

HotCopper 2019 Annual Report: Change from Appendix 4E in relation to share based payments expense

HotCopper Holdings has today lodged its audited 2019 Annual Report.

As noted at the time of the Appendix 4E, the audit process was not complete and treatment and potential valuation of non-cash expense items remained under review.

Since the Appendix 4E, a \$300,000 additional share based payment expense has been recognised under the principles of AASB 2 “Share based Payments”. This is a non-cash accounting book entry, valuing as if it were a share option, the limited recourse loan facility provided to the Managing Director (as set out in Note 20 of the Financial Report) approved at the company General Meeting held 10th January 2019.

The loan remains undrawn at the date of this report. Any loan funds drawn down are for the on-market purchase of HotCopper shares. The loan does not provide any certainty or advantage to purchase shares, or provide a guaranteed purchase price or date. Any purchase that does occur is under the repayment and security terms of the finance agreement and has no dilutionary impact to the shareholders of the company.

While the board is of the view that the recognition of this expense does not necessarily reflect the commercial or cash impact of the loan arrangement for the financial year, the expense is recognised to comply with Australian Accounting Standards.

The impact of this adjustment to the Appendix 4E specific disclosures is set out in the table on the following page.

Appendix 4E Reported Item	Appendix 4E 30 June 2019	Audited 30 June 2019	Change from Appendix 4E	30 June 2018	Audited Movement
Preliminary Earnings					
Cash receipts from customers	5,859,221	5,859,221	-	5,321,768	Up 10%
Revenue from ordinary activities	4,252,107	4,252,107	-	4,917,647	Down 14%
Unearned Revenue	1,431,969	1,431,969	-	716,363	Up 100%
Profit before income tax	395,236	95,236	(300,000)	1,553,924	Down 94%
Profit for the year attributable to ordinary equity holders	264,625	(35,375)	(300,000)	1,177,938	Down 103%
Appendix 4E Net tangible asset per share					
Financial Assets	1,296,389	1,296,389	-	258,620	Up 401%
Cash and cash equivalents	1,492,369	1,492,369	-	3,011,352	Down 50%
Net tangible assets	3,042,080	3,042,080	-	3,354,538	Down 9%
Fully paid ordinary shares on issue at Balance Date	106,985,001	106,985,001	-	106,985,001	-
Net tangible asset backing per issued ordinary share (cents)	2.84	2.84	-	3.14	Down 9%
Preliminary Earnings per share (EPS)					
Basic earnings per share (cents)	0.25	(0.03)	(0.28)	1.10	Down 103%

Shareholders can refer to the Directors Report contained in the 2019 Annual Report for discussion of this adjustment as well as company strategy and results.

For further information, please contact:

Adam Webb Ware
HotCopper Holdings Ltd
investors@hotcopper.com.au
+61 8 6169 3112

About HotCopper Holdings Limited

HotCopper Holdings Limited operates www.hotcopper.com.au – Australia's #1 internet discussion forum for ASX-listed companies and stock market analysis. HotCopper derives revenue from commercial and corporate advertising, as well as investor relations services to listed entities. HotCopper is developing a range of new website enhancements and investor services to enhance the HotCopper user experience and create value for shareholders through new revenue streams.