

ASX Release

29 July 2016

Appendix 4C Quarterly Report – 30 June 2016

- Successful placement to institutional and sophisticated investors to raise A\$1.6 million completed during the June quarter
- A\$1.0m receipts from customers (compares to A\$1.0m in the March quarter)
- Cash burn of A\$1.7m due to slower than expected customer acquisitions
- Weak UK macroeconomic factors (including Brexit) resulted in limited growth in customer acquisitions for the June quarter

OtherLevels Holdings Limited (ASX: OLV, “OtherLevels” or the “Company”) has today released its Appendix 4C Quarterly Report for the period ended 30 June 2016.

The Company had stable receipts from customers (A\$1.0m) but a higher cash burn rate this quarter, up to A\$1.7m after being A\$1.5m last quarter. The increase can largely be attributed to slippage in the signing of new client contracts.

UK-related macroeconomic events and other specific events outside of OtherLevels’ control had a negative impact on OtherLevels’ ability to win new clients. Two new clients were signed in the quarter.

The Company has continued to invest significant resources to fund the growth of OtherLevels’ business. The recent release of the OtherLevels 2.0 platform, browser push and the Intelligent Messaging Service have all been positively received by key OtherLevels clients and are a major feature in ongoing client origination discussions. The Company will continue to closely monitor cash flow to ensure that OtherLevels is in the best financial position to optimise operational performance and maximise shareholder returns.

As disclosed in the ASX Announcement “*Company update*” released 1 June 2016, OtherLevels anticipates that the cash burn for the upcoming September quarter may also be flat or marginally higher due to the timing of contract renewals and lead time required for the expanded UK sales team to win new clients.

- ENDS -

For more information, please contact:

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About OtherLevels

OtherLevels is a leading second-generation digital marketing platform with offices in San Francisco, London, Brisbane and Melbourne. OtherLevels is at the forefront of the enterprise marketing transformation being driven by the massive shift to mobile.

The OtherLevels digital marketing platform enables marketers to engage and retain their audience across desktop, mobile web and apps. OtherLevels' capabilities in these areas were recognised via inclusion in the prominent industry report *Vendor Landscape: Mobile Engagement Automation Solutions* developed by Forrester, one of the most influential research and advisory firms in the world. OtherLevels is used by leading global and Australian brands including InterContinental Hotels, Ladbrokes, Camelot (the UK National Lottery), Tatts and Yarra Trams.

For further information, visit: www.otherlevels.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

OtherLevels Holdings Limited

ABN

88 603 987 266

Quarter ended ("current quarter")

30th June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	980	4,079
1.2	Payments for (a) staff costs	(1,895)	(7,360)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(764)	(3,373)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	40
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / refunded	-	84
1.7	Other (provide details if material)	(75)	(75)
Net operating cash flows		(1,750)	(6,605)

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,750)	(6,605)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	26	1
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(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)	-	-
Net investing cash flows	26	1
1.14 Total operating and investing cash flows	(1,724)	(6,604)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1,600	4,002
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - Transaction costs of new share issue	(156)	(217)
Net financing cash flows	1,444	3,785
Net increase (decrease) in cash held	(280)	(2,819)
1.21 Cash at beginning of quarter/year to date	2,594	4,998
1.22 Exchange rate adjustments to item 1.21	3	138
1.23 Cash at end of quarter	2,317	2,317

+ See chapter 19 for defined terms.

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	136
1.25	Aggregate amount of loans to the parties included in item 1.11	—
1.26	Explanation necessary for an understanding of the transactions	
	1.7 Cash back bank guarantee for new tenancy 1.24 Directors' remuneration	

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

- 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

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	—	—
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	2,317	2,594
4.2	Deposits at call	—	—
4.3	Bank overdraft	—	—
4.4	Other (provide details)	—	—
Total: cash at end of quarter (item 1.23)		2,317	2,594

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

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 ~~/does not*~~ (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 July 2016
 (Director/Company secretary)

Print name: Peter Harding-Smith

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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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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