



AUGUSTUS

2019 BUSINESS PERFORMANCE



The purpose of this document is to provide an annual report on our business performance for 2019, our 4th full year in business, documenting with transparency details of our group of companies, and to provide an outlook on the year ahead.

CONTENTS



ABOUT **AUGUSTUS**



TIMELINE



FINANCIALS



THE **FUTURE**

AUGUSTUS MEDIA: MISSION & VISION

We are an award-winning modern company, born in one of the most dynamic and vibrant cities in the Middle East, with offices in Dubai and Riyadh.

Our vision is to establish and maintain a 'New Order' of media advertising with data and content at the heart of everything we do.

Our mission is to be the 'New Media' company of choice in the Middle East by generating profitable growth through innovation and breaking the mold in marketing communications.

AUGUSTUS MEDIA: STRUCTURE & BRANDS

AUGUSTUS MEDIA
HOLDINGS LTD (ADGM)

AUGUSTUS
KSA (SAGIA)

AUGUSTUS
DMCC

SMASHI TV
FZ-LLC
(DDA)



LOVIN'
YOUR LIFE



FOR THE DRIVEN,
THE DREAMERS &
THE DOERS

AUGUSTUS MEDIA: DATA ANALYTICS AND CONTENT STUDIO

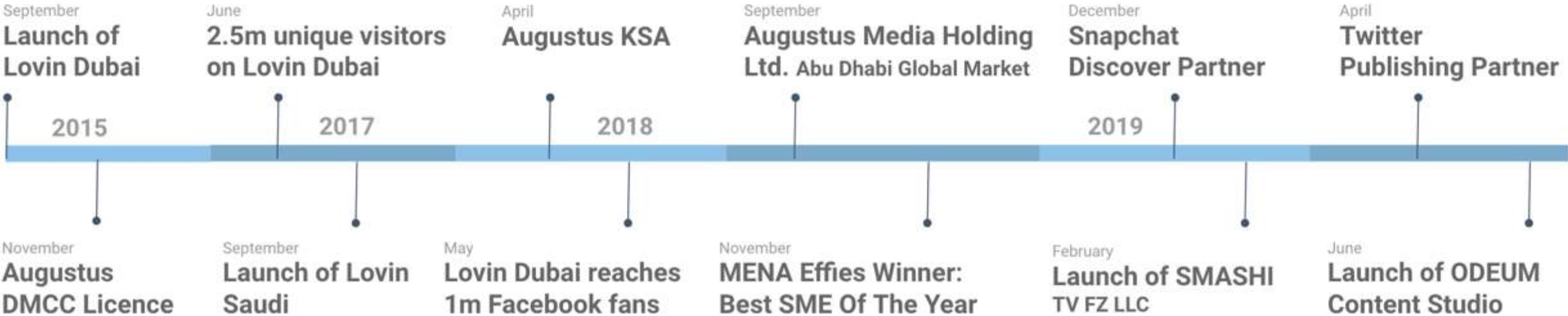
C E N S O R

Censor is a proprietary data analytics and reporting platform for Augustus. Its purpose is to improve the efficiency of reporting to clients, track performance in real time and optimize campaigns, in addition to having visibility on revenue performance based on work delivered at any given time.

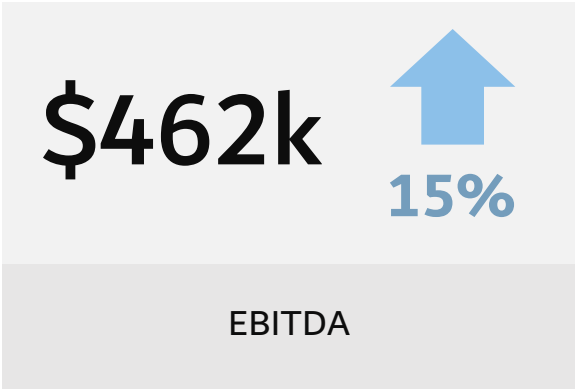
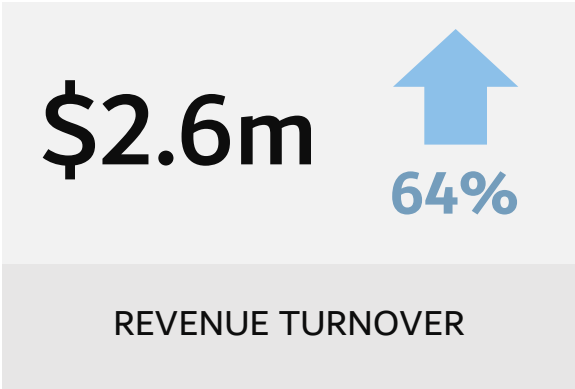
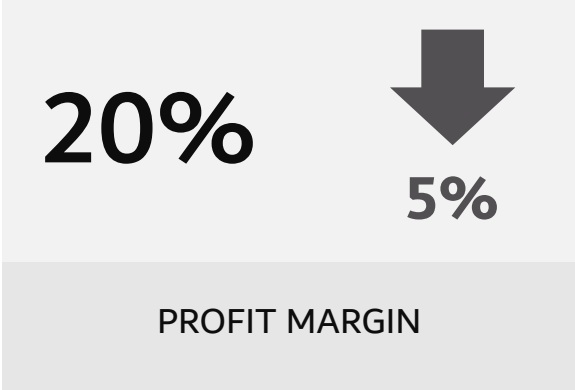
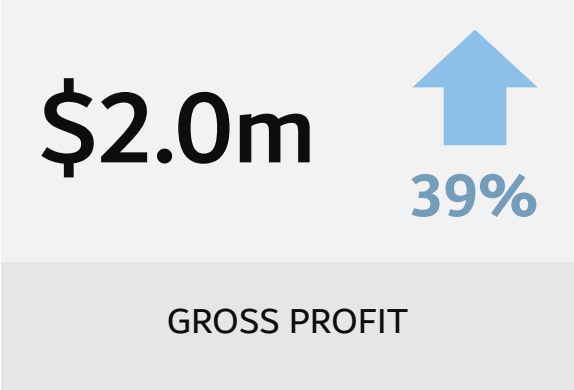
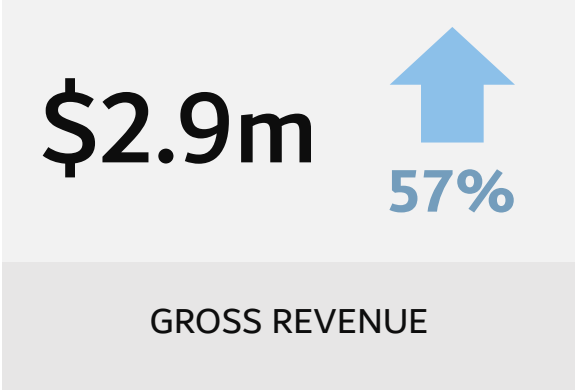


ODEUM is our in-house content studio, powered by data and insights. Designed to produce new media formats, in real-time for clients that live across our brand channels; We aim to connect brands with communities and culture.

AUGUSTUS MEDIA: OUR JOURNEY SO FAR



AUGUSTUS MEDIA: 2019 CONSOLIDATED FINANCIAL HIGHLIGHTS



Percentage (%) reflects on the increase/decrease vs previous year performance

AUGUSTUS MEDIA: 2019 BRAND FINANCIAL HIGHLIGHTS

	LOVIN DUBAI	LOVIN SAUDI	SMASHI TV	ODEUM
GROSS REVENUE	\$2.5m 86%	\$265k 7%	\$78k 2%	\$105k 4%
GROSS PROFIT	\$1.7m 87%	\$159k 8%	\$0k 0%	\$104k 5%
EBITDA	\$639k 133%	-\$23k -5%	-\$239k -50%	\$104k 22%

Percentage (%) reflects on the Brand's total share per line item

AUGUSTUS MEDIA: 2019 CONSOLIDATED INCOME STATEMENT

\$ '000

FOR THE PERIOD ENDED 31 DEC	UNAUDITED 2019	AUDITED 2018
REVENUE	2,578	1,574
COST OF SALE	586	141
GROSS PROFIT	1,992	1,433
NET OPERATING EXPENSES	1,589	1,066
OPERATING (LOSS)/PROFIT	403	367
ITDA	(59)	(33)
OPERATING EBITDA	462	400

Figures in USD, displayed in thousands.

AUGUSTUS MEDIA: 2019 CONSOLIDATED BALANCE SHEET

	31 DECEMBER 2019 UNAUDITED	31 DECEMBER 2018 AUDITED	\$ '000
ASSETS			
NON-CURRENT	115	33	
INTANGIBLE ASSETS	20		
PROPERTY, PLANT & EQUIPMENT	95	33	
CURRENT	1,149	847	
TRADE & OTHER RECEIVABLE	864	633	
PREPAID	109	57	
CASH & CASH EQUIVALENT	176	157	
TOTAL ASSETS	1,264	880	
LIABILITIES			
NON-CURRENT	36	67	
LOANS & BORROWING	17	56	
EOS	19	11	
CURRENT	211	193	
TRADE & OTHER PAYABLES	103	76	
TAX LIABILITIES	20	14	
LOANS & BORROWING	88	103	
TOTAL LIABILITIES	247	260	
EQUITY			
SHARE CAPITAL	162	162	
RETAINED EARNINGS	855	458	
TOTAL EQUITY	1,017	620	
TOTAL LIABILITIES & EQUITY	1,264	880	

Figures in USD, displayed in thousands.

AUGUSTUS MEDIA: DIVERSIFIED REVENUE OFFERING

Our commercial model is monetizing our audiences, we do this through a diversified business model, focus on on three buckets, currently approx. 90% of our revenue comes from content, and 10% from advertising, we will look to gradually have an even split across each area

CONTENT

- Creative work (copywriting, scripts)
- Social media
- Video
- Audio
- AR / VR
- Production

ADVERTISING

- Display direct
- Display programmatic (guaranteed, preferred, header bidding, open auction, private marketplace, & audio)
- Platform revenue (FB, Snap, YT, Twitter)
- Affiliate marketing / commerce revenue

DIRECT TO CONSUMER

- Membership
- Subscriptions
- Events
- Tokens

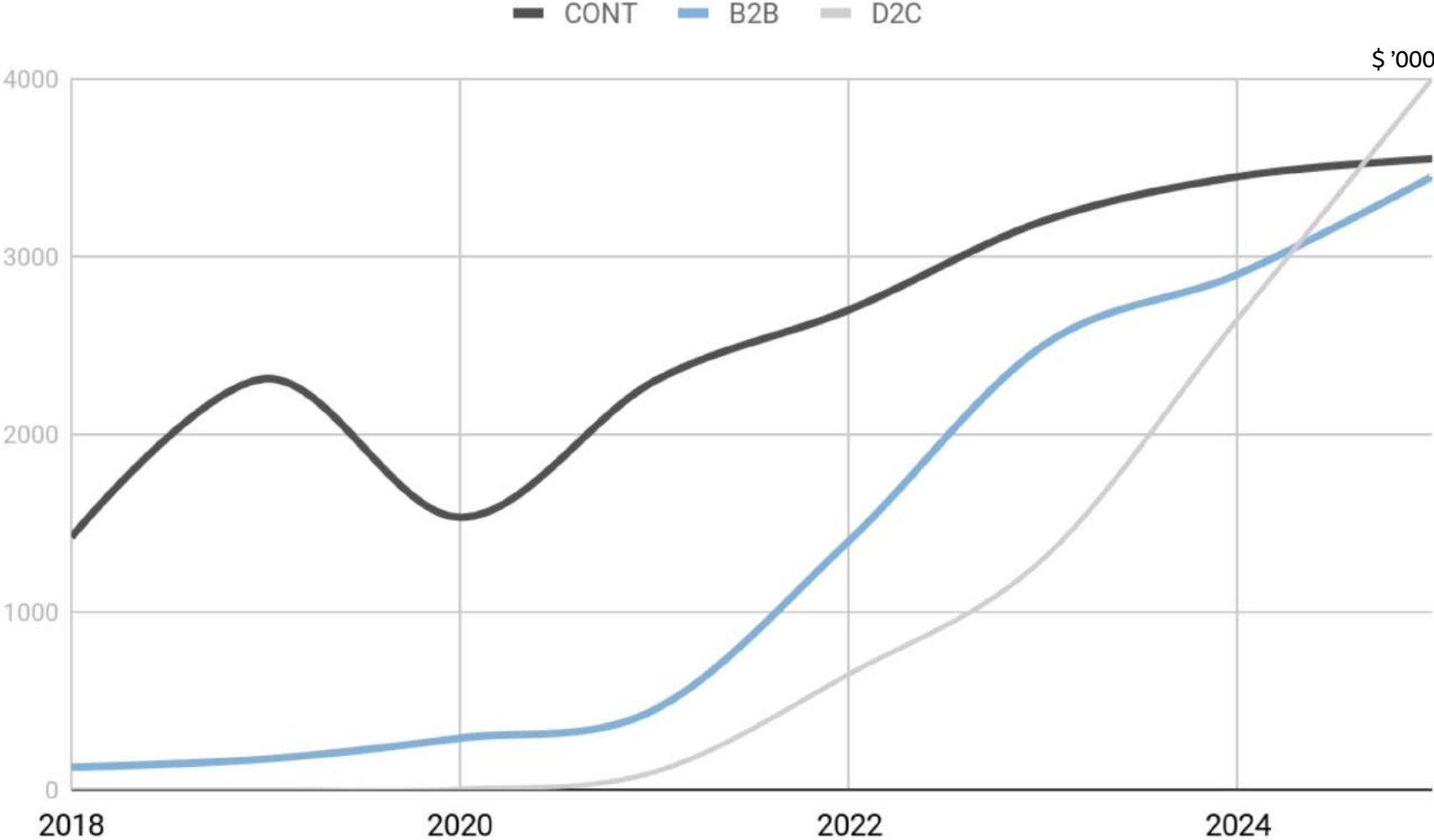
AUGUSTUS MEDIA: REVENUE TURNOVER PROJECTION 2019-2025

	2019	2021	2023	2025
CONTENT	\$2.3m 93%	\$2.3m 77%	\$3.2m 46%	\$3.6m 32%
B2B	\$176k 7%	\$600k 20%	\$2.5m 36%	\$3.5m 31%
D2C	\$0 0%	\$100k 3%	\$1.3m 19%	\$4.0m 37%

Percentage (%) reflects the share per Revenue Offering for each year

(Forecasted as of April 30th 2020)

AUGUSTUS MEDIA: DIVERSIFIED REVENUE OFFERING

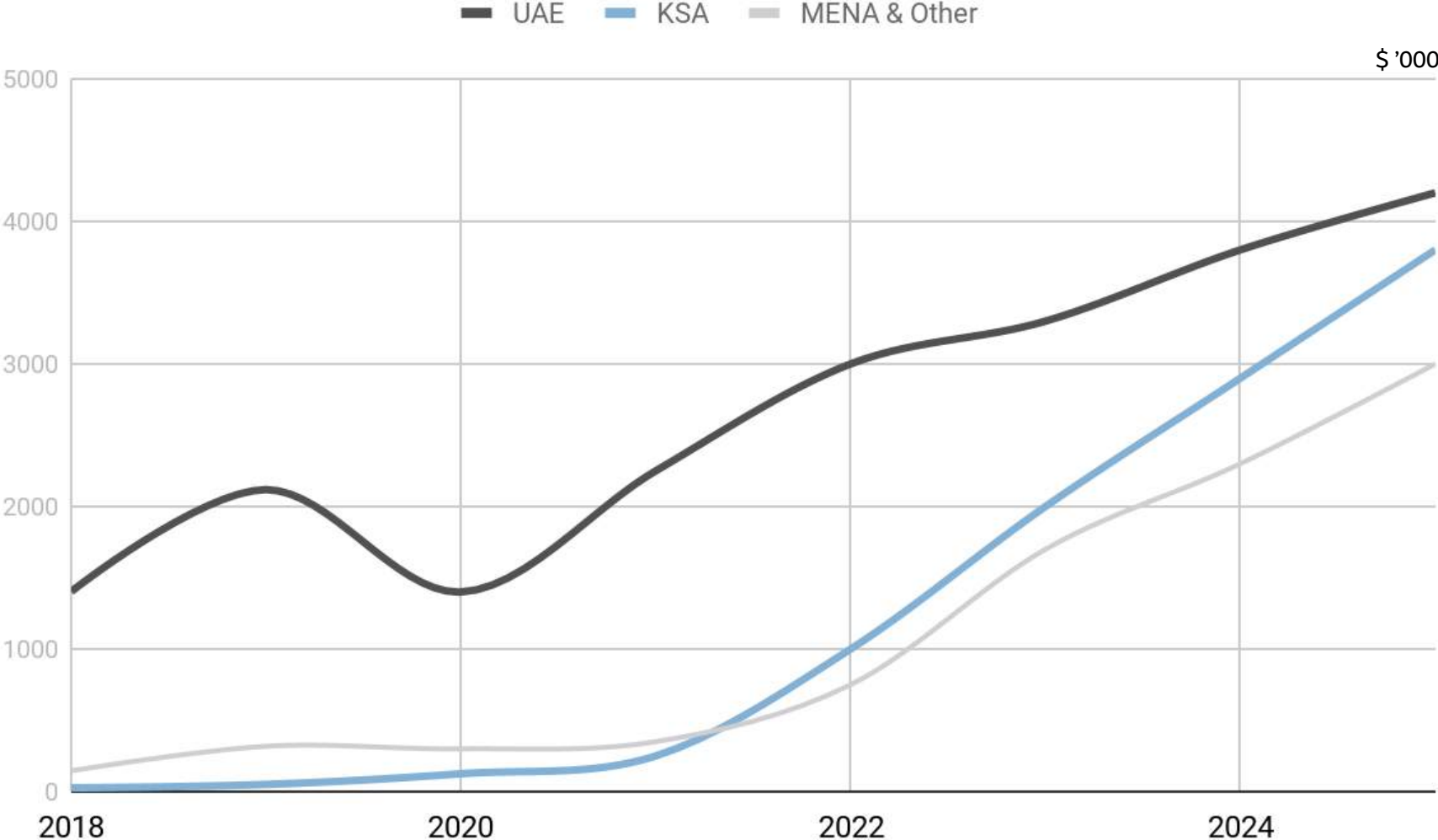


Revenue Turnover Projection by Revenue Offering

Figures in USD, displayed in thousands.

(Forecasted as of April 30th 2020)

AUGUSTUS MEDIA: CLIENT DOMESTIC REVENUE PROJECTION



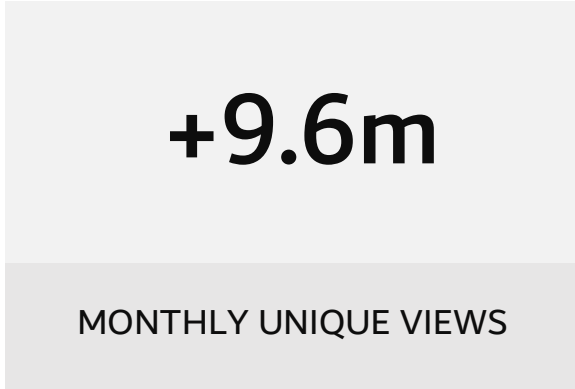
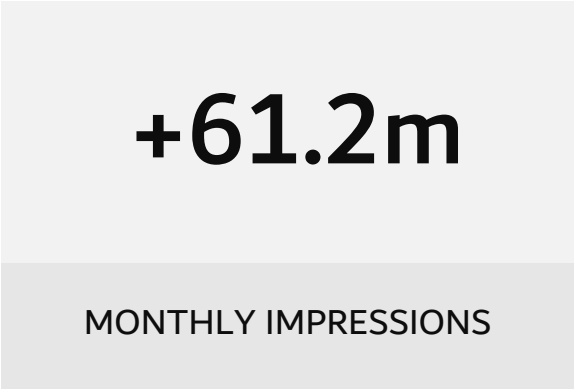
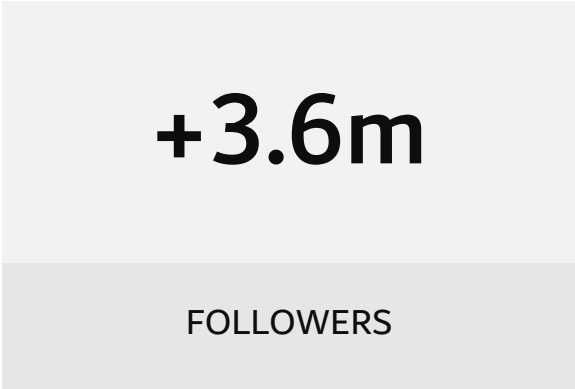
Revenue Turnover Projection by Client Geographical location

Figures in USD, displayed in thousands.

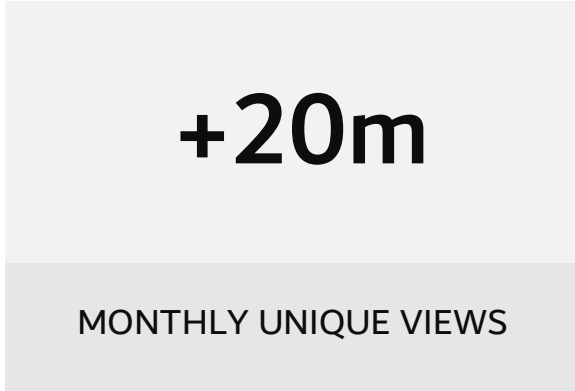
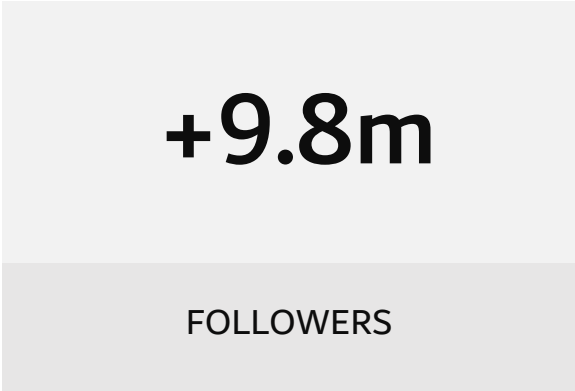
(Forecasted as of April 30th 2020)

AUGUSTUS MEDIA: 2020 AUDIENCE GROWTH PROJECTIONS

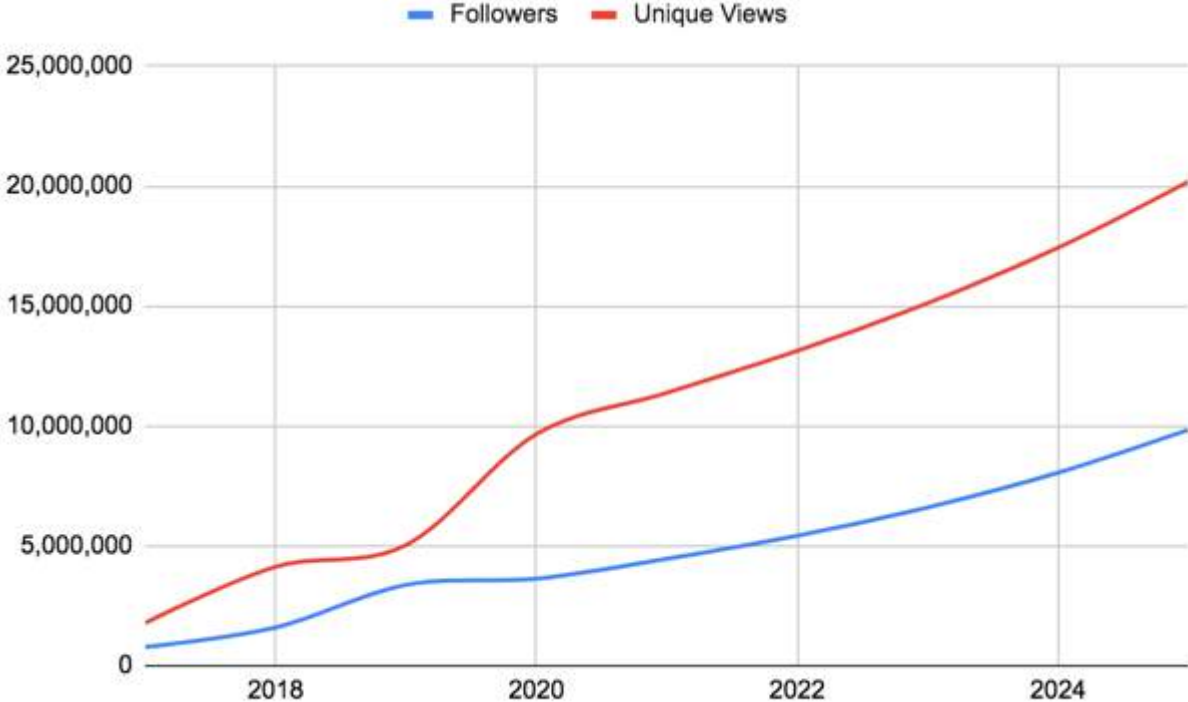
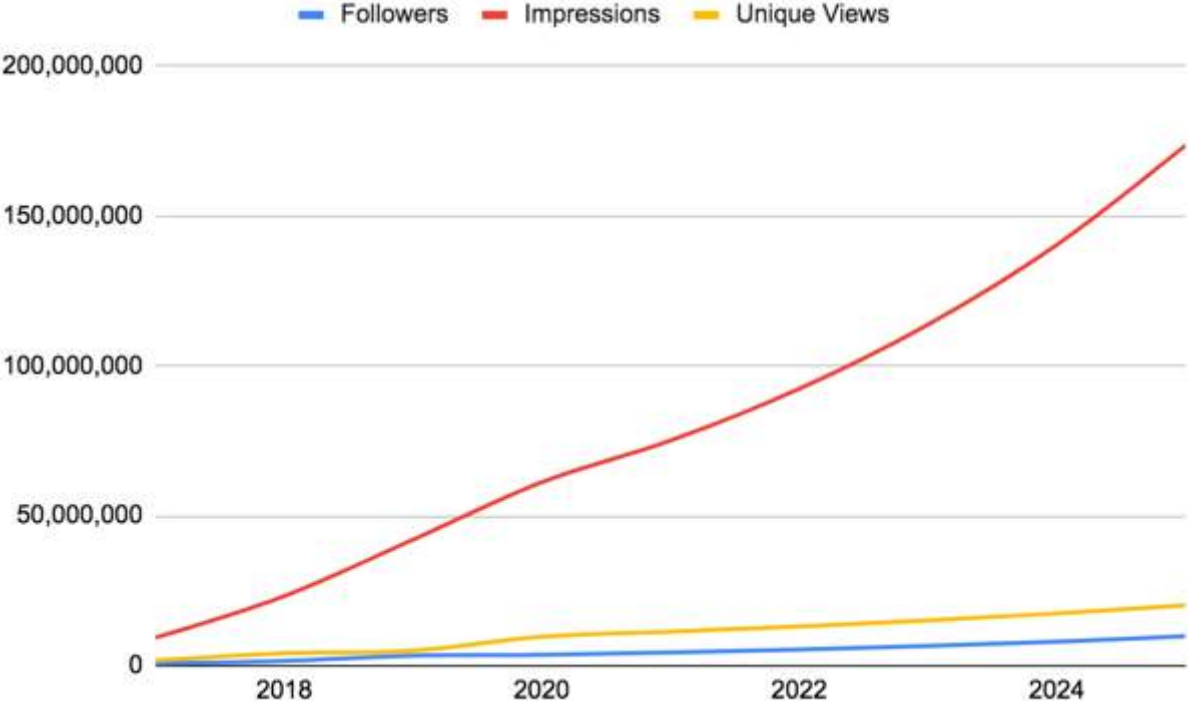
2020



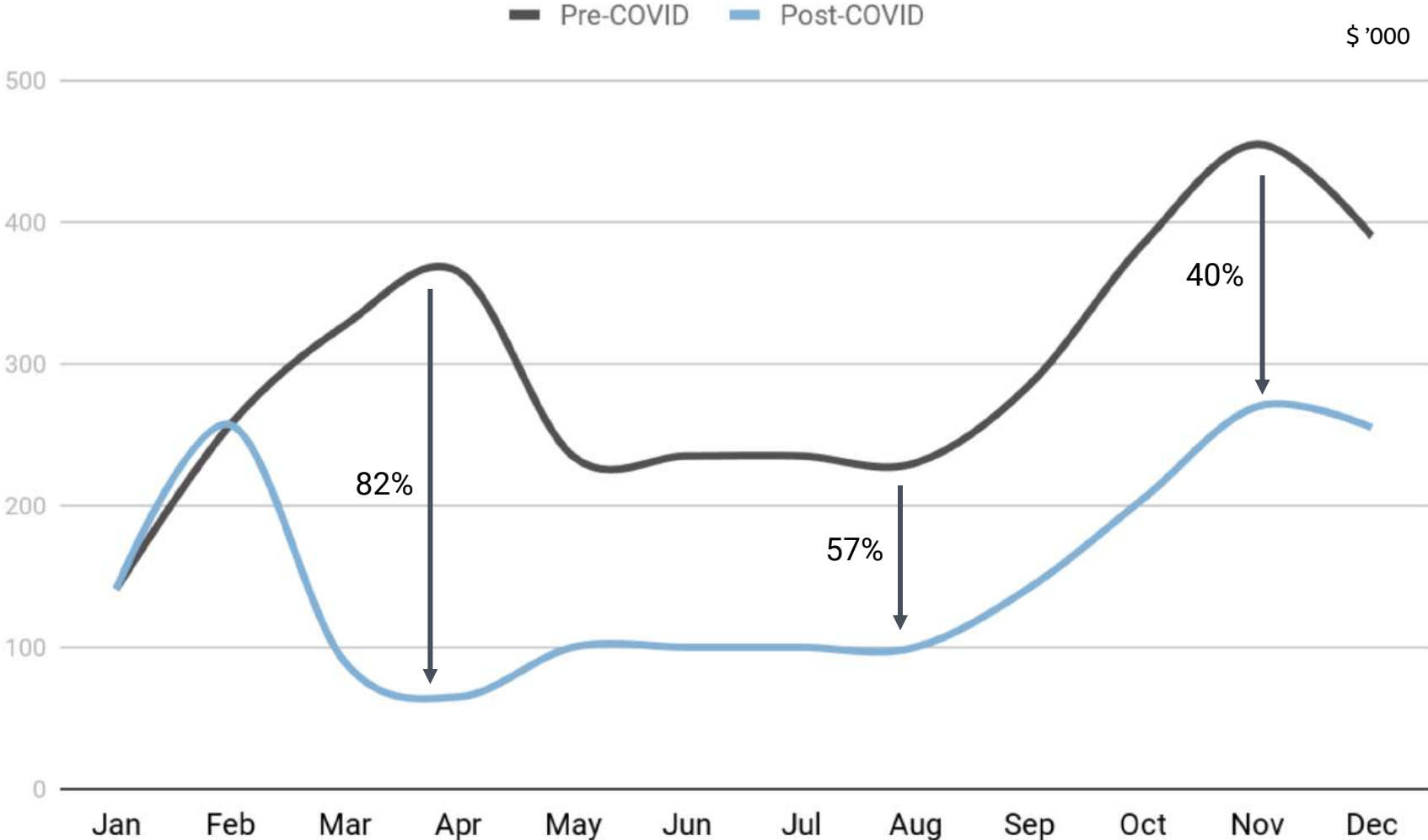
2025



AUGUSTUS MEDIA: 2020 AUDIENCE GROWTH PROJECTIONS



AUGUSTUS MEDIA: COVID19 PROJECTED 2020 REVENUE IMPACT

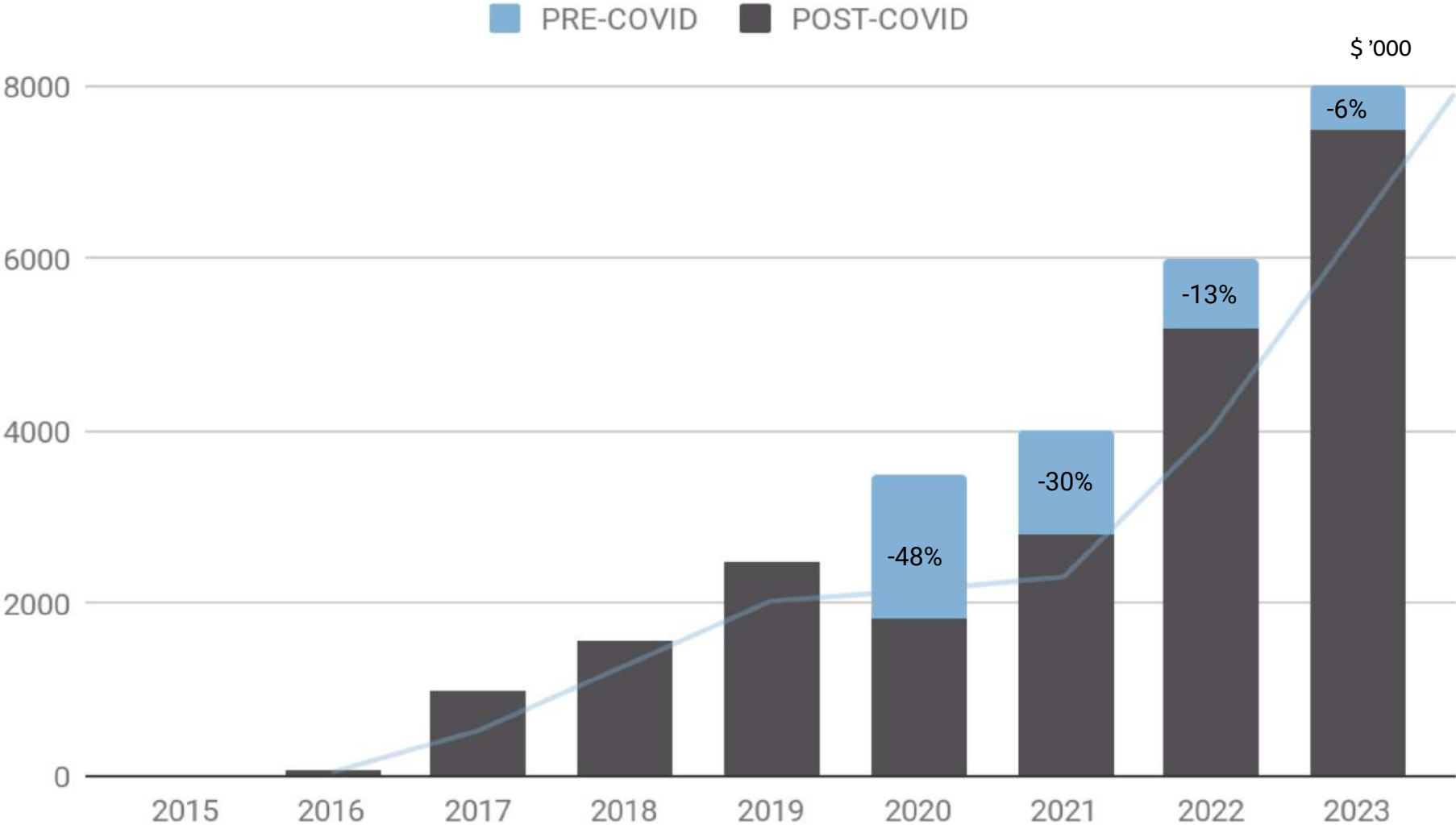


Total Revenue TO in 2020, Impact due to COVID-19 on forecast. Percentage (%) decrease on Revenue.

Figures in USD, displayed in thousands.

(Forecasted as of April 30th 2020)

AUGUSTUS MEDIA: COVID19 REVENUE TURNOVER PROJECTION



Total Revenue TO by year, Impact due to COVID-19 on forecast.

Figures in USD, displayed in thousands.

(Forecasted as of April 30th 2020)

AUGUSTUS MEDIA: CLOSING STATEMENTS - COVID-19 IMPACT

- 2020 was to be a growth year for Augustus, from \$2.8m in revenue to \$4m - we would deliver that by increasing revenue on Lovin Dubai, and maturing offerings on Lovin Saudi, SMASHI TV and ODEUM and to increase headcount accordingly that was to close out a 3 year business plan from 2018 - 2020
- We have seen growth each year in 2017, 2018, and 2019, the majority of which has been reinvested into the business, launching new brands, territories and products
- COVID-19 stopped us in our tracks this year and forced us to rethink, we were coming on the back on the most successful month in the companies history in February 2020, and although with momentum into March, the writing was on the wall early on, our summation was that
 - We would not hit Q1 or Q2 targets, 2020 plans were based on hitting targets
 - Budgets were allocated accordingly so a re-forecast was needed
 - Our business suffers in Summer, no events and fewer campaigns, F&B activity
 - Duration and long-term impact - 3-6 months, versus 1-3 years
 - Global, regional impact - Olympics, Euro 2020, Expo 2020
 - Advertising does get impacted, but usually the more expensive parts, digital can push through
- We took the decision that this would be close to the business environment of a recession, in that 'belt tightening' was necessary, we reduced headcount and salaries by 15%, this contributed to an overall reduction of costs by 40%, and revised down forecasts for the months ahead by 70% to 80%
- New health guidelines were put in place in the office, in addition to a WFH policy
- Rather than hibernate, or press pause on our business plans, we decided to absorb the losses in Q1, Q2, Q3, with a view to continuing to reinvest in the business to finish the year strong, in terms of our audience growth and diversified revenue model, and put a robust new 3 year plan in place

AUGUSTUS MEDIA: INSIGHTS & STRATEGIC DIRECTION

- The advertising industry continues to show growth trajectory in digital, largely based on content and programmatic, consumption trends continue to shift to mobile, audio consumption with social platform driven AR adoption increasing
- The regional outlook continues to be affected by a low oil price and geopolitical tensions, economies in Egypt and UAE saw growth in 2019, with Saudi Arabia flat and Lebanon experiencing a contraction
- We define becoming the new media company of choice in the region, by our media brands being the most popular, by customers and clients choosing to consume our content and work with us
- The timeframe around this goal is organic, gradual and perpetual, we believe our business legal structure gives us the right framework for local subsidiaries through owned, acquired or partnership entities
- Our mindset driven brands, 'Lovin Your Life' and 'Driven, Dreamers, Doers' are designed to capture the youth of the region
- While news, reporting and journalism has an element of public service, we are first and foremost an entertainment company, we have chosen live, or near live news publishing as the most effective way to communicate on mobile, social platforms, and have done that by moving into the OTT streaming space as well
- Our investment into CENSOR, a data-analytics platform, is recognizing that data plays an important role in content and a modern media company, but also to measure our true reach across all our channels, with a view to having the largest reach in the region
- Our commercial focus is continuing to be on diversified media model, however we have defined that further to (1) Content, (2) Advertising, (3) Direct to Consumer
- Our goal now is to build an in-house tech team to serve our media brands, and commercial buckets, we will do this in Dubai, in a cost-effective way
- The positioning of Lovin brand for regional expansion will suit JV's or other partnerships, whereas SMASHI will be led by localized content targeting build on a solid tech platform coming from the UAE



CASEY FITZGERALD
SENIOR WRITER & HOST / MANAGER



AMY JONES
CONTENT DIRECTOR



RICHARD FITZGERALD
CEO



JOSEF FOUAD OBEID
FINANCE DIRECTOR



MAYOWA TOLA-VOSS
SENIOR COMMERCIAL MANAGER



HALA BASSAM
PRODUCER



CHAITANYA SINHA
SENIOR MOTION GRAPHICS ARTIST



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ACCOUNT MANAGER



ABDALLAH NASSER
SENIOR COMMERCIAL MANAGER



IYAD AL-SAADY
COUNTRY MANAGER - LOVIN SAUDI



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