

31st July 2019: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended 30th June 2019, featuring:

- Total operating and investing cash receipts for FY19 were A\$6.2m.
- Cash receipts from clients were A\$0.9m for the quarter.
- Receivables outstanding were \$0.7m as at the end of quarter.
- Cash and cash equivalents of \$0.2m at the end of quarter.
- Excluding acquisition related costs, operating and investing costs were A\$2.2m for the quarter and \$8.6m for the year.
- It is expected that the company will receive payment of its R&D tax grant in the first quarter of FY20, of approximately \$0.5m.

As per the recent Operational Update released last month, whilst the Company has been disappointed in its overall sales performance in FY19, the review undertaken in the last quarter, and the resulting reduction in operating costs, aims to deliver improved performance and results in FY20. The Company expects stronger cash receipts in FY20 Q1, and improved cashflow into the start of FY20 Q2, as a result of a number of contracted renewals due in August and September.

The Company continues to develop discussions with potential partners in the martech and sports betting/iGaming space with a view to accelerating sales coverage and sales success, particularly as it pertains to the significant opportunity in the US market. While these discussions are ongoing, the Board is comfortable with the current discussions and looks forward to successfully concluding them in an acceptable timeframe.

- ENDS -

Contact

Brendan O’Kane

Managing Director and CEO

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About OtherLevels

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

The OtherLevels platform enables clients to **acquire sooner, engage smarter** and **retain longer** across desktop, mobile web and apps audiences. OtherLevels provides both **OtherLevels Intelligent Messaging**, an omni-channel messaging solution, as well as **OtherLevels In-Play Live Messaging**, a real-time live messaging solution for on-line sports betting and iGaming operators. OtherLevels leading clients include Camelot (UK), Tatts/Tabcorp, Coles, Flight Centre, IHG, LadbrokesCoral, Betfred and Doubledown.

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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	854	5,346
1.2 Payments for		
(a) research and development	(242)	(827)
(b) staff costs	(853)	(3,261)
(c) administration and corporate costs	(585)	(2,371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received		3
1.5 Interest and other costs of finance paid	(51)	(211)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	19	829
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(858)	(492)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses	-	(1,026)
(c) investments	-	-
(d) intellectual property (software development)	(456)	(1,938)
(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 (12 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	(456)	(2,964)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	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	1,000	1,850
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)	(23)	-
3.10 Net cash from / (used in) financing activities	977	3,467

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	548	217
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(858)	(492)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(456)	(2,964)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	977	3,467
4.5 Effect of movement in exchange rates on cash held	(5)	(22)
4.6 Cash and cash equivalents at end of quarter	206	206

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	206	548
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)	206	548

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	75
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, 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)	3,550	3,500
8.2 Credit standby arrangements	-	-
8.3 Loan facility - Other (refer below)	1,000	1,000
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 June 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 (Managing Director) and Brian Mitchell (Chairman), directors of OtherLevels Holdings Limited. This facility has been fully drawn as at 30 June 2019.
 - (c) Loan facility of \$500,000. Lenders are directors of OtherLevels Holdings Ltd including Brendan O’Kane, Brian Mitchell and Cris Nicolli. \$450,000 has been drawn as at 31 March 2019.
 - (d) Convertible Note facility of \$1,000,000 fully underwritten by Brendan O’Kane and Brian Mitchell with the option to convert to shares being subject to shareholder approval.

9. Estimated cash outflows for next quarter¹	\$A'000
9.1 Research and development	(125)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs*	(1125)
9.6 Administration and corporate costs	(635)
9.7 Interest and other finance costs	(58)
9.8 Investing cash outflows - Plant & equipment	-
- Software development	(265)
9.9 Investing cash outflows - Acquisition consideration & transaction costs	-
9.10 Total estimated cash outflows	(2,208)
*Staff costs include one-off redundancy costs of approximately \$200,000.	

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: 31st July 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 \$1.54 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.

