

26th April 2019: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended 31st March 2019, featuring:

- YTD operating and investing cash receipts were A\$5.3m for 9 months to 31 March 2019.
- Cash receipts from clients were A\$1.6m for the quarter compared to A\$2m for the prior corresponding period.
- Excluding acquisition related costs, operating and investing costs were A\$2.25m for the quarter.
- Synergies, at an annualised rate of \$0.12m have been achieved to date with the XCOM integration.
- Cash balance of A\$548k as at 31 March, 2019.

Cash receipts from existing clients were strong, however new sales opportunities are taking longer to convert than previously, particularly in the UK market. A number of these opportunities are forecast to close in the current quarter and additionally new prospects continue to be identified in the US wagering market, which is in the process of deregulation, creating longer term opportunities for the company.

The XCOM business continues to perform well, and after a seasonal slowdown in January, bookings have returned to normal levels, including the first XCOM originated resale of the OtherLevels platform as part of an XCOM solution.

Cost discipline was maintained and further cost savings were achieved including XCOM integration synergies. Further synergies and cost savings are expected in the coming quarters.

In order to ensure adequate operational funding, the Company will offer a Convertible Note facility of \$1.0m for a term ending 30 June, 2021 at an interest rate of 12%, paid monthly in arrears. The Note will have the option to convert to shares at a strike price of \$0.03c. The Chairman and Managing Director have agreed to underwrite \$500,000 of the Convertible Note, with the provision of their option to convert, being subject to shareholder approval.

- 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")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,616	4,492
1.2 Payments for		
(a) research and development	(182)	(585)
(b) staff costs	(895)	(2,408)
(c) administration and corporate costs	(629)	(1,765)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(51)	(160)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	809
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(141)	385

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses	(32)	(1,026)
(c) investments	-	-
(d) intellectual property (software development)	(493)	(1,482)
(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 (9 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	(525)	(2,508)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	300	1,735
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	-	(114)
3.5	Proceeds from borrowings	450	850
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(4)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	750	2,467

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	471	217
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(141)	385
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(525)	(2,508)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	750	2,467
4.5	Effect of movement in exchange rates on cash held	(7)	(13)
4.6	Cash and cash equivalents at end of quarter	548	548

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	548	471
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)	548	471

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
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
75

Director fees and employment agreement with Mr Brendan O'Kane, CEO & Managing Director, OtherLevels Australia.

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

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)	3,550	3,500
8.2 Credit standby arrangements	-	-
8.3 Loan facility - Other (refer below)		
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 31 March 2019 comprise of the following:
- (a) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. This is fully drawn.
 - (b) Loan facility of \$2,750,000. Lenders are a syndicate of sophisticated and professional investors, led by Brendan O'Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. This facility has been fully drawn as at 31 March 2019.
 - (c) Loan facility of \$500,000. Lenders are directors of OtherLevels Holdings including Brendan O'Kane, Brian Mitchell and Cris Nicolli. \$450,000 has been drawn as at 31 March 2019.

9. Estimated cash outflows for next quarter¹	\$A'000
9.1 Research and development	(192)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(915)
9.6 Administration and corporate costs	(605)
9.7 Interest and other finance costs	(52)
9.8 Investing cash outflows - Plant & equipment	(3)
- Software development	(501)
9.9 Investing cash outflows - Acquisition consideration & transaction costs	-
	-
9.10 Total estimated cash outflows	(2,268)

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		

OtherLevels acquired XCOM Media Pty Ltd, a Brisbane based digital marketing automation agency for an initial base consideration of \$1.05m (with additional earn-out components payable). The acquisition settled on 1 November 2018.

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 April 2019

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 for the quarter totalled \$1.553 million 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.