

26th October, 2018: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended 30 September 2018, featuring:

- 75% increase in cash receipts from customers with A\$1.09m for the quarter, compared to A\$0.62m for the prior corresponding period.
- The Company also received an R&D tax concession for the financial year ended 30 June 2018 of A\$0.77m.
- A\$1.05m receivables as at September 30, 2018 which are due to be received in October 2018.
- Stable operating and investing costs of A\$2.05m compared to A\$2.03m in the prior corresponding period, which is in line with prior quarters.
- Funding of \$200,000 was advanced by the Chairman and the Managing Director under the existing funding facility.

The quarter yielded another strong result for OtherLevels, reflecting the continued momentum the company is seeing with sales growth and effective operational cost controls.

With the acquisition of XCOM Media (“XCOM”) announced during the week, the next quarter will also see the Company focus on integrating the XCOM business and implementing the strategies outlined in the announcement to further enhance OtherLevels presence in the mid-market. The estimated cash outflows for Q2 include the acquisition consideration, associated transaction costs and XCOM operating outflows. Q2 will also include cash receipts of A\$1.435m representing proceeds of the successful placement to sophisticated investors and a number of small cap specialist funds.

- ENDS -

Contact

Brendan O’Kane

Managing Director and CEO

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About OtherLevels

OtherLevels is a leading second-generation digital marketing platform operating in Europe, the US and Australia

The OtherLevels platform enables clients to **acquire sooner**, **engage smarter** and **retain longer** and supports desktop, mobile web and apps. OtherLevels leading clients include Camelot (UK), Tatts, Coles, Flight Centre, IHG, LadbrokesCoral, Betfred, Doubledown and Playstudios.

For more information, please visit www.otherlevels.com, OtherLevels Holdings Limited ACN 603 987 266.

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

OtherLevels Holdings Limited (OLV)

ABN

88 603 987 266

Quarter ended ("current quarter")

30 September 2018

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	1,088	1,088
1.2 Payments for		
(a) research and development	(195)	(195)
(b) staff costs	(723)	(723)
(c) administration and corporate costs	(618)	(618)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(58)	(58)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	769	769
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	263	263

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 (software development)	(458)	(458)
(e) other non-current assets	-	
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(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	(458)	(458)

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	200	200
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(4)	(4)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	196	196

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	217	217
4.2 Net cash from / (used in) operating activities (item 1.9 above)	263	263
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(458)	(458)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	196	196
4.5 Effect of movement in exchange rates on cash held	1	1
4.6 Cash and cash equivalents at end of quarter	219	219

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	219	217
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)	219	217

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	95
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	

Director fees and employment agreement with Mr Brendan O'Kane, CEO & Managing Director as well as with Mr Ian Lowles, Interim General Manager, OtherLevels Australia.

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 (refer below)	1,500	1,300
8.2 Credit standby arrangements	-	-
8.3 Loan facility - Other (refer below)	1,550	1,550
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.		

8.1 Loan facilities as at 30 September 2018 comprise of the following:

(a) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn as at 30 September 2018 = \$300,000.

(b) Loan facility of \$2,350,000. Lenders are a syndicate of sophisticated and professional investors, led by Brendan O’Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. As at 30 September 2018, the full facility had been drawn. Brendan and Brian also agreed to extend a further \$400,000 at the end of June and \$200,000 of this was drawn this quarter.

9. Estimated cash outflows for next quarter¹	\$A'000
9.1 Research and development	(195)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(870)
9.6 Administration and corporate costs	(670)
9.7 Interest and other finance costs	(55)
9.8 Investing cash outflows - Plant & equipment	(3)
- Software development	(467)
9.9 Investing cash outflows - Acquisition consideration & transaction costs	(1,360)
9.10 Total estimated cash outflows	(3,620)

¹ OLV has acquired 100% of the XCOM Media business effective 1 November 2018. The above estimated cash outflows include the acquisition consideration, associated transaction costs and XCOM operating outflows from 1 November 2018.

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: 

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Company Secretary

Date: 26th October 2018

Print name: Andrew Ritter

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. Payments to employees totalled \$1.368million and is included within the research & development (1.2(a)), staff costs (1.2(b)) and software development (2.1(d)) costs above. The allocation between these categories may vary from quarter to quarter, depending on the activities undertaken by employees.