

Appendix 4C - Quarterly report

Commentary for the quarter ending 30 June 2017

Cash receipts from customers for the June 2017 quarter were \$2.60m, versus \$2.93m for the previous quarter. This is due in part to larger media buyers and publishers choosing to manage the invoicing and collection (payment) of media transacted through Adslot directly with each other, rather than via Adslot. This behavioural shift has no impact on Adslot revenue but does reduce cash receipts and corresponding outgoing payments to publishers (by Adslot).

Cash receipts for 12 months to June were \$11.03m, of which \$8.55m or 78% relate to Trading Technology revenues. Cash receipts for a subset of trading activity includes payments to Adslot from advertisers for advertising purchased via Adslot technology, which are then remitted to publishers less an Adslot fee.

Year on year growth in Trading Technology *cash receipts* of 9% significantly understates the year on year growth in Trading Technology *revenues*. FY17 revenues will be detailed in the full year results to be released in August 2017.

Payments during the quarter of \$5.80m were slightly lower than \$5.90m for the previous (March) quarter, and in line with increased R&D investment as outlined in Use of Funds disclosed as part of the Company's capital raising in October 2016.

Payments of \$5.80m during the quarter were lower than forecasted payments of \$6.32m driven by the timing of forecast expenses and payments to publishers.

The net cash used in operating activities for the quarter was \$3.07m.

The Company is forecasting \$6.52m of payments for the September 2017 quarter which includes payments to publishers. The quarter on quarter increase is driven by a full quarter of staff recruited in the June quarter, and some expected one off costs. Whilst staff and R&D expenditure is forecast to increase in the September quarter, the Company has no plans to incur additional staff costs beyond this, and all other costs are forecast to be at similar levels to the June quarter.

Cash at the end of the June 2017 quarter was \$14.32m. Based on R&D expenditure incurred between July 2016 and June 2017, an additional \$2.7m (approximately) will be collected via the R&D Rebate scheme later this year.

More information on the Company's performance is 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")

30 June 2017

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	2,597	11,029
1.2 Payments for		
(a) staff costs	(2,648)	(8,303)
(b) research and development	(1,344)	(4,563)
(c) publishers	(655)	(3,322)
(d) other cost of sales	(266)	(1,017)
(e) advertising and marketing	(53)	(155)
(f) leased assets	(1)	(4)
(g) other working capital/overheads	(829)	(3,413)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	126	326
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
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,073)	(7,064)

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	-	-
(e) other non-current assets	(29)	(178)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	3	3
(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	(26)	(175)

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	16,836

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	17,410	4,746
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,073)	(7,064)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(175)
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	9	(23)
4.6	Cash and cash equivalents at end of quarter	14,320	14,320

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,663	2,917
5.2 Call deposits	12,657	14,493
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)	14,320	17,410

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	100
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 staff costs	2,902
9.2 research and development	1,556
9.3 Publishers	607
9.4 other cost of sales	279
9.5 advertising and marketing	63
9.6 leased assets	1
9.7 other working capital/overheads	844
9.8 Total estimated cash outflows from operating activities	6,252

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:  Date: 31 July 2017
(Company secretary)

Print name: Ben Dixon

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.