April 25, 2012

Christopher McMahon
chris@tangentmarketing.com
Who are we and what is Tangent?

How will *Tangent* change the way you watch TV?

The future of *Tangent*
Company Snapshot

**Founded:** January 2012

**Location:** Los Angeles, CA

**Product:** *Tangent* is an advertising platform and app that allows television advertisers to engage with viewers in new and interactive ways to supplement their on-screen commercials.

**Primary Customer:** Advertisers on major networks or sponsors of live large-scale television events

**Secondary Customer:** Live Television viewers with second screens
Opportunity: The use of a ‘second screen’ while watching television is becoming commonplace, and yet most services built for these screens only allow interactions with shows, not the commercials contained within. TV Viewers want to interact with what they see.

Mission: To build the most innovative advertising platform that actively engages viewers and encourages them to interact with and earn rewards from their favorite companies and brands.

Vision: To revitalize the Live TV advertising market and get viewers excited about watching commercial breaks.
Market Dynamics

- 85% of TV still consumed LIVE¹
- Tablet shipments on RISE
- Momentum for Second Screen

US Tablet Owners – 55 Million
US Smartphone Owners – 107 Million

What are Tablet and Smartphone Users doing While Watching TV?

Frequency of Simultaneous Usage While Watching TV

Sources:
²http://blog.nielsen.com/nielsenwire/online_mobile/40-of-tablet-and-smartphone-owners-use-them-while-watching-tv/  
Key Competitors

- **SecondScreen Networks**: Pushes digital ads to channel or show-based apps that match the ad onscreen, however no viewer interaction.

- **Viggle**: “Check in” to TV Shows and earn reward points to be redeemed for a variety of items (ie movie tickets, music, etc).

- **Into_Now**: Listens and identifies what show you are watching and pushes real-time news, data, twitter feeds, etc to your tablet.

- **Shazam**: “Shazam” ads to gain access to exclusive content or secret offers. No interactivity for users.
What does Tangent do?

- Syncs with live TV and pushes interactive advertising content to the viewer
  - Opt-in/Opt-out service

- Content may include games, trivia, memory exercises, etc.
  - Dependent upon Advertiser’s desires

- Rewards you for paying attention and staying involved with ads as they air on television
What does *Tangent* do?

**FOR TELEVISION VIEWERS**
- Points and Rewards for interacting with content
  - Points redeemed for discounts or goods at advertiser’s Storefront
- Leveling system based on points
- Incentive to pay attention during commercial breaks!

**FOR ADVERTISERS**
- Provides more creative ad material for fan interaction
- Reassurance that those using *Tangent* are paying attention
What is the MPG for the new 2013 Hyundai Elantra?

- a) 27
- b) 33
- c) 40
- d) 45
Spot every difference between the Ad above and the Ad below...
Old Spice STOREFRONT

50 POINTS  Get Some Swagger!
10% off your next purchase of Old Spice Body Wash

250 POINTS  Wrap it up
FREE Old Spice Beach Towel

5000 POINTS  You’re on a Horse.
(Backwards) horseride for two at the beach. Ladies.

Tangent

Tommy Trojan
LEVEL 4

Share with a friend

OLD SPICE 500 to spend
TOTAL POINTS 7525

menu  myProfile  points
A Social Tangent

- Viewers have ability to share progress and personal rankings with friends
  - Leaderboards increase competition to do better, watch more ads

- Ability to share winnings/rewards with friends
How Does it Work?

1. User opens **Tangent** App and checks into Channel or Show
2. App tells our server what channel or show user is watching
3. Server syncs App with the channel’s commercial schedule
4. Digital Ad is pushed to App in real time with scheduled TV Spot
5. User given option to interact or dismiss Digital Ad
6. Scheduled TV spots are matched to Digital Ads available
Development Plan

**Alpha Testing:** Fall/Winter 2012
- Beginning of 2012/13 Season

**Beta Launch:** February 3, 2013
- Super Bowl XLVII

**Full Public Launch:** May 2013
- May Network Sweeps
- Leads into Summer Cable Season
Development Plan

Key Growth Targets

- Increase Active users from 200,000 to 3,000,000 over three years

- Get into talks with major national Media Conglomerates in order to reach both Broadcast and Cable networks

Viacom  Comcast  Time Warner

The Walt Disney Company  News Corporation
Key Revenue Drivers

- Pay-per-Click for viewer engagement in Sync Ads from advertisers

- Potential future revenue to be gained when user analytics have grown into a larger database.
Marketing Plan

BUSINESS-TO-BUSINESS

Advertising Trade Shows & Exhibitions
- LA Screenings in May
- MipCom in October

CONSUMERS

Social media and guerrilla/viral hype
Co-branding initiatives with established partners

Attraction & Retention
Get rewarded for doing very little
Games & activities are fun, not boring
Leveling system encourages continued use
### Q3 2012 – Q2 2013 Roadmap

<table>
<thead>
<tr>
<th>Q3 2012</th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek investing partners and refine platform technology</td>
<td>Continue push for new advertising deals</td>
<td>Obtain Offices</td>
<td>Hire new employees</td>
</tr>
<tr>
<td>Alpha Testing</td>
<td>Alpha Testing</td>
<td>Continue Alpha test, prep for Beta</td>
<td>Beta Launch w/ Super Bowl; prep for Public Launch</td>
</tr>
<tr>
<td>LA Screenings Exhibit</td>
<td>MipCom</td>
<td>Social Media introduction and hype; CTAM</td>
<td>Co-marketing with advertisers and channels</td>
</tr>
</tbody>
</table>
Business Development Pipeline

Partner with major networks as well as advertisers
  - Major networks lead to relations with cable networks

Channels receive advertising analytics and may pick up new sponsors

Target BIG companies with LARGE ad budgets

Partner with major networks as well as advertisers
  - Major networks lead to relations with cable networks

Channels receive advertising analytics and may pick up new sponsors

Target BIG companies with LARGE ad budgets
Planned Use of Funds

- Initial Marketing - 10%
- Development - 50%
- Client/Customer Acquisition - 40%

Seeking A-Round Funding: $500,000
### Executive Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 360,000.00</td>
<td>$ 2,400,000.00</td>
<td>$ 10,800,000.00</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 360,000.00</td>
<td>$ 2,400,000.00</td>
<td>$ 10,800,000.00</td>
<td>$ 13,560,000.00</td>
</tr>
<tr>
<td><strong>Cost of Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Services</td>
<td>$ 18,000.00</td>
<td>$ 120,000.00</td>
<td>$ 540,000.00</td>
<td></td>
</tr>
<tr>
<td>Total Cost of Services</td>
<td>$ 18,000.00</td>
<td>$ 120,000.00</td>
<td>$ 540,000.00</td>
<td>$ 678,000.00</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>$ 342,000.00</td>
<td>$ 2,280,000.00</td>
<td>$ 10,260,000.00</td>
<td>$ 12,882,000.00</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G&amp;A</td>
<td>$ 28,800.00</td>
<td>$ 192,000.00</td>
<td>$ 864,000.00</td>
<td>$ 1,084,800.00</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>$ 600,000.00</td>
<td>$ 840,000.00</td>
<td>$ 840,000.00</td>
<td>$ 2,280,000.00</td>
</tr>
<tr>
<td>Marketing</td>
<td>$ 25,000.00</td>
<td>$ 25,000.00</td>
<td>$ 25,000.00</td>
<td>$ 75,000.00</td>
</tr>
<tr>
<td>Advertising</td>
<td>$ 54,000.00</td>
<td>$ 360,000.00</td>
<td>$ 1,620,000.00</td>
<td>$ 2,034,000.00</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>$ 707,800.00</td>
<td>$ 1,417,000.00</td>
<td>$ 3,349,000.00</td>
<td>$ 5,473,800.00</td>
</tr>
<tr>
<td><strong>Net Income (loss)</strong></td>
<td>$(365,800.00)</td>
<td>$ 863,000.00</td>
<td>$ 6,911,000.00</td>
<td>$ 7,408,200.00</td>
</tr>
</tbody>
</table>