

QYOU Media - Unleashing the Power of Social Media Influencers

Rating
BUY
Initiating

Target Price
\$0.15
Initiating

October 27, 2023

All figures in CAD unless otherwise stated

QYOU Media Inc.	QYOU:TSXV
Rating	BUY
Target Price	\$0.15
Return to Target	100%

Market Data

Share Price	\$0.075
Average Daily Volume (K)	123.3
FD ITM Shares (M)	499.8
Market Cap (\$M)	\$37.5
Cash (\$M)	\$3.9
Debt & NCI (\$M)	\$0.8
Enterprise Value (\$M)	\$34.4

FYE Jan 31	2022A	2023E	2024E
Sales (\$M)	\$27.2	\$33.1	\$48.5
Adj. EBITDA (\$M)	(\$2.9)	(\$2.2)	(\$0.4)
Adj. EBITDA Margin (%)	-11%	-7%	-1%
Net Income (\$M)	(\$11.2)	(\$6.1)	(\$5.3)
EPS (Basic & Diluted)	(\$0.03)	(\$0.01)	(\$0.01)

Valuation	2022A	2023E	2024E
EV/Sales	1.3x	1.0x	0.7x
EV/EBITDA	N/A	N/A	N/A
Peer EV/Sales	1.7x	1.3x	1.0x
Peer EV/EBITDA	9.5x	7.6x	7.6x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



QYOU Media operates in India and the United States producing, distributing and monetizing content created by social media influencers and digital content stars. QYOU curates, produce and distribute premium content across television networks, VOD and OTT platforms, mobile phones, smart TV's and app-based platforms. In addition, QYOU has numerous additional content destinations, apps, and gaming platforms.

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What you need to know:

- QYOU Media has posted eight consecutive quarters of YoY growth, representing a 33% CAGR using its repeatable content strategy.
- QYOU has shifted its focus to increasing profitability and we expect the Company to reach positive EBITDA by Q4/24.
- The Company has strong tailwinds from the creator economy and social media adoption in India.
- QYOU trades at 0.7x 2024E sales, a sizeable discount to its peer group.

QYOU Media (QYOU:TSXV) produces and distributes broadcast and digital media content featuring leading social media influencers in India and the U.S. Across its platforms, QYOU's content is viewed by over 125M people each week, providing major brands access to loyal fanbases. QYOU has been posting consistent revenue growth and improving profitability, led by significant tailwinds in the creator economy and the adoption of social media in India. **We are initiating coverage on QYOU Media Inc. with a BUY rating and target price of \$0.15/share.**

Investment Thesis Summary

Consistent Topline Growth. QYOU has posted eight consecutive quarters of YoY revenue growth going from \$4.7M to \$7.7M, representing a 33% CAGR. We attribute the significant growth to QYOU's repeatable content strategy utilizing localization and "best of" content, in addition to industry tailwinds across social media in its key markets.

Improving Profitability. Over the last year, QYOU has shifted its focus from growing its topline to reaching EBITDA profitability and positive cash flow. EBITDA margin reached a low of -181% in 2020 and has progressively improved over the years and we expect this to continue while maintaining strong growth. We believe EBITDA margins will settle in the high-single-digits.

Playing in the Right Geography. India has the largest youth population in the world with over 650M people under 25 years old and 850M people under 35 years old. Furthermore, internet and social media adoption has grown massively in India over the past five years and we expect this to continue. These factors together have translated into a rapidly growing digital advertising industry, which has grown at a 23% CAGR over the last six years.

Tailwinds in The Creator Economy. Short-form video across social media has amassed large viewership from the youth globally. This is driven by the creator economy, led by digital influencers that can connect with the youth demographic. As such, marketing dollars allocated to influencer marketing have been rising rapidly over the last few years, playing into QYOU's influencer marketing divisions.

Team of Media Veterans. The QYOU Media management team and board are made up of industry veterans from leading media firms such as Disney, Fox, Sony, and many more. The Company is led by CEO & Co-Founder Curt Marvis who brings leadership experience from Lionsgate, CinemaNow, and Powerhouse Entertainment.

Fair Valuation. QYOU currently trades at 1.0x 2023E sales and 0.7x 2024E sales. This compares to Canadian-listed media firms that trade at 1.0x 2024E sales and Indian-listed media firms that trade at 1.7x 2022A sales. Given its superior growth, we value QYOU on 1.5x 2024E sales, translating to our \$0.15/share target price.

Catalysts

- Quarterly Financial Results - Ongoing
- New Channels & Partnership Opportunities

Table of Contents

Investment Thesis	3
<i>Consistent Topline Growth</i>	3
<i>Improving Profitability</i>	3
<i>Playing in the Right Geography</i>	4
<i>Tailwinds in The Creator Economy</i>	4
<i>Team of Veteran Media Professionals</i>	5
<i>Valuation</i>	6
Company Overview	8
<i>Business Model</i>	8
<i>History</i>	10
<i>Brands</i>	10
<i>Recent Developments</i>	12
<i>Acquisitions</i>	13
<i>Financials</i>	14
Industry Overview	15
Management	18
Risks	21
Appendix	22

Investment Thesis

We are initiating coverage on QYOU Media Inc. (QYOU:TSXV, QYOUF:OTCQB) with a BUY rating and a target price of \$0.15/share. QYOU produces and distributes broadcast and digital content that features “the best of social video and influencer” content in India. QYOU currently has one broadcast channel and five digital channels which are delivered over 140M TV homes. The Company also delivers content using digital and app-based platforms on a streaming basis, reaching over 678M digital users. As such, its content is viewed by over 125M people each week. QYOU also runs two influencer marketing divisions (one in India and one in the U.S.) which creates content with influencers for major brands. QYOU also has majority ownership of Maxamtech Digital Ventures, a mobile casual gaming platform in the market under the brand, Q GamesMela, offering free-to-play and real-money gaming.

Consistent Topline Growth

QYOU has posted eight consecutive quarters of YoY revenue growth going from \$4.7M to \$7.7M, representing a 33% CAGR. We attribute the significant growth to QYOU’s repeatable content strategy utilizing localization and “best of” content, in addition to industry tailwinds across social media and internet adoption in its key markets. We believe QYOU’s local expertise in each of its markets and its impressive team will allow it to capture major market share in nascent media markets (and gaming markets) across India and the U.S. As such, we are expecting the YoY growth to continue at a 32% CAGR through 2025.

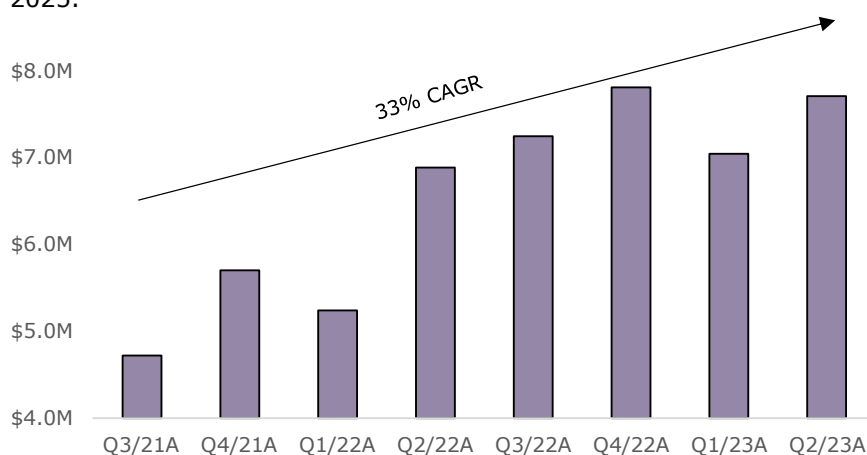


Figure 1: Revenue Growth Track Record

Improving Profitability

Over the last year, QYOU has shifted its focus from growing its topline to reaching EBITDA profitability. EBITDA margin reached a low of -181% in 2020 and has progressively improved over the years and we expect the Company to be EBITDA profitable in Q4/24. We believe EBITDA margins can continue to scale from there, reaching the high-single-digits. As for cash flow, QYOU was operating cash flow positive in Q1/23 but dipped negative again in Q2/23; we expect OCF to continue scaling alongside EBITDA due to the limited working capital requirements. While the recent investments in mobile gaming will extend this process, it provides strong upside to the long-term profitability of the Company.

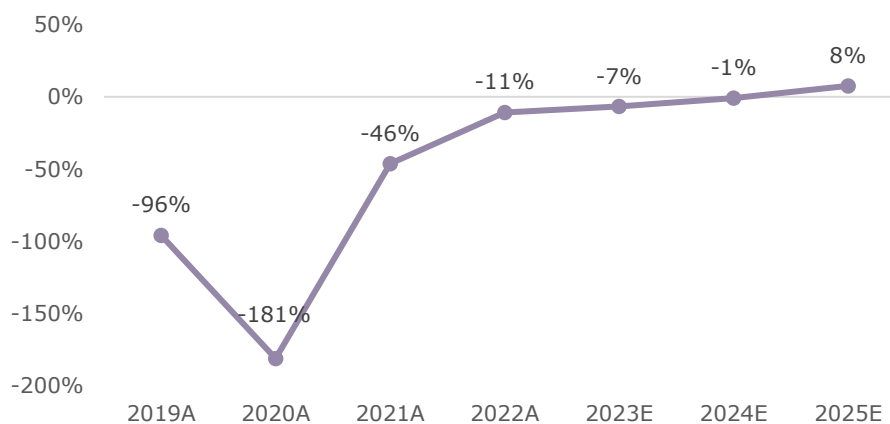


Figure 2: EBITDA Margin Improvement

Playing in the Right Geography

India has the largest youth population in the world with over 650M people under 25 years old and 850M people under 35 years old. India has over 700M active internet users representing 49% of its population, compared to developed nations like the U.S. that have over 90% internet penetration. This figure is expected to grow to 900M by 2025. Additionally, only 33% of Indians use social media, compared to over 90% of the U.S. This presents significant upside for media companies in India as the country develops and the internet becomes more accessible. Given the large youth population, India represents one of the largest users of social media, being the largest user base on Facebook and Instagram. These factors together have translated into a rapidly growing digital advertising industry, which has grown at a 23% CAGR over the last six years.

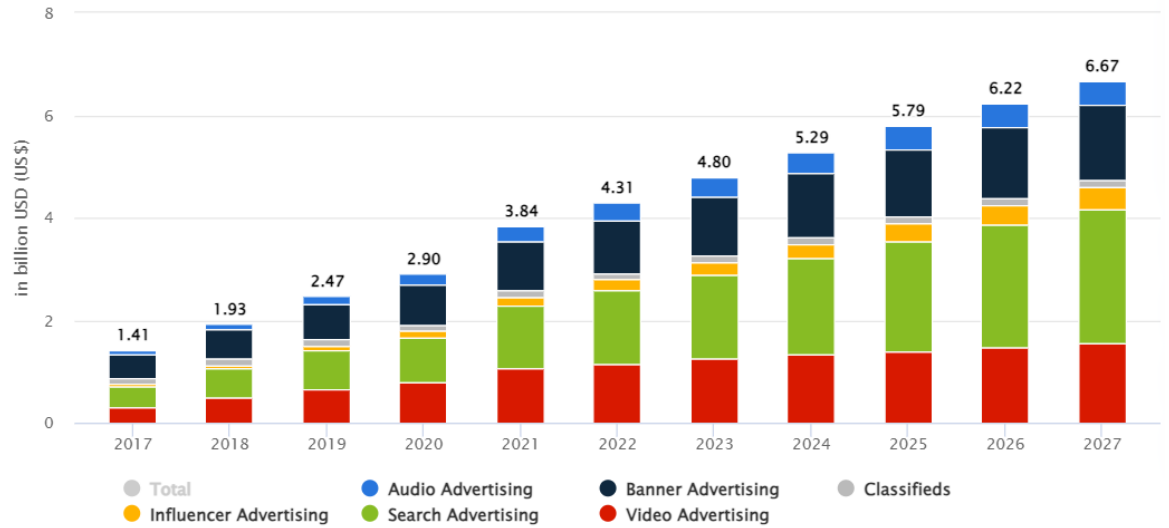


Figure 3: Digital Advertising Spend in India (Source: GroupM)

Furthermore, gaming and connected TV represent major trends in India that support QYOU. There are approximately 442M online gamers in India, which has grown from 183M in 2017, representing a 16% CAGR. Similarly, this represents only a fraction of the population (31%) compared to developed countries like the U.S. at 64% and fellow emerging markets like China at 39%. Turning to Connected TV, in 2022, there were 25M Indian households with Connected TV which grew to 32M in 2023 (28% growth) and is expected to grow to 45M by 2025 (22% CAGR). From an advertiser's perspective, Connected TVs provide much higher visibility and customer segmenting, translating into growing marketing dollars and satisfied customers for QYOU.

Tailwinds in The Creator Economy

Short-form content across YouTube, TikTok, Instagram, and Snapchat has amassed large viewership from the youth globally. This is driven by the creator economy, led by digital creators and influencers that can connect with loyal fanbases. Global brands are vying to access these audiences and consider short-form video as a major element of their market budgets. As such, marketing dollars allocated to influencer marketing have been rising rapidly over the last few years, playing into QYOU's influencer marketing divisions in the U.S. and India.

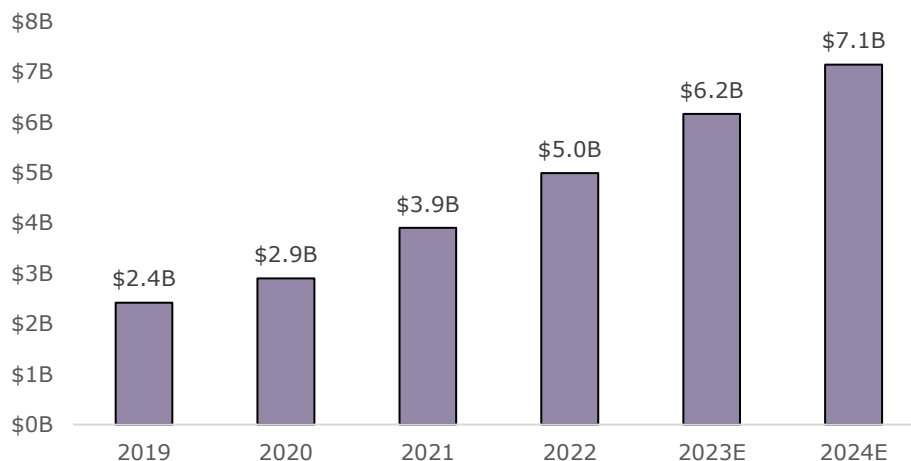


Figure 4: Influencer Marketing Spending in the U.S. (Source: Orberlo)

Team of Veteran Media Professionals

The QYOU Media management team and board are made up of industry veterans across various forms of media. The Company is led by CEO & Co-Founder Curt Marvis, who previously served as Lionsgate's President of Digital Media, guiding its digital businesses and launching content channels and series on platforms such as YouTube and Hulu. Prior to Lionsgate, he was the CEO of CinemaNow Inc., a digital distribution leader with investments from major corporations. Prior to that, Mr. Marvis co-founded and led a company which produced music videos and commercials for various major artists and brands. The rest of the team has experience from leading media firms such as Disney, Fox Television, Sony Pictures, Viacom, MTV, Marvel Entertainment, Rogers Communications, and Musical.ly (TikTok) amongst others. The experience and quality of QYOU's team far exceed what we would expect of a <\$40M market cap.

Major shareholders include CEO Curt Marvis at 2% and Director Scott Paterson at 6% as seen in Figure 5. Its shareholder base also includes Times of India (Brand Capital) which invested \$2M in 2021 and assists with driving brand awareness.

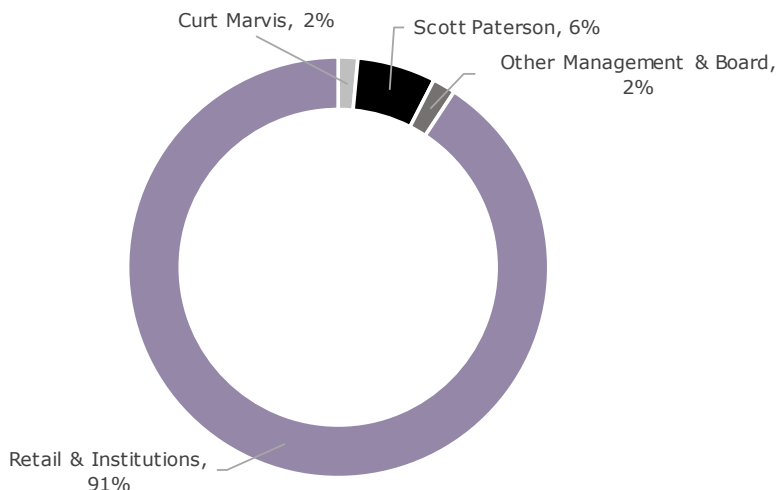


Figure 5: Ownership Structure

Valuation

Peer Group Analysis

QYOU Media currently trades at 1.0x 2023E sales and 0.7x 2024E sales. Since EBITDA is not a reliable measure for QYOU yet, we will rely on sales multiples for our valuation. In the table below, we compare QYOU to Canadian-listed media firms that trade at 1.0x 2024E sales and Indian-listed media firms that trade at 1.7x 2022A sales (limited analyst coverage in India). We note that QYOU has one of the best forward sales CAGRs in the group and its profitability has large upside to reach industry-standard levels over the next few years. We would also like to highlight that QYOU traded well over 10x sales through the last small-cap bull market in 2021; while this was likely extended too far objectively, we think that today's 0.7x forward sales multiple is exceptionally cheap. As such, we think QYOU deserves a premium multiple to both groups in the peer group table.

Company	Ticker	Mkt Cap (\$C)	EV (\$C)	Sales CAGR	EBITDA CAGR	EBITDA Margin	EV/Sales			EV/EBITDA		
				2022A-2024E	2022A-2024E	2022A	2022A	2023E	2024E	2022A	2023E	2024E
Canadian Media Companies												
Wildbrain Ltd.	WILD	\$320	\$1,100	2%	15%	15%	2.1x	2.1x	2.0x	13.8x	11.2x	10.4x
Boat Rocker Media Inc.	BRMI	\$99	\$276	14%	22%	8%	0.9x	0.7x	0.7x	11.6x	8.3x	7.8x
Popreach Corporation	INIK	\$45	\$125	32%	50%	9%	0.8x	0.5x	0.5x	9.3x	5.1x	4.1x
Playmaker Capital Inc.	PMKR	\$106	\$129	23%	70%	16%	2.3x	1.7x	1.5x	14.4x	5.8x	4.9x
Enthusiast Gaming Holdings	EGLX	\$59	\$73	7%	N/A	-20%	0.4x	0.4x	0.3x	N/A	N/A	15.4x
Zoomermedia Limited	ZUM	\$27	\$45	N/A	N/A	14%	0.8x	N/A	N/A	5.9x	N/A	N/A
Vertiqal Studios Corp	VRTS	\$20	\$22	N/A	N/A	N/A	6.1x	2.5x	0.9x	N/A	N/A	3.0x
Network Media Group Inc.	NTE	\$4	\$7	N/A	N/A	8%	0.5x	N/A	N/A	6.8x	N/A	N/A
Average				15%	39%	7%	1.7x	1.3x	1.0x	10.3x	7.6x	7.6x
Indian Media Companies												
UFO Moviez India Limited	UFO	\$68	\$74	N/A	N/A	7%	1.1x	N/A	N/A	16.2x	N/A	N/A
Hindustan Media Ventures	HMVL	\$96	\$21	N/A	N/A	-12%	0.2x	N/A	N/A	-1.5x	N/A	N/A
Music Broadcast Limited	RADIOCITY	\$80	\$88	N/A	N/A	-8%	2.7x	N/A	N/A	N/A	N/A	N/A
Prime Focus Limited	PFOCUS	\$425	\$1,207	N/A	N/A	13%	1.6x	N/A	N/A	12.0x	N/A	N/A
T.V. Today Network	TVTODAY	\$212	\$141	N/A	N/A	14%	1.0x	N/A	N/A	6.8x	N/A	N/A
Raj Television Network	RAJTV	\$44	\$48	N/A	N/A	7%	3.4x	N/A	N/A	N/A	N/A	N/A
Average				N/A	N/A	4%	1.7x	N/A	N/A	8.4x	N/A	N/A
Universe Average				15%	39%	6%	1.7x	1.3x	1.0x	9.5x	7.6x	7.6x
QYOU Media Inc.	QYOU	\$37	\$34	34%	N/A	-11%	1.3x	1.0x	0.7x	N/A	N/A	N/A

Figure 6: Peer Group Analysis (Source: Capital IQ)

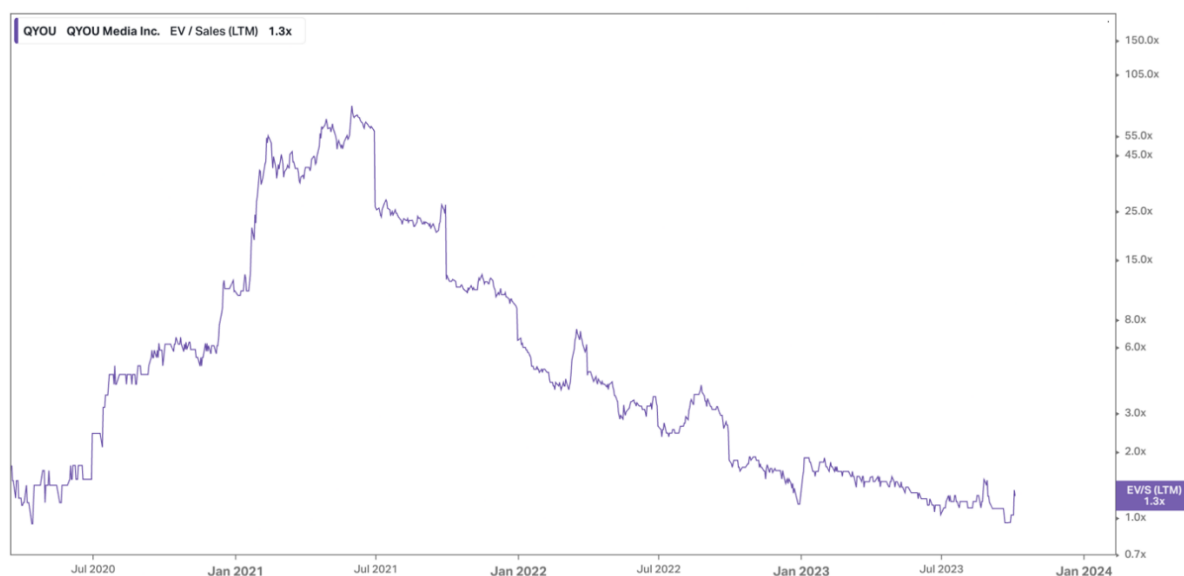


Figure 7: Historical EV/Sales (LTM, Source: Koyfin)

Target Price Derivation

We apply a 1.5x sales multiple onto our 2024E sales estimate of \$48.5M to achieve our \$0.15/share target price. We note that this is a premium to most players in the group but we think it is well deserved given QYOU's superior growth. We utilize a DCF analysis to reaffirm our target price assuming a WACC of 12% and exit multiple of 10x as seen in Figure 10. Sensitivity analysis on our DCF model can be found in the appendix.

Sales Multiple Valuation	
2024E Sales	\$48.5
EV/Sales Multiple	1.5x
Enterprise Value	\$72.8
(+) Cash	\$3.9
(-) Debt	\$0.8
(-) Non-Controlling Interest	(\$0.3)
Equity Value	\$76.1
Target Price (Rounded)	\$0.15
Upside	100%

Figure 8: Target Price Derivation

		2024E EV/Sales				
		1.1x	1.3x	1.5x	1.7x	1.9x
2024E Sales	\$45M	\$0.10	\$0.10	\$0.15	\$0.15	\$0.20
	\$47M	\$0.10	\$0.15	\$0.15	\$0.15	\$0.20
	\$49M	\$0.10	\$0.15	\$0.15	\$0.15	\$0.20
	\$51M	\$0.10	\$0.15	\$0.15	\$0.20	\$0.20
	\$53M	\$0.10	\$0.15	\$0.15	\$0.20	\$0.20

Figure 9: Sensitivity Analysis

	2024E	2025E	2026E	2027E	2028E
Revenue (\$M)	48.5	61.9	68.1	71.5	75.1
EBITDA (\$M)	(0.4)	4.7	7.5	7.9	8.3
FCFF (\$M)	(2.3)	3.0	6.6	6.8	7.2
PV of FCFF	(2.0)	2.4	4.7	4.4	3.7

WACC	
Cost of Equity	12%
Cost of Debt	8%
% Equity	98%
% Debt	2%
WACC	12%

DCF	
Sum of PV FCFFs	\$13.1
2028E EBITDA	\$8.3
Exit Multiple	10.0x
Terminal Value	\$82.6
PV of Terminal Value	\$47.0
Enterprise Value	\$60.1
(+) Cash	\$3.9
(-) Debt	\$0.8
(-) Non-Controlling Interest	(\$0.3)
Equity Value	\$63.5
Target Price (Rounded)	\$0.15
Upside	100%

Figure 10: DCF Summary

Tear Sheet

Market Data						Capital Structure						
Ticker	QYOU:TSXV					Basic Shares Outstanding (M)	486.6					
Stock Price	\$0.075					Warrants (M)	45.6					
Rating	BUY					Options (M)	43.5					
Target Price	\$0.15					FD Shares (M)	575.8					
						FD ITM Shares (M)	499.8					
Market Cap (\$M)	\$37.5					Ownership						
Cash (\$M)	\$3.9					Management & Board	9%					
Debt & NCI (\$M)	\$0.8					Retail & Institutions	91%					
EV (\$M)	\$40.6											

Financial Estimates												
	2022A	Q1/23A	Q2/23A	Q3/23E	Q4/23E	2023E	Q1/24E	Q2/24E	Q3/24E	Q4/24E	2024E	2025E
Revenue (\$M)	27.2	7.0	7.7	8.4	9.9	33.1	10.9	11.6	12.4	13.6	48.5	61.9
% YoY	163%	35%	12%	16%	27%	22%	55%	50%	47%	37%	46%	28%
EBIT (\$M)	(11.3)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	(1.4)	(1.5)	(1.3)	(1.1)	(5.3)	(1.1)
EBIT Margin	-41%	-22%	-19%	-18%	-16%	-18%	-13%	-13%	-11%	-8%	-11%	-2%
Adj. EBITDA (\$M)	(2.9)	(0.8)	(0.5)	(0.5)	(0.4)	(2.2)	(0.2)	(0.2)	(0.1)	0.1	(0.4)	4.7
Adj. EBITDA Margin	-11%	-11%	-7%	-6%	-4%	-7%	-2%	-2%	-1%	1%	-1%	8%
Net Income (\$M)	(11.2)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	(1.4)	(1.5)	(1.3)	(1.1)	(5.3)	(1.1)
EPS (Basic)	(0.03)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

Figure 11: Tear Sheet

Company Overview

Business Model

QYOU Media produces and distributes content created by social media stars and digital content creators in India and the United States. Through its flagship brand, The Q India and its broadcast and digital channels, The Q Game X, The Q Kahaniyan, The Q Comedistaan, Sadhguru TV, and Bollywood Hungama, the Company curates, produces, and distributes content including television networks and video-on-demand (VOD) for cable and satellite television, over-the-top platforms, Connected TVs, and mobile platforms. As for its U.S. operations, QYOU manages influencer marketing campaigns for major film studios, gaming companies, and consumer brands. The Company has offices in Mumbai, India and Los Angeles, California.

QYOU currently has one broadcast channel and five digital channels delivered to over 140M TV homes. The Company also delivers the content using digital and app-based platforms on a streaming basis, reaching over 678M digital users. Furthermore, its mobile and digital platforms access over 300M users. As such, its content is viewed by over 125M people each week. Both broadcast and digital channels have extensive contracts for distribution, content licensing, and advertising.

QYOU also runs two influencer marketing divisions (one in India and one in the U.S.) to create content with influencers for major brands. Its network for advertisers includes over 100 blue-chip firms such as Unilever, P&G, Coca-Cola, L'Oreal, and Amazon. Its Indian influencer marketing division focuses on a 360-degree program including TV ads, digital ads, and influencer-led campaigns. Its U.S. influencer marketing division focuses on short-form content via TikTok. The Company also has a majority and controlling stake in casual mobile gaming company, Maxamtech Digital Ventures. It has recently launched its own gaming app, Q GamesMela which offers consumers both free-to-play and real-money gaming across a variety of skill-based casual games.

QYOU's Indian business was built using a three-phase strategy:

- 1) Build a product in the form of a linear channel and corresponding VOD offering featuring short-form content in India from sources including YouTube, Facebook, Instagram, and Snapchat. QYOU did this by licensing and creating original shows representing over 1,200 hours of programming from top digital creators and social stars in India.

- 2) Use that product to secure distribution across major television, OTT, and mobile partnerships. QYOU has TV partnerships with TATA Sky, AirtelDTH, DD Free, Dish and SitiNetworks. QYOU has OTT partnerships with MX Player, DishWatcho and ShemarooMe.s and mobile partnerships with Jio Mobile and Airtel (the two largest mobile providers in India)
- 3) Use that distribution and increased viewership to drive ad revenue. This phase began in 2020 and the Company has signed ad sales orders with major brands such as Amazon, Coca-Cola, Facebook, and Google, amongst others.

Roadmap

Taking inspiration from The Walt Disney Roadmap from 1956 that formed the foundation of the Disney empire today, QYOU has created its own roadmap, outlining how its assets will create an ecosystem of content and advertising. While complicated at first glance, creators and influencers drive the entire ecosystem and lead to value creation for advertisers and shareholders.

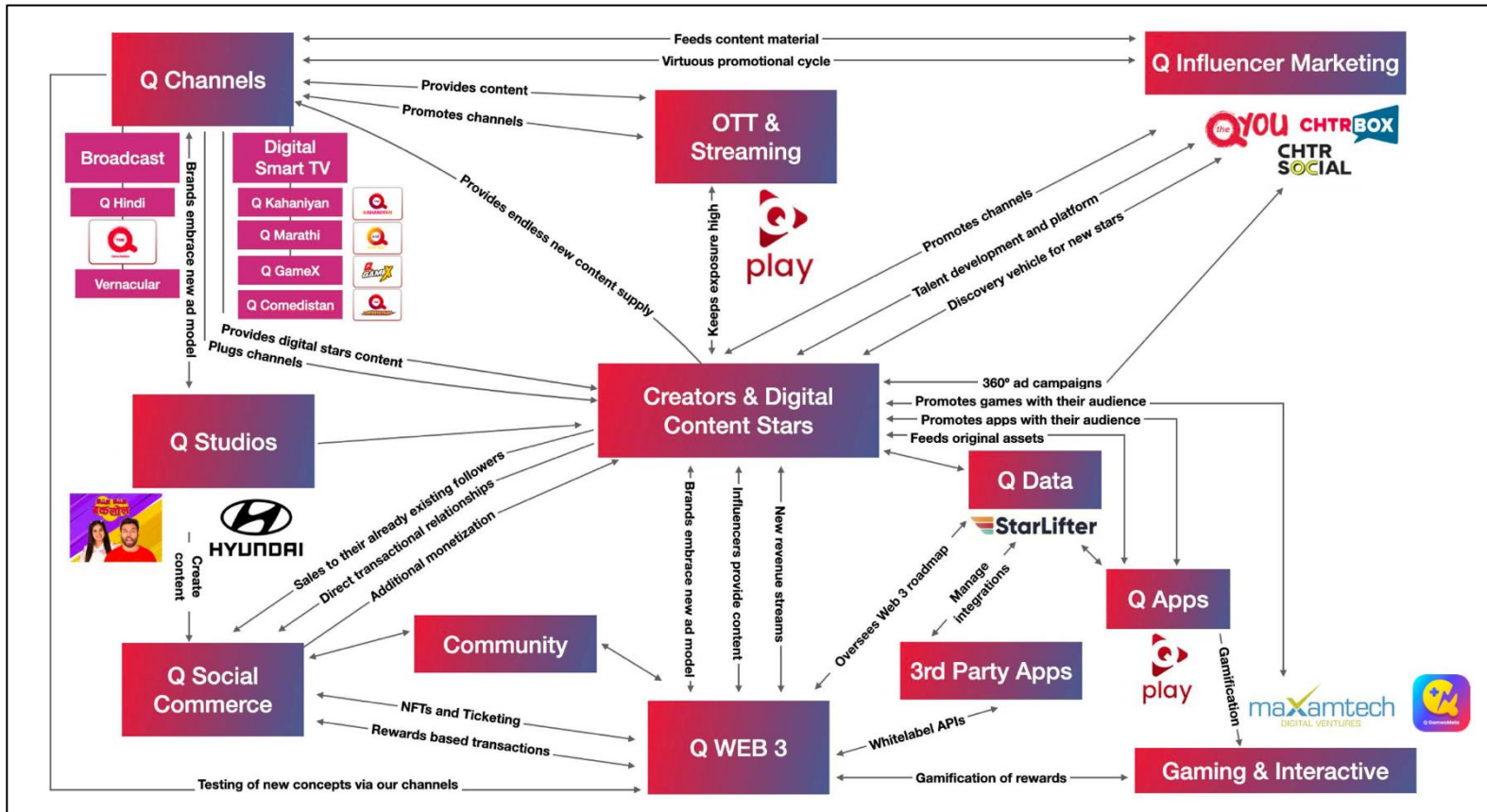


Figure 12: QYOU Roadmap 2023 (Source: Company Documents)

Key elements of QYOU’s growth strategy include:

- 1) Localization of content and partnerships in India
- 2) High-impact/low-cost productions that leverage its content, production assets, and distribution
- 3) Integration of brands and advertisers more directly into content offerings
- 4) Distribution growth
- 5) Development of new technologies and DTC products that leverage Web 3 technologies

History

2014 – The Company was founded with the vision to create a multi-faceted media entertainment enterprise

2018 – QYOU India was incorporated to serve the rapidly growing Indian market in social video and digital creator-driven content. The Company acquired an 82% stake in QYOU India.

2020 – The Company increased its ownership in QYOU India to 88% in exchange for funding the operations of QYOU India since its inception.

2021 – QYOU entered into an agreement with Chatterbox Technologies, an influencer marketing company based out of India to acquire 100% of its shares over three years. Later in 2021, The Company amalgamated with its subsidiary, QYOU Media Holdings Inc. QYOU wound down its Ireland and Canada operations in 2021 to focus on India and the U.S.

2023 – The Company has since grown to over 200 employees, over 1000 brand partners, and 1 billion in monthly reach. In 2023, QYOU acquired 51% of Maxamtech, a creator of technology and games for the mobile gaming industry.

Brands

The Q (Q TV)

The Q is an advertiser and influencer-marketing-supported Hindi content brand, linear TV channel, and VOD provider. The Q aims to deliver popular digital content from social media stars and leading digital video creators targeting young Indian audiences. With a growing library of over 850 programs, the channel has reached more than 122M television homes with partners including DD Free Dish, leading DTH providers, and cable operators. The Q is free to air on all platforms and partnered with a plethora of Fortune 500 companies as advertisers.

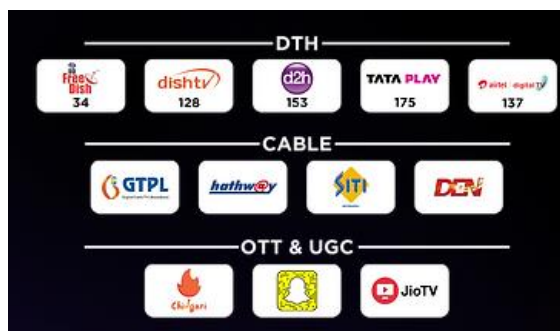


Figure 13: Platforms with The Q (Source: Company Documents)



Figure 14: Features Shows (Source: Company Documents)

The Q Kahaniyan

The Q Kahaniyan is a digitally exclusive Hindi animation channel, serving as a one-of-a-kind entertainment destination targeting both kids and young adults between the ages of 13 and 35 with its variety of relatable stories.

The Q Comedistaan

The Q Comedistaan is a digital-exclusive Hindi channel offering comedy content across various genres in Hindi and English, the channel aims to reach out to digital-savvy, young adults.

Q GameX

An upcoming 24/7 Linear Gaming channel that will stream gameplay matches, console/gaming equipment unboxing content, and share tips and tricks. Q GameX will be the one-stop destination for gamers and fans of gaming content, information, insights, and inspiration.

Sadhguru TV

Sadhguru is a yogi, mystic and spiritual master in India. The channel will feature his candid interviews with Indian and international personalities, enlightening lectures and life lessons, calming and enriching music from the library of the Sounds of Isha along with guided meditation and yoga. Sadhguru has built an extraordinary following on social platforms with over 25M worldwide followers and subscribers across YouTube, Instagram, Twitter and more.

Bollywood Hungama TV

This new channel plans to leverage the combined power of both companies in the world of social media with the long-standing status of Bollywood Hungama as India's premiere web-based and social media destination featuring all news and gossip surrounding the world of Bollywood and the Indian entertainment business.

QYOU USA

QYOU specializes in driving awareness, excitement, and engagement for brands across social platforms at scale with cultural impact with the power of influencer marketing. The Company does this through creator activations (partnering directly with leading influencers), brand channels (curating and growing brand channels across social video platforms), and media solutions (amplifying brand content and maximizing reach to audiences). We look at this division as the highest margin segment of QYOU.

QYOU Studios

QYOU Studios is a creative production enterprise designed to offer brands and marketing partners more robust and complete production capabilities to promote their products on TikTok, Instagram and other social media platforms. This includes original content via custom productions, entertainment development, event coverage, and post-production work.

Chtrbox

Chtrbox is a leading influencer marketing platform and agency in India, which connects brands and social media influencers. Since 2016, Chtrbox has engineered hundreds of campaigns with thousands of top Indian influencers to reach and engage millions of consumers. Chtrbox leverages the latest technology with the art of creative strategy to build award-winning influencer content, campaigns, and results. ChtrBox does this through influencer marketing, AR filters, student ambassador programs, celebrity marketing, and its internal studio.

Chtrbox Represent

Chtrbox Represent hosts QYOU's ecosystem of world-class creators which serves both the creators and brands. It has an initial collective of 60+ creators across key categories such as beauty, fashion, fitness, tech, food, and dance.

Maxamtech

Maxamtech currently operates a variety of gaming destinations for companies using its proprietary platform, Gaming 360. The platform powers over 1M users across its brands, Gamesmela (DTC brand), Vi games (Vodafoneidea), and Games360 (B2B). The acquisition continues the recent push by QYOU Media and The Q India to ramp up its portfolio of direct-to-consumer products.

Chtrbox Social

Chtrbox aims to create solutions to help modern brands with social growth and brand storytelling.

Q Play

Q Play is the Company’s DTC app that aggregates all of its content in one place for viewers on Connected-TVs. This is a new initiative for QYOU that we expect to pick up steam over the coming quarters. Q Play has over 10,000 downloads on the Play Store with very little marketing dollars spent.

Bharatbox

Bharatbox powers brands to engage with creators across the length & breadth of the country, to reach the masses with regional influencers who create engaging content in vernacular languages, across Tamil, Telugu, Kannada, Malayalam, Marathi, Bengali, and Punjabi amongst others.

Q Data

Q Data leverages the use of data-driven technology to support and accelerate the accuracy and effectiveness of its advertising and programming. With the objective of moving decision-making further into a data-driven process, Q Data will provide actionable information to increase the value of advertising slots and more accurately inform content and programming decision-making across all QYOU Media business units.

All data from its 125M weekly viewers (across broadcast TV, smart TVs, influencer market, and apps) is being fed into its proprietary central repository, allowing for more informed programming decisions that drive more engagement for brand partners. QYOU recently announced a partnership with Starlifter, a next-generation data analysis platform founded by Fred Luddy (founder of Service Now).

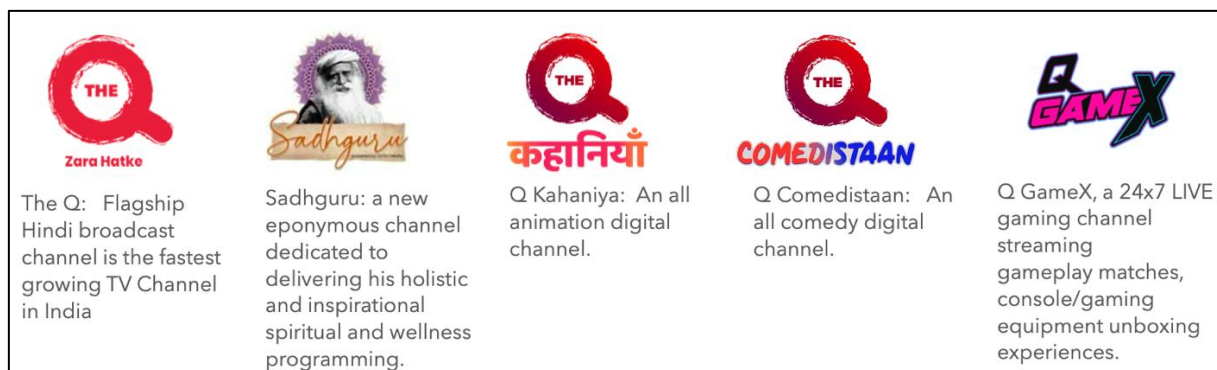


Figure 15: QYOU Channels (Source: Company Documents)

Recent Developments

On October 24th, QYOU announced the launch of the latest version of its casual mobile gaming app, Q GamesMela. The announcement marks the launch of a new “freemium” capability where game players can win cash prizes and awards via both free and real-money gaming engagements. Q GamesMela will be simultaneously launching a more extensive marketing campaign across social media and via influencer marketing. T

On October 11th, QYOU announced an agreement with Bollywood Hungama to launch Bollywood Hungama – Power by The Q, a new Connected TV channel in Q4/23. The new channel will leverage the combined power of both companies in the world of social media with the long-standing status of Bollywood Hungama as India’s premiere web-based and social media destination featuring all news and gossip surrounding the world of Bollywood and the Indian entertainment business. The channel will exclusively be available on the Q Play+ app along with leading Connected TV platforms.

On October 6th, QYOU Media announced a non-brokered private placement for up to \$2.1M at \$0.07/unit including a full warrant. The proceeds will be used to build Maxamtech and QGamesMela. The deal was closed on October 20th.

On October 3rd, QYOU announced a series of recent accomplishments from its India and U.S. influencer marketing divisions. Management reiterated that influencer marketing revenue globally has doubled globally over the last three years and that growth should continue at a 32.5% CAGR over the next six years to \$70B in 2029 (Source: Data Bridge). QYOU USA's accomplishments included a record-breaking post for Mission Impossible with over 140M views, two new major campaigns for AAA video game releases, and internal development of ML and AI tools, amongst others. ChtrBox's accomplishments included a campaign with National Geographic India and curating Warner Music India & Flipkart Fashion's first-ever college campus ambassador program, amongst others.

On September 7th, The Company announced the launch of "A Creator in Every Home" on Q TV which offers viewers a chance to be featured on its new innovative AI-driven programs.

On August 29th, QYOU reported Q2 financial results including a record \$7.7M in revenue (+12% YoY) and adjusted EBITDA of (\$0.5M). Management remains excited about the continued rollout of its DTC efforts, specifically in the mobile casual gaming space.

On August 24th, QYOU announced that Q TV announced the launch of a new series, Viral Hua Re, featuring an AI anchor.

On June 28th, The Company announced that Q India has entered into a partnership with globally recognized spiritual leader, Sadhguru, to launch a new channel dedicated to delivering his holistic and inspirational spiritual and wellness programming. Sadhguru has over 25M followers across the globe.

Acquisitions

Chatterbox Technologies

In June 2021, QYOU announced that it entered into an agreement to acquire 100% of the shares of Chatterbox Technologies Private Limited (Chtrbox). ChtrBox is an award-winning influencer marketing company based in India. The Company was founded in 2016 and focuses on data-driven influencer marketing, powering India's top brands using a pool of over 300,000 influencers.

The total consideration was made up of \$2.6M in cash, working capital of \$0.1M, and \$2.6M in contingent consideration (\$5.3M total). Chtrbox posted \$6.6M in revenue in 2022, up from \$0.4M in the year ending June 30th, 2021. This translates to a 0.8x multiple on 2022 revenue, a steep discount to QYOU's valuation at the time.

The rationale for the acquisition included:

- 1) Accelerating the ability for The Q to expand to offer 360-degree influencer-driven ad campaigns
- 2) Complementary relationships with agencies and brands
- 3) Deeper access for The Q into thousands of influencers
- 4) Opportunity to drive rapid development of social commerce business opportunities
- 5) Integration of ChtrBox's data-driven approach and use of technology

Maxamtech Digital Ventures

In October 2022, QYOU announced the acquisition of 51% of Maxamtech Digital Ventures, a creator of technology and games for the mobile gaming industry. Maxamtech has a diverse library of existing IP including over 20 games with two additional games being added each month to its library. The technology is designed to work in a low bandwidth environment (i.e., India). This acquisition supported QYOU's ramp-up into DTC products, specifically gaming, where KPMG reported that there were 420M online gamers in India (the second largest globally). The 51% purchase was completed using a cash consideration of \$0.5M (approximately Maxamtech's cash balance) and QYOU has the option to acquire an additional 12% in 2024, 20% in 2025, and 17% in 2026. QYOU also committed to providing Maxamtech with an intercompany loan of up to \$330K. Maxamtech has posted minimal sales over the last year.

Management believes mobile gaming will be the next major trend in India due to smartphone adoption and inexpensive data plans. Furthermore, QYOU plans to expand the offering into real money gaming and g-commerce (allowing users to exchange winnings for real products using its network of advertisers) via its Q GamesMela app.



Figure 16: Maxamtech Games (Source: Company Documents)

Financials

Capital Structure & Balance Sheet

QYOU has 486.6M shares outstanding with 43.5M options, 45.6M warrants, and 10.2M RSUs. This translates to a fully diluted share count of 575.8M but very few of these dilutive securities are in the money, and thus we use the fully diluted in-the-money shares of 499.8M (assuming the treasury stock method). As of Q2, QYOU had \$1.8M in cash and \$0.5M in debt. QYOU recently completed a \$2.1M financing at \$0.07/share including a full warrant which should support the balance sheet over the coming quarters until the Company can sustain itself via cash flow.

Margin Analysis

QYOU has pulled back its focus on growth over the past year in order to push towards profitability and cash generation. These trends are evident through its narrowing losses and we expect the Company to be profitable by Q4/24. We expect this trend to continue as QYOU reaches scale and for EBITDA margins to reach the high-single-digits by 2025. While its new focus has shifted to the gaming business, improving profitability remains a top priority.

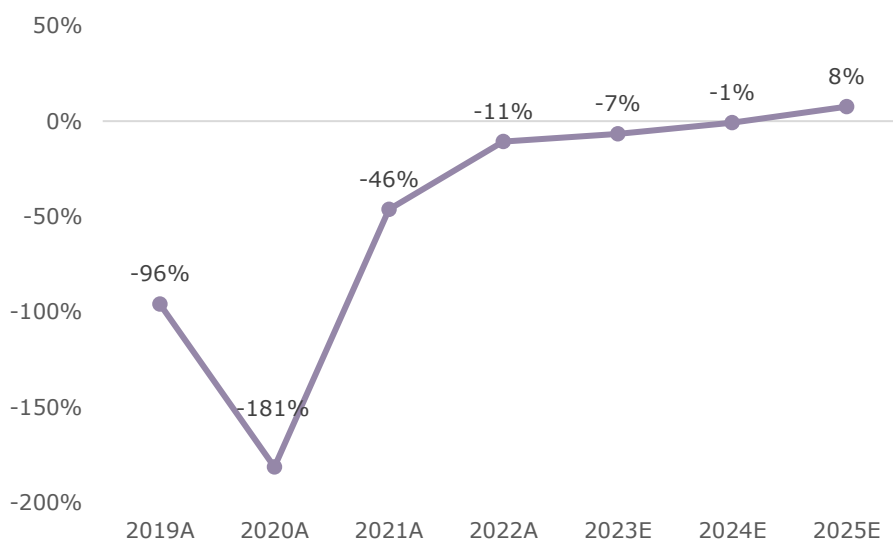


Figure 17: EBITDA Margin Improvement

Financial Forecast

We forecast revenue for QYOU based on its two geographic segments, India and the U.S. We are expecting India sales to grow at a 20% CAGR through 2025 and U.S. sales to grow at a 42% CAGR. While India growth has slowed down in recent quarters, we expect this to accelerate again in 2024 due to QYOU's investments in digital media and gaming. As for margins, we are expecting sequential profitability improvements over the coming quarters, then landing at high-single-digit EBITDA margins by 2025.

Financial Estimates												
	2022A	Q1/23A	Q2/23A	Q3/23E	Q4/23E	2023E	Q1/24E	Q2/24E	Q3/24E	Q4/24E	2024E	2025E
India Revenue (\$M)	17.6	3.6	4.0	4.1	5.5	17.2	5.8	6.0	6.2	7.1	25.1	30.7
% YoY	N/A	-6%	-9%	2%	3%	-2%	60%	50%	50%	30%	46%	22%
U.S. Revenue (\$M)	10.8	3.4	3.7	4.3	4.5	15.9	5.1	5.6	6.2	6.5	23.4	31.2
% YoY	N/A	151%	48%	35%	18%	47%	50%	50%	45%	45%	47%	33%
Other Revenue	(1.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue (\$M)	27.2	7.0	7.7	8.4	9.9	33.1	10.9	11.6	12.4	13.6	48.5	61.9
% YoY	163%	35%	12%	16%	27%	22%	55%	50%	47%	37%	46%	28%
EBIT (\$M)	(11.3)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	(1.4)	(1.5)	(1.3)	(1.1)	(5.3)	(1.1)
EBIT Margin	-41%	-22%	-19%	-18%	-16%	-18%	-13%	-13%	-11%	-8%	-11%	-2%
Adj. EBITDA (\$M)	(2.9)	(0.8)	(0.5)	(0.5)	(0.4)	(2.2)	(0.2)	(0.2)	(0.1)	0.1	(0.4)	4.7
Adj. EBITDA Margin	-11%	-11%	-7%	-6%	-4%	-7%	-2%	-2%	-1%	1%	-1%	8%
Net Income (\$M)	(11.2)	(1.5)	(1.4)	(1.6)	(1.6)	(6.1)	(1.4)	(1.5)	(1.3)	(1.1)	(5.3)	(1.1)
EPS (Basic)	(0.03)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

Figure 18: Income Statement Forecast

Industry Overview

India Social Media & Digital Marketing

India has the largest youth population in the world with 650M people under 25 years old and 850M people under 35 years old. India has over 700M active internet users representing 49% of its population, compared to developed nations like the U.S. that have over 90% internet penetration. This figure is expected to grow to 900M by 2025. Additionally, only 33% of Indians use social media, compared to over 90% of the U.S. This presents significant upside for media companies in India as the country develops and the internet becomes more accessible. Given the large youth population, India represents one of the largest users of social media, having the largest user base on Facebook and Instagram and 10% of daily YouTube views. These factors together have translated into a rapidly growing digital advertising industry, which has grown at a 23% CAGR over the last six years and should continue growing at 9% CAGR moving forward as per the figure below.

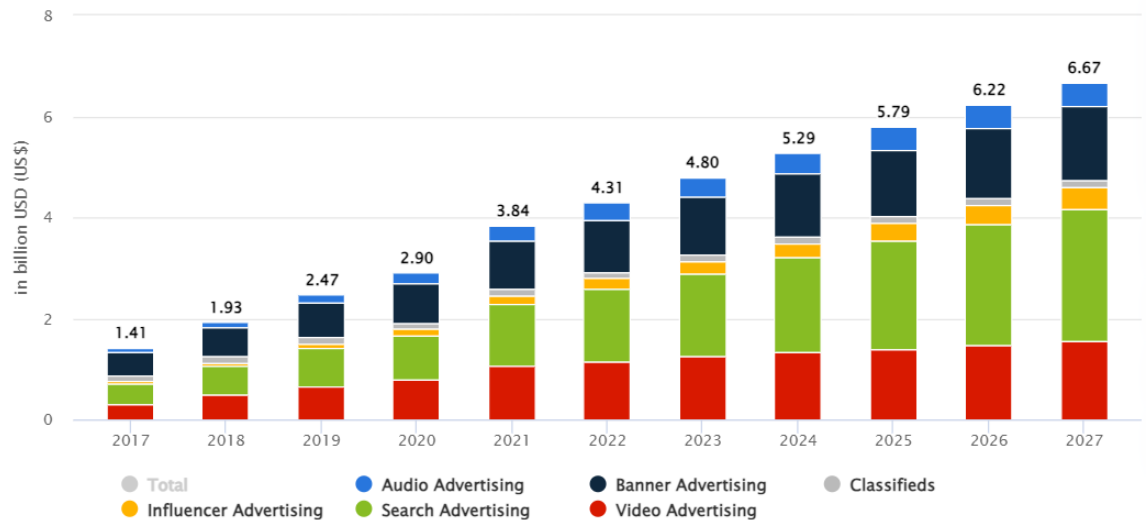


Figure 19: Digital Advertising Spend in India (Source: GroupM)

India Connected TV

In 2022, there were 25M Indian households with Connected TV which grew to 32M in 2023 (28% growth) and is expected to grow to 45M by 2025 (22% CAGR). This plays into the growing internet access trend in India while rapidly growing since the product is free for users (ad-supported). This represents a key market for QYOU as it can package its content into free channels and provide targeted advertising experiences for brands. From an advertiser’s perspective, Connected TVs provide much higher visibility and customer segmenting, translating into growing marketing dollars and satisfied customers for QYOU.

Advantages of CTV vs. Linear TV

CTV vs. Linear TV Reach



Figure 20: Connected TV Advantages (Source: Acquiso)

India Gaming

There are approximately 442M online gamers in India, which has grown from 183M in 2017, representing a 16% CAGR. Similarly, this represents only a fraction of the population (31%) compared to developed countries like the U.S. at 64% and fellow emerging markets like China at 39%. Therefore, there is a long road of growth for the gaming industry in India, especially in mobile as data plans have become more accessible in recent years.

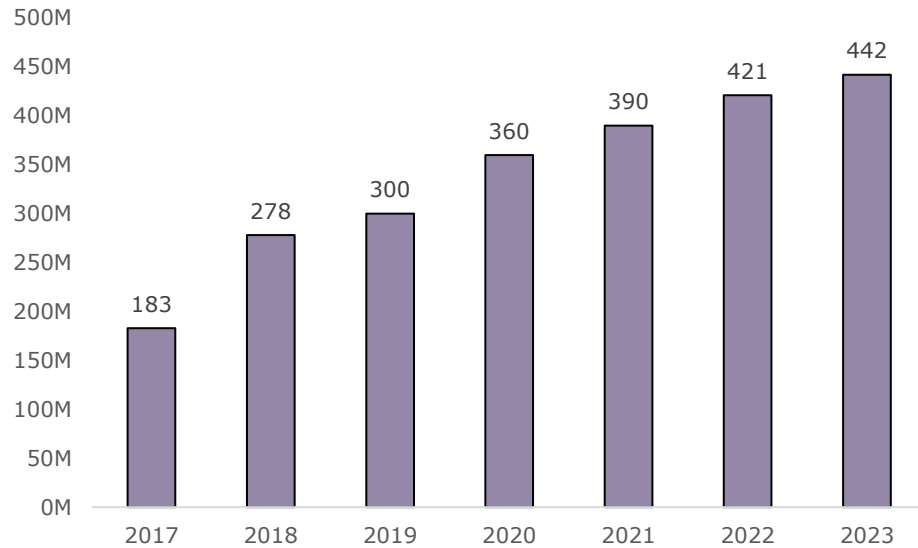


Figure 21: Number of Online Gamers in India (Source: EY)

U.S. Influencer Marketing

Influencer marketing in the U.S. also represents a thematic tailwind for QYOU Media given the major growth that the space has seen over the past few years. Given that influencers have proven to be an effective method for brands to access the youth, we expect increasing marketing dollars allocated to this over the coming years. According to Morning Consult, 50% of millennials trust product recommendations from influencers with the most popular platforms being Instagram, Facebook, and YouTube. As such, influencer marketing spending has grown massively in the U.S. and is expected to reach \$7.1B in marketing spend in 2024. Much of this growth has come from the emergence of short-form video content via TikTok, Instagram Reels, and YouTube Shorts.

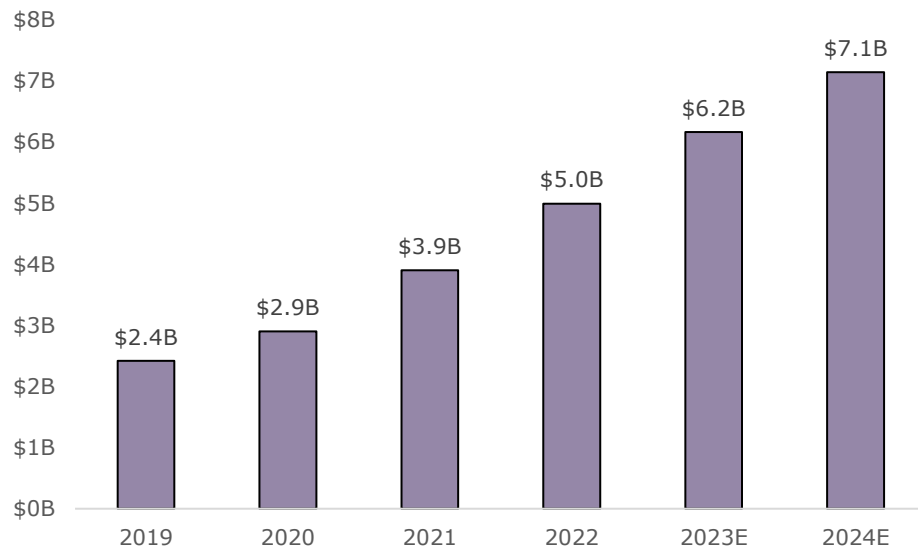


Figure 22: Influencer Marketing Spending in the U.S. (Source: Orberlo)

Short-Form Video

Short-form video has taken over social media across TikTok, Instagram Reels, and YouTube Shorts, amongst others, providing easily digestible content for users. This has resulted in 1.7B MAUs for TikTok, 2.4B MAUs for Instagram Reels, and 2.0B MAUs for YouTube Shorts. As such, marketing dollars have flooded into the space. A HubSpot survey recently concluded that social media marketers are allocating 33% of their marketing spend to short-form video and that 85% of marketers say that short-form videos are the most effective format on social media.

Management

Curt Marvis – Co-Founder & CEO

Curt Marvis is the Co-Founder & CEO of QYOU Media where he oversees daily operations, including strategy, marketing, financing, and key industry partnerships. He previously served as Lionsgate's President of Digital Media, guiding its digital businesses and launching content channels and series on platforms such as YouTube and Hulu. Prior to Lionsgate, he was the CEO of CinemaNow Inc., a digital distribution leader with investments from major corporations.

Mr. Marvis also led the transformation of publicly-held game developer 7th Level, Inc. into web-based technology applications, creating partnerships with Microsoft, Real Networks, GeoCities, broadcast.com, IBM, and MTV. He also co-founded multimedia startup Powerhouse Entertainment and played a role in IBM's multimedia strategic planning. From 1984 to 1994, he co-founded and led The Company, an acclaimed production company for music videos and commercials, earning the Michael Jackson Video Vanguard award from MTV. Mr. Marvis owns 7.3M shares, equating to 2% ownership.

Jace Sparks – Chief Product Officer, QYOU Media

Jace Sparks brings a distinguished track record from the broadcast media and marketing industry with a strong skill set spanning Mobile Applications, Promo Videos, Web Design, Management, and Android Development. Jace was previously VP of Product & Creative Development with QYOU for over six years. Jace started at QYOU as a Creative Director for 2 years before his role as VP. Prior to his time at QYOU, he gained valuable experience as a Production Secretary at Fox Television, an Associate Producer at Sony Pictures Entertainment, and a Production Assistant at Fox Television.

Simran Hoon – CEO, The Q India

Simran Hoon assumed the role of Chief Executive Officer at The QYOU India in April 2021. Ms. Hoon has held leadership roles in advertising sales for over two decades, beginning her career at Sony Television Networks in 1995. From there, she served in progressive leadership roles at Zee Network and Star (Disney). She was also a founding member of one of the most successful TV channels in India from the Viacom 18 stable, Colors. Under her leadership as Head of Ad Sales, Colors became the leader in revenue across all Hindi general entertainment channels.

Krishna Menon – COO, The Q India

Krishna Menon is the COO of The Q India, moving from his position as Chief Revenue Officer in 2021. Before this, he held the position of Chief Revenue and Marketing Officer at Sakal Media Group. Mr. Menon has also served in various senior sales, operational, and business development roles at Dainik Bhaskar Group, OnMobile Global, Network 18 (Viacom), and Radio Mirchi (Times of India Group). His extensive experience spans television, digital, radio, and print media.

Glenn Ginsburg – President, QYOU USA

Glenn Ginsburg currently serves as President at QYOU USA, where he has positioned the company as a leading authority in brand engagement on TikTok. Starting as a Senior Vice President at QYOU in 2015, he has overseen the division's growth to more than 40 employees. Before QYOU, Ginsburg served in leadership roles for major brands such as Disney, Marvel, MTV, and USA Networks, helping them harness the influence of social media stars to create impactful marketing campaigns. He also played a pivotal role at Alloy Media + Marketing, where he crafted and executed Alloy Digital's YouTube sales strategy. Mr. Ginsburg owns 2.9M shares.

Kevin Williams, CPA, CA – CFO

Mr. Williams has held the position of CFO at QYOU Media since 2019. Before joining QYOU, he was the Vice-President of Commercial Strategy within Rogers Communications' B2B division. Additionally, he assumed the role of Chief Financial Officer at Coreio Inc. in 2020. Prior to that, Mr. Williams served as Managing Partner and Chief Financial Officer at Paterson Partners from 2018 to 2020. His previous roles at Rogers Communication included leadership roles in Enterprise Commercial Strategy, Business Planning & Board Management, and M&A. Mr. Williams owns 1.8M shares.

Andy Kaplan – Director & Chairman of The Q India

Andy Kaplan is Chairman at QYOU India, where he is applying his extensive experience in leading television networks to drive QYOU India's ascent as a top-tier platform for premium original digital content. Additionally, Kaplan is on the board of directors within the parent company, QYOU Media.

Mr. Kaplan is a seasoned professional in the media and entertainment industry, bringing over sixteen years of experience at Sony Pictures, where he steered the global television networks and related investments, extending their reach to nearly two billion subscribers through over 180 channel feeds. Kaplan's leadership transformed Sony Pictures Worldwide Networks, expanding its portfolio from a handful of international channels to include some of the most popular digital media brands. Furthermore, he played a pivotal role in elevating Sony Pictures Networks India ("SPNI") to become one of the largest players in the growing Indian media market. This was achieved through a series of successful acquisitions, partnerships, and the launch of innovative programming, including a groundbreaking ten-year broadcasting rights deal for the IPL and the acquisition of Ten Sports.

Raj Mishra – Director

Raj Mishra was recently appointed to QYOU's board of directors on May 30th of this year and brings a strong track record of driving business growth and profitability in the mobile, media, and entertainment sectors. With over 13 years of experience and a background that includes roles in media, entertainment, automotive, social media, and short-format video apps, Raj specializes in go-to-market strategies, sales, marketing, business growth, and profit and loss management in India's evolving social media landscape.

Mishra's career highlights include his instrumental role as the first employee at Musical.ly (now TikTok), leading it to over 150 million monthly active users. As the Country Head for both Musical.ly and TikTok, he fostered growth for ByteDance in India, established local teams, cultivated business partnerships, and nurtured the creator community. Under his leadership, Musical.ly became the most downloaded app on Android and iOS app stores. He also oversaw the rebranding transition from musical.ly to TikTok after its acquisition in 2017. In 2019, he took on a new challenge within ByteDance, where he led the strategy for newly launched products. Following that experience, Mishra joined Triller as the Country GM and India Head, laying the foundation for its expansion in India and the Asia-Pacific region.

Steven Beeks – Director

Steve Beeks boasts more than 35 years of experience in the entertainment industry, with a significant tenure at Lionsgate for two decades. During his time at Lionsgate, Beeks held the positions of COO and President, Motion Picture Group. He played a crucial role in implementing Lionsgate's growth strategies, overseeing all aspects of film production, acquisition, and distribution, as well as managing an extensive film portfolio with over \$1B in annual investments. Under his leadership, Lionsgate's film slate achieved remarkable success, grossing ~\$10B at the global box office in just over five years, and consistently delivering significant profitability. Beyond motion pictures, Beeks directly managed worldwide home entertainment and television licensing and distribution operations, maintaining an industry-leading box-office-to-home-entertainment conversion rate.

Before his time at Lionsgate, Beeks served as EVP and President of Home Entertainment at Artisan Entertainment, where he played a crucial role in the company's transformation before its acquisition by Lionsgate. He also held key positions at Hallmark Entertainment, Republic Pictures, and the Walt Disney Company. Beeks holds an MBA from Harvard Business School and owns 781K shares.

Damian Lee – Director

Mr. Lee brings three decades of experience in film and television to the QYOU board. He transitioned from producing and directing television sports specials to making over fifty feature films, including successful sequels like *Ski School* and *Watchers*, and taking over the *Death Wish* franchise. These productions, with a combined budget exceeding \$200M, involved meticulous financial management and collaboration with various financiers. Notably, Damian has introduced many talented actors to their first feature film roles, including Jim Carrey, Hayden Christensen, Jason Priestly, Kim Coates, and Nina Dobrev. His career highlights as a producer include award-winning films like *Woman Wanted*, *Fun*, *King of Sorrow*, *The Poet*, and *Sacrifice*. Over the past decade, he has written and directed three films for Sony, such as *A Dark Truth*, *Breakout*, and *A Fighting Man*, with notable cast members. Additionally,

Mr. Lee has held positions in various junior companies, serving as the former President and CEO of Noble House Entertainment Inc., a member of the Audit Committee of Bontan Corporation, and a board member of Findore Gold Resources Ltd. Mr. Lee owns 972K shares.

G. Scott Paterson – Director & Chairman

G. Scott Paterson is a distinguished figure in technology and media, most notably serving as a Director of Lionsgate Entertainment (LGF.A:NYSE) for over 21 years. He co-founded JumpTV Inc (JTV:TSX), leading it to an IPO and eventual sale to Endeavor (NYSE: EDR) for US\$250M. He also co-founded Symbility Solutions (SY:TSXV), which was acquired by Corelogic Inc (CLGX:NYSE). In the financial industry, Paterson played a pivotal role in shaping Yorkton Securities into a leading technology bank from 1995 to 2001. He held key positions at the Toronto Stock Exchange, including Vice Chair, and was a Governor of the Investment Dealers Association (now IIROC).

Currently, Scott serves as the Executive Chairman of FutureVault Inc in Fintech, and sits on the boards of Verses AI Inc (VERS:NEO), Coinsmart Financial Inc (SMRT:NEO), and Giftagram Inc. Paterson's achievements include recognition as a Top 40 Under 40, a TedTalk speaker, and having a dedicated chapter in Peter C. Newman's bestseller, "Titans". Furthermore, Time Magazine and Newsweek have both acknowledged him for his outstanding contributions. Mr. Paterson is the largest shareholder with 29.3M shares (6% ownership).

Catherine Warren – Director

Catherine Warren specializes in devising growth strategies for the entertainment and media technology sectors, currently serving as President of FanTrust Entertainment Strategies. Her company, established in 2001, assists global clients in captivating audiences, increasing revenue, facilitating strategic deals, and securing financing. Ms. Warren is a pioneer in digital FanBuilding, having crafted fan strategies for major hits like *Homeland* and the *CSI* television franchise, as well as for eOne TV and Lionsgate films, top YouTube multi-channel networks, videogame companies (including Sony AAA titles and eSports broadcasters), and mergers and acquisitions in digital distribution and digital intellectual property.

Previously, Ms. Warren held the position of CEO at the Vancouver Economic Commission and now serves as CEO of Edmonton Unlimited, the municipal innovation authority. Earlier in her career, she served as the COO of Blue Zone Inc., a broadcast technology company that went public on the Nasdaq, achieving a market capitalization of US\$300M, with clients including CTV Television Network and FOX Broadcasting Company. Ms. Warren is a distinguished member of the International Academy of Television Arts & Sciences, actively contributing as a Nominating Committee member and an Emmy judge. She has also been a longstanding Executive Board director for the United Nations' flagship program, the World Summit Awards for digital media, which showcases outstanding media from 160 countries. Furthermore, she served on the board of the National Bell Fund for nearly two decades, which is Canada's largest private fund dedicated to digital broadcasting, with investments exceeding \$220M in media. Ms. Warren owns 1.8M shares.

Risks

Currency Risk – Above Average

Given that more than half of QYOU's revenue comes from India, its quarterly revenues are affected by moves in the rupee price which can be volatile.

Changing Consumer Preferences – Average

Since QYOU competes in the world of content and marketing, it must deal with rapid changes in trends and fads. The Company has been able to keep up with these changes effectively thus far. Furthermore, a TikTok ban is a potential risk for QYOU's U.S. influencer marketing business but as we saw with the ban of TikTok in India, viewers simply shift to another platform.

Dilution Risk – Above Average

The Company has raised significant equity capital over the years and will have to continue to tap the equity markets if it cannot generate positive cash flow over the coming quarters.

Competition – Average

QYOU's competitors are large and well-capitalized, meaning that they can steal meaningful market share if QYOU does not execute on its strategy.

Emerging Market Risk – Above Average

QYOU operates in India which has significantly worse internal controls and less visibility compared to North American markets.

Appendix

FD ITM Shares Calculation	
Basic Shares Outstanding	486.6
Dilutive ITM Shares	12.5
Proceeds	\$0.7
Repurchased Shares	9.5
RSUs	10.2
Adj. Dilutive ITM Shares	13.2
FD ITM Shares	499.8
Full Diluted	575.8

Figure 23: FD ITM Shares Calculation
(Treasury Stock Method)

WACC	Exit EBITDA Multiple				
	6.0x	8.0x	10.0x	12.0x	14.0x
14%	\$0.10	\$0.10	\$0.10	\$0.15	\$0.15
13%	\$0.10	\$0.10	\$0.10	\$0.15	\$0.15
12%	\$0.10	\$0.10	\$0.15	\$0.15	\$0.15
11%	\$0.10	\$0.10	\$0.15	\$0.15	\$0.15
10%	\$0.10	\$0.10	\$0.15	\$0.15	\$0.20

Figure 24: DCF Sensitivity Analysis

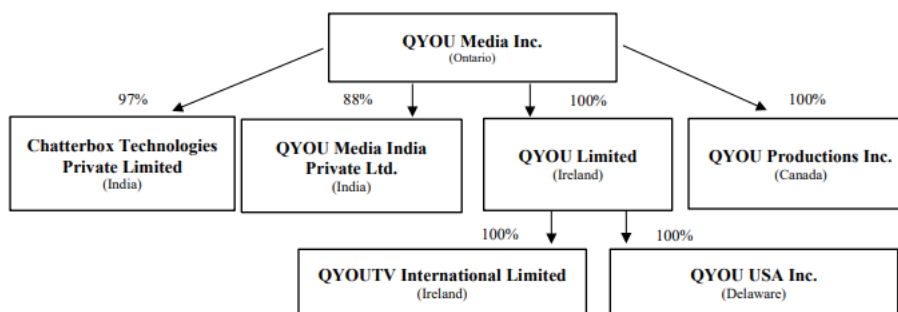


Figure 25: Corporate Structure

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BUY: The stock is expected to generate returns of over 20% over the next 24 months.

HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.

SELL: The stock is expected to generate negative returns over the next 24 months.

NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	10
HOLD	0
SELL	0

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