

# CYDigital, Inc.

Joseph Rizzo

CEO

[joe@cyd.digital](mailto:joe@cyd.digital)

703.244.8516

# B2C MARKETERS ARE UNDER PRESSURE

Right now, **B2C Marketers are under real pressure.**

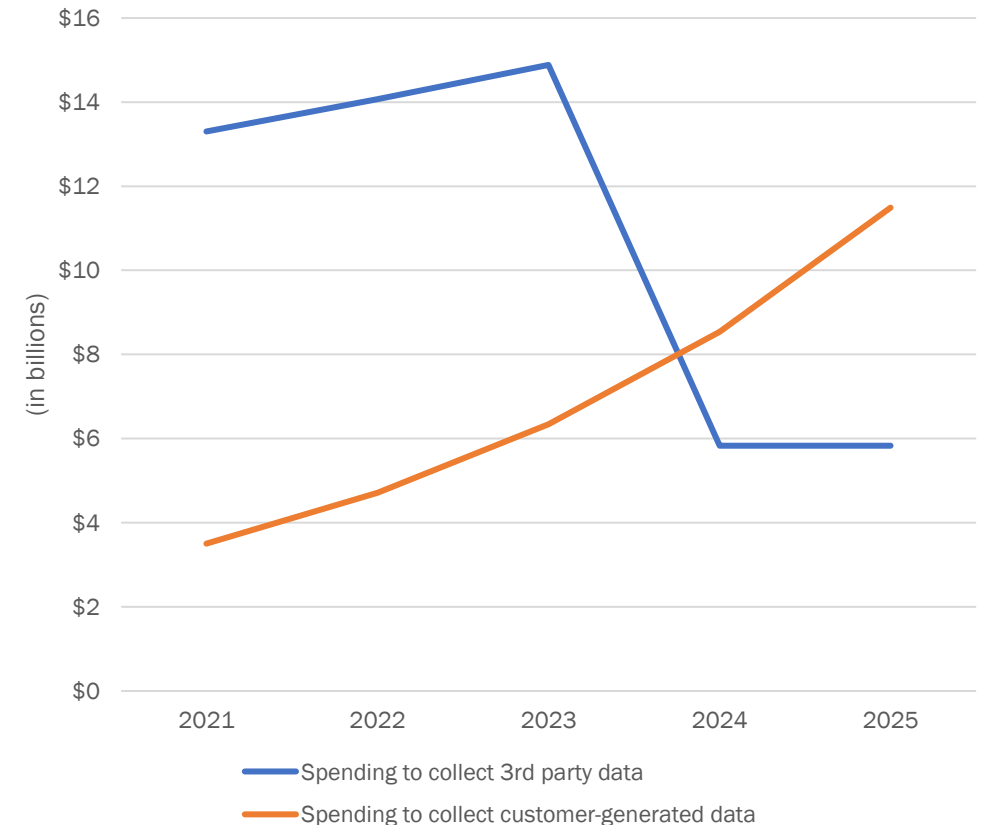
Cookies are the means by which B2C Marketers market to their consumers, not only through an understanding of their online behaviors, but also as a mechanism to reach consumers outside of the brand's digital properties that includes their website, social interaction, and email.

**This is all changing, and it is the most significant event to impact marketers since the beginning of digital marketing.**

Data privacy is mandated by consumers AND by the law, **leading to browser and operating system restrictions on the use of 3rd party cookies.** Yet marketers must continue to drive consumer engagement and return on advertising spending.

Note that the replacement market for 3rd party cookies is valued at \$14.1B. And spending on consumer-generated data is growing, as it has a projected CAGR of 34.6%.

US Spending on Consumer Data



*The market is moving quickly*

<https://www.marketsandmarkets.com/Market-Reports/customer-data-platform-market-94223554.html>  
[https://www.iab.com/wp-content/uploads/2022/02/IAB\\_State\\_of\\_Data\\_2022\\_Master.pdf](https://www.iab.com/wp-content/uploads/2022/02/IAB_State_of_Data_2022_Master.pdf)

# OPPORTUNITY TO RESHAPE THE LANDSCAPE

The shift away from 3<sup>rd</sup> party cookies presents a significant opportunity: take advantage of this sea change and offer to B2C marketers a path that is significantly better.

We're building a company around replacing third party data with data that reflects what the consumer is actually doing, i.e., their behavior. Not what they say they're going to do, but what they're actually doing online and/or in-store.

And more importantly, we're giving control of that consumer-generated data back to the consumer, where the consumer owns their data and, should they desire, share that data with their brand.

This will result in:

- Higher levels of consumer engagement and return on advertising spending.
- Strict adherence to global privacy standards, as the consumer controls access to their data and only shares it with the brand should the consumer desire to do so.
- Greater trust and transparency with the brand.

All of which leads to our Vision: deepening the brand/consumer relationship.

	TAM (total available market)	SAM (serviceable available market)	SOM (share of market)
Consumer Data Spending (\$B)	\$21.3	\$15.5	0.6%
B2C Companies ('000)	46	20	2.6%

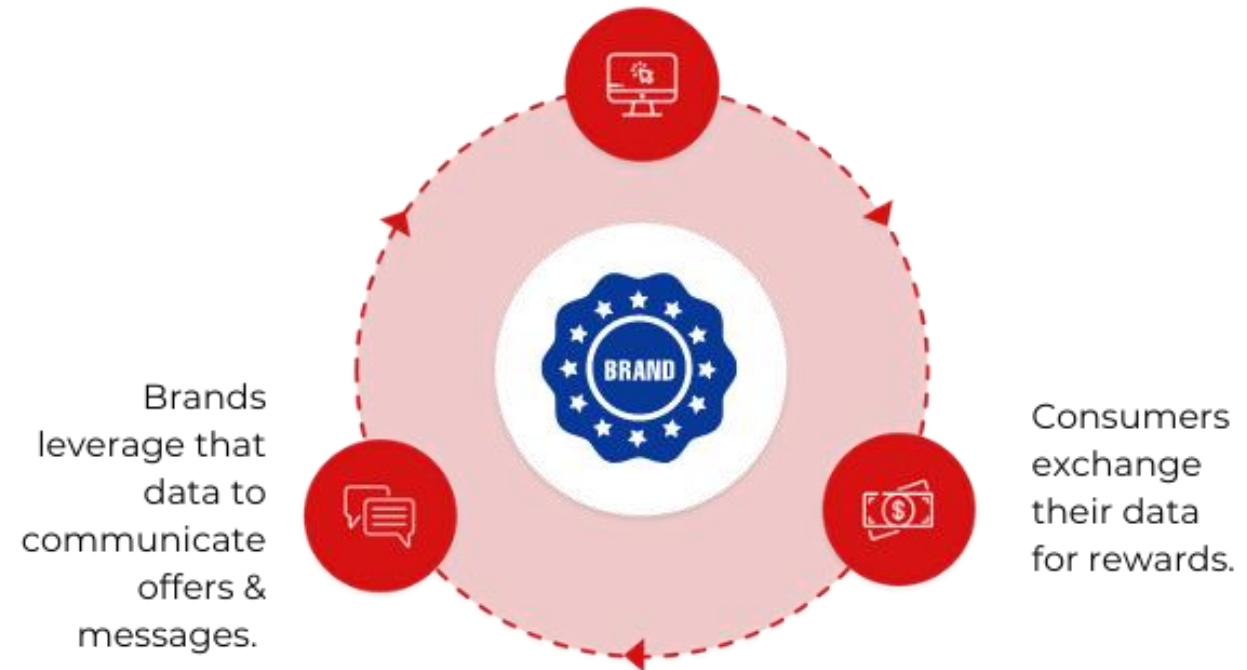
By Year 5

# THE SOLUTIONS THAT WILL RESHAPE THE LANDSCAPE

There are three basic categories of solutions that we're bringing to market:

- **Data collection solutions**, specifically clickstream data and geo-mapping data, where the data is collected and controlled by the consumer, and accessible by the marketer upon permission.
- **Data management solutions**, for example, where it is a regulatory responsibility for a company to delete data upon consumer request. Part of that responsibility is informing their consumers of the data that has been requested to be deleted. Our solutions allow consumers to remove the data they don't want as part of their profile while allowing them to continue to participate in the service.
- **Data response solutions**, where based on the high quality, revealing behavioral data, the marketer will want to respond, so we're building the capability to respond with great immediacy, relevancy and accuracy.

The brand's consumer captures and controls all behavioral data.



# COMPANY BUILDING HAS STARTED

## TRACTION

- Started in 2020
- Graduated from Newchip Accelerator July 2020
- Raised \$123k in pre-seed funding (SAFE) August 2020
- Completed: v.5 of our first product, Q3, 2021
- Completed: Approved Adobe Exchange Partner (integrated with Adobe Analytics) Q3, 2021
- Completed: Pilot Program (references available) Q4, 2021
- Created Advisory Board Jan 2022
- Hired CFO, CMO Mar 2022
- Currently presenting to B2C companies in the US and the UK to sell our v.5.

We've started down this path.

After graduating from an accelerator, we raised \$123K via two SAFEs to build our first solution, Marteq (description later in this presentation). With that completed, we applied for and received acceptance into the Adobe ecosystem, as we integrated with Adobe Analytics. This is a tactic that we will deploy repeatedly: build solutions, integrate with existing CRM, marketing automation and customer data platforms.

We secured a pilot program to gather metrics associated with usage for our first solution, and the results are shown in the backup section in this presentation.

We needed to build greater company expertise, so we created an Advisory Board, and we hired a fractional CFO and CMO.

Although we are pre-revenue, **we are building a sales pipeline with our .5 version of the product** (which collects data across Chrome desktop and mobile) and are excited about our prospects.

# OUR EXPERIENCED MANAGEMENT TEAM



## Joe Rizzo, CEO and Co-Founder

<https://www.linkedin.com/in/joemktg>

Leader in the marketing technology industry. Leadership positions with startups up to F500.



## Russ Odom, CFO

<https://www.linkedin.com/in/russodom/>

Strategic and operational leadership, management and working with private equity and venture capital investors.



## John Rizzo, CTO and Co-Founder

<https://www.linkedin.com/in/rizzo>

Held senior technology positions such as: Chief Architect at Vodafone Global, VP Technology at Aplix Corp, and SVP of Products and Innovation for Ubitus Inc.



## Morgan Pierce, CMO

<https://www.linkedin.com/in/morgnpierce/>

Marketing expert, serial entrepreneur, and global speaker. Has been involved with more than 30 successful start-ups in Cybersecurity, Fintech, and Martech.

We are a very strong, very experienced management team with a track record of bringing startups to market and delivering robust ROI for investors. Our backgrounds incorporate technology, branding and marketing, the exact criteria necessary for our company's successful growth.

We're supported by our advisors whose expertise covers all aspects of our mission.

### Advisory Board



Fred Cohen  
AB  
Management  
<https://www.linkedin.com/in/dr-fred-cohen/>



John Murray,  
PhD  
AI &  
Technology  
<https://www.linkedin.com/in/jmm900/>



Paul  
Hemingway  
B2C Brand  
Mgmt  
<https://www.linkedin.com/in/paulhem/>



Michael R.  
Gonzalez  
IP & Technology  
<https://www.linkedin.com/in/michael-r-gonzalez-8378454/>



Andy Freeman  
Startup Mgmt  
<https://www.linkedin.com/in/jandrewfreeman/>



David Chrobak  
Prod  
Development  
<https://www.linkedin.com/in/david-chrobak-3577682/>

# THE FIRST SOLUTION WE'RE BRINGING TO MARKET


On behalf of the B2C marketer, CYDigital's™ SaaS application **Marteq** collects *consumer-controlled clickstream data* from the marketer's consumers, replacing data from third party cookies.

The 1-sided market solution we're selling to B2C marketers replaces third party data with *consumer-controlled clickstream data* collected from *all the consumer's online activity*, not just the marketer's digital properties.

Based on the consumer's clickstream data the marketer *can immediately*

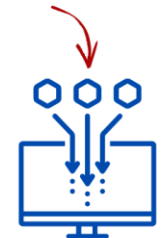
*react to and communicate with the consumer* from within the consumer's browser.

Our solution delivers deep consumer insight leading to *10x higher consumer engagement* for brands while *meeting global data privacy laws and constraints*.

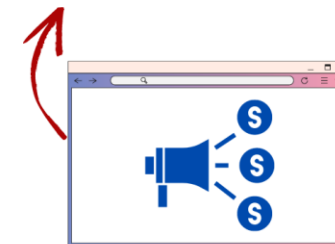
 B2C marketers invite their consumers to download the app.



- Consumers profit from their data.
- Marketers increase engagement and ROAS from deep data insight.
- All within data privacy constraints.



Clickstream data is collected and controlled by consumers (web pages visited, social, shopping, media, etc.).



Marketers use the data to personalize messages & immediately communicate via the consumer's browser



Consumers opt to exchange their data for the marketer's rewards.

# PILOT PROGRAM HIGHLIGHTS

FRANÇOIS ERNER, CHIEF  
INNOVATION OFFICER AT  
RESPONDI

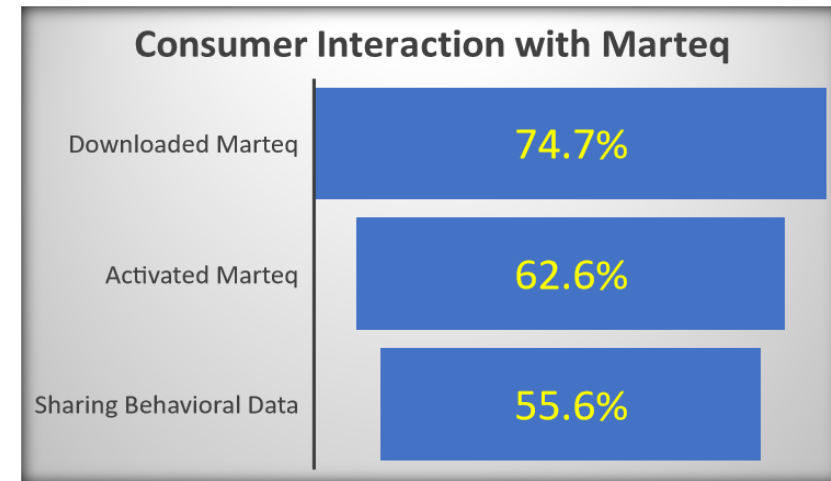


We recently piloted our initial product Marteq with respondi, at the time Europe's largest consumer research panel company (since acquired).

It erased any doubts about consumer participation, **where close to 75% of respondi's targeted consumers downloaded the application and over 55% actively shared their clickstream data with respondi.**

Just as importantly, our application's in-browser functionality proved to be very impactful with **click-through rates that reached 37%.**

**MORE THAN HALF OF CONSUMERS WILL BE WILLING TO SHARE THEIR DATA IN EXCHANGE FOR REWARDS (55.6%).**



*THE CLICK-THROUGH RATE FROM MESSAGES: **23%***

*THE CLICK-THROUGH RATE FROM OFFERS: **37%***

*WHEN A REWARD IS OFFERED: **A 65% INCREASE IN THE CLICK-THROUGH RATE***

"We agreed to pilot the Marteq app as we recognized the opportunity to transform our market research service to customers by providing enhanced customer targeting and a deeper understanding of consumer behavior. We enjoyed working with Marteq and they managed the pilot very smoothly and professionally, causing minimal disruption to our usual business. They were very responsive to our requests and treated our panelists with the utmost respect. **The outcome of the pilot showed that Marteq could prove to be an important tool in enforcing our market position as an innovative panel research agency leveraging new technology.**"

# THERE IS SIGNIFICANT VALUE IN OUR IP

## Patent Application Schedule

Current	TraceID™
Q4'22	Just in Time Data Analysis
Q1-Q2'23	Consumer Segmentation
Q1-Q3'23	Approach to DDRs

Our IP strategy is to give consumers a place where they can collect, store, manage, and control access to all their digital items: a decentralized personal warehouse for everything with granular control. This personal warehouse will increase in need and importance as the world moves to Web3 models. We see this as the way people will connect to services, be it photo sharing, document sharing, clickstream data

sharing, and many others. This personal warehouse will become a supplemental or alternate revenue source generator for consumers. To move in the direction of the vision we have initially chosen the strategy of focusing on one data area, the clickstream. Our initial market approach will be to work directly with brands to build deeper relationships with consumers.

# OUR BUSINESS MODEL

The products we are building will use a SaaS model where we draw upon multiple revenue streams: data collection, data management, and in-browser communication based on that data.

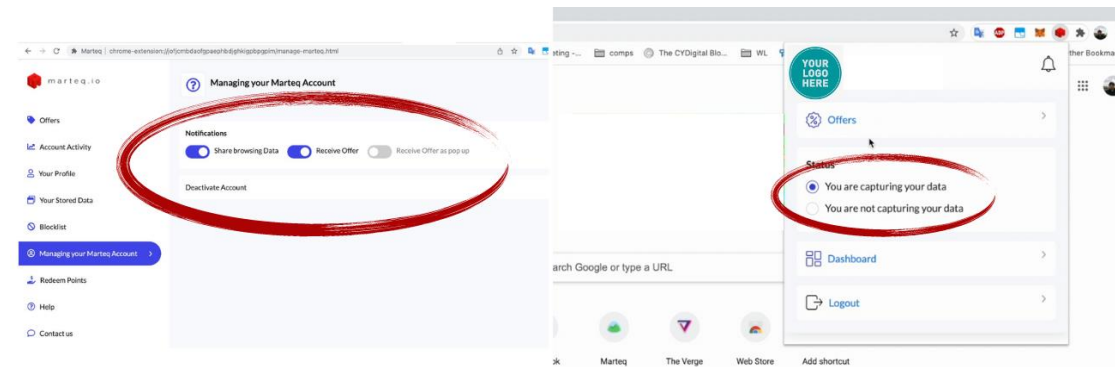
The first is a monthly recurring revenue model where we will invoice the B2C Marketer for each consumer whose data is collected. This could be clickstream data, geo-mapping data, etc.

There is also a monthly recurring revenue model where the client is billed for access to the data for management purposes. For example, should the client need to access a consumer's data to manage the data

on behalf of the consumer, the client will be billed for data access.

The third revenue stream stems from our in-browser communication, where the marketer can respond immediately to the consumer based on that consumer's behavior. This feature effectively cuts out the need to use email communications. So for example, with our in-browser communication, the marketer can protect their brand from churn by intercepting consumers should they visit competitive sites, in other words, should the consumer visit a competitive product, the marketer can immediately send an in-browser message with an offer that counters the competition.

Consumers have full control over data sharing...



...as well as data capture.

# A GO-TO-MARKET PLAN BUILT ON EXPERIENCE

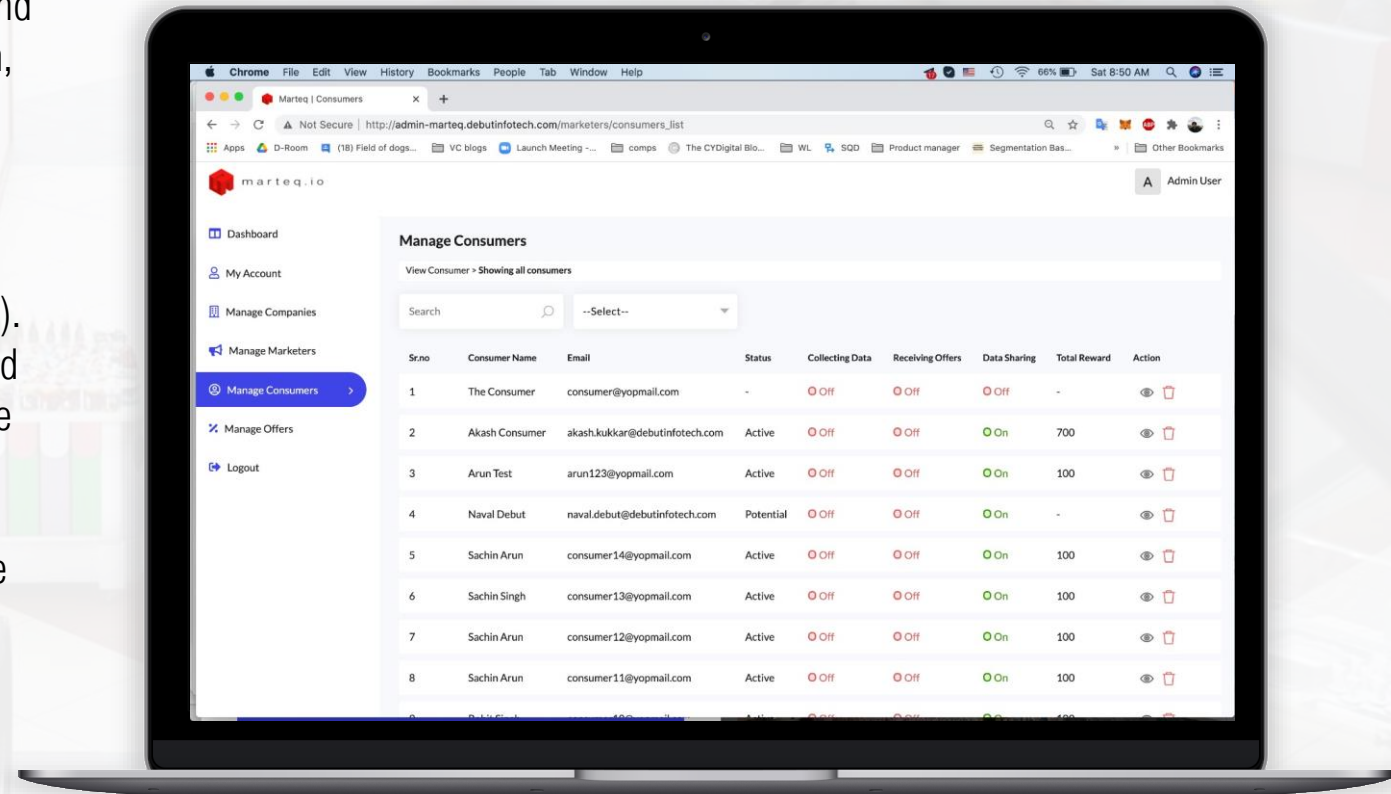
Adobe  
Exchange Partner  
INNOVATE

Now regarding our go to market plan...

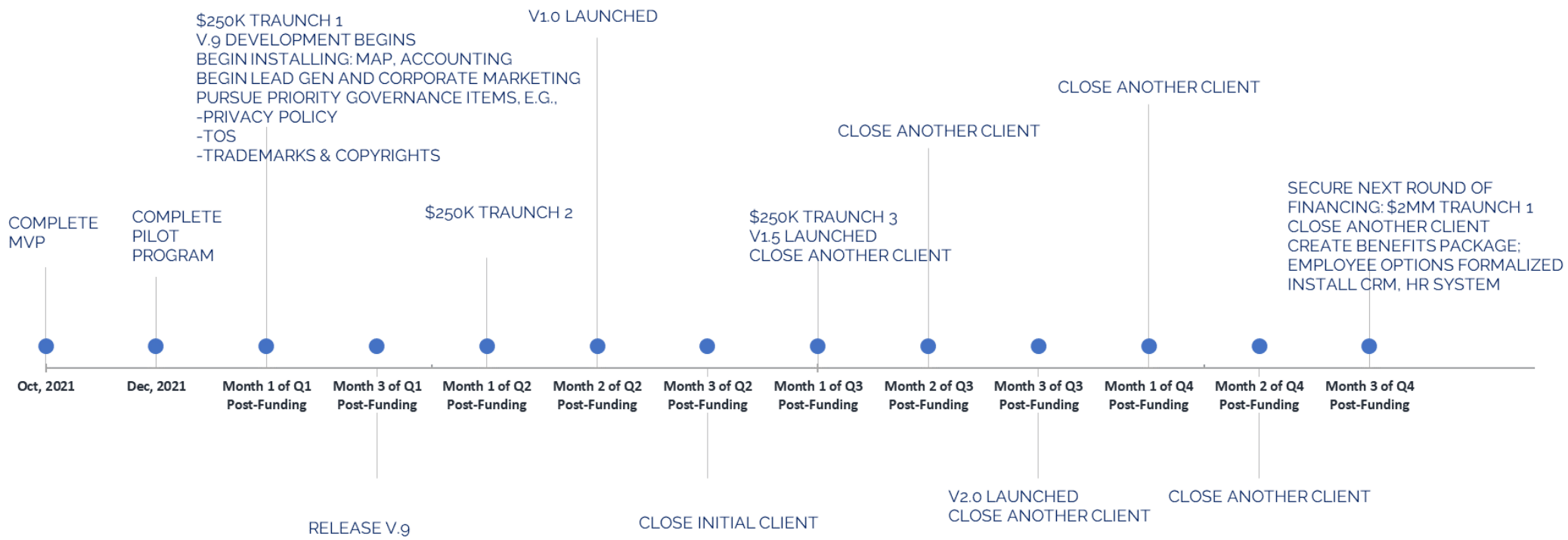
We will sell to B2C marketing decision-makers in the U.S. Our initial focus will be on those with loyalty programs and partner customers, e.g., Adobe clients (as we are integrated with Adobe). Our plan is to continue to extend our reach into the market via integration with other marketing automation, CRM or customer data platform partners.

The Marketing effort will focus on driving opportunities into Sales. We'll take a verticalized approach to B2C marketers, and develop/distribute desired content (white papers, articles, webinars, interactive quizzes, etc.). To reach these marketers, we'll deploy: email & LinkedIn, earned and paid media, shows and events (post-COVID). And we will continue to leverage our integration partnerships to reach their customers, e.g., Adobe.

Regarding our Sales effort to close and manage those opportunities? The Account Manager pursues and closes clients, and the Account Representative manages clients. We have this complete function mapped out and budgeted as a part of our financials.



# OUR YEAR 1 POST-FUNDING STRATEGY



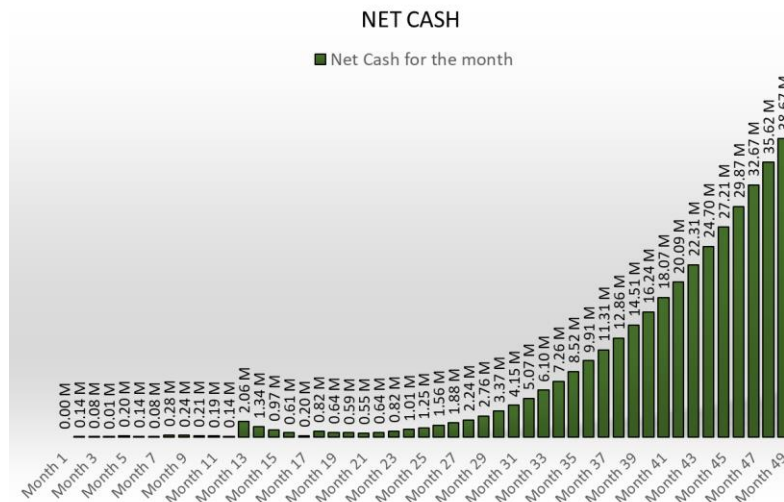
Our Year 1 strategy is mapped out and straightforward to build the company's value: for our initial product, we currently have version .5 built, which we are actively selling. With investment across three tranches, we will build and launch versions 1.0 and 1.5 so that our initial application collects data across all devices and platforms. In addition, we will significantly increase our efforts to continue to build a sales pipeline and close client engagements.

# FINANCIAL PROJECTIONS

INCOME STATEMENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>SALES</b>	<b>0.4 M</b>	<b>5.9 M</b>	<b>25.6 M</b>	<b>52.9 M</b>
COST OF SALES	0.4 M	1.5 M	2.7 M	4.1 M
<b>GROSS MARGIN</b>	<b>-0.1 M</b>	<b>4.4 M</b>	<b>22.8 M</b>	<b>48.7 M</b>
GROSS MARGIN %	-154%	57%	89%	92%
<b>OPERATING EXPENSES</b>	<b>0.6 M</b>	<b>6.0 M</b>	<b>10.1 M</b>	<b>14.1 M</b>
EBITDA	-0.7 M	-1.6 M	12.7 M	34.6 M
Total Depreciation & Amortization	0.0 M	0.0 M	0.0 M	0.0 M
EBIT (OPERATING INCOME)	-0.7 M	-1.6 M	12.7 M	34.6 M
Total Interest Expense	0.0 M	0.0 M	0.0 M	0.0 M
EBT	-0.7 M	-1.6 M	12.7 M	34.6 M
Tax Expense	0.0 M	0.2 M	2.7 M	7.3 M
<b>NET INCOME (LOSS)</b>	<b>-0.7 M</b>	<b>-1.8 M</b>	<b>10.1 M</b>	<b>27.4 M</b>
NET MARGIN	-537%	-179%	37%	51%

CASH FLOW	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>BEGINNING CASH BALANCE</b>	<b>0.0 M</b>	<b>2.1 M</b>	<b>0.4 M</b>	<b>8.9 M</b>
CASH INFLOWS	0.3 M	4.9 M	23.6 M	50.3 M
CASH OUTFLOWS	1.8 M	-6.6 M	-15.1 M	-25.0 M
<b>CASH FLOW</b>	<b>2.1 M</b>	<b>-1.6 M</b>	<b>8.5 M</b>	<b>25.3 M</b>
OPERATING CASH BALANCE	2.1 M	0.4 M	8.9 M	34.2 M
Beginning Balance	0.0 M	0.0 M	0.0 M	0.0 M
<b>ENDING CASH BALANCE</b>	<b>2.1 M</b>	<b>0.4 M</b>	<b>8.9 M</b>	<b>34.2 M</b>

BALANCE SHEET	YEAR 1	YEAR 2	YEAR 3	YEAR 4
ASSETS	2.2 M	1.6 M	12.1 M	40.0 M
LIABILITIES	0.1 M	0.4 M	0.8 M	1.3 M
OWNERS'S EQUITY	2.1 M	1.3 M	11.3 M	38.7 M
<b>TOTAL LIABILITIES &amp; OWNER'S EQUITY</b>	<b>2.2 M</b>	<b>1.6 M</b>	<b>12.1 M</b>	<b>40.0 M</b>



Our timetable for our financials begins with our initial funding, e.g., should funding for the initial tranche occur in July 2022, then Year 1 is defined as July to July. Our anticipated client revenue will grow at what we believe to be a conservative rate relative to the projected growth of the market for consumer-generated data, offering excellent margins. We efficiently scale, primarily only adding personnel in the areas of sales and consumer support as we grow, and we expect to be cash flow positive by the middle of our second year of operation.

# INVESTMENT DETAILS & USE OF FUNDS

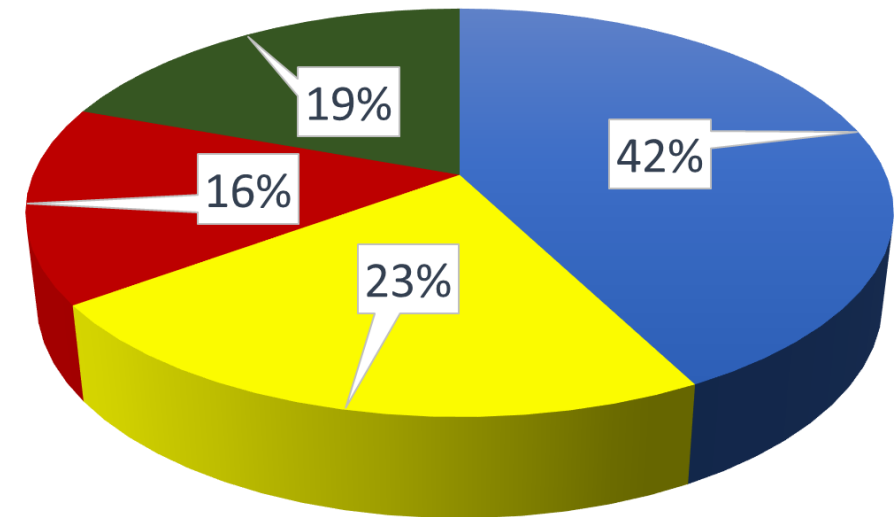
We're seeking to raise \$750k through the sale of equity in this fast-moving market based on a \$3.5MM valuation, and with those funds, we'll **build out v1 and v1.5 of our initial product. and we will build out our sales and marketing capabilities so that we close clients.** Our projected use of funds are indicated to the right.

Major milestones for investment:

- With Traunch 1: Launch of v.9.
- With Traunch 2: Launch of v1.0, secure initial client.
- With Traunch 3: Launch v1.5 & 2.0, secure one client per month for a total of 7 B2C clients.

Our cap table projects a 4x return in one year, and a 40x return for a Series A. We fully expect to be a target for acquisition within 4-5 years by one of our competitors, by Big Tech, or by one of our integration partners.

## Use of Funds



- Development and Support
- Sales and Marketing
- Salaries and Wages
- G&A

# CONCLUSION

---

- Third party cookies are being phased out, driven by data privacy concerns and legislation. A replacement is needed by the B2C marketer.
- The shift away from 3rd party cookies presents a significant opportunity: take advantage of this sea change and offer to B2C marketers a path that is significantly better than the current modus operandi.
- We're building a company around replacing third party data with data that reflects the consumer's behavior that the consumer controls.
- No other company offers consumer-controlled behavioral data.
- Seeking \$750k investment via the sale of equity based on a \$3.5MM valuation to develop v1 and v1.5 of the product, and to build-out sales and marketing.

# Invest NOW!



Joe Rizzo, CEO



[joe@cyd.digital](mailto:joe@cyd.digital)



1.703.244.8516



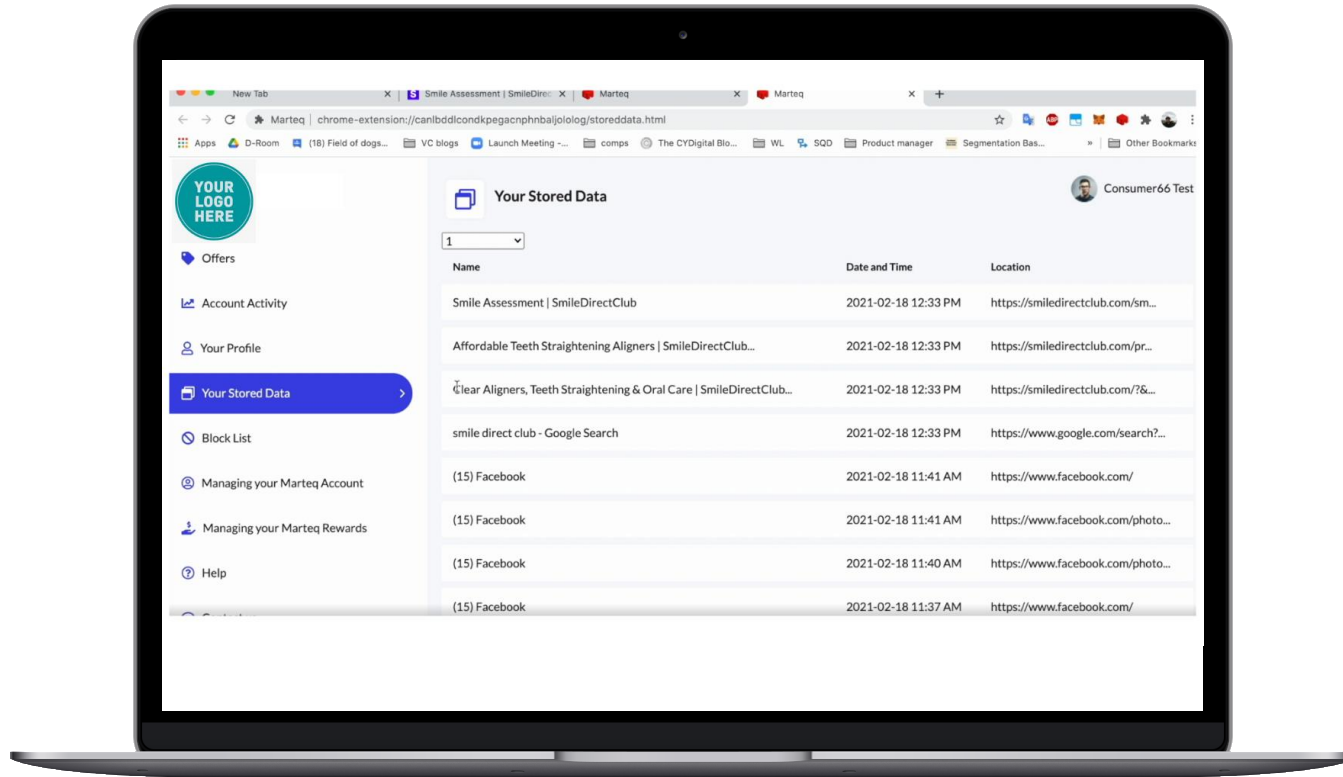
<https://www.linkedin.com/in/joemktg/>



<https://www.cyd.digital>

**BACKUP**

# HELPING MARKETERS NAVIGATE THIS CHANGE



All online activities are captured and controlled by the consumer, and they will make it available to the B2C client in exchange for a reward.

Here's how it works.

First, our paying customer, the marketer, **invites THEIR consumers** to download our app.

The data from the consumer's online activities is captured via our application, including data from not just the brand's digital properties but **ALL web browsing, all social activity, eCommerce, media consumed, etc.**

If the consumer decides to share their data (remember: this is consumer-controlled information!), the **marketer can communicate directly with that individual consumer right from within the consumer's browser** based on that clickstream data.

And the **marketer can use that data to significantly improve their marketing**, from better products to personalized offers to brand studies. Our value is only limited by the marketer's imagination.

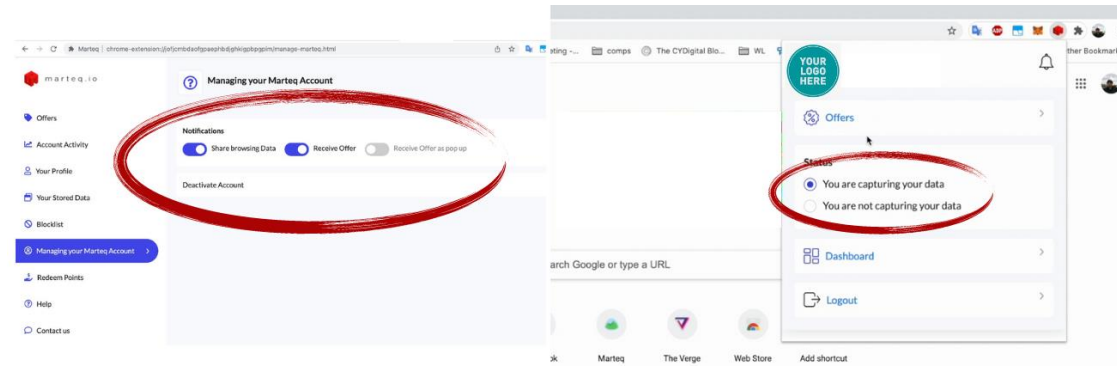
# REWARDS FUEL THE EXCHANGE OF CLICKSTREAM DATA

Marketers receive the consumer's volunteered clickstream data...



...when they offer rewards to the consumer.

Consumers have full control over data sharing...



...as well as data capture.

*Why would the consumer exchange their data with the brand? What's the quid pro quo?*

Rewards are what drives the consumer, i.e., it is proven that consumers will exchange their data if there's something in it for them. Our pilot program **demonstrated that 55% of consumers were willing to do so**, and secondary research shows up to **89% of consumers will exchange their data for rewards**.

What kind of rewards? This could be in the form of loyalty points (we have an API, so we can integrate with an existing loyalty program), coupons, rebates, contests, even cash. It is the client's decision as to what to use for rewards.

And the client can choose to use our built-in points program to establish a rewards program where both the consumer and the marketer can manage activities.

*What's in it for the B2C marketer?*

First, by giving consumers control over their data, the brand is **building deeper levels of trust and transparency while adhering to data privacy standards**.

With an understanding of everything the consumer is doing online, the marketer has **significant insight unavailable anywhere else**, with the ability to **immediately react through our in-browser communication**. Here are some examples how they can benefit:

- Greater response rates from timely and relevant communication
- Driving additional revenue from existing consumers
- Protect the brand from competitive churn

**All of which leads to higher levels of consumer engagement and return on advertising spending.**

# THE YEAR 1 PRODUCT ROADMAP

	First QTR Post-Funding	Second QTR Post-Funding	Third QTR Post-Funding	Fourth QTR Post-Funding
Releases	v.9	v1.0	v1.5	
Product				
Functionality	Data input API Consumers offers rewards notifications	Reward system integration layer	MOT Offers (JITSDA event based)	Move to Decentralized Data Record implementation (IPFS)
	Reward system v2.0	MOT Offers (keyword based)	Move to streaming database solution	High performance decentralized query protocol
	Multitenancy v2.0	TraceID v0.5		AI & ML Assisted Predictive Queries
	Notifications v2.0			
	Multiple CTAs			
Analytics			JIT Statistical Data Analysis v.5 (JITSDA alert & react)	JIT Statistical Data Analysis v1.0
Infrastructure	AWS Cloud automation and scaling	System hardening		

Our product roadmap and associated budget are clearly defined. Initially, for our initial product, multitenancy is key as it permits consumers to have multiple accounts should our B2C marketers have the same consumer in their respective databases. The launch of v1.0 coincides with the closing of our first client so that we are delivering on the vision. Note that beyond year 1, we will focus the next series of solutions, starting with TraceID™.

# OUR IP SCHEDULE

## Patent Application Schedule

Current	TraceID™
Q4'22	Just in Time Data Analysis
Q1- Q2'23	Consumer Segmentation
Q1- Q3'23	Approach to DDRs

Regarding our patent application schedule...

1. We are currently pursuing IP protection for TraceID™, which is our downstream data deletion technology, and thereafter will pursue TracelT™, which creates an audit trail for deletion requests. Both technologies are unique and needed by corporations of all sizes.
2. Q4 2022 – This is our just-in-time data analysis for real time offer/messaging reaction.
3. Q1 – Q2 2023 IP protection for approach to segmenting consumers based on data analysis, as well as the consumers wants and permissions, as it streams into our system will be pursued.
4. Q1 – Q3 2023 Our distributed data record approach is one of our product's foundational elements.