

**30<sup>th</sup> January, 2017: OtherLevels Holdings Limited (ASX: OLV) (OtherLevels)** has today released its Appendix 4C for the quarter ended December 2016.

- Cash receipts of \$1,132k for the quarter, compared to \$489k the previous quarter.
- An overall reduction in operating and investing costs of \$1,183k from the previous quarter.
- A reduction in operating costs for research, development, staff, administration and corporate costs to \$1,554k from \$2,890k in the previous quarter.
- Continued increase in sales activity with 4 new deals and a growing pipeline of 2017 opportunities in the last 4 months of 2016.
- Strong growth in message volumes and new product adoption from a number of large clients, which will convert into higher renewals early in 2017.
- Successful execution and maintenance of cost reduction strategies, in support of the goal of achieving positive operating cash in the second half of 2017.
- Recognition for the second time by Forrester Research of the Company's global standing as one of 25 leading marketing automation platforms in the November 2016, **Mobile Engagement Automation Solutions** report.
- Purchase by 2 clients of the new Action Engine real-time messaging option.
- Resolution of the delayed deferred payment for the June 2016 placement, as previously announced to the market, and working with Lodge Partners to conclude the remainder of the fund raising.

In summary, after a challenging period in mid 2016, the Company is seeing the results of the streamlined go to market focus, from a reduced and balanced cost base. In the last few months of 2016, the Company signed new clients, including a US based online publisher, another UK based wagering client, one of the leading UK financial services comparison sites, and a licenced casino. The company is maintaining its recognised leadership in the wagering sector, and growing its presence in membership sectors such as publishing and travel and hospitality.

The Company's Board and management remain absolutely focused upon successfully monetising OtherLevels' valuable proprietary smart messaging platform in global markets, and will shortly release an operational update with the half year results. The focus remains on sales, operational costs and the goal of achieving positive operational cash flow.

- ENDS -

## Contacts

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Managing Director and CEO

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### **Andrew Ritter**

CFO & Company Secretary

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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. 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 December 2016

<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	1,132	1,621
1.2 Payments for		
(a) research and development	(167)	(332)
(b) staff costs	(768)	(2,210)
(c) administration and corporate costs	(619)	(1,902)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	799
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(419)</b>	<b>(2,020)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(5)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property (software development)	(445)	(728)
(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 Net cash from / (used in) investing activities</b>	<b>(445)</b>	<b>(733)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,100	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)	(160)
3.5 Proceeds from borrowings	450	450
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,390</b>	<b>1,390</b>

<b>4. 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	428	2,317
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(419)	(2,020)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(445)	(733)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,390	1,390
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>954</b>	<b>954</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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	954	428
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>954</b>	<b>428</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

Current quarter \$A'000
67
-

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	800	450
8.2 Credit standby arrangements		
8.3 Other (please specify)		
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.		

Loan facility with Brendan O'Kane and Brian Mitchell, directors of OtherLevels Holdings Limited. Interest rate is 12% per annum, and the loan is unsecured.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
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	(963)
9.6 Administration and corporate costs	(569)
9.7 Investing cash outflows - Plant & equipment	(3)
- Software development	(400)
<b>9.8 Total estimated cash outflows</b>	<b>(2,100)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: 30 January 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 \$1.38 million, comprising of research & development (1.2(a) - \$167k), staff costs (1.2(b) - \$768k) and software development (2.1(d) - \$445k). The allocation between these categories may vary from quarter to quarter, depending on the activities undertaken by employees.
5. As advised to the market on the 3<sup>rd</sup> November 2016, a loan facility of \$0.8 million was put in place from Mr Brian Mitchell and Mr Brendan O'Kane, directors of OtherLevels Holdings Limited. \$450k of this facility was drawn during the quarter.