Research as a Service

Switch Digital Pty Ltd

Positional Paper

Removing the boundaries to digital TV audiences

Media & Advertising

29th March 2022

Switch Digital is an independent, privately-owned, mid-tier digital media and creative services agency which has developed and is commercialising a demand-side automated advertising sales platform, Engage TV, to harness connected TV audiences for brands, advertisers and agencies. Engage TV is a holistic platform that targets audiences across connected TV channels, whether they be broadcast video-on-demand or streaming channels. Unlike linear television, which is paid for access to the audience reach it delivers, EngageTV charges advertisers only for completed views of their ads. The Switch Digital group has been in operation for more than a decade and has always been profitable, generating a CAGR of 10% from 2017 to 2021 in normalised NPAT. Gross billings over the same period have grown at a 7% CAGR. Revenues in FY21 were $17.3m, underlying EBITDA was $1.63m (including directors' fees) and underlying NPAT was $1.16m (unadjusted for directors' fees). RaaS has been engaged by Switch Digital to provide research on the company to give stakeholders a better understanding of its position in the market. Our base-case valuation is $31.1m, which implies an EV/Sales multiple of 1.8x FY21a revenues and 1.7x FY22f revenues. A peer valuation, derived from the median EV/Revenue multiple of eight ASX-listed media and advertising companies, would imply a valuation of $38.5m.

Business model

Switch Digital operates an integrated business model with its three businesses, Optimo Designs, Switch Digital and EngageTV, providing advertising solutions across both shared and individual clients. The company generates a margin of ~30% on gross billings by its clients. Optimo Designs, a Melbourne-based creative agency with clients across government, property development, finance, fast-moving consumer goods (FMCG) and retail, has been in operation since 1998 and was acquired by Switch Digital in 2010. Switch Digital was established in 2008 by chairman Stuart Simson and provides data insights, media planning and buying, business intelligence, and programmatic and native advertising services to advertisers. EngageTV was established in 2021 to provide advertisers with access to all forms of connected TV and leverages off both Switch Digital's and Optimo's capabilities to present the full advertising experience for clients.

History of profitability

Switch Digital has a long history of profitability. RaaS has been given access to the group's historical five-year performance which demonstrates a 7.0% CAGR in gross billings to $17.3m in FY21, and a 7.5% CAGR in adjusted EBITDA, including directors' fees, to $1.63m in FY21. We have taken into account the board's expectations for FY22 and FY23, and from this have forecasted a 28% CAGR in EngageTV's gross billings from FY22-FY32 and 5% CAGR in gross billings for the combined Switch Digital and Optimo Designs businesses.

Base-case valuation of $31.1m equates to 1.8x FY21 revenues

We have used the discounted cashflow methodology to value Switch Digital given the early stage nature of Engage TV. Our valuation incorporates a 15% discount rate, which reflects the unlisted nature of the company, its relative size, but also the fact that the company has a proven track record of profitability. We arrive at a base-case valuation of $31.1m which reflects a 12% CAGR in free-cashflows from 2022 to 2032 driven by a 5% CAGR in revenues from the core Switch Digital/Optimo businesses, and a 28% CAGR in revenues from EngageTV. A defined list of Australian-listed media peers yields a peer valuation of $38.5m for Switch Digital on an EV/Revenue basis.

Historical earnings and RaaS estimates (in A$m unless otherwise stated)

Year end	Gross billings	Gross profit	EBITDA adj.*	EBITDA rep.	NPAT adj.*	NPAT rep.	Implied EV/Revenue (x)
06/20a	14.2	4.6	1.4	1.7	1.3	1.3	2.2
06/21a	17.3	4.8	1.6	2.2	1.2	1.8	1.8
06/22e	18.4	5.4	1.9	1.9	1.3	1.3	1.7
06/23e	20.0	6.2	2.6	2.6	1.8	1.8	1.6

Source: Company data, RaaS Advisory estimates for FY22e and FY23e; *Adjusted for one-time, non-cash items, but includes directors' fees

Upside Case

- Long track record of profitability
- Benefiting from tailwinds in audiences switching away from linear to connected TV
- Delivering lower CPMs to advertisers

Downside Case

- Small player relative to most advertisers and media buying groups
- Alternative technologies could emerge
- Multiple connected TV platforms in the US which could become available in Australia

Board of Directors

Stuart Simson	Chairman/ Founder
Lee Stephens	Director/CEO, Switch Digital/EngageTV
Chelsea Parkinson	Director/CEO, Optimo Designs

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Switch Digital Pty Ltd

Switch Digital Pty Ltd is a privately-held company in the media and advertising sector delivering the full suite of design, creative and strategy, programming, and native advertising buying, data analytics and business intelligence across its businesses, and has recently developed an automated, demand-supported platform for buying audiences across the connected TV and advertising-supported broadcast video-on-demand universe, a first in the Australian market. The company has a multi-year history of profitability, generating more than $5m in net revenues in FY21 from $17.3m in gross billings, and normalised NPAT of $1.16m (including directors' fees). Our forecasts for FY22 and FY23 are predicated on the board's expectations for the group performance over these two financial years, with longer-term forecasts framed on our expectations for growth from both the established operations and the new EngageTV platform.

Investment Case

In our view, Switch Digital Pty Ltd has the opportunity to achieve success for the following reasons:

- The company has an established track record of delivering positive results on campaigns for its brand clients;
- The company has an established group of large brands as clients;
- The company has an established track record of profitability;
- The advertising shift to connected TV is still in its infancy and EngageTV has established a technology platform, a group of regular direct and agency repeat customers with a proven track record of delivering audiences in a more cost-effective manner than traditional linear TV advertising campaigns;
- The company has the opportunity to expand its gross margins well beyond 30% as the mix of inventory shifts in favour of new connected TV suppliers over the video-on-demand services of the broadcasters. Our base-case forecasts remain within the 30-35% range;
- The group could benefit from partnerships with larger media organisations, other advertising agencies, or platforms offering traditional digital advertising services to business, to create a greater hold over the CTV market; and
- EngageTV can deliver audiences globally without borders to brands, having already demonstrated it is capable of capturing connected TV audiences over multiple channels internationally.

DCF Valuation is $31.1m

We have used the discounted cashflow methodology to value Switch Digital, arriving at a base-case valuation of $31.1m. We have also considered the business should it outperform/underperform our forecasts by +/-20% and this derives an upside case of $47.5m and a downside case of $17.9m. We have also considered the median EV/Revenue multiple derived from a group of microcap/small-cap ASX-listed media and advertising peers and this derives a peer valuation of $38.5m.

Exhibit 1: Valuation methodologies addressed in this report

Valuation method	Discount rate	Implied FY21 EV/Rev (x)	CAGR in FCF %	Value in A$m
Base-case DCF valuation	15.0%	1.8	12.0	31.1
An upside case DCF	15.0%	2.7	14.0	47.5
A downside case DCF	15.0%	1.0	11.0	17.9
Peer comparison	n.a	2.2	n.a	38.5

Source: RaaS analysis

An Integrated Advertising And Analytics Group

Switch Digital is an integrated advertising and analytics group.

With EngageTV, it is servicing advertisers seeking to engage with television audiences via the broadcast video-on-demand programming channels of the traditional television networks, the connected TV platforms operated by YouTube, Amazon, eBay and others, and manufacturers of smart TVs which are also offering programming.

It operates three distinct businesses, Switch TV, Optimo Designs and EngageTV, although collectively there is a high level of collaboration between the three businesses across the client base. In 2021, 70% of the top-20 clients were shared between Switch and Optimo. We highlight some of these clients in Exhibit 3 below.

Exhibit 2: Switch Digital's Corporate Structure

Switch Digital Pty Ltd

Switch Digital	Optimo Designs	EngageTV
(est 2008) services include real time audience data analysis, business intelligence, programmatic trading, native advertising, media buying	(est 1998, acquired 2010) delivers creative, strategy, production and digital solutions to brands, predominantly FMCG and retail names	(est 2021) provides advertisers access to the Connected TV and BVOD universe on a global scale, delivering audiences by postcode, interest, time of day, devices and frequency

Source: RaaS analysis

The group also has a close relationship to Roy Morgan which delivers data points used in Switch Digital's data analysis and EngageTV's audience identification.

Exhibit 3: Some of Switch Digital's largest advertisers 2021

Source: Company data

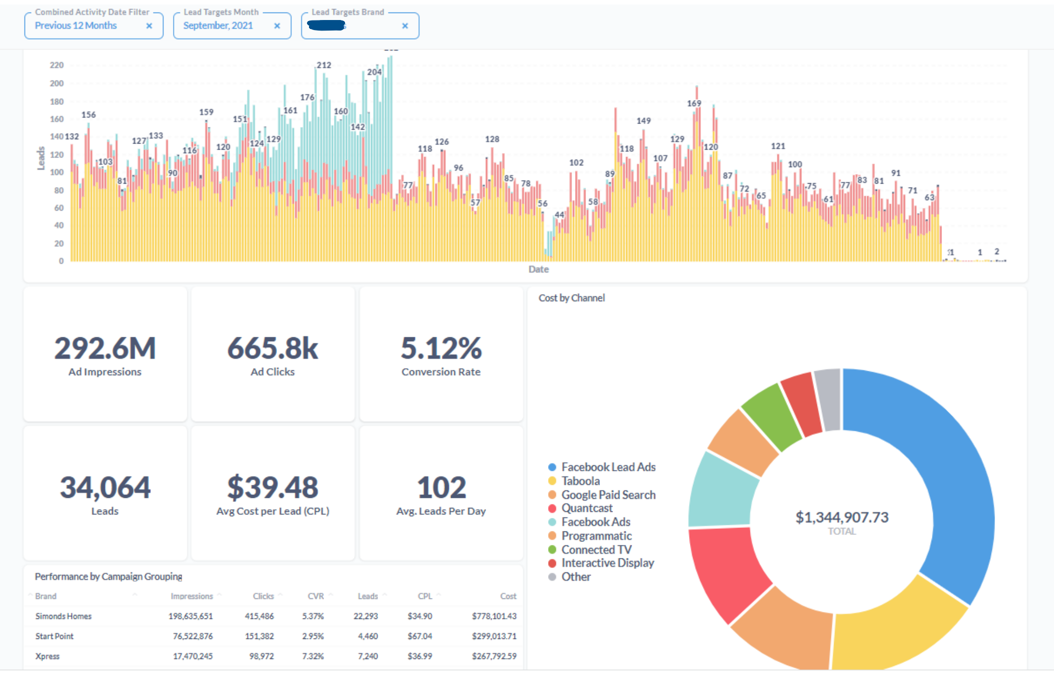
We discuss the key characteristics of each business below:

Switch Digital

Switch Digital provides data analytics, business intelligence and media buying services to its clients, which are both agencies and brands. It has its own trading team for programmatic and native advertising trading and its own in-house data analytics team. The company's programmatic trading desk is one of the largest independent digital media buyers in Australia. Switch performs treasury functions for agency clients, which assists in the timing differences between payments for campaign slots and reimbursement by brands; and independent agencies increasing use of the company's data analytics capabilities. The treasury function generates a small (~5%) margin for the group from independent agencies using the service. Switch employs 15 people across its various functions and shares these with EngageTV.

The group has developed a proprietary Audience Connect platform which allows clients to view and optimise, at a glance, the effectiveness of their ad campaigns across channels in near real-time. The exhibit below is an example of one of Switch Digital's combined media reports for a large customer. The top section shows daily lead acquisitions colour-coded for different brands. The pie-chart to the right demonstrates how Switch Digital breaks down complex media channels and allocates budget to achieve de-duplicated results for the client. Switch Digital noted that before engaging its services, this client was paying $150.00 per lead. With Switch Digital, the average cost per lead reduced to $39.48.

Exhibit 4: An example of Switch Digital's combined media report



Source: Company data

As a team, Switch has a track record of developing market-changing products. When at emitch Limited, Switch CEO Lee Stephens launched Columbus (Paid Search) that became the single largest profit centre at the time for Aegis (emitch's parent) regionally.

Optimo Designs

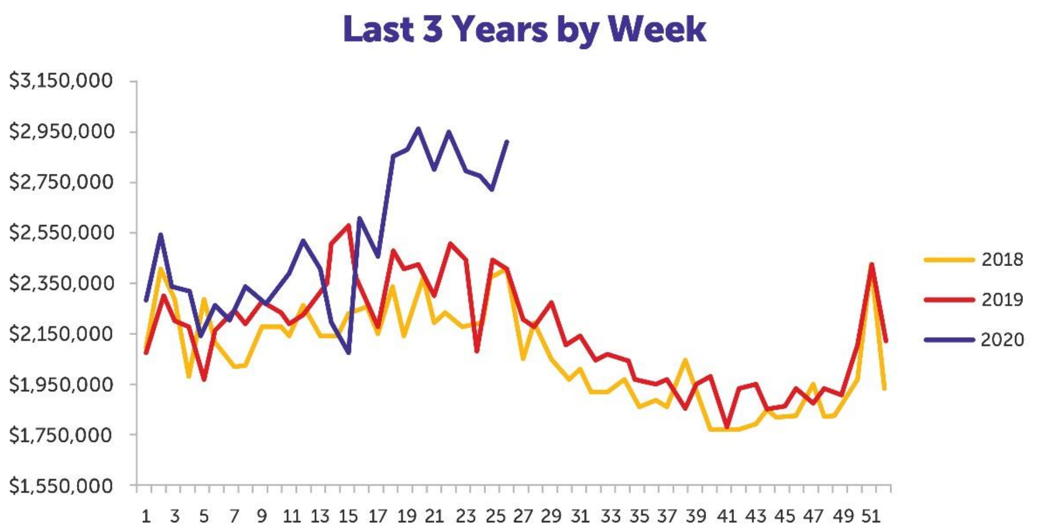
Optimo's client base is predominantly retail and fast-moving consumer goods (FMCG) companies, with most of its business generated by referrals. Optimo is a full-service creative agency focused on strategy, design and digital services. Its services suite includes: creative and production for TV campaigns, path-to-purchase creative, and digital campaigns; strategic services for branding, marketing, business and social media; and marketing services to help drive commercial sales strategies. One of the hallmarks of Optimo's business is the longevity of its client base. Many of the country's leading brands such as Nufarm, City of Melbourne, CBA, Lion now Bega, Saputo Dairy and Kailis Brothers have been Optimo clients for more than 10 years. Optimo currently has 25 employees in the team including 15 in design and creative and five in direct account engagement. Following is a case study in which Optimo and Switch collaborated to assist a client with its market messaging and audience engagement.

Optimo also provides a "fast creative" TV commercial production service for clients of EngageTV.

Case Study

A major Australian retail chain of 112 outlets was in decline in terms of both market share and understanding its core customer group. Optimo was asked to create a new brand and marketing strategy to arrest the decline in sales. The $750m-a-year franchise network had experienced a 20% decline in sales in 2016-2019. Through a complex shopper research project Optimo uncovered key audience segments (personas) and a deep understanding of their attitudes and behaviours. Optimo redeveloped its branding, campaign strategy, timings including overarching brand messaging, frequency, media mix, and product categories that it could own in the marketplace. Switch Digital played a key role in driving e-commerce sales, social, CTV and search. The result was a 30% year-on-year improvement in sales by week 20 of the campaign cycle. This trend in sales uplift has continued for the past three years of around 34% growth y-o-y.

Exhibit 5: Case-study campaign results versus previous two-year performance



Source: Company data

EngageTV

EngageTV is a demand-side, automated buying platform targeting audiences on CTV/BVOD channels globally. It accesses inventory across the entire connected TV universe, including the non-linear channels owned by the major Australian commercial TV networks (7, 9, 10, SBS) and other high-engagement content such as YouTube, the world's largest CTV provider, Amazon Twitch, Kayo, youth channels such as Crunchyroll and Tubi, ethnic channels such as YuppTV (Indian language) and emerging Smart TV channels (Samsung TV Plus and LG TV).

EngageTV provides advertisers with a dynamic dashboard which allows them to set household reach and frequency goals and target specific devices across the entire CTV/BVOD universe. Rather than target channels, EngageTV targets audiences and optimises audiences across all channels, delivering a holistic audience engagement platform not achievable by engaging any particular network or content supplier. Advertisers can access audiences down to postcode level, at any time of day, across any device, and any channel.

This means the platform appeals to clients, large and small. For example, a major campaign has been conducted for a retail client with over 100 franchises down the east coast of Australia with the platform geo-targeting audiences within a 10km radius of each store. Other examples have included real estate agents targeting postcodes for individual properties and regional rural supply groups targeting a particular catchment area. The platform is therefore a targeted and affordable advertising medium for business without the wasted "reach" of linear TV networks. Indeed, to date the networks themselves have usually offered BVOD audiences as "incremental reach" to their linear audiences.

The platform also fully integrates into client CRM systems such as Salesforce and HubSpot. The platform qualified for an AusIndustry R&D Tax Incentive in FY20 and FY21.

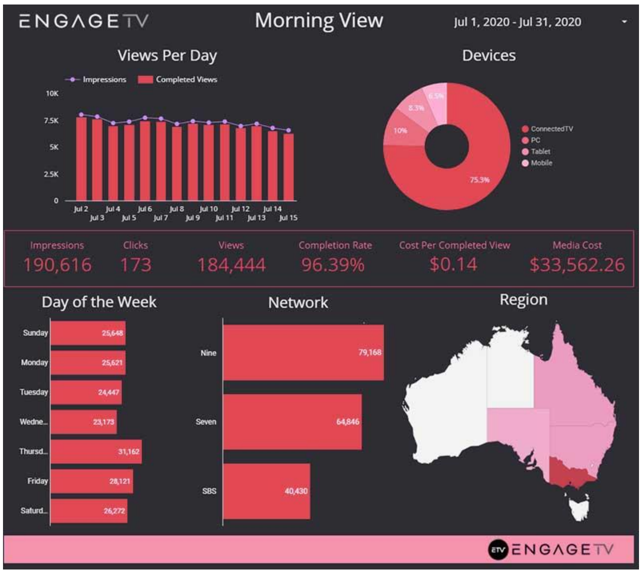
The current inventory connections are with the two dominant real-time programmatic marketing platforms, The Trade Desk (NASDAQ.TTD), and Google's Display & Video 360, however, EngageTV has been designed to integrate any future inventory source as the internet-TV market expands exponentially. Importantly, the Trade Desk and Google 360 also give EngageTV global reach to CTV audiences in developed markets.

The result is a holistic advertising approach to internet-based TV and content delivery across any screen size, however, particularly large screens in the household.

Unlike traditional linear television media buying, which charge for audience reach, EngageTV only charges advertisers for completed views of their ads. This results in a much more cost-effective campaign for advertisers.

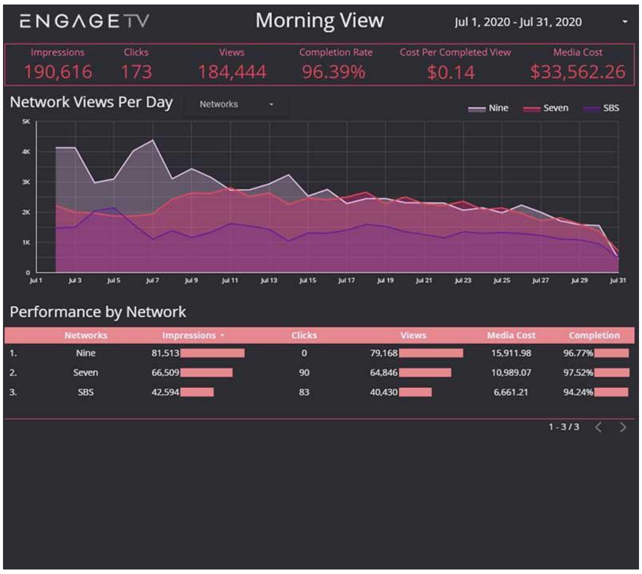
Following are four examples of EngageTV's dashboard "single view" for its clients. Exhibit 6 demonstrates the overview that is available to clients on the views per day across devices. This picks up connected TVs, PCs, tablets and mobile. Exhibit 7 shows the dashboard view showing the views by network each day of the campaign, while exhibit 8 provides the views by day and completion rate (which is what the client pays), and exhibit 9 depicts the views by location and postcode.

Exhibit 6: EngageTV dashboard view depicting overview of views per day on devices



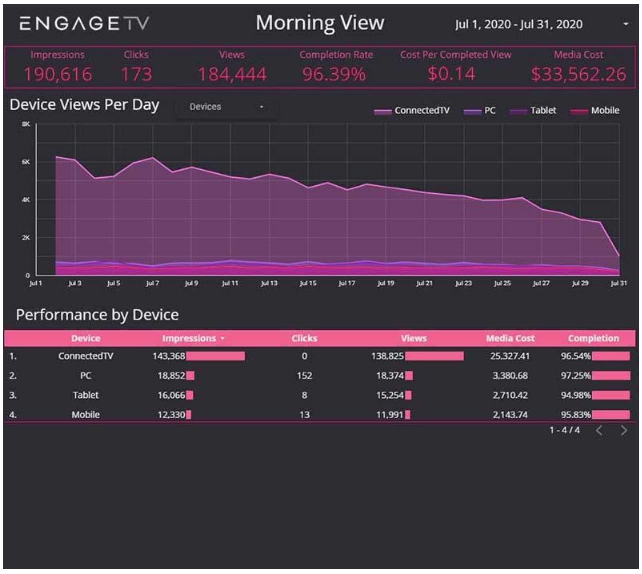
Source: Company data

Exhibit 7: EngageTV dashboard view depicting network views by day



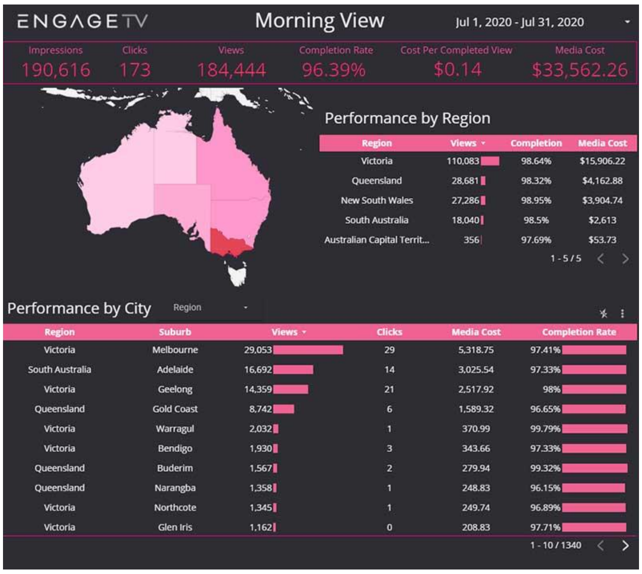
Source: Company data

Exhibit 8: EngageTV dashboard view depicting device views by day



Source: Company data

Exhibit 9: EngageTV dashboard breakdown of advertising views by region



Source: Company data

The granularity of EngageTV's reports is a key strength for the platform. The platform is able to deliver audiences by postcode and in regional Australia. This is a significant advantage for the group. EngageTV can deliver scale across the whole connected TV universe that the linear channels cannot. This gives EngageTV a jump on the linear networks and other players as it can deliver real-time reporting down to postcode.

The platform has also recently been successfully stretch-tested on an international basis, providing CTV audiences across Australia, Ireland, the UK and the US for a spirits brand launch with more than 23 markets being targeted globally in mid-2022. Targeting and execution abilities are also particularly strong in New Zealand.

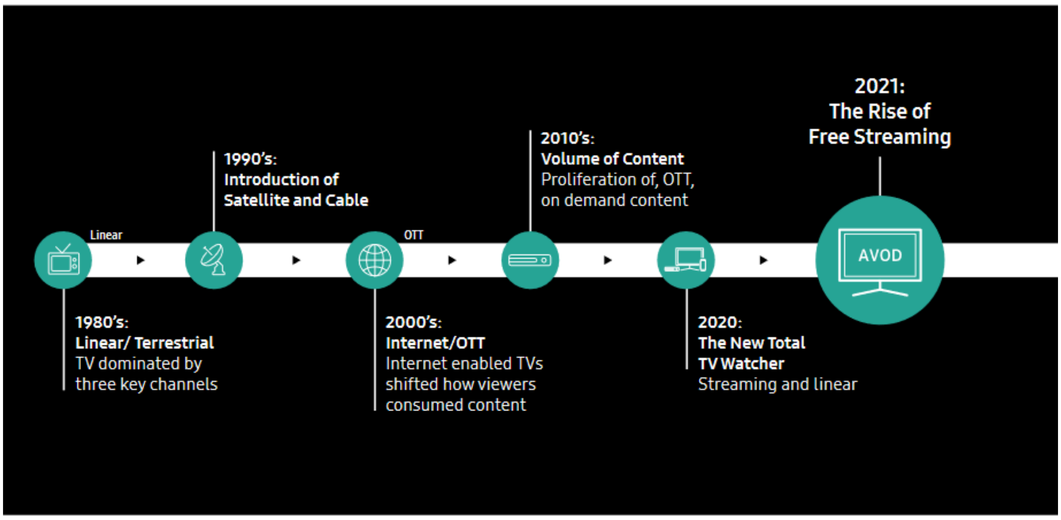
Industry Growth Forecasts

Switch Digital operates in the advertising sector, in particular the video media-buying space, on behalf of its clients, and provides creative and analytics around the performance and reach of campaigns. The business has responded to the changes taking place within the sector and the need for advertisers to adapt to changing trends.

With the introduction of internet-connected smart TVs a decade ago, the increasing prevalence of video-on-demand and streaming services, the line between broadcast television and video available over the internet has become increasingly blurred (see Appendix for a Glossary of Terms). Television is now going through the most significant change in its history, in much the same way that mobile telephones went through as they moved from analogue to internet-connected devices in the 2000s, and newspapers over more than two decades. Fragmentation of viewing audiences has occurred due to the growing choices in devices, services, channels as well as generational change in terms of viewing habits.

Statista estimates that connected TV, which includes smart TVs and televisions connected to an internet device, have now penetrated 82% of homes in the US, 67% of UK homes, 60% of German households and 58% of Australian homes. Connected TV has enabled the penetration of advertising-funded video-on-demand (AVOD) which is the new wave in the evolution of television. In a recently published White Paper, Samsung Ads set out the evolution of television which we have used below.

Exhibit 10: The evolution of television



Source: Samsung Ads 2021 White Paper, Decoding the On Demand TV Landscape

A White Paper released in 2021 by Samsung Ads, "Decoding the On Demand TV Landscape"[1], while focused on the five largest European markets (UK, Germany, France, Spain and Italy), has relevance for the Australian market in terms of viewing behaviours. The paper found that time spent streaming in 2020 increased 61% to two hours and 53 minutes a day and that 15% of audiences across Europe now only stream. It was acknowledged that the COVID-19 lockdowns had accelerated underlying trends in media consumption with an increasing shift in the number of people watching non-linear and CTV platforms. Samsung found that by the end of 2020, streaming on its smart TVs had increased five percentage points to 54% across the five European nations in its study.

The study found that in the course of 12 months, advertising-supported video-on-demand (AVOD) had increased its share of viewing time to 31%, from 25%, taking share from broadcast video-on-demand (BVOD) (which fell from 18% to 15%) and subscription video-on-demand (SVOD) (which declined from 52% to 51%).

According to ThinkTV, BVOD has higher audiences, in relative terms, than linear TV in the 25-54 age groups. For example, 14.7% of BVOD viewers are females in the 25-39 age group against 6.6% linear viewers. In the

1 Samsung Ads, 2021, Decoding the On Demand TV Landscape, a guide to streaming behaviours across Europe, Samsung TV Plus and what it means for marketers (http://samsungads.events/vodwhitepaper)

40-54 age group the figures are 14.3% and 11.1% respectively. Such trends have major implications for advertisers on linear TV.

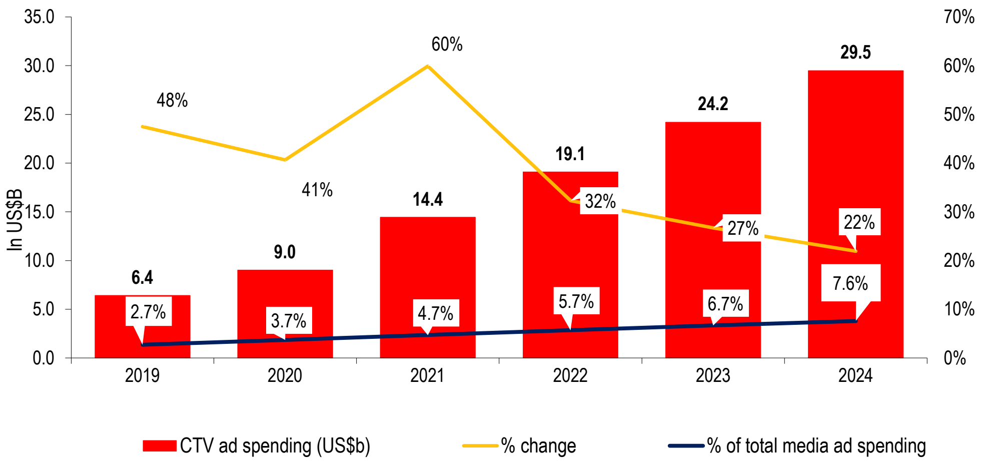
With AVOD still relatively new to the space, its rapid rise in Europe clearly has implications for Australia and for growth in Switch Digital's business model.

US connected TV forecasts a portent for significant growth

US forecasting group eMarketer estimated that the US connected TV market secured US$14.4b in advertising in CY2021, an increase of 60% on CY2020 and 4.7% share of the total advertising market. eMarketer also estimates that seven-in-10 CTV ad dollars will be fulfilled programmatically, equating to US$10b. It estimates that by 2024, CTV will command almost 8% of total advertising or almost US$30b.

eMarketer[2] expects the gap between CTV and linear TV ad spending to close rapidly over the next few years. In 2019, CTV ad revenues were around one-tenth of linear TV ad revenues. By 2025, eMarketer is expecting CTV ad revenues to be more than half of linear TV's. Statista estimates that linear TV ad spending was US$67.5b in CY2021 and that it will be at the same level in CY2024.

Exhibit 11: US connected TV ad spending forecasts 2019-2024



Source: eMarketer, October 2021

What consumers think about connected TV

Xandr (owned by AT&T) produces a report annually on advertising relevance, based on a survey of US consumers. In 2020, the annual Relevance Report was extended to include a survey of advertisers globally. The Relevance Report's survey of 1,000 US consumers aged 18+, conducted in partnership with MarketCast, found:

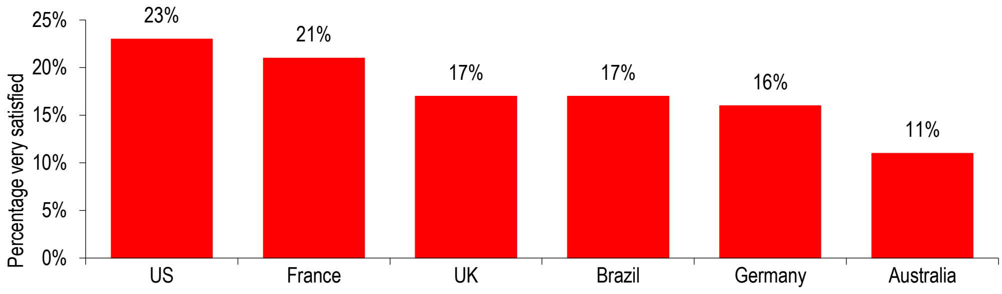
- 82% of consumers prefer to access content for free, even if it means viewing ads;
- 71% like it when the ads fit with what they are watching/reading/listening to; and
- 72% say advertising is good for consumers.

In its 2020 report, Xandr expanded the scope of its relevance research to also focus on what advertisers find relevant and effective, particularly in light of investment in data and technology solutions. Xandr, together with Advertiser Perceptions, surveyed 900 decision-makers across a range of countries, including Australia, and found that only one-in-five US advertisers and one-in-10 Australian advertisers were very satisfied with their end-of-campaign measurement. Decision-makers cited the need for industry-wide standards that can

2 eMarketer, US Connected TV Advertising, What Marketers Need To Know About Streaming Video's Dominance

support the convergence of television and digital video. Australian advertisers highlighted that the lack of standard cross-screen measurement was a leading challenge that prevents them from using data effectively.[3]

Exhibit 12: Advertisers who were very satisfied with measurement solutions



Source: Xandr 2020 Relevance Report

In Australia's case, 140 decision-makers spending $100k+ on digital video/connected TV as a brand, or $250k+ on digital video/connected TV as an agency, were surveyed. Around the globe, and echoed in Australia, advertisers cited creating a better ad experience as the top challenge facing the industry today, followed by changing media consumption habits and consumer privacy concerns.

Other international developments

Earlier in March, Disney's flagship direct-to-consumer streaming service Disney Plus surprised the market with plans to launch an ad-supported subscription plan in the US later this year.[4] Disney Plus is the second-largest SVOD service in the world after Netflix, with almost 130m subscribers worldwide on the Disney Plus service, 45.3m on the Hulu platform and 21.3m on ESPN. The company has announced that the AVOD version of Disney Plus would be offered at a price less than its regular ad-free version (which in the US costs US$7.99/month) and was a building block for the company's target to reach from 230m-260m subscribers worldwide by the end of 2024. This ad-supported option is also likely to become available in Australia.

Other main competitors, Netflix and Amazon Prime Video, currently do not have ad-supported options, but Warner Media added an AVOD version to HBO Max in June 2021 and other streaming services with AVOD plans include Paramount Plus, Discovery Plus and NBC Universal's Peacock.

In further news, YouTube announced on March 23 that it would, for the first time, stream free, ad-supported TV shows, in a move that puts it into direct competition with the growing number of free streaming services in the US market, including Roku, Pluto TV, IMDb TV, Tubi, Plex and NBCU's Peacock and Xumo.[5] Initially, YouTube plans to offer US users access to more than 4,000 free TV episodes from shows including Hell's Kitchen, Andromeda, Heartland and older shows such as That Girl and 21 Jump Street. YouTube already streams more than 1,500 ad-free movies on its platform. Again, we expect YouTube to extend this service to the Australian market.

So the total ad-supported audience pool available via the EngageTV platform should continue to expand rapidly.

3 Xandr, 2020 Relevance Roadmap, page 14

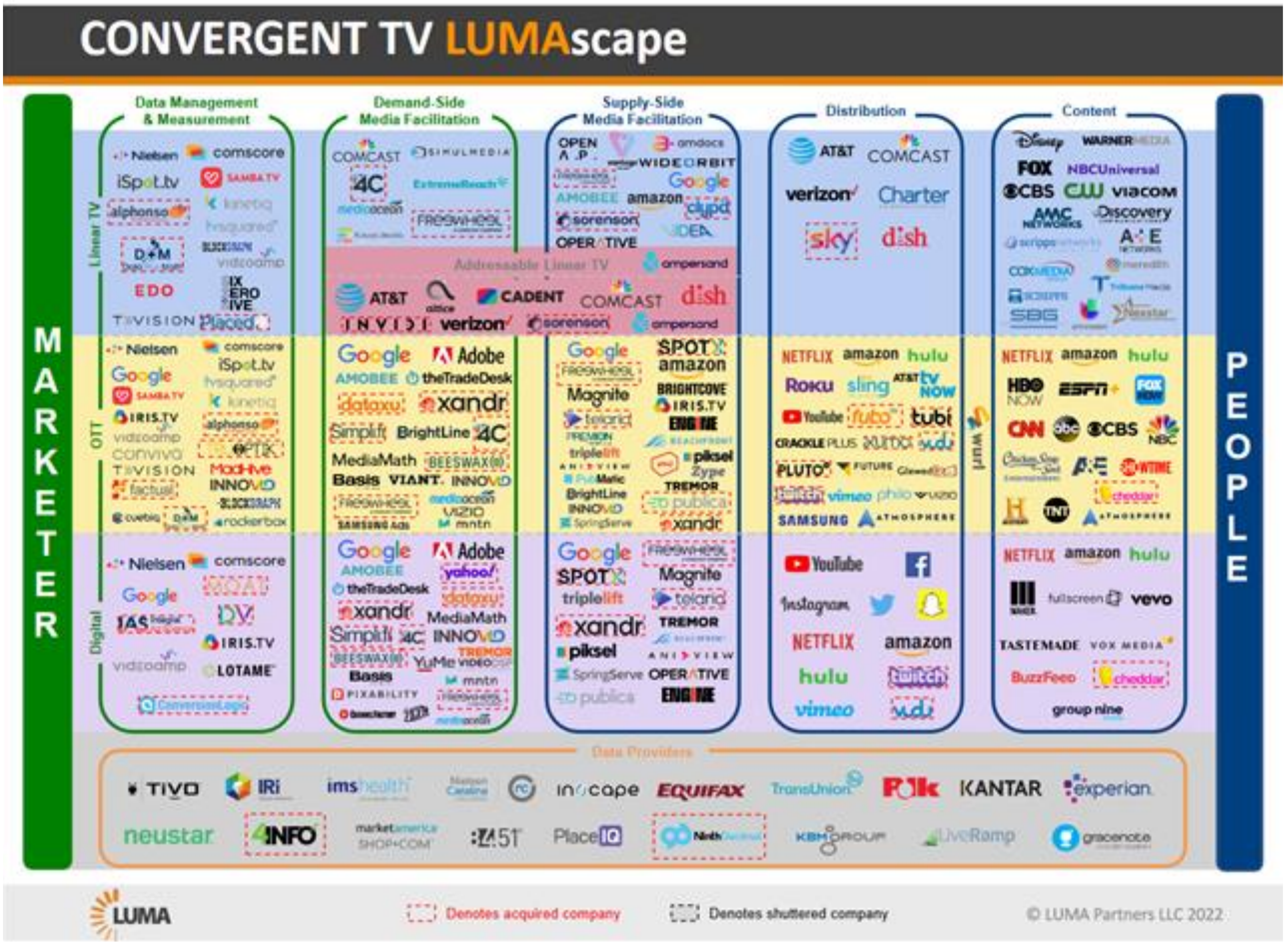
4 https://variety.com/2022/digital/news/disney-plus-ad-supported-plan-launch-1235196231/

5 https://techcrunch.com/2022/03/23/youtube-to-stream-free-ad-supported-tv-shows-for-the-first-time/

US Technologies Currently Available

While EngageTV appears to be the only Australian platform operating independently in the demand-side facilitation space for the OTT market, the US market has a plethora of demand-side CTV advertising technology platforms in operation. Luma Partners highlights this in the following convergent TV landscape graphic. The most relevant operators are those listed in the demand-side media facilitation section highlighted in yellow. We list some of the independent operators below.

Exhibit 13: US convergent TV landscape (demand-side media facilitation in the OTT sector is most relevant to EngageTV)



Source: Luma Partners LLC (https://lumapartners.com/content/lumascapes/convergent-tv-lumascape/)

MediaMath

MediaMath is a programmatic marketing platform that offers advertisers end-to-end campaign management. It helps marketers to integrate third-party apps, integrating data sets. MediaMath is privately held and most recently raised US$73.5m in a Series C funding round. To date the business, which was founded in 2007, has raised US$607.5m.

MNTN

MNTN (mountain.com) is the developer of a cloud-based advertising platform designed to drive measurable conversions, revenue and site visits for clients. The company's platform provides a fully integrated, cross-device advertising system for social, mobile and display advertising that includes audience segmentation, campaign management, a creative ad builder and reporting tools, all in a single place, enabling marketers and advertisers to give total transparency and complete control over their campaigns. The platform appears to be "performance-based" advertising for CTV whereas EngageTV sees its biggest opportunities coming from larger brand customers who want more effective TV strategies. MNTN was founded in 2009, is venture-capital backed, and has so far completed four funding rounds, the latest being in February 2022, when it undertook a Series D funding round to raise US$119m.[6] The company also owns an original video creation platform, Quickframe, which produces video spots for more than 1,000 clients across 20 categories.

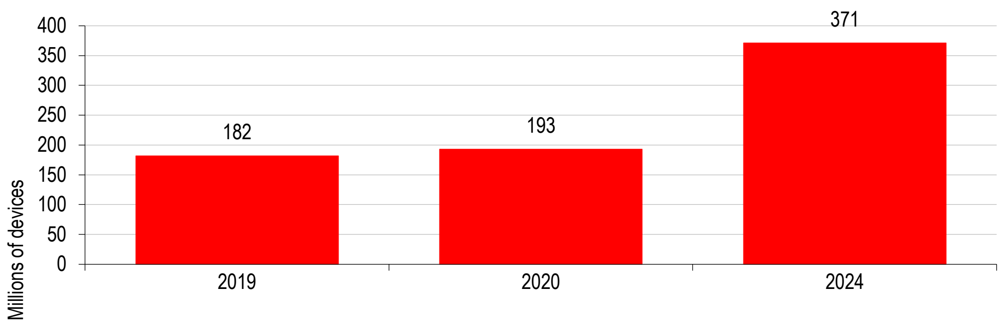
Simpli.fi

Simpli.fi is a localised programmatic platform that allows advertisers to buy the ad inventory on various ad exchange platforms. Simpli.fi also provides agency management software. Simpli.fi's full suite of mission-critical workflow and ad-buying software enables agencies and media groups to manage their core operations and execute high-ROI media spend through digital ad campaigns. Each month, the company's innovative CTV and mobile programmatic advertising platform powers over 120,000 campaigns for 30,000 active advertisers. Private equity group Blackstone (NYSE:BX) last June took an equity stake in the business which valued the company at US$1.5b.

Australian landscape

It should be no surprise that the trends seen in other countries are emerging in Australia. The statistics bear out the take-up of connected TV and growth in both viewership and advertising. Internet-connected devices are helping drive this change. Research house Telsyte estimates that there were 193m internet-connected devices in 2020 and estimates this will almost double by 2024.

Exhibit 14: Internet-connected devices in Australian households, 2020 and 2024 forecasted



Source: Telsyte.com.au, Statista

IAB Australia estimates that 8.6m Australians daily access online content by their television, growing at a CAGR of 14% over the past three years.

Exhibit 15: Australians accessing online content by device

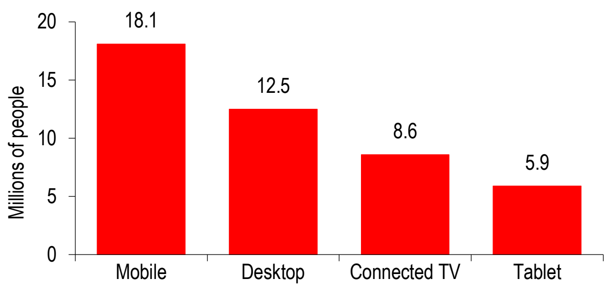
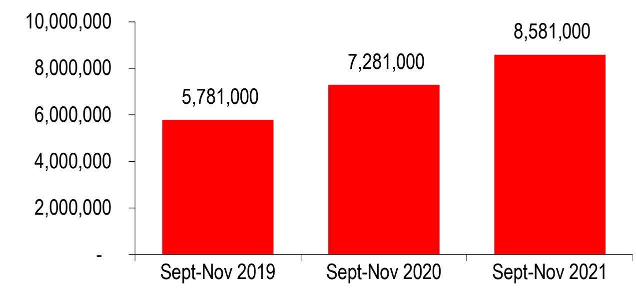


Exhibit 16: Daily connected TV audience by quarter (Sept-Nov 2019-2021)

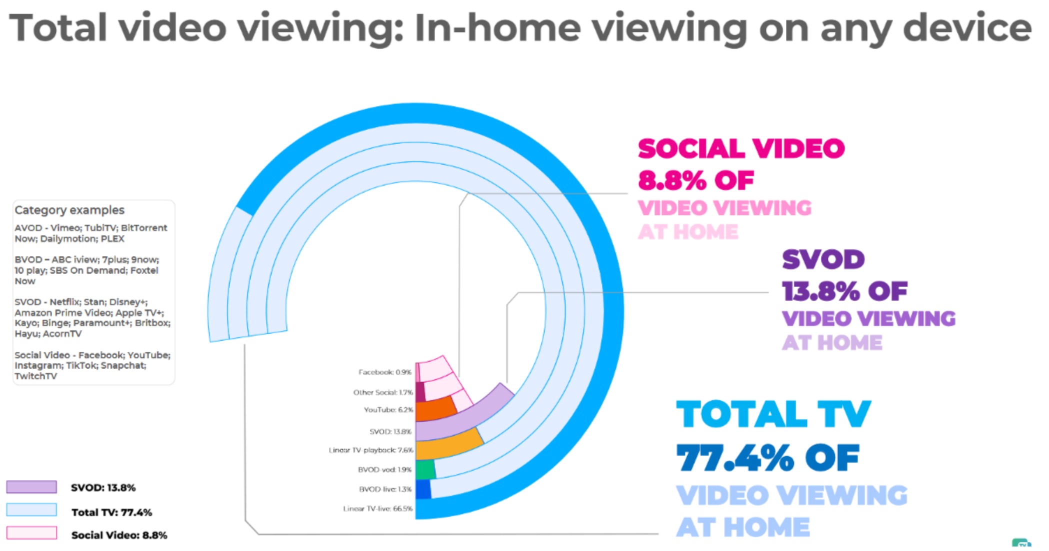


6 Source: PitchBook (https://pitchbook.com/profiles/company/52244-02#overview)

Source: IAB Australia Nielsen Digital Enumeration Study, September 2021-November 2021 quarter, pages 14+, n=3,000 per quarter; ThinkTV Fact Pack Tech Penetration, Jan-Jun 2021	Source: IAB Australia Nielsen Digital Enumeration Study September 2021-November 2021 quarter, pages 14+, n=3,000 per quarter

Industry body ThinkTV, using viewing data from May 30-June 26, 2021 from OzTAM, estimates that social video (Facebook, YouTube, TikTok, Instagram and other social media channels) account for 10.1% of in-home video viewing, with broadcast VoD accounting for 3.5% of in-home video viewing, or a total 13.6% of ad-supported video audiences. SVOD accounts for 15.3% of in-home video viewing with linear TV making up 71.0% of in-home video viewing.

Exhibit 17: Total video viewing Australia, in home viewing on any device



Source: ThinkTV, H2 2021 Fact Pack

According to ThinkTV, linear TV still dominates ad-supported video viewing, accounting for 75.8% of live ad-supported video viewing, and another 8.0% of videos viewed via playback TV. BVOD accounts for 4.1% of ad-supported video viewing and social video 11.9%, for a total of 16.0%, with YouTube delivering 72% of this audience. These are the audiences that EngageTV can deliver.

RAAS
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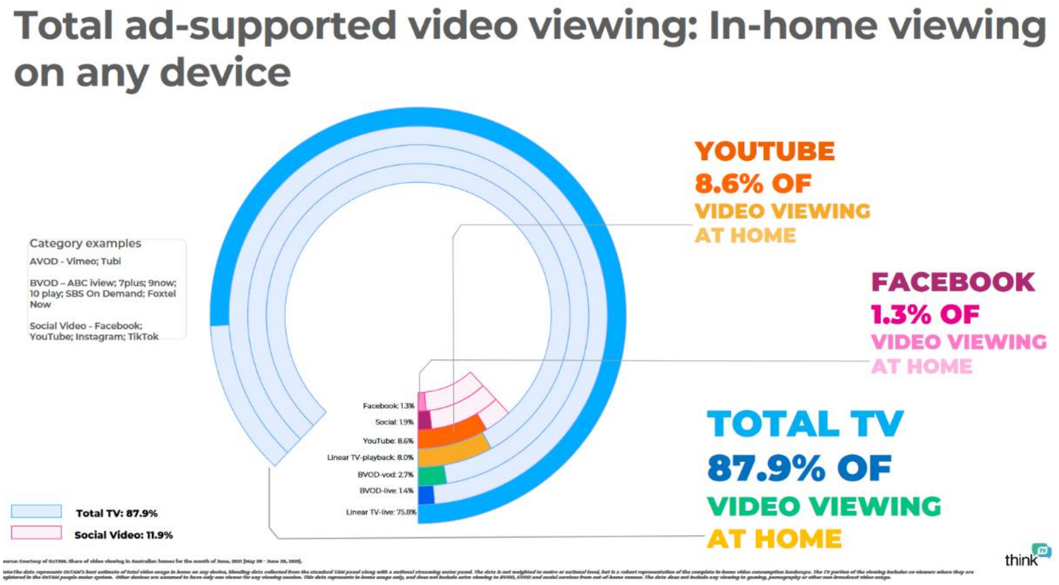
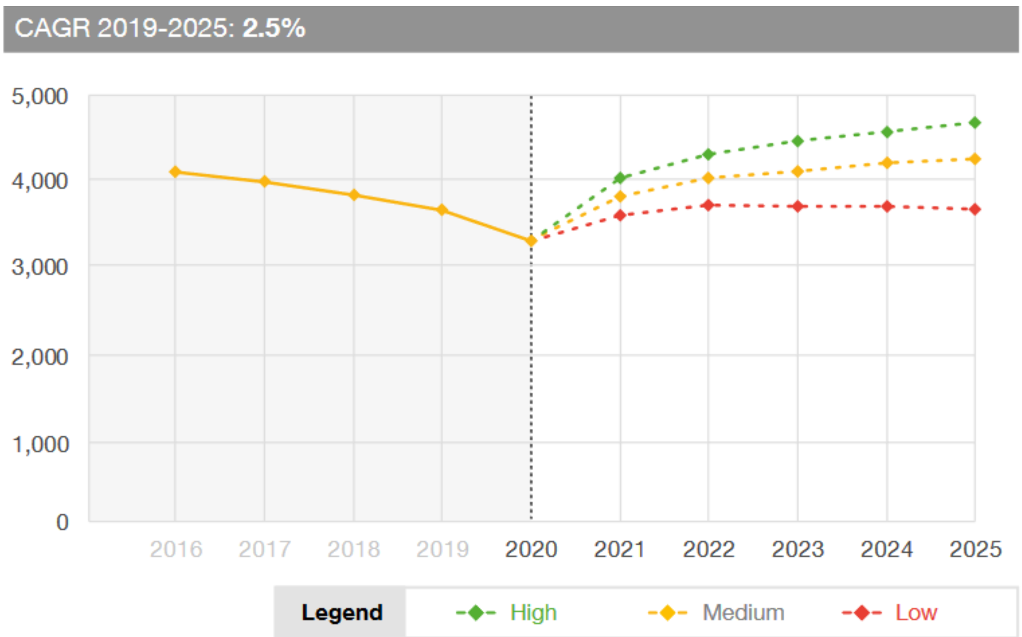
Exhibit 18: Total ad-supported video viewing in Australia, in-home viewing on any device



Source: ThinkTV, H2 2021 Fact Pack

With linear TV audiences continuing to fragment, the introduction of new video-viewing technologies has resulted in arresting the decline in the broader television advertising market. PwC, in its Australian Entertainment & Media Outlook 2021-2025 report, forecasts a mid-point CAGR of 2.5% from 2019-2025 for the total free-to-air TV market, as set out in exhibit 17 on the following page. At best, PWC estimates that the total TV market will grow at 4.1% from 2019-2025, and at worst that it remains flat.

Exhibit 19: Total TV advertising market 2016-2019a, 2020-2025f (in A$m)

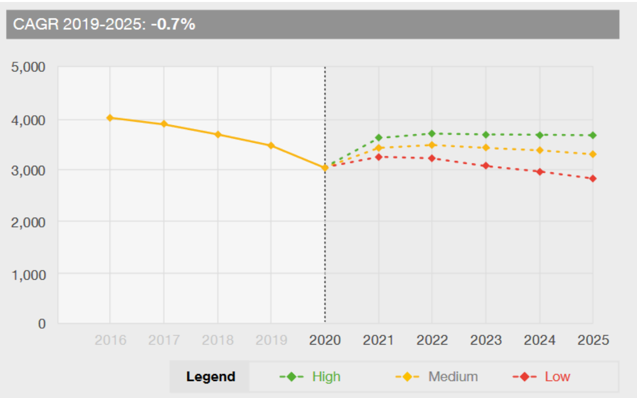


Source: PwC Media & Entertainment Outlook 2021

However, breaking this down further, PwC is forecasting the linear TV advertising market to decline or remain flat over the next several years to 2025, with the overall growth in the market delivered by the smaller but rapidly growing BVOD segment. Based on its mid-point forecast, PwC expects the Australian linear TV advertising market to decline at a compound rate by 0.7% from 2019 to 2025. At best, PwC sees linear TV growing at a CAGR of 0.8% while its low case is a decline of 3.4%.

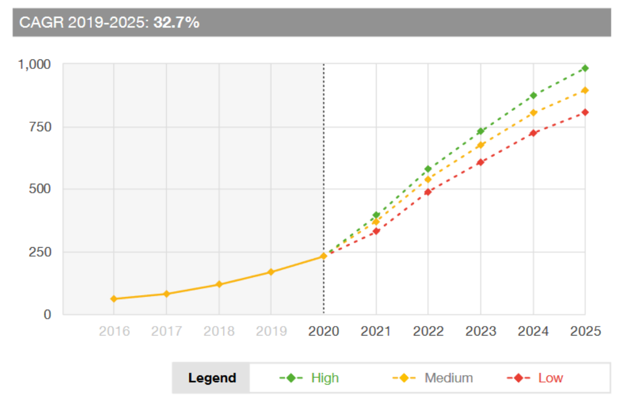
In contrast, PwC is forecasting the Australian BVOD advertising market to grow at a CAGR of 32.7% from 2019 to 2025, with a high case of 34.7%, and low case of 30.7%, which is a huge shift in the TV advertising market. Moreover, the PWC figures refers only to the BVOD advertising component whereas the total AVOD market includes many other suppliers as we've highlighted that Engage TV can access earlier in the report. The total connected TV market is likely to be a much bigger universe than is being captured in PwC's forecasts.

Exhibit 20: Australian linear TV market (in A$m)



Source: PwC Media & Entertainment Outlook 2021

Exhibit 21: Australian BVOD market (in A$m)



Source: PwC Media & Entertainment Outlook 2021

RaaS
Research as a Service

Historical Earnings

Switch Digital has historically been a profitable and growing business. The company's top line (gross billings) is income before media costs (payments to publishers). This can be lumpy because it includes media billings with various levels of margin including some low-margin revenues which Optimo outsources to other suppliers. Accordingly, the company's net revenues are a more accurate guide to performance over time.

FY20 and FY21 were impacted by the COVID-19 pandemic due to a reduction in the marketing budgets of some clients, particularly spend on creative strategy and design, in those years. This, together with some of the low-margin revenues mentioned above, resulted in the net revenues margin reducing in these years.

In looking at EBITDA, we have adjusted FY20 and FY21 to remove JobKeeper and government cashflow payments, but have retained other potential adjustments such as directors' fees, redundancies and office relocation costs. Over FY17-FY21, these costs have averaged $250,000 a year. If we were to strip these out of FY20 and FY21, EBITDA respectively would have been $1.64m and $1.85m.

Exhibit 22: Historical earnings and cashflow FY17-FY21 (in $Am unless otherwise stated)

Year ended June 30	FY17	FY18	FY19	FY20	FY21
Gross billings	12.2	10.8	12.7	14.2	17.3
Net revenue	4.6	4.7	5.0	4.6	4.8
Margin %	38	43	39	33	28
EBITDA adjusted*	1.1	1.2	1.7	1.4	1.6
EBITDA margin %	9	11	14	10	9
NPAT adjusted*	0.7	0.9	1.3	1.1	1.2
NPAT margin %	6	8	10	7	7
Operating cashflow	0.8	0.5	1.2	2.2	2.5
Free cashflow	0.8	0.5	1.2	2.1	2.4
Working capital	2.3	2.5	2.4	2.7	1.7
Net cash	2.2	1.9	1.6	2.7	3.2
ROIC %	6	7	11	8	7

Source: Company data, RaaS analysis; *Adjusted for JobKeeper and government cashflow payments but not directors' fees or one-time costs such as office relocation or redundancies

RaaS Earnings Estimates

We have compiled earnings estimates for Switch Digital from FY22-FY32. Our forecasts are derived from conversations we have had with the management team on the near-term expectations for revenues, with longer-term growth forecasts taking into account the earlier-stage nature of EngageTV and likely higher growth trajectory together with a more modest growth rate of 5% for the core Switch Digital/Optimo Designs business. Our forecasts incorporate a 10-year CAGR growth profile of 28% for EngageTV's gross billings and 5% for Switch Digital/Optimo. We are forecasting a 10-year CAGR in operating costs of 3.0% over the same period. The following exhibit sets out our forecasts for FY22-FY26.

Exhibit 23: Earnings estimates for Switch Digital FY21a and FY22-FY26e (in $Am unless otherwise stated)

Year ending 30 June	FY21a	FY22e	FY23e	FY24e	FY25e	FY26e
EngageTV gross billings	0.0	0.95	1.91	3.43	5.15	6.70
Switch Digital/Optimo Designs gross billings	17.35	17.43	18.14	19.04	19.99	20.99
Total gross billings	17.35	18.39	20.04	22.48	25.15	27.69
Net income (gross profit)	4.83	5.42	6.15	6.92	7.87	8.81
Gross profit margin %	28	30	31	31	31	32
EBITDA underlying*	1.63	1.88	2.58	3.24	4.08	4.90
EBIT underlying*	1.58	1.86	2.56	3.22	4.06	4.88
NPAT underlying*	1.16	1.31	1.81	2.28	2.87	3.46

Source: Company data for actual, RaaS estimates; *Underlying excludes government payments such as JobKeeper and cashflow boost but includes directors' fees and expenses such as office relocation

SWOT Analysis

In our view the strengths and opportunities for Switch Digital outweigh the weaknesses and threats.

Exhibit 24: Strengths, Weaknesses, Opportunities, Threats

Strengths	**Opportunities**
Proven profitability over several years	Opportunity to expand platform to international markets
Tailwinds in consumer takeup of connected TV	Opportunity to white-label to other players
Highly experienced board in online digital companies	Growth options could include IPO or partnering
Scalable business model	Margin expansion potential in the EngageTV business
Delivering audiences across multiple channels/platforms	
Demand for data analytics is increasing	
Weaknesses	**Threats**
Small company relative to channel partners	International platforms could emerge in the Australian market
EngageTV is still early stage with a short operating history	Prolonged advertising downturn could impact growth prospects
Additional investment could be required for the EngageTV platform	Competing offerings
	BVOD channels could band to form their own platform

Source: RaaS analysis

Sensitivities

In our view the key sensitivities relating to the Switch Digital business model are:

- **Economic risk:** Our forecasts and valuation are predicated on Switch Digital increasing its revenues which are derived from advertising. The advertising market is closely correlated with, and is a lead indicator of, economic growth. A slower rate of economic growth could lead to a lower rate of advertising growth than anticipated for Switch Digital.
- **Key person risk:** The current board and leadership team have driven the growth and development of this business to date. The loss of one or all these executives could result in a different operating profile for the business.
- **Competitive risk:** Both Optimo Designs and Switch Digital compete with other advertising agency, data and insights, and media buyers for brand customers and the risk is client loss in campaign pitches. EngageTV is largely operating solus in its sphere, due to its differentiated pricing approach (pay-per-viewed ad) and reach across multiple channels and platforms. Over time, other players, particularly those identified in the US, could decide to enter the Australian market, thereby increasing competition.
- **Technology risk:** There is always a risk that a better, faster, easier, more desirable technology is introduced into the market that displaces incumbent technology.

Board And Management

Directors

Stuart Simson, Executive Chairman and Founder, founded Switch Digital in 2009 and acquired Optimo Designs in 2010. Stuart is a former managing director of *The Age,* and former *BRW* chief executive and editor, and the Executive Chairman and later Chairman of emitch Ltd, Australia's first listed online media group. He also has served as a director of WPP's full-service mobile marketing company Joule which operates in Australia with Switch Digital. He served for 11 years, until the end of 2012, as a member of the CSIRO ICT Senior Advisory Council and from 2008 to 2014 was a director of Leadership Victoria. He is a former Chair of the Australia-China Council.

Lee Stephens, Managing Director and CEO of Switch Digital and EngageTV, brings 30 years' experience in digital media to his roles, having headed Fairfax Media's early online foray from 1992, again as Commercial Director in the early 2000s, fronting Selenium Interactive, which built some of Australia's most enduring websites, www.ticketek.com.au and www.greaterunion.com.au, and as CEO of Australia's first listed-online media group emitch Ltd, which increase market capitalisation from $38m to $300m, and billings from $12m to $71m in less than three years. At the time emitch managed more than 20% of all online display advertising in Australia. Subsequently as CEO of Aegis Media, Asia Pacific, for 3.5 years, Lee oversaw a large turnaround in the group's media and new media brands in the region including Carat, Apollo Marketing, OneDigital, iProspect and Safecom. He left Aegis in late 2010 to head up Switch Digital.

Chelsea Parkinson, Managing Director of Optimo Designs, is the founding partner of the Melbourne-based full-service creative agency which has been in operation for more than 23 years. Chelsea leads a team of 25 creative minds, hands-on account managers and emerging digital technology experts. Chelsea is actively involved in the creative for several key clients including Commonwealth Bank, Lion Saputo, Bega, City of Melbourne, Nufarm, Kikkoman, KAO and Dennis Family. In 2010, Optimo Designs merged with Switch Digital, to form a fully integrated creative and digital agency group.

Shareholders

Switch Digital is owned by Stuart Simson and his interests (68%), Lee Stephens and his interests (22%) and David Evans, Chairman of Evans and Partners, and his interests (10%).

Peer Comparison

We have identified eight ASX-listed companies focused on the advertising, analytics or social media engagement and marketing sectors. All fall into the small-to-microcap space and, as such, are competing for the attention of investors focused on this end of the market. The companies are as follows:

Crowd Media Holdings Ltd, formerly Crowd Mobile Limited, is a tech-based, vertically integrated social commerce business selling products and services to its customers. The company has an extensive digital influencer marketing agency and an influencer commerce platform.

Enero Group has an international network of marketing and communications businesses engaged in strategy, market research and insights, advertising, digital, public relations, communications planning, design, events management, direct marketing, corporate communications and programmatic media. It operates through its seven subsidiaries, including BMF, a creative and content business, CPR and Hotwire, PR and integrated communications operations, and The Digital Edge, The Leading Edge, OB Media and Orchard, which provide digital, data, analytics and technology services.

engage:BDR is focused on integrating client platforms into its own programmatic platform enabling the dynamic buying and selling of advertising inventory through its online marketplace. The company also offers an out-stream advertising product for publishers which has enabled publishers to create new advertising space on their websites.

Gratifii, formerly Mobecom, delivers digital customer engagement solutions to brands. Its software-as-a-service (SaaS) platform, Mosaic, powers enterprise loyalty and reward programs. Gratifii focuses on the retail, hospitality, telecom, banking, insurance and financial services sectors. It offers services for consumer engagement, content management and creation, and management of loyalty ecosystems.

Motio is a digital place-based and location intelligence media company using first-party data, live venue-based analytics and government statistical data to provide brands with in-context data and audiences with relevant digital campaigns. It operates two segments: cross-track digital system installation and maintenance (XTD); and media sales (Media Advertising).

Netccentric delivers a range of social media and marketing services to brands including its influencer platform which delivers content across multiple social media platforms, its video marketing and creative design services, a social media agency, digital asset production and its performance marketing agency. The company is predominantly focused in SE Asia.

Pureprofile is a data analytics, consumer insights and media buying company. It generates its revenue from providing data analytics and consumer insights derived from its actively managed panels of digital members access through its proprietary technology platform and also has a media arm which executes advertising campaigns for clients.

Plexure Group Limited, formerly VMob Group Limited, owns a digital marketing technology platform that analyses purchases and contextual data and tailors messaging to individual customers. The Plexure platform allows its corporate customers to measure every purchase transaction, alongside real-time data, such as location and weather conditions. Its platform consists of features, including analytics, adaptive machine learning, campaign manager, workflow builder, media library, consumer manager, content manager and push messaging.

As the following exhibit highlights, the peers are currently trading on a median EV/Sales multiple (FY21 sales) of 2.2x, with a range of 0.3x-4.0x. Given only three of the companies generate operating profit (EBITDA) and two of these are early in their profitability, we see the EV/Sales multiple as more relevant to our analysis for Switch Digital. Using the 2.2x sales multiple, we arrive at a peer valuation of $38.5m, which is at a premium to our DCF valuation discussed below. It is also worth highlighting that the median GP margin of the peers is 22.9%, which is below Switch Digital's historical average of 30%.

Exhibit 25: Australian-listed peer comparison

Company	Code	Market capitalisation (A$m)	Enterprise value (A$m)	EV/Sales (x)	EV/EBITDA (x)	GP margin (%)
Crowd Media Holdings	CM8	25.4	24.4	3.5	na	20.4
Enero Group	EGG	319.2	280.3	0.7	5.7	50.3
Engage:BDR	EN1	3.9	3.8	0.3	na	88.2
Gratifii	GTI	19.4	21.8	4.0	27.1	22.9
Motio	MXO	16.4	12.0	4.0	na	14.1
Netccentric	NCL	25.1	20.7	1.8	na	19.0
Pureprofile*	PPL	59.2	60.7	2.0	36.6	28.4
Plexure Group	PX1	111.2	70.8	2.4	na	na
Median		**25.2**	**23.1**	**2.2**	**27.1**	**22.9**

Source: Refinitiv Eikon, RaaS analysis; Prices at 24 March 2022; *Pureprofile is a RaaS Research client

DCF Valuation

We have used the discounted cashflow methodology to value Switch Digital, arriving at a base-case valuation of $31.1m with the terminal value accounting for one-third of the valuation. As a sense check, our valuation implies an EV/Sales multiple of 1.8x on the company's FY21 revenues and an EV/EBITDA multiple of 19.0x FY21. Both these multiples are below those of the peer group discussed above.

The weighted average cost of capital (WACC) used in our valuation is 15.0% and derived from using an equity risk premium of 6.75% (which is in line with the recommended market risk premium published by KPMG in March 2020)[7], a risk-free rate of 2.5%, in line with the Australian 10-year Government Bond rate at March 2022, and a beta of 1.85 which is well ahead of the market beta of 1.0.

Exhibit 26: Base-case DCF valuation

Parameters	Outcome
Discount rate / WACC	15.0%
Beta	1.85
Terminal growth rate assumption	2.20%
Sum of PV (A$m)	17.5
PV of terminal value (A$m)	10.4
PV of enterprise (A$m)	27.9
Debt (Cash)	(3.2)
Net value – shareholder (A$m)	**31.1**

Source: RaaS estimates

The valuation is very sensitive to the discount rate and we have set out below the impact of different discount rates higher and lower than the 15% we apply in our base-case valuation.

Exhibit 27: Discount rate sensitivity on base-case valuation

Discount rate	A$M
10%	51.6
11%	45.3
12%	40.3
13%	36.3
14%	33.1
15%	30.4
16%	28.1
17%	26.1
18%	24.4
19%	23.0
20%	21.7

Source: RaaS analysis

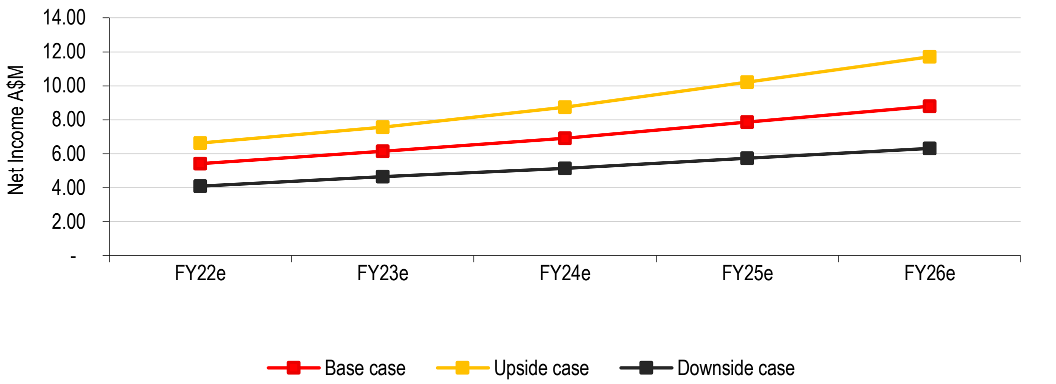
7 KPMG (https://assets.kpmg/content/dam/kpmg/nl/pdf/2020/services/equitiy-market-risk-premium-research-summary-march-2020.pdf)

Scenario Analysis

Our base-case forecasts use, in our view, conservative assumptions for revenue growth and costs growth for Switch Digital, namely:

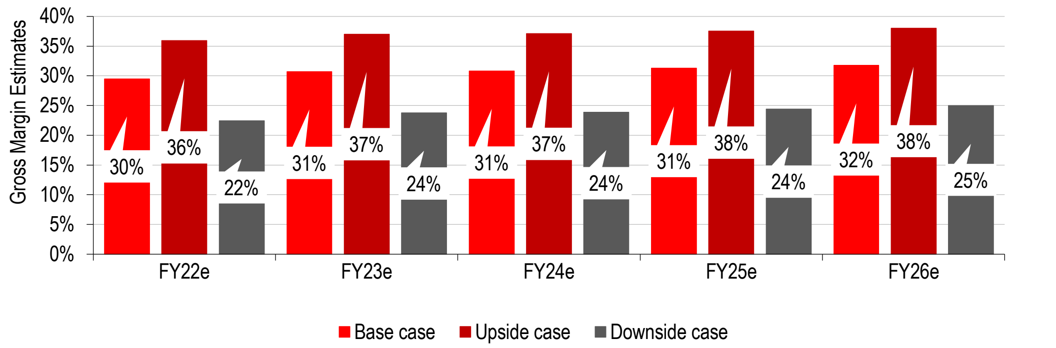
- Base-case gross billings are forecast to grow at a 10-year CAGR of 7% which incorporates a 5% CAGR for the Switch Digital/Optimo businesses, and 28% CAGR in gross billings for EngageTV, albeit off a much lower base;
- An upside case has been set at 20% above the base-case valuation with an overall 10-year CAGR in gross billings of 9.0% derived from a CAGR of 33% in gross billings for EngageTV and a 6% CAGR for the Switch Digital/Optimo businesses. This results in a net income margin of 36-38% in the near term and 40% longer term; and
- A downside case has been set at 20% below the base-case valuation with an overall CAGR in gross billings of 6%, derived from a 10-year CAGR in EngageTV of 24% and 4.0% CAGR for the Switch/Optimo businesses.

Exhibit 28: Net Income estimates by base case, a downside case and an upside case



Source: RaaS estimates

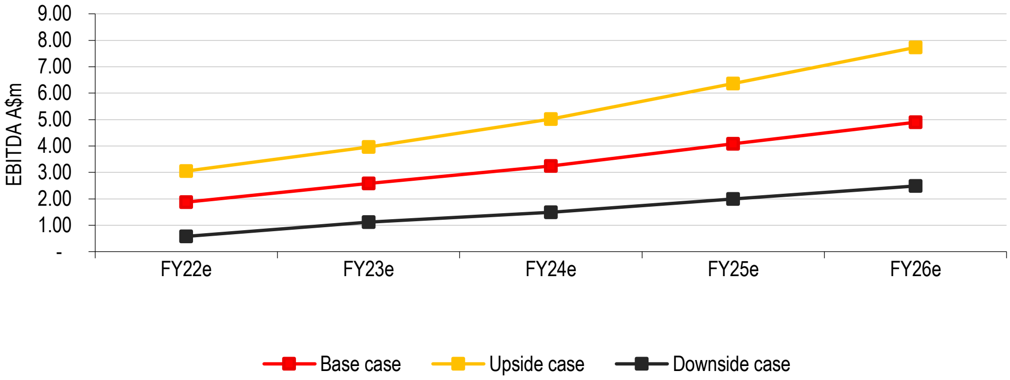
Exhibit 29: Gross margin estimates by base case, a downside case and an upside case



Source: RaaS estimates

Our base-case forecasts derive a gross margin of 30% in FY22 rising to 32% by FY26 and 35% in FY32. This compares with our upside-case range of 36-38% near term and 40% by FY32, and 22-25% for our downside case near term and 28% longer term.

Exhibit 30: EBITDA estimates by base case, a downside case and an upside case



Source: RaaS estimates

The following exhibit sets out the growth rates in free cashflows and gross billing on the base case and the upside and downside scenarios that we have highlighted in this section.

Exhibit 31: Valuation by base case, a downside case and an upside case, and implied compound annual growth rates in gross billings and free-cash-flow over 10 years

	DCF in A$m	10-year CAGR in FCF	10-year CAGR in gross billings
Base	31.1	12%	7%
Downside	17.9	11%	6%
Upside	47.5	14%	9%

Source: RaaS analysis

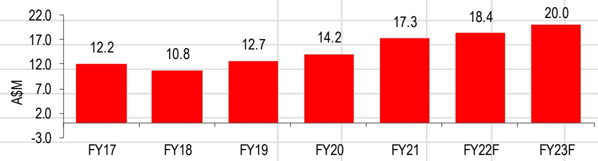
Exhibit 32: Financial Summary

Switch Digital

Profit and Loss (A$m)					
Y/E 30 June	**FY19A**	**FY20A**	**FY21A**	**FY22F**	**FY23F**
Revenue (Gross advertising Sales)	12.7	14.2	17.3	18.4	20.0
Gross Profit (Net Revenue)	5.0	4.6	4.8	5.4	6.2
EBITDA	1.7	1.4	1.6	1.9	2.6
Depn	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)
Amort	0.0	0.0	0.0	(0.0)	(0.0)
EBIT	1.7	1.4	1.6	1.9	2.6
Interest	0.0	0.0	0.0	0.0	0.0
Tax	(0.5)	(0.3)	(0.4)	(0.6)	(0.8)
Minorities	0.0	0.0	0.0	0.0	0.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0
NPAT pre significant items	1.3	1.1	1.2	1.3	1.8
One time items inc forex gain/losses	(0.0)	0.2	0.6	0.0	0.0
NPAT (reported)	**1.2**	**1.3**	**1.8**	**1.3**	**1.8**

Balance sheet (A$m)					
Y/E 30 June	**FY19A**	**FY20A**	**FY21A**	**FY22F**	**FY23F**
Cash	1.6	2.7	3.2	5.2	6.9
Accounts receivable	3.5	2.6	3.4	3.0	3.3
Inventory	0.1	0.0	0.0	0.0	0.0
Other current assets	0.7	0.7	0.9	0.9	0.9
Total current assets	*5.9*	*6.0*	*7.5*	*9.1*	*11.0*
PPE	0.2	0.2	0.2	0.2	0.2
Goodwill	16.0	16.0	20.0	20.0	20.0
Investments	0.0	0.0	0.0	0.0	0.0
Deferred tax asset	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total non current assets	*16.2*	*16.2*	*20.2*	*20.2*	*20.2*
Total Assets	**22.0**	**22.2**	**27.7**	**29.3**	**31.2**
Accounts payable	1.1	1.2	1.7	1.9	2.0
Short term debt	0.0	0.0	0.0	0.0	0.0
Tax payable	0.2	0.3	0.1	0.1	0.1
Other current liabilities	2.2	1.8	4.1	4.1	4.1
Total current liabilities	*3.5*	*3.3*	*5.9*	*6.1*	*6.2*
Long term debt	0.0	0.0	0.0	0.0	0.0
Other non current liabs	2.9	2.9	1.7	1.7	1.7
Total long term liabilities	*2.9*	*2.9*	*1.7*	*1.7*	*1.7*
Total Liabilities	**6.3**	**6.2**	**7.5**	**7.8**	**7.9**
Net Assets	**15.7**	**16.1**	**20.2**	**21.5**	**23.3**
Share capital	4.3	4.3	4.3	4.3	4.3
Accumulated profits/losses	0.1	0.5	0.6	2.0	3.8
Reserves	11.2	11.2	15.2	15.2	15.2
Minorities	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**15.7**	**16.1**	**20.2**	**21.5**	**23.3**

Gross Advertising Sales FY17-FY21A and FY22-FY23F



Cash flow (A$m)					
Y/E 30 June	**FY19A**	**FY20A**	**FY21A**	**FY22F**	**FY23F**
EBITDA	1.7	1.4	1.6	1.9	2.6
Interest	0.0	0.0	0.0	0.0	0.0
Tax	(0.5)	(0.2)	(0.6)	(0.6)	(0.8)
Working capital changes	(0.1)	1.0	1.4	0.6	(0.1)
Operating cash flow	1.2	2.2	2.5	2.0	1.7
Mtce capex	0.0	0.0	0.0	(0.0)	(0.0)
Free cash flow	1.2	2.2	2.5	2.0	1.7
Growth capex	(0.0)	(0.1)	(0.1)	0.0	0.0
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Cash flow pre financing	1.2	2.1	2.4	2.0	1.7
Equity	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Dividends paid	(1.5)	(1.0)	(1.8)	0.0	0.0
Net cash flow for year	(0.3)	1.1	0.6	2.0	1.7

Margins, Leverage, Returns	FY19A	FY20A	FY21A	FY22F	FY23F
EBITDA	13.7%	10.1%	9.4%	10.2%	12.9%
EBIT	13.3%	9.6%	9.1%	10.1%	12.8%
NPAT pre significant items	9.8%	7.5%	6.7%	7.1%	9.0%
Net Debt (Cash)	(1.60)	(2.68)	(3.25)	(5.20)	(6.89)
Net debt/EBITDA (x)	(0.91)	(1.87)	(1.99)	(2.77)	(2.67)
ND/ND+Equity (%)	(9.2%)	(14.3%)	(13.8%)	(19.5%)	(22.8%)
EBIT interest cover (x)	na	na	na	na	na
ROA	6.8%	6.2%	6.3%	6.5%	8.5%
ROE	7.9%	8.2%	9.7%	6%	8%
ROIC	11.2%	7.6%	6.6%	7.0%	14.5%
Working capital	2.50	1.50	1.78	1.14	1.27
WC/Sales (%)	19.6%	10.6%	10.3%	6%	6%
Revenue growth	17.8%	11.3%	22.2%	6%	9%
EBIT growth pa	8%	-19%	15%	18.2%	38%

Source: RaaS Advisory

Appendix – Glossary Of Terms

CTV - Connected TV specifically refers to televisions which have access to an internet connection and can load or stream digital content. This includes smart TVs, where the internet connection is built-in, and standard TVs that are connected to the internet via smart devices.

Linear TV refers to the traditional free-to-air television channels which are licensed by the federal government to broadcast over terrestrial transmission systems.

OTT – Over-the-Top encompasses content distributed directly to viewers over the internet, whether it is streamed TV such as SBS On Demand, 7Plus, 9Now, 10Play, or streaming content providers such as Netflix, Stan, Prime Video, Samsung TV Plus, or pay-television streaming channels such as Kayo or Binge.

BVOD - Broadcast Video-on-Demand is live or catch-up programming accessed via the internet from the broadcast networks (SBS On Demand, 7Plus, 9Now, 10Play) on any device.

Pay TV refers to traditional pay television services whereby channels are available to view by subscription. Content is televised on a schedule.

VOD – Video-on-Demand is video content available to be accessed via the internet whenever viewers want, including subscription, ad-supported and public-funded services.

SVOD - Subscription Video-on-Demand is where viewership of video content occurs over-the-top through a service that requires a paid subscription. Often this model does not have advertising and funding is secured through subscription fees. Examples include Netflix, Stan, Binge, Prime Video, Kayo.

AVOD – Ad Supported Video-on-Demand is where viewership of video content occurs over-the-top through an internet service that does not require a paid subscription and is instead funded by advertising. Examples include YouTube, Amazon Twitch, Samsung TV Plus, Pluto TV, plus free-to-air BVOD services SBS On Demand, 7Plus, 9Now, 10Play.

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

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- our services
- how we transact with you
- how we are paid, and
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