

23rd April, 2018: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels) has today released its Appendix 4C for the quarter ended March 2018 featuring:

- Another strong result in Q3 FY18, with the second consecutive quarter of positive operational cashflow.
- Cash receipts from customers in excess of A\$2,000,000, an increase of 95% compared to the prior corresponding period of A\$1,050,000.
- A significant improvement in operating and investing cashflow for Q3 FY18 of A\$51,000, compared to the prior year corresponding period which was an outflow of (A\$784,000).
- Receivables as of March 31, 2018 in excess of A\$500,000, which are due to be receipted in April 2018.
- Continuing effective cost control, with operating and investing cash outflows for the quarter of A\$1,993,000, consistent with prior periods.
- Strong cash balance of A\$834,000 as of March 31, 2018.

The quarter yielded another strong result for OtherLevels, reflecting the continued momentum the company is seeing with increased sales growth and continued effective operational cost controls.

The following table summarises the quarterly cash receipts and net cash payments from operating and investing activities over the last 8 quarters:

	Cash inflows (Customer receipts) ^(#) A\$'000	Cash outflows (Operating & Investing) ^(#) A\$'000	Net cash flows (Operating & Investing) A\$'000
Q3 FY18	2,044	(1,993)	51
Q2 FY18	2,066	(2,025)	41
Q1 FY18	1,353 ¹	(2,029)	(676)
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 ²	(3,177) ³	(1,889)
Q4 FY16	984	(2,708)	(1,724)

1 *In addition to the \$620,000 in customer receipts in Q1 2018, the Company also received R&D tax concession for the financial year ended 30 June 2017 of \$733,000.*

2 *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 \$799,000.*

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

Note that OtherLevels collects and pays taxes such as VAT and GST on sales and expenses, and these taxes are included in the cash inflows and outflows.

Brendan O’Kane, the OtherLevels Managing Director, commented “Historically Q2 and Q3 of the fiscal year have been strong quarters for OtherLevels, and it is pleasing to see the company build on the FY18 Q2 success with a strong Q3. Conversely, FY18 Q4 and Q1 FY19 are cyclically quieter quarters as clients in the wagering sector are impacted by the annual northern hemisphere summer vacation

period and this year, with their significant involvement with the Football World Cup. This has previously affected the timing of sales activities through this period although we remain confident of our ability to continue to grow the business over the long term.

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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 <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")

31 March 2018

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	2,044	4,730
1.2 Payments for		
(a) research and development	(165)	(495)
(b) staff costs	(821)	(2,274)
(c) administration and corporate costs	(534)	(1,791)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(44)	(125)
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	480	780

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)	(429)	(1,359)
(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	(429)	(1,366)

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	-	1,200
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	-	1,013

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	761	385
4.2 Net cash from / (used in) operating activities (item 1.9 above)	480	780
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(429)	(1,366)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1,013
4.5 Effect of movement in exchange rates on cash held	22	22
4.6 Cash and cash equivalents at end of quarter	834	834

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	834	761
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)	834	761

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
130
-

Director fees and employment agreement with Mr Brendan O'Kane, CEO & Managing Director as well as a new employment agreement 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	800
8.2 Credit standby arrangements	-	-
8.3 Loan facility - Other (refer below)	1,350	1,350
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 31 March 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 31 March 2018 = \$500,000.		
(b) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn as at 31 March 2018 = \$300,000.		
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 31 March 2018, the full facility of \$1,350,000 had been drawn.		

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	(840)
9.6 Administration and corporate costs	(640)
9.7 Interest and other finance costs	(43)
9.8 Investing cash outflows - Plant & equipment	(3)
- Software development	(429)
9.9 Total estimated cash outflows	(2,120)

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: 23 April 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 \$1.415 million, comprising of research & development (1.2(a) - \$165k), staff costs (1.2(b) - \$821k) and software development (2.1(d) - \$429k). The allocation between these categories may vary from quarter to quarter, depending on the activities undertaken by employees.