

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

### Commentary on activities during the quarter ending 30 September 2013

- Cash outflow for the quarter was **\$1.6m**, which was at the lower end of our guidance range of \$1.5M to \$1.8M.
- Cash at bank as at 30 September 2013 is \$7.5M.
- Cash receipts from **Adslot** products were up 5% over the previous quarter, with increases in Adslot Publisher and Adslot Create receipts being offset by reductions in Adslot Enterprise receipts.
- Adslot's strategy to build liquidity by growing a diverse catalogue of publishers (supply), then making this available to demand at scale (media agencies), remains on track.
- In September 2013 the company made a beta release of its marketplace product, **Adslot Media**, followed by a global launch on 22 October 2013. Sales and marketing of **Adslot Media** to media agencies has now commenced.
- The company re-iterates that it anticipates it will take a further 1 to 2 quarters to drive initial adoption of the platform by media agency buyers.
- Cash receipts for the **Webfirm** division were down 5% quarter-on-quarter.
- Total Group costs were in line with management expectations, with increases in marketing and sales costs in support of the launch of Adslot Media, albeit at the bottom end of the range reflecting a conservative management of expenditure.
- We anticipate underlying net cash outflows to remain for the next few quarters, with the underlying net operating cash outflows for the next two quarters to be in the vicinity of \$1.6M to \$1.8M per quarter.
- The \$1.6M to \$1.8M per quarter excludes a cash receipt of approximately \$1.1M from the Research & Development Tax Incentive relating to FY 2013, which we expect to receive by January 2014, and also excludes transaction costs that would arise if the Scheme of Arrangement with Facilitate Digital Holdings Limited is completed at the end of the calendar year.

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+ See chapter 19 for defined terms.

# Appendix 4C

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Name of entity

**ADSLOT LTD**

ABN

**70 001 287 510**

Quarter ended ("current quarter")

**30 SEPTEMBER 2013**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	865	865
1.2 Payments for:		
(a) staff costs (Note 3)	(1,545)	(1,545)
(b) advertising and marketing	(133)	(133)
(c) research and development (Note 4)	(388)	(388)
(d) leased assets	(1)	(1)
(e) website publisher payments	(7)	(7)
(f) other cost of sales	(195)	(195)
(g) other working capital/overheads	(483)	(483)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	104	104
1.5 Interest and other costs of finance paid	-	-
1.6 Income and Other taxes paid	(4)	(4)
1.7 Other – R&D Tax Incentive	-	-
<b>Net operating cash flows</b>	<b>(1,787)</b>	<b>(1,787)</b>

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	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(1,787)</b>	<b>(1,787)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(5)	(5)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	1	1
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(4)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,791)</b>	<b>(1,791)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc. – Note 3	226	226
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – Costs relating to issues of shares	-	-
<b>Net financing cash flows</b>	<b>226</b>	<b>226</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,565)</b>	<b>(1,565)</b>
1.21 Cash at beginning of quarter/year to date	9,132	9,132
1.22 Exchange rate adjustments – Note 2	(23)	(23)
<b>1.23 Cash at end of quarter</b>	<b>7,544</b>	<b>7,544</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	56
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Directors Fees of \$56k.  In addition, item 1.1 includes receipts from trading with entities associated with Directors of \$13k	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	457	525
4.2 Deposits at call	7,087	8,607
4.3 Bank overdraft	-	-
4.4 Other	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>7,544</b>	<b>9,132</b>

### Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2013  
**Company Secretary**

Print name: Brendan Maher

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### Notes

1. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
2. **Exchange Rate Adjustment (1.22):** Represents accounting adjustment related to conversion of US dollar, GB pound and Euro bank account balances to local currency.
3. **Proceeds from issue of shares (1.2a & 1.15):** Includes a payment of \$226k in year to date Employment Costs (1.2a) paid to the Adslot Employee Share Trust who used those funds to procure new shares in the Company which is shown at 1.15. These shares are eliminated on consolidation as Treasury Shares in the accounts of the Company.
4. **Research & Development (1.2c):** Represents direct payroll and on-costs related to on-going technology development work compliant with R&D Grant regulations.

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