

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Bulletproof Group Limited

ABN

80 148 142 634

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	6,142	11,058
1.2 Payments for (a) staff costs (note 1)	(2,575)	(4,811)
(b) advertising and marketing	(129)	(200)
(c) research and development	(126)	(311)
(d) leased assets	-	-
(e) other working capital (note 2)	(2,574)	(5,572)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Others	-	-
<b>Net operating cash flows</b>	<b>761</b>	<b>200</b>

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	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>1.8 Net operating cash flows (carried forward)</b>	<b>761</b>	<b>200</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (note 3)	(700)	(700)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets (note 4)	(230)	(365)
(e) other non-current assets (note 5)	(650)	(1,055)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1,580)</b>	<b>(2,120)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(819)</b>	<b>(1,920)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from acquisition of business	-	-
1.16 Proceeds from issue of shares (note 6)	445	5,720
1.17 Proceeds from borrowings	-	-
1.18 Repayment of Hire Purchases	(619)	(1,448)
1.19 Dividends paid	-	-
1.20 Other - Capital Raising Cost (note 6)	(20)	(284)
<b>Net financing cash flows</b>	<b>(194)</b>	<b>3,988</b>
<b>Net increase(decrease) in cash held</b>	<b>(1,013)</b>	<b>2,068</b>
1.21 Cash at beginning of quarter/year to date	5,340	2,252
1.22 Exchange rate adjustments to item 1.20	(6)	1
1.23 <b>Cash at end of quarter</b>	<b>4,321</b>	<b>4,321</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	32
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Director Fees and Superannuation

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities (Hire Purchase)	5,100	2,871
3.2	Credit standby arrangements		

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,037	1,091
4.2	Deposits at call	3,284	4,250
4.3	Term deposits		
4.4	Bank overdraft		
<b>Total: cash at end of quarter</b> (item 1.23)		4,321	5,341

**Additional Notes**

- 1. Payment for staff costs**  
 Current quarter includes hiring and employment costs for extra sales and pre-sales resources, for the purposes of growth that will begin to generate revenue in FY15 H2. The acquisition of Pantha Corp further increases employee expenses with an additional 22 employees. Expenses for staff hired for these 'growth objectives' were \$365k for the quarter, and for the half were approximately \$500k.
- 2. Payment for other working capital**  
 Working capital in the current quarter is primarily made up of payments to Amazon Web Services (associated with the managed cloud platform) and to other service providers for managed hosting platform costs. Statutory and office expenses make up around 20% of the cost.
- 3. Payment for acquisition of businesses**  
 On 11 December 2014, Bulletproof Networks acquired the assets of Pantha Corp. The upfront payment of \$800k and initial costs for the period were reduced in cash terms to \$700k given the transfer of employee leave liabilities as at the transaction date. For further information please refer to ASX announcement 11 December 2014: Bulletproof acquired Pantha Corp.
- 4. Physical non-current assets**  
 Primarily the configuration of NetSuite ERP system to assist with increased business growth; to be amortised over a five year period.
- 5. Other non-current assets**  
 Primarily Amazon Web Services Reserved Instances, purchased to support existing customers; to be amortised over a three year period.
- 6. Proceeds from Issue of Shares**  
 Current quarter includes 1,483,337 shares issued at 30c per share on 8 October 2014 from the Share Purchase Plan (SPP) announced on 15 September 2014. Capital raising costs associated with this plan amounted to \$20k.

Year to date inclusive of 5,000,000 broker options exercised on 15 July 2014 at 20c per option and 14,248,700 shares issued at 30c per share on 18 September 2014 from an Institutional Placement announced on 15 September 2014. Capital raising costs associated with the placement amounted to \$284k.

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**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Kylie Turner Date: 30 January 2015  
(Company secretary)

Print name: Kylie Turner

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