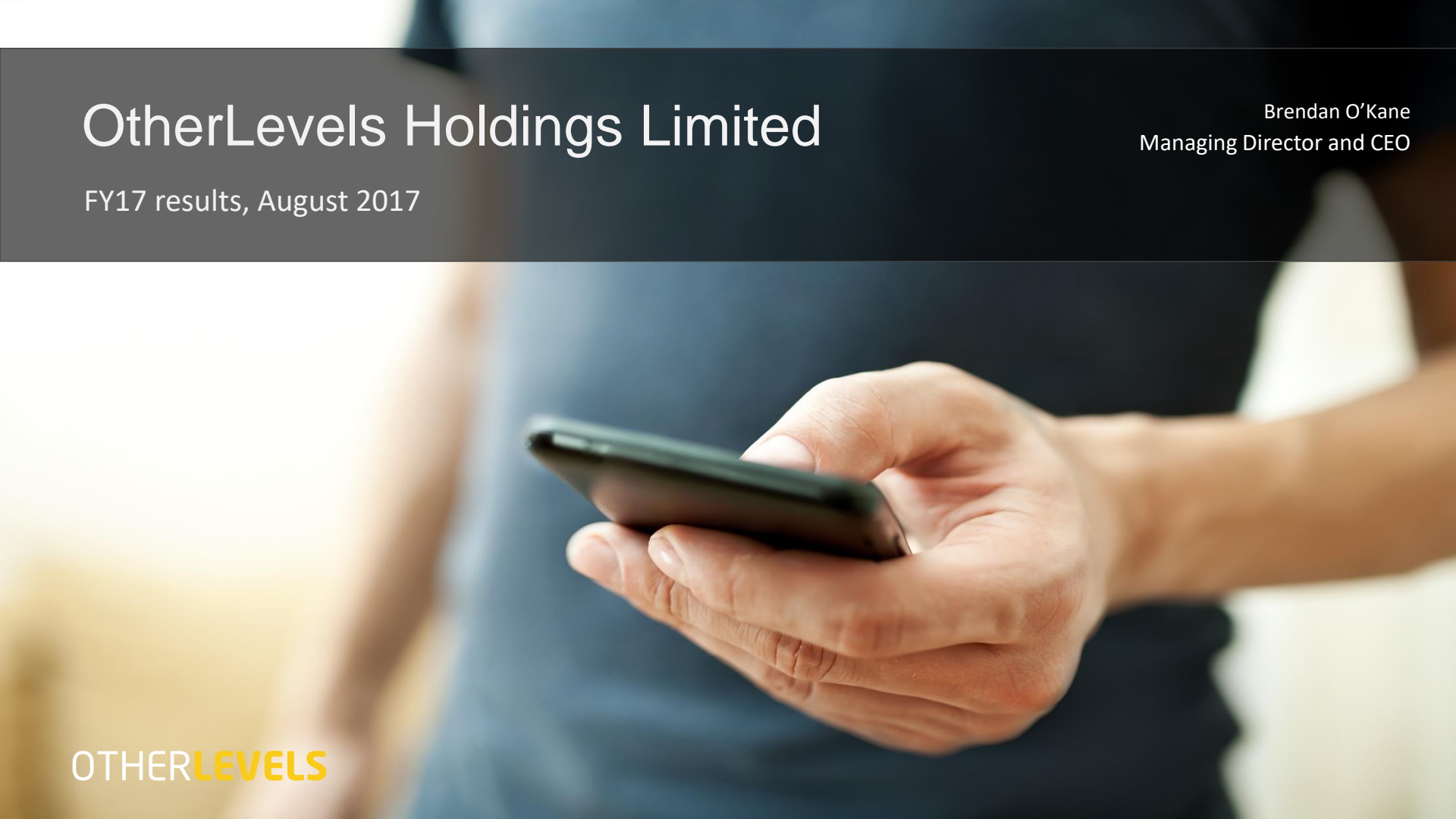


# OtherLevels Holdings Limited

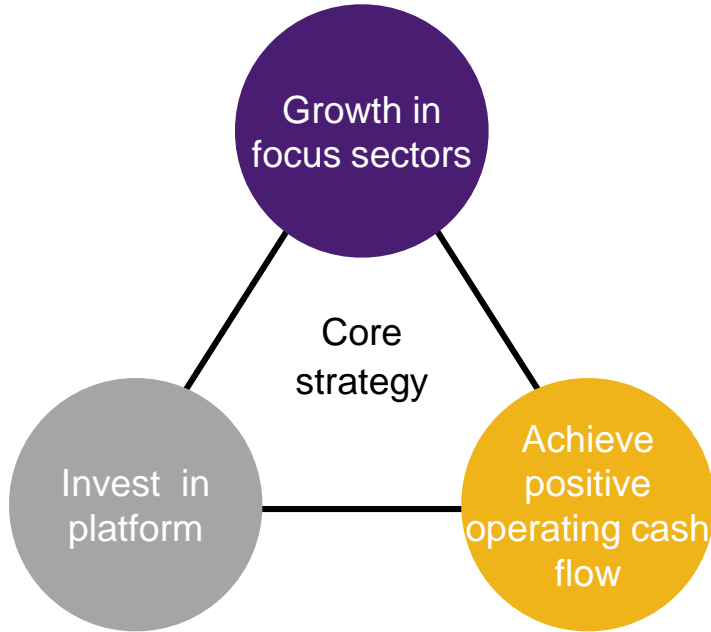
FY17 results, August 2017

Brendan O’Kane  
Managing Director and CEO

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# OtherLevels execution during FY17



## Growth in focus sectors

- ✓ 9% growth in revenue from FY16 when adjusted for currency depreciation (primarily GBP).
- ✓ 10 new customers in FY17, seven of these in the wagering and lotteries sector – a core focus for the Group.
- ✓ Strong local revenue growth in UK (15%) and Aus (60%).

## Progress to Positive Operating Cash Flow

- ✓ Restructured US operations in early FY17
- ✓ Quarterly cash burn reduced by 39% to A\$384k in Q4 FY17

## Investment in platform

- ✓ Launch of Web Push and Action Engine with resulting sales
- ✓ Recognition in Forrester report as an emerging competitor alongside heavyweights Oracle, Salesforce, Adobe and IBM
- ✓ Major partnership with Amplero

We continue to provide a **leading enterprise marketing automation platform** and are focused on the **continued shift in enterprise marketing spend to digital** and the growth of mobile devices

# financials and metrics

Revenue FY17	A\$3.37m
Net loss FY17	A\$4.53m
Average annual revenue(*) of clients with OtherLevels > 12 months	A\$158k
Non A\$ revenue	82%
Licence/Service revenue split	69% / 31%
Cash collected FY17	A\$4.22m

(\*) Excludes one off transactions, and is for customers using the platform for more than 1 year.

# Sales increases, costs decreases

(From ASX Filing 31<sup>st</sup> July, 2017)



The following table summarises the quarterly cash receipts and net cash payments from operating and investing activities over the last 18 months:

	<b>Cash inflows</b> <b>(Customer receipts)</b> <b>A\$'000</b>	<b>Cash outflows</b> <b>(Operating &amp; Investing)</b> <b>A\$'000</b>	<b>Net cash flows</b> <b>(Operating &amp; Investing)</b> <b>A\$'000</b>
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 *	(3,177) **	(1,889)
Q4 FY16	984	(2,708)	(1,724)
Q3 FY16	978	(2,509)	(1,531)

\* 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 \$799,270. The Company expects to receive another R&D tax concession in Q1 FY18 for the 2017 financial year.

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

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media

MATCHBOOK

Ladbrokes

gocompare.com

bwin

FLIGHT  
CENTRE™  
*Unbeatable*

BETFRED

IHG  
InterContinental Hotels Group

bgo



TattsGroup

GOLDEN  
NUGGET  
CASINO.COM

The National Lottery

FRUIT  
NINJA

INTERCONTINENTAL  
HOTELS & RESORTS

CROWNE PLAZA  
HOTELS & RESORTS  
THE PLACE TO MEET.

CANDLEWOOD  
SUITES

hotel  
INDIGO

FANATICS®

STAYBRIDGE  
SUITES

Holiday Inn  
Express

H  
Holiday Inn

ADORE ME

MY VEGIES

coles

igt  
DOUBLE  
DOWN

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# highlights – FY17



- ✓ Revenue growth compared to FY16
  - 9% growth based on constant FY16 exchange rate
  - 17% license revenue growth based on constant FY16 exchange rate
  - 10 new customers signed during the year
  - Higher revenues from large existing customers – 40% growth from top 5 customers
  - Quarterly growth of 28.3% between Q1 FY17 and Q4 FY17 revenues
- ✓ High level of cash and cost management focus in FY17
  - Strong cash receipts A\$4.22m (excluding R+D rebate), with A\$1.55m received in Q4 FY17
  - Cash burn reduced from A\$1.7m in Q4 FY16 to \$384k in Q4 FY17
  - Funding facility of A\$1.35m in place
  - Restructured US operations, with resulting cost savings
- ✓ Managed the impact of decreased US games customer revenue, as rotation from sector concluded
- ✓ Strong and growing network of strategic partners to be leveraged to expand market share, reinforced by major partnership with Ampero and enhanced Salesforce integration

# challenges in FY17 and actions taken

Challenge	Action
Higher US costs not offset by increased revenues	US operations restructured, and cost savings from November 2016
Bottom quartile customers not profitable, or without the potential for significant growth	Assessed customer growth and profitability, focused on large, high potential customers, exited a number of smaller customers
Minimal residual revenue from previous large US games customers	Ensured that UK and Australian growth offset the reduction from these exiting customers

# management commentary

- ✓ 9% revenue growth in constant A\$ from comparable period
  - Addressed the revenue shortfall from the rotation away from cyclical US games customers
  - Signed 10 new customers, 7 in wagering and lotteries sector
  - Strong pipeline with 3 new customers signed already in Q1 FY18
- ✓ Growth in both UK and Australian markets
  - Underlying UK growth of 15% in GBP to £1.1m in revenue
  - 5 UK clients spending greater than £150,000 per annum
  - Underlying Australian growth of 60% to A\$621,000
  - 3 Australian clients greater than A\$100,000 per annum



## management commentary (2)

- ✓ Costs reduced from A\$2.7m in Q4 FY16 to A\$1.9m in Q4 FY17
- ✓ Burn reduced from \$1.7m in Q4 FY16 to A\$384k in Q4 FY17
- ✓ Increasing opportunities as web messaging emerges
  - OtherLevels moved quickly to take advantage of Web Push, and signed customers in FY17
  - Greater than 60% of pipeline are now Web Push opportunities
- ✓ First managed service revenue representing 22% of professional service revenues
- ✓ Validation of OtherLevels market space and opportunity
  - The November 2016 Forrester Report compares OtherLevels favourably with other other much larger vendors such as IBM, Oracle, Adobe and Salesforce.

# FY18 for OtherLevels

- ✓ Strong start to H2 FY18 with 3 new customers signed in last 2 months
- ✓ Strong H2 new deal pipeline leading with web first
- ✓ Expanding web messaging opportunity. Web market opportunity is > 10x app opportunity
- ✓ Strategic partnerships to support pipeline growth
  - ✓ Amplerio and enhanced Salesforce integration (see next slide)
  - ✓ Optimove – existing joint clients
  - ✓ Tealium – existing joint clients and further expand existing integration
  - ✓ Selected email and SMS partners
- ✓ Reduced cash burn with the target of operating positive cash flow in Q2 FY18

# Strategic Partnerships

The logo for Amplero, featuring the word "Amplero" in a purple, sans-serif font with a small trademark symbol.

- ✓ Amplero uses AI and machine learning to determine the best campaigns and offers for an audience.
- ✓ OtherLevels then orchestrates the delivery of the content to the user, and can use Intelligent Messaging to maximise reach.
- ✓ OtherLevels has the exclusive rights to resell Amplero within the Lottery and Wagering sectors in the UK and Europe
- ✓ Amplero and OtherLevels are already live with a major global social casino.
  
- ✓ OtherLevels is integrated with Salesforce Journey Builder, which is the campaign management element of Salesforce Marketing Cloud
- ✓ Marketers design the campaign and user journey in Journey Builder and deliver the messages via OtherLevels
- ✓ A number of existing OtherLevels customers want this level of integration
- ✓ Features in the Salesforce appexchange  
<https://appexchange.salesforce.com/listingDetail?listingId=a0N3A00000EHZjCUAX>

The logo for OtherLevels, featuring the word "OTHERLEVELS" in a bold, sans-serif font. "OTHER" is in blue and "LEVELS" is in yellow.

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