



Unleash the power of smart video

Information Memorandum

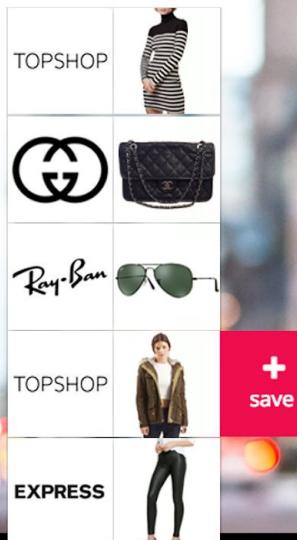
April 2018
v1.8

Executive Summary

Why can't I discover and
buy directly from videos?

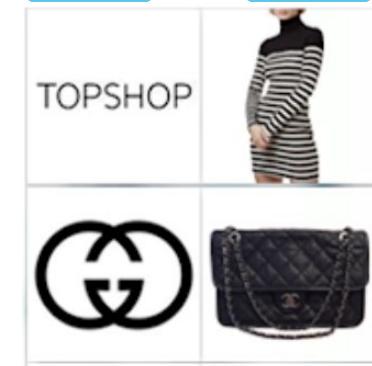
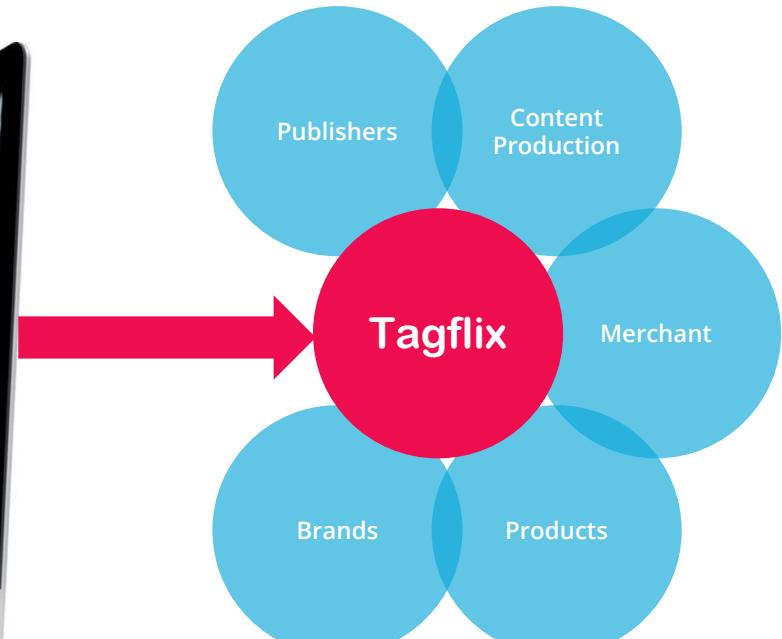


Now you can, meet
Tagflix smart video.



Tagflix creates the direct connection between consumers and the things they desire in video.

Tagflix ecosystem enabler



Tagflix activation

We have signed letters of intent with 15 of the world leading brands.

They see huge potential in reaching their target audience through **Tagflix** enabled video and the consumer insights data the platform generates.

Buy-in from the world leading brands

Cartier

JAEGER-LECOULTRE

PIAGET



Chloé

IWC
SCHAFFHAUSEN

dunhill
LONDON



Roger Dubuis
HORLOGER GENEVOIS

Φ
BAUME & MERCIER
MAISON D'HORLOGERIE GENEVE 1830

Summary

Tagflix technology puts the smarts into video.

Tagflix executive summary

- **Video is king** - Video is set to account for 82% of total internet traffic in the next few years creating a new ecommerce market that will dwarf existing media.
- **Deep consumer insights** - Smart video allows publishers and brands to gain deep consumer insights about product and brand engagement for specific categories, videos and publishers to enable ROI calculations of brand integration.
- **New publisher revenue** - Publishers can now make revenue from their video content, not just around the videos.
- **Patented scalable technology** - Tagflix has built a cutting edge technology platform that enables an ecosystem of smart video to exist.
- **Founding team** - Tagflix was created by supreme technical talent with years of experience in heavy video research and ecommerce technologies.

Opportunity

The **Tagflix** team is excited to invite you to participate in this round of funding into what is going to be the dominant online future market, video.

Tagflix investment opportunity

- Existing and new investors are invited to participate
- Rights issue: USD \$5 million investment
- Subscription period: Until 1th June, 2018
- March 2018 company valuation USD \$25M

Information Memorandum

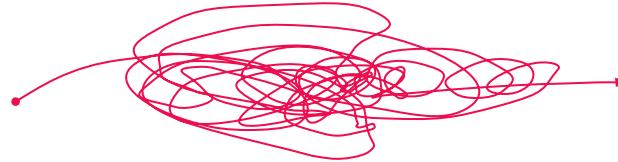
Tagflix Vision

Empower people to find the things they desire in video, in a rich, seamless and natural manner.

80M

Average daily count, Americans Google¹²³ products they spot in video every day

Tagflix connected experiences through smart video



Problem: Video is not discoverable or transactable

The experience between seeing what you desire in video and purchase involves a complex sequence - e.g. searching tools like Google and Pinterest and trawling through blogs and Instagram yet it rarely has a successful purchase outcome.



Solution: Create a direct connection with Tagflix smart video

With Tagflix enabled videos you can now act directly on anything you desire such as buying a pair of shoes or renting a hotel room without the lengthy searches and poor accuracy of results.

¹<http://www.nielsen.com/us/en/insights/reports/2017/the-comparable-metrics-report-q4-2016.html>

²<https://www.slideshare.net/evolveAU/why-you-need-a-video-first-marketing-strategy>

³<https://dentonsdigital.com/blog/rand-fishkin-top-5/>

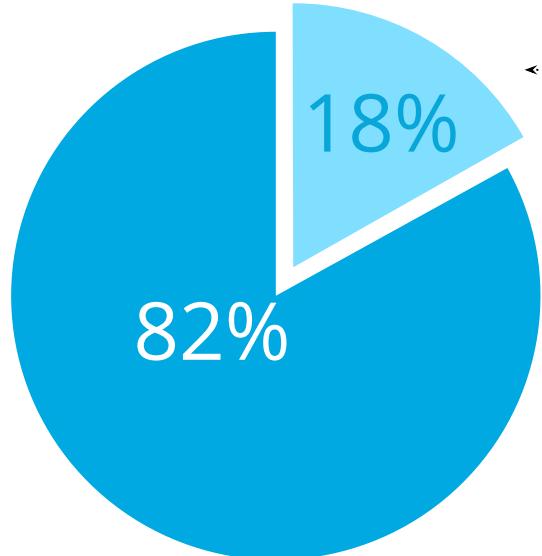
Tagflix Mission

Become the defacto standard for smart, video.

5hrs11min

Ave. daily time spent¹ by Americans on TV and online video

Online (IP) video is the fastest growing medium



Indexable and searchable content

18% is dominated by Google and is the current searchable internet such as text knowledge, video names, images and graphics.

Video is king

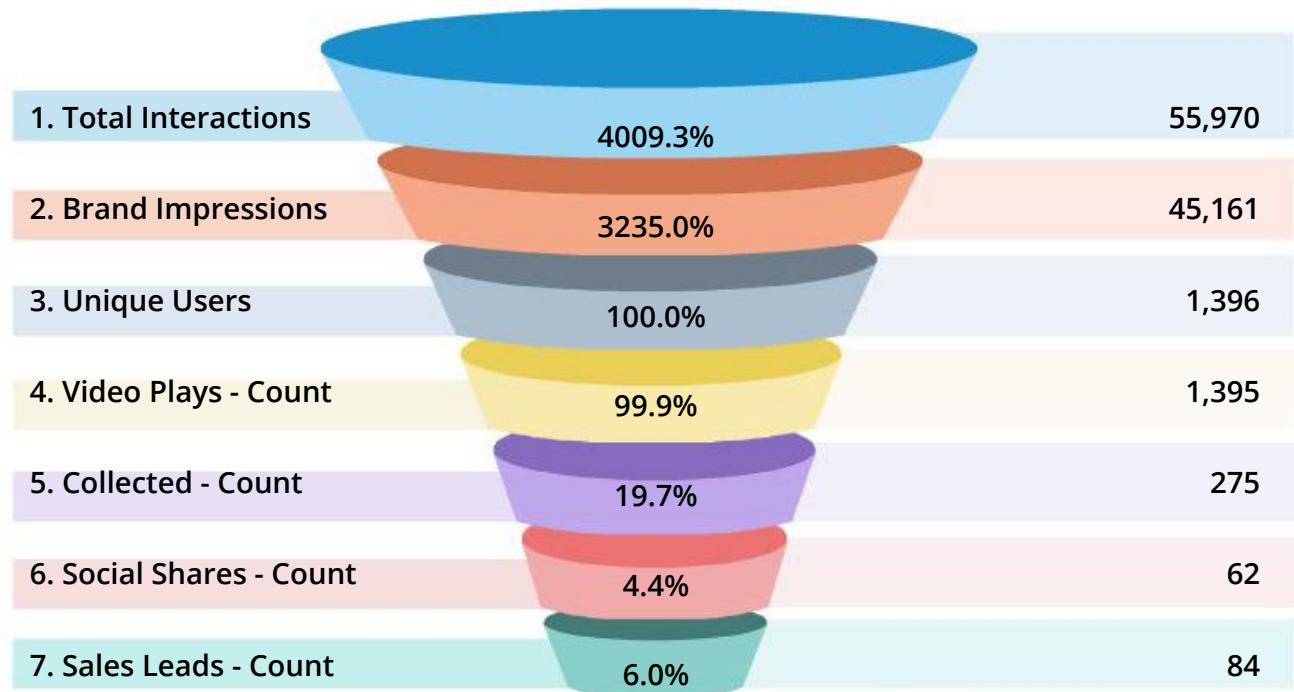
According to Cisco, (the world's largest producer of internet infrastructure) states that by 2021, video will account for 82%² of all consumer internet traffic at a growth of 25% CAGR.

The unique **Tagflix video graph** technology has been developed to capitalise and make all this content smart and transactable.

Tagflix Funnel

Tagflix enables video to become a discoverable, sharable and shoppable through easy interactions. Each step is tracked to see its effectiveness.

Creating a new video marketing to sales funnel



Insights Revenue

The ability to match video data with deep consumer desires & sales, enables the first true ROI insights of brand and product integration performance.

\$165M

Revenue aim in 2020 of the current sized \$45.5B market research market¹

Tagflix enables deeper consumer insights

Answering deep questions like:

For brands; who is influencing my brand brand for uplift, social shares and sales?

For publishers; what brands, product and influencers are my audience finding most engaging to attract suitable brand sponsors for my content?

Filter marketing funnel insights by:

- Person or influencer
- Geography
- Interactions
- Demographics
- Video category
- Product category
- Domain
- Video
- Product



¹All numbers in USD <https://www.statista.com/statistics/242477/global-revenue-of-market-research-companies/>

Affiliate Revenue

A merchant sends sales commissions to **Tagflix** via an affiliate network which we later distribute a portion to the publisher.

\$330M

at 45%² gross margin
2020 is the equivalent affiliate revenue generated from video¹.

Tagflix affiliate revenue model



¹All numbers in USD 6.8B affiliate market size where video shopping is estimated 10% penetration

²45% rev share is the same as YouTube charge for % ad revenue.

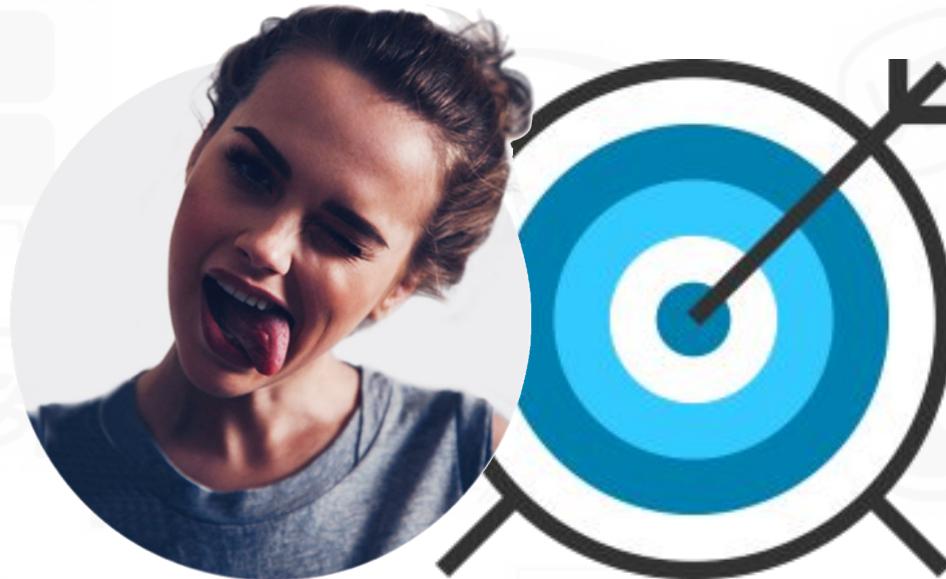
Retargeting

Increase retention and revenue by enabling retargeting of the audience who have seen a product or brand in a video.

250-350%

increase in responses
is commonly reached
for brand and
product¹²
retargeting

Consumer retargeting of brands and products



¹<https://retargeter.com/presentations/retargeting101.pdf>

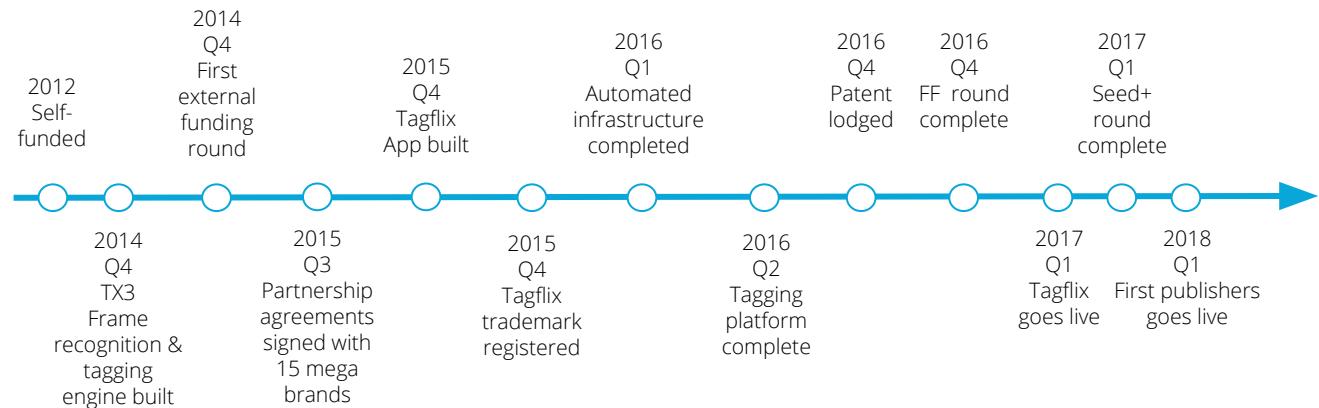
²<http://pages.adroll.com/rs/adroll/images/AdRoll-Next-Level-Retargeting-Guide.pdf>

Achievements

Achievements

The **Tagflix** journey has been about finding innovative solutions to industry challenges, and now with the core technology platform proven and built, the focus is on market adoption.

Tagflix technical and commercial achievements



Brands

Brands see the immediate benefit of **Tagflix** as it gives them a direct connection with their consumers.

\$2.8 Trillion
e-commerce market¹
is now open for business straight from video

Top brands are adopting smart video with **Tagflix**

Cartier

JAEGER-LECOULTRE

PIAGET

Chloé



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 ROGER DUBUIS
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LONDON

Publishers

The publisher platform enables any online publisher to integrate **Tagflix** smart videos, activating new revenue and discover deeper audience insights to attract more sponsored brands into their content.

Tagflix publisher platform rollout

CONDÉ NAST

STYLE
COLLECTIVE

SERGE DENIMES
LONDON

ROBBIE
HONEY.

IGO ADVENTURES



Affiliates

Tagflix has signed up over 60 major affiliate partner companies covering most known fashion and apparel brands.

\$6.8 Billion

Affiliate market worth in 2020¹ at a CAGR 10.1%

Tagflix major affiliate partner companies



ALLSAINTS

boohoo.com



ebay

inov

★macy's

MISSGUIDED
PEACE, LOVE AND FASHION

new balance

OO SUNGLASSES
BOUTIQUE

SWAROVSKI

TOMMY HILFIGER

VigLink

SKIMLINKS

The background of the slide features a complex network of light blue lines and small circular nodes, creating a sense of connectivity and data flow.

The heavy tech has been built

Tagflix Wavelet

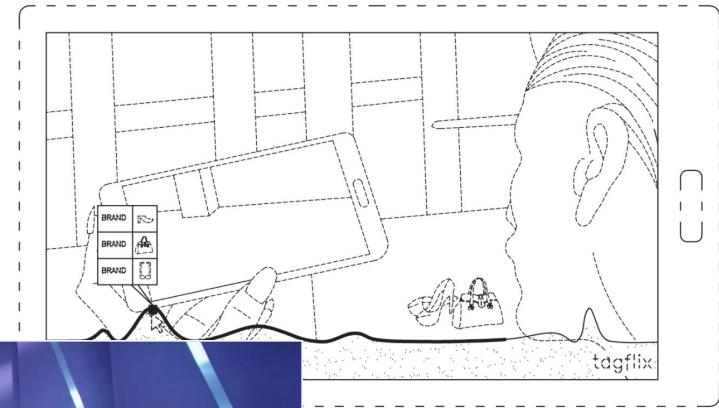
The **Tagflix** wavelet is designed to be easily used by consumers yet unobtrusive at the same time.

The wavelet overlay has a plugin architecture that is engineered to be implemented with any modern video on-demand platform.

The patented **Tagflix** wavelet UX

Wavelet peaks

The higher the peaks on the timeline (scrubber) the more products and offers on that frame are available to collect, share or shop.



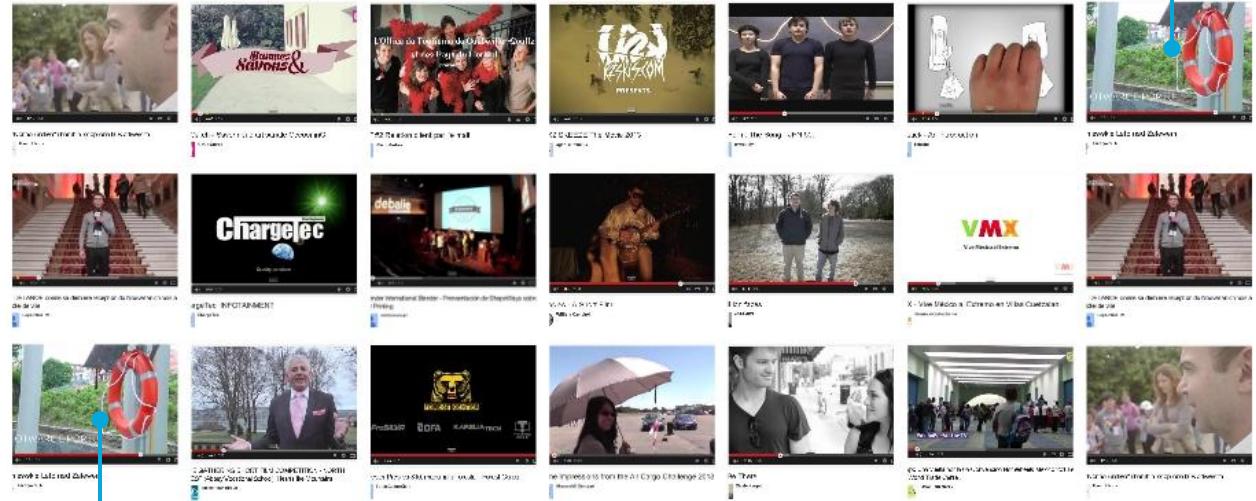
Compatibility

Tagflix overlay works on any modern desktop or mobile browser.

Make it Unique

The **Tagflix** technology makes a unique fingerprint of every video frame, storing the data only once and finding frames in disparate videos as well as independent video platforms¹.

Tagflix video fingerprinting



← Unique frame #UFE67NFJ775I85JDHUYEUKDJKIRM
Every frame is uniquely hashed and later identified to make the system video platform agnostic.

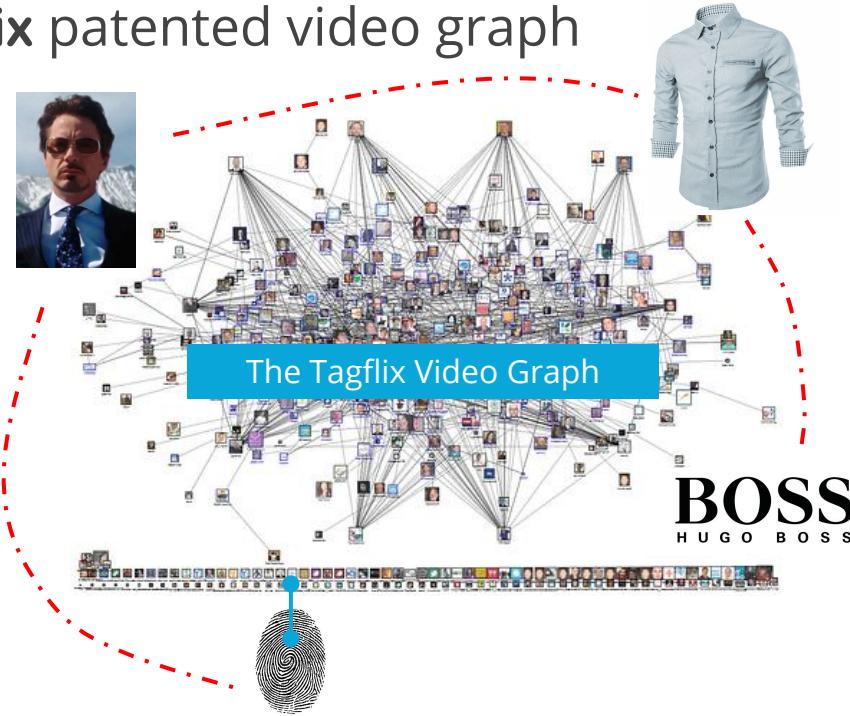
¹http://signal.ee.psu.edu/VideoHashing_Version4.pdf

Deep Technology

The **Tagflix** Video Graph stores the relationships of all the entities such as people, products, brands to frames within video in a way that can be accessed in real time.

This linked data is a neural network of relationships and is the future of the internet¹.

The Tagflix patented video graph



Tagflix Video Graph acts like a Neural Network

The Tagflix Video Graph is a neural network, similar to Facebook's Social Graph and Google's Search Graph and is designed to become smarter with time and more high quality data added. Tagflix video graph enables real time in video metadata search.

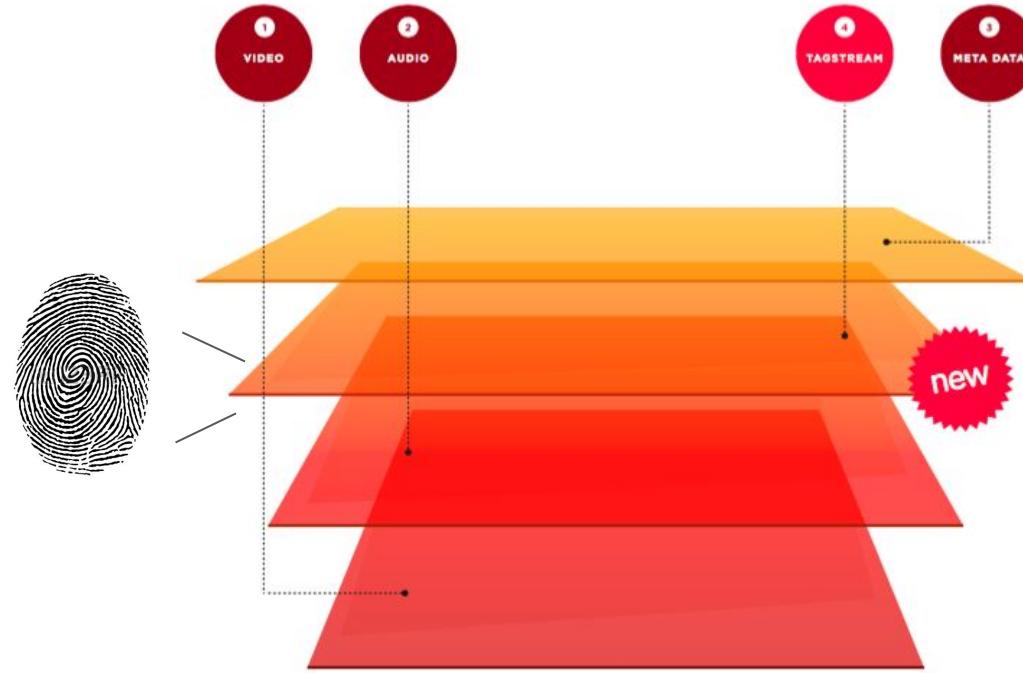
Tagstream API

Tagstream API¹ is designed to create the defacto standard of video metadata of all things actionable within video.

37%

of consumers search for things they desire in video²³⁴

Creating the de-facto smart video standard

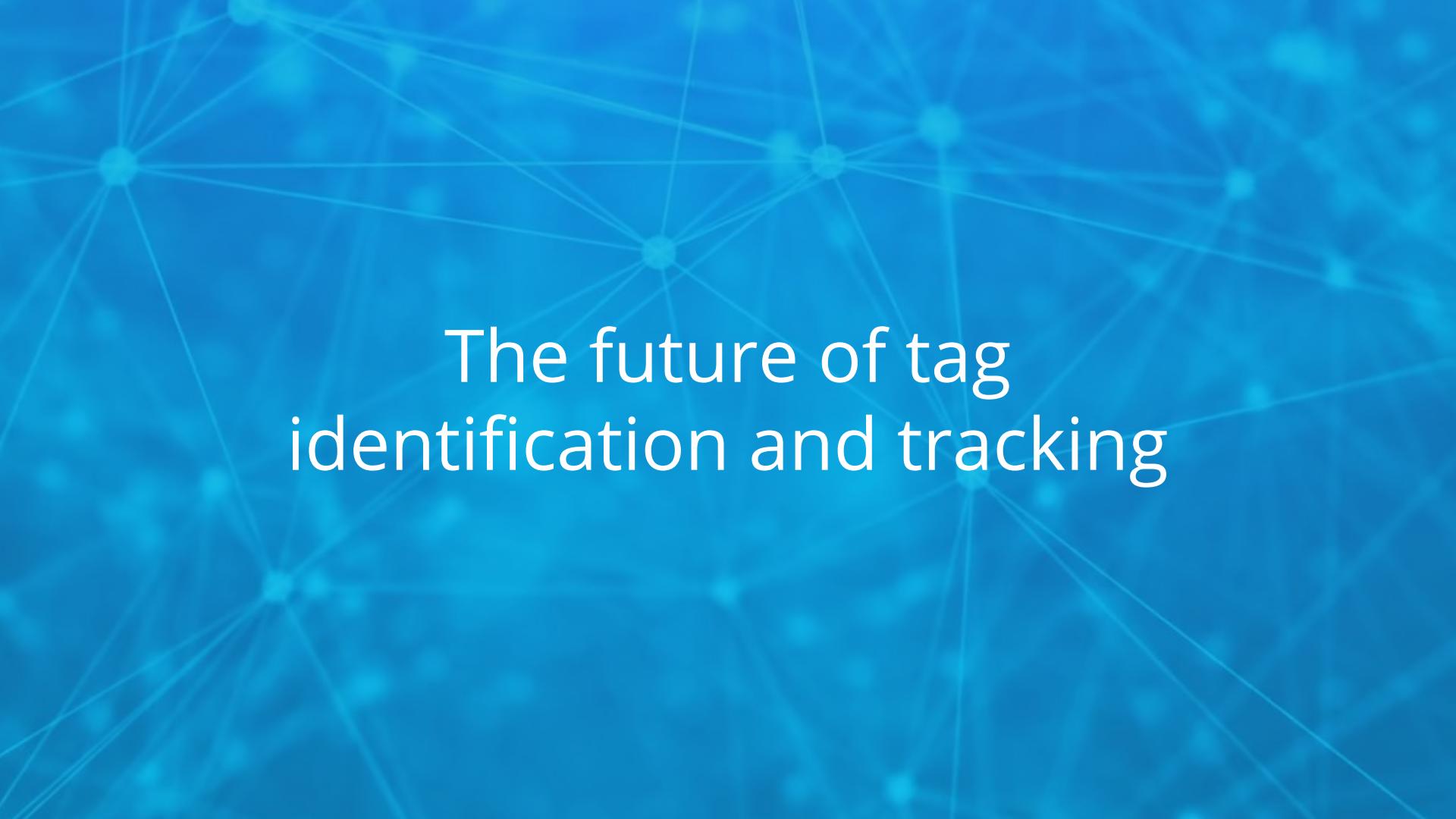


¹https://en.wikipedia.org/wiki/Application_programming_interface

²<http://www.nielsen.com/us/en/insights/reports/2017/the-comparable-metrics-report-q4-2016.html>

³<https://www.slideshare.net/evolveAU/why-you-need-a-video-first-marketing-strategy>

⁴<https://dentonsdigital.com/blog/rand-fishkin-top-5/>



The future of tag
identification and tracking

Tag Automation

Automation in any form is not out of the box and requires evolutionary system improvements.

Initial steps are to teach the systems and automate anything that can be automated and at the same time allow the systems to evolve.

Tagging and visual AI roadmap

Per Tag ^ speed and cost

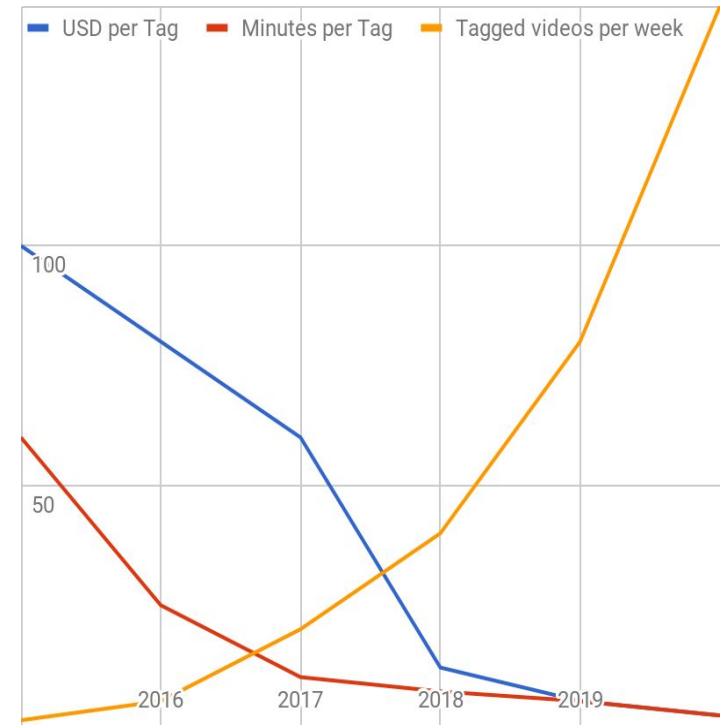
The cost of tagging has decreased every month since 2015 while increasing speed and maintaining quality. 2019 will see major improvements of the tagging speed, lowered costs and significantly scale improvements.

Market Opportunity

There is a huge opportunity to take the Tagflix vision training model into the market as a service due to our learnings and low cost. The cost of accurate training is the single largest stumblingblock of all vision systems.

Designed for interoperability

Tagflix API is designed to be integrated with best of breed, multiple vision systems and open up the opportunity to offer its processes and tagging as a services for any 3rd party operator.



Tracking

The industry sees tagging and tracking as the same thing, we see them as separate activities.

Tag identification vs Tracking

Identification

It's a commercial decision to tell the system what products and things to track and is not seen as a technical requirement at this stage due to the high false positives.

Tracking Scalability

Tracking is where the majority of the effort and scalability is to be made through learning systems.

The challenge of AI system training

From our experience we have devised three rules in visual training:

- Bad data in = Bad data out
- Good data in = Better data out
- Lots of good structured data in = Good data out

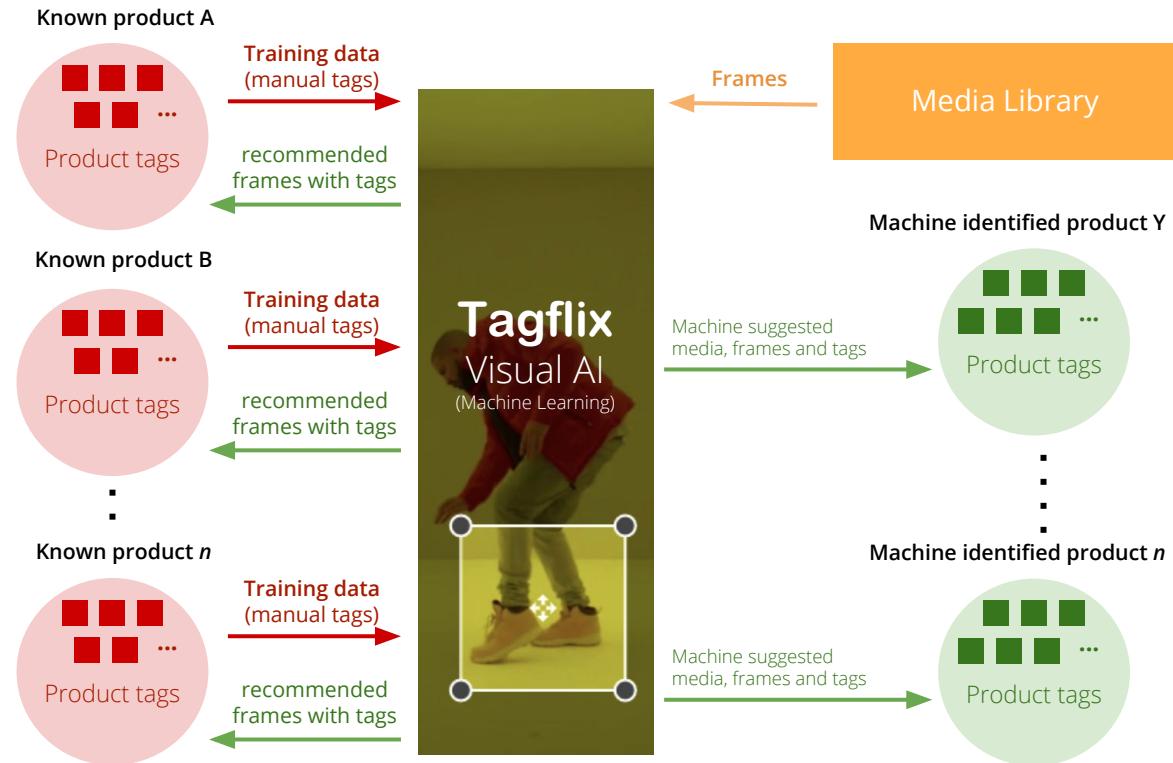


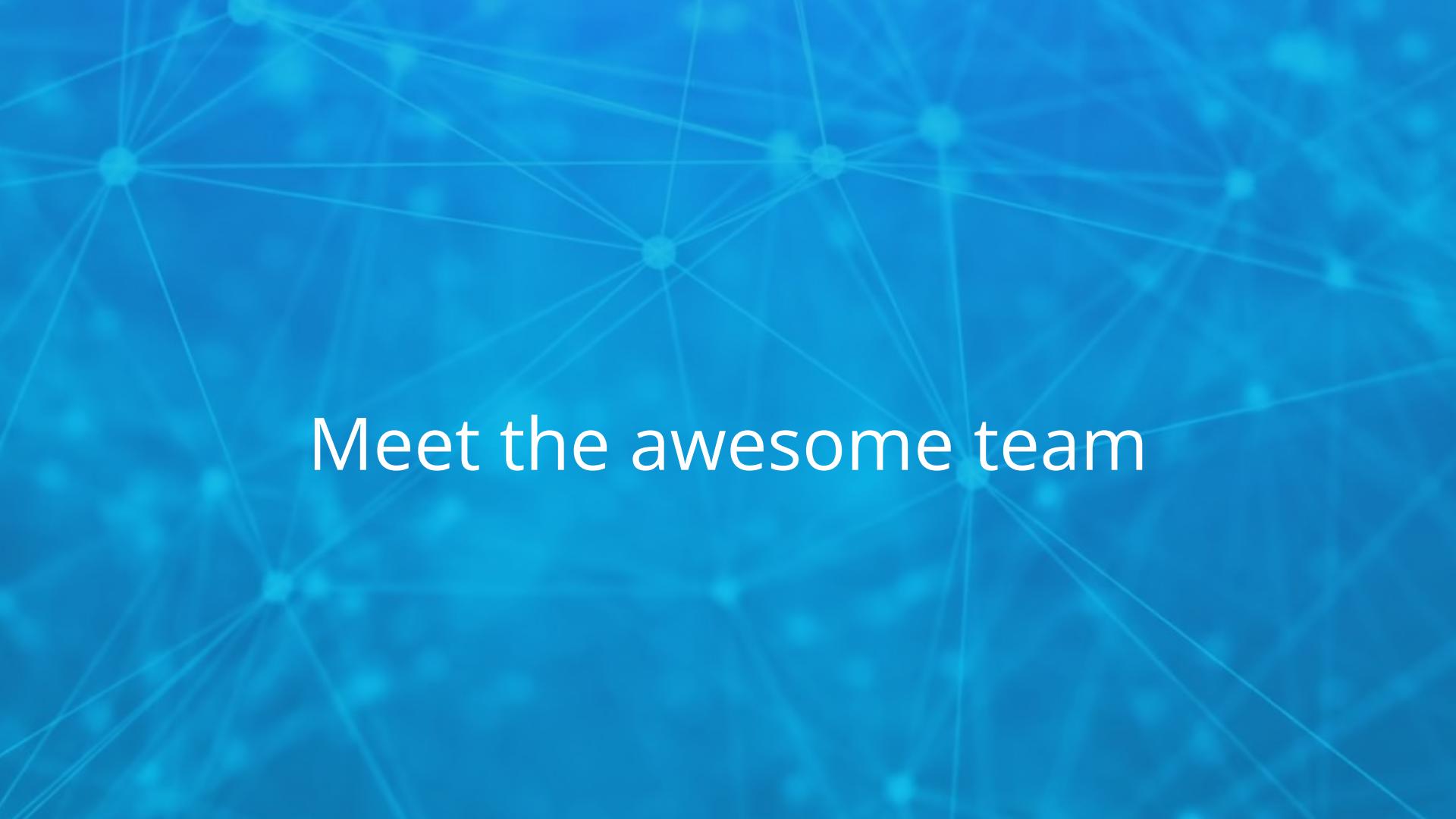
AI Vision Training

The **Tagflix** visual AI training process utilises human verified tags as baseline training data for machine learning.

Given a set of tags, the AI uses repeat outlines and color clusters to recognise patterns for suggesting additional frame and tags across all media.

Tagflix visual AI training process





Meet the awesome team

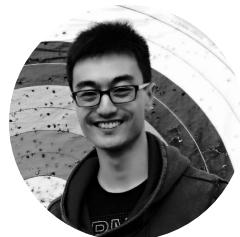
Founders

Tagflix was founded by Tim and Marcus with the simple aim of making video better. As avid consumers of online video, they often asked themselves why was it nearly impossible to identify something of interest in video? Talking to others they soon realized that this was a frustration shared by many.

Meet the **Tagflix** founders



Marcus has 20 years CTO (Chief Technology Officer) and CIO (Chief Information Officer) experience in building advanced media technologies and business solutions for small startups to large publicly listed enterprises in Australia and the US. Marcus is very passionate about making positive change through cutting edge technologies. <https://au.linkedin.com/in/mehrenblad>



Tim has a decade of implementation experience for high volume, cutting edge web technologies. At 21, he co-founded his first company and later sold it off to Groupon. Tim previously held technology and design roles at companies like Breadcrumb, Carsales and ANZ Bank as well key leadership positions at Groupon and other publicly listed companies. Tim is very passionate about building beautiful apps.
<https://www.linkedin.com/in/admorphit>

Team

The executive team has vast experience in their crafts and is key to the long term success of **Tagflix**.

The whole **Tagflix** team consists of highly skilled engineers, designers, QA, customer support, sales and marketing people based in San Francisco, London, LA, Melbourne and Cebu.

Meet the **Tagflix** execs



Baurjan Auezov - CFO

Baurjan started his career specializing in international tax with Deloitte, PricewaterhouseCoopers, and Ernst & Young in the San Francisco Bay Area. After 12 years of experience in big 4 firms, Baurjan created his own financial services company where he found his passion with entrepreneurship and new technologies.

<https://www.linkedin.com/in/baurjan>



Mark Bamford - CCO

Mark has extensive commercial experience, both in consulting and operational roles. While at Ericsson, Mark was responsible for running a team to win and build mobile networks throughout China. Mark is very passionate about winning and building successful mega projects. <https://www.linkedin.com/in/mark-bamford-7387943>

Team Leads

Tagflix scours the world to find the best talent to fit the current team and its core values.

Meet the team leads

Francois de Vinols - UK & US Sales

Hannah Bibb - US Sales

Kofi Bartlett - Data Scientist

Sunil (Sunny) Patel - Legal Council

Jason Dobrowner - Lead developer

Jinglu Le - Lead UX (User Experience) advisor - ex. Uber UX Specialist

Raj Sarsoza - Team Lead Affiliate and Customer Support

Rhea Tiu - Team Lead Brand and Deep Linking Support

Madeleine Real - Data Purity and QA

Hikaru Elizaga - Design, Data Purity and QA

Advisory Board

Tagflix leans heavily on its industry expert advisory board and their networks to make sure the strategies are sound and stress tested.

Meet the awesome advisory team (1 of 2)

Willie Pang - CEO MediaCom Australia

With years of global industry experience, Willie is a trailblazer in all matters digital. Heading up iClick Interactive Asia, he also holds board positions with many tech startups. Willie was Managing Director of Yahoo! Search Marketing ANZ, VP Sales and Business Development at Melbourne IT and Hitwise. <https://www.linkedin.com/in/williepang/>

Frank Meehan - Co-Founder Sparklabs

Co-Founder and Partner at SparkLabs Global Ventures - www.sparklabsglobal.com and Partner and SparkLabs Accelerator Group - www.sparklabs.co.kr. SparkLabs Global Ventures is a global seed stage fund which has 63 investments in companies based in US, Asia, Europe and Israel. SparkLabs Accelerator Group is the leading accelerator group across Asia, in Korea, China, HK. Previously represented Horizons Ventures HK on the boards of Spotify, Siri (prior to the acquisition by Apple in 2010), Summly, Affectiva, Ginger, DoubleTwist, Bitcasa, Fixmo, Desti and many others. <https://www.linkedin.com/in/frankmeehan>

Tobias Nordstrom - Partner Forsman & Bodenfors

Tobias has extensive marketing and communication experience with global brands like Volvo Trucks, IKEA, Volvo Cars, Mondeliz and Tele2. His focus has been on creating strong solid brand strategies that sets the tone for some of the best communication and campaigns in the world such as the [Jean Claude Van Damme Volvo Truck Ad](#).
<https://www.linkedin.com/in/tobias-nordstrom-b6b6543/>

Richard Ascott - Founder, Just So Video Media Agency

Richard has extensive experience in fashion, luxury and digital media. He founded and sold womenswear brand Rodnik, worked with the Richemont group for 5 years, fashion financing for Lion Capital and AllSaints as Global Digital Director. <https://www.linkedin.com/in/richard-ascott-24953312/>

Advisory Board

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Meet the awesome advisory team (2 of 2)

Jonas Sjögren - CEO POC - Ex CEO Discovery and SBS Group Nordics

Currently Jonas Sjögren is CEO of POC and prior he served as the Chief Executive Officer of SBS Group and Discovery Media in the Nordics. Jonas holds an MBA and a Master's Degree in Science and Electrical Engineering as well as sitting on a number of boards of Scandinavian companies.
<https://www.linkedin.com/in/jonas-sj%C3%B6gren-629010127/>

Henric Ehrenblad - Co-Founder Widespace Mobile Ad Platform

Henric co-founded Widespace in 2007 and also serves as its Chairman and Chief Operating Officer. Henric has held senior management positions in the telecommunications industry in Australia, China, US and Sweden. With an international background Henric holds a business degree in International Trade and Chinese (Mandarin). Henric serves as advisor and board member on several other internet startups. <https://www.linkedin.com/in/henric-ehrenblad-9424b9/>

Lyndon Gasking - Ex MD AOL Asia & MENA

Currently the founder of Zoetic.ai, Lyndon has been instrumental in taking 3 start-ups to successful exits: Hitwise, BzzAgent & Goviral. Most recently Lyndon was MD Asia & MENA at AOL Platforms, responsible for expansion across Asia and the Middle East. <https://www.linkedin.com/in/lyndon>



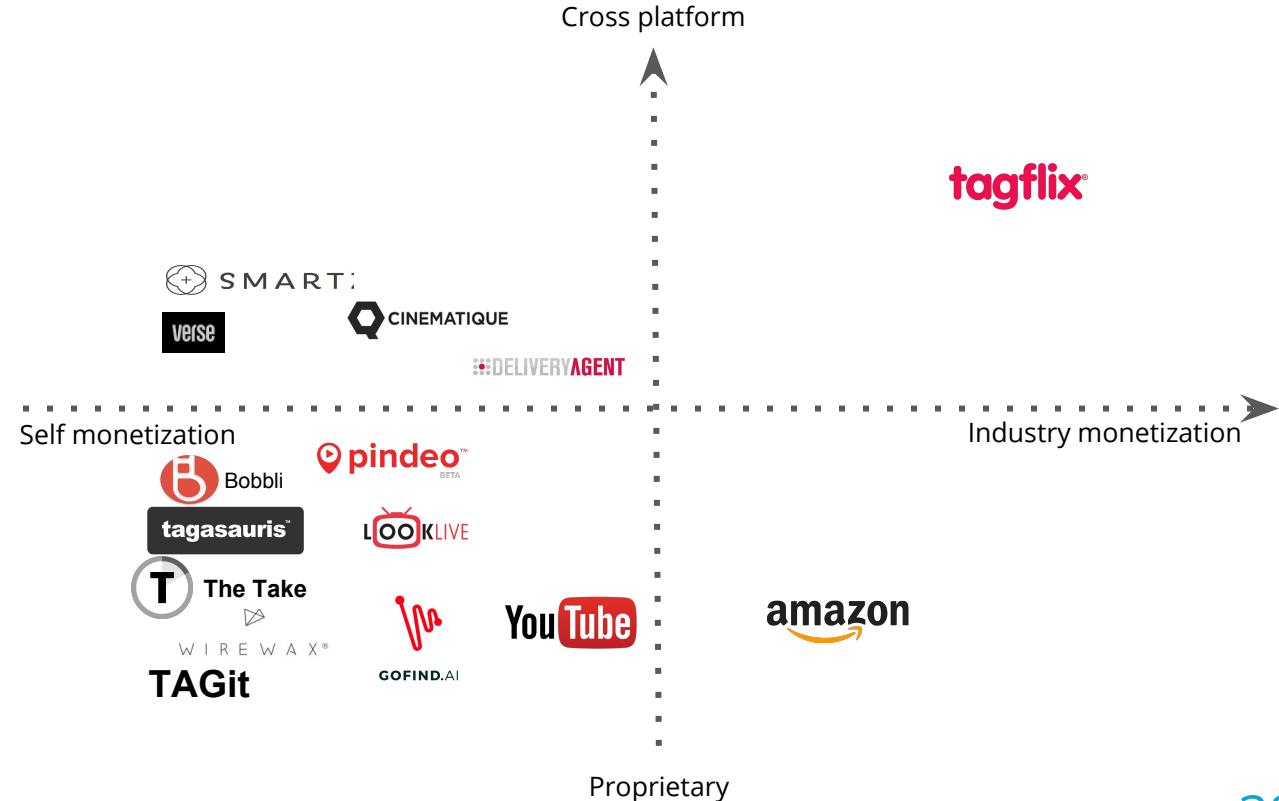
Are there competitors?

Competitors

Transactable video is just starting to hit the video market. Yet we see the technologies are very wide spread with very different use cases.

Tagflix has strategically chosen to be the plumbing of the industry with its publisher platform, instead of a consumer destination.

Competitive landscape



The background of the slide features a complex network of thin, light blue lines connecting numerous small, semi-transparent blue dots, creating a sense of connectivity and data flow.

Developing the business

Strategy

A firm go to market strategy with clear goals has been devised and is being executed.

Tagflix go to market strategy

2018 Q2-Q3 Initial market engagement	2018 - Q4 Scale platform and activate commercial relationships	2019 onwards Partner with major media players and monetise insights
Strategy Build and prove the Tagflix platform proposition by focusing on publishers.	Strategy Sign-up large online video publishers to drive user and content acquisition. Partner with brands through the affiliates.	Strategy Continue to sign-up brands and partner with the mainstream video player businesses.
Goal Obtain users Obtain video content to be tagged Collect data Generate valuable insights	Goal Grow active monthly users Grow number of tagged videos Further automation of tagging tool Generate valuable insights	Goal Partnership with one mainstream video player business e.g, Facebook, Vimeo, Brightcove Generate valuable insights
Revenue source The focus is on proving the commercial and value model. Minimal revenue expected during this period.	Revenue source Sales leads (CPA) and CPM Trial consumer insights clients	Revenue source Sales leads (CPA) and CPM Consumer insights and new platinum packages for companies such as Mediacom

Key Figures

The key figures have been calculated¹ estimates based on the audience numbers given to us by the publishers rolling out the **Tagflix** platform.

Tagflix gross revenue projections

	2019	2020	2021	2022
Audience (number of users)	4,000,000	20,000,000	50,000,000	75,000,000
Revenue per user (CPA and CPM)	\$0.66	\$2.48	\$3.30	\$4.36
Sub-total sales leads revenue	\$2.65M	\$50M	\$167M	\$330M

Consumer insights data (mix of small, medium business and enterprise licenses)	18	910	2,950	4,710
Sub-total consumer insights revenue	\$1.35M	\$25M	\$83M	\$165M

Gross Revenue	\$4M	\$75M	\$250M	\$495M
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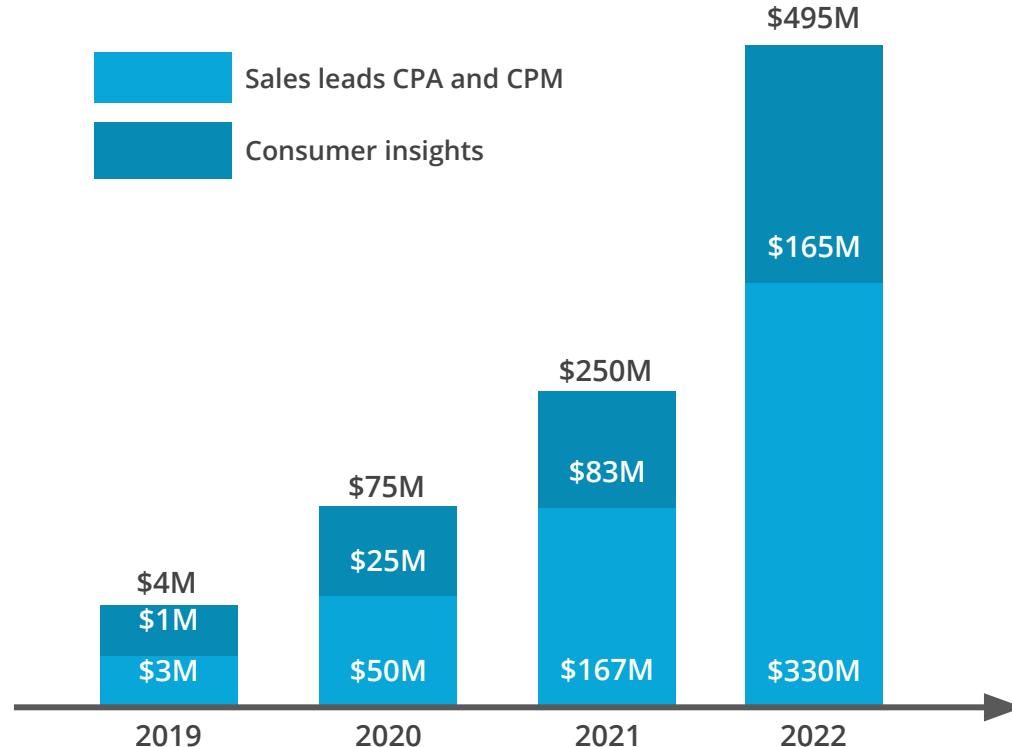
¹Calculations available at request.

Revenue forecast

Tagflix revenue will initially come from lead and brand exposure.

Majority income will be generated from deep consumer insights after year four.

Gross revenue split year on year



The Tagflix investment offer

Opportunity

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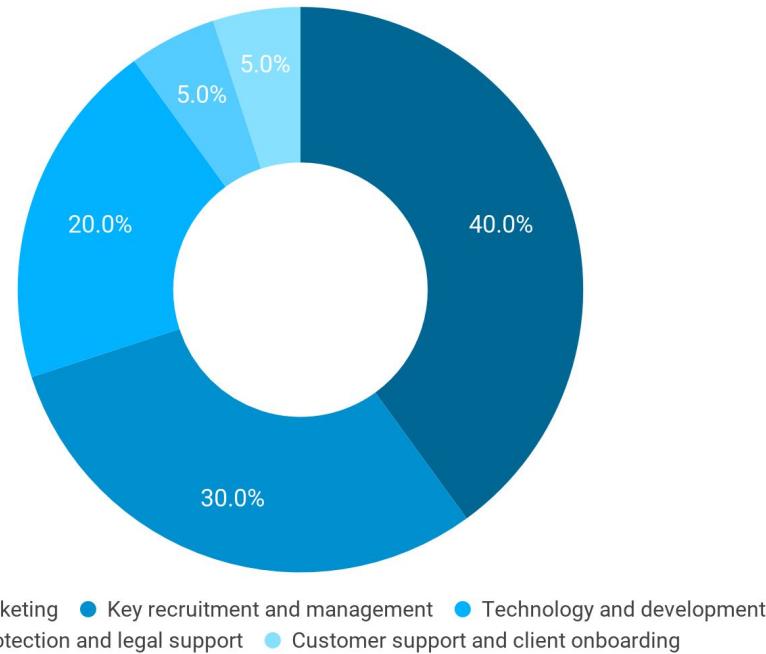
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Use of funds

Whilst development of the platform will continue, the proceeds of this stage of funding is focused on sales and marketing to make **Tagflix** the leader in smart transactional video.

Investment fund allocation into Tagflix





Thank You

Marcus Ehrenblad

marcus@tagflix.com