

Appendix 4C - Quarterly report

Commentary for the quarter ending 30 September 2019

Cash receipts from customers for the September 2019 quarter were \$5.03m, a decrease of \$0.53m or 10% on the previous quarter's receipts of \$5.56m.

Outgoing cash payments during the quarter at \$7.46m were \$1.18m or 14% lower than the previous quarter, primarily due to lower publisher payments (\$1.20m decrease), in line with estimates in the June 2019 Appendix 4C.

The \$7.46m in payments during the quarter were \$0.02m below the forecast of \$7.48m.

Net cash outflows from operating activities for the quarter were \$0.88m, a \$0.78m reduction on the previous quarter (June 2019 Quarter: \$1.66m net cash outflow).

Cash at the end of the September 2019 quarter was \$5.92m.

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 December 2019 cash outflows is \$7.58m (Sep 19: \$7.46m), that will be paid from the current cash balance of \$5.92m, along with receipts in the December 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 FY19 rent payments for Sydney and Melbourne premises were recorded as an expense and disclosed in the Appendix 4C in operating activities ('other working capital/overheads').

Following the Company's adoption of AASB16 Leases (effective 1 July 2019), these rent payments are now recorded in the Appendix 4C as:

- interest payments, disclosed in operating activities (Interest and other costs of finance paid); and
- capital payments, disclosed in financing activities (Other (Leased Assets)).

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 September 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 5,026 | 5,026 |
| 1.2 Payments for | | |
| (a) staff costs | (2,095) | (2,095) |
| (b) research and development | - | - |
| (c) publishers | (2,884) | (2,884) |
| (d) other cost of sales | (402) | (402) |
| (e) advertising and marketing | (20) | (20) |
| (f) other working capital/overheads | (488) | (488) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 13 | 13 |
| 1.5 Interest and other costs of finance paid | (38) | (38) |
| 1.6 Income taxes paid | 4 | 4 |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (884) | (884) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 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 | (1,348) | (1,348) |
| (e) other non-current assets | (1) | (1) |
| 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 | (1,349) | (1,349) |

| | | |
|---|--------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 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 | (3) | (3) |
| 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 (Leased Assets) | (181) | (181) |
| 3.10 Net cash from / (used in) financing activities | (184) | (184) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 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 | 8,166 | 8,166 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (884) | (884) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (1,349) | (1,349) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (184) | (184) |
| 4.5 Effect of movement in exchange rates on cash held | 168 | 168 |
| 4.6 Cash and cash equivalents at end of quarter | 5,917 | 5,917 |

| 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 | 5,405 | 5,156 |
| 5.2 Call deposits | 512 | 3,010 |
| 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) | 5,917 | 8,166 |

| 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 | 89 |
| 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 | 3,027 |
| 9.3 Advertising and marketing | 67 |
| 9.4 Staff costs | 2,267 |
| 9.5 Other cost of sales | 411 |
| 9.6 Other working capital/overheads | 454 |
| 9.7 Other payments – | |
| acquisition of intellectual property | 1,176 |
| payments for leased assets | 181 |
| 9.8 Total estimated cash outflows | 7,583 |

| 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: 28 October 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.