

Appendix 4C - Quarterly report

Commentary for the quarter ending 30 June 2019

Cash receipts from customers for the June 2019 quarter were \$5.56m, an increase of \$0.36m or 7% on the previous quarter's receipts of \$5.20m.

During the June 2019 quarter, the Company received \$4.00m from the Placement announced on 9 May 2019 (\$3.76m after transaction costs).

Outgoing cash payments during the quarter at \$8.64m were \$3.01m or 54% higher than the previous quarter, driven primarily by an increase in publisher payments (\$3.14m increase), in line with estimates in the March 2019 Appendix 4C.

The \$8.64m in payments during the quarter were \$0.27m below the forecast of \$8.91m primarily due to employment cost savings.

Net cash outflows from operating activities for the quarter were \$1.66m, a \$2.35m increase on the previous quarter (March 2019 Quarter: \$0.69m net cash inflow excluding the \$3.00m R&D Rebate received).

Cash at the end of the June quarter was \$8.17m.

The timing of the Company's operating cost outflows is relatively predictable. The timing of publisher payments (a balance sheet item) is dependent on the timing of payments from advertisers and the receipt of publisher invoices, and as a result, more difficult to estimate.

The forecast for September 2019 cash outflows is \$7.48m, that will be paid from the current cash balance of \$8.17m, along with receipts in the September 19 quarter.

The Company continues to assess the progress of trading fee revenues and the required investment to accelerate their growth. The Company will continue to explore and consider a range of capital management initiatives to ensure it is best placed to maximise the opportunity for trading fee revenues.

More information on the Company's performance is available via the Company's Trading Update issued today.

Note: Adjustment to classification

In prior Appendix 4Cs, capitalised salary amounts were recorded in the Operating Activities 1.2b Research & Development. For this June 2019 Appendix 4C, the capitalised salary amount of \$5.02m for full year and \$1.39m for the quarter, are recorded as intellectual property 2.1 (d) in investing activities.

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,558	17,401
1.2 Payments for		
(a) staff costs	(1,900)	(8,364)
(b) research and development	-	-
(c) publishers	(4,081)	(6,289)
(d) other cost of sales	(315)	(1,359)
(e) advertising and marketing	(39)	(167)
(f) leased assets	(1)	(3)
(g) other working capital/overheads	(895)	(3,119)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,998
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,663)	1,154

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(1,391)	(5,021)
(e) other non-current assets	(15)	(33)
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)	-	-
2.6 Net cash from / (used in) investing activities	(1,406)	(5,054)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,000	7,431
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	(245)	(324)
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)	-	-
3.10 Net cash from / (used in) financing activities	3,755	7,107

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	7,426	4,775
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,663)	1,154
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,406)	(5,054)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,755	7,107
4.5 Effect of movement in exchange rates on cash held	54	184
4.6 Cash and cash equivalents at end of quarter	8,166	8,166

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	5,156	6,308
5.2 Call deposits	3,010	1,118
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,166	7,426

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	110
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. Payments to related entities of the entity and their associates	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. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Publishers	2,746
9.3 Advertising and marketing	69
9.4 Leased assets	290
9.5 Staff costs	2,207
9.6 Other cost of sales	327
9.7 Other working capital/overheads	515
9.8 other payments – to acquire intellectual property	1,326
9.9 Total estimated cash outflows	7,480

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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: 31 July 2019

Print name: Felicity Conlan

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.