

24th July, 2018: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended June 2018.

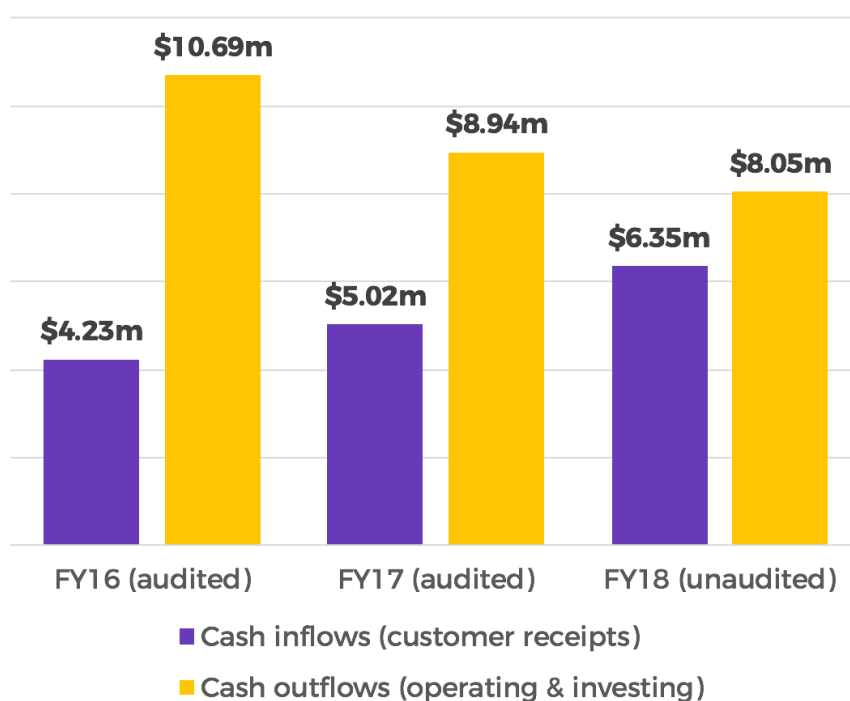
Please also see the *OtherLevels Operational Update* released concurrently.

FY18 was a year of continued growth and progress for OtherLevels. Highlights included (all FY18 figures are unaudited):

- **56% revenue growth** to \$5.24m
- **\$4.4m annual recurring revenue** as at June 2018
- **73% improvement for FY18 EBITDA of (\$1.1m)**, compared with FY17
- **9% cash expense reduction to \$8.1m** in FY18 compared to \$8.9m FY17
- **57% improvement in FY18 in net operating cashflow**, a positive change of \$2.2m from FY17 to FY18.
- **2 positive operating cash flow quarters** in FY18

Additionally, OtherLevels continued to make progress towards sustained positive operational cash flow with the goal of achieving full year positive operational cash flow in FY19.

OtherLevels Operating Cash Inflows & Outflows



Note: Operating cash inflows include R & D rebate

As indicated in our Operational Update, cash receipts for FY18 Q4 were lower than the prior corresponding period. This was due to a number of factors, including the renewal or extension of existing contracts later in the quarter than planned, and the delay in sales activity in our key iGaming market due to our clients' operational focus on the Football World Cup.

However, due to the timing impact indicated above, cash receipts in Q1 FY19 will now be higher than the prior corresponding period subject to the receipt of the company's R&D rebate for FY18.

During FY18 Q4 the Chairman, Managing Director and Primary Lender advanced a total of \$500,000 under a previously announced funding facility.

In order to provide additional funding, if required, and reflecting continued increasing confidence in the progress of OtherLevels, the Chairman and Managing Director have agreed to extend their funding facility limit by an additional \$400,000.

- 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

ABN

88 603 987 266

Quarter ended ("current quarter")

30 June 2018

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	888	5,618
1.2 Payments for		
(a) research and development	(165)	(660)
(b) staff costs	(748)	(3,022)
(c) administration and corporate costs	(533)	(2,325)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(43)	(168)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	733
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(600)	180

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(9)	(17)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property (software development)	(501)	(1,860)
(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	(510)	(1,877)

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	-	1
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(88)
3.5	Proceeds from borrowings	500	1,700
3.6	Repayment of borrowings	-	(100)
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	500	1,513

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	834	385
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(600)	180
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(510)	(1,876)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	1,513
4.5	Effect of movement in exchange rates on cash held	(7)	15
4.6	Cash and cash equivalents at end of quarter	217	217

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	217	834
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)	217	834

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
112
-

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

- 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	1,100
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 June 2018 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 as at 30 June 2018 = \$800,000.
(b) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn as at 30 June 2018 = \$300,000.
8.3 Loan facility of \$1.55 million. Lenders are a syndicate of sophisticated and professional investors, led by Brendan O'Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. The original facility of \$1.35m was increased by a further \$200K facility in June 2018. As at 30 June 2018, the full facility of \$1,550,000 had been drawn.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(170)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(819)
9.6 Administration and corporate costs	(560)
9.7 Interest and other finance costs	(53)
9.8 Investing cash outflows - Plant & equipment	(3)
- Software development	(414)
9.9 Total estimated cash outflows	(2,019)

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: 24th July 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 \$1.414 million, comprising of research & development (1.2(a) - \$165k), staff costs (1.2(b) - \$748k) and software development (2.1(d) - \$501k). The allocation between these categories may vary from quarter to quarter, depending on the activities undertaken by employees.