



June 2017

Confidential Information of Source Digital, Inc.

THE PROBLEM

Traditional media outlets serve content via normal distribution channels and “digital 2.0” models.

BUT today’s viewers and consumers demand:

- Immersive, personalized, on-demand experiences
- On every digital platform
- With little to no intrusive advertisements

THE CHALLENGE

Content producers, distributors, and advertisers still relying on v2 models are all struggling:

- For new ways to monetize content
- To capture actionable and accurate viewer data
- More interactive and personalized experiences.



UNDER-UTILIZED **ASSETS**

Viewers leverage this information everyday, but the content owners are not able to track or monetize it.

Source maps content owners to viewers by leveraging this under-utilized information.

Using synthetic markers within the content Source ties an unlimited amount of production data to any moment in time across any screen.

Perpetually tailoring this data for future audience experiences specific to any **platform, location, demographic, and/or lifecycle stage**.

Content owners, advertisers, brands, and social networks can now interact and measure their audience in real-time across any environment.



First there was audio, then there was video, and now... it's all about the data



CONNECTING CONTENT

50% OF TABLET USERS AND 35% OF SMARTPHONE USERS ROUTINELY SEARCH FOR INFORMATION RELATED TO THE SHOWS THEY ARE WATCHING.

Source activates digital content across TV, movies, live events, radio broadcasts, YouTube, Vimeo, Facebook, news, games, and even commercials into “Culturally Connected Content” by offering unique enhanced and relevant digital experiences at any moment on any screen.

Source can easily capture, store, link, and expose:

- Text
- Images info
- Hyperlinks
- Motion animation
- Costumes details
- Set design Details
- Sporting events
- Real-time News
- Location
- Script and production notes
- Character information
- Product placement
- Advertisements
- User Generated Content
- Virtual Reality moments
- Augmented Reality
- Gaming

Source



create **Experiences** that engage



Virtual Reality



Shopping



Social Sharing



Behind the Scenes

Typical concert based programming can be flat and moderately engaging. The ACL Companion App would open up the ACL world with a full sync experience, unlocking valuable information and moments across any screen at anytime. Anywhere ACL content is shown, the productions valuable data can be turned into experiences

VR 360 Mobile ← Sync → Any Screen



SYNC VR Experiences PUT YOUR VIEWER IN THE MOMENT

One Touch Sync between Primary Screen and Mobile Device



Create explorable easter eggs within VR content



Let viewers see your that Titos tip jar on level 2 or the Budweiser sign behind the bar.

OUR SOLUTION

SourceSync.io is the data engagement platform powering the omni-screen generation, creating instantly related, yet personalized experiences on any device with any content at any moment in time.*

SourceSync.io

Sceneventory

*A production metadata and asset warehouse for **content** related elements*

KURATOR

View auto aligned data and handle manual curation of stored metadata, assets, or insert/add new



Extending a virtual access layer of all time aligned metadata and assets staged for engagement to any application or device, linking any screen to another

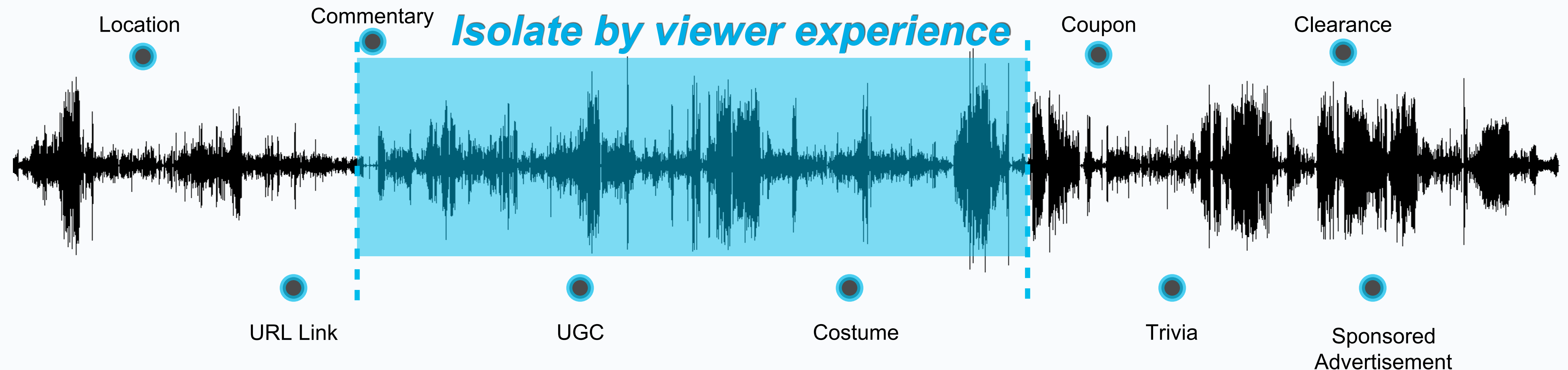
PULSE

Manages the data feed back loop to finally understand your viewer and their behavior with advanced analytics

OUR SECRET SAUCE

Source has **patented and patent pending IP** that allows for the storage of unlimited data against any moment against an extracted lightweight virtual representation of the content. The content can then be recognized, and the information retrieved by any user or device at any moment.

Create, activate, and measure experiences at any moment.



OUR SECRET SAUCE **APPLIED**

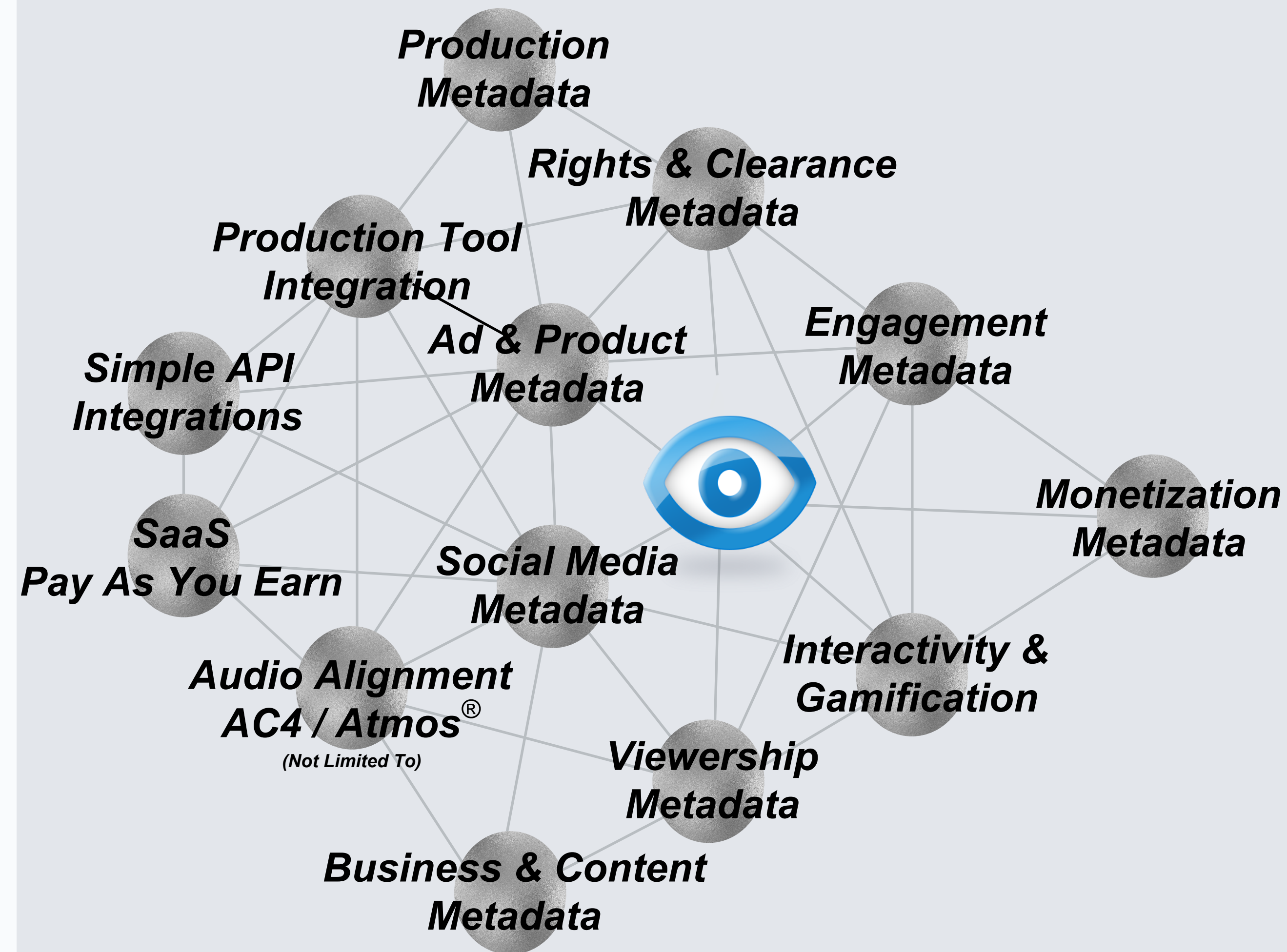


BIG DATA

By leveraging the interwoven relationship of the data through the content (in time) to the viewer; Source analytics provide an enormous range of insights.

Some examples are:

- Viewer insights: Are they really watching? At what moment in the programming? What about the programming do they find interesting?
- More sophisticated content management strategies mapping the rights and relationships of the programming to other data engagement monitoring around social, gaming, commercial use, etc.
- Apply a “Money Ball” style of approach to the programming by using insights to improve future seasons.



MARKET GROWTH

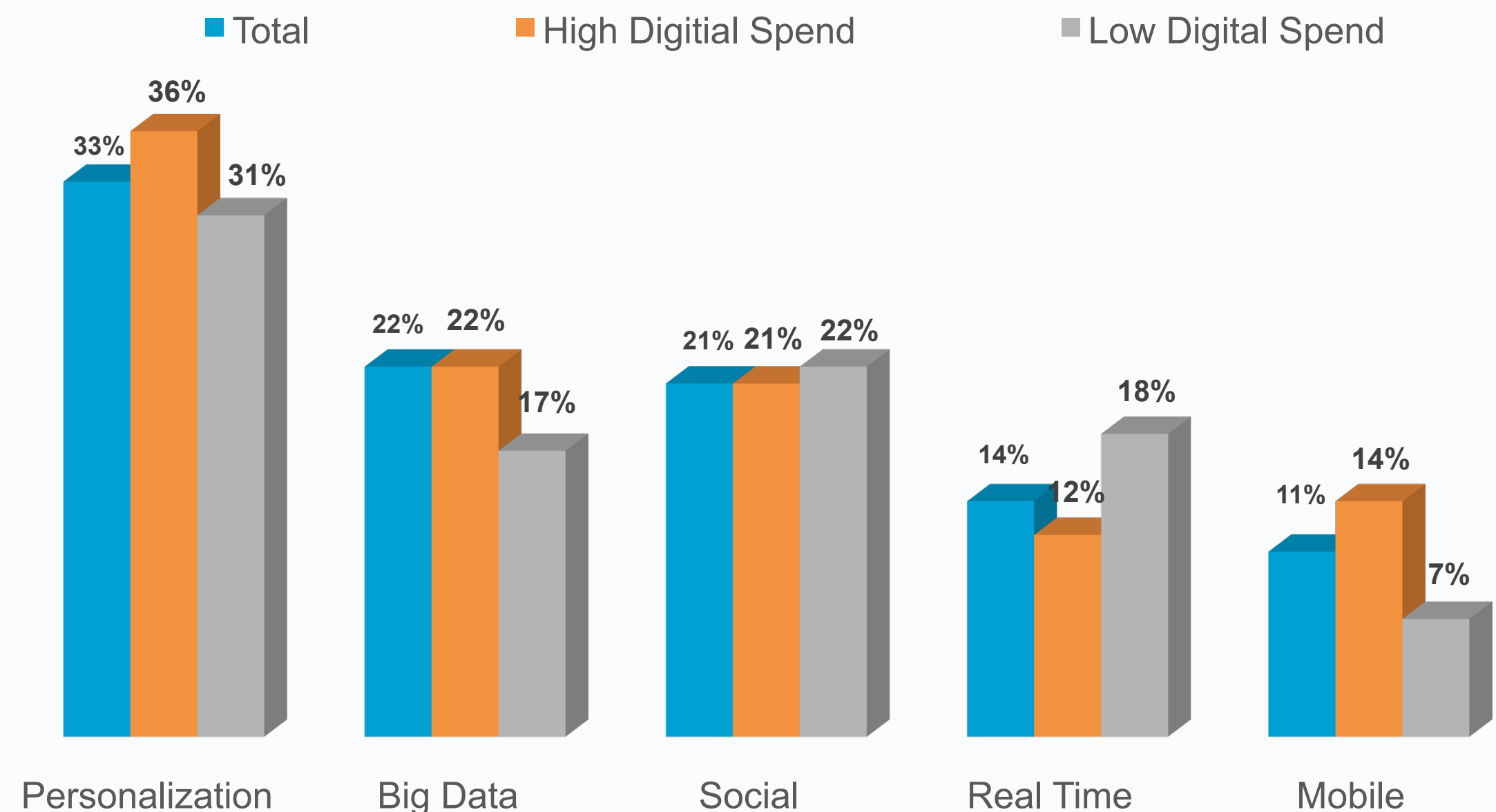
Traditional television advertising was the established core of content-producer revenues. With viewer trends shifting to personalization, Source provides content owners a new ability to monetize their content with new and emerging viewer bases. These solutions fit neatly into the following high growth trends and categories to drive explosive revenue growth. **NOTE: Source already has core IP in/and is submitting more patents in VR/AR**

Digital Video Trends

- The US has over 220mm (digital video viewers, over 80% of internet users), and is expected to grow 10% by 2021.
- US digital video ad spending is expected to grow 12% in 2017 and reach \$12.4bn by 2020
- In 10 years, it is expected that Virtual Reality will be bigger than Television with a market of \$110 billion!

1. Emarketer Q1 2017 Digital video Trends Report;
2. Emarketer US Media and Entertainment Industries H2 2016 Update
3. <http://www.businessinsider.com/goldman-sachs-predicts-vr-will-be-bigger-than-tv-in-10-years-2016-1>

Market Areas with Highest Growth Potential



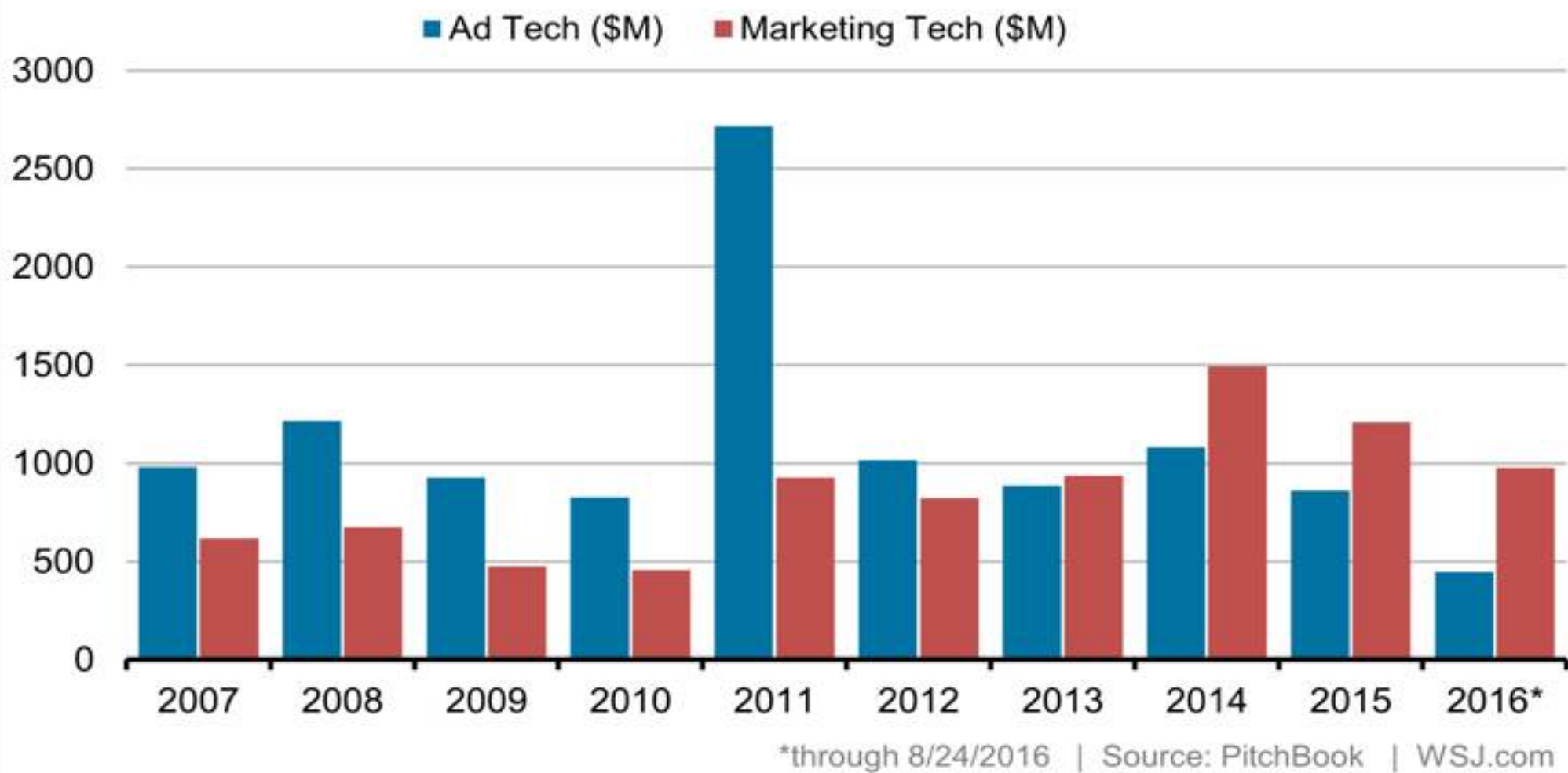
MARKET OPPORTUNITY

Within Media & Entertainment Ad Tech had hoped to make ads more personal but misses a key point, consumers don't want ads. In addition, programmatic advertising is not inspiring new behavior. Within M&E, Marketing Tech has emerged as a better strategy and as such investments in the sector are reinforcing. Source is a **new style** of M&E Marketing Tech, allowing content owners not only to glean key insights but to maximize the more aggressive growth curves of Brand & Product Placement and E-Commerce over Television and Digital Ads.

Marketing Tech vs. Ad Tech

Ad Tech Woes

U.S. venture capital investment in adtech has declined in recent years, while marketing tech funding has been more steady



Source

Media Advertising vs. New Monetization



Emarketer-US Total Media Ad Spending Growth, by Digital vs. Traditional Media, 2016-2020

*Traditional Ads – Combines digital and TV-based Advertising from Media & Entertainment

REVENUE MODEL A - USAGE BASED SAAS MODEL

Low Cost Content Registration and Data On-boarding

Auto or manually scale across titles, storage and viewer sessions as your data audience grows.

Unlimited user accounts



Advanced user rights management



Allow app and device level access to your data via API



Integration to popular continuity and script management tools



Ex. Single Title

\$10.99/mo.

1 GB storage

10 Viewer Sessions

No Data or Mgmt. Input Costs

Unlimited API calls per session

 Use of core platform components; Scenventory & Kurator

 Use of mobile SDK's

 Use of Source ACR tech – Whisper or integrate with 3rd party ACR

 Full user analytics and tracking via Pulse

REVENUE MODEL B – MONETIZE

Source's platform adds untapped monetization layers to our customer's content:

BrandSync extends branding and product information or leave behinds to your viewer. Easily provides ultra-targeted brand and product placement and engagement opportunities and measurement.

Merchandize enable's Content as a Storefront, creating emotionally driven ecommerce opportunities. Work across your own or other affiliate store fronts (eg. Amazon, Best Buy, Walmart, Shop.com and more!)

Source offers a unique revenue share plan, which allows publishers to offset their usage based costs when they opt into the Source Monetization model by allocating a % of their revenues in either category.

