



May 02, 2020.

BSE Limited

P. J. Towers, Dalal Street,
MUMBAI – 400 001.
Scrip Code: **532368**

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex, Bandra
East, Mumbai-400051.
Symbol: **BCG**

Dear Madam/Sir,

Sub: Presentation on Market Overview of Brightcom Group Limited (“BCG”)

This is in reference to the subject cited above, we are enclosing herewith a copy of presentation of the Market Overview that our Company operates and the same is proposed to be made there at, to the analysts and investor community.

The same is also being made available on the website of the Company at www.brightcomgroup.com.

This is for your information only.

Thanking you,

Yours faithfully,

for BRIGHTCOM GROUP LIMITED
(formerly Lycos Internet Limited)

M. SURESH KUMAR REDDY
CHAIRMAN & MANAGING DIRECTOR
DIN: 00140515





brightcom
group

MARKET OVERVIEW

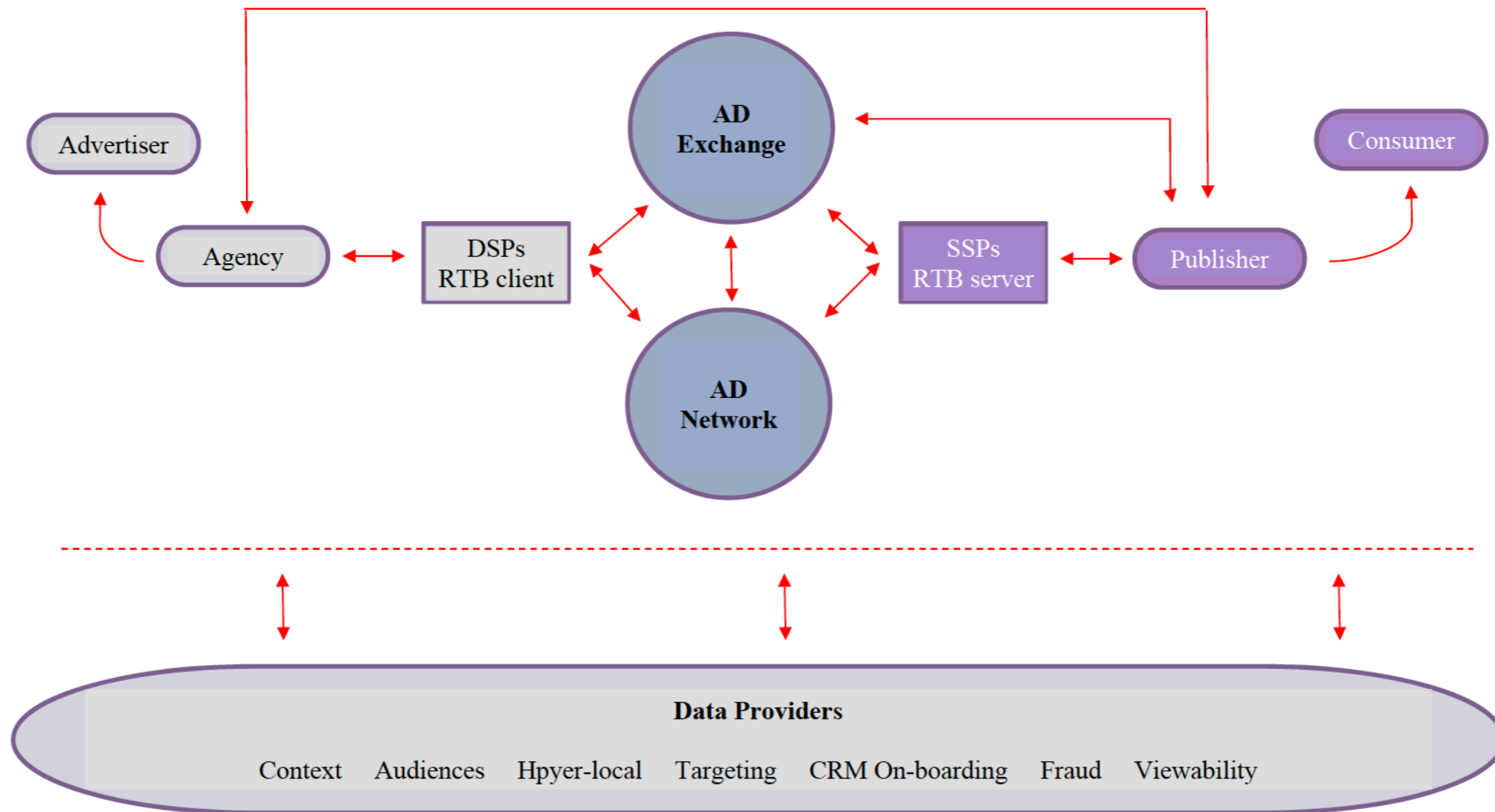
Market Overview

Digital Advertising Structure

- The Company's business operates within today's complex and constantly diversifying \$248.6 billion Digital Advertising industry ("DA"), which is a subset of the Global Advertising industry ("GAD"). Globally, programmatic advertising has become the preferred method for buying and selling digital video and display ads. Marketers are using sophisticated ad tech to smartly target specific audiences across the internet, mobile telephone networks, and other forms of communication media.
- The DA industry is categorized into three distinctive operators: (i) advertisers, (ii) publishers, and (iii) intermediaries. Advertisers, refer to companies/ad agencies associated with brands, who spend money for marketing and branding their products and services. Publishers, which focus in digital marketing, include: companies which provide content to websites in addition to companies which attract traffic due to the content provided by them, for the following platforms: mobile phones, IPTV, and podcasts among others. Intermediaries, cover specialized marketing companies who connect advertisers and publishers, through their creative marketing campaigns and use of technology for delivering, monitoring and optimizing the ads. Intermediaries can be further classified into two types: (i) marketing and (ii) technology intermediaries. Marketing intermediaries use technology for delivering, managing and optimizing the digital campaigns of advertisers. Technology intermediaries provide technology, services and tools based on the domain inputs of the marketing companies. Brightcom Group started as a technology intermediary and developed into a formidable force in marketing intermediary category. The Company utilizes its internally developed technology products, which include OneTag, Pangea, COREG, ProxyTool, and the Brightcom platform to provide digital marketing services to its clients across the globe. Brightcom delivers more than 40 billion impressions a month across a network of publishers and boasts a robust advertiser network with over 150 Ad agency relationships and campaigns from thousands of direct advertisers globally.

Advertisers, which includes brands and advertising agencies, provide Demand Side Platforms ("DSPs"). Publishers, such as web-sites that host content, provide Supply Side Platforms ("SSPs"). Ad exchange and networks are built by intermediaries which connect DSPs to SSPs, through targeted advertising campaigns using specialized data provided by data aggregators. The relationship between these three categories is depicted through the diagram below.

DIGITAL ADVERTISING RELATIONSHIP OVERVIEW



Digital Advertising Channels

The Digital Advertising industry utilizes several channels to execute advertising campaigns for brands. Some of these media formats include: (i) display marketing, (ii) Video Advertising, (iii) Mobile Marketing (iv) search and email marketing, (v) lead generation and (vi) Social Media Advertising

Display Ads: Display ads include strategies/techniques/tools for optimally displaying the graphic and/or visual advertisement in various formats. Digital ads are deployed via standard web and wireless applications, email, static (e.g. html) and dynamic (e.g. asp) web pages, and may appear in ad formats such as banners, buttons, and interstitials.

Video Advertising: Advertising within existing video content and running video ads on a static page form the core of this format of advertising. Video on desktop, tablets and mobile are device dependent parts of this channel.

Search Marketing: Search marketing includes: (i) pay per click(PPC or CPC) on a search engine, (ii) paid inclusion, (iii) search engine optimization (“SEO”).

Email Marketing: Email marketing includes: banner ads, links or advertiser sponsorships that appear in email newsletters, email marketing campaigns and other commercial email communications.

Lead Generation: Lead generation includes advertisers paying fees to internet advertising companies that refer qualified purchase inquiries or provide consumer information (demographic, contact, and behavioral), where the consumer opts for being contacted by a marketer (email, postal, telephone, and or fax). These processes are priced on a performance basis (e.g. cost-per-action, -lead or inquiry), and can include user applications, surveys, contests or registrations.

Classifieds and Auctions: Classified and auctions include advertisers paying fees to internet companies to list specific products or services (e.g. online job boards)

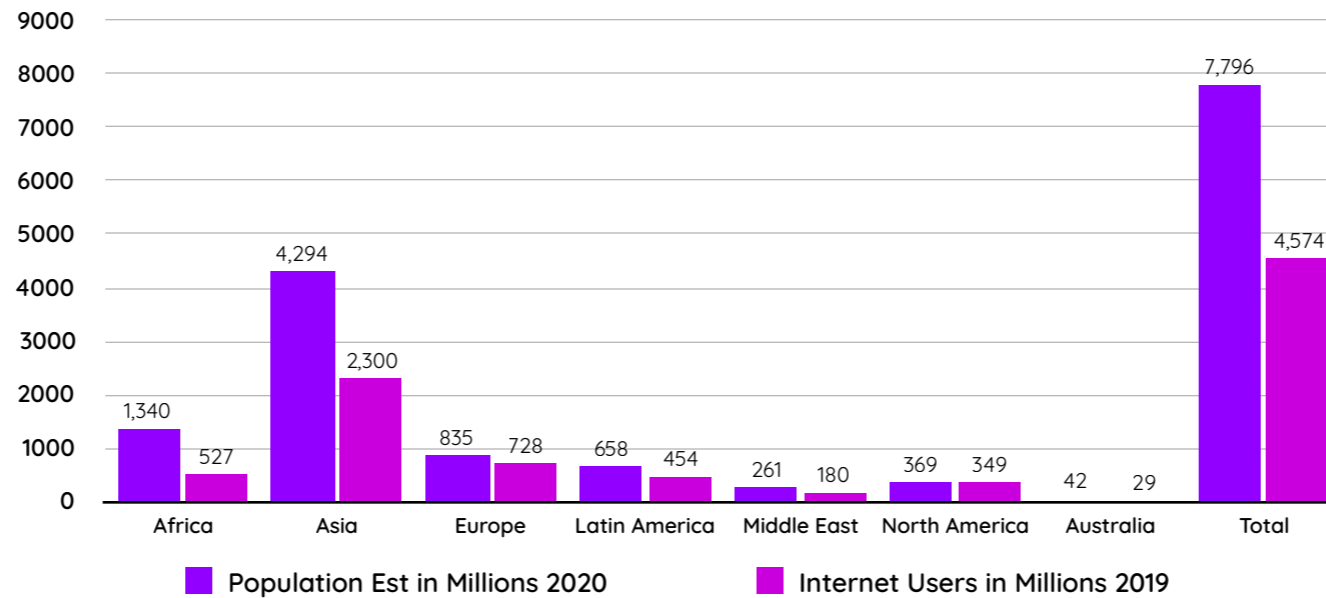
Digital Marketing Growth

Acceptance of mobile and wireless devices have enabled the growth of more digital marketing platforms. There has been a large-scale evolution of digital marketing with faster access through hi-speed broadband enabling potential customers to locate desired information, services and products precisely, securely, and instantaneously.

The chart below shows the world population by regions that are internet users against the growth since 1998.

Globally, there are over 4.1 billion internet users with a growth of 1,052% from 2000 - 2018.

INTERNET USER GROWTH



Source: Mckinsey, eMarketer

Global Ad Spending

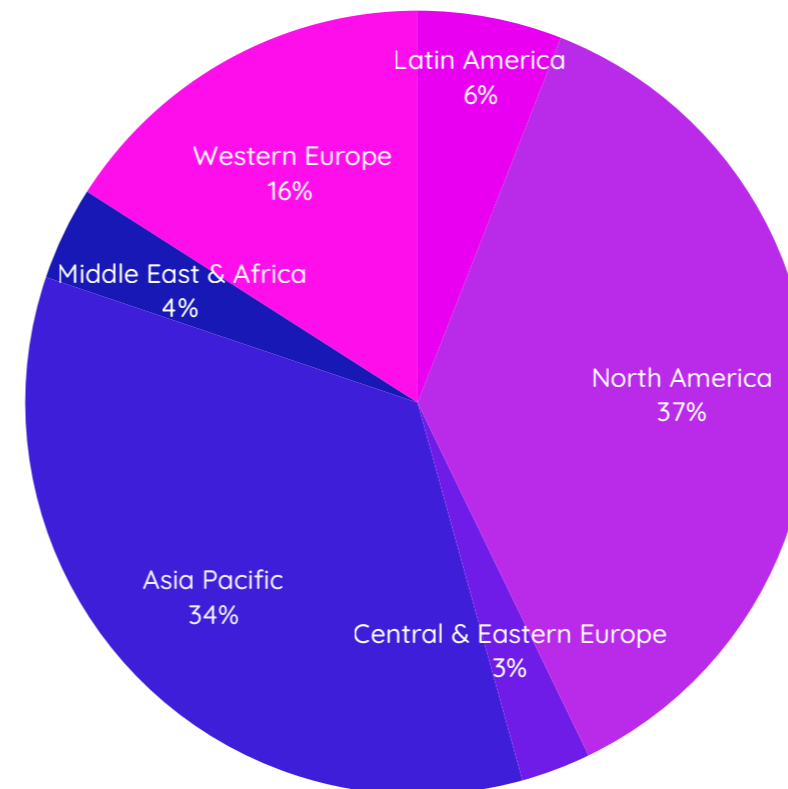
Global trends continue to demonstrate high growth rates for both interactive media and ad spend. This momentum in interactive media usage is resulting in digital ad spend gaining a larger share of all advertising. It is estimated that global spending on digital advertising was \$198.0 billion in 2016, growing to \$224.1 billion in 2017 and further increasing to \$248.6 billion in 2018. It is the fastest growing category of total global ad spend with a CAGR of 12.0% over the last 2 years. The Asia-Pacific region is the largest contributor of global ad spending with approximately \$700.0 billion or 34.8% share of global ad spending followed by North America at 29.5% or \$591.0 billion. This growth is expected to continue as marketers allocate more of their total marketing expenditure to interactive marketing efforts and the industry delivers even more effective and innovative platforms for connecting with consumers.

TOTAL GLOBAL AD SPENDING BY CATEGORY AND REGION

(Amounts in Millions of USD)

Category	2014	2015	2016	2017	2018	2019	2019-2014 CAGR
Digital advertising	127.3	146.6	168.5	190.5	212.0	231.4	12.7%
Broadband	429.3	463.8	500.5	539.4	581.2	624.6	7.8%
TV advertising	183.5	189.4	202.5	209.0	223.1	233.9	5.0%
In-home Video Entertainment	323.4	331.9	347.8	359.0	370.2	381.6	3.4%
Audio Entertainment	95.6	97	98.8	100.7	102.8	104.6	1.8%
Cinema	37.1	39.4	41.6	43.8	45.8	48.3	5.4%
Out of home	31.7	33.2	34.8	36.5	38.3	40.3	4.9%
Consumer Magazine publishing	59.1	57.6	56.5	55.7	55.1	54.6	-1.6%
Newspaper publishing	142.4	140.6	140.0	140.0	140.8	142.0	-0.1%
Consumer books	72.4	73.0	74.0	74.8	75.4	76.0	1.0%
Educational publishing	41.0	41.6	42.1	42.6	43.2	43.9	1.4%
Video Games	84.5	94.1	103.5	111.6	118.7	124.5	8.1%
Total	1604.0	1681.3	1779.5	1838.6	1966.9	2061.5	5.1%

Total Ad Spend by Region (2019)



Source: Internet World Stats

Impact of Covid19 on Digital Advertising

When the restrictions are lifted the initial reaction of many will be to jump offline and do things that they couldn't before – visiting friends and family, visiting museums and theatres, returning to pubs, restaurants, sports grounds, places of worship, gyms and libraries. However, digital marketers should be aware that many economists expect the recovery to be gradual, rather than a strong rebound.

However, it is likely that for many, using the internet more for shopping, gaming, keeping in touch and other activities will have become something of a habit.

In addition, it could well be that consumers emerge from the crisis with some very different priorities, values and attitudes – all of which could impact how they want to spend their time and money.

“As the world goes increasingly digital, so will marketing. Marketers will need to be nimble enough to respond with updated strategies and buyer personas for a different, post-pandemic world.”

Source: digitalagencynetwork.com

- Gaming: a 25% jump with COVID-19
- Retail – one massive spike, but also a 34% jump in March
- Social media: 29% increase
- Travel marketing: down 38% so far
- Other categories: on-demand, news, marketplaces, etc are reacting in some unexpected ways.

Source: singular.net

Digital Advertising Industry Evolving Trends

- The profile of digital spend is changing as it evolves, with engaging online video formats and social (23.5% in 2018) growing rapidly whilst traditional display banner formats grow at more subdued single digit rates, a predicted 8.7% in 2018.
- Digital spending is becoming predominantly mobile rather than desktop, reflecting the shift in audience usage from desktop to smartphone. Mobile ad spend, overtook desktop in 2017, as previously predicted with a 57.0% share of total digital spend versus desktop at 43.0%
- Mobile spend is estimated to increase by a further 23.8% in 2018, to reach approximately \$121.1million, a significant 62.0% share of digital spend for 2018. Desktop ad spend has been declining/stagnating since 2016 and is forecast to continue along this trend in 2018, with a decline of 0.2%. In the UK – globally one of the most advanced digital media markets, mobile advertising is forecast to reach £8.7 billion, 70.0% share of digital spending in 2018.
- Much of this increased investment in mobile will be passively purchased by advertisers (as digital ad impressions are automatically served and consumed by audiences on mobile devices as opposed to on desktop). A growing proportion will be actively planned and purchased as advertisers seek to reach and engage mobile audiences.
- Marketers and advertisers are putting the majority of their budget into mobile ads. Digital marketing software revenues are projected to total more than \$32.0 billion in 2018, with expected revenue at \$65.9 billion for mobile ads alone. Mobile users are accessing approximately 69.0% of their annual media on their smartphones. Mobile ad spends exceeded \$143.0 billion in 2017 on a worldwide scale. It's projected to hit more than \$247.0 billion by the end of 2020..

Competition

- The Company's competitors include large global as well as, small local companies. The Company has a complete set of digital marketing tools with extensive global reach compared to its competitors. In addition, the Company provides large scale in-house software development, which many of its competitors lack. The following table provides a summary comparison of various tools and geographic reach between Brightcom and some of its competitors.

COMPETITOR COMPARISON

Competitors	Location	Digital Media	Internet & Social	Video Ads	Media & Entertainment	Mobile	Advanced Marketing Platform & Software Development	Artificial Intelligence & Data Analytics	Email Marketing	E- Commerce
Brightcom Group Limited	India, USA, Europe, LATAM, APAC	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bid dingX	Guangdong, China	X	✓	X	X	✓	✓	X	X	X
Criteo	Paris, France	X	✓	X	X	X	✓	X	X	✓
dataxu	Massachusetts, USA	✓	X	X	X	X	✓	✓	X	X
DSNR	HaMerkaz, Israel	X	✓	✓	✓	X	✓	X	X	X
Google Ad Exchange	California, USA	✓	X	X	X	X	✓	✓	X	X
Index Exchange (Casale Media)	Ontario, Canada	✓	X	X	X	X	✓	X	X	X
invite media	Pennsylvania, USA	X	X	X	✓	X	✓	X	X	X
JW Player	New York, USA	X	X	✓	✓	X	✓	X	X	X
Matomy	Tel Avis, Israel	✓	✓	✓	X	✓	✓	X	✓	✓
media.net	New York, USA	X	X	X	X	X	✓	X	X	X
MediaMath	New York, USA	✓	✓	X	X	X	✓	X	X	X
Millennial Media	Maryland, USA	X	✓	X	X	✓	✓	X	X	X
Oath Ad Platforms (a Verizon Company)	New York, USA	X	✓	X	X	X	✓	X	X	X
OpenX	California, USA	X	✓	X	X	X	✓	X	X	X
Outbrain	New York, USA	✓	✓	X	✓	X	X	X	X	X
pocket math	Texas, USA	X	X	X	X	✓	✓	X	X	X
Pubmatic	California, USA	X	✓	X	X	X	✓	X	X	X
RevContent	Florida, USA	X	✓	X	✓	X	✓	X	X	X
RocketFuel	Tennessee, USA	X	X	X	X	X	✓	X	X	X
Rubicon	California, USA	X	X	X	X	X	✓	✓	X	X
sizmek	New York, USA	✓	X	X	X	X	✓	X	X	X
Smaato	California, USA	X	X	X	✓	✓	✓	X	X	X
SpotX	Colorado, USA	X	✓	✓	✓	X	✓	X	X	X
Taboola	New York, USA	X	X	✓	✓	X	✓	X	X	X
TheTradedesk	California, USA	✓	✓	✓	X	X	X	X	X	X
TubeMogul	California, USA	X	X	✓	✓	X	✓	✓	X	X
Vizu	California, USA	X	✓	X	X	X	✓	X	X	X
Zero	California, USA	X	X	X	X	X	X	✓	✓	X