Public-Democracy

ALLOWING YOU TO HAVE YOUR SAY

Database & Revenue Plan

> *Public-Democracy, through its subsidiary Public Democracy America Inc., owns and operates a Database of 114 million residents of the USA, all over the age of 18.*

> *As the owner of this database, Public-Democracy can directly connect with approximately 1 in 2 of adult US citizens.*

Some facts about our company.
Public-Democracy acquires a major asset.

❯ The history of the database.

Prior to Public-Democracy acquiring the database, Eleison, LLC, used it with an extensive client base, including the Democratic National Committee (and by extension The White House) as well as a number of large corporate and Not-For-Profit NGOs such as *Oxfam*, *Bread for the World* and *the World Evangelical Alliance* (WEA) which consists of 129 National Alliances and 104 Members. These clients will continue to use the services provided by the new owners of the database, (*PublicDemocracy America*) along with new clients currently either contracted or under negotiation.

❯ The data.

The extensive nature of the attitudinal, behavioural and values-based information, with a 10 year history covering 114 million US citizens, provides an invaluable and highly accurate platform to gauge future attitudes, behaviour and consumer patterns. Political organisations and campaigns (such as the US Presidential and Mid Term elections) have been using the database to gauge voter attitudes to proposed policies and to set campaign strategies.

How do we use the Database?

Public-Democracy's database was acquired in late 2015 from Eleison, LLC, a Washington DC based company which has been building, operating and licensing the database for over 10 years, on both a commercial as well as a pro-bono basis.

The database has been created over a 10 year period and was extracted over this time from the primary US Voter File (Electoral Role) database, which is the major database used by the political parties for electoral purposes. The database has been updated each year by comparing it to entries on the official US Voter File database, in order to maintain its accuracy and currency.

During this period (10 years) it has been used extensively (in excess of 100 campaigns) for the purposes of gathering opinions and attitudes on major topics, mostly for electoral and political campaigning as well as social purposes.

THE LONGITUDINAL (ATTITUDINAL & BEHAVIOURAL) DATA FOR EACH USER IS HELD IN A BINARY FORMAT WHICH
ALLOWS FOR BOTH STANDARD (POSITIVE/NEGATIVE) AND NON- RESPONSES TO ADD VALUE TO EACH ENTRY.

There are approximately 1500 positive data points and anywhere from 10 to 50 times that number of negative or zero data points per user, totaling in excess of 8.5 trillion information units. This data, having been acquired over a 10 year period, provides a very accurate profile of US citizen & consumer behavioural and attitudinal values along with the moving social trends over the acquisition period.

DATABASE SECURITY

❯ *The database is housed on Amazon Cloud servers, spread over a number of main servers, and utilizes the standard (comprehensive) Amazon file integrity and security protocols.*

❯ *For additional security and functionality purposes, static data, dynamic data and SQL files are all separated across various physical and logical locations.*

❯ *The longitudinal (attitudinal & behavioural) data for each user is held in a binary format which allows for both standard (positive/negative) and non- responses to add value to each entry.*

THE ACCURACY OF THE DATA

The accuracy and currency of the database has been verified by cross-matching against the main US voter database and has received formal written confirmation of its efficacy, giving it a score of just under 99% with the remaining 1% being classified as needing further verifcation rather than being classified as false. The above information on the database is current and verified via written third party assessments and reports, as of January 2016.

HOW IS IT USEFUL?

Political organisations and campaigns (such as the US Presidential and Mid Term elections) have been using the database to gauge voter attitudes to proposed policies and to set campaign strategies. This is an ongoing exercise, as there are major elections every 2 years and regardless of who the candidates or elected members are, the nature of the information and the potential to leverage political advantage are always present.

Commercial Potential.

CLIENTS

Prior to Public-Democracy acquiring the database, Eleison, LLC, used it with an extensive client base, including the Democratic National Committee (& by extension The White House) as well as a number of large corporate & Not-For-Profit NGOs such as Oxfam, Bread for the World and the World Evangelical Alliance (WEA) which consists of 129 National Alliances and 104 Member Associations. These clients will continue to use the services provided by the new owners of the database, (Public Democracy America) along with new clients currently either contracted or under negotiation.

CLIENT SPREAD : A) POLITICAL

Political organisations and campaigns (such as the US Presidential & Mid Term elections) have been using the database to gauge voter attitudes to proposed policies and to set campaign strategies. This is an ongoing exercise, as there are major elections every 2 years and regardless of who the candidates or elected members are, the nature of the information and the potential to leverage political advantage are always present. During a non-election year policy trials and attitudinal polls towards elected representatives are of major importance in order to maximize voter approval.

CLIENT SPREAD : B) FINANCIAL

Major financial institutions have expressed a desire to use the database contents to help fine-tune their product offerings and to target new clients who can be specifically identified into tight and narrow bands of interest and need.

CLIENT SPREAD : C) SOCIAL

Social and member driven organisations can provide a voice to their constituents by running 'Feed-Back Loop' and 'Viral' communications using the Public-Democracy App, which runs on smart devices such as phones and tablets, for instant attitudinal responses to ongoing events. This feed-back not only assists the organisations to tailor their offerings and services to their members for optimal effect, whilst minimizing wastage, but it also enhances the database by adding further valuable data points per user every time it's used.

CLIENT SPREAD : D) INDIVIDUAL

Individual users are empowered by having access to a large audience, using the Public-Democracy App, with the ability to express opinions, ask questions, receive verification and garner support for issues that are of importance to them. The ability to interact with their elected representatives directly, with major organisations and with large numbers of other individuals and then receive real-time acknowledgements and information provides an instant reward/stimulus for further and on-going engagement. The extensive nature of the attitudinal, behavioural and values-based information, with a 10 year history covering 114 million US citizens, provides an in-valuable & highly accurate platform to gauge future attitudes, behaviour and consumer patterns.

Revenue Generation.

A RANGE OF INCOME OPTIONS

Depending on the organisation, campaign, project or individual, there are a number of areas where revenue can be generated. These areas will differ based on variable factors, including the source, the campaign, the organisation and the issues.

Generally a combination of several of the below listed revenue options will apply for each type of usage.

- **Download Charge** - Flat fee or annually recurring per user charge for the APP (automatically via the Apple & Google stores)

- **Monthly Subscription** - Ongoing fee for regular usage of the APP

- **In-App Sales** - Upgrade charges for more functionality and more elaborate versions & options of the APP

- **Campaign Contributions** - Percentage of revenue raised for political campaigns
- **Fundraising** - Percentage of revenue raised for projects & events
- **Advertising** - Third party promotional placements (both as a view and on a click-through basis)

- **Content Charge** - Fee charged for the creation of video stimulus content

- **Campaign Set-Up Fee** - Fee for creating response options (questions and methods)

- **Distribution Fee** - Micro payment on a per user (large number) distribution basis, by organisations & campaigns

- **Response Fee** - Micro payment on a per user response for campaigns & large scale distribution

- **Bandwidth Charge** - Cost of bandwidth with profit markup
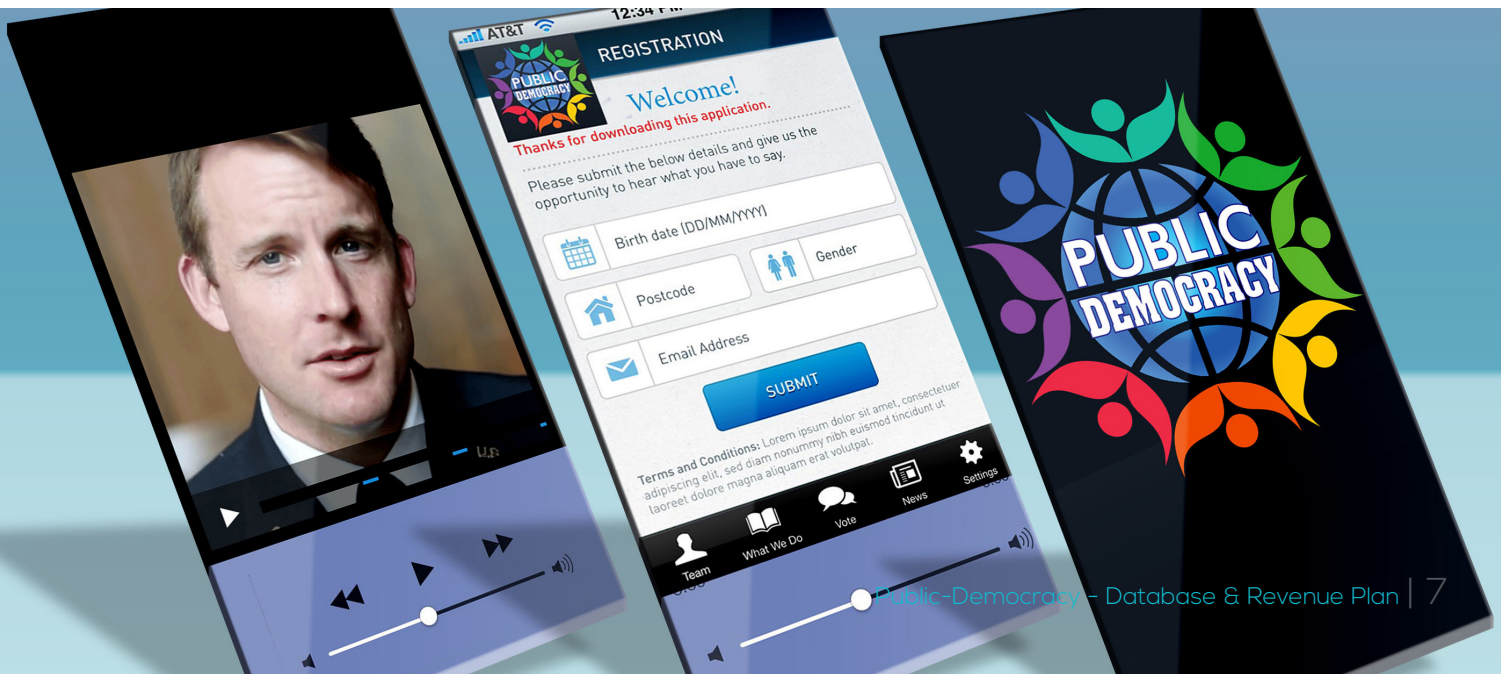
COMPARABLE VALUATIONS

DATABASE VALUATIONS HAVE BEEN BASED ON A VARIETY OF FACTORS, MOST NOTABLY THE VERIFIABLE USER BASE OR MAU (MONTHLY ACTIVE USERS). THE AIM WOULD BE TO KEEP ENGAGEMENT HIGH WITH THE POTENTIAL TO AGGREGATE DATA ON THE USER BASE.

Some comparable values, ascribed to well know companies in the large MAU space are listed below. It should be noted however that a number of these companies have relatively short data aggregation as opposed to Public-Democracy (10+years). It can also be observed that the stocks listed below have shown some independence from general market movements and would appear, based on performance, to be relatively self-contained.

COMPANY	NUMBER OF USERS	MARKET VALUE (USD)	APPROX 'PER USER' VALUE	
Twitter	302 M	$21 B	$ 69	(*) Aug 2015
Instagram	30 M	$ 1 B	$ 33	2012 bought by FB
Instagram	35 M	$ 1 B	$116	2015 per NASDAQ
Facebook	1.415 B	$231 B	$163	(****) March 2015
Facebook	1.415 B	$272 B	$189	(*) Aug 2015
Facebook	1.415 B	$306 B	$216	(****) Nov 2015
WhatsApp	450 M	$ 19 B	$ 42	(**) Feb 2014
Yelp	142 M	$ 2 B	$ 13	(***) March 2015
LinkedIn	97 M	$ 29 B	$302	(***) July 2015
SnapChat	100 M	$ 10 B	$100	(***) July 2015
SnapChat	100 M	$ 16 B	$160	(*****) Nov 2015
Weibo (China)	176 M	$ 3 B	$ 17	(***) Chinese stocks are
Cheetah (China)	395 M	$ 4 B	$ 10	(***) typically valued lower in US Market

Sources:

*   NASDAQ & Statista Aug 2015

**   Wall St Journal Feb 19 2014

***   Redpoint Ventures July 30 2015

****   Redpoint Market Watch March 20 2015 citing Dow Jones

*****   USA Today Nov 5 2015 citing S&P Capital IQ

****** Wall Street Journal Feb 2016 citing Dow Jones Venture Source

Note.

VARIANCES IN VALUATION, CAN MOST PROBABLY BE RELATED BACK TO A NUMBER OF FACTORS, INCLUDING, BUT NOT LIMITED TO, BUSINESS MODELS ALLOWING/NOT ALLOWING THIRD PARTY REVENUE SOURCES, USER DATA AGGREGATION OVER TIME, ACQUISITIONS (SUCH AS FB ACQUIRING WHATSAPP) AND GENERAL MARKET MOVEMENTS..

SNAPSHOT SUMMARY OF PD DATABASE

114 M
US citizens.

SOURCE :
US Voter Files
via opt-in process

CONTENTS :
Primary entries (static data-names contacts etc.), backed up by approximately 8 trillion data points

SECURITY :
Google, AWS & in-house procedures

STABILITY :
Used for 10+ years with verifiable results

VERIFICATION :
Annual comparison reports via compare and cross-match with official US voter files

DATA IQ :
Continuous increase of longitudinal information exponentially increases Data IQ

DATA SEGMENTATION:

Demographically significant, segments by age, gender, location & voting intention

MAINTENANCE:

Ongoing to confirm integrity

PRIVACY :

Created on an opt-in basis, third party usage/marketing is implicit

DECAY RATES :

Minimum decay through ongoing usage & annual verification

ACCURACY:

Verified in 2013, 2014 & 2015 for accuracy and currency by the original source

ECO-SYSTEM :

Can be fine-tuned into internal / external / independent & inter-dependent 'eco-systems'

MARKET DYNAMICS :

Strong position/ reputation - Second largest US DB - Largest commercially used US DB

RETENTION VALUE:

On-going "life" increasing in value over time through continued usage

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Visit www.public-democracy.com