

A woman with blonde hair is singing passionately into a silver microphone. She is wearing a black top. The background is a dimly lit karaoke bar with a screen displaying lyrics. The word "Singa" is written in a white, cursive font in the upper left corner.

*Singa*

# Join the new era of **karaoke**

**Singa modernises karaoke — the last analog bastion  
of the entertainment industry**

Private and confidential information · December 2021

You listen to music on Spotify  
*and* watch movies on Netflix.

To sing karaoke **you buy a DVD.**  
...wait, *what year is it?*



- 1 Singa is a karaoke streaming service with the **largest catalogue** in the world.
- 2 Singa works on both business and consumer use, **on any device**.
- 3 Singa is the only karaoke service that has direct deals with **artists and labels**.





We disrupt the **analog karaoke market** with:

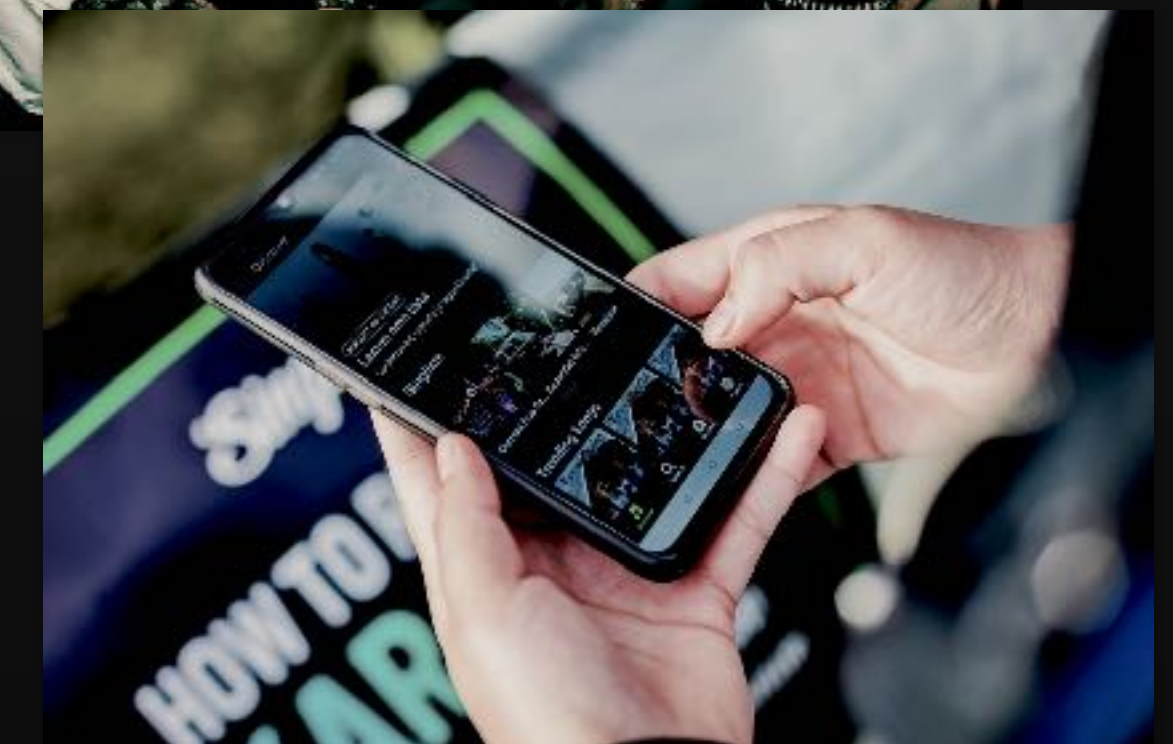
- ▶ vastly superior UX
- ▶ a SaaS business model
- ▶ a reconfigured value chain

We are the first karaoke service to use original tracks instead of re-recordings, **aligning the music industry behind our mission.**

Live in 13  
markets

€3.9M  
ARR+Bookings

US Soft Launched  
Apr '21





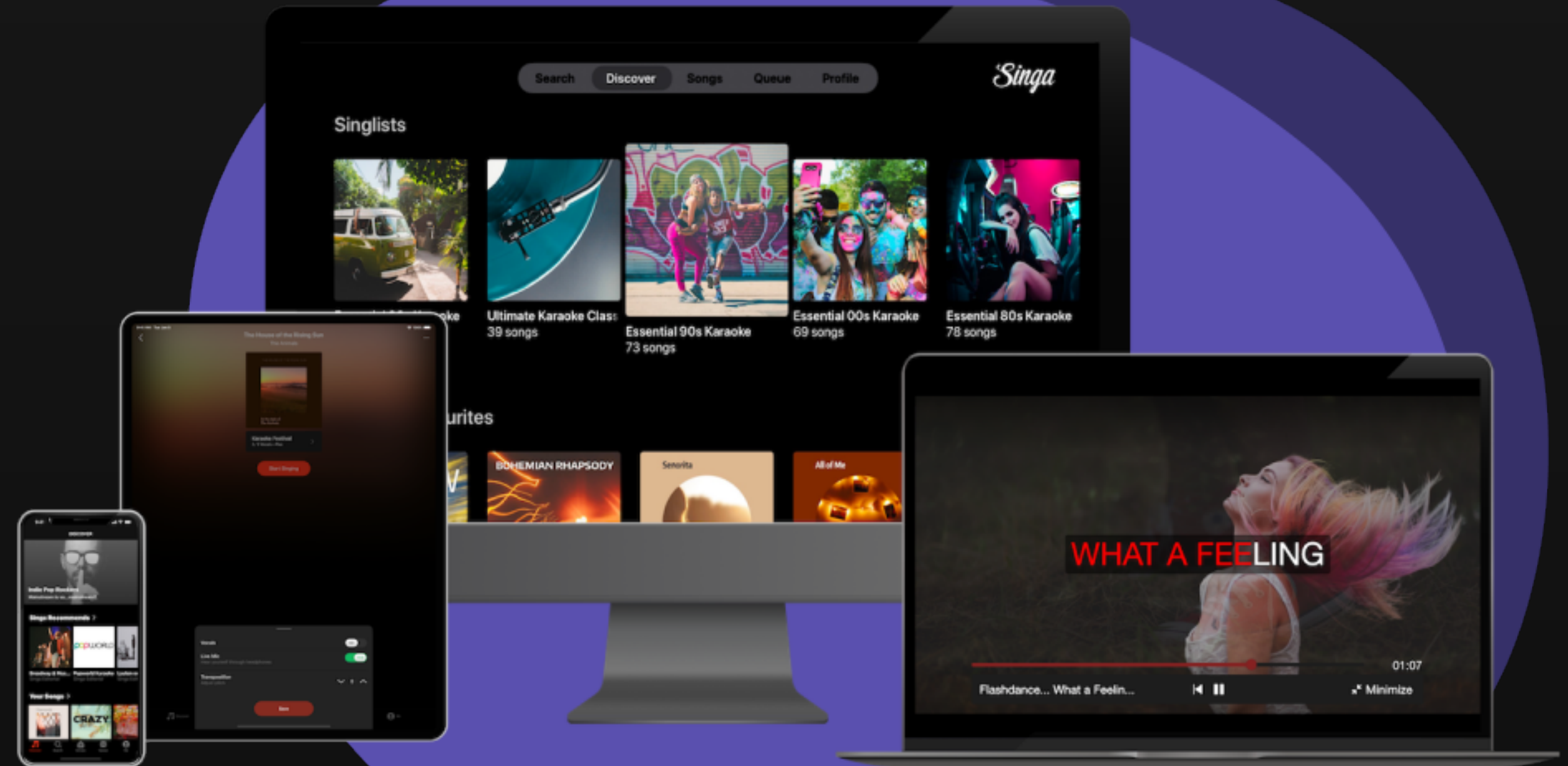
# Singa products



## Singa Business

*iPad | web browser*

Simply the best karaoke software for bars and nightlife venues, as well as schools, care homes and other non-profits.



## Singa Consumer

*mobile | web browser | smart TV*

Better than all the rest for singing karaoke at home using your mobile, computer or smart TV.

# Revenue model and metrics

TOTAL ARR + Bookings = €3.9 million

## Singa Business

Tiered offering. Available on browser and iPad.

<b>Business Lite</b> 99.99 € / month*	<b>Business Pro</b> 199.99 € / month*
Browser based, basic features.	iPad based. Enterprise features.

Rolling 12 month average	
Gross Margin	73%
B2B Monthly Churn	0,9%
B2B LTV/CAC	9
B2B YoY Sales Growth	29%

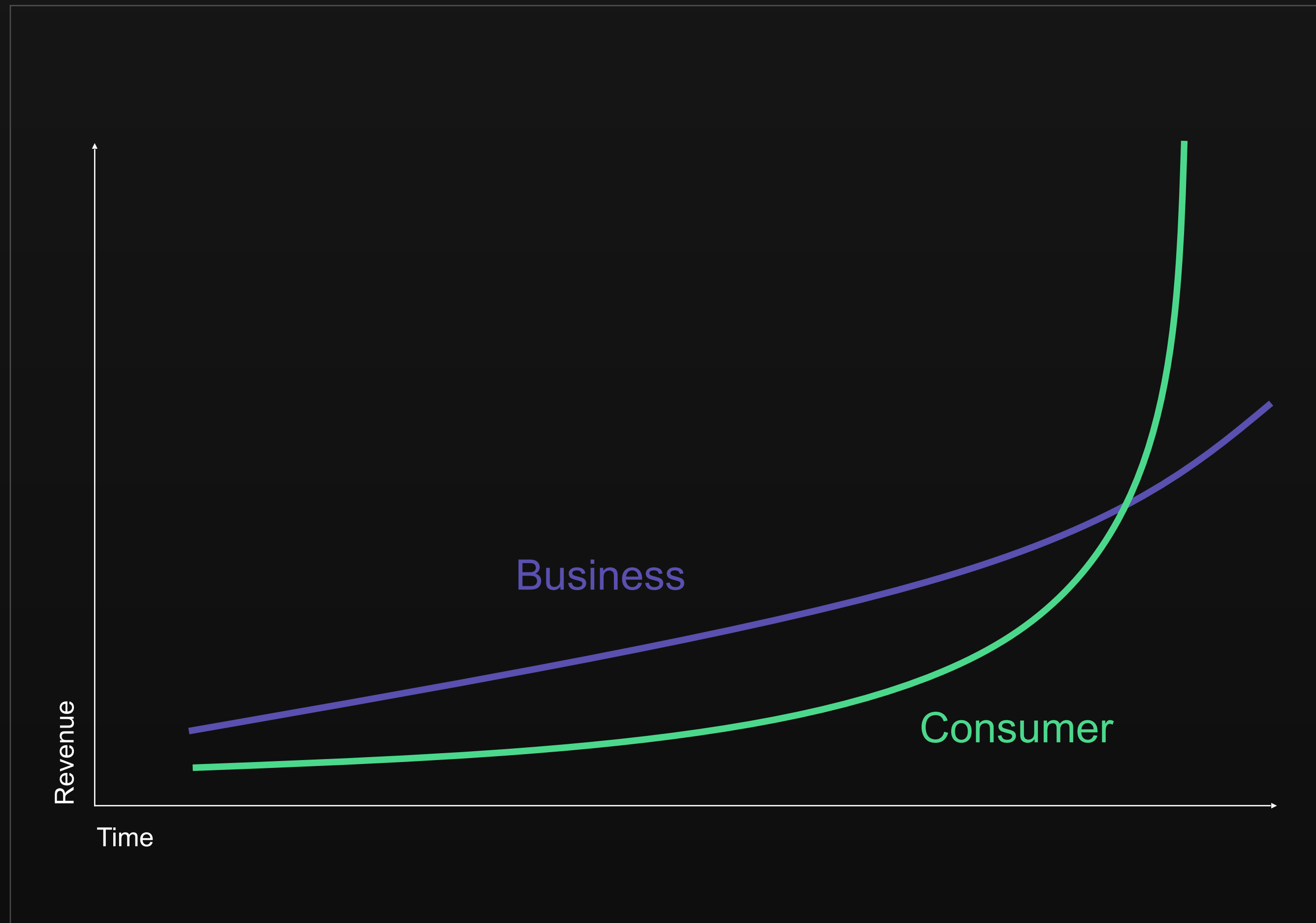
## Singa Consumers

Freemium subscription model. All platforms.

<b>Singa Free</b> 0.00 € / month*	<b>Singa Premium</b> 9.99 € / month*
Sing 3 free songs in a day.	Unlimited singing.

B2C Trial Conversion	57%
B2C Product Churn	7.5%
B2C LTV/CAC	10.2
B2C YoY MRR Growth	54%

# Company positioning – prosumer



- **Singa Business**

A fantastic business, with **high ARPU**, low churn and modest CAC.

- **Singa Consumer**

Value adding feature to enterprise customers, with organic, bottom-up, **scalable revenue growth**.

Every venue using Singa advertises our consumer offering. Every consumer user raises Singa's value to venues.

# Competition

The karaoke industry is highly **fragmented** and **low-tech**.

While mobile singing has seen a few tech entrants, all other verticals are still served by local incumbents with analog offerings.

This leaves the industry wide open for a tech company with the right approach to **roll up the entire market**.

Platform agnostic



FILE DOWNLOADS

DEFINITELY FOR KARAOKE *Singa*

 **YouTube** NOT FOR KARAOKE

Single platform



DISCS




GAMES/CONSOLES



CUSTOM KARAOKE HARDWARE

**Karafun**



 **Feelment**

VIDEO ON-DEMAND

 **yokee**

MOBILE-ONLY APPS

Analog

Streaming



# Company positioning – focus



- Singa is the digital standard for karaoke.

While others are building social networks and creator tools, we are the ***underlying source*** for all the world's karaoke – anywhere, anytime and on any device.

# Market opportunity

Everybody can sing.  
Singa makes it easier.

The “old school” analog karaoke market along with mobile apps and YouTube represents a \$15bn annual opportunity in the west.

Karaoke is where music was after iTunes, but before Spotify. We are that digital transformation.

While Asia has the most singers, historically Europe and North America represent the majority of music industry revenues.

## MARKET DATA POINTS

\$1B

Daiichi Kosho Ltd  
Annual revenue, world's  
largest karaoke company.

3M

Karaoke machines  
Sold in US Annually

40B

YouTube plays for  
unlicensed karaoke.

\$5B

Cumulative Sales of singing  
games like SingStar.



# Customers and partners

## 800+ Singa powered venues

We have a roster of more than 800 venues across Finland, Sweden, the UK and the US.

We serve the **biggest brands** and **publicly listed companies** in the hospitality industry and 40+ cruise ships around the world.

We've partnered with large consumer brands for effective user acquisition and brand building.

For more customer references see:

<https://singa.com/business/solutions>



# Key competitive technical advantages

## Direct licensing deals

### Massively complex undertaking

- major publishers and over 7500 indie publishers
- major labels\*
- major karaoke catalogues

## Highest standard compliance

### Key business process (*i.e. let's not get sued*)

- Music Reports Inc. systems for reporting and licensing (*other clients include Netflix, Spotify, Amazon*)
- Gregor Pryor, ReedSmith LLC as general counsel

## Proprietary tech

### What sets us apart from the old school, for good.

- Audio source separation using machine learning for clean vocal removal
- Automated lyric syncing and transcribing
- Proprietary content format, 10x compression compared to video
- Proprietary content engine, ultralight and portable to any platform



# Benefits for the music industry

- ▶ **Direct licensing deals** allow us to work with the entire music industry instead of relying on re-recordings.
- ▶ **Highest standard compliance** allows us to rollout globally, mitigating legal risk.
- ▶ **Proprietary tech** allows us to make any track singable at scale.

This sets us apart and **changes the dynamics of the entire market.**

## Karaoke industry today

### Artists and labels

Create a song. Publish song on Spotify, music video on YouTube.

### Karaoke track producers

Re-record a cover version of the original track. Licensed operators pay a small one-time fee to publishers, but not to labels and artists who make the song famous.

CONTENT

REVENUE SHARE

€€€

### Karaoke distribution

File downloads

Discs

Video

Digital services

## Singa's way forward

### Artists and labels

Create a song. Publish:

- the song on Spotify
- music video on YouTube
- for karaoke use in Singa

CONTENT

REVENUE SHARE

€€€

### Karaoke distribution

Singa's apps

Other services via Singa  
API & SDK

# Key team members

We understand the karaoke, music and tech industries.

We're able to **disrupt** the old, **comply** with the existing and **build** the new.



Atte Hujanen  
CEO, Co-Founder

- As CEO, scaled **Karaoke World Championships** to world's largest amateur singing competition (over 35 countries)
- As COO, co-founder scaled the **Slush** conference from 300 to 25 000 attendees



Tomi Pajunen  
CTO, Co-Founder

- **20 years** of coding experience
- Active open source contributor



Nils Paajanen  
COO, Co-Founder

- Formerly Investment Manager at **venture capital** fund Inventure (€200m AUM)
- Business Development at **Andreessen-Horowitz**-backed YourMechanic in San Francisco
- **10 years** of startup experience



Siegfried Paquet  
Licensing Lead

- Several executive roles at **Universal Music Group (PolyGram)** and **BMG Music Publishing (Universal Music Publishing)**, including head of global finance, CFO of BMG France.
- 25 years of global music experience in accelerating **growth and licensing** strategies of new business.



# Team

## Tech team

- 55 years of coding experience combined
- Top advisers in audio processing and Machine Learning
- Top talents in music reporting and infrastructure

## Offices

- HQ, Helsinki, Finland, 32 people
- Sales Office, London, UK, 3 people
- Sales Office, Florida, US, 1 person

## Licensing and legal – *extremely unique to karaoke*

- 40 years of experience in music industry both on label, publisher and digital service provider side
- Proven track record of handling music licensing for Spotify, Netflix and Amazon among others

## Sales and marketing

- 60 years of software sales experience
- 8 years of marketing experience from streaming service Deezer and Sennheiser
- Key advisors and partners within hospitality sector internationally

# Why invest in Singa?

Most advanced technology in an underserved **\$15 billion market**

Proven **product-market fit**

Demonstrated ability to **scale internationally**



Direct relationships with **record labels, publishers and artists**

Full commercial **US launch** in Jan 2022

**Strong team** with a proven track record in karaoke, music and tech industries



*Singa* | Singa Data Appendix  
November 2021

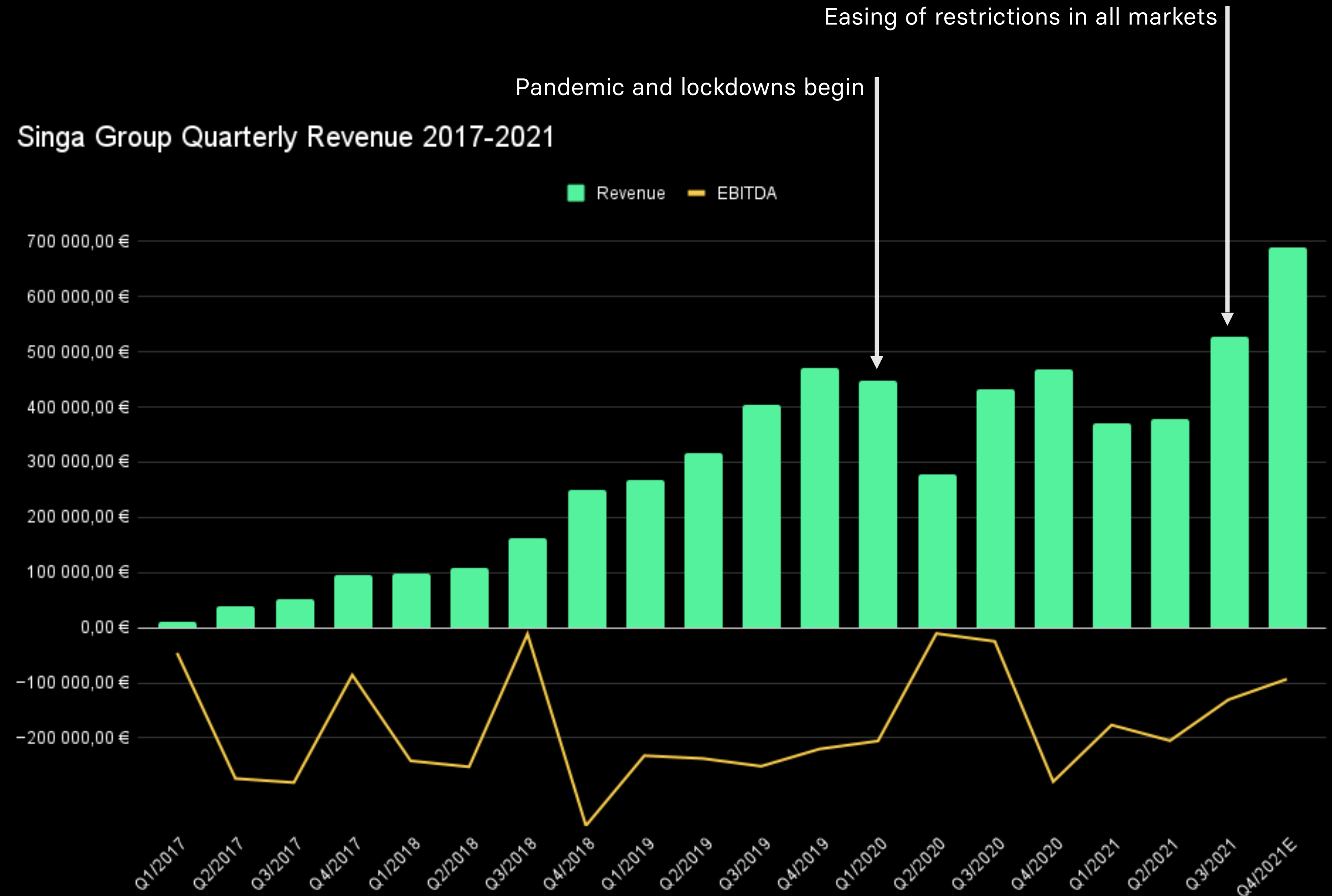
# Revenue growth

Prior to the onset of the COVID-19 pandemic our revenues grew at a CAGR of 171,5% and the company was on its way to **triple revenues in 2020**.

In Q1/2020, 72% of our revenues came from the hospitality sector. **The lockdowns** caused billings from our B2B segment to fall dramatically throughout 2020-2021.

**Despite these challenges we grew** annual revenues by 12% in 2020, salvaged by 111% growth in our consumer business.

With improved vaccination rates allowing countries to reopen and remain open, we expect 20% annual revenue growth for 2021 and expect to be back on the **3x growth trajectory by Q2/2022**.





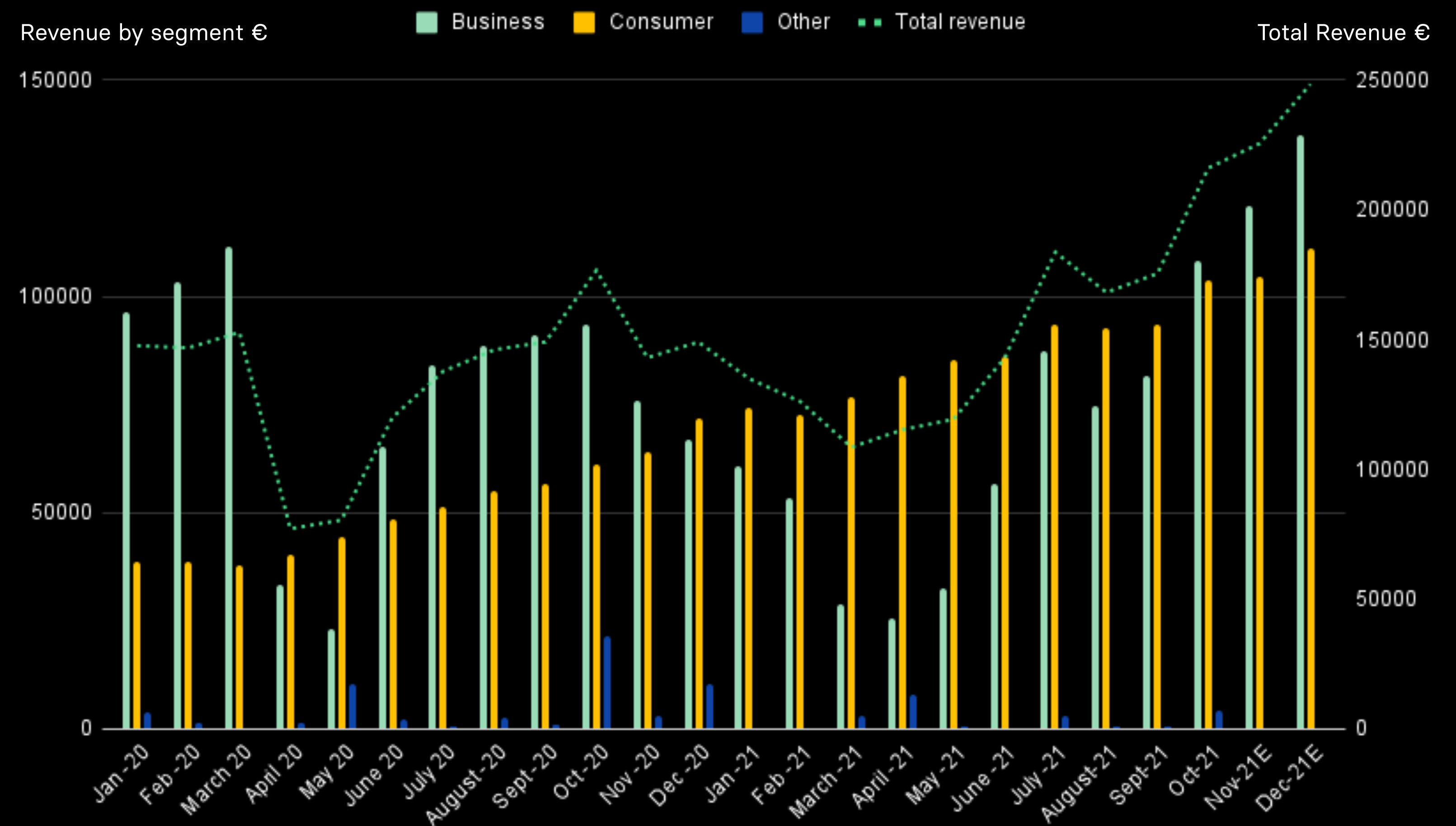
# Revenue composition

Prior to Q1/2020 our focus was on growing the **hospitality-led** business segment with the consumer business playing a supporting role.

As the pandemic hit we reacted quickly. By **refocusing** on the consumer business and fast-tracking R&D on our consumer products, we were able to generate **sustainable growth** in the consumer segment while maintaining strict capital efficiency.

As restrictions are lifting we are capitalising on our category leading products in both the **consumer and business** segments leading to all-time highs in total revenue in Q3/2021.

Singa group revenue breakdown 2020-2021



# Consumer product highlights 1/4

## People love singing, especially with Singa

As stated, we've seen rapid growth on the consumer side over the past 1.5 years. The growth has not only been fast but also sustainable as we see **increased engagement** in our singers in addition to the growing user numbers.

An average singer spends *over an hour* with Singa per week.

Average songs per singer per week



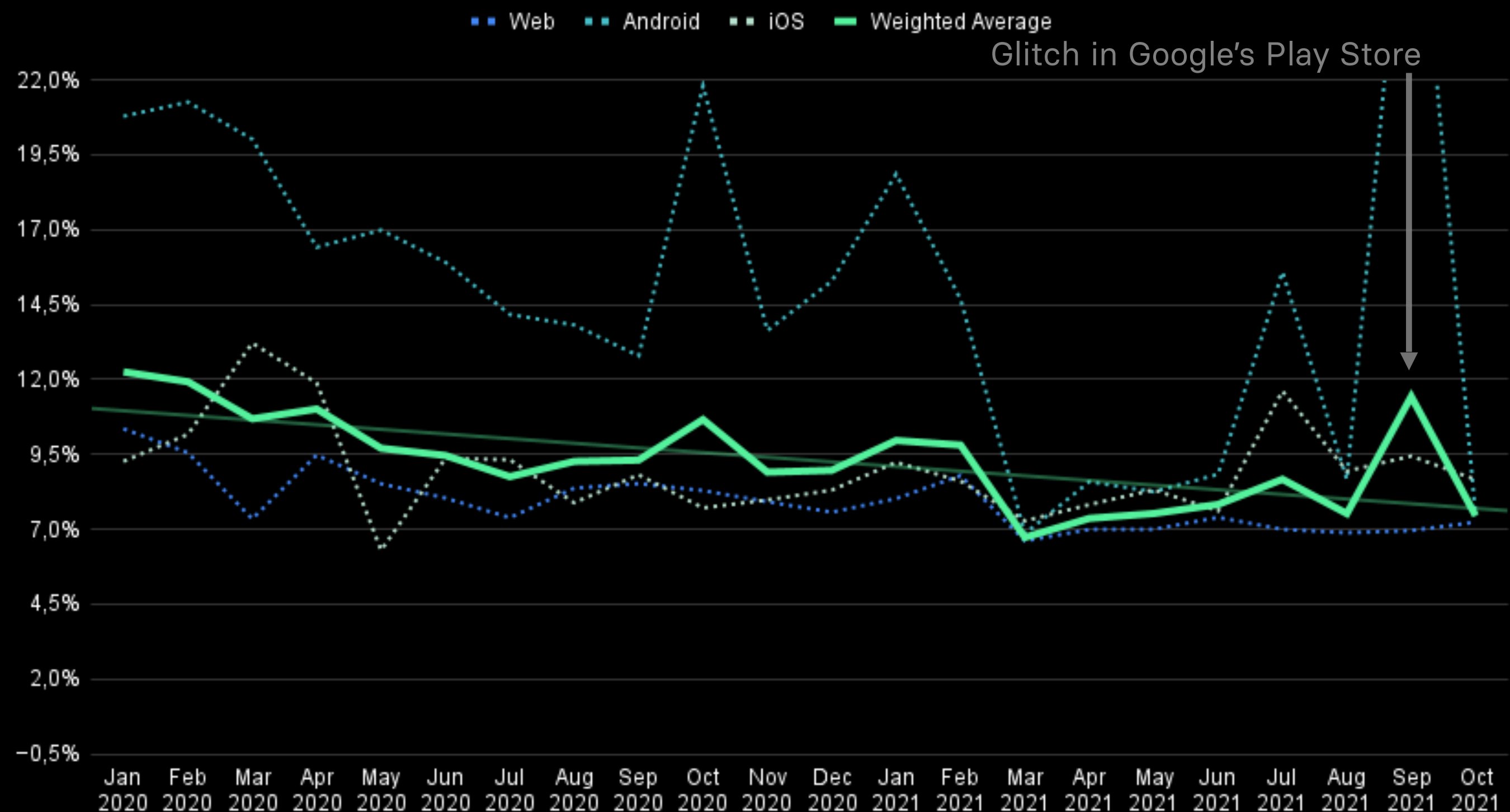
# Consumer product highlights 2/4

## People love singing, especially with Singa

Deeper engagement has led to lower churn. The trend has been largely led by increased, successful R&D investments in the consumer products throughout the pandemic.

Based on the company's R&D strategy, we believe that Singa will achieve the below 5% industry gold standard (*i.e.* *Spotify*) level of churn by 2023.

B2C Product Churn



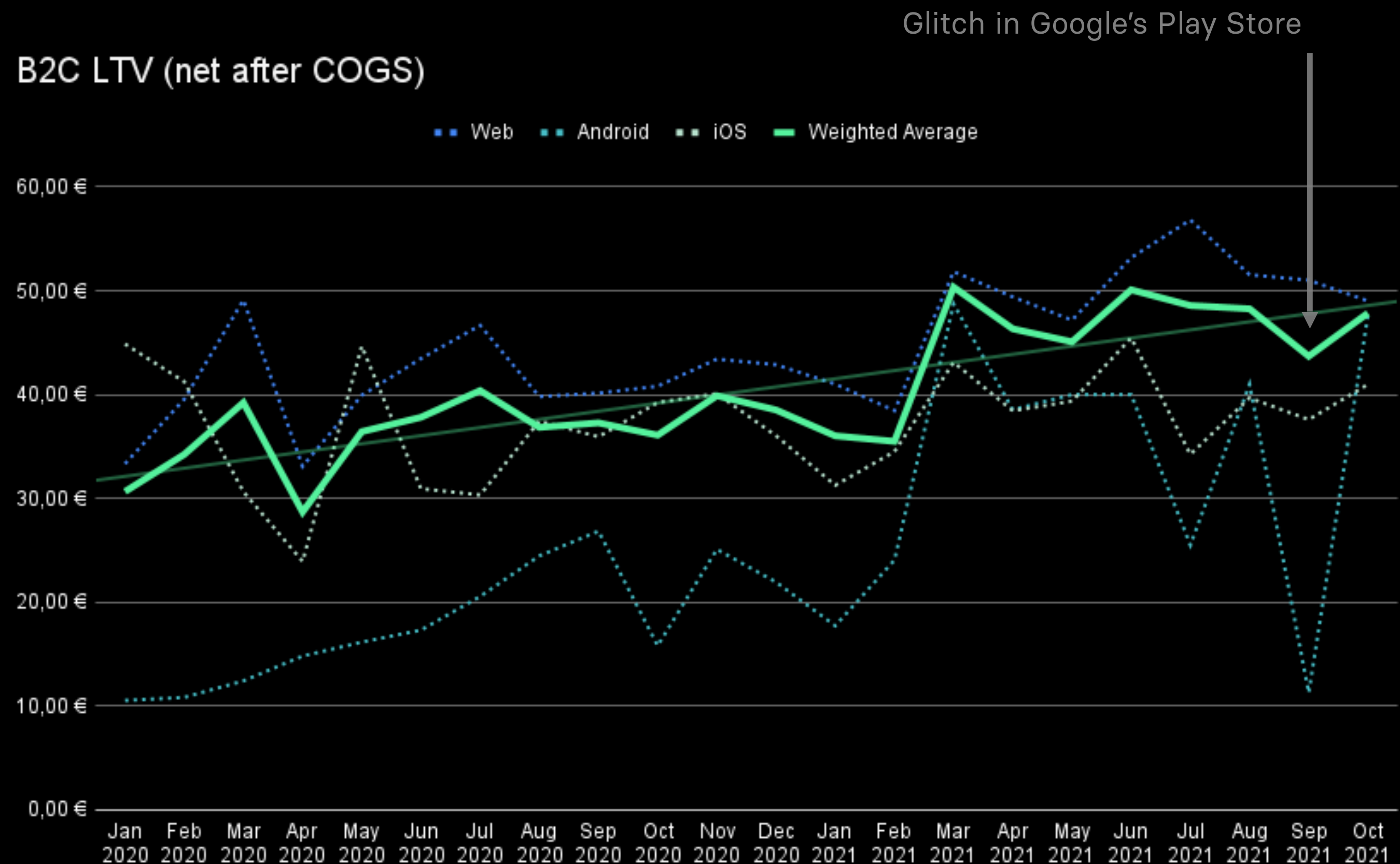


# Consumer product highlights 3/4

## Growing customer lifetime value

Increased engagement and lower churn naturally lead to good unit economics. Our customer lifetime values have increased significantly over the last two years.

While we do not currently invest heavily into paid user acquisition, these improvements justify scaling user acquisition and investing in growth.



# Consumer product highlights 4/4

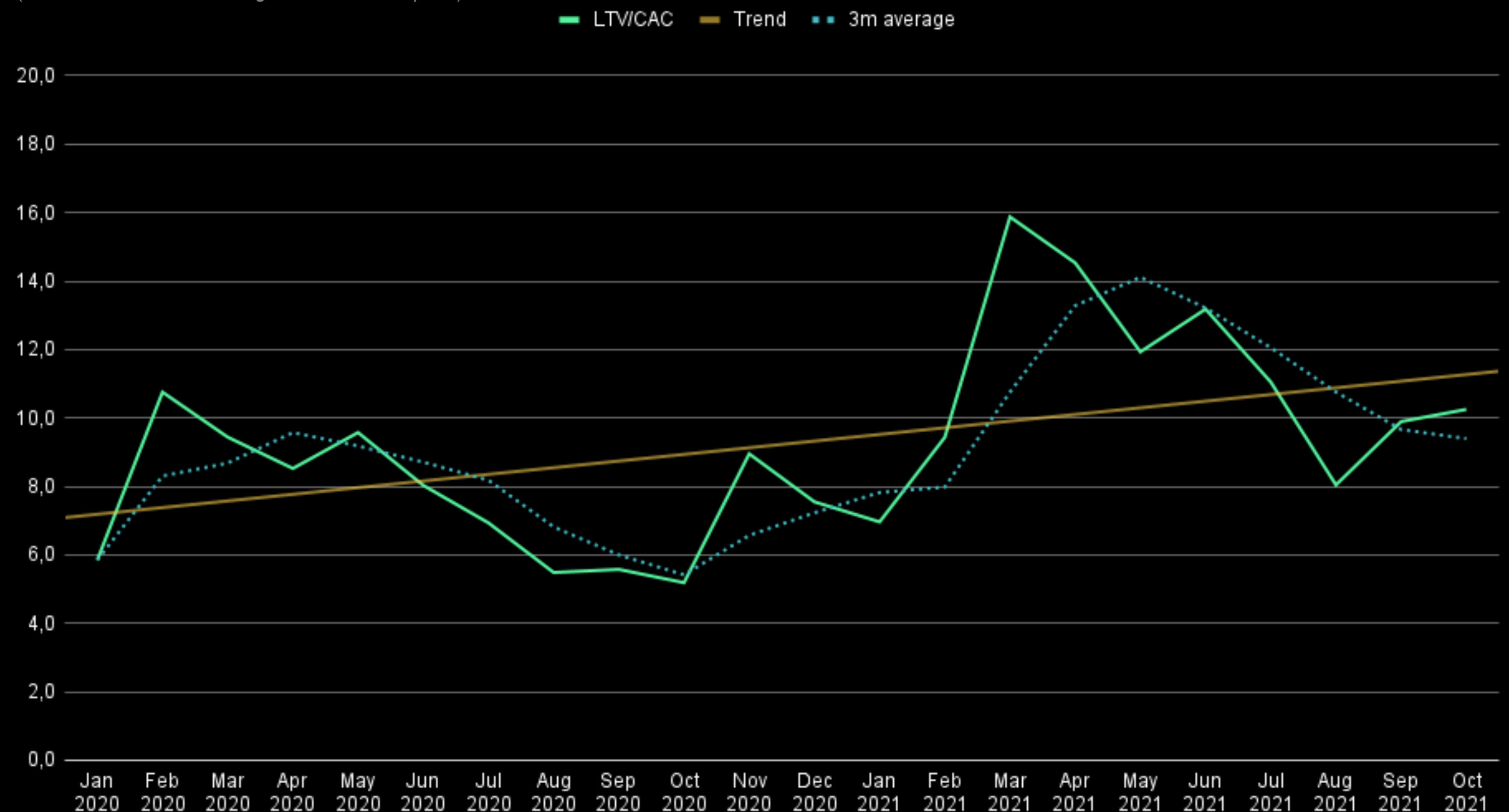
## Profitable unit economics are at the heart of our growth

Most of our growth has been led by organic user acquisition. For instance each Singa venue is a hyper targeted ad for the consumer service among karaoke singers.

Most of the paid user acquisition we do, is targeted towards boosting our organic channels online. Overall, this approach has led to very good unit economics, with room to grow user acquisition spend as we expand to new markets.

### B2C LTV/CAC

(CAC includes B2C marketing salaries and ad spend)



# Business product highlights 1/3

High logo retention, even during a pandemic

B2B YoY Retention		Year	Year	Year	Year	Year	Year
Pandemic & lockdown year	Cohort	0	1	2	3	4	5
Sales Pipeline Finland	2016	100,00%	100,00%	100,00%	78,59%	78,59%	78,59%
	2017	100,00%	98,59%	91,66%	84,58%	82,49%	
	2018	100,00%	91,01%	77,50%	75,05%		
	2019	100,00%	87,79%	83,56%			
	2020	100,00%	95,37%				
	2021	100,00%					
Sales Pipeline Sweden	2017	100,00%	91,83%	91,83%	77,72%	77,72%	
	2018	100,00%	97,71%	88,37%	85,21%		
	2019	100,00%	92,77%	87,26%			
	2020	100,00%	98,20%				
	2021	100,00%					
Sales Pipeline UK	2018	100,00%	82,06%	82,06%	79,41%		
	2019	100,00%	89,43%	86,49%			
	2020	100,00%	98,19%				
	2021	100,00%					

## Simply the best, better than all the rest

The Singa Business product is by far the best product on the market for in-venue karaoke. We become mission critical as an entertainment form for our customers, which has led to excellent retention. Our customer base can largely be divided into three segments:

- 1) Small single-venue businesses
- 2) Smaller hospitality chains and multi-room karaoke venues
- 3) Large hospitality chains, with needs for multiple licenses per venue and per organisation.

Of the little churn that we do have, most is in the Small single-venue segment, typically caused by either a business closure or a business model shift away from karaoke.





# Business product highlights 2/3

Average Net Revenue Retention, multi-license accounts (*hospitality chains, karaoke room venues*)

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
FI	100%	171%	234%	282%	360%	422%	512%	553%	553%	658%	777%	777%	757%	563%	563%
SE	100%	153%	200%	249%	277%	356%	391%	426%	537%	537%	756%	756%	756%	756%	1104%
UK	100%	132%	176%	203%	210%	210%	241%	265%	283%	283%	378%	502%	390%		

## Land and expand

While we started out selling to single-license/single venue businesses, with increased brand recognition and a growing trend in karaoke we’ve been able to expand up market to large hospitality chains requiring multiple licenses per venue and/or per organisation.

In these multi-venue accounts, an interesting fact is that a majority have not had karaoke as an in-venue entertainment form prior to seeing and investing in the Singa Business product. A great example is O’Leary’s (Social Eatertainment Group), a sports bar chain currently serving Singa karaoke at 26 venues across the Nordics.

The growth in this business segment is core to our strategy as we expand into the US, where these chains are larger and more common.



# Business product highlights 3/3

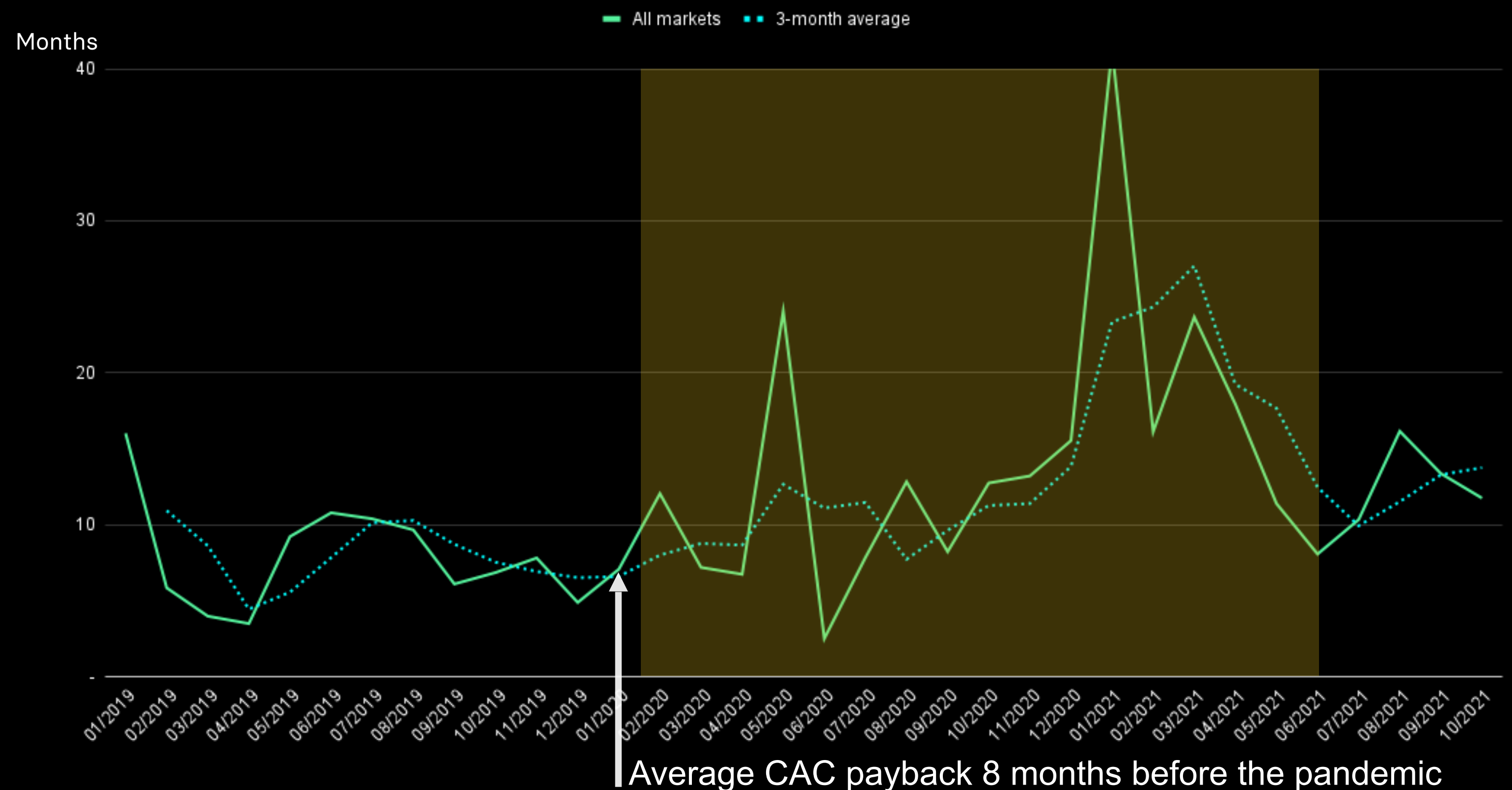
## Profitable growth is at the heart of Singa

Scaling is hard and expensive, especially if you are starting from the SMB market and working your way upstream towards Enterprise accounts. We've managed to do both with great unit economics.

The pandemic turned everything upside down, but before that (*and after*) we were able to master a very profitable method of acquiring new Business customers, with CAC payback periods far better than the industry standards.

What we have today is a sales model that is scalable and repeatable, with increasingly specialised roles throughout the sales organisation.

### CAC Payback Period





# THANKS

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