



NEW TECHNOLOGY PRESENTATION

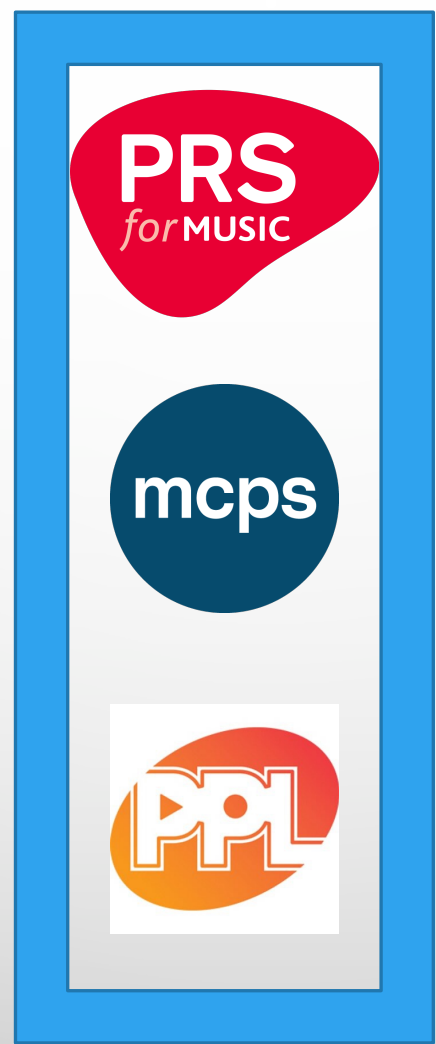
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THE COPYRIGHT CUBE

CHANGING HOW WE COLLECT ROYALTIES



UK MUSIC COPYRIGHT



METHODOLOGY

“OUR MUSIC RESEARCHERS COLLECT PERFORMANCE DETAILS DIRECTLY FROM A STATISTICALLY VALID SAMPLE OF UK VENUES. WE MATCH THIS AGAINST SIMILAR BROADCAST DATA THAT CONTAINS MANY OF THE SAME SONGS. IT’S THIS BROADCAST DATA THAT WE CAN THEN USE TO CALCULATE HOW MUCH WE PAY OUR MEMBERS.”

THE COPYRIGHT CUBE



UK MUSIC COPYRIGHT

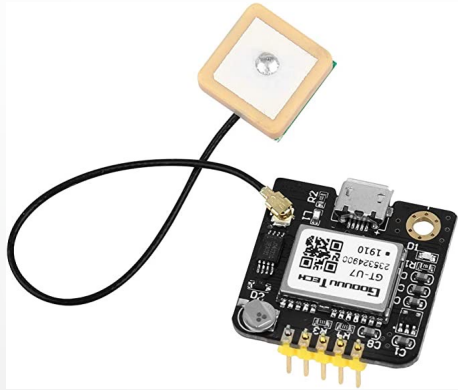


SHAZAM

HOW DOES SHAZAM WORK ?

1. RECORDING: WHEN A USER PLAYS A SONG, THE SHAZAM APP USES THE PHONE'S MICROPHONE TO RECORD A SHORT SNIPPET OF THE AUDIO.
2. ANALYSIS: THE APP THEN CONVERTS THE AUDIO INTO A DIGITAL FINGERPRINT, WHICH IS A UNIQUE REPRESENTATION OF THE SOUND WAVES IN THE SONG.
3. COMPARISON: THE APP COMPARES THE DIGITAL FINGERPRINT TO A VAST DATABASE OF SONGS TO FIND A MATCH. SHAZAM'S DATABASE CONTAINS MILLIONS OF SONGS FROM VARIOUS GENRES AND LANGUAGES.
4. RESULT: IF THE APP FINDS A MATCH, IT DISPLAYS THE NAME OF THE SONG, THE ARTIST, AND OTHER RELEVANT INFORMATION, SUCH AS ALBUM NAME AND RELEASE YEAR.

COMPONENTS



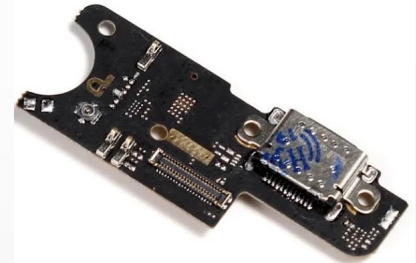
GPS CHIP &
ANTENNA



MICROPHONE



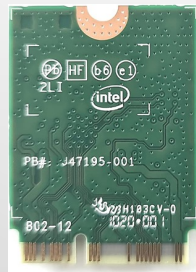
BATTERY



USB C
CHARGER



CASE



WIFI CHIP



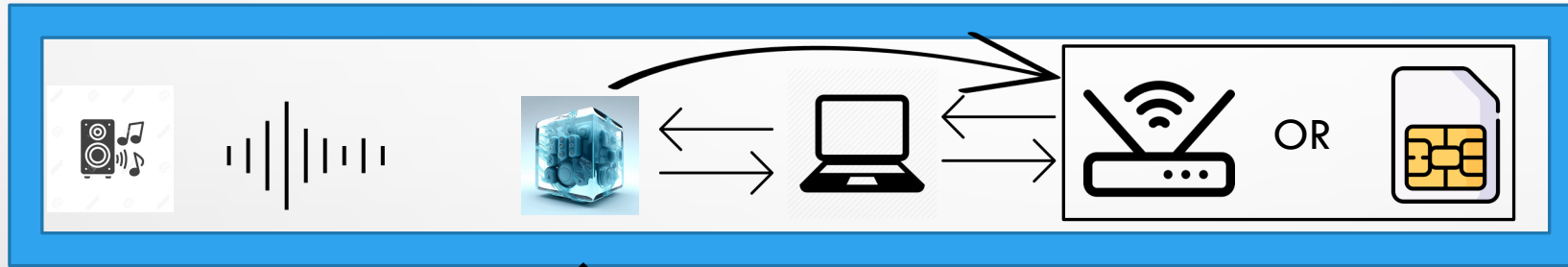
CPU



SIM CARD
MODULE

HOW DOES IT WORK? OVERVIEW

GYM / SHOP / BAR



HOW DOES IT WORK ?

EXAMPLE 1 - CAFE

- A RADIO PLAYS MUSIC IN A CAFE
- COPYRIGHT CUBE IS PLUGGED INTO THE MAINS AND IS LISTENING
- HEARS A SONG AND TAKES A SAMPLE
- SENDS THE SAMPLE TO SHAZAM VIA THE CAFÉ'S WIFI / OWNER'S PHONE
- SHAZAM RECOGNIZES SONG AND RETURNS RESULT TO COPYRIGHT CUBE
- COPYRIGHT CUBE SENDS INFORMATION TO PRS AND PPL
- PRS AND PPL LOG THE USE FOR PAYMENT AT NEXT DISTRIBUTION

HOW DOES IT WORK ?

EXAMPLE 2 - PUB

- MUSIC IS PLAYING OVER THE PUB SPEAKERS FROM THEIR SPOTIFY ACCOUNT, CONTROLLED BY A LAPTOP BEHIND THE BAR
- COPYRIGHT CUBE IS PLUGGED INTO THE LAPTOP AND IS LISTENING
- COPYRIGHT CUBE DETECTS THAT SPOTIFY IS PLAYING OVER THE SAME WIFI
- COPYRIGHT CUBE DOES NOT NEED TO CONNECT TO SHAZAM AS IT CAN ESTABLISH SONG DATA FROM SPOTIFY
- COPYRIGHT CUBE SENDS INFORMATION TO PRS AND PPL
- PRS AND PPL LOG THE USE FOR PAYMENT AT NEXT DISTRIBUTION

ADVANTAGES

- SHAZAM TO BECOME A 'TRUSTED COPYRIGHT PARTNER' TO PRS FOR MUSIC / PPL AND TO COLLABORATE IN ESTABLISHING A WORLD LEADING 21ST CENTURY COPYRIGHT DATABASE
- SHAZAM TO PROVIDE THE SONG ID TO PRS FOR MUSIC / PPL IN RETURN FOR SHARED ACCESS TO BOTH THEIR COPYRIGHT DATABASES
- ALL PARTIES GAIN VALUABLE REAL-TIME BUSINESS INTELLIGENCE ON WHERE MUSIC IS BEING PLAYED, PARTICULARLY NEW MUSIC – THIS DATA CAN BE MADE AVAILABLE TO RECORD LABELS
- GREATER TRANSPARENCY AND BETTER REPRESENTATION FOR PRS / PPL MEMBERS
- INCREASED REVENUE FOR SMALLER ARTISTS / MEMBERS / LABELS (BIG PR GAIN)
- NEAR 100% ACCURACY IN PRS / PPL DISTRIBUTION (BIG COST SAVINGS)

THE ECONOMICS – COST OF THE SCHEME

- ANNUAL DISTRIBUTION PPL: £250M / PRS: £750M (TOTAL: £1BN)
- COPYRIGHT CUBE WILL COST £75 EACH TO MANUFACTURE
- 155,000 WILL BE NEEDED AT A COST OF £11.6M (+ £1.4M DEVELOPMENT COSTS)
- ANTICIPATED THREE YEAR ROLLING CYCLE OF INVESTMENT
- £6M IN Y1, £4M IN Y2, £3M IN Y3
- 0.5% DEDUCTED FROM ALL PRS / PPL DISTRIBUTIONS TO PUBLISHER & RECORD LABEL MEMBERS IN Y1, 0.5% IN Y2 AND 0.3% IN Y3
- GIVEN CURRENT GROWTH TRAJECTORY OF PRS / PPL MEMBERS WILL NOT SEE A NET DEDUCTION BUT A SMALLER GROWTH
- AFTER 3 YEARS REDUCTION OF £1.7M P/A FOR THIRD-PARTY SAMPLING SERVICES
- COST SAVINGS ~ £1M PA FROM DECREASED PROCESSING ERRORS

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