Net Insight
Shaping the future of media

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High-quality media transport, coupled with the effective management of resources, creates an enhanced TV experience.

Net Insight’s offerings span across the entire media spectrum, starting from TV cameras and TV studios, right through to the TV audiences.
This is Net Insight

504
SEK Million
Total turnover 2016

34%
2016 YoY growth

215
SEK Million
Liquid funds Q4 2016

500
customers
across the globe

60
countries

44%
Brand Awareness in 2016

49 Nps
% customers likely to recommend Net Insight

+250
Employees & Consultants

+30
Patents

30%
R&D Investment
<table>
<thead>
<tr>
<th>Network Type</th>
<th>Addressable Market</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast and Media</td>
<td>470 MUSD</td>
<td>3-4%</td>
</tr>
<tr>
<td>Networks</td>
<td></td>
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<tr>
<td>Digital Terrestrial</td>
<td>70 MUSD</td>
<td>Project driven will decline after 2017</td>
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<tr>
<td>Networks</td>
<td></td>
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<tr>
<td>Live OTT</td>
<td>500 MUSD</td>
<td>24%</td>
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<tr>
<td>Communications</td>
<td></td>
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</tbody>
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The media and broadcast industry is transforming
The industry is undergoing significant transformation

Changing habits of TV viewers
- There has been a huge uptake in Video OTT services the last couple of years
- OTT as an efficient distribution of TV is changing the TV landscape
- OTT disrupting traditional value chains and overcoming traditional pay-TV platforms
- Consumers becoming producers (Youtube, Periscope, Snapchat)

More efficient workflows
- The competition increases and more content needs to be produced in a more cost-efficient way
- Resources efficiency is needed and the demand for automation in workflows increase
- Virtualization of studio resources

Transformation of media networks
- Transition in to IP in both transport and studios
- Media industry goes IT – virtualization opening up for commodity hardware
- In a virtualized world the network becomes key
Projects Index 2016

Measures end-user implementation and plans to **spend money** over the next 12 months

- Install or enhance workflow / asset management system
- Upgrade cameras
- Cloud services / cloud technology
- Upgrade infrastructure for HD / 3Gbps operations
- Upgrade transmission and and distribution capabilities
- Build new studios / outside broadcast vans
- Archive-related projects
- Move to automated operations
- Distribute and monetize content on multiple distribution platforms
- Launch new channels
- Upgrade audio capabilities
- Upgrade newsroom operations
- Migrating from copper to fiber
- None of these
- **Install or revamp business management system**
- Implement disaster recovery
- Consolidate operations in regional hubs (centralcasting)
- Prepare for analog switch-off
- Outsource operations e.g. playout
- Other

Source: Devoncroft report 2016 - Global N=2993)
Primary product choice factors 2016

Source: Devoncroft report 2016 - Video Transport (N=792)

- Technical Performance: 40%
- Saving Money / Being more Efficient: 28%
- Purchase Price: 13%
- Raising Revenue: 11%
- After sales service and support: 9%
Net Insight’s vision and offering
OUR VISION

To enable a live and interactive media experience for anyone on Earth.

We want to lead a revolution in real time. Letting people engage with media and one another in perfect synchrony. Creating a global media marketplace, where live content is exchanged in real time, and great content is rewarded every time.
Net Insight’s new offering based on three product lines

- TV Consumer Proposition
- Service Orchestration Proposition
- Network Proposition
- Workflow Proposition

Nimbra  ScheduALL  Sye
The Nimbra cover TV production, contribution and distribution

ScheduALL covers TV production and contribution

Sye covers distribution over internet
Service Orchestration & Workflows

- ScheduALL
  - Portal
  - Self-provisioning

- ScheduALL Connector
  - Provide
  - Customer

- Nimbra Vision NMS

- London
  - Paris

- Nimbra Network
Establish a leading position in Live OTT

Enter the OTT market in November 2015

Launch the solution Sye in April 2016
Commerical testing is ongoing

Announcement of TATA to provide global Sye services

Announcement of SIS for B2B video distribution
Which services are out in the market?

Live OTT already exists
live news and live sports as play services

BUT
- Latency problems
- No synchronization
- Poor quality
- Social is broken
- No interactivity
Live OTT and enhanced Live OTT

**Live OTT** is distributing the same content as the Pay-TV channel. You can watch **the same content at the same time** – social and interactivity.

**Enhanced Live OTT** is distributing other **complementary content** on the second screen to enhance the TV experience. Multi-screen production covering more parts of a live event.

Anywhere – on the move
The competitive landscape differs between “traditional” and “new” Net Insight industries.

Media Resource Management:
- Xytech
- Dataminer
- Vimsoft
- Farmerswife
- Inhouse Bespoke

Live OTT:
- Providers to legacy CDNs
  - Edgeware
  - Ericsson MDN
  - Anevia
  - Concurrent
  - Arris
- Live OTT initiatives from today's CDNs
  - Akamai
  - IBM
  - Broadpeak Nano-CDN

Media Network:
- Cisco
- Evertz
- Medialinks
- LiveU
- Nevion
- Riedel
Customer and business perspective
Selection Media Customers
49% NetPromoter Score
Strong Customer Relationship

~85%
Revenue from repeat customers*

~30%
Recurring revenue from Services & Support

~20%
Revenue from Software Licenses

Upwards trend for share of services and software licences

* A repeat customer is a customer who has purchased in the previous year
**Business models**

**Nimbra**
- HW, SW and services
- Initial HW & License pricing.
- Added functionality & capacity charged separately
- Support charged on installed base + professional services

**ScheduALL**
- Software and services
- Licence fees based on users
- Licence fees based on nodes
- Software maintenance & support

**Sye**
- Software and some services
- Recurring revenues based on traffic or clients
- Installation and integration
Financial Highlights full year 2016

- Revenues of MSEK 504 (376), a 34% increase YoY, 20% organic growth
- Growth across all regions, driven by an increased customer base and a broader product portfolio.
- Gross Margin of 63% (60)
- Operating earnings of MSEK 52 (19)
- Ending cash balance of 215 MSEK (194)
Example of Awards and Speaking Success 2016

- **Winner (awards):**
  - TV Technology’s NAB 2016 Best of Show Awards
  - Streaming Media Reader’s Choice Award 2016
  - Fierce Innovation (Telecom Edition) Award 2016
  - Fierce Innovation Best in Show Award 2016

- **Finalist/Shortlisted:**
  - Digital TV Europe’s Content Innovation Awards
  - TVB Awards 2016
  - CSI Awards x2
  - Leading Lights Award

- **Recognized (accolades) –**
  - 4 stars in BTR’s Diamond Tech Review Awards
  - Streaming Media Europe 101 list 2016

- **Accepted (speaking) –**
  - IBC 2016 Technical Paper
  - Streaming Media West 2016
  - Content Delivery World 2016
Going forward
### Clear strategy for growth

| Market Innovator          | Repositioning of the company – glass to glass  
|                         | New brand – visionary, true partner and experts  
|                         | Customer and market orientation  
|                         | New price models – shift towards recurring revenues |
| Grow core business       | Broadened our portfolio with new solutions, resource management, contribution over internet, standardization  
|                         | Doubled our market awareness from 22% to 44% in five years  
|                         | Grow our service business and secure customer loyalty |
| Leadership Position in Live OTT | Announcing the entrance in Live OTT  
|                         | Launching of Sye  
|                         | Announcing customers |
| Grow through M&A         | Acquisition of ScheduALL |
Reasons to invest in Net Insight

A clear strategy for growth

**Market Transition**
- Expanding video traffic
- Expanding in live streaming
- Centralized production demands more network capacity
- TV distribution over the Internet (OTT) driving new content production
- Increase in file-based workflows

**Innovative Technology**
- Improving QoS over IP networks
- End-to-end orchestration
- Reducing TCO
- Optimizing bandwidth utilization
- Patents related to QoS, synchronization, scalability

**Global Reach**
- 500 customers
- 60 countries
- 50 resellers
- International professional media brand
- Customer Net Promoter score