# Technology Overview EGLA COMMUNICATIONS

# Inventor: Edwin A. Hernandez, PhD

#### EGLA COMMUNICATIONS

751 Park of Commerce Dr. Suite 128, Boca Raton, FL, 33487261 NE 1st St, Miami, FL, 33312Col. Elvel. No. 2012 5ta Calle Suite 3, Tegucigalpa, Honduras

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#### II. Executive Summary

EGLA COMMUNICATIONS has developed and successfully deployed in production environments our platform MEDIAMPLIFY. Our cloud-based platform enables media distribution of music and video to web, mobile, Smart TVs, and Cable TV Systems. Our platform served in the acquisition of DMX by Stingray Digital for \$16M and has been gaining subscribers distributing MEDIAMPLIFY MUSIC to Central America and Brasil. Our company has reached revenues of over \$1M in three years of operations.

Our technology for media delivery is patent pending and has been tested and developed from our offices in Boca Raton, FL. Our product is a unique technology platform that enables us to server and license media content on music and TV/Video.

Our goal is to search for funding to expand our platform and reach millions of IPTV curd-cutters starting in 2016.

We are targeting US and LATAM markets with special focus on US Hispanic markets.

### **III. General Company Description**

EGLA CORP dba EGLA COMMUNICATIONS was initially created in October 2004 as a import/export business. In November 2009 EGLA CORP started doing business as EGLA COMMUNICATIONS and switched its business objectives to become a technology company initially offering consulting and voice over IP services. As part of this process, EGLA COMMUNICATIONS registered with the FCC under Section 214 and provided telecommunication services in the US and other countries. As of 2011, EGLA COMMUNICATIONS was providing consulting services to DMX Media, a leading brand with over 20M subscribers in US and Latin America on cable systems. As part of these efforts, EGLA was able to create special and patent-pending tools for music distribution and a cloud-based back end system to solve music distribution requirements. Additionally, EGLA identified that cable head end systems and technologies were not synchronized with web/cloud-based platform, however content was being distributed to both cable and web/mobile subscribers. Hence, EGLA found the opportunity to build multimedia platforms with outlets to multiple screens; multiple formats, but tied to cable systems standards and technologies (Digital Video Broadcasting – DVB). EGLA concentrated all its effort in the creation and development of a multimedia platform called MEDIAMPLIFY that was able to support both cable systems and cloud/web technologies, while at the same time provided applications and middleware that could monetize music and video content.. MEDIAMPLIFY has since become our main focus and flagship product.



**Mission Statement:** Revolutionize cable and multimedia streaming services by offering our Mediamplify platform to monetize music and video content in partnership with cable and telecommunication operators.

**Company Goals and Objectives:** Our main goal and objectives are three, at first choose a market where our Mediamplify platform could provide IPTV services directly to consumers, where Mediamplify is the platform and content is being monetized thru EGLA. This first goal is taking place in the country of Honduras, where EGLA CORP HONDURAS is leading the way in the construction of a data center to be used for this purpose. As a second goal is to partner with a major cable operator middleware manufacturer to reach more cable and telecommunications partnerships by leveraging their network and customers, and third goal, obtain better and more attractive content offerings in video and music that could be tailored to US- and Latin- American markets.

**Business Philosophy:** Our business is interested in technology and innovation, by providing exciting user experiences and optimizing costs implementing our own data center with cloud storage, software-define networks, applications, and scalable solutions.

**Market:** The music streaming market is expected to be 1.8B by 2018, one out of four TV subscribers will be streaming video content by 2020, and the total market size for video streaming should total 80B by 2020. EGLA sees this way specially with

The cable TV industry is loosing cable subscribers at a rate of 300,000 per quarter (Bloomberg, Oct 2015<sup>1</sup>), what has been denominated as cord cutting. The number of subscribers to services as NETFLIX, HULU, and others keep increasing. In 2014, 190,000 subscribers cancelled their service but industry experts cannot determine if this trend will stabilize or continue, as in 2015 the numbers have declined with respect to 2014. On the other hand, NETFLIX added 880,000 subscribers for a total of 43M.

The challenges that the Cable TV industry faces worldwide is the lack of integration to gain markets in the areas of streaming and

An integrated approach with a platform such as Mediamplify where a cable company can leverage both, streaming and DVB existing platforms is obviously of great benefit. Mediamplify can create streams of linear TV channels with alternative content at reasonable prices, which may lower the cost and make it comparable to services such as Sling TV. At the same time, Mediamplify Music provides a platform and applications that enable the cable TV company to offer music services to its customers enhanced even more the offering by competing with Pandora and Spotify, or Stingray Digital and Music Choice.

**Legal form of ownership:** EGLA was incorporated in FL as a C-corporation. This type of entity was formed with "By Laws" in the state of Florida. Ten million shares were issued and allocated among the founders as follows: 60% of the shares for EDWIN HERNANDEZ, 20% for REINA HERNANDEZ and 20% for ALCIDES HERNANDEZ. The C-corporation includes a foreign corporation in Honduras, denominated as EGLA CORP HONDURAS.

<sup>&</sup>lt;sup>1</sup> http://www.bloomberg.com/news/articles/2015-10-19/pay-tv-losing-300-000-customers-is-good-news-in-cord-cutting-era

## IV. Our Technology

Our company has been innovating in the areas of cable and multimedia streaming creating an advanced technology platform and services products that include Mediamplify Music and Video.



Mediamplify is a cloud-based multimedia platform that video, music, and television content. Our technology is patent pending covering the devices that translates video and music signaling from a cloud-based platform to a

cable TV head end system. Our platform supports media streaming and current Internet Protocol Television (IPTV) by using streaming and broadcasting modules compatible with Digital Video Broadcasting (DVB) standards.

# ΙΡΤΥ



Our platform has served to deliver music and video content to several media conglomerates in the United States that include DMX music and MOOD MEDIA. EGLA has served and tested its devices in US and LATAM markets. Our presence has been in cable and telecommunication operators in Brasil (SKY), Mexico), México (CABLEVISION, CABLE

MAS, and AXTEL TV), Colombia (UNE) with content from DMX/MOOD MEDIA, also other countries in Latin America, including Honduras (Cable Color). Mediamplify served over 20M subscribers during the acquisition of DMX by STINGRAY DIGITAL in 2014<sup>2</sup>

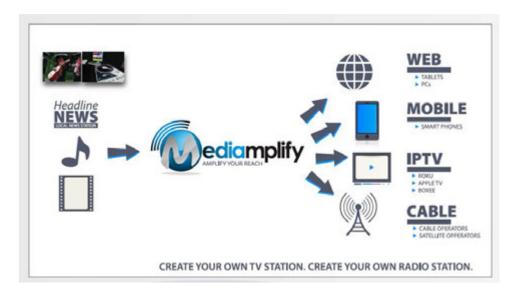


Mediamplify is a proven platform that allows the distribution of content globally without depending on satellite space and merging cloud and cable systems into one single platform of media distribution.

#### The Platform

Mediamplify is a multimedia "middleware" with a cloud infrastructure and applications for iOS and Android that support virtualized images, cloud storage, video/audio encoding, playback, authentication, validation, accounting, and supports billing/management of users. Our paywall was integrated with "Vindicia" paywall solutions and available as part of our APIs.

<sup>&</sup>lt;sup>2</sup> <u>http://www.prnewswire.com/news-releases/stingray-digital-completes-its-second-largest-acquisition-yet-now-reaches-more-than-100-million-paying-subscribers-239635781.html</u>



Mediamplify is the Platform as a Service (PaaS) that unfies the worlds of Cable TV, IPTV, Web, mobile, and streaming devices (Chromecast, Amazon Fire) into one strop shop. Mediamplify effectively amplify your reach, as our registered trademark logo states



Mediamplify alleviates the need for content provides to distribute streams to cable systems using the satellite by delivering one of Medimaplify MEDIA PLUG devices configured



with their media content. Our hardware is collocated at the cable head end of the operator and connects to the cloud that also serves mobile, web, and other terminals converting and providing reliable, fault-tolerant media content to subscribers in the cable TV network.

Additionally, Mediamplify counts with iOS and Android middleware applications that interface with Chromecasts and other HDMI dongles. We also offer other integrated platform applications that can run on Smart TVs and set top boxes. Mediamplify's cloud provides several video and audio encoding formats and many other diverse features that include the easy distribution of multimedia content.



#### Video Streams Adaptables

Our streams of video and audio are highly adaptable to the bandwidth and available spectrum. A great value proposition includes audio available at GPRS to 3G/4G speeds and any changes in DSL or leased-lines when Mediamplfy serves an

IPTV network. Mediamplify supports a wide variety of video standards that include MPEG2Video, H.264, WebM, y many others, including audio encoded in AC-3, MP3, AAC, and many other formats.

Our content provides multi-screen and multi-platform access to millions of songs and playlists available in any device.

**Mediamplify Music** 



#### Web to Video Metadata Insertion

The metadata in the video can be inserted as part of the HTML5 player when available, or as part of the MPEG2Video or H.264 encoded frames. For that purpose, Mediamplify can inject ads and images to any audio-only source or mix it with other sources. This video frame makes Mediamplify compatible with MPEG2 Video systems or video-only systems where metadata and IPTV is not available.

#### Content available in Mediamplify

Currently, our platform offers music content and some royalty free video sources. The musical content includes audio from millions of music combinations in several audio qualities and multiple formats. The video channels include royalty free content in Standard and High Definition formats, 4K and other higher resolution formats, including 360 degrees can be added and supported as well.

#### **Mediamplify Music**





Mediamplify music provides content without commercials with high quality audio in Dolby digital format, professionally mastered and with a wide variety of genres. The multi-screen and multi-platform solution provides music to all services in all markets.

Mediamplify Music is then available for cable subscribers with devices iOS and Android, as well as in the channel lineup of the cable or telecommunications operator. As such, cable providers offer packages as part of any of the bundles available to their subscribers, or Mediamplify Music can be sold as a separate revenue stream with exclusive pricing for customers.

The Mediamplify cloud is updated continuously with new songs

and metadata for new artists from multiple sources and content from the labels and independent artists. Cable Operators may choose to include any artist as well as long as formats are MP3, AAC, or AC-3 in a quality superior to 256Kbps.

#### Great variety of music genres

We classified our music content in over 200 different music channels and more than 2400 playlists available without commercial or with advertisement insertion when requested by the customer. Some of the sample music genres:

- Latin Music
- Electronic
- Jazz
- Rock/Classic Rock
- Merengue
- Salsa
- Classic
- Blues

- National / Particular country
- Tango
- Rancheras/Mexican
- Lounge
- Instrumental
- Country
- Piano
- Alternative
- TOP 40
- Christian Music
- 70s', 80's, 90's, POP2K

#### Customizable Screens for Cable and IPTV Systems



We configure each cable operator with 10, 25, 50, or 100 music channels depending on what the customer demographics indicate. Our music channels provide programming 24/7 and fulfill thneds from cable subscribers. Our player can provide music content even when the internet service is disconnected, additionally we inject metadata and video content that can be adapted to the user's needs.

Another example of our customizable platform can be seen in this CABLEVISION Mexico example:



Customizable Screen for Cablevision Mexico

Our platform provides applications for iOS and Android. These applications can be also customized depending in authentication or billing requirements from Cable TV subscribers, and or other options as required by our customers.

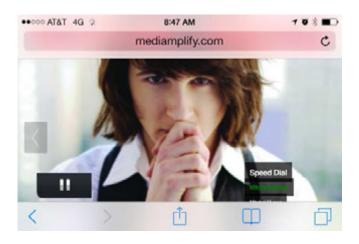




Third Screen on iOS and Android

#### Web Interfaces and Mediamplify API

In addition to iOS and native Android applications, Mediamplify provides HTML5 User Interfaces that can be also displayed in Smart TV and other consoles..



Screenshot with Artist and metadata information

Additionally, EGLA provides a Mediamplify API that allows applications to be created and handled by our platform including bandwidth, metadata, and user authentication. Our cloud-based platform handles all request for the application and manages music selection, metadata insertion, and many other parameters. A successful example has been SKY TUNES by SKY in Brasil.



#### Metadata and playlist customization

Our system self-generates User Interfaces for each artist and all playlists are generated by contextual data of what is being played back by the cable operator. Additionally, metadata is mashed up from several other internal and externals servers to the Mediamplify cloud..

The generated pages include:

- Biography
- Music per Album
- Artists Videos
- Concert Promotions and Events
- Pictures of the Artist

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#### Ads and Commercials

Ad Injection is available thru the web portal, mobile app, or audio insertion, and can be done using:

- Geographical location,
- Subscriber age,
- Gender of the subscriber,
- Any additional data captured from subscriber





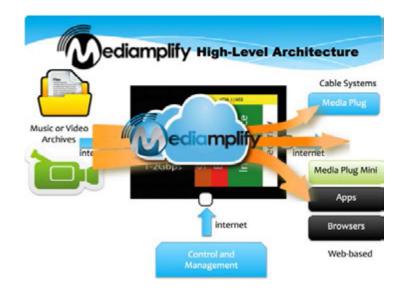


#### Mediamplify Video

As we support Mediamplify Music, Mediamplify Video is also supported with content provided or retrieved from Youtube, Vimeo, or other providers that load their content into

Mediamplify cloud storage. This content can generate linear TV channels in real time and provide this content to a Chromecast, Web terminal, or broadcast it to a Cable headend system. In Chromecast and other

mobile applications, the web icon for chromecast is shown indicating that a Chromecast dongle is the network and broadcasting can start to your TV with video and audio available from your mobile phone. This is a similar behavior seen with Apple TV.



#### **Chromecast Integration**

Users will be able to download the application and immediately be integrated to their Chromecast device, the Choromecast application provides live and on-demand video and music content to your Smart TV or any TV with a Chromecast support. We tested this integration at HONDUTEL in Honduras using DSL lines of 1Mbps, 2Mbps, up to 10Mbps. The 1Mbps line provided exceptional support for music and Standard Definition TV while anyting over 5Mbps provided HD/SD/Music for up to three TVs.



# V. Honduras: Case Study CABLE COLOR

The system is currently functioning in CABLE COLOR S.A. in Honduras and been successfully providing digital music content to thousands of subscribers in GUATEMALA, HONDURAS, and EL SALVADOR.

