



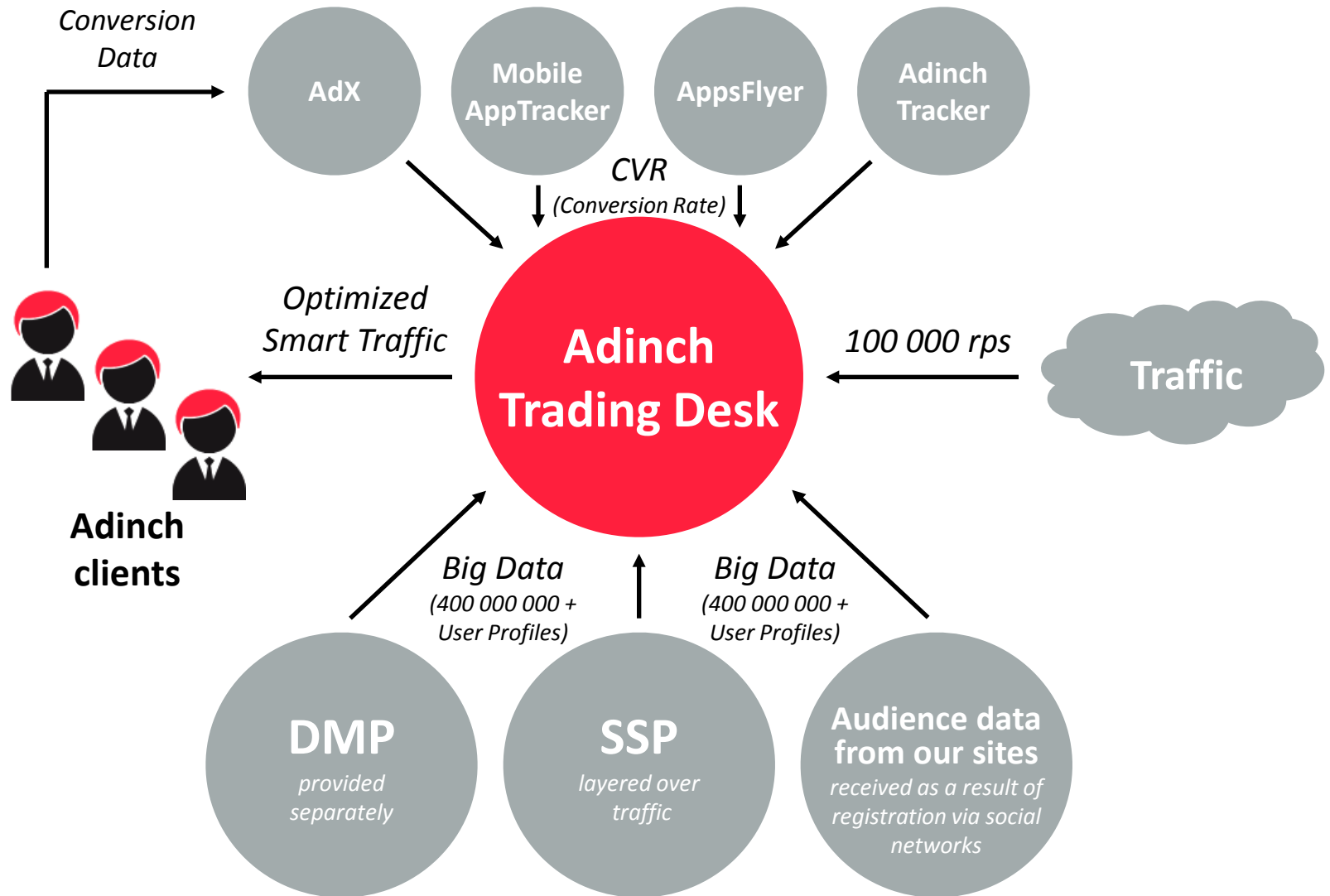
Building a global player
on the mobile RTB ad
market

About Adinch

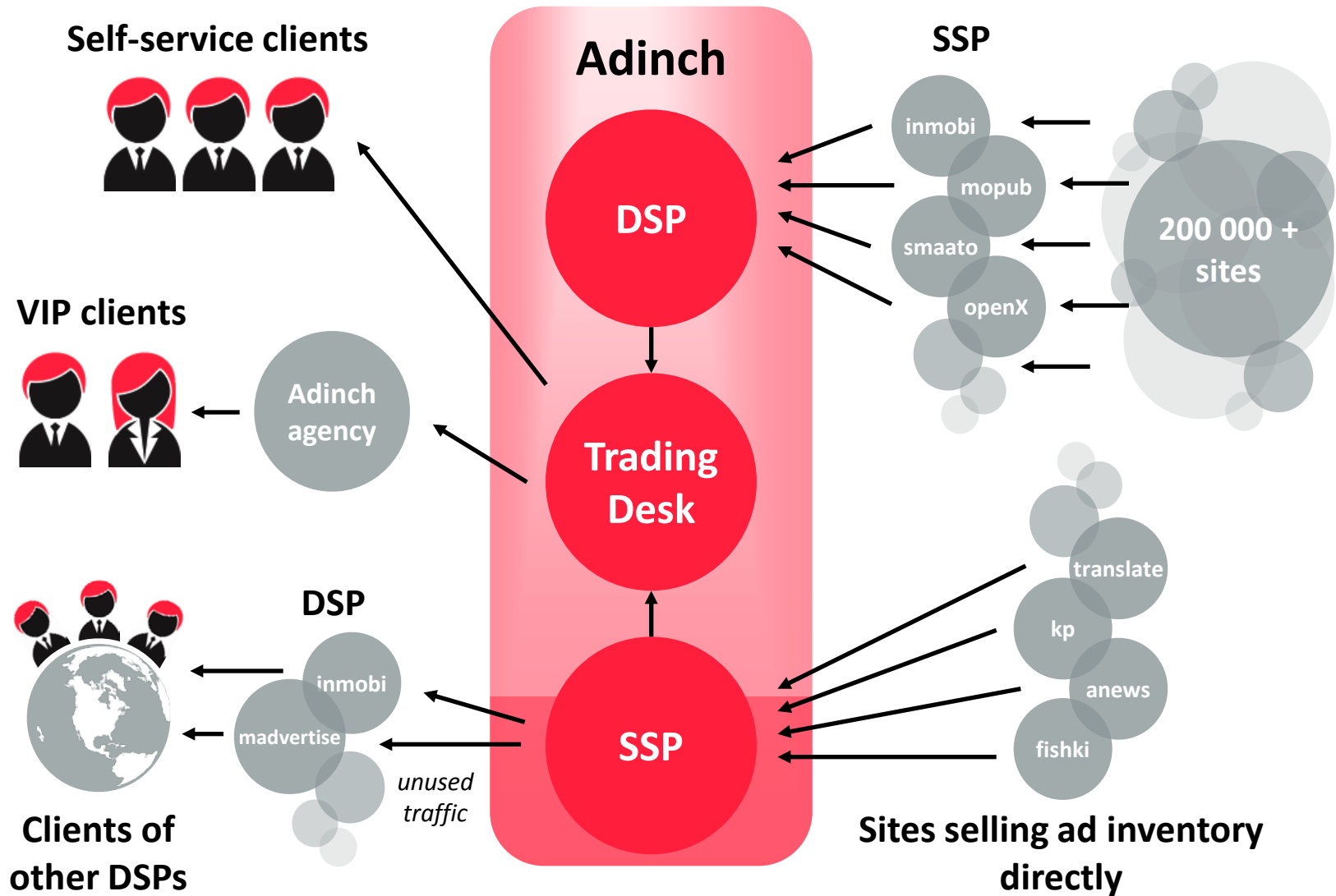
- A unique RTB technology leveraging big data to deliver precision-targeted advertising campaigns worldwide
- A US-based startup working since 2012
- The best sales team on the mobile ad market in Russia
- Instant access to 200bn+ expressions monthly in 230 countries
- Adinch addresses a massive mobile advertising market that is growing at a CAGR of 49%¹
- Our aim is to build an international company with sales worth over \$40m and a 40% gross margin within the next 3 years

¹Note: mobile internet ad spending in 2012-2018 according to eMarketer, December 2013

How Adinch works with big data



Business model



Adinch gives advertisers instant access to:

200+
billion

Expressions monthly in more than 230 countries (6bn+ in Russia & CIS)

over
7
billion

Expressions daily worldwide (200M+ in Russia)

In
200 000
+

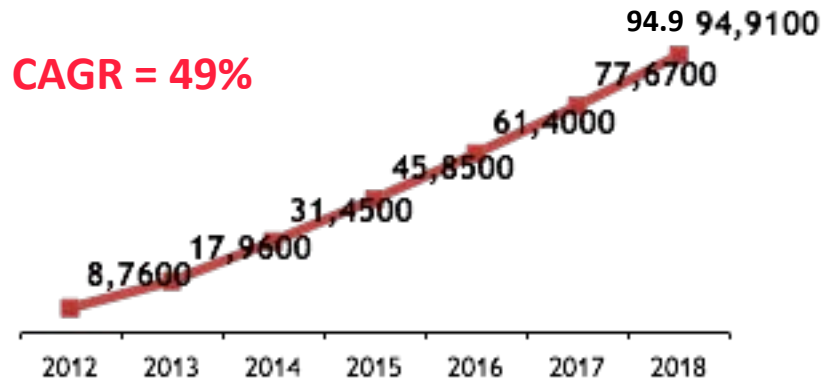
Apps and mobile sites (via SSP)

Breakdown of clients by country:

0,6

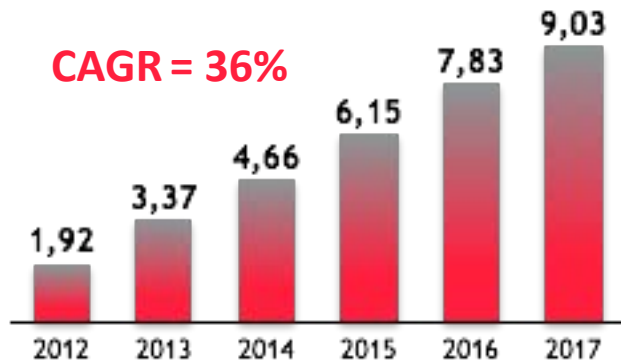
Market opportunity

Mobile internet ad spending worldwide, \$BN



- **Mobile to reach 25% of total digital ad spending in 2014**
- Growth driver: the shift of time spent by consumers from desktop to mobile devices

US RTB digital display ad spending, \$BN

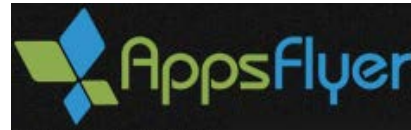


- **US RTB budgets to top \$9bn** (or 29% of the US display ad segment) by 2017
- **The Russian RTB market is expected to double** from 1.2bn in 2013 to 2.4bn rubles in 2014 and reach 10% of digital display advertising
- Growth driver: continued RTB adoption by publishers and media buyers due to greater advertising efficiency

Sources: eMarketer, December 2013, March 2014; Adfox, March 2014

Our partners

We work with the largest global RTB mobile ad exchanges, ad networks and tracking systems. This allows us to provide huge volumes of quality traffic to all of our clients.

The logo for Smaato, featuring the word "smaato" in a light blue, lowercase sans-serif font with three curved lines above the 'o' suggesting a signal or Wi-Fi icon.The logo for AppsFlyer, consisting of a stylized 'A' made of four overlapping diamond shapes in blue and green, followed by the word "AppsFlyer" in a blue sans-serif font.The logo for OpenX, featuring a cluster of four colored dots (green, orange, yellow, blue) above the word "OpenX" in a bold, black sans-serif font.The logo for Mopub, with "mopub" in a lowercase sans-serif font where "mo" is blue and "pub" is grey.The logo for InMobi, with "In" in black and "Mobi" in red, featuring a Wi-Fi signal icon above the 'i'.The logo for Rubicon Project, with "rubicon" in white lowercase letters on a black background, and "PROJECT" in smaller white uppercase letters below it, accompanied by three red dots.The logo for AdIQuity, featuring a stylized 'A' made of three overlapping squares (blue, green, blue) followed by the word "AdIQuity" in a blue and green sans-serif font.The logo for Celtra, with "celtra" in white lowercase letters on a dark blue background, followed by a red speech bubble icon.The logo for Mobile App Tracking by HasOffers, with "mobile" in black, "app" in white on a green square, and "tracking" in black, with a Wi-Fi icon above "tracking" and "hasoffers" in a small blue box below.The logo for Inneractive, featuring a stylized 'A' made of four overlapping triangles in purple and pink, with the word "INNERACTIVE" in a grey sans-serif font below it.The logo for Flurry, with a grey circle containing a white 'C' symbol followed by the word "FLURRY" in a bold, grey sans-serif font on a grey background.The logo for Bluekai, with "bluekai" in a lowercase sans-serif font where "blue" is black and "kai" is blue.

and more...

Why Adinch



- **Increase ad efficiency by analyzing target audiences information:** Demographic (age, gender, language); Geographic; Interest (sports, travel, video games, etc.); Branded Data; Past Purchases (auto, travel, services, etc.)



- **Optimization:** we offer traffic sourcing, audience targeting criteria, campaign design (creative ad materials, mobile landing pages, rich media and mobile video) and deployment
- **Unique DMP technology** and algorithms that improve conversion and drive up efficiency for advertisers (increase CTR, decrease CPA)
- **Quality audiences** from premium and most popular resources which offer their traffic via RTB auctions
- **The team** of developers and sales professionals with huge experience
- **Client focus:** we are a client-oriented company by contrast with Internet giants, such as Google, that provide tailor-made services to large clients only. We give personalized services starting at a level of medium-sized ad campaigns. Each client has an account manager, who helps launch and optimize ad campaigns according to set KPIs free of charge.
- **Relations with agencies:** we give our partners better incentives than big players.

Management team



CEO and co-founder

Alexey Semakin

Serial entrepreneur, 16+ years in Internet
Co-founder @ Pochta.ru (acq'd by QIP.ru)
Head of mobile projects @ RBC
Served as Assistant Professor at the Moscow Engineering Physics Institute (MPEI)



CTO and co-founder

Andrey Semakin

✦ 16+ years in Internet and development.
✦ Co-founder @Pochta.ru, other Internet ventures



Advisor (USA)

Iggy Shoifot

Serial entrepreneur, founded and ran 12 companies

Expert in digital media, advertising, viral growth

Advises startups, banks, VC firms, Fortune100 companies

Adjunct Professor at UC Berkeley and NYU, lectured at Stanford, UCSF, University of Texas and other top US universities



Adinch team consists of 12 people in Russia and 2 in the USA.

Story so far

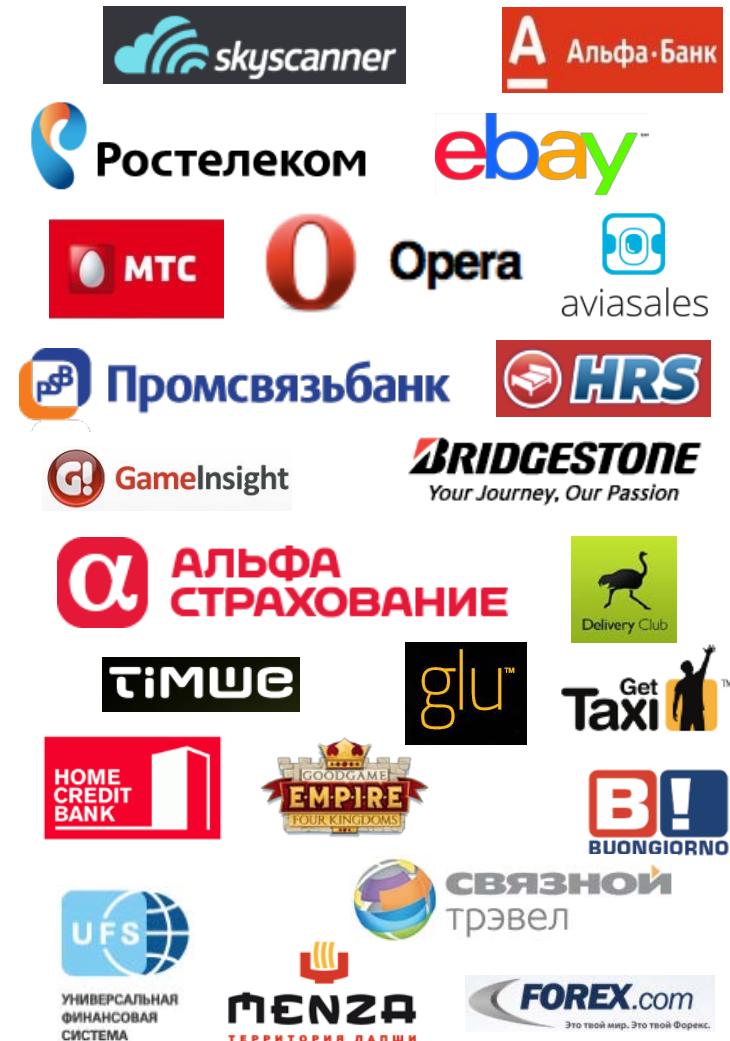
Key milestones

June	2012	Adinch was established
February	2013	Adinch raises \$1M from TMT Investments at \$4M pre-money valuation
Throughout	2013	Platform development
January	2014	Completion of development
February	2014	Adinch hires a sales team, steps up monetization

Ad sales per month

Mar-2014	\$14,500
Apr-2014	\$37,000
May-2014F	\$47,000
Dec-2014F	\$250-300,000

Our clients include:



Financial highlights

Year 1

- Strengthening of the sales team (mostly in the USA)
- Launch of an SSP platform to service Russian clients
- Development of an in-house DMP by using multiple unique data sources
- Marketing and PR activities

Year 2

- Establishment of sales houses in Europe, Latin America and South-East Asia
- Raising an additional \$8-10m based on \$40-60m valuation in spring of 2015

Year 3

- Expansion of market share in a massive global market
- Creation of brand awareness

Key operating and financial indicators

- Active customers: 200
- December sales: \$250-300K
- Gross margin: 27%

- Active customers: 800
- December sales: \$1,200,000
- Gross margin: 33%

- Active customers: 2,000
- December sales: 3,000,000
- Gross margin: 40%

Comparable deals

Deals in the sector

<i>Company</i>	<i>RTB segment</i>	<i>Market</i>	<i>Acquirer</i>	<i>Date</i>	<i>Deal size</i>	<i>Sales multiple</i>
MoPub	Ad exchange	global	Twitter	Sep-13	\$350m	n/d
Admoment	DSP	Russia	VC funding	Nov-14	\$3m	n/d
JumpTap	DSP	global	Millenial Media	Oct-13	\$261m	n/d
AppNexus	DSP	global	VC funding	Jan-13	\$75m	n/d
Efficient Frontier	DSP	global	Adobe	Nov-11	\$400m	5-6x
Admeld	SSP	global	Google	Jun-11	\$400m	13x
Invite Media	DSP	USA	Google	Jun-10	\$81m	17x

Publicly traded companies

<i>Company</i>	<i>Ticker</i>	<i>Mcap</i>	<i>EV/EBITDA</i>	<i>P/S (range 52-weeks)</i>	
<i>Rocket Fuel</i>	<i>FUEL</i>	<i>\$1.25bn</i>	<i>-117.09</i>	<i>5.34</i>	<i>10.6</i>
<i>Criteo</i>	<i>CRTO</i>	<i>\$2.17bn</i>	<i>63.66</i>	<i>3.54</i>	<i>5.7</i>
<i>Rubicon Project</i>	<i>RUBI</i>	<i>\$696m</i>	<i>354.02</i>	<i>8.57</i>	<i>9.8</i>

Instrument and the use of proceeds

<i>Type:</i>	A-round equity financing
<i>Investee:</i>	a US-registered company
<i>Pre-money valuation:</i>	\$9 million
<i>Amount to be raised:</i>	\$1.5 – 2.0 million (firm commitments for \$0.6m already in place)
<i>Use of proceeds:</i>	<ul style="list-style-type: none">● Recruitment of mobile ad sales professionals in the USA and Russia (the latter - in line with the sales growth)● Marketing● Development of an SSP platform
<i>Aim:</i>	To reach: <ul style="list-style-type: none">● 5-6% of the Russian market in 1 year● 10% of the Russian market in 2-3 years● A strong foothold in the US market

Current burn rate - \$60,000 per month;
burn rate after investment - \$100,000 per month.



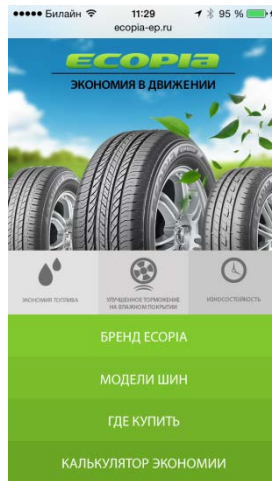
THANK YOU!

as@[adinch.com](mailto:as@adinch.com)

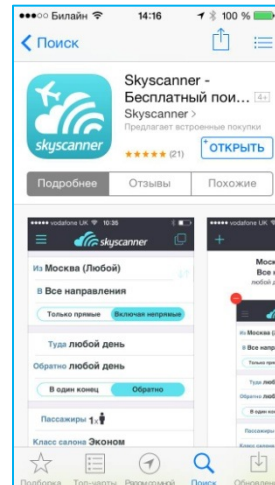
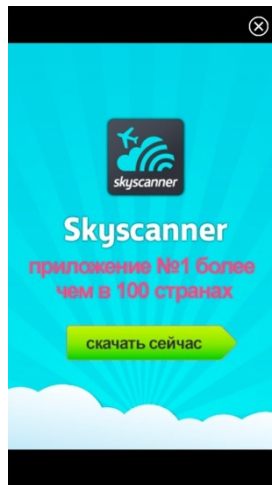
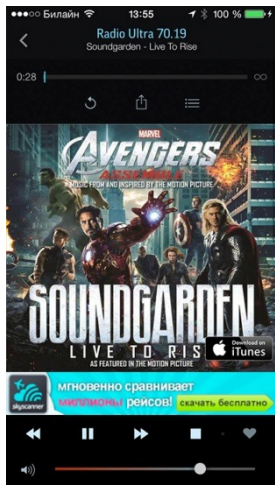
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www.adinch.com

Case studies: Bridgestone and Skyscanner

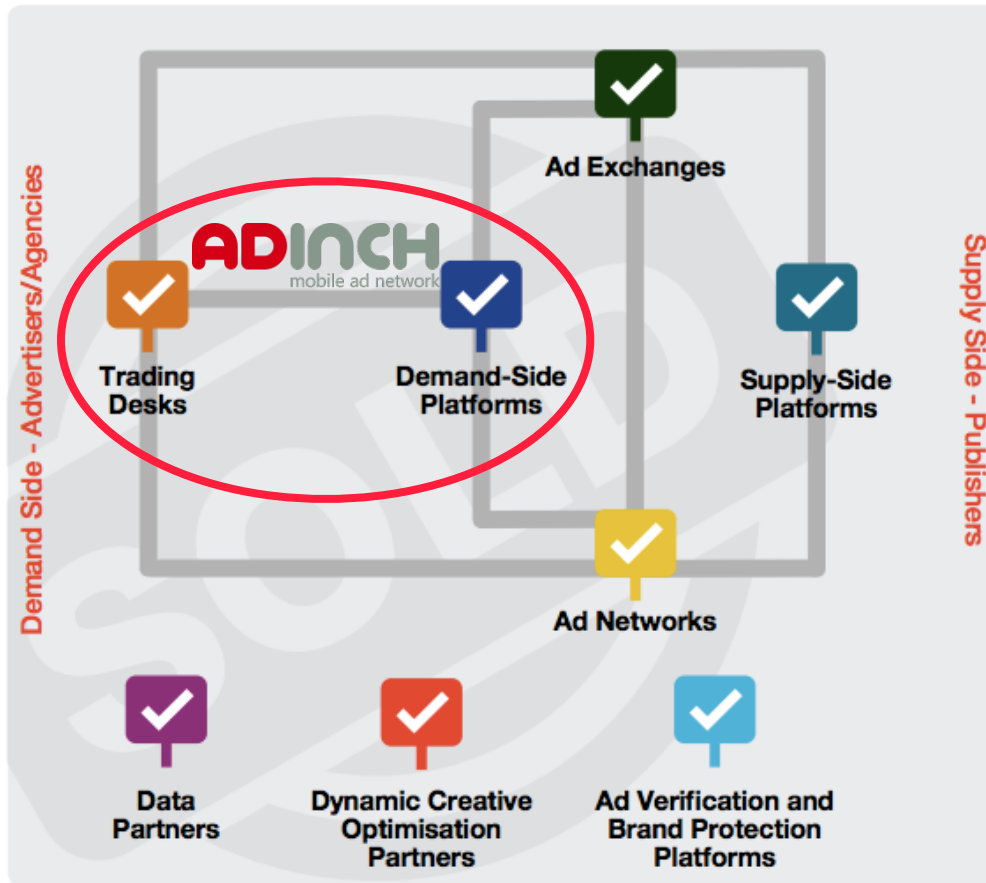


Impressions:	1,092,061
Clicks:	22,892
CTR:	2.10%
CPC:	\$0.026
Time on site:	1:01
Pages viewed:	1.28



Campaign:	RU	UK
CPM:	\$3.00	\$5.00
CTR:	4.37%	12.12%
CPC:	\$0.036	\$0.038
Conversion rate:	1.96%	1.91%
Cost per install:	\$3.5	\$2.3

RTB market ecosystem



Demand-Side Platforms (DSPs) - help media buyers aggregate, bid on and optimize digital inventory across multiple sources.

Trading Desks – do the real-time media buying, both RTB and classic ads, for clients.

Supply-Side Platforms (SSPs) - help publishers better manage and price their inventory.

Ad Exchanges – open marketplaces that facilitate RTB transactions.

Ad Networks - enable the publishers of the websites they represent to sell more inventory.

Data Partners – enrich traffic with more actionable information about targeted audiences

Dynamic Creative Optimization
Ad Verification and Brand Protection } value-added services

Source: Econsultancy Digital Markets United.