

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Connexion Media Limited

ABN

68 004 240 313

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	706,935	929,539
1.2 Payments for		
(a) research and development	(103,839)	(187,646)
(b) product manufacturing and operating costs	(59,122)	(93,492)
(c) advertising and marketing	(35,302)	(42,344)
(d) leased assets	-	-
(e) staff costs	(98,284)	(326,034)
(f) administration and corporate costs	(392,957)	(688,964)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2,430
1.5 Interest and other costs of finance paid	-	(16,188)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other: Tax R&D rebate*	-	-
Net Cash inflow of \$1.35 million expected to be received before publication of 31 December 2017 Interim Financial Statements.		
1.9 Net cash from / (used in) operating activities	17,431	(422,699)

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Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(187)
(b) businesses (see item 10)	-	-
(c) investments	-	(22,695)
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	5,267
(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	-	(17,615)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	6,300	6,300
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	150,000	400,000
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	156,300	406,300

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Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
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	154,811	367,194
4.2 Net cash from / (used in) operating activities (item 1.9 above)	17,431	(422,699)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(17,615)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	156,300	406,300
4.5 Effect of movement in exchange rates on cash held	(55,435)	(60,073)
4.6 Cash and cash equivalents at end of quarter	273,107	273,107

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	Previous quarter \$A
5.1 Bank balances	273,107	273,107
5.2 Call deposits	-	-
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)	273,107	273,107

6. Payments to directors of the entity and their associates	Current quarter \$A
6.1 Aggregate amount of payments to these parties included in item 1.2	22,500
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	

Payment of Board and Director's Fees

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7. Payments to related entities of the entity and their associates	Current quarter \$A
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	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities - A	1,000,000	650,000
Loan facilities - B	500,000	-
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.

Loan facilities A) CXZ Credit Facility entered into 30 June 2017 with Principis Master Fund SPC. Secured against R&D Rebate, accruing interest at 36% annually. Facility to be repaid on receipt of the R&D Funding as set out in 1.8 above.

Loan facilities B) CXZ Credit Facility entered into 10 January 2017 with Lucerne Investment Partners to assist with the funding for the proposed acquisition of Security Shift Group as announced on 10 January 2018. Secured by a PPSA Security Interest taken in all the borrowers present and after acquired property. CXZ to appoint a representative of Lucerne as a director of the company within 30 days of initial drawdown. Accrues interest at 9.5% per annum compounded monthly, with a default rate of 19.5%.

9. Estimated cash outflows for next quarter	\$A
9.1 Research and development	(70,876)
9.2 Product manufacturing and operating costs	(54,050)
9.3 Advertising and marketing	(12,864)
9.4 Leased assets	-
9.5 Staff costs	(77,569)
9.6 Administration and corporate costs	(94,500)
9.7 Other: Repayment of Loan Facilities	(769,722)
9.8 Total estimated cash outflows	(1,079,581)

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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: .Peter Torre

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.
4. Included in the current period are various adjustments relating to prior period cost allocations. These adjustments are not material, and do not affect Net cash from / (used in) operating activities, Net cash from / (used in) investing activities, or Net cash from / (used in) financing activities.

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