

**31<sup>st</sup> January 2019: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels)** has today released its Appendix 4C for the quarter ended 31 December 2018, featuring:

- Cash receipts from customers were A\$1.8m for the quarter, compared to A\$2.1m for the prior corresponding period.
- Total operating cash receipts for H1 FY19 were A\$3.7m, compared to A\$3.4m for H1 FY18.
- Excluding acquisition related costs, operating and investing costs were A\$2.1m for the quarter compared to A\$2.0m in the prior corresponding period.
- Included in the above data, are cash receipts and operating costs relating to the recent acquisition of the XCOM Media Pty Ltd (“XCOM”) business.
- Notwithstanding that excluding acquisition costs, operating and investment costs have averaged A\$1.997m for the last 8 quarters, the Company continues to manage costs carefully.
- The Company conducted a successful placement to sophisticated investors and a number of small cap specialist funds to fund the XCOM acquisition. A\$1.435m was received and transaction costs totalled A\$0.323 of which A\$0.298m has been paid in H1 FY19.

Although Q1 FY19 was strong, delays in converting sales opportunities impacted cash flow in the current quarter. However, H1 total compares favourably with the prior corresponding period. Cost discipline was maintained, and the Company continues to make progress towards its goal of achieving positive operating cashflow.

During the period, the Company also completed the acquisition of XCOM and made rapid progress on integration to ensure the flow through of synergies in H2 FY19.

Commenting on the results, Managing Director, Brendan O’Kane said, “We are pleased that cash across H1 improved compared to the prior period, strong cost discipline, and the positive contribution from XCOM. OtherLevels continues to grow and make strong progress with the increasing interest from clients and prospects in our technology, especially the In-Play real-time capabilities for our iGaming clients”.

- 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](http://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")**

31 December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,788	2,876
1.2 Payments for		
(a) research and development	(207)	(403)
(b) staff costs	(788)	(1,512)
(c) administration and corporate costs	(557)	(1,145)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(51)	(101)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	40	809
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>227</b>	<b>526</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	(956)	(994)
(c) investments	-	-
(d) intellectual property (software development)	(533)	(989)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,489)</b>	<b>(1,983)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,435	1,435
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)	(114)
3.5	Proceeds from borrowings	200	400
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,521</b>	<b>1,717</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	219	217
4.2	Net cash from / (used in) operating activities (item 1.9 above)	227	526
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,489)	(1,983)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,521	1,717
4.5	Effect of movement in exchange rates on cash held	(7)	(6)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>471</b>	<b>471</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	471	219
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>471</b>	<b>219</b>

**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

<b>Current quarter \$A'000</b>
104

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

<b>Current quarter \$A'000</b>
-
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8. <b>Financing facilities available</b> <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)	1,500	1,500
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 31 December 2018 comprise of the following:
- (a) \$300,000 – Halfbrick Studios Pty Ltd. Interest rate is 12% per annum, and the loan is unsecured. Amount drawn as at 31 December 2018 = \$300,000.
  - (b) Loan facility of \$2,350,000. Lenders are a syndicate of sophisticated and professional investors, led by Brendan O’Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. As at 31 December 2018, the full facility had been drawn. Brendan and Brian also agreed to extend a further \$400,000 at the end of June 2018 with \$200,000 of this drawn last quarter. A further \$200,000 was drawn during the current quarter.

9. <b>Estimated cash outflows for next quarter<sup>1</sup></b>	<b>\$A'000</b>
9.1 Research and development	(198)
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(943)
9.6 Administration and corporate costs	(619)
9.7 Interest and other finance costs	(52)
9.8 Investing cash outflows - Plant & equipment	(3)
- Software development	(445)
9.9 Investing cash outflows - Acquisition consideration & transaction costs	-
<b>9.10 Total estimated cash outflows</b>	<b>(2,260)</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	XCOM Media Pty Ltd	
10.2	Place of incorporation or registration	Brisbane, QLD	
10.3	Consideration for acquisition or disposal	Base Consideration \$1.05m + Additional Earn Out Components	
10.4	Total net assets	\$709K	
10.5	Nature of business	Digital marketing automation agency	
The acquisition completed 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: 31<sup>st</sup> January 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 totalled \$1.513million 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.
5. Payments to acquire businesses at item 2.1 (b) includes associated transaction costs.