

**Adslot Ltd ABN 70 001 287 510
and controlled entities**

**Half-Year Financial Report
31 December 2017**

Lodged with the ASX under Listing Rule 4.2A.3

The half-year financial report does not include full disclosures of the type normally included in an Annual Financial Report. Accordingly, this financial report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by Adslot Ltd during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

HALF-YEAR REPORT – 31 DECEMBER 2017
APPENDIX 4D (Rule 4.2A.3)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2017	December 2016	Movement	
	\$	\$	\$	%
Total revenue from continuing operations	3,677,289	4,148,852	(471,563)	-11%
Net loss attributable to members of the parent entity after tax	(5,985,119)	(3,814,162)	(2,170,957)	-57%
Net loss attributable to members of the parent entity	(5,985,119)	(3,814,162)	(2,170,957)	-57%

Dividends

The Company has not proposed or declared to pay dividends.

Earnings Per Share	December 2017	December 2016
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	1,282,537,326	1,190,524,562
Basic loss per share (cents)	(0.47)	(0.32)
Diluted loss per share (cents)	(0.47)	(0.32)
Net Tangible Assets per share	December 2017	June 2017
Number of ordinary shares on issue used in the calculation of net tangible assets per share	1,284,595,927	1,280,918,427
Net tangible assets per share (cents)	0.82	1.21

Audit

The Half-Year Financial Report has been subject to review by Grant Thornton Audit Pty Ltd and is not subject to dispute or qualification.

Directors' Report

Your Directors submit the financial report of the Company and its controlled entities ("the Group") for the half-year ended 31 December 2017.

Directors

The names of Directors who held office during or since the end of the half-year:

Mr Andrew Barlow:	Non-Executive Chairman
Mr Ian Lowe:	CEO and Executive Director
Mr Adrian Giles:	Non-Executive Director
Mr Ben Dixon:	Executive Director
Mr Quentin George:	Non-Executive Director
Ms Sarah Morgan:	Non-Executive Director

Result of Operations

Group results for the 6 months to 31 December 2017, benchmarked against the corresponding 6-month period in 2016, were:

	6 months to December 2017	6 months to December 2016
Total revenue from continuing operations	\$3,677,289	\$4,148,852
Total revenue and other income	\$4,176,142	\$4,564,292
EBITDA (loss)	(\$3,473,874)	(\$1,671,565)
NPAT (loss)	(\$5,985,119)	(\$3,814,162)

Revenue from continuing operations for the 6 months to 31 December 2017 reduced by 11% compared to the corresponding period to 31 December 2016. EBITDA and NPAT was further impacted by higher expenses resulting from increased investment in product development in Australia and sales and marketing in the US.

Review of Operations and Future Developments

Revenue from continuing operations was \$3.7 million and total revenue and other income was \$4.2 million.

Trading Technology revenue contracted in 1H FY18, decreasing by 5% against the previous corresponding period to \$2.6 million and reflected an increase in Licence Fees but a reduction in Trading Fees. The increase in Licence Fees was largely driven by additional Symphony deployments under the groupm contract. Symphony is now deployed in 13 countries, including Taiwan, Turkey and Belgium. Trading Fees continue to be unpredictable.

Revenue from non core activities including Services and Adserving declined as expected, falling \$0.3 million in total in comparison to the previous corresponding period.

The capital raising from the 1H FY17 period provided funds to accelerate product development and increase the scale of the sales organisation in the US.

Future Developments

The Company is on track to deploy Symphony into a large APAC market in 2H FY18. In addition, another 2-4 markets are expected to be deployed or in the process of being deployed by 31 December 2018. These deployments will ensure the growth in licence fees.

Trading Fees in 2H FY18 are expected to continue to be unpredictable on a month by month basis. However, the value of media traded in 2H FY18 is expected to increase, driven by pilot activity from multiple agency holding companies.

Given the delays in revenue growth, in particular the lack of consistent Trading Fee growth, the Company has reviewed its operations to ensure the cost base of the business is sustainable and the business is maintained on a solid financial basis. As a result, the Company has implemented a significant cost cutting program which will result in a material reduction in headcount. The full benefit of these cost reductions will be realised in the first quarter of FY19.

As at 31 December 2017, there were a number of impairment indicators in relation to the carrying value of goodwill on the balance sheet. In particular, the recent trading performance and fall in Adslot's share price. Following an impairment assessment, goodwill has not been impaired at 31 December 2017 but the analysis indicated a decline in the surplus above the carrying value of goodwill at 30 June 2017. Goodwill will be reassessed as part of the normal audit process for the year ended 30 June 2018.

Dividends

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2017 under Section 307C of the *Corporations Act 2001* is set out on page 18.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.



Andrew Barlow
Chairman

Melbourne
26 February 2018

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2017**

	Note	December 2017 \$	December 2016 \$
Total revenue from continuing operations	3	3,677,289	4,148,852
Total other income	3	498,853	415,440
Total revenue and other income		4,176,142	4,564,292
Hosting & other related technology costs		(440,979)	(440,679)
Salaries and employment related costs		(4,845,762)	(3,770,620)
Recruitment costs		(35,826)	(92,156)
Directors' fees		(150,000)	(145,833)
Marketing costs		(176,052)	(55,002)
Lease-rental premises		(494,911)	(508,650)
Impairment of receivables		(170)	(14,173)
Listing & registrar fees		(48,548)	(71,733)
Legal expense		(63,406)	(5,827)
Travel expense		(184,901)	(214,410)
Consultancy fees		(73,382)	(102,639)
Audit and accountancy fees		(81,846)	(89,939)
Other expenses		(520,273)	(337,170)
Share based payment expense		(420,040)	(258,853)
Depreciation and amortisation expense	4	(2,611,181)	(2,256,593)
Total expenses		(10,147,277)	(8,364,277)
Loss before income tax expense		(5,971,135)	(3,799,985)
Income tax expense		(13,984)	(14,177)
Loss after income tax expense		(5,985,119)	(3,814,162)
Net loss attributable to members of the parent entity		(5,985,119)	(3,814,162)
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Foreign exchange translation		(15,972)	(47,373)
Total other comprehensive income		(15,972)	(47,373)
Total comprehensive loss for the half-year attributable to members		(6,001,091)	(3,861,535)
Earnings per share			
Basic loss per share (cents)		(0.47)	(0.32)
Diluted loss per share (cents)		(0.47)	(0.32)

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 31 December 2017

	Notes	December 2017	June 2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		7,916,563	14,320,147
Trade and other receivables		6,582,298	4,685,621
Total current assets		14,498,861	19,005,768
NON-CURRENT ASSETS			
Property, plant and equipment		256,722	243,744
Deferred tax assets		36,370	36,370
Intangible assets	5	24,150,241	24,747,821
Total non-current assets		24,443,333	25,027,935
TOTAL ASSETS		38,942,194	44,033,703
CURRENT LIABILITIES			
Trade and other payables		2,829,427	2,252,581
Other liabilities		491,824	583,759
Provisions		598,796	605,590
Total current liabilities		3,920,047	3,441,930
NON-CURRENT LIABILITIES			
Provisions		339,177	325,473
Deferred tax liabilities		36,370	36,370
Total non-current liabilities		375,547	361,843
TOTAL LIABILITIES		4,295,594	3,803,773
NET ASSETS		34,646,600	40,229,930
EQUITY			
Issued capital		138,361,166	137,949,047
Reserves		379,599	389,929
Accumulated losses		(104,094,165)	(98,109,046)
TOTAL EQUITY		34,646,600	40,229,930

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

**Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2017**

31 December 2017

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2017		137,949,047	389,929	(98,109,046)	40,229,930
Movement in foreign exchange translation reserve		-	(15,972)	-	(15,972)
Other comprehensive income/(loss)		-	(15,972)	-	(15,972)
Loss attributable to members of the company		-	-	(5,985,119)	(5,985,119)
Total comprehensive income/(loss)		-	(15,972)	(5,985,119)	(6,001,091)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of capital raising costs	6	-	-	-	-
Reclassification of vested ESOP	6	412,119	(414,398)	-	(2,279)
Increase in employees share based payments reserve		-	420,040	-	420,040
		412,119	5,642	-	417,761
Balance 31 December 2017		138,361,166	379,599	(104,094,165)	34,646,600

31 December 2016

	Notes	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2016		120,693,650	404,736	(89,478,859)	31,619,527
Movement in foreign exchange translation reserve		-	(47,373)	-	(47,373)
Other comprehensive income/(loss)		-	(47,373)	-	(47,373)
Loss attributable to members of the company		-	-	(3,814,162)	(3,814,162)
Total comprehensive income/(loss)		-	(47,373)	(3,814,162)	(3,861,535)
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of capital raising costs	6	16,906,927	-	-	16,906,927
Reclassification of vested ESOP	6	(9,211)	9,211	-	-
Increase in employees share based payments reserve		-	258,853	-	258,853
		16,897,716	268,064	-	17,165,780
Balance 31 December 2016		137,591,366	625,427	(93,293,021)	44,923,772

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

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2017

	Note	December 2017	December 2016
		\$	\$
Cash flows from operating activities			
Receipts from trade and other debtors		4,126,794	5,498,072
Interest received		119,314	47,599
Receipt of R&D tax incentives and other Grants		23,148	-
Payment to trade creditors, other creditors and employees		(7,261,747)	(7,210,395)
Income tax received/(paid)		-	-
Interest paid		(38)	(512)
Net cash outflows from operating activities		(2,992,529)	(1,665,236)
Cash flows from investing activities			
Payments for property, plant and equipment		(112,086)	(82,472)
Proceeds from sale of fixed assets		330	-
Receipt of R&D tax incentive relating to capitalised assets		-	-
Payment for intangible assets		(3,277,611)	(1,872,709)
Net cash outflows from investing activities		(3,389,367)	(1,955,181)
Cash flows from financing activities			
Proceeds from issue of shares		-	18,054,640
Payments of equity raising costs		-	(1,218,847)
Net cash inflows from financing activities		-	16,835,793
Net increase/(decrease) in cash held		(6,381,896)	13,215,376
Cash at the beginning of the half-year		14,320,147	4,745,969
Effect of exchange rate changes on cash		(21,688)	14,916
Cash at the end of the half-year		7,916,563	17,976,261

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

Notes to the Financial Statements for the Half-Year ended 31 December 2017

Note 1: Basis of preparation of half-year financial report

This general purpose financial report for the half-year ended 31 December 2017 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Adslot Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

a) Reporting bases and conventions

The half-year consolidated financial statements have been prepared on an accruals basis and are based upon historical costs. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the group's annual financial report for the year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b) Going concern

Management continue to invest resources to successfully launch the Group's products in multiple geographies. The Group has incurred net cash outflows from operating and investing activities of \$6.4m in the six months to 31 December 2017 and management anticipate incurring further net cash outflows until such time as sufficient revenue growth is achieved.

The ability of the Group to continue as a going concern is dependent upon revenue growth, cost management and further investment in product development, as well as, cash reserves. On this basis, the Group anticipates net cash flows will continue to be negative in FY2018 and the first half of FY2019. However, the Directors believe the Group can continue to pay its debts as and when they fall due for the following reasons:

- the Group had a cash position as at 31 December 2017 of \$7.9m;
- the Group expects to receive \$2.7m in grants in relation to the R&D Rebate Scheme in the March or June 2018 quarter, for R&D expenditure incurred in FY2017;
- the Group expects to receive a larger rebate in relation to R&D expenditure incurred in FY2018, given R&D expenditure in the six months to 31 December 2017 and forecast expenditure in the following six months to 30 June 2018. The FY2018 R&D rebate is expected to be received in the September or December 2018 quarter;
- net cash outflows from operating and investing activities are expected to decline following recently implemented cost reductions; and
- the Group has successfully raised capital in the past.

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.

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)**Note 2: Segment Information****Business segments**

The Group reports its segments based on geographical locations:

- APAC – Australia, New Zealand and Asia;
- EMEA – Europe, the Middle East and Africa; and
- The Americas – North, Central and South America.

There has been no change to the basis of segmentation since the last annual financial report.

Half-year ended 31 December 2017

	APAC	EMEA	The Americas	Total
	\$	\$	\$	\$
External sales	3,349,074	111,382	102,913	3,563,369
Segment result from continuing operations	(2,793,828)	(297,290)	(945,772)	(4,036,890)
Depreciation (included in segment result)	59,292	530	3,695	63,517
Amortisation (included in segment result)	2,547,663	-	-	2,547,663
Additions to non-current assets	76,010	-	1,311	77,321

Balance Sheet 31 December 2017

Segment assets	37,566,575	130,904	312,824	38,010,303
Segment liabilities	15,727,146	74,119	123,673	15,924,938

Half-year ended 31 December 2016

	APAC	EMEA	The Americas	Total
	\$	\$	\$	\$
External sales	3,641,110	165,165	214,404	4,020,679
Segment result from continuing operations	(2,027,644)	(278,504)	(597,865)	(2,904,013)
Depreciation (included in segment result)	21,134	493	1,536	23,163
Amortisation (included in segment result)	2,233,430	-	-	2,233,430
Additions to non-current assets	102,728	1,314	5,816	109,858

Balance Sheet 31 December 2016

Segment assets	46,456,025	250,139	430,062	47,136,226
Segment liabilities	(16,828,413)	(98,909)	(323,125)	(17,250,447)

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)**Note 2: Segment Information (continued)**

Segment revenue reconciles to total revenue from continuing operations as follows:

	December 2017	December 2016
	\$	\$
Total segment revenue	3,563,369	4,020,679
Interest revenue	113,920	128,173
Total revenue	3,677,289	4,148,852

A reconciliation of adjusted segment result to operating profit before income tax is provided as follows:

	December 2017	December 2016
	\$	\$
Total segment result	(4,036,890)	(2,904,013)
Interest revenue	113,920	128,173
Total other income	498,853	415,440
Share option expenses	(420,040)	(258,853)
Gain/(Loss) on foreign exchange	(3,197)	92,985
Income tax expense	(6,573)	(5,698)
Gain/(Loss) on sale of fixed assets	439	-
Other head office expenses	(2,131,631)	(1,282,196)
Loss after tax from continuing operations	(5,985,119)	(3,814,162)

Reportable segment assets are reconciled to total assets as follows:

	December 2017	June 2017
	\$	\$
Total segment assets	38,010,303	36,959,699
Head office assets	51,280,536	57,425,836
Intersegment eliminations	(50,348,645)	(50,351,832)
Total assets per the statement of financial position	38,942,194	44,033,703

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)**Note 2: Segment Information (continued)**

Reportable segment liabilities are reconciled to total liabilities as follows:

	December 2017	June 2017
	\$	\$
Total segment liabilities	15,924,938	15,507,934
Head office liabilities	741,183	669,670
Intersegment eliminations	(12,370,527)	(12,373,831)
Total liabilities per the statement of financial position	4,295,594	3,803,773

Note 3: Revenue and Other Income

	December 2017	December 2016
	\$	\$
Revenue		
Revenue from Trading Technology	2,588,601	2,721,907
Revenue from Services	887,801	948,287
Revenue from Adserving	86,967	350,485
Total revenue from services rendered	3,563,369	4,020,679
Interest income	113,920	128,173
Total revenue from continuing operations	3,677,289	4,148,852
Other income		
Grant income	498,853	415,440
Total other income	498,853	415,440
Total revenue and other income	4,176,142	4,564,292

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)**Note 4: Expenses**

Loss before income tax includes the following specific expenses:

	December 2017	December 2016
	\$	\$
Depreciation and amortisation		
Depreciation – Leasehold improvements	10,015	1,237
Depreciation – Plant and equipment	53,503	21,926
Amortisation – Software development costs	2,547,663	2,233,430
Total depreciation and amortisation	<u>2,611,181</u>	<u>2,256,593</u>
Capitalised development wages (net of related grants)	1,950,083	1,018,329
Development wages expensed in the period	1,470,984	1,166,766
Total development wages	<u>3,421,067</u>	<u>2,185,095</u>
Superannuation expense	520,466	342,004
Foreign currency gain	3,188	92,985

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)

Note 5: Intangible Assets

Period ended 31 December 2017

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Opening net book amount	4,721,903	38,267	4,825,712	15,161,939	24,747,821
Acquisitions	1,950,083	-	-	-	1,950,083
Amortisation	(880,827)	-	(1,666,836)	-	(2,547,663)
Carrying amount at 31 December 2017	5,791,159	38,267	3,158,876	15,161,939	24,150,241

At 31 December 2017

Cost	9,891,111	38,267	29,045,250	15,161,939	54,136,567
Accumulated amortisation and impairment	(4,099,952)	-	(25,886,374)	-	(29,986,326)
Carrying amount at 31 December 2017	5,791,159	38,267	3,158,876	15,161,939	24,150,241

Period ended 31 December 2016

	Internally Developed Software \$	Domain Name \$	Intellectual Property \$	Goodwill \$	Total \$
Opening net book amount	3,375,131	38,267	8,184,230	15,161,939	26,759,567
Acquisitions	966,479	-	-	-	966,479
Amortisation	(557,376)	-	(1,676,053)	-	(2,233,429)
Carrying amount at 31 December 2016	3,784,234	38,267	6,508,177	15,161,939	25,492,617

At 31 December 2016

Cost	6,302,227	38,267	29,045,250	15,161,939	50,547,683
Accumulated amortisation and impairment	(2,517,993)	-	(22,537,073)	-	(25,055,066)
Carrying amount at 31 December 2016	3,784,234	38,267	6,508,177	15,161,939	25,492,617

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)

Note 6: Equity Securities Issued

	December 2017	December 2016
Issues of Ordinary Shares during the half-year	\$	\$
New Ordinary Shares issued – value \$	412,119	16,906,927
Treasury Shares movement – value \$	-	(9,211)
Total Ordinary Shares issued – value \$	<u>412,119</u>	<u>16,897,716</u>
New Ordinary Shares issued – number	3,677,500	167,557,636
Treasury Shares movement – number	-	(32,433)
Ordinary Shares issued – number	<u>3,677,500</u>	<u>167,525,203</u>

Note 7: Contributed equity

	Dec 2017	Jun 2017	Dec 2017	Jun 2017
	Number	Number	\$	\$
Ordinary Shares – Fully Paid	<u>1,284,595,927</u>	1,280,918,427	<u>138,361,166</u>	137,949,047

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	Issue Price - \$	Costs - \$	Value - \$
01-Jul-16	Balance (including Treasury shares)	1,116,771,133		(1,472,056)	121,032,092
01-09-2016	Issue of shares – Performance Rights vesting	3,424,524	0.102	(3,781)	344,479
28-09-2016	Share Placement	101,900,000	0.110	(651,251)	10,557,749
24-10-2016	Rights Issue	62,233,112	0.110	(492,681)	6,352,961
30-Jun-17		1,284,328,769		(2,619,769)	138,287,281
	Less: Treasury shares	(3,410,342)		-	(338,234)
30-Jun17	Balance	<u>1,280,918,427</u>		<u>(2,619,769)</u>	<u>137,949,047</u>
01-Jul-17	Balance (including Treasury shares)	1,284,328,769		(2,619,769)	138,287,281
12/10/2017	Issue of shares – Performance Rights vesting	3,677,500	0.113	(2,279)	412,119
30-Jun-17		1,288,006,269		(2,622,048)	138,699,400
	Less: Treasury shares	(3,410,342)		-	(338,234)
31-Dec-17	Balance	1,284,595,927		(2,622,048)	138,361,166

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (Continued)

Note 8: Contingencies

There are no contingencies to be disclosed in the financial statements.

Note 9: Events subsequent to reporting date

There has not been any events subsequent to the reporting date that have a significant impact on the financial statements or are expected to have a significant impact on future financial statements.

Directors' Declaration

In the Directors' opinion:

- (a) The financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Adslot Ltd will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors.



Andrew Barlow
Chairman

Melbourne
26 February 2018

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Docklands Victoria 3008

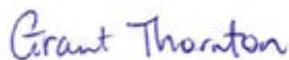
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Auditor's Independence Declaration To the Directors of Adslot Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Adslot Limited for the half-year ended 31 December 2017. 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Michael Climpson
Partner

Melbourne, 26 February 2018

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Independent Auditor's Review Report To the Members of Adslot Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Adslot Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Adslot Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial

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position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Adslot Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Michael Climpson
Partner

Melbourne, 26 February 2018