ADDRESSABLE TV

Unterföhring, February 2020
Agenda

1 | Addressable TV: classification
2 | Advertising opportunities
3 | Facts & Figures
4 | Appendix
Digital Revolution on TV
12.3 mio. devices „addressable“

500 mio
SwitchIn contacts/month

Exclusive placement
in the program

High reach
potential

Even without
TV Spot

Source: SevenOne Media, January 2020
(average SwitchIn contacts August 2019 - January 2020)
Addressable TV can be used with televisions or set-top-boxes

Based on the technology-standard HbbTV

Reception requirements
- HbbTV compliant TV or set-top-box
- DSL connection min. 2 MBit/s
- Connection via wireless or LAN-cable (device-dependent)
- All TV distribution channels DVB-S, DVB-T or DVB-C

Usage / Navigation
- Access via RedButton color key on remote control
- Arrow keys and “ok” for navigation
- Color and numeric keys for additional navigation
All current Smart TV models support Addressable TV

- Samsung
- LG
- Philips
- Panasonic
- Sony
- others

Receiver / Set-Top-Boxes

HbbTV advantage over Smart TV:
- programmed for all devices
- maximization of technical reach and potential
- Minimal coordination and low production costs, due to device- and platform-independent standard
- Engagement push from linear TV program

HbbTV is standard on current SmartTVs
ADDRESSABLE TV

Usage
- Linear TV-Program

Platform
- HbbTV
- Red Button

Ad Formats
- SwitchIn
- ATV Spot

CONNECTED TV

Usage
- Video on Demand
- Livestreams

Platform
- HbbTV
- Smart TV Apps
- Fire TV Sticks
- Gaming consoles

Ad Formats
- PreRoll
- MidRoll
Agenda

1. Addressable TV: classification
2. Advertising opportunities
3. Facts & Figures
4. Appendix
Addressable TV makes TV smart

SwitchIn

~12,3 Mio. adressable HH-Participants
~500 Mio. SwitchIn contacts/month

Digital Targeting
Top Advertising effect

SwitchIn XXL

Addressable TV Spot

~5 Mio TVs with HbbTV Standard 1.5
Digital Targeting
Connection AdServer

NEW Launch 2019

Source: SevenOne Media, December 2019
(average SwitchIn contacts August 2019–January 2020)
Maximum attention - SwitchIn XXL Pure

Top innovation with TV impact
Maximum branding area in TV Split layout
TV reach scale

Source: SevenOne Media, © Addressable TV campaigns August 2019–January 2020
SwitchIn XXL Kombi – perfect combination of both SwitchIn layouts

1. contact: Big Branding area for awareness

2.-3. contact for reminding

Source: SevenOne Media, © Addressable TV campaigns August 2019–January 2020
SwitchIn Zoom Combi - Maximum Branding Space

COMBI PRODUCT

1. contact | SwitchIn Zoom

- Extended design surface
- High impact first contact with campaign
- Wow-Effect through limited use (max. 1x per day per device)

2. + 3. contact | SwitchIn XXL Pure

- Exclusive position in the programme
- Top advertising impact
- Reminder function through sequential delivery

sevenonemedia.de
Regio XXL AddOn – Regional adaptation of your advertising

Regional AddOn for classic national TV Spot

Two strong placements

During the linear TV Spot

As Regio XXL Reminder in the programme
Additional Microsites provides sustainable Brand Engagement
Microsite features are used extensively

- **100%** Start Microsite usage
- **76.4%** Finishing Burger > Coupon
- **25.4%** Scan QR Code
- **1.8%** App Clicks

**Positive impact on image and sympathy**
- +5% brand awareness, +29% ad recall
- +10% Consumer acceptance

Source: SevenOne Media, New Media Research, July 2015
Question: How do you rate this particular type of advertising? This type of advertising...
Base: Connected TV users on channels ProSieben, Sat.1, kabel eins and sixx; Source: SevenOne Media August 2017

51.5%
SwitchIn XXL is less annoying than different kinds of advertising
SwitchIn premium quality

Only high-quality TV channel brands

Maximum net reach, all formats

All timeslots – incl. PrimeTime
Addressable TV with strong benefits for brands

**TV reach** with 1:1 audience selection, e.g. geo-targeting

**TV target group** digitally addressable on 1st screen

**TV innovation** guarantees attention and positive image

**TV impact** is well-known, positive effects are proven

**Brand-engagement** by 1st screen interaction (clickable)
Addressable TV Spot: eye-catching with efficient targeting options

Linear TV-Spot

- P7S1-Eigen-werbung
- All TV viewers

Addressable TV Spot (digital playout)

- 5 million unique devices with HbbTV 1.5
- Specific, targeted audience

Your targeted, attention-grabbing ATV commercial

Launch 1. August 2019
With ATV Spot, HbbTV 1.5 and 2.0 devices are addressable
Many targeting options available

- **Audience-targeting**
  - AGF/GFK-Panel: e.g. Age, male or female
  - Household-based: e.g. Fashion, automotive

- **Cross Device-Spot on: Data bridged**
  - Persona/Vertical

- **Geo-/weather targeting**
  - IP-based: e.g. Federal states, cities, weather

- **Behavioral-Targeting**
  - Cookie-based: e.g. Federal states, cities, weather

- **Spot Retargeting**
  - Based on TV and digital data: Contact-optimization

- **Techn. Targeting**
  - Technical attributes: e.g. TV model, Provider, TV signal

- **Many targeting options available**
Cross Device Data segments for Addressable TV

- Beauty Kings & Queens
- Games
- Luxury & High Value Shoppers
- Tech & Entertainment Nerds
- Fashion
- Adventurers & Travelers
- Spirituals, Health & Green Ecos
- Sport Enthusiasts
- Automotive

sevenonemedia.de
Live weather data as a creative campaign element

Targeting on weather condition or temperature
Optional wetter.com CoBranding on XXL Layout
Use with/without TV spot

Many weather use cases: cinema- | cold- | run- | outdoor- | barbecue- | wheel change - weather

sunny - overcast
fog, shower - thunderstorm

Powered by wetter.com
## Predictive Behavioural Targeting at a Glance

<table>
<thead>
<tr>
<th>Segment</th>
<th>Uplift</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family households</td>
<td>+45%</td>
</tr>
<tr>
<td>Single households</td>
<td>+46%</td>
</tr>
<tr>
<td>Generation 50+ HH</td>
<td>+38%</td>
</tr>
<tr>
<td>HHNE over 3,000€</td>
<td>+46%</td>
</tr>
<tr>
<td>Healthy nutrition</td>
<td>+80%</td>
</tr>
<tr>
<td>Garden owner</td>
<td>+50%</td>
</tr>
<tr>
<td>Outlet buyer</td>
<td>+47%</td>
</tr>
<tr>
<td>Soccer interest</td>
<td>+20%</td>
</tr>
<tr>
<td>Online shopping</td>
<td>+27%</td>
</tr>
<tr>
<td>Car interest</td>
<td>+28%</td>
</tr>
<tr>
<td>Pet</td>
<td>+26%</td>
</tr>
<tr>
<td>TV selective viewer</td>
<td>technical targeting</td>
</tr>
<tr>
<td>Art &amp; culture</td>
<td>+35%</td>
</tr>
<tr>
<td>Decision maker</td>
<td>+32%</td>
</tr>
<tr>
<td>Furniture</td>
<td>+63%</td>
</tr>
<tr>
<td>Fast food</td>
<td>+45%</td>
</tr>
<tr>
<td>Electromobility</td>
<td>+44%</td>
</tr>
<tr>
<td>Individual segments</td>
<td>on request</td>
</tr>
</tbody>
</table>

Source: Validation via blind test based on AGF/GfK data, 71M Research, Mai 2019
Time targeting enables situational SwitchIn use cases

<table>
<thead>
<tr>
<th>Time of Day</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Morning</strong></td>
<td>household items 06:00 – 12:00</td>
</tr>
<tr>
<td></td>
<td>FMCG 06:00 – 12:00</td>
</tr>
<tr>
<td></td>
<td>food/snacks 06:00 – 12:00</td>
</tr>
<tr>
<td><strong>Noon</strong></td>
<td>delivery service 18:00 – 20:00</td>
</tr>
<tr>
<td></td>
<td>catering/gastronomy 11-13:00</td>
</tr>
<tr>
<td></td>
<td>cereal/coffee/tea 06-09:00</td>
</tr>
<tr>
<td><strong>Afternoon</strong></td>
<td>lotto-drawings 12:00 – 20:00</td>
</tr>
<tr>
<td></td>
<td>event-live-stream 20:00 – 23:00</td>
</tr>
<tr>
<td></td>
<td>cinema premiere/concert 12:00 – 20:00</td>
</tr>
</tbody>
</table>

71M advantage: All timeslots available incl. PrimeTime
### Reach specific devices by technical targeting

<table>
<thead>
<tr>
<th>SmartTV-model</th>
<th>Manufacturer</th>
<th>Provider</th>
<th>Distribution channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW</td>
<td>NEW</td>
<td>NEW</td>
<td></td>
</tr>
</tbody>
</table>

**Year of manufacture:**
1. Old devices: until 2015
2. New devices: from 2016

**Screen Size:**
1. Up to 47 inch
2. From 48 inch

<table>
<thead>
<tr>
<th></th>
<th>1. Samsung</th>
<th>1. Telekom</th>
<th>1. Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>LG</td>
<td>2. Vodafone</td>
<td>2. Cable</td>
</tr>
<tr>
<td>4.</td>
<td>Philips</td>
<td>4. Tele Columbus</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>5. Telefónica</td>
<td></td>
</tr>
</tbody>
</table>
Retargeting of the target group no matter the TV broadcast

**Predictive Behavioural Targeting**
- e.g.: Family-Households

**TV Format Retargeting**
- GNTM → Female TV

**Segmentation at household level**
- Increased efficiency with TV usage-and AGF/GfK data
- Attractive audience segments

**Thematic reference**
- Targeted addressation of a target group of specific TV formats
- Greater range and flexible campaigns, regardless of the TV broadcast
TV spot retargeting allows contact optimization via ATV

TV FLIGHT | ADDRESSABLE TV FLIGHT
---|---
1. TV Spot seen | 1. TV Spot seen
   - SwitchIn XXL
   - 1. Campaign contact
2. TV Spot not seen | 2. TV Spot not seen
   - SwitchIn XXL
   - 1. Campaign contact

- **Storytelling**
  - Targeted storytelling

- **Engagement**
  - Engagement booster through additional campaigns contacts

- **Incremental Reach**
  - Increase of the net range

- **Efficiency**
  - High efficiency of the overall campaign
High frequency of TV usage ideal for ATV contact optimization

**A: Contact class**
(Multiply)

- Retarget TVs with previous spot contact, optimize contact class
- **Uplift of average ad contacts**: +58–70%

**B: Net Reach**
(Incremental)

- Address viewers without previous spot contact, increase net reach
- **Uplift of incremental net reach**: +68–87%

**C: Combination**
(Multiply + Incremental)

- Increase net reach and optimize contact class on device level
- **up to 10x more TVs in defined contact class range**

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Source: SevenOne Media Retargeting Benchmark Cases with 22-33% ATV Media share, March 2018
Base: Addressable Smart TVs (connected)
TV format Retargeting - Special interest segments

**Cooking & Baking TV**
- Jamie Oliver, Enie backt, Rosins Restaurants ...

**Stars & Lifestyle TV**
- Red! Stars, Lifestyle & More, taff, Oscar Highlights, ...

**Comedy TV**
- 2 Broke Girls, Genial daneben, The Big Bang Theory, ...

**Entertainment TV**
- Die beste Show der Welt, The Voice of Germany, GNTM, ...

**Female TV**
- Grey's Anatomy, Gilmore Girls, Paula kommt, ...

**Movies & Blockbuster TV**
- The Revenant – Der Rückkehrer, Ocean’s Eleven, Das Parfum, ...
ATV targeting with significant uplift on campaign KPIs

**Behavioral targeting**

Male single HH

- Non-targeting
- Targeting

**Uplift CTR**

- +26%

Female single HH

- Non-targeting
- Targeting

**Uplift CTR**

- +41%

**TV campaign optimization**

**TV Spot**

- Contact / Reach
- Advertising Recall

**Uplift CTR**

- +20% contact intensification
- +30% Incremental Reach

**SwitchIn**

- +57%
- +34%
- +77% in Comb.

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1) Single household targeting campaign in August 2017, CTR = click through rate on microsite
2) Programmatic retargeting campaign in August 2017, ad awareness = aided ad awareness
Suitable solutions for new and experienced TV advertisers

**TV experts**
Perfect complement to the existing TV flight

**Regional advertising**
Regionalization for merchant-events or openings

**TV newcomers**
No ad production – entry with small budgets
### TV becomes measurable! Individual tracking and reporting possibilities

#### SwitchIn
- Ad Impressions (AIs)
- Clicks
- Unique Devices*
- AIs by TV brand
- AIs by ad format**
- AIs by weekday
- AIs by hour
- AIs by context
- AIs by regio***

#### Addressable TV Spot
- Ad Impressions (AIs)
- Unique Devices*
- AIs by TV brand
- AIs by ad format
- AIs by weekday
- AIs by hour

#### Microsite Nutzung
- Visits
- Ø Retention time / visit
- Ø Page Views / visit
- Ø Video Views / visit
- Visitors
- Interactions
  (depends on content and functionality of microsite)
- Ø Interactions / Visit
  (depends on content and functionality of microsite)

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*TV brand overlapping (one number) and per TV brand (each a number); **exception sequential delivery at SwitchIn XXL combi; ***For geo targeting campaigns
Programmatic TV - next generation addressable big screen advertising

- All SwitchIn forms and targeting features programmatically bookable
- Dynamic creatives delivery by events, AGF-audience
- Real-time reporting and monitoring for transparency control
- Deal-model: programmatic guaranteed*

*Programmatic Guaranteed = Inventory selection by 71M adserver, 100% of delivered AIs must be used and paid
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Over 12 million devices addressable with Addressable TV

<table>
<thead>
<tr>
<th></th>
<th>Linear TV</th>
<th>Smart TV</th>
<th>Smart TV connected</th>
<th>Addressable TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach - Potential</td>
<td>59.3</td>
<td>25.4</td>
<td>17.7</td>
<td>12.3</td>
</tr>
<tr>
<td>TV devices (m)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• All TV devices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• All receiving</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Digitalisierungsbilanz der Medienanstalten / Kantar TNS, 2019
Tracking SevenOne Media, November 2019
Base: Germany
Addressable TV available throughout Germany

<table>
<thead>
<tr>
<th>Number unique devices / federal states</th>
<th>Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>460,000 Schleswig-Holstein</td>
<td>1 Berlin 920,000</td>
</tr>
<tr>
<td>670,000 Hamburg</td>
<td>2 Hamburg 670,000</td>
</tr>
<tr>
<td>80,000 Bremen</td>
<td>3 Munich 600,000</td>
</tr>
<tr>
<td>1,220,000 Lower Saxony</td>
<td>4 Stuttgart 580,000</td>
</tr>
<tr>
<td>2,680,000 North Rhine-Westphalia</td>
<td>5 Cologne 480,000</td>
</tr>
<tr>
<td>530,000 Rhineland Palatinate</td>
<td>6 Frankfurt a. M. 320,000</td>
</tr>
<tr>
<td>130,000 Saarland</td>
<td>7 Dresden 290,000</td>
</tr>
<tr>
<td>1,650,000 Baden-Wuerttemberg</td>
<td>8 Dortmund 250,000</td>
</tr>
<tr>
<td>2,500,000 Berlin</td>
<td>9 Düsseldorf 230,000</td>
</tr>
<tr>
<td>490,000 Brandenburg</td>
<td>10 Karlsruhe 220,000</td>
</tr>
<tr>
<td>920,000 Berlin</td>
<td>11 Essen 220,000</td>
</tr>
<tr>
<td>340,000 Saxony-Anhalt</td>
<td>12 Hanover 190,000</td>
</tr>
<tr>
<td>620,000 Saxony</td>
<td>13 Nuremberg 190,000</td>
</tr>
<tr>
<td>330,000 Thuringia</td>
<td>14 Leipzig 180,000</td>
</tr>
<tr>
<td>820,000 Hessen</td>
<td>15 Münster 170,000</td>
</tr>
<tr>
<td>1,980,000 Bavaria</td>
<td>16 Bremen 120,000</td>
</tr>
<tr>
<td></td>
<td>17 Duisburg 120,000</td>
</tr>
<tr>
<td></td>
<td>18 Mannheim 100,000</td>
</tr>
<tr>
<td></td>
<td>19 Erfurt 100,000</td>
</tr>
<tr>
<td></td>
<td>20 Bonn 60,000</td>
</tr>
</tbody>
</table>

Unique Devices ATV Spot: ~40% of SwitchIn

Source: Average UD Q4 2019, AdServer Tracking, SevenOne Media
15.1 million households in Germany connected to the Internet

Connected TV households in Germany (m)

- 2017: 8.0
- 2018: 12.3
- 2019: 15.1

+54%  
+23%

Source: Digitalisierungsbericht, Die Medienanstalten / Kantar TNS, 2017-2019
Attractive early adopter target group in Connected TV

CTV user/share in %

- HHNI > 3.000 €: 37%
- Decision maker: 84%

Source: SevenOne Media (New Media Research), May - October 2019
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SwitchIn and ATV Spot Campaigns 2019/20

<table>
<thead>
<tr>
<th>SwitchIn</th>
<th>ATV Spot</th>
</tr>
</thead>
<tbody>
<tr>
<td>TUI</td>
<td>Opel Automobil GmbH</td>
</tr>
<tr>
<td>Deutsche Bahn AG</td>
<td>Hermes</td>
</tr>
<tr>
<td>Tropical Islands</td>
<td>Ernsting’s Family</td>
</tr>
<tr>
<td>Enzafruit New Zealand</td>
<td>20th Century Fox</td>
</tr>
<tr>
<td>Telefonica_o2</td>
<td>LG Signature</td>
</tr>
<tr>
<td>C&amp;A Mode</td>
<td>Tele Columbus</td>
</tr>
<tr>
<td>Eulen Optik GmbH</td>
<td>Volvo</td>
</tr>
<tr>
<td>Berliner Kriminaltheater</td>
<td>Bauhaus</td>
</tr>
<tr>
<td></td>
<td>Versicherungskammer Bayern</td>
</tr>
</tbody>
</table>
SwitchIn offers two access paths to interactive Microsite

1. Direct
   - Launched automatically on program start for 10 seconds, no matter from which channel.
   - (Click while ad is visible)

2. Indirect
   - (Click later after active ad display)

SwitchIn offers two access paths to interactive Microsite.
Market und technology
HbbTV accessible nationwide in Germany

Satellite (46%)  
P7S1 channels incl. HbbTV signal

Cable digital (33%)  
P7S1 channels incl. HbbTV signal

Terrestrial (3 %)  
P7S1 channels incl. HbbTV signal

Cable analogue (9%)  
IPTV (9%)  
P7S1 channels incl. HbbTV signal

Satellites (HD + SD)  
Astra 19,2°E

Cable operators (HD + SD)  
Unitymedia  
Tele Columbus  
Primacom  
net cologne  
Vodafone Kabel Deutschland

DVB-T Netze (SD)  
Bayern  
Hessen  
Niedersachsen  
Berlin  
Rheinland-Pfalz  
Hamburg  
Nordrhein-Westfalen  
Bremen

Cable operators analogue  
All operator  
IPTV  
Deutsche Telekom  
Vodafone

Source: P7S1 Distribution, January 2017
HbbTV is bound to become a global standard

[Map showing countries in different color categories: In regular Operation, Announced / Trials, Under Consideration, Inactive Countries]
HbbTV is an official standard and uses existing TV and online technologies.
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