

Part 1: “Elevator” Introduction

Computer generated imagery (CGI) has moved beyond the realm of movies & TV shows and entered every aspect of our lives. Animation/Commercial visual effects (VFX), Architectural visualization, Virtual reality/Gaming, Scientific visualization and Product design firms of all sizes use CGI technology in their workflow. These industries face a common problem – rendering time, which may consume up to 30% of the project budget. This problem is generally addressed with “brute force” CAPEX spending – adding more render servers + render software licenses to render faster or by OPEX spending - renting more cloud rendering servers. Innobright’s Altus “denoising” (noise removal) software presents an elegant rendering throughput improvement option, fits into customer’s work flow and results in a higher quality product outcome while saving time and as much as 50% of rendering costs.

Part 2: Market and Industry Analysis

CGI rendering costs exceeded \$6B in 2015 across all the market sectors. With higher quality, 4K, 8K and higher resolution images in demand, rendering costs are growing 25% annually (as per markets and markets report) and expected to hit \$8B in 2016. Worldwide, there are an estimated 4-million render server nodes in private and cloud render server farms and another 10-million rendering desktop users. 1.5 million new render node licenses are sold every year by approximately 30+ rendering software companies. Each user or node represents an Altus customer license opportunity. The rendering software market itself is growing at 30%.

The competition primarily comes from status quo, which is adding more high-powered servers (CAPEX) or renting render server capacity in the cloud (OPEX). Pixar’s Renderman and Corona, both proprietary CPU based rendering software products come with their own denoising software. These built-in denoisers only work with the parent rendering software and not for sale as independent software. Altus is the only generic, multi-platform, high performance (quality and speed) denoiser available in the market today.

Part 3: Go-to-Market Plan

Our customers are companies that experience long render times and rendering costs as a pain point – which include Animation/VFX studios, Advertising companies, Architectural/Engineering firms, Product design companies, Scientific visualization/simulation firms, and Gaming/virtual reality firms. Altus can be downloaded from www.innobright.com for free and evaluated. The free version comes with a watermark. We have been selling monthly/6 monthly and annual subscriptions directly from our website with our Altus CLI (command line interface) beta product for more than a year. We have testimonials from some of these paying customers on our website. We have also issued trial licenses to some big name Hollywood studios and been in beta testing phase for 6 months. So there has been a great deal of product validation from testing the Altus denoiser both from paying customers and non-paying users. The unanimous feedback across these customers has been Altus denoiser should be integrated into the renderer with an API/SDK product rather than a post-processing CLI product.

Our primary strategy for selling now is to be integrated into the rendering system via our Altus API and we are actively working on integrating with the top 5 renderers in the world. With this strategy, rendering software companies become our customers and the end users will procure Altus denoiser from their existing relationship with the renderer. For customers who use custom renderer or a specific renderer that has not integrated Altus denoiser, our plan is to provide Altus CLI-based plugin that works with the DCC (digital content creation) or 3D modeling package such as Autodesk Maya, 3DS Max, Revit etc or with render automation software such as Deadline.

Altus is the gold standard in Monte carlo render denoising in terms of performance (speed and quality). Altus is also the only generic denoiser in the world that works with all ray tracers or renderers, irrespective of the hardware server type (CPU or GPU). It takes about 2 years to develop a good working denoiser algorithm and another 6 months to productize it, so the barrier to entry is pretty high. With our partnership strategy with the top 5 renderers in the world, who want to focus on delivering new features on their core rendering technology and not implement their own denoiser, we feel we can compete very well in the Monte carlo render denoiser market.

Part 4: Technical Product Description and Plan

Innobright's Altus denoiser (noise removal) software is a disruptive solution that fits into any workflow, works with any rendering system/hardware, and accelerates rendering throughput, resulting in a higher quality output while saving time (2X to 12X faster) and money (30%-50% of rendering costs).

Through a 1-year beta deployment cycle, we have secured paying customers and testimonials that attest to how well the product works. We have some large Hollywood studios that are actively testing our product. In addition, we have our rendering software partners very excited about offering and actively integrating our denoiser as part of their rendering solution.

Few risks remain in product development, since we have a clear roadmap for 2017. Altus CLI GA (general availability or production) release was done in January 2017. Altus API is in the process of getting tested and the GA release is planned in late February 2017. There is some optimization work to be done for our release 2.0 scheduled for Q2 2017. For 2H 2017, we are continuing to sponsor the next generation denoising algorithm research with UC Santa Barbara to develop a higher performance, "real-time" rendering denoiser and continue maintaining our performance competitive edge in the denoising market. Our current product benefits listed below:

- 1) Dramatically improves rendering throughput by 2x to 12x improvement in speed for a given quality
- 2) Provides significant cost savings by avoiding added hardware/software CAPEX, third party "render farm" rentals and reducing personnel costs
- 3) Works for all film/advertisement/architectural scenarios and provides perceivable image quality improvement
- 4) Compatible with ANY Monte Carlo rendering system and runs on CPU and GPU servers
- 5) Seamlessly integrates into customer workflow, allowing ease of use and minimal learning

We have 1 issued patent and two pending patent applications. We have an exclusive licensing agreement with University of Bern, Switzerland and an option licensing agreement in place with University of California, Santa Barbara.

With Altus CLI, we were first to market for a high-performance, generic denoising post-processing solution for rendering. We productized in such a way that we made sure we are hardware agnostic and optimized for CPU and GPU servers. With Altus API integrated into the top renderers, we not only partner with them but also add them as our customers and avoid any possible competition from the rendering companies developing their own denoiser. Plus we utilize their existing channels and customer base to deploy rapidly. Partnership with rendering software companies has become key to our success.

Part 5: Risk vs. Talent Narrative

We validated our technology with beta users and customers across 3 different market segments via our Altus CLI deployment and now with the Altus API. Except for Disney/Pixar, we have extended our evaluation offer and partnership to every major rendering software company in the world. To mitigate partnership risks and maximize Altus deployment in various customer scenarios, we are developing various plugin versions of the Altus product based on customer's 3D modeling or digital content creation pipeline – this includes developing Altus plugins for Max/Maya/Revit/Cinema4D and Houdini, all slated for 1H of 2017. On the IP/patent side, we have the three best algorithms in our portfolio and we're continuing to do research in denoising algorithms to develop the world's first "real-time" denoiser, which is a low R&D risk at this point.

All our team members are passionate about productivity improvement software and reducing costs for customers.

- 1) Raghu Kopalle: Founder & CEO/CSO/CMO, MSEE from UNM and MBA from UC Berkeley and Columbia University. Worked in technology development, product management in hi-tech industry for over 20 years.
- 2) Samat Jain: Director of Technology, Masters in Computer Science and Bio Medical Engineering from Columbia University and Bachelor's in Computer science from New Mexico State University.
- 3) Martin Lidy: Lead developer, Bachelor's in computer science from University of New Mexico.
- 4) Charles Mendez: Board Member, serial entrepreneur, investor and business strategist.
- 5) Bill Bice: Board Member, investor, VC, serial entrepreneur and chairman of ABQid
- 6) Chris Ziomek: Serial Entrepreneur, GM at LitePoint communications, a Teradyne company.

We need a CTO for our core technology, which we are currently filling with help from our technical advisors (Dr. Pradeep Sen from UCSB and Dr. Matthias Zwicker from U. of Bern). We also need to build a small support/web maintenance and sales team. Our board members advise us on fundraising, business and sales strategy but we also have two industry advisors – Steve Cook, serial entrepreneur, helps with Web/Email marketing strategy and Wish Krishnamoorthy, CEO of Qynergy helps us with government contracts strategy.