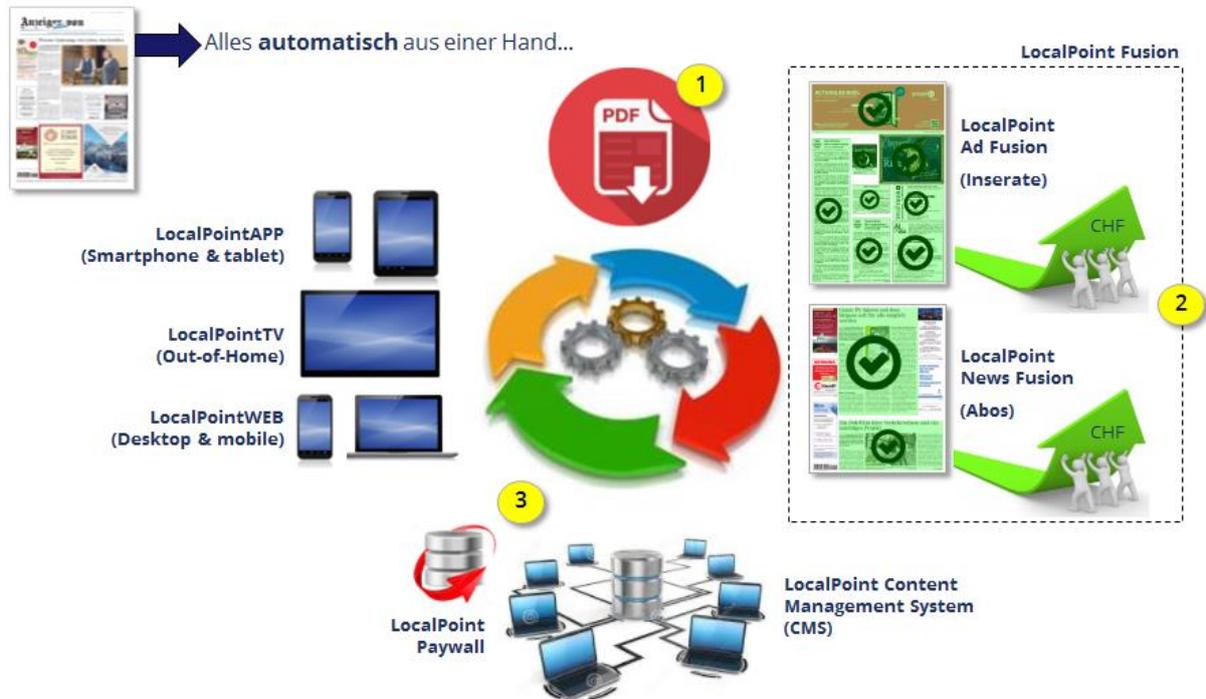




How LocalPoint works

LocalPoint ensures that local newspapers can benefit from the new possibilities of digitization:



(1)

- **The process begins with a PDF copy of the printed newspaper.**
- With many local newspapers using manual workflows and layouting software to produce their print editions, the PDF is the only standard format for sending the newspapers to the printing press. The PDF is therefore the only common data output used by all local newspapers no matter the nature of their internal systems and processes.
- The LocalPoint approach uses this PDF as the starting point to extract content and structure it for use in digital environments.

(2)

- **LocalPoint Fusion extracts news and advertising content** from the printed edition PDF using machine learning. Based on the unique foundation of millions of articles and ads processed over the past 8 years from local publishers using LocalPoint, this complex task sees algorithms parsing pages to read, "understand" and categorize news and ads. In this way the content can be automatically stored and re-used in digital environments without any intervention from the newspaper itself.

(3)

- The articles and ads extracted from the PDF are then imported into the **LocalPoint Content Management System** and repurposed to reach digital readers on web, mobile web, apps for smartphone and tablet, as well as out-of-home TV, Google, and social media. LocalPoint editors also have access to the LocalPoint CMS if desired to further control how content is distributed digitally.
- All editorial content is protected as necessary by the **LocalPoint Paywall** which ensures that news content is only available to subscribers according to the existing offers and billing practices of the newspaper. In this way even local newspapers are able to provide subscriber content in digital form, and **maintain their readership** no matter the mix of print and digital engagement, now or in the future.

How new revenue is earned from LocalPoint:

- LocalPoint newspapers place a small **automatic surcharge** on the price of their print advertising (the so-called LocalPoint Allmedia-Surcharge). With all local advertisers benefiting from the additional reach and enhancement of their **automatically digitized ads** (eg one-click access to advertiser websites and email addresses, social media sharing, direct-dialing from smartphones, and automated Google Maps integration), experience has shown that very few advertisers opt-out of the allmedia surcharge. Publishers that use LocalPoint are therefore able to establish a stable revenue stream that automatically **transforms existing print advertisers into digital advertisers**.
- The proven revenue stream from LocalPoint digital advertising comes to represent as much as 20% of the total revenue base of the newspapers that use LocalPoint. Most importantly this revenue more than covers the cost of operating LocalPoint software: **each year LocalPoint publishers earn two to three times more than they pay for the license, hosting, and PDF processing fees to operate the above-described LocalPoint software services.**