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# High Impact, Data-Driven Intelligent Messaging

Operational Update, July 2018



# OtherLevels Snapshot

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**OtherLevels (ASX:OLV)** provides high impact, data-driven intelligent messaging solutions

**SaaS Platform:** Automated, real-time, targeted messaging increases conversion opportunities at low cost

**Positive Market Dynamics:** Opening of US sports betting market, and US and EMEA lottery privatisation

**Global Clients:** Strong track record specialising in global iGaming, lotteries & travel clients

**Accelerated Growth Plan:** Operational foundation in place for scalability into new markets



**\$5.24m**

FY18 Total Revenue  
(up 56% on FY17)

**\$4.4m**

Annual Recurring Revenue at  
June 2018

**60%+**

Current Gross Margin across  
products

**1.87 billion**

FY18 Number of  
user devices tracked

Note: All FY18 figures are unaudited

# Unlocking Visitor Value For Our Clients

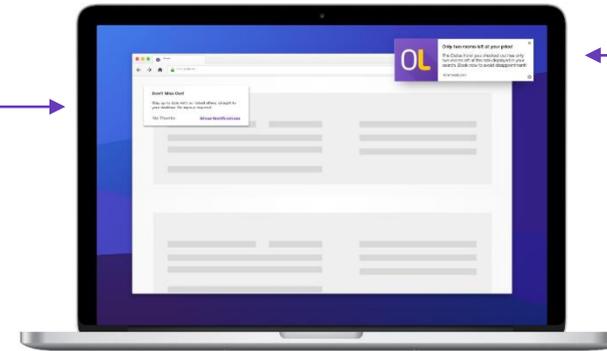
Brands have unknown visitors visit their platforms

These visitors are often unwilling to provide personal data (eg email)

The OtherLevels SaaS platform allows companies to convert *unknown visitors* into *known users*

*This visitor is lost if no email or registration details provided*

1. Single click Opt-in to messaging



2. Delivers brand content in browser

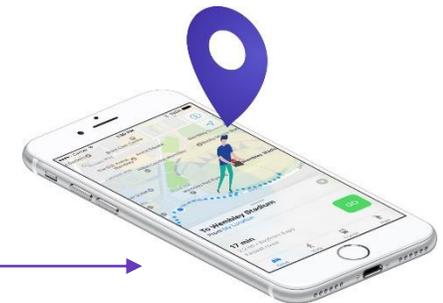
3. If on phone, receive messages



4. Highly targeted content with higher conversion potential



5. Content can also be triggered by location



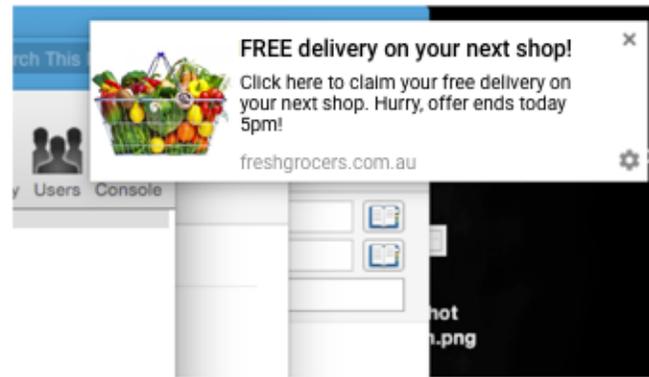
# Increasing Known User Value For Our Clients

Once visitor information is captured, a user profile is built from their behaviour

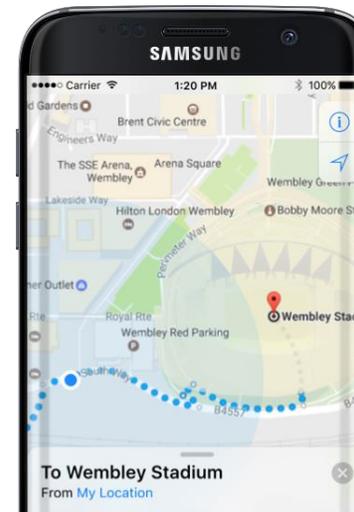
This is updated and refined with each subsequent engagement

This ongoing engagement is cost-effective with high ROI

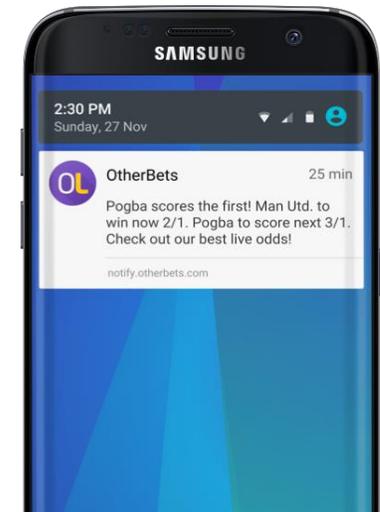
*Context-based messaging*



*Location-based messaging*



*Event-based messaging*



*Messaging delivered to web, mobile web and app*

Long term value

- Promote engagement
- Maximise retention
- Increase life-time value of users
- Reach across multiple channels

# Why This is Important For Our Clients

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Technology platform available as a SaaS license

High touch repetitive services delivered as Managed Services

To maximise ad-hoc outcomes clients can utilise our Professional Services

Anonymous visitors transition to known users

Builds user profile of behaviour increasing value of the user

Ongoing personalised content maximises conversion & ROI

No need to retarget with paid media or ads

Integrates with client's existing platforms (e.g. Salesforce<sup>1</sup>)

High Impact for Client

- Increased revenue
- Low cost user acquisition
- More promotional opportunities
- Higher engagement
- Greater long term user value
- Complements email marketing activities

1. OtherLevels is a Salesforce partner, and is integrated with Salesforce Marketing Cloud

# Proven Delivery at Scale

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- Robust, quality driven processes that support high volumes for global clients.
- Scale and existing infrastructure provides operating leverage opportunities

**1.87 billion**  
Opt-in devices tracked for our clients

**6.47 billion**  
Events & data points recorded per month

**250 million**  
Up to 250m messages delivered for our clients per month

# Sustained Progress in FY18

**\$5.24m**

FY18 Total revenue  
(up 56% on FY17)

**\$4.4m**

Annual recurring revenue (ARR)  
at June 2018

**60%+**

Gross margin across products

**83%**

International income  
generated

**\$1.2m**

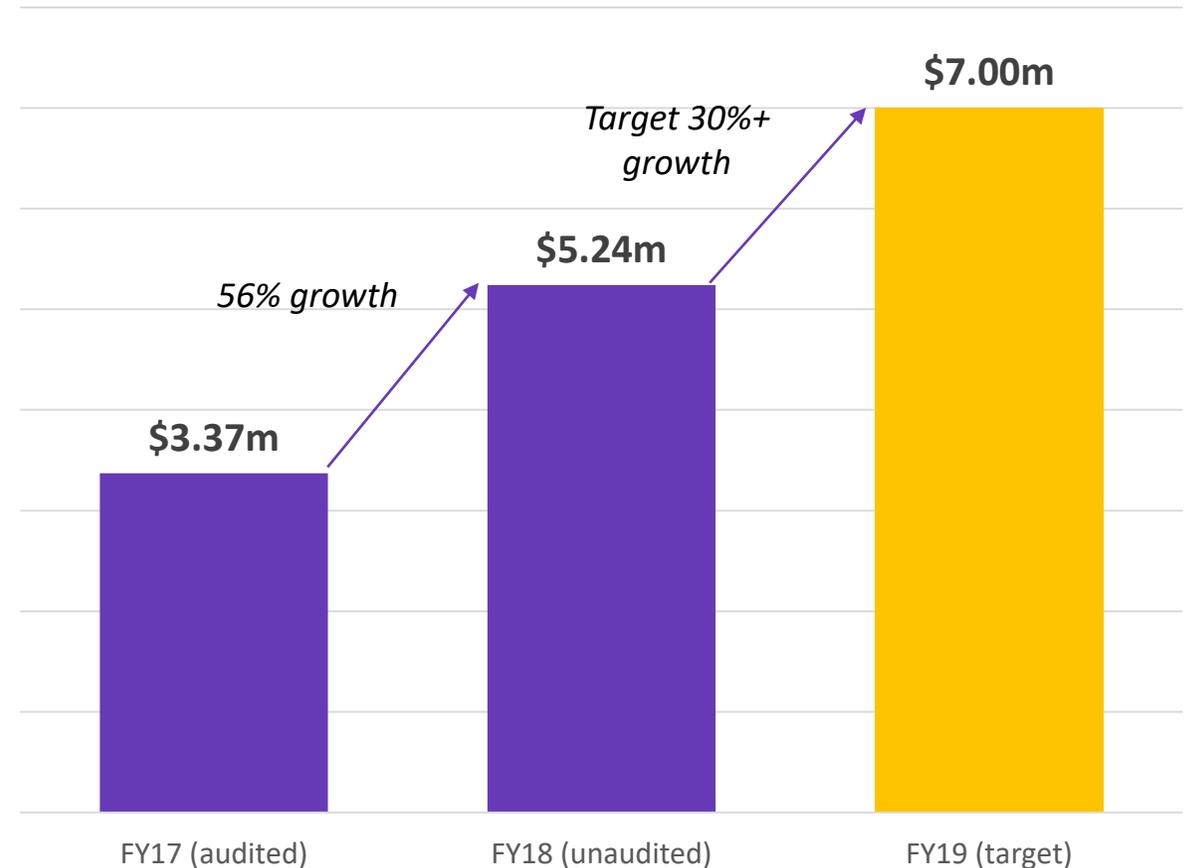
FY18 revenue for professional  
services

**2 billion+**

FY18 number of  
messages sent

Note: All FY18 figures are unaudited

OtherLevels Revenue



# Disciplined EBITDA & Cash Flow Progress

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**FY18 EBITDA of (\$1.1m), an improvement of 73% on FY17**

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**Cash expense discipline at \$8.1m in FY18 compared to \$8.9m FY17**

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**FY18 cf FY17, positive net operating cashflow change of \$2.2m, an improvement of 57% on FY17**

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**2 positive operating cash flow quarters in FY18<sup>1</sup>**

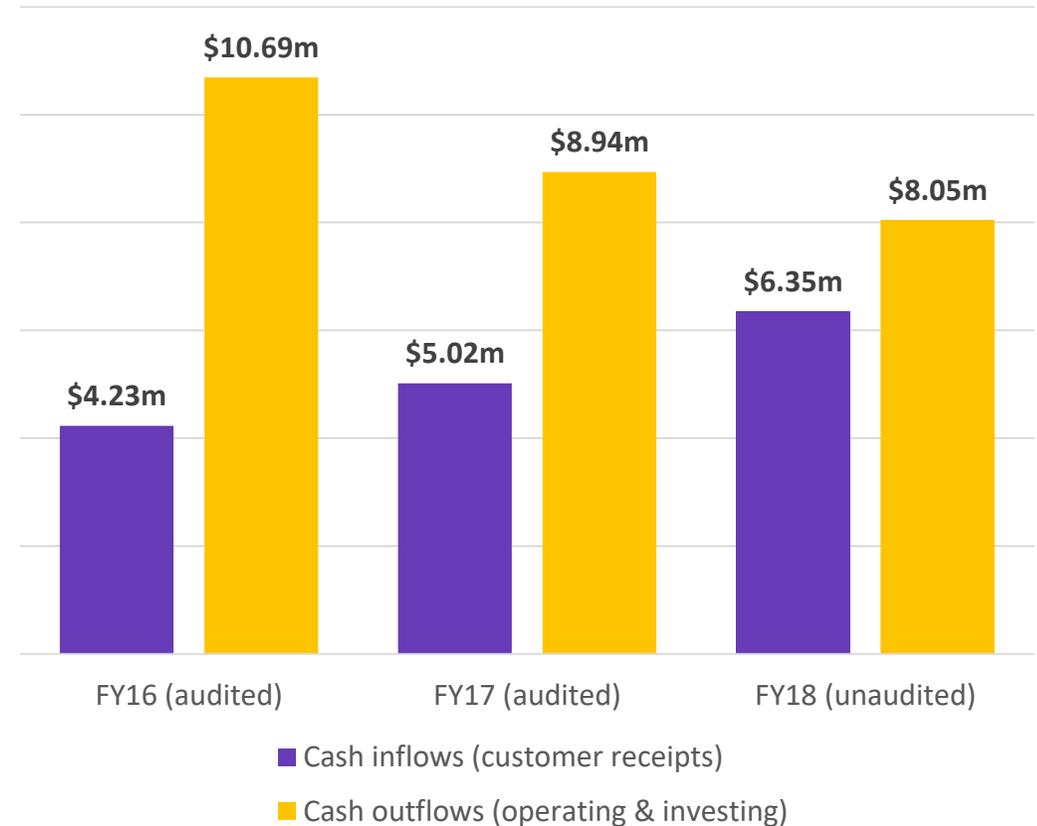
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**Targeting positive EBITDA in FY19**

*Note: All FY18 figures are unaudited. Operating Inflows include R&D rebate.*

*1. Whilst Q4 FY18 cash flow has been weaker than planned due to one off factors, the goal is to achieve positive operating cash flow in FY19.*

OtherLevels Operating Cash Inflows & Outflows



Cash receipts within any quarter are based on the timing of annual licence payments.

# Revenue and Market Growth Strategy

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1. Grow enterprise footprint



2. Activate mid-market strategy

*Strategies to  
accelerate growth,  
revenue and market  
penetration*



**Increase iGaming, lottery and travel penetration** using current clients as case studies



**Increase revenue per client** from installed base with licence upsells and Managed Services

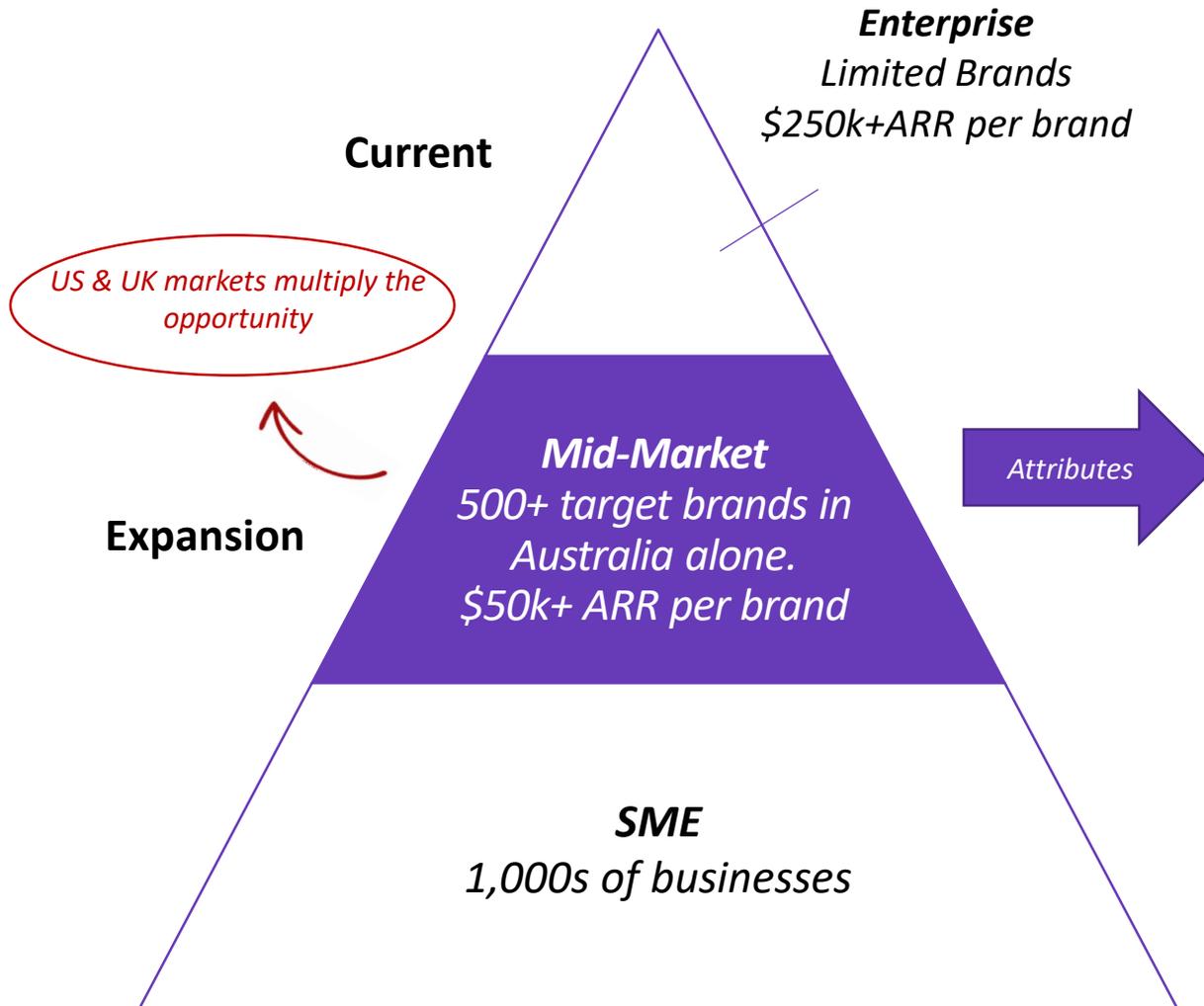


**Leverage real-time messaging experience** and solve big client problems deepening client relationships. E.g. In-play for iGaming



- ✓ Faster sales cycle
- ✓ 10x – 30x the number of potential clients
- ✓ Reduces concentration risk, and amortises the platform over more clients
- ✓ Secures future large clients as they grow
- ✓ Can rapidly grow ARR
- ✓ Builds defensive position against bottom-up competitors

# Attractive Characteristics of Mid Market

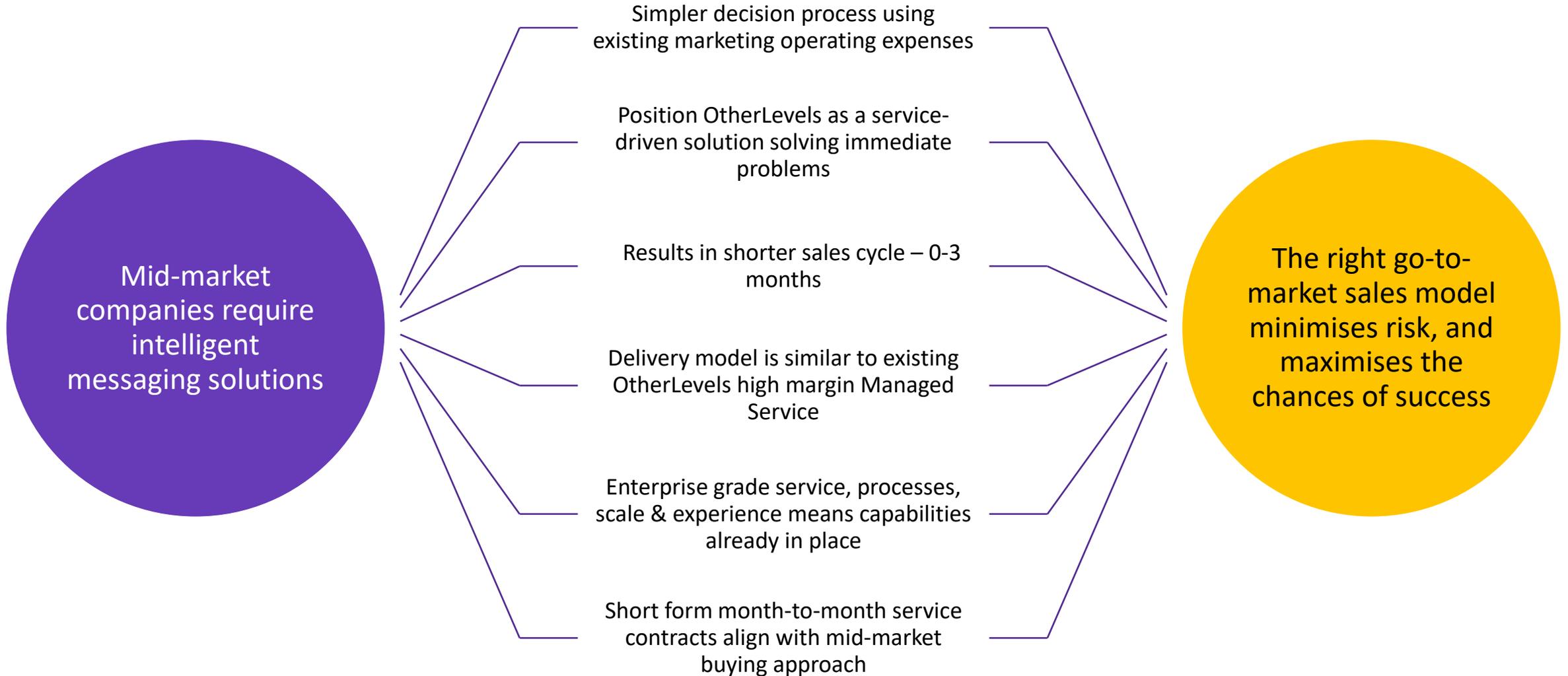


- Limited marketing resources but desire high ROI
- Struggle to communicate and engage with their visitors and users
- Pace of digital change outstripping internal capabilities
- Cost of acquiring audiences via social platforms and SEM is increasing
- Challenge to leverage data assets (or have limited data to leverage)
- Competitive pressures from above and below
- Heavy dependence on email marketing
- Outsourcing of non-core services is widespread creating sales opportunities
- Simplified and faster sales process with fewer stakeholders

**The OLV SaaS platform unlocks opportunities for mid-market brands at low relative cost**

# Mid-Market Strategy Rollout

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# FY19 Execution Strategy

