

Appendix 4C - Quarterly report

Commentary for the quarter ending 31 December 2017

Cash receipts from customers for the December 2017 quarter were \$2.34m, an increase of \$554k or 31% on the previous quarter's receipts of \$1.79m. The increase in cash receipts reflects a corresponding increase in the collection of trading technology revenues.

Payments during the quarter at \$5.28m were \$17k over last quarter of \$5.26m, but included one off costs of \$96k relating to the Sydney premises relocation (completed December).

Net cash used in operating activities for the quarter was \$2.83m, \$617k (18%) lower than the previous quarter at \$3.44m.

Cash at the end of the December 2017 quarter was \$7.92m, with an additional \$2.7m to be collected via the R&D Rebate Scheme within the March 2018 quarter (for R&D expenditure incurred in FY2017). The Company expects further funds collected via the R&D Rebate Scheme for FY2018 to exceed FY2017, and expects payment in the December 2018 quarter.

The Company is forecasting total costs of \$5.45m for the March 2018 quarter compared to \$5.28m in the December 2017 quarter. This is an increase of \$173k, and is driven primarily by an expected increase in publisher payments.

More information on the Company's performance is available via the Company's Trading Update issued 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 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,341	4,128
1.2 Payments for		
(a) staff costs	(2,699)	(5,244)
(b) research and development	(1,476)	(3,060)
(c) publishers	(38)	(221)
(d) other cost of sales	(200)	(358)
(e) advertising and marketing	(90)	(168)
(f) leased assets	(0)	(1)
(g) other working capital/overheads	(775)	(1,487)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	88	119
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	23	23
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,826)	(6,269)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(49)	(112)
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	0	0
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	(49)	(112)

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	-	-
3.5	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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	10,797	14,320
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,826)	(6,269)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(49)	(112)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(5)	(22)
4.6	Cash and cash equivalents at end of quarter	7,917	7,917

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	2,577	858
5.2	Call deposits	5,340	9,939
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)	7,917	10,797

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
73
-

- 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	2,489
9.2 research and development	1,366
9.3 Publishers	302
9.4 other cost of sales	379
9.5 advertising and marketing	34
9.6 leased assets	1
9.7 other working capital/overheads	880
9.8 Total estimated cash outflows from operating activities	5,451

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 January 2018

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.