

31st July, 2017: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended 30 June 2017.

- Cash receipts from customers were \$1,550,000 for the quarter, a growth of greater than 50% compared to \$984,000 for the prior corresponding period.
- This represents the highest ever quarter for cash receipts since the Company listed in March 2015.
- Over the past two months, five new customers have been announced, and the Company's pipeline continues to grow as expansion and upsell opportunities are explored with existing clients.
- Operating and investing costs in the quarter were down \$744,000 to \$1,934,000, compared to \$2,708,000 for the prior corresponding period. Of this amount, operating costs for research, development, staff, administration and corporate costs represented \$1,518,000.

The following table summarises the quarterly cash receipts and net cash payments from operating and investing activities over the last 18 months:

	Cash inflows (Customer receipts) A\$'000	Cash outflows (Operating & Investing) A\$'000	Net cash flows (Operating & Investing) A\$'000
Q4 FY17	1,550	(1,934)	(384)
Q3 FY17	1,050	(1,834)	(784)
Q2 FY17	1,132	(1,997)	(865)
Q1 FY17	1,288 *	(3,177) **	(1,889)
Q4 FY16	984	(2,708)	(1,724)
Q3 FY16	978	(2,509)	(1,531)

* In addition to the \$489,000 in customer receipts in Q1 FY17, the Company also received the R&D tax concession for the financial year ended 30 June 2016 of \$799,270. The Company expects to receive another R&D tax concession in Q1 FY18 for the 2017 financial year.

** Includes one-off restructuring costs, primarily in the US.

As announced to the market on 4th July 2017, OtherLevels has secured a \$1.35 million loan facility from a syndicate of sophisticated and professional investors, and is led by Brian Mitchell and Brendan O'Kane, Directors of OtherLevels. The facility supports the Company's strategy of successfully growing sales and reducing costs to move closer towards positive operating cash flow is funded adequately.

As at 30 June 2017 \$350,000 of the loan facility was advanced, with the remaining \$1.0 million advanced during July to meet current working capital needs.

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CFO & Company Secretary

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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 from the wagering, lotteries and social casino sectors, include Camelot (UK), Tatts, Coles, Flight Centre, IHG, LadbrokesCoral, Betfred, Doubledown and Playstudios.

For more information, please visit <http://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

ABN

88 603 987 266

Quarter ended ("current quarter")

30 June 2017

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	1,549	4,220
1.2 Payments for		
(a) research and development	(165)	(662)
(b) staff costs	(721)	(3,570)
(c) administration and corporate costs	(630)	(3,208)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	799
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	32	(2,417)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(7)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property (software development)	(416)	(1,497)
(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	(416)	(1,504)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,100
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	-	(160)
3.5 Proceeds from borrowings	915	1,415
3.6 Repayment of borrowings	(365)	(365)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	550	1,990

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	220	2,317
4.2 Net cash from / (used in) operating activities (item 1.9 above)	32	(2,417)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(416)	(1,504)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	550	1,990
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	386	386

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	386	220
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)	386	220

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
85
-

Director fees along with CEO & Managing Director employment agreement with Mr Brendan O'Kane.

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)	1,100	700
8.2 Credit standby arrangements		
8.3 Loan facility - Other (refer below)	1,350	350
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 2017 comprise of the following:		
(a) \$800,000 - Brendan O'Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn at 30 June 2017 = \$500,000.		
(b) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn at 30 June 2017 = \$200,000.		
8.3 Loan facility of \$1.35 million, as announced to the ASX on 4 July 2017. Lenders are a syndicate of sophisticated and professional investors, led by Brendan O'Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. Refer to ASX announcement for further details.		
As at 30 June 2017, \$350,000 had been advanced from the facility, with the remainder advanced in July 2017.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(165)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(860)
9.6 Administration and corporate costs	(421)
9.7 Investing cash outflows - Plant & equipment	(3)
- Software development	(429)
9.8 Total estimated cash outflows	(1,878)

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: 31 July 2017

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 \$1.3 million, comprising of research & development (1.2(a) - \$165k), staff costs (1.2(b) - \$721k) and software development (2.1(d) - \$416k). The allocation between these categories may vary from quarter to quarter, depending on the activities undertaken by employees.