

shutterstock® + POND5

Shutterstock Acquisition of Pond5

May 11, 2022



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Shutterstock Acquisition of Pond5



- Acquisition of the **largest video-first content marketplace**:
 - Brand of choice for filmmakers, media companies and marketers worldwide
 - Differentiated royalty-free and editorial content with >30 million licensable video clips
 - Large and growing blue-chip customer base
 - 100% acquisition for all cash consideration of \$210 million
- **Growing and profitable business**:
 - Exposure to the faster growing video market
 - Increases video as a % of Shutterstock revenue to ~20%
 - Adjusted EBITDA margins similar to Shutterstock
- **Meets Shutterstock's investment criteria**:
 - Strong strategic fit
 - Meaningful synergies with Shutterstock
 - Complementary customer base
 - Further scales Shutterstock's video business
 - Expands Shutterstock's editorial offering with unique and high-quality content



Pond5:
Create Without Limits
(click on video)





30M

Video Clips



1.7M

SFX



50M

Images



22M

Illustrations



1.6M

Music Tracks



74k

3D Models^(a)

(a) Powered by TurboSquid, a Shutterstock company

Pond5 Overview

- **World's largest online marketplace for royalty-free video for the creative community:**
 - >30 million licensable video clips
 - 115,000+ contributors across the world
 - 15,000 new videos daily
 - 125,000 active customers, including rapidly growing social media platforms, VoD streaming services and production companies
- **Compelling value proposition for customers:**
 - Strong breadth and depth of content to meet customers' unique and diverse needs
 - Easy to use (pay-per-item transaction model; flexible licenses)
- **Premier content partners:**
 - Unique and exclusive content from editorial partners
 - Real time news and events coverage
 - Rare archival footage dating back to the 19th century
- **Delivering content through various channels:**
 - eCommerce a la carte pricing that involve no minimum commitments and no contracts
 - Enterprise-level subscriptions, fully customizable with tailored licensing and content options
 - Global distribution via 50+ API integrations
- **Seasoned management team, with offices in NYC, London, Dublin and Prague**



Pond5 Has Diverse Customer Base That Includes Top Global Brands

- Pond5 content can be found just about anywhere, including feature films, TV series, documentaries, ads and corporate presentations
- Customer relationships are highly complementary with Shutterstock, with minimal overlap

Illustrative Pond5 Customers





Pond5 Acquisition Allows Shutterstock to Further Benefit from Key Trends Driving Demand for Video Content



Original Content for Film & TV



Digital Video Advertising



Growth in Freelancer Economy & SMBs

Demand for Video Content is Surging, while Budgets and Timeframes are Tightening

\$220 billion in global film & TV production spend annually

Average person in US spent **2.5 hours** per day watching digital video in 2021

Almost **2 billion people** will access subscription OTT services like Netflix, Disney+ and Amazon Prime Video in 2022

Sources: eMarketer, Visual Capitalist, SignalFire, Sprout Social

Video Ad Spend is Outgrowing the Broader Digital Ad Spend Market

\$60 billion in US video ad spend in 2021 (45% YoY)

Tiktok and YouTube US ad revenues are projected to grow at **94% and 24% CAGR** respectively (2020 - 2024)

CTV ad spend increased **57%** in 2021 to \$14 billion

Non-professionals are Empowered to Create Professional Quality Video Content

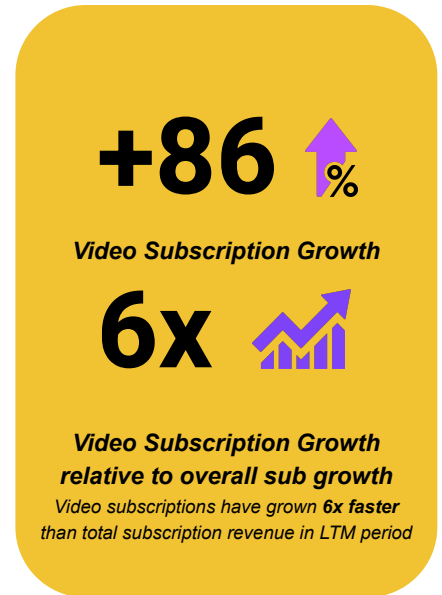
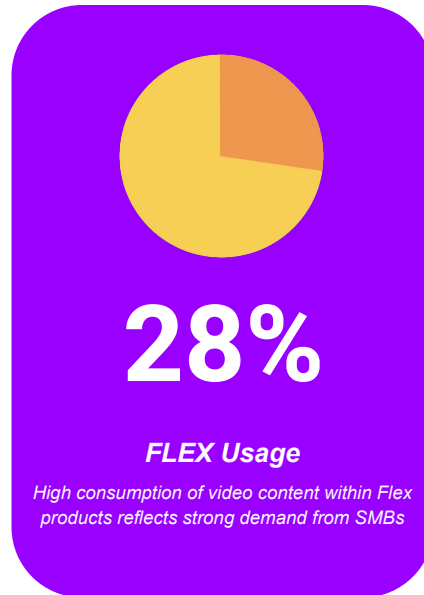
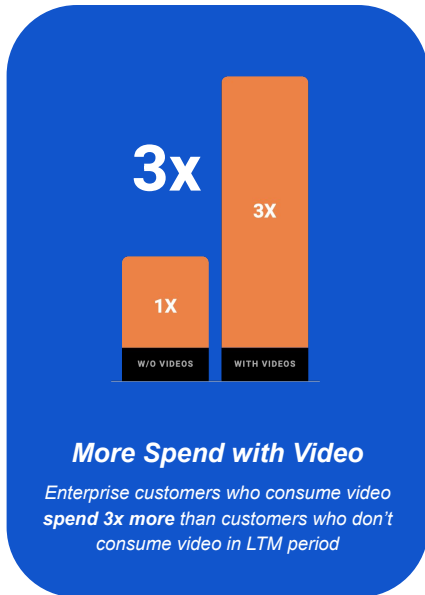
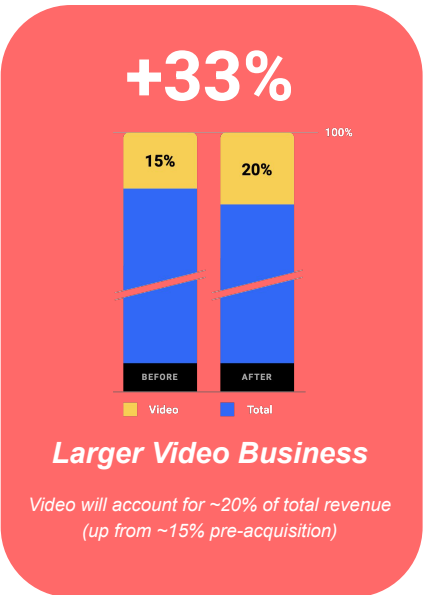
8 in 10 businesses anticipate selling products or services via social platforms by 2024

50 million amateur and professional video content creators in the Creator Economy

Pond5's larger concentration of creative enthusiasts will benefit from Shutterstock's creative editing and workflow offering (Create)



Pond5 Enables Shutterstock to Expand its Already Fast Growing Video Business





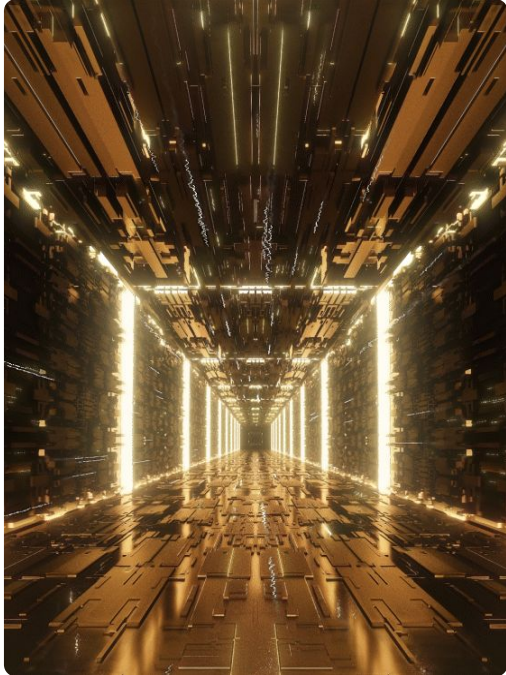
Pond5 Strengthens Shutterstock's Presence in Editorial

- Pond5 brings unique and high-quality content partnerships that will expand Shutterstock's editorial presence





Transaction Details and Financial Impact



■ Consideration & Financing

- Total purchase consideration of \$210 million on a cash-free / debt-free basis
- Closing effective on May 11
- Entered into \$100 million revolver concurrent with the acquisition to allow for further M&A and general corporate purposes
- Funded via existing cash on balance sheet and \$50 million revolver draw

■ Financial Impact

- Maintaining 2022 revenue and adjusted EBITDA margin guidance
- Immediately accretive to 2022 adjusted EBITDA, even after one-time transaction related costs

■ Integration Plan

- Pond5 will remain a standalone brand focusing on video and music
- Content will be integrated across platforms
- Aggressive pursuit of Editorial business leveraging Shutterstock's sales team and Pond5's Editorial video capabilities

■ Aligned with Framework for Shareholder Value Creation

- Programmatic M&A in areas with strong strategic fit to expand our creative platform
- Acquire growing and profitable businesses