

Strategy Update

TrafficGuard SaaS

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TrafficGuard Overview

COMPANY PURPOSE

- TrafficGuard provides comprehensive mobile ad fraud protection for brands, agencies and ad networks.
- Three formidable layers block fraud and invalid traffic, protecting budgets and driving advertising performance.

SOLVING A LARGE AND GROWING PROBLEM

- Mobile advertising fraud is a large and growing industry problem.
- Advertising fraud is forecast to cost advertisers \$19 billion in 2018, reaching \$44 billion by 2022 (Juniper Research).

TRAFFICGUARD - EARLY MILESTONES

- TrafficGuard SaaS was launched 1 July 2018.
- **First agency client - Omnicom Media Group MENA**, the media division of US\$15 billion market capitalisation NYSE-listed Omnicom Group Inc.
- First ad network client - ClearPier
- Self sign up expected to launch in the coming weeks.

UNIQUE INTELLECTUAL PROPERTY

- TrafficGuard technology is **patent-pending**. It has been in development since 2016, leveraging trillions of data points across advertising network, Mpire.

STRATEGIC GROWTH OPTIONS

- TrafficGuard launched in July 2018 and is operational in the initial brand and agency target market.
- Short term product development to enhance functionality for existing market segments.
- Product development over the next 12 to 18 months to open up new markets for TrafficGuard outside of advertising.

Digital advertising's fraud epidemic

- Advertisers forecast to lose \$19 billion to ad fraud in 2018, increasing to \$44 billion in 2022, according to Juniper Research.
- Fraudsters continuously adapting to outsmart the measurement platforms (MMPs).
- **Chargebacks and refunds** result from unambiguous fraud (eg Google, AppNexus).
- **Litigation** is a risk when an advertiser and mobile advertising company debate the definition of fraud in a complex advertising environment.
- **Chargebacks and litigation** are expensive and take up resources, reducing the advertiser's ROI even further.
- **Reputation risks** are significant for all parties in the supply chain (ad networks, agencies, ad exchanges, supply partners).

THE WALL STREET JOURNAL

Google Issuing Refunds to Advertisers Over Fake Traffic, Plans New Safeguard

Some advertisers question level of refunds, want more details about fraudulent traffic

\$19b

Forecast advertiser loss to ad fraud in 2018.

Juniper Research, 2017

What conventional ad fraud tools address

For personal use only



Obvious Costs

Advertiser's media costs

What TrafficGuard addresses

For personal use only

Obvious Costs

Advertiser's media costs

Hidden Costs

Media costs of traffic suppliers and agencies

Money wasted scaling low-quality sources when their performance is inflated by fraud

Opportunity costs when optimisation is crippled by inaccurate data, or slow reporting back to supply sources

Wasted time decoding complex reports and reconciling install volumes between demand, supply & intermediaries

Chargebacks and refunds

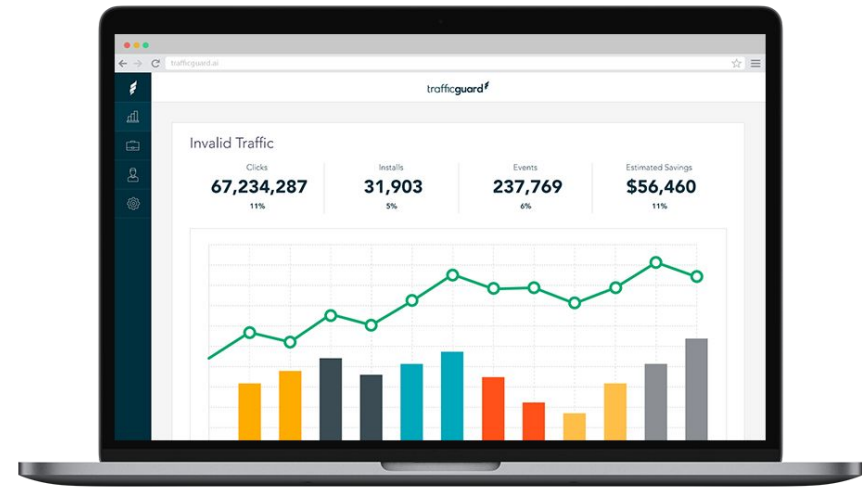
Threat of litigation on unresolved volume disputes

Damaged reputations and lost trust between advertisers and supply partners

TrafficGuard value proposition

TrafficGuard® is triple layered mobile ad fraud protection for brands, agencies and ad networks. By **blocking** fraud, TrafficGuard helps clients achieve superior advertising performance, reduce time-consuming install management processes, and mitigate the risk of litigation over unresolved fraud disputes.

- **Triple Layered** - Most conventional fraud prevention tools operate on one layer of the click journey and routinely reject installs after they have attributed them to a supply source. This results in many of the hidden costs explored on the previous slide.
- **Real time blocking** - TrafficGuard blocks invalid traffic in real-time at the click and attribution levels, helping protect client's advertising budgets from *all* costs of ad fraud.
- **Click Invalidation** - Removing fraud at the click keeps performance data clean, driving faster campaign optimisation and superior return on ad spend.
- **Independent & Specialised** - Unlike many existing fraud prevention tools, TrafficGuard has no conflict of interest. TrafficGuard was developed with the sole purpose to identify invalid traffic by a dedicated team of fraud-specialised data scientists.



*Mock data

TrafficGuard's addressable market

Three plans to accommodate businesses of varying levels of maturity

Protect

Sophisticated fraud prevention for apps with low volumes of paid user acquisition

Direct Advertisers wanting to protect their mobile ad spend from fraud

ProtectPro

Fraud prevention at scale for businesses with turbocharged paid user acquisition

Enterprise

The most comprehensive fraud and compliance coverage for enterprise level

Agencies with multiple advertisers

Ad Networks safeguarding clients, and optimising traffic supply



Market

For personal use only

Existing Clients

Characteristics

Media agencies

Eg Omnicom Media Group, Fetch etc



- Media agencies provide advertising services to direct advertising customers.
- Use TrafficGuard to provide a better service to their end customers, providing a competitive advantage in their market segment.
- High value clients, longer sales cycles, driven by sales team.

Direct Advertisers

Eg Uber, Netflix, TripAdvisor etc



- Direct advertisers are businesses promoting their own apps without an agency.
- The size of this market is almost impossible to measure given the total number of direct advertisers is constantly growing.
- Use TrafficGuard to ensure they are receiving genuine app installs.
- Sales driven, high value clients, as well as smaller apps that self sign up through the website.

Advertising Networks

Eg ClearPier, InMobi etc



- Advertising networks supply traffic to media agencies and advertisers.
- Use TrafficGuard to ensure that their supply is high quality, providing a competitive advantage in their market segment.
- Acquisition of clients in this segment will increase as new network platform integrations are developed by the TrafficGuard Product Team
- High value clients, driven by sales team

Development of TrafficGuard

FY 2019 Product Milestones

DIRECT ADVERTISERS

- Self sign up will be introduced to TrafficGuard in the September quarter.
- This will enable Direct Advertisers on the Protect plan to sign up and start using TrafficGuard straight away without the assistance of a sales person. Self sign up allows TrafficGuard to economically serve direct advertisers with lower levels of advertising activity.

AGENCIES

- Early feedback has revealed that some agency and brand clients will require the ability to customise validation rules. By adding this feature, TrafficGuard will become even more appealing to this audience.
- While many TrafficGuard agency users require real time reporting, some users in senior management only require periodic summary reports. By the end of the September quarter, clients will have the ability to schedule reports for automatic delivery to key stakeholders.

NETWORKS

- Direct advertisers and agencies can utilise TrafficGuard but ad networks require more intensive technical integrations. Early in the December quarter, an Application Programming Interface (API) will be available to allow any ad network to integrate their mediation platform with TrafficGuard.
- Early in H2 FY19, TrafficGuard will begin to develop integrations with major mediation platforms used by ad networks to streamline the acquisition of future clients in this segment.
- This will remove the burden of integration from the network.

BROADER AD FRAUD PROTECTION (CPC)

- TrafficGuard will offer protection of cost-per-click (CPC) advertising campaigns with a new integration type launching in H2 FY19
- This will enable TrafficGuard to protect a broader variety of advertisers - not just those in the mobile app advertising sector but those advertising for website based activity
- Early feedback suggests that there is also strong demand for CPC fraud mitigation

Development of TrafficGuard

Long Term Opportunities

BROADER AD FRAUD PROTECTION (CPM)

- Extend TrafficGuard's fraud prevention beyond CPI and CPC advertising, to also filter pre-bid and at the impression for CPM buying models.
- Already in discussions with programmatic supply sources to establish level of demand, requirements and overall feasibility.
- This will extend TrafficGuard's addressable market to cover every company advertising online.

FURTHER APPLICATIONS OF BOT DETECTION

- TrafficGuard's fundamental function of analysing traffic and blocking invalid traffic can be used outside of advertising to help other businesses ensure their web visitors, app users, purchases, and bookings are made by real people and not bots.
- Payment fraud protection and web/app security have been identified as opportunities to extend TrafficGuard's core technology

Tech Mpire Key Investment Considerations

UNPRICED GROWTH OPTIONS

- Planned improvements to TrafficGuard's functionality extending its application to new advertising models in the short term and new market segments in the long term.
- nxus identified as next SaaS commercialisation opportunity.
- Undemanding valuation metrics – trading near cash value.

PROPRIETARY TECHNOLOGY

- TrafficGuard launched in 2016 and nxus launched in 2014.
- Both trained and developed on global digital advertising traffic since launch, covering trillions of data points.
- Developed by inhouse ad fraud specialised data science and engineering teams, TrafficGuard has a patent pending.
- nxus has 3 platforms each representing a potential SaaS product - Mediation Platform, Optimisation Platform, Partner Management Platform.

HIGH GROWTH ADDRESSABLE MARKETS

- Global mobile advertising market grew at 16% compound annual growth rate (CAGR) from 2006-2016 and is forecast to be \$215 billion by 2021, which is 72% of total online marketing budgets.
- Currently, TrafficGuard's focus is mobile. New integrations available before the end of 1H19, will enable it to prevent fraud across the whole digital advertising market, forecast to reach \$299 billion by 2021.

ADTECH SECTOR CONSOLIDATION

- Adtech sector consolidation expected to continue.
- The unpriced value of TMP's technology and proprietary big data appeals to many global organisations.

For further information, please visit our website

www.techmpire.com