

## Appendix 4C - Quarterly report

### Commentary for the quarter ending 31 March 2017

Cash receipts from customers for the March 2017 quarter were \$2.93m, slightly down on the previous quarter's receipts of \$3.16m. The March quarter is seasonally impacted by a very low January, which we observed again this year. We were also affected by quarter end timing, as we received \$0.44m from customers in the US on 1 April which is not included in this Appendix 4C. If this had been received one day earlier, Receipts from Customers would have been up on last quarter.

Payments during the quarter at \$5.90m were higher than the previous quarter of \$4.59m. This is in line with our ramping of expenditure in staff and R&D product development as outlined in our Use of Funds disclosed as part of our capital raising late last year.

Payments of \$5.90m during the quarter were lower than forecasted payments of \$6.26m as a result of lower payments to publishers and lower than forecast ramp in staff and R&D costs.

As anticipated, during the quarter the Company received \$2.36m from R&D Tax Incentive relating to its R&D activities for the year ended June 2016.

As a result **net cash used in operating activities** for the quarter was \$0.455m.

In the nine months to March 2017 the business has used \$3.99m of cash in operating activities.

The Company is forecasting \$6.31m of outflows for the June 2017 quarter compared to \$5.90m paid in the March quarter. Whilst staff and R&D expenditure is forecast to increase next quarter, we forecast lower publisher payments.

Cash at the end of the March 2017 quarter was \$17.41m.

Lastly, based on R&D expenditure incurred between July 2016 and March 2017, an additional \$2.0m will be collected later this year.

More information on the Company's progress is available via the Company's Trading Update also released 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 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,934	8,432
1.2 Payments for		
(a) staff costs	(2,174)	(5,655)
(b) research and development	(1,160)	(3,219)
(c) publishers	(1,429)	(2,667)
(d) other cost of sales	(205)	(751)
(e) advertising and marketing	(27)	(102)
(f) leased assets	(1)	(3)
(g) other working capital/overheads	(903)	(2,584)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	152	200
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,358	2,358
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(455)</b>	<b>(3,991)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<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	(67)	(149)
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>(67)</b>	<b>(149)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	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	-	(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>-</b>	<b>16,836</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 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	17,977	4,746
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(455)	(3,991)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(67)	(149)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	16,836
4.5 Effect of movement in exchange rates on cash held	45	(32)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>17,410</b>	<b>17,410</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	2,917	1,399
5.2 Call deposits	14,493	16,578
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>17,410</b>	<b>17,977</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	47
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	2,449
9.2 research and development	1,496
9.3 Publishers	1,038
9.4 other cost of sales	205
9.5 advertising and marketing	48
9.6 leased assets	1
9.7 other working capital/overheads	1,083
<b>9.8 Total estimated cash outflows from operating activities</b>	<b>6,319</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: 28 April 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.