

## Appendix 4C - Quarterly report

### Commentary for the quarter ending 30 December 2016

Cash receipts from customers for the December 2016 quarter were \$3.16m, an increase of 35% on the previous quarter's receipts of \$2.34m. The increase in cash receipts reflects a corresponding increase in the collection of Trading Technology revenues.

Payments during the quarter of \$4.59m were broadly in line with the previous quarter of \$4.49m, and lower than the forecasted \$5.26m due to lower than expected working capital costs and timing of Publisher payments, which were delayed due to corresponding delays in receipts from agencies.

Staff costs and Research and Development costs increased in the December quarter as anticipated, as investment in these areas increased in line with the objectives of the recent capital raising.

The increased receipts and flat payments gave rise to significantly less **net cash used in operating activities** of \$1.41m, compared to a \$2.12m outflow in the prior quarter - an improvement of 50%.

The Company is forecasting \$6.26m of payments for the March 2017 quarter (see item 9) compared to \$4.59m paid in the December quarter. The quarter on quarter increase reflects further investment in product and development (R&D) as per the Company's Operating Plan and as disclosed in our capital raising presentation, together with higher forecast publisher payments due to increased Trading Fee revenues.

During the December quarter, the Company finalised its Capital Raising with \$6.86m (before transaction costs) collected from the fully underwritten Rights Issue.

Cash at the end of the December quarter was \$17.98m.

The Company is yet to receive its \$2.3m from the R&D Tax incentive scheme arising from its R&D activities for the year ended 30 June 2016. This is expected to occur in the current (March) quarter.

Further details outlining the Company's performance for the December quarter are available via the Company's Trading Update issued earlier today.

## Appendix 4C

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

**Name of entity**

**ADSLOT LTD**

**ABN**

**70 001 287 510**

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

**31 December 2016**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,158	5,498
1.2 Payments for		
(a) staff costs	(1,937)	(3,481)
(b) research and development	(1,065)	(2,059)
(c) publishers	(542)	(1,238)
(d) other cost of sales	(193)	(546)
(e) advertising and marketing	(52)	(75)
(f) leased assets	(1)	(2)
(g) other working capital/overheads	(803)	(1,682)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	48
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,413)</b>	<b>(3,537)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(60)	(82)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(60)</b>	<b>(82)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	6,846	18,055
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(498)	(1,219)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>6,348</b>	<b>16,836</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	13,058	4,746
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,413)	(3,537)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(60)	(82)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	6,348	16,836
4.5 Effect of movement in exchange rates on cash held	44	14
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>17,977</b>	<b>17,977</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,399	1,032
5.2 Call deposits	16,578	12,026
5.3 Bank overdrafts	-	
5.4 Other (provide details)	-	
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>17,977</b>	<b>13,058</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	68
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors Fees

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 staff costs	2,336
9.2 research and development	1,219
9.3 Publishers	1,586
9.4 other cost of sales	220
9.5 advertising and marketing	61
9.6 leased assets	1
9.7 other working capital/overheads	834
<b>9.8 Total estimated cash outflows from operating activities</b>	<b>6,258</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

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

Sign here: .....  
 (Company secretary)

Date: 30 January 2017

Print name: Brendan Maher

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.