

VIDEO ENTERTAINMENT OVERVIEW

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| Accelerating wider OTT service uptake & usage

| Diversification of viewing across different business models

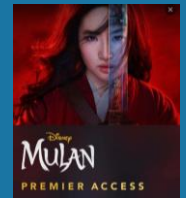
- Transactional, SVoD, Broadcaster VoD, AVoD
- Discovery of new genres/services/platforms
- New users, across wider demographics

| Stimulating alternative release strategies, production & working practices

| Proof of broadband network resilience & increased familiarity of device capabilities

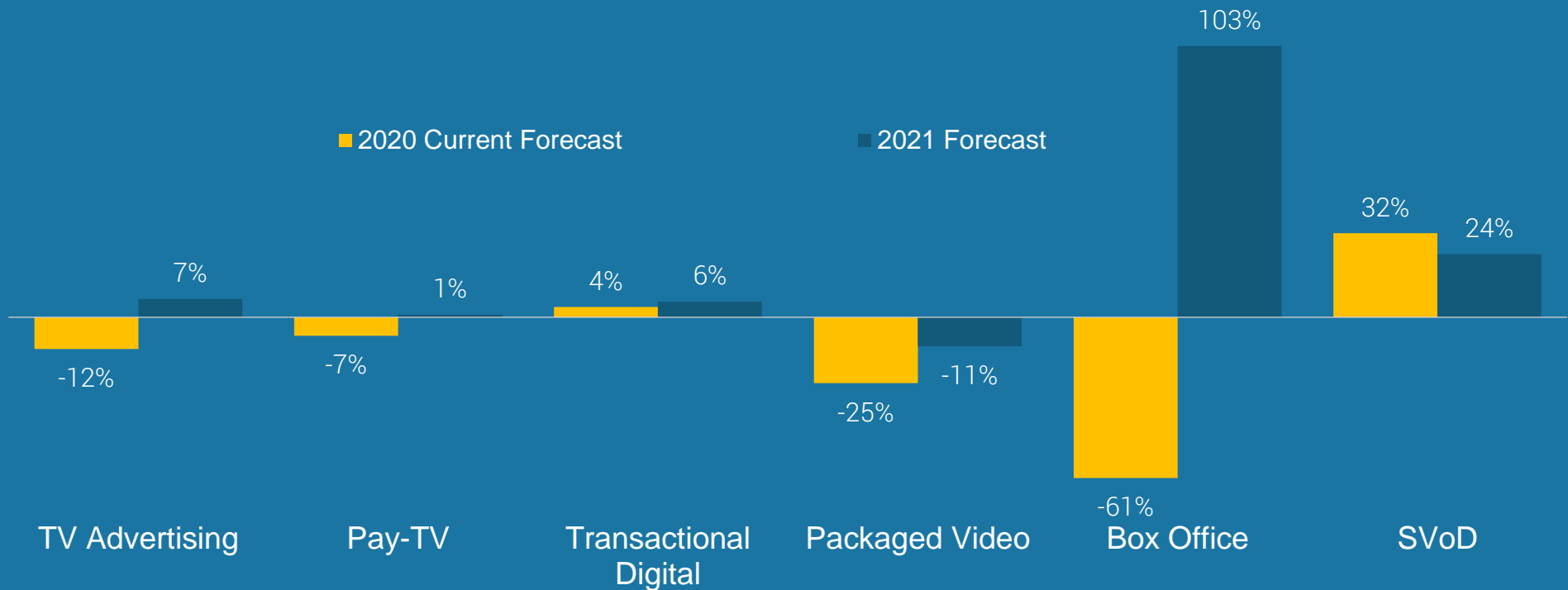
| All leading to diversification, fragmentation & increased customer choice

- Perfect scenario for super-aggregation?



A MIXED GLOBAL OUTLOOK FOR VIDEO CONSUMER SPEND

YoY Change in Global Consumer Spend by Sector



Booming H1 in SVoD & transactional countered by challenging H2 (slate), but Covid set to boost longer term forecast

TV advertising challenging, across linear & BVoD

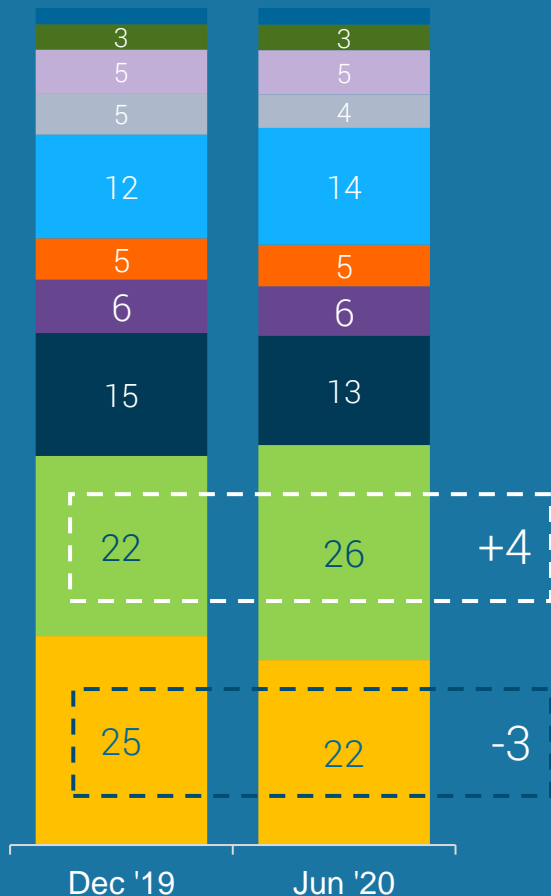
SVoD VIEWING BIGGEST WINNER IN H1 '20, SLOWDOWN IN H2?

100 Hours of Personal Video Viewing

Breakdown of All Respondents



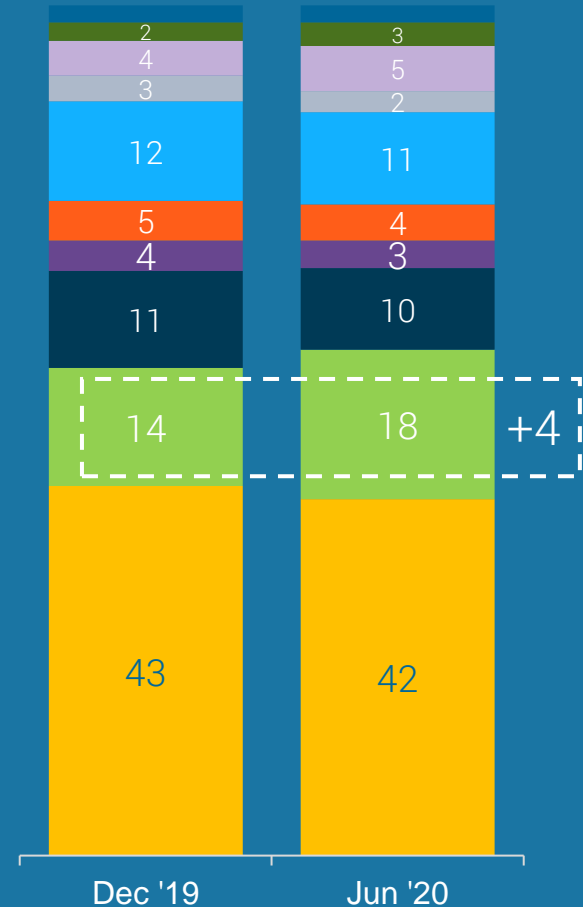
Total USA OTT Viewing: 55%
(49% Dec '19)



- Free Live TV
- SVoD
- Live Pay TV
- Recorded/from DVR
- On-demand / Catch-up TV
- YouTube etc
- DVD/Blu-ray
- Social Media Videos
- Transactional Digital
- File-sharing / pirated



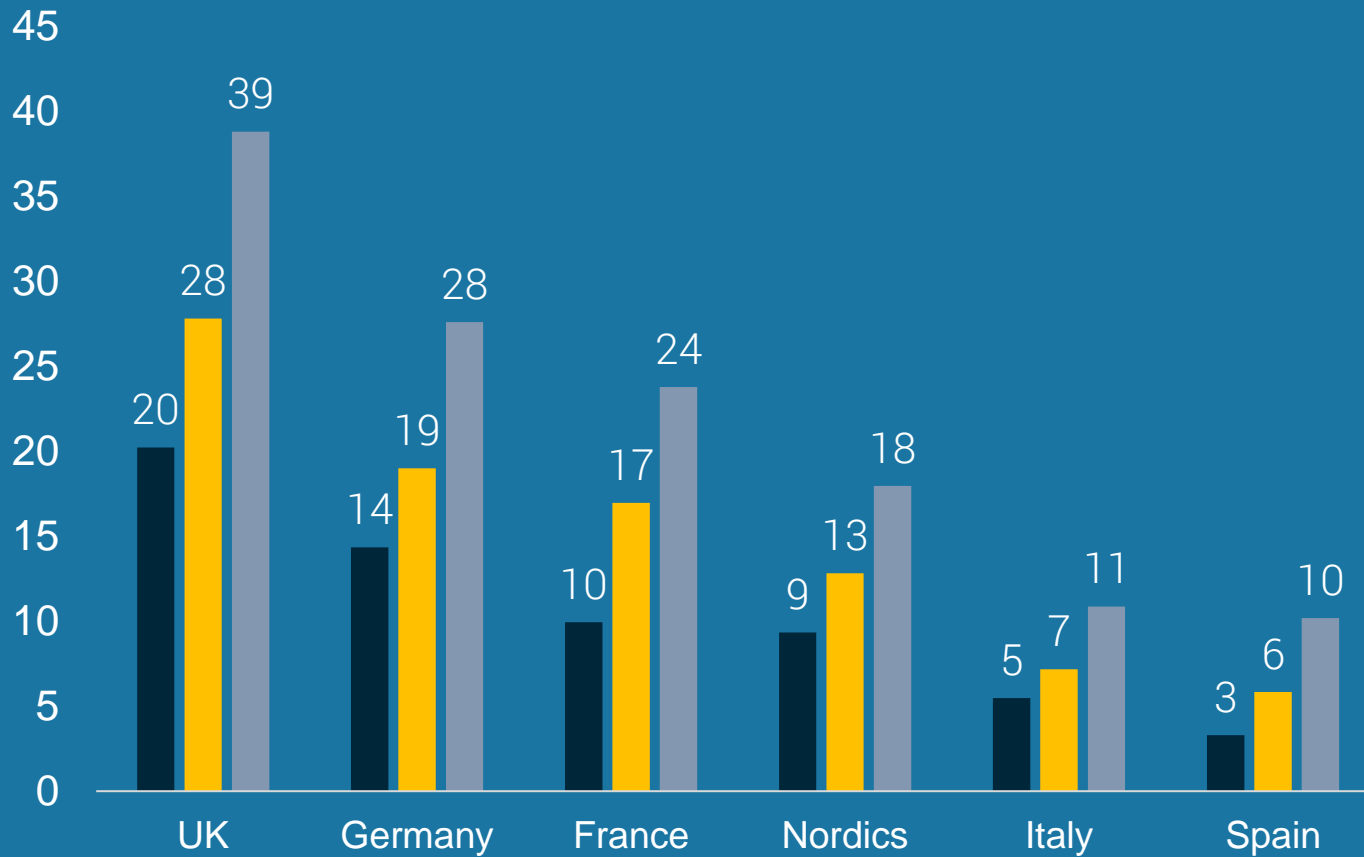
Total UK OTT Viewing: 43%
(39% Dec '19)



STRONG SVoD MOMENTUM IN '19 CONTINUES INTO '20 – ITALIAN GROWTH IMPRESSIVE

SVoD Subscriptions (M): 2018 - 2020

■ 2018 ■ 2019 ■ 2020



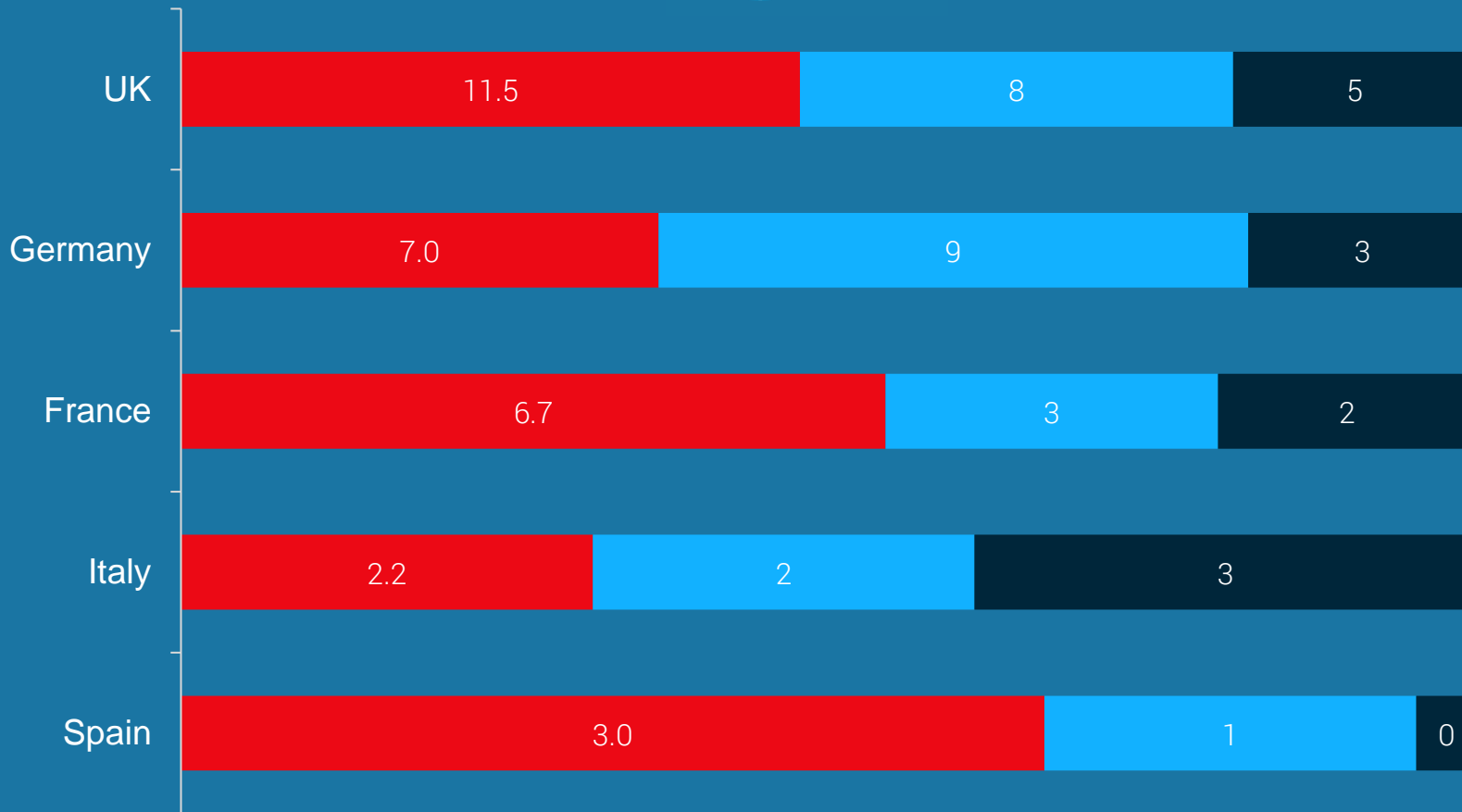
Growth YoY	2019	2020
UK	38%	40%
Germany	32%	45%
France	71%	40%
Nordics	37%	40%
Italy	31%	51%
Spain	77%	74%

Note: 2020 data remains estimates

NETFLIX & AMAZON PV LEADING SVOD IN ITALY

2019 SVoD Subscriptions (M): By Country & Service

■ NETFLIX ■ prime video ■ Others

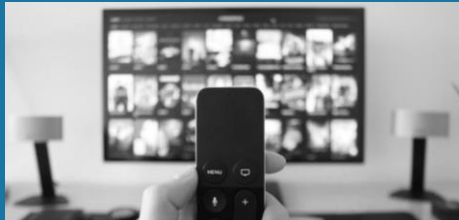


>1m in 2020

TV ADVERTISING DYNAMICS RAPIDLY CHANGING



NETFLIX NOW TV



PLUTO TV

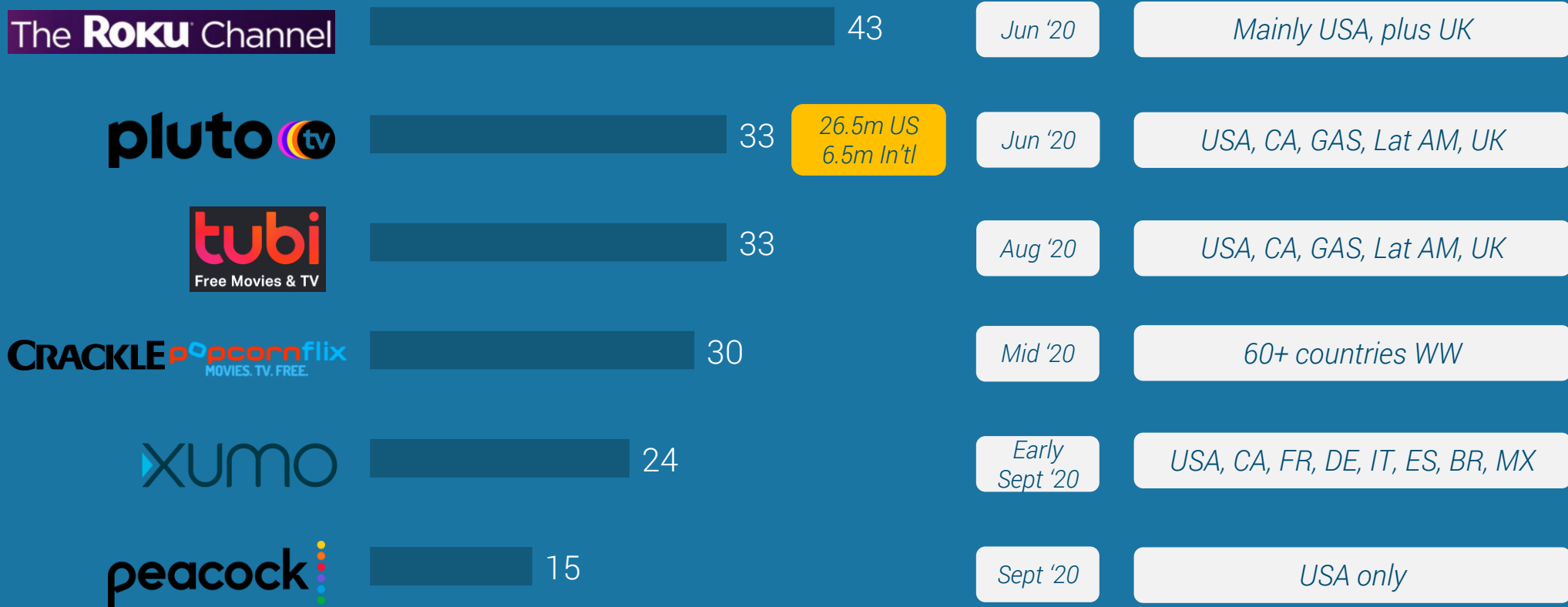
xumo

Rakuten TV

1. Rise of premium SVoD, Ad-free viewing
 - Largest growth sector, 28m subscriptions end 2019, booming in 2020 & lockdown
2. Evolution of Addressable TV as connectivity soars
 - Local innovation driving sector towards tipping point
 - Ads can be inserted into standard linear broadcast
3. New Wave of AVoD
 - Slotting into OTT viewers' schedules?

NEW WAVE OF AVOD SERVICES BOOMING, INTERNATIONAL GROWTH NEXT

Leading AVoD Service MAUs Millions:
Worldwide

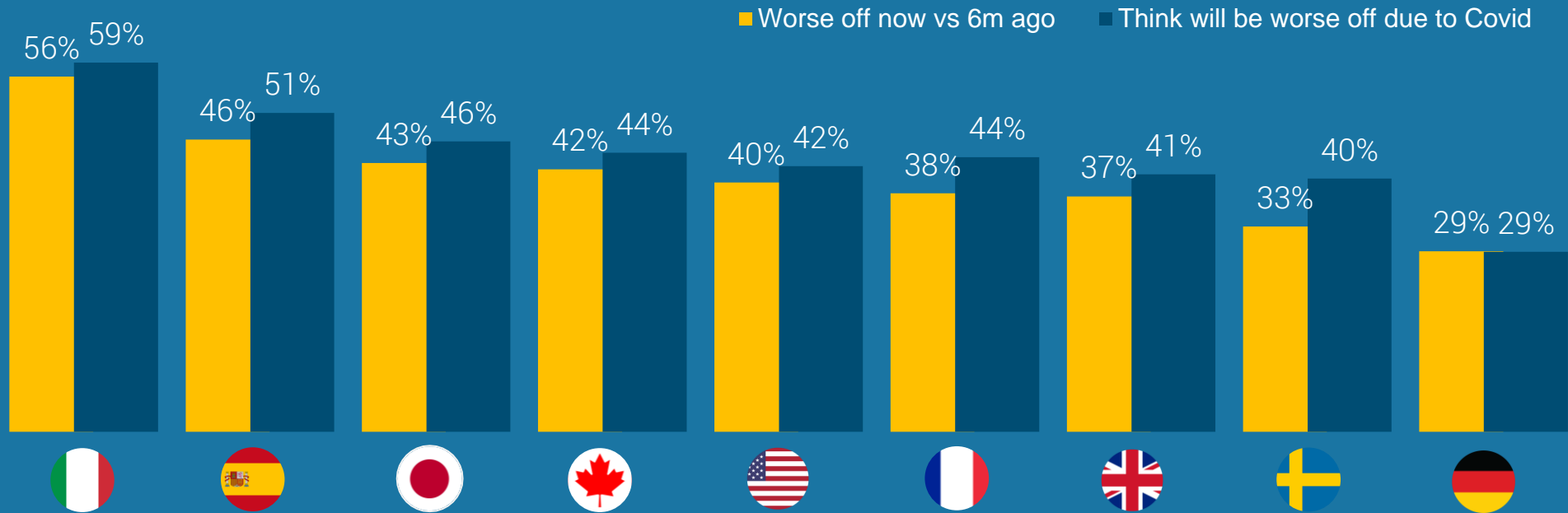


Also: IMDB TV (US only), Rakuten TV (Europe focus), Vudu (US only)

Note: Roku Channel & Peacock MAUs include paid-for subscriptions

ITALIANS FEEL MOST FINANCIALLY IMPACTED BY COVID – GERMANS LEAST

% of Total Respondents who say they are somewhat or Significantly Worse off Financially:
June/July 2020
Base: All Respondents



There is a notably different sentiment by country of those who feel they will be worse off financially due to Covid.

There are no major differences by age, although proportionally more 36-45s think they will be worse off, with the opposite true amongst 16-18's and over 65's

SUMMARY

| Diversification and Fragmentation of viewing continues, accelerated in 2020

| Addressing the youth audience is a key challenge for the broadcast industry.

- Under 40% of video content viewed by 16-25's is broadcaster sourced in Italy

| IP delivery is driving continued globalisation of viewing in Europe, taking viewing share from local broadcasters

| But Broadcaster VoD evolution will continue, with equal focus on live streaming/simulcast & on-demand/catch-up/library viewing

| Challenging 2021 ahead; production delays, recession, ad softness, service surfing

| But a creators/sellers market for content as thirst for more content continues

About Futuresource

Futuresource Consulting is a specialist research and knowledge-based consulting company with a heritage stretching back to the 1980s.

Its insight and global market coverage are based on informed regional expertise, ensuring its portfolio of world-class clients is fully supported in research, analysis, strategic planning and decision making.

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