital	15	**155,607,845**	151,866,361
Reserves	16	**1,473,259**	939,474
Accumulated losses		**(139,805,302)**	(133,524,528)
Total equity		**17,275,802**	19,281,307

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 2021

2021

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2020		151,866,361	939,474	(133,524,528)	19,281,307
Movement in foreign exchange translation reserve	16	-	(3,383)	-	(3,383)
Other comprehensive income		-	(3,383)	-	(3,383)
Loss attributable to members of the Group		-	-	(6,280,774)	(6,280,774)
Total comprehensive income/(loss)		-	(3,383)	(6,280,774)	(6,284,157)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	15	3,741,484	-	-	3,741,484
Employees share-based expense reserve	16	-	490,663	-	490,663
Directors share-based payments expense	16	-	46,505	-	46,505
		3,741,484	537,168	-	4,278,652
Balance 30 June 2021		155,607,845	1,473,259	(139,805,302)	17,275,802

2020

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019		145,838,216	649,149	(116,890,245)	29,597,120
Adjustment from adoption of AASB 16		-	-	(16,558)	(16,558)
Adjusted balance at 1 July 2019		145,838,216	649,149	(116,906,803)	29,580,562
Movement in foreign exchange translation reserve	16	-	31,588	-	31,588
Other comprehensive income		-	31,588	-	31,588
Loss attributable to members of the Group		-	-	(16,617,725)	(16,617,725)
Total comprehensive income/(loss)		-	31,588	(16,617,725)	(16,586,137)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	15	6,079,612	-	-	6,079,612
Share-based payments - third party	16	(51,467)	51,467	-	-
Employees share-based payments reserve	16	-	207,270	-	207,270
		6,028,145	258,737	-	6,286,882
Balance 30 June 2020		151,866,361	939,474	(133,524,528)	19,281,307

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 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from trade and other debtors		**13,555,868**	19,294,163
Interest received		**12,324**	49,746
Receipt of R&D tax incentive and other Grants		**1,713,958**	183,175
Payments to trade creditors, other creditors and employees		**(15,473,076)**	(22,769,767)
Income tax refund		**1,118**	4,338
Interest paid		**(103,379)**	(144,063)
Net cash outflows from operating activities	22	**(293,187)**	(3,382,408)
Cash flows from investing activities			
Payments for property, plant and equipment		**(9,066)**	(6,099)
Receipt of R&D tax incentive relating to capitalised assets		**1,337,683**	277,760
Payments for intangible assets		**(3,105,558)**	(4,562,586)
Net cash outflows from investing activities		**(1,776,941)**	(4,290,925)
Cash flows from financing activities			
Proceeds from issue of shares		**4,002,000**	6,400,000
Payments of equity raising costs		**(278,984)**	(328,250)
Payments for leased assets		**(914,787)**	(681,698)
Proceeds from borrowings	12(ii)	**163,732**	167,315
Net cash inflows from financing activities		**2,971,961**	5,557,367
Net increase / (decrease) in cash held		**901,833**	(2,115,966)
Cash at the beginning of the financial year		**6,160,440**	8,165,544
Effects of exchange rate changes on cash		**(235,420)**	110,862
Cash at the end of the financial year	7	**6,826,853**	6,160,440

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

Notes to the Financial Statements

For the year ended 30 June 2021

1. Summary of Significant 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 2021 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.*

It is noted that Directors have considered the impact of the COVID-19 pandemic on accounting policies, judgements and estimates, as outlined in the applicable area in the Notes to the Financial Statements.

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

These financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets. Under the historical cost convention assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

1. Summary of Significant Accounting Policies (Continued)

(c) Going concern

Management continues to invest resources to support growth in trading fees, primarily from media agency holding companies and their subsidiaries in the US and UK markets.

In December 2020 the Group successfully raised $4.0 million via a share placement, resulting in $3.7 million net cash inflows in the period under review.

Inflows from financing activities of $3.0 million, combined with the net cash outflows from operating and investing activities of $2.1 million, resulted in net cash inflows of $0.9 million in the 2021 financial year. Management anticipates incurring further net cash outflows from operations until such time as sufficient revenue growth is achieved.

Based on the findings made by Innovation and Science Australia in relation to the FY16 R&D activities, the ATO amended the R&D Tax Incentive Offset for FY16. The Group continues to defend the legitimacy of its claim and has requested a review of the findings by the Administrative Appeals Tribunal (AAT). If successful, the $1.5 million will be refunded to the Group.

The FY2021 R&D claim of $1.1 million is expected to be received in the first half of the 2022 financial year.

A delay in expected growth in revenues, and/or a delay in payment of the FY2021 R&D claim, has the potential to create a cash flow risk to the Group which could affect its ability to pay its debts as and when they fall due, and to realise its assets in the normal course of business.

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

- the Group had a cash position of $6.8 million at 30 June 2021;
- FY2021 R&D claim of $1.1 million is expected to be received in the first half of FY2021;
- Symphony licence fees which are largely recurring and predictable;
- ongoing cost management initiatives including reduction to office space in each market, reducing the largest fixed cost of the business outside salaries;
- the opportunity to implement further cost reductions; and
- the Group has a proven track record of successfully raising capital from existing and new investors.

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios regarding the ongoing impact of the COVID-19 pandemic on the Group's current and future earnings were critically reviewed. The scenarios are most sensitive to the assumptions made for *Adslot Media* in the USA where the greatest revenue growth is expected.

It is noted that media spend has returned to pre-COVID-19 levels in the primary markets Adslot Media currently operates.

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.

1. Summary of Significant Accounting Policies (Continued)

(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.

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

The Group recognises identifiable assets and liabilities assumed in the business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values. Goodwill is stated after separate recognition of identifiable intangible assets calculated as the excess of the sum of the fair value of the consideration transferred over the acquisition date fair value of identifiable net assets. If the identifiable net assets exceed the consideration transferred, the excess amount is recognised in profit or loss immediately.

Any deferred settlement of cash consideration is discounted to its present value as at the date of acquisition. The discount rate used is the incremental borrowing rate that the Group can obtain from an independent financier under comparable terms and conditions.

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.

1. Summary of Significant Accounting Policies (Continued)

(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 release 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 recognised initially at fair value and thereafter are measured at amortised cost, less provision for impairment. They are non-derivative financial assets with fixed or determinable amounts not quoted in an active market. Trade accounts receivable 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 a 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.

1. Summary of Significant Accounting Policies (Continued)

(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.

(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.

1. Summary of Significant Accounting Policies (Continued)

(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.

1. Summary of Significant Accounting Policies (Continued)

(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, QDC IP Technology 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, QDC IP Technology 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

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.

1. Summary of Significant Accounting Policies (Continued)

(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;
- 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 assess 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.

1. Summary of Significant Accounting Policies (Continued)

(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 platforms. 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 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.

1. Summary of Significant Accounting Policies (Continued)

(p) Revenue recognition (Continued)

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.

Statement of work revenue is derived as a once off Symphony activation fee or custom development work. The revenue is recognised at a point in time when the Group has completed its performance obligation and the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the work carried out.

Website development revenue is recorded based on project delivery revenue over time as the project is completed. All projects are assigned percentages of project completion (based on actual work in progress) and all website development revenue applicable to percentage of incomplete work is recorded as contract liabilities. As such revenue is recognised over time when the performance obligations are met and when the Group receives a right to payment for performance completed to date.

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.

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.

1. Summary of Significant Accounting Policies (Continued)

(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.

1. Summary of Significant Accounting Policies (Continued)

(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. 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.

1. Summary of Significant Accounting Policies (Continued)

(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.

(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. It is noted that directors have considered the impact of the COVID-19 pandemic on accounting policies, judgements and estimates where appropriate.

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 $10,349,969 (2020: $10,018,203). 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.

1. Summary of Significant Accounting Policies (Continued)

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

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

Determining whether goodwill and intangible assets are impaired requires an estimation of the fair value less costs to sell of the cash-generating units to which goodwill and intangible assets have been allocated. Under the market-based approach for fair value less costs to sell calculations, the entity is required to estimate the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Group's shares are traded on the Australian Stock Exchange, and in the absence of a binding sale agreement, the year-end share price is used to calculate the asset's market value.

In the event the share price falls, an impairment of the related intangible assets may result.

At 30 June 2021 an assessment of impairment was performed and the Group considered if there was an impairment to goodwill and intangible assets. The impacts of COVID-19 on the business was taken into consideration in the assessment. It was noted that a non cash after tax impairment loss of $10.0 million had been recognised in the financial results for the year ended 30 June 2020.

Following a review of the carrying value of its intangible assets and in accordance with relevant accounting standards, goodwill and other intangible assets was assessed not to be impaired.

The carrying amount of goodwill and intangible assets at the reporting date was $12,694,084 (2020: $13,184,940). Refer to Note 10 for further details.

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 $2,401,649 (2020: $3,112,875). Refer to Note 10 for further details.

Share-based payments

The calculation of the fair value of options issued requires significant estimates to be made in regards to several variables such as volatility and the probability of options reaching their vesting period. The estimations made are subject to variability that may alter the overall fair value determined. The share-based payment expense for the year was $537,168 (2020: $207,270).

Research and development tax concessions

A receivable of $1,123,520 (2020: $1,888,385) has been recognised in relation to a research and development tax concession for the 2021 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 regards 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.

1. Summary of Significant Accounting Policies (Continued)

(y) New standards and interpretations issued but not effective

The following agenda decision to existing standards has been published and are mandatory for accounting periods beginning on or after 1 July 2021 but have not yet been adopted by the Group.

IFRIC agenda decision on configuration or customisation costs in a cloud computing arrangement

The IFRS Interpretations Committee (IFRIC) published an agenda decision clarifying how arrangements in relation to configuration and customisation costs of cloud technology, Software-as-a-Service (SaaS), should be accounted for.

- In limited circumstances, certain configuration and customisation activities undertaken in implementing SaaS arrangements may give rise to a separate asset where the customer controls the IP of the underlying software code.
- In all other instances, configuration and customisation costs will be an operating expense. They are generally recognised in profit or loss as the customisation and configuration services are performed or, in certain circumstances, over the SaaS contract term when access to the cloud application software is provided

The IFRIC Agenda decision will necessitate a change in the Group's accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements. The Group intends to implement this policy change for reporting periods starting 1 July 2021.

The Group has not assessed the impact of the policy change in full. However, on initial assessment the Group believes that the change would not have any impact on the Group's consolidated financial statements for the period ending 30 June 2021. The Group does not recognise any current SaaS arrangements as assets and cost of all current SaaS arrangements are expensed as operational expenses as services are received over the contract term.

Other Standards and interpretations

There are no other standards, amendments or interpretations that are not yet effective and that are expected to have a material impact on the Group in the current or future accounting periods.

2. Segment Information

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:

	2021 $		2020 $	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Australia (Domicile)	**5,874,238**	**14,471,392**	7,355,744	15,022,072
EMEA	**1,424,883**	**-**	834,232	1,445
The Americas	**373,466**	**3,654**	213,482	3,343
Other countries	**1,950,016**	**-**	2,169,492	3,816
Total	**9,622,603**	**14,475,046**	10,572,950	15,030,676

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

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

For the year to 30 June 2021, one customer accounted for 10% or more of revenue from services rendered (2020: one).

3. Revenue and Other Income

	2021 $	2020 $
Revenue		
Revenue from Trading Technology	6,434,298	8,115,100
Revenue from Services	1,790,976	1,672,767
Total revenue for services rendered	8,225,274	9,787,867
Interest revenue	7,873	48,039
Total revenue from continuing operations	8,233,147	9,835,906
Other income		
Grant income	1,389,456	737,044
Total other Income	1,389,456	737,044
Total revenue and other income	9,622,603	10,572,950

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:

2021

	Trading Technology $	Services $	Total $
Services transferred over time	6,434,298	1,476,001	7,910,299
Services transferred at a point in time	-	314,975	314,975
	6,434,298	1,790,976	8,225,274

2020

	Trading Technology $	Services $	Total $
Services transferred over time	8,115,100	1,584,078	9,699,178
Services transferred at a point in time	-	88,689	88,689
	8,115,100	1,672,767	9,787,867

3. Revenue and Other Income (Continued)

	2021	2020
	$	$
Grant Income		
JobKeeper - Australian Taxation Office	**949,100**	97,500
R&D Tax Incentive - AusIndustry	**256,449**	407,336
Paycheck protection program - US Government	**141,260**	-
Business Support Grant - Victorian Government	**20,000**	-
Export Market Development Grants - Austrade	**18,558**	14,251
Short time work allowance - Germany Government	**4,089**	-
Cashflow Boost Grant - Australian Taxation Office	**-**	200,000
Small Business Grant - UK Government	**-**	17,957
Total Grant Income	**1,389,456**	737,044

For the financial year 2021, the Group qualified for Job Keeper 1.0 from July 2020 to September 2020 and part of the Group qualified for JobKeeper 2.0 from October 2020 to March 2021. The $949,100 recognised as grant income was received in full during the year financial year 2021.

As outlined in note 12, under the US government's Paycheck Protection Program stimulus package, two tranches of cash were received in the form of loans in financial years 2020 and 2021. The Group received full forgiveness of the first loan in the financial year 2021. The forgiveness amount of $141,260 was recognised as grant income in the year financial year 2021. The Group expects full forgiveness of the second tranche of $171,974 in the financial year 2022.

4. Expenses

	Note	2021 $	2020 $
Loss before income tax includes the following specific expenses:			
Other operating expenses			
Recruitment fees		**(16,671)**	(49,778)
Directors' fees		**(187,500)**	(203,939)
Marketing costs		**(31,894)**	(204,018)
Lease - rental premises		**(231,258)**	(419,386)
Listing & registrar fees		**(70,574)**	(79,858)
Legal fees		**(603,149)**	(174,754)
Travel expenses		**(22,046)**	(155,546)
Consultancy fees		**(304,501)**	(183,270)
Audit and accountancy fees		**(225,805)**	(189,819)
Foreign exchange loss		**(200,192)**	(28,549)
Insurance expenses		**(174,200)**	(169,364)
Other expenses		**(458,949)**	(692,611)
Total other operating expenses		**(2,526,739)**	(2,550,892)
Depreciation and amortisation			
Amortisation – Software development costs		**2,892,505**	2,814,369
Amortisation – Right of use assets		**685,018**	799,168
Depreciation – Computer & equipment		**16,663**	48,237
Depreciation – Plant & equipment		**2,608**	4,018
Total depreciation and amortisation		**3,596,794**	3,665,792
Other charges against assets			
Impairment of trade receivables/(reversal)		**(19,085)**	19,565
Provision for R&D Claim for Financial Year 2015/2016	8	**-**	1,527,734
Impairment of Goodwill	10	**-**	10,000,000
Employee benefits expense		**7,629,008**	7,654,417
Total capitalised development wages		**3,105,558**	4,562,586
Employee benefits included in share-based payment expense		**490,663**	202,861
Total employee benefits		**11,225,229**	12,419,865
Defined contribution superannuation expense included in Employee benefit expense		**752,418**	806,565
Capitalised development wages (net of related grants)		**2,401,649**	3,112,875
Capitalised development wages included in the R&D grant		**703,909**	1,449,711
Total capitalised development wages		**3,105,558**	4,562,586
Rental expense		**231,258**	419,386
Foreign currency (gain)/loss included in other expenses		**200,192**	28,549

5. Income Tax Expense

	2021 $	2020 $
a) Numerical reconciliation of income tax expense to prima facie tax benefit		
Loss before income tax	**(6,116,869)**	(16,491,142)
Prima facie tax benefit on loss before income tax at 26% (2020: 27.5%)	**(1,590,386)**	(4,535,064)
Tax effect of:		
Other non-allowable items	**2,912**	6,340
Share-based expensed during year	**139,664**	56,999
Research and development tax concession	**671,530**	1,191,220
Income tax benefit attributable to entity	**(776,280)**	(3,280,505)
Deferred tax income relating to utilisation of unused tax losses	**-**	-
Deferred tax assets relating to tax losses not recognised	**331,766**	417,440
Other – adjustments and net foreign exchange differences	**280,609**	2,736,482
Income tax benefit/(expense) attributable to entity	**(163,905)**	(126,583)

b) Movement in deferred tax balances

	Balance at 1 July 2020 $	Recognised in Profit & Loss $	Acquired in Business combination $	Balance at 30 June 2021 Net $	Deferred tax assets $	Deferred tax liabilities $
Trade and other receivables	**(115,461)**	**6,298**	**-**	**(109,163)**	**-**	**(109,163)**
Property, plant and equipment	**182**	**(10)**	**-**	**172**	**-**	**172**
Intangible assets	**151,649**	**(8,272)**	**-**	**143,377**	**-**	**143,377**
Unused tax losses	**(36,370)**	**1,984**	**-**	**(34,386)**	**(34,386)**	**-**
Net tax (assets) / liabilities	**-**	**-**	**-**	**-**	**(34,386)**	**34,386**

	Balance at 1 July 2019 $	Recognised in Profit & Loss $	Acquired in Business combination $	Balance at 30 June 2020 Net $	Deferred tax assets $	Deferred tax liabilities $
Trade and other receivables	(125,957)	10,496	-	(115,461)	-	(115,461)
Property, plant and equipment	199	(17)	-	182	-	182
Intangible assets	165,435	(13,786)	-	151,649	-	151,649
Unused tax losses	(39,677)	3,307	-	(36,370)	(36,370)	-
Net tax (assets) / liabilities	-	-	-	-	(36,370)	36,370

5. Income Tax Expense (Continued)

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.

	2021 $	2020 $
Temporary differences	**(5,542,747)**	(4,714,903)
Tax Losses:		
Operating losses	**45,112,061**	40,906,473
Capital losses	**238,258**	238,258
	39,807,571	36,429,828
Potential tax benefit (26% 2020: 27.5%)	**10,349,969**	10,018,203

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 liabilities from temporary differences of $1,441,114 (2020: $1,296,568) have not been recognised as they have been offset with deferred tax assets of the same value.

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

	2021 $	2020 $
Cash at bank and on hand	**4,933,289**	4,972,001
Cash held on behalf of Publishers	**1,893,564**	1,188,439
	6,826,853	6,160,440

Included in the Cash at Bank is $414,988 (2020: $528,801) 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

Current:	2021 $	2020 $
Trade debtors	**2,865,120**	2,639,552
Less: Allowance for impairment	**-**	(19,085)
Trade debtors not impaired	**2,865,120**	2,620,467
Research and Development grant receivable	**2,651,254**	3,416,119
Provision for R&D Claim for Financial Year 2015/2016 (i)	**(1,527,734)**	(1,527,734)
Other receivables	**52,245**	313,859
	4,040,885	4,822,711

8. Trade and Other Receivables (Continued)

(i) In December 2019 the Group was advised by Innovation & Science Australia that the preliminary decision regarding ineligible activities within the FY16 R&D claim was upheld. The Group has appealed these findings and is defending the legitimacy of its claim. A review of the findings is currently before the Administrative Appeals Tribunal (AAT).

Based on the findings made by Innovation and Science Australia in relation to the FY16 R&D activities, the R&D Tax Incentive Offset for FY16 was offset against the FY19 R&D refund of $2.0 million, with the net balance of the FY19 R&D refund paid in April 2020. During FY20 the Group made a one-off provision of $1,527,734 for the part repayment of the FY16 R&D claim. In the event the Group is successful in overturning the AusIndustry decision, this provision will be reversed. The $2.7 million R&D grant receivable includes $1.5 million of the FY19 R&D receivable (offsetting the FY16 R&D provision) and $1.1 million for the FY21 R&D grant receivable.

The average age of the Group's trade debtors is 46 days (2020: 50 days).

(a) Ageing of trade debtors not impaired

	2021 $	2020 $
0 – 30 days	**1,419,983**	1,178,253
31 – 60 days	**746,261**	623,060
61 – 90 days	**360,898**	363,769
Over 91 days	**337,978**	455,385
	2,865,120	2,620,467

(b) Movement in the provision for impairment

	2021 $	2020 $
Balance at beginning of the year	**19,085**	2,782
Impairment recognised during the year	**-**	19,085
Amounts recovered during the year	**(19,085)**	-
Amounts written off as uncollectible	**-**	(2,782)
Balance at the end of the year	**-**	19,085

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.

While collection delays have been experienced, there has not been an increase in defaults resulting from COVID-19 disruptions to date.

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.

9. Property, Plant and Equipment

	2021	2020
	$	$
Leasehold improvements – at cost	**7,799**	7,746
Less: Accumulated amortisation	**(7,799)**	(7,746)
	-	-
Right of use asset – at cost	**2,511,504**	2,616,195
Less: Accumulated depreciation	**(745,990)**	(799,168)
	1,765,514	1,817,027
Plant and equipment – at cost	**59,383**	95,151
Less: Accumulated depreciation	**(57,151)**	(88,435)
	2,232	6,716
Computer equipment – at cost	**447,066**	450,125
Less: Accumulated depreciation	**(433,850)**	(428,132)
	13,216	21,993
Total carrying amount of property, plant and equipment	**1,780,962**	1,845,736

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:

2021

	Right of Use Assets	Plant and Equipment	Computer Equipment	Total
	$	$	$	$
Carrying amount at 1 July 2020	**1,817,027**	**6,716**	**21,993**	**1,845,736**
Additions	**1,766,422**	**-**	**8,608**	**1,775,030**
Disposal/ write -off	**(1,132,917)**	**(1,845)**	**(76)**	**(1,134,838)**
Depreciation/ amortisation expense	**(685,018)**	**(2,608)**	**(16,663)**	**(704,289)**
Net foreign exchange differences	**-**	**(31)**	**(646)**	**(677)**
Carrying amount at 30 June 2021	**1,765,514**	**2,232**	**13,216**	**1,780,962**

2020

	Right of Use Assets	Leasehold Improvements	Plant and Equipment	Computer Equipment	Total
	$	$	$	$	$
Carrying amount at 1 July 2019	-	526,145	8,593	66,501	601,239
AASB 16 Adjustment (note 1(a))	2,629,244	(526,145)	-	-	2,103,099
Additions	-	-	2,009	3,835	5,844
Lease modifications	(13,049)	-	-	-	(13,049)
Depreciation / amortisation expense	(799,168)	-	(4,018)	(48,237)	(851,423)
Net foreign exchange differences	-	-	132	(106)	26
Carrying amount at 30 June 2020	1,817,027	-	6,716	21,993	1,845,736

10. Intangible Assets

	Internally Developed Software $	Domain Name $	Intellectual Property $	Goodwill $	Total $
Year ended 30 June 2021					
Opening net book amount	**7,984,734**	**38,267**	**-**	**5,161,939**	**13,184,940**
Additions	**2,401,649**	**-**	**-**	**-**	**2,401,649**
Amortisation	**(2,892,505)**	**-**	**-**	**-**	**(2,892,505)**
Carrying amount at 30 June 2021	**7,493,878**	**38,267**	**-**	**5,161,939**	**12,694,084**
At 30 June 2021					
Cost	**20,914,713**	**38,267**	**29,045,251**	**15,161,939**	**65,160,170**
Accumulated amortisation and impairment	**(13,420,835)**	**-**	**(29,045,251)**	**(10,000,000)**	**(52,466,086)**
Carrying amount at 30 June 2021	**7,493,878**	**38,267**	**-**	**5,161,939**	**12,694,084**

	Internally Developed Software $	Domain Name $	Intellectual Property $	Goodwill $	Total $
Year ended 30 June 2020					
Opening net book amount	7,686,228	38,267	-	15,161,939	22,886,434
Additions	3,112,875	-	-	-	3,112,875
Amortisation	(2,814,369)	-	-	-	(2,814,369)
Impairment	-	-	-	(10,000,000)	(10,000,000)
Carrying amount at 30 June 2020	7,984,734	38,267	-	5,161,939	13,184,940
At 30 June 2020					
Cost	18,513,064	38,267	29,045,251	15,161,939	62,758,521
Accumulated amortisation and impairment	(10,528,330)	-	(29,045,251)	(10,000,000)	(49,573,581)
Carrying amount at 30 June 2020	7,984,734	38,267	-	5,161,939	13,184,940

10. Intangible Assets (Continued)

Internally Developed Software

Internally developed software represents a number of software platforms developed within the Group. The following table shows the portion of platform development costs that are capitalised and expensed for the current financial year, 2021:

Platform	Capitalised Wages	R&D grants offsetting capitalised wages	Net Capitalised Wages
	$	$	$
Adslot	**1,475,629**	**(313,402)**	**1,162,227**
Symphony	**1,629,929**	**(390,507)**	**1,239,422**
	3,105,558	**(703,909)**	**2,401,649**

The following table shows the portion of platform development costs that are capitalised and expensed for the prior financial year, 2020:

Platform	Capitalised Wages	R&D grants offsetting capitalised wages	Net Capitalised Wages
	$	$	$
Adslot	1,534,726	(624,144)	910,582
Symphony	3,027,860	(825,567)	2,202,293
	4,562,586	(1,449,711)	3,112,875

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 (2020: $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

Adslot Technologies Pty Ltd holds copyright and patent licences in respect of Combinatorial Auction Platform Technology. The fair value attributable to the intellectual property was $5,932,006 (2020: $5,932,006). Accumulated amortisation of this asset as at 30 June 2021 was $5,932,006 (2020: $5,932,006). This asset has been fully amortised.

QDC IP Technology ("QDC") is creative ad building and video advertising technology valued at $6,466,517 (2020: $6,466,517). Accumulated amortisation of this asset as at 30 June 2021 was $6,466,517 (2020: $6,466,517). This asset has been fully amortised.

The Symphony platform technology was acquired as part of the Facilitate Digital Holdings Limited acquisition. The fair value attributable to the Symphony technology platform intellectual property was $16,191,496 (2020: $16,191,496). Accumulated amortisation of this asset at 30 June 2021 was $16,191,496 (2020: $16,191,496). This asset has been fully amortised.

The Facilitate for Agencies ("FFA") platform technology was acquired as part of the Facilitate Digital Holdings Limited acquisition. The fair value attributable to the FFA technology platform intellectual property was $455,231 (2020: $455,231). Accumulated amortisation of this asset at 30 June 2021 was $455,231 (2020: $455,231). This asset has been fully amortised.

The Directors have assessed the accounting useful life of all of the above technologies for accounting purposes to be five years. This assessment has given regard to the expected financial benefits of the technologies to be potentially well beyond a five year period, together with the risk that competitors could replicate these technologies.

10. Intangible Assets (Continued)

Goodwill

The Goodwill balance relating to the acquisition of Facilitate has a carrying value of $5,161,939 (2020: $5,161,939) and has not been impaired during the year.

(a) Cash Generating Units (CGUs)

For the purpose of impairment testing, goodwill has been allocated to the group of CGUs that are expected to benefit from the acquisition, being both the Adslot and Symphony CGUs. A summary of the carrying amount of goodwill and intangible assets with indefinite useful lives is detailed below:

	2021		2020	
CGU	**Goodwill $**	**Intangible assets with indefinite useful lives $**	**Goodwill $**	**Intangible assets with indefinite useful lives $**
Adslot and Symphony CGUs	**5,161,939**	-	5,161,939	-

(b) Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment in accordance with the Group's accounting policies. In addition, directors have considered the impact on accounting policies, judgements and estimates in light of the ongoing COVID-19 pandemic.

The recoverable amounts of assets and CGUs have been determined using a fair value less costs to sell approach. The directors' determination of fair value using a market-based approach is the market capitalisation of the Group, less the value attributed to business units that are not part of the group of CGUs attributed to goodwill, less other net assets.

The directors have assessed the fair value having regard to a market-based approach and have determined the goodwill is not impaired.

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

- the Group's share price (ASX: ADS) as at 30 June 2021 ($0.028);
- a 4x valuation multiple on EBITDA to estimate the value of the business unit (Webfirm) that is not part of the group of CGUs attributed to goodwill; and
- costs to sell including a transaction fee (3.5% of total value) plus estimate of legal, account and other consultant costs ($0.25 million).

The Group's directors appointed an independent expert to review the approach adopted by management in assessing the carrying value of the intangible assets of the Group as at 30 June 2018. The review supported the selection of methodology and the assessment of the value of the Group under the primary quoted security price approach. The director's determined the same methodology be adopted for the tests at 30 June 2021.

(c) Sensitivity analysis

The Group's share price forms the basis of the market-based approach. A material adverse change in the Group's share price would likely result in the carrying amount exceeding the recoverable amount.

While the COVID-19 pandemic continued in the 2021 financial year, the global economy and financial markets have been more stable. Adslot's share price started low in the new financial year ($0.018 in July 2020) with an average of $0.028 across the year.

Sensitivity Analysis has been performed using the July 2020 low price of $0.018, a recalculation of the Costs to Sell and all other elements of the 30 June calculation remaining equal. The result also shows a surplus fair value over carrying value of the intangible assets at a share price of $0.018, albeit with less headroom. Calculations show that only when the share price falls below $0.010, and all other variables remain constant, does a deficit occur.

There are no other material sensitivities involved in the directors' determination of fair value using a market-based approach.

11. Trade and Other Payables

	2021 $	2020 $
Trade creditors	**484,416**	218,716
Publisher creditors (i)	**3,339,459**	2,381,870
Accrued expenses	**543,249**	348,849
Other creditors	**148,932**	149,269
	4,516,056	3,098,704

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

12. Other Liabilities

	2021 $	2020 $
Current: Contract liabilities (i)	**469,167**	527,258
Current: Short term loan (ii)	**171,974**	158,352
	641,141	685,610

(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 2021, $391,363 of the contract liabilities at the start of the year of $527,258 was recognised as revenue.

(ii) The Group's US subsidiary Adslot Inc applied for and received two tranches of Paycheck Protection Program loan through HSBC USA. They are no fee loan provided by the US Federal Government for businesses impacted by COVID-19. The loans are for a two-year period, at 1.00% fixed interest rate and the loan payments deferred for the first six months. No collateral or guarantees were required. The full loan amounts are available for forgiveness provided the loans were utilised for allowable expenditure.

The Group applied and received full forgiveness on the first tranche of the loan in the 2021 financial year. The Group intends to apply for full forgiveness of the second tranche in the financial year 2022. The 2020 figure represents the balance of the first tranche and the 2021 figure represents the balance of the second tranche at respective balance sheet date.

The proceeds from borrowings $163,732 disclosed in the Consolidated Statement of Cash Flows is at historical exchange rate at the day of the receipt of loan, while the amount included in the Consolidated Statement of Financial Position $171,974 is at the exchange rate as at balance sheet dates. The amounts forgiven were recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as grant income.

13. Lease Liabilities

	2021 $	2020 $
Current: Lease liability	**594,101**	886,952
Non-current: Lease liability	**1,161,470**	960,915
	1,755,571	1,847,867

The leases for the office premises in Sydney and Melbourne are classified as leases under AASB 16.

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 2021 short term and low value leases that were not recognised as a liability represented a total commitment of $38,655 (2020: $176,483) for the Group.

14. Provisions

	2021 $	2020 $
Current: Employee benefits	**720,720**	634,916
Non-current: Employee benefits	**564,544**	500,051
Non-current: Provision for make good costs (i)	**118,938**	175,095
	683,482	675,146

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

15. Contributed equity

	2021 Number	2020 Number	2021 $	2020 $
Ordinary Shares – Fully Paid	**1,981,875,995**	1,843,875,994	**155,607,845**	151,866,361

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

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

Movements in Paid-Up Capital

Date	Details	Number of shares Number	Issue price $	Capital raising costs $	Value $
01-Jul-19	Balance (including Treasury shares)	1,588,006,269		(2,970,764)	145,850,683
10-Dec-19	Share Placement	226,000,000	$0.025	(347,127)	5,302,573
29-Jan-20	Share Placement	30,000,000	$0.025	(24,728)	725,772
30-Jun-20		1,844,006,269		(3,342,619)	151,878,828
	Less: Treasury shares	(130,275)		-	(12,467)
30-Jun-20	Balance	1,843,875,994		(3,342,619)	151,866,361
01-Jul-20	**Balance (including Treasury shares)**	**1,844,006,269**		**(3,342,619)**	**151,878,828**
17-Dec-20	Share Placement	126,689,656	$0.029	(241,434)	3,432,566
02-Feb-21	Share Placement	11,310,345	$0.029	(19,082)	308,918
30-Jun-21		**1,982,006,270**		**(3,603,135)**	**155,620,312**
	Less: Treasury shares	(130,275)		-	(12,467)
30-Jun-21	**Balance**	**1,981,875,995**		**(3,603,135)**	**155,607,845**

15. Contributed Equity (Continued)

Treasury Shares

Treasury shares are shares in Adslot Ltd that are held by the Adslot Employee Share Trust, which administered the Adslot Employee Share Ownership Plan (ESOP). This Trust has been consolidated in accordance with Note 1(d). Shares held by the Trust on behalf of eligible employees are shown as treasury shares in the financial statements. The Employee Share Ownership Plan (ESOP) has now been discontinued and the balance shares held by the Trust is an excess balance.

Treasury Shares movements during the financial year are summarised below:

Issue Type	Issue or Acquisition Date	Issue Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Transfers during the year (Number)	Balance at end of the year (Number)
Employee ESOP	01/05/15	0.090	130,275	-	-	130,275
			130,275	**-**	**-**	**130,275**

Options movements during the financial year are summarised below:

Issue Type	Expiry Date	Exercise Price $	Balance at beginning of the year (Number)	Issued during the year (Number)	Forfeited during the year (Number)	Exercised during the year (Number)	Balance at end of the year (Number)
Ordinary options	04/10/2021	0.073	3,000,000	-	-	-	3,000,000
Ordinary options	25/11/2021	0.060	5,600,000	-	-	-	5,600,000
Ordinary options	25/02/2022	0.035	23,500,000	-	-	-	23,500,000
Ordinary options	15/05/2022	0.034	11,400,000	-	-	-	11,400,000
Ordinary options	27/05/2022	0.036	4,000,000	-	-	-	4,000,000
Ordinary options	30/01/2023	0.060	5,050,000	-	-	-	5,050,000
Ordinary options	02/09/2023	0.041	11,700,000	-	(550,000)	-	11,150,000
Ordinary options	12/12/2023	0.045	4,000,000	-	-	-	4,000,000
Ordinary options	15/12/2022	0.044	8,000,000	-	-	-	8,000,000
Ordinary options	29/01/2024	0.032	8,000,000	-	-	-	8,000,000
Ordinary options	12/07/2024	0.028	-	25,625,000	(2,250,000)	-	23,375,000
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
			84,250,000	**46,125,000**	**(2,800,000)**	**-**	**127,575,000**

16. Reserves

	2021 $	2020 $
Reserves		
Share–based payments reserve	**1,230,787**	693,619
Foreign currency translation reserve	**242,472**	245,855
	1,473,259	939,474

Share–based payments reserve		
Opening balance	**693,619**	434,882
Share-based payment expense - employees	**490,663**	207,270
Share-based payment expenses - directors (i)	**46,505**	-
Share-based payment expenses - third party (i)	**-**	51,467
Closing balance	**1,230,787**	693,619

Foreign currency translation reserve		
Opening balance	**245,855**	214,267
Movement on currency translation	**(3,383)**	31,588
Closing balance	**242,472**	245,855

(i) Refer Equity Based Payments on Note 21

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.

17. Earnings Per Share

	2021 Cents	2020 Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Group	**(0.33)**	(0.96)
(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Group	**(0.33)**	(0.96)

	2021 $	2020 $
(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	**(6,280,774)**	(16,617,725)

	2021 Number	2020 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	**1,916,523,704**	1,725,848,672
(e) Weighted average number of shares used as the denominator		
Weighted average number of shares on issue used in the calculation of diluted EPS	**1,916,523,704**	1,725,848,672

(i) During 2021 and 2020 there were no discontinued operations or values attributable to minority interests.

	2021 Number	2020 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.	**125,438,425**	72,438,525

18. Contingencies

No contingent assets and liabilities are noted.

19. Remuneration of auditors

	2021 $	2020 $
During the year the following fees were paid/payable to the auditor of the Group:		
Audit services		
Audit and review of financial reports	**122,500**	109,000
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 and taxation advice (JobKeeper grant and transfer pricing)	**112,085**	93,911
	234,585	202,911

20. Key Management Personnel Disclosures

Directors

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

Mr Andrew Barlow (Non-Executive Chairman) (i)
Mr Adrian Giles (Non-Executive Director)
Ms Sarah Morgan (Non-Executive Director)
Mr Andrew Dyer (Non-Executive Director)
Mr Ben Dixon (Executive Director & CEO)

(i) Mr Barlow was the Executive Chairman until 28 July 2020

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**
Ms Felicity Conlan	Chief Financial Officer and Company Secretary
Mr Tom Peacock	Chief Commercial Officer

Key management personnel compensation

	2021 $	**2020 $**
Short-term employee benefits	**956,202**	933,089
Post-employment benefits	**80,892**	71,194
Other long-term employee benefits	**11,183**	11,586
Share-based payments	**314,530**	12,924
Total compensation	**1,362,807**	1,028,793

There were 7 key management personnel throughout 2021 (2020: 8 some of whom have a part year of service).

Business Acquisitions:

There were no related party transactions during the year ended 30 June 2021.

Transactions with Directors and their personally related entities:

During the year the Company earned revenue of $25,888 (2020: $28,242) from a company requiring web development, hosting and marketing services related to Mr Adrian Giles on normal commercial terms and conditions. There were no other transactions with Directors and their personally related entities for the financial years ending 30 June 2021 and 30 June 2020.

21. Share-Based Payments

Employee Option Plan

Shareholders re-approved the Incentive Option Plan at the January 2021 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.

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.

In July 2020 all staff were awarded 250,000 options under the Plan in recognition of salary reductions and other impacts of the COVID-19 pandemic.

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 or the Group.

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

2021

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
05/10/17	04/10/21	0.073	3,000,000	-	-	-	-	3,000,000	3,000,000
26/11/17	25/11/21	0.060	5,600,000	-	-	-	-	5,600,000	5,600,000
26/02/18	25/02/22	0.035	23,500,000	-	-	-	-	23,500,000	23,500,000
16/05/18	15/05/22	0.034	11,400,000	-	-	-	-	11,400,000	11,400,000
28/05/18	27/05/22	0.036	4,000,000	-	-	-	-	4,000,000	4,000,000
30/01/19	30/01/23	0.060	5,050,000	-	-	-	-	5,050,000	5,050,000
03/09/19	02/09/23	0.041	11,700,000	-	-	-	(550,000)	11,150,000	3,716,679
13/12/19	12/12/23	0.045	4,000,000	-	-	-	-	4,000,000	4,000,000
30/01/20	29/01/24	0.032	8,000,000	-	-	-	-	8,000,000	4,000,000
13/07/20	12/07/24	0.028	-	25,625,000	-	-	(2,250,000)	23,375,000	-
07/08/20	06/08/24	0.034	-	18,000,000	-	-	-	18,000,000	12,000,000
Total			**76,250,000**	**43,625,000**	**-**	**-**	**(2,800,000)**	**117,075,000**	**76,266,679**
Weighted average exercise price			**$0.042**	**$0.030**	**-**	**-**	**$0.031**	**$0.037**	**$0.040**

The options are valued using the Black-Scholes pricing model. The model inputs for options granted during the year ended 30 June 2021 included:

Model Input	OP # 21-1	OP # 21-2
Grant Date	13/07/20	07/08/20
Expiry Date	12/07/24	06/08/24
Exercise Price $	0.028	0.034
Grant date share value$	0.019	0.023
Expected Volatility	126.55%	129.74%
Risk Free Interest rate	0.25%	0.25%

21. Share-Based Payments (Continued)

2020

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at the end of the year (Number)
05/10/17	04/10/21	0.073	3,000,000	-	-	-	-	3,000,000	3,000,000
26/11/17	25/11/21	0.060	5,600,000	-	-	-	-	5,600,000	5,600,000
26/02/18	25/02/22	0.035	23,500,000	-	-	-	-	23,500,000	23,500,000
16/05/18	15/05/22	0.034	11,400,000	-	-	-	-	11,400,000	11,400,000
28/05/18	27/05/22	0.036	4,000,000	-	-	-	-	4,000,000	4,000,000
30/01/19	30/01/23	0.060	5,800,000	-	-	-	(750,000)	5,050,000	2,650,000
03/09/19	02/09/23	0.041	-	11,900,000	-	-	(200,000)	11,700,000	-
13/12/19	12/12/23	0.045	-	4,000,000	-	-	-	4,000,000	2,000,000
30/01/20	29/01/24	0.032	-	8,000,000	-	-	-	8,000,000	-
Total			**53,300,000**	**23,900,000**	**-**	**-**	**(950,000)**	**76,250,000**	**52,150,000**
Weighted average exercise price			**$0.042**	**$0.039**	**-**	**-**	**$0.056**	**$0.041**	**$0.041**

The options are valued using the Black-Scholes pricing model. The model inputs for options granted during the year ended 30 June 2020 included:

Model Input	OP # 20-1	OP # 20-2	OP # 20-3
Grant Date	03/09/19	13/12/19	30/01/20
Expiry Date	02/09/23	12/12/23	29/01/24
Exercise Price $	0.041	0.045	0.032
Grant date share value$	0.028	0.031	0.032
Expected Volatility	62.60%	61.60%	63.79%
Risk Free Interest rate	0.99%	0.88%	0.88%

Equity Based Payments

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 provided. The Options were vested on issue and have an expiry date of 15 December 2022.

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited 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	8,000,000

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

Model Input	EOP # 20-1
Grant Date	30/01/20
Expiry Date	15/12/22
Exercise Price $	0.044
Grant date share value $	0.032
Expected Volatility	63.79%
Risk Free Interest rate	0.88%

21. Share-Based Payments (Continued)

Non-Executive Director Options

The issue of 2,500,000 Options to a director under LR 10.11 was approved at the AGM that was held on 28 January 2021. Options are to acquire fully paid ordinary shares, at an exercise price of $0.043 with an expiry date of 16 December 2024. 50% of the options vest six months after the grant date and the balance vest on the first anniversary of the grant date.

Grant Date	Expiry Date	Exercise Price $	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Lapsed during the year (Number)	Forfeited 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	1,250,000

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

Model Input	DOP # 21-1
Grant Date	17/12/20
Expiry Date	16/12/24
Exercise Price $	0.043
Grant date share value $	0.029
Expected Volatility	137.18%
Risk Free Interest rate	0.09%

22. Cash Flow reconciliation

Reconciliation of Net Cash Flows from Operating Activities to Loss for the year	2021 $	2020 $
Loss for the year after income tax	**(6,280,774)**	(16,617,725)
Add/(less) non-cash and other items		
Depreciation and amortisation	**3,596,794**	3,665,792
Accounting gain on lease modifications and make good provision	**(78,542)**	-
Impairment of Goodwill	**-**	10,000,000
Share-based payment	**537,168**	207,270
Provision for impairment of FY16 R&D receivables	**-**	1,527,734
Impairment of receivables	**(19,085)**	19,565
(Profit)/Loss on asset write off	**1,920**	-
Unrealised foreign currency loss/(gain)	**106,925**	3,009
Movements in receivables relating to investing activities	**(633,774)**	1,171,950
Changes in assets and liabilities (net of effects of acquisition and disposal of entities)		
(Increase)/Decrease in receivables	**760,646**	(151,812)
(Decrease)/Increase in payables and other provisions	**1,715,535**	(3,208,191)
Net cash outflow from operating activities	**(293,187)**	(3,382,408)

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 230. The Group does not have formal policies that address the risks associated with changes in interest rates or changes in fair values on available-for-sale 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.

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

Financial assets

	2021 $	2020 $
Cash and cash equivalents	**6,826,853**	6,160,440
Trade debtors and other receivables (Note 8)	**4,040,885**	4,822,711
Prepayments	**249,988**	209,723
	11,117,726	11,192,874

23. Financial Risk Management (Continued)

(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) significantly exceed the current cash outflow requirements.

As at 30 June 2021, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Contractual maturities of financial liabilities

	2021 $	2020 $
Due within 12 months		
Trade and other payables	**4,516,056**	3,098,704
Current: Lease liability	**594,101**	886,952
	5,110,157	3,985,656
Due after 12 months		
Non-current: Lease liability	**1,161,470**	960,915
Total	**6,271,627**	4,946,571

(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 2021						
Financial Assets	**7,096,216**	**329,778**	**501,342**	**5,436**	**32,770**	**3,089**
Financial Liabilities	**(3,004,410)**	**(419,207)**	**(236,732)**	**(1,905)**	**(32,863)**	**-**
Total Exposure	**4,091,806**	**(89,429)**	**264,610**	**3,531**	**(93)**	**3,089**
30 June 2020						
Financial Assets	5,093,083	342,619	332,667	27,660	54,587	2,035
Financial Liabilities	(3,013,410)	(594,247)	(175,353)	(3,655)	(28,754)	-
Total Exposure	2,079,673	(251,628)	157,314	24,005	25,833	2,035

23. Financial Risk Management (Continued)

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 and CNY/AUD exchange rate 'all other things being equal'. It assumes a +/- 10% change of the following exchange rates for the year ended 30 June 2021 (30 June 2020:10%).

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	**GBP**	**EUR**	**NZD**	**CNY**	**MYR**	**Total**
30 June 2021	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**
Impact on Profit	**(345,915)**	**22,853**	**(26,459)**	**-**	**-**	**(281)**	**(349,802)**
Impact on Reserves	**(26,067)**	**(14,723)**	**2,403**	**(321)**	**8**	**-**	**(38,700)**
Impact on Equity	**(371,982)**	**8,130**	**(24,056)**	**(321)**	**8**	**(281)**	**(388,502)**
30 June 2020							
Impact on Profit	(174,825)	38,265	(13,666)	-	-	(185)	(150,411)
Impact on Reserves	(14,236)	(15,390)	(635)	(2,182)	(2,348)	-	(34,791)
Impact on Equity	(189,061)	22,875	(14,301)	(2,182)	(2,348)	(185)	(185,202)

	-10%						
	USD	**GBP**	**EUR**	**NZD**	**CNY**	**MYR**	**Total**
30 June 2021	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**
Impact on Profit	**422,786**	**(27,932)**	**32,339**	**-**	**-**	**343**	**427,536**
Impact on Reserves	**31,859**	**17,995**	**(2,938)**	**392**	**(10)**	**-**	**47,298**
Impact on Equity	**454,645**	**(9,937)**	**29,401**	**392**	**(10)**	**343**	**474,834**
30 June 2020							
Impact on Profit	213,675	(46,768)	16,703	-	-	226	183,836
Impact on Reserves	17,400	18,809	776	2,667	2,870	-	42,522
Impact on Equity	231,075	(27,959)	17,479	2,667	2,870	226	226,358

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 2021	**24,397**	**(7,460)**
30 June 2020	34,017	(29,447)

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

(f) Net 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 2021. This information has been prepared using consistent accounting policies as presented in Note 1.

	2021 $	2020 $
Current assets	**1,010,899**	2,081,735
Non-current assets	**45,694,374**	45,750,149
Total assets	**46,705,273**	47,831,884
Current liabilities	**849,460**	962,435
Non-current liabilities	**1,280,407**	1,136,010
Total liabilities	**2,129,867**	2,098,445
Contributed equity	**155,620,312**	151,878,829
Share-based payments reserve	**1,230,785**	693,617
Retained losses	**(112,275,691)**	(106,839,007)
Total equity	**44,575,406**	45,733,439
Loss for the year	**(5,436,684)**	(8,000,943)
Total comprehensive loss for the year	**(5,436,684)**	(8,000,943)

25. Related Party Transactions

Other than the transactions disclosed in Note 0 relating to key management personnel, there have been no related party transactions that have occurred during the current or prior financial year.

26. Events Subsequent to Reporting Date

On 10 August 2021 Mr Tom Triscari was appointed as a US-based Non-Executive Director, as outlined in the ASX release lodged on 10 August 2021.

The Company granted the following unlisted share options:

- 9,500,000 options issued to employees as outlined in the Appendix 3G lodged on 4 August 2021;
- 6,250,000 options issued to a third party as outlined in the Appendix 3G lodged on 4 August 2021; and
- 6,000,000 options issued to Non-Executive Director as outlined in Appendix 3X lodged on 10 August 2021.

On 30 August 2021, Adslot announced the extension of its global *Symphony* contract with GroupM.

27. Consolidated Entities

Name	Country of Incorporation	Ordinary Share Consolidated Equity Interest	
		2021	**2020**
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 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
Facilitate Digital, LLC	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.

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 29 to 68 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 2021 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.

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 16 to 23 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 Barlow
Chairman
Adslot Ltd

30 August 2021

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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 2021, 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 a summary of significant accounting policies, 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 2021 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* (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 $6.2 million during the year ended 30 June 2021, and management anticipate incurring further net losses from operations until such time as sufficient revenue growth is achieved. 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.

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
Intangible assets and goodwill impairment testing **Note 10**	
Goodwill and other intangibles included within the Group's statement of financial position amounted to $12.7 million At 30 June 2021. An entity is required, per *AASB 136 Impairment of Assets*, 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 recoverable amount of the asset. Further, goodwill is required to be tested annually for impairment. Impairment testing of goodwill and intangible assets requires a high degree of estimation and judgement by management and there is subjectivity involved relating to assumptions and key inputs. This area is a key audit matter as impairment testing of goodwill and intangible assets requires a high degree of estimation and judgement by management and there is subjectivity involved relating to assumptions and key inputs.	Our procedures included, amongst others: • Reviewing the impairment model for compliance with *AASB 136*; • Assessing management's determination of the Group's cash generating units based on our understanding of the nature of the Group's business, the economic environment in which segments operate and the Group's internal reporting structure; • Testing the mathematical accuracy and appropriateness of the methodology of the underlying model calculations; • Assessing the reasonableness of inputs and assumptions used in the model prepared by management; • Performing a sensitivity analysis of the key assumptions in model; and • Reviewing relevant disclosures for adequacy in the financial statements.
Research and development grants and capitalised wages **Note 8 and Note 10**	
During the year ended 30 June 2021, the Group has recognised $2.4 million relating to capitalised developments costs as intangible assets. The Group has also claimed associated research and development (R&D) grants to the value of $1.1 million under the R&D Tax Incentive Scheme from Aus. Industry, 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 and 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 costs that are capitalised are required to be offset against the capitalised amount, while grants relating to costs that are not capitalised are to be recognised as income. Estimated R&D grant claims pertaining to costs incurred during the 2021 financial year as well as 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*.	Our procedures included, amongst others: • Obtaining an understanding of the capitalisation process and how costs are allocated to the project; • Reviewing compliance with criteria for capitalisation of costs under *AASB*; • Assessing the reasonableness of total development costs against expectations, having regard to prior year costs and current year budgeted costs; • Testing on a sample basis, capitalised development costs incurred to underlying supporting documentation; • Ensuring the above sample meets the recognition requirements of accounting standing *AASB 138*; • Tracing the R&D receivable to submitted claims and where applicable, subsequent cash receipt; • Testing the mathematical accuracy of R&D grant claims accrued for; • Obtaining an understanding of the current status of discussions with AusIndustry in relation to R&D claims; • Utilising Grant Thornton's internal R&D expert to review the FY21 receivable for compliance with the tax legislation; and • Assessing the appropriateness of the disclosures in the financial statements.

Grant Thornton

Revenue Recognition

Note 3

The Group derives revenue through the rendering of service which are performed under the terms of the contractual agreements. Determining the appropriate revenue recognition methods for multiple contractual agreements can be complex and involves management judgment, which include determination of each performance obligation within contracts, allocation of consideration to individual performance obligations and identifying when performance obligations are satisfied so revenue can be recognised. The area is a key audit matter due to the application of judgement to the arrangements in the contracts with customers.	Our procedures included, amongst others: • Reviewing the revenue recognition policies to assess for compliance with AASB 15 *Revenues from Contracts with Customers*; • Performing analytical procedures over revenue balances; • Reviewing significant customer contracts to assess accounting treatment for compliance with AASB 15; • Selecting a statistical sample of revenue transactions to ensure transactions exist and receipts were appropriately recognised; • Evaluating the appropriateness of contract liability and publisher creditor accounts; and • Assessing the adequacy of the Group's disclosures within 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 2021, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.pdf. This description forms part of our auditor's report.

Grant Thornton

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 23 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Adslot Limited, for the year ended 30 June 2021 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

M J Climpson
Partner – Audit & Assurance

Melbourne, 30 August 2021

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/

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 13 August 2021.

Distribution of equity securities

The number of shareholders by size of shareholding are:

	Ordinary Shares Number of Holders	Ordinary Shares Number of Shares
1 – 1,000	206	21,873
1,001 – 5,000	300	983,767
5,001 – 10,000	421	3,353,102
10,001 – 100,000	1,087	42,066,539
100,001 +	868	1,935,580,989
TOTAL	**2,882**	**1,982,006,270**
The number of shareholders holding less than a marketable parcel of $500 (17,857 shares):	1,222	8,328,529

Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares Number of Shares	Listed Ordinary Shares % of Shares
1	NATIONAL NOMINEES LIMITED	261,161,021	13.18
2	MR PETER DIAMOND + MRS DIANA DIAMOND	205,000,000	10.34
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	144,225,094	7.28
4	DAWNIE DIXON PTY LTD	86,046,522	4.34
5	MR ANDREW BARLOW	67,702,668	3.42
6	J & M BARLOW PENSION FUND	63,991,724	3.23
7	INVIA CUSTODIAN PTY LIMITED	60,252,850	3.04
8	CAPITAL ACCRETION PTY LTD	43,068,966	2.17
9	MR KEITH KNOWLES	40,579,799	2.05
10	ZERO NOMINEES PTY LTD	37,382,304	1.89
11	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	35,535,638	1.79
12	AMBLESIDE VENTURES PTY LTD	33,091,710	1.67
13	SAPEAME PTY LTD	32,941,379	1.66
14	MR PETER STANKOVIC	24,017,150	1.21
15	PARKS AUSTRALIA PTY LTD	21,740,000	1.10
16	STOCK RANGE PTY LTD	21,144,014	1.07
17	CHARMED5 PTY LTD	20,000,000	1.01
18	G & D DIXON INVESTMENTS PTY LTD	12,302,184	0.62
19	MR DAVID WILLIAM HOLZWORTH + MRS JANE ELIZABETH HOLZWORTH	12,000,000	0.61
20	SISUG PTY LTD	11,434,561	0.58
	Total Top 20 holders of Ordinary Shares	**1,233,617,584**	**62.24**
	Remaining holders balance	**748,388,686**	**37.76**

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

Substantial Shareholders

	Shares	% Shares
Peter Diamond	205,000,000	10.34
Private Portfolio Managers Pty Ltd	124,570,699	6.29
Jencay Capital Pty Ltd	122,385,409	6.17
Geoff Dixon	107,599,566	5.43

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

Corporate Directory

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

Chief Executive Officer
Mr Ben Dixon

Company Secretary
Ms Felicity Conlan

Auditors
Grant Thornton Australia
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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
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