

④ Deep dive on Samsung





Major Google headwinds in August '20

Technology

Google in Talks to Take Over More Search Tasks on Samsung Phones

By Mark Bergen and Sohee Kim

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<https://www.bloomberg.com/news/articles/2020-07-29/google-in-talks-to-take-over-more-search-tasks-on-samsung-phones>

Google is afraid of Samsung creating an Apple Spotlight type of search, Vertical Search will cannibalize Google's main business.

According to Jay and his team, Netflix/Spotify, Galaxy Store and Branch will be impacted by this Google RSA amendment. They said they had tried to carve it out but Google has a strong stance on this. Google wants this to be retroactive meaning that it will also impact devices already shipped with services and solutions already launched

SAMSUNG

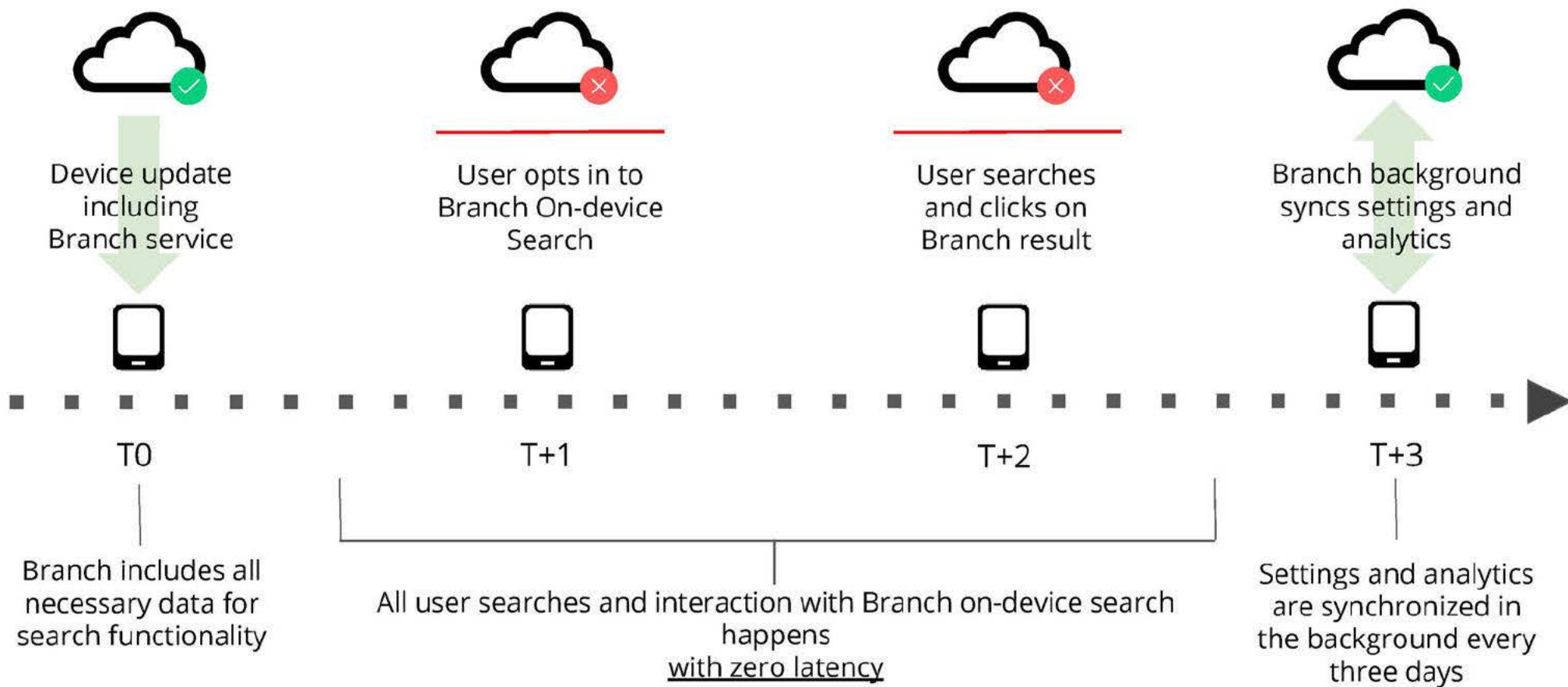
④ Google RSA 3.0 language / scope change:

In order for Samsung to qualify for revenue share ...

RSA 2.0 "Google must be the only web search engine on device"

RSA 3.0 "Google must be the only connected search and internet search on device"

Introducing Branch "offline" search



Redacted

REDACTED FOR PUBLIC FILING

④ January news: WJ paused the deal

Reconnaissance from our deal lead: Redacted

- Deal is dead for now, and he was informed to not work on it any more
+ Redacted
- Wonjin positive on Branch, but the oppty was **“too high a risk for the reward”**
- Redacted
- Redacted

④ April news: Monetization is issue



Reconnaissance from new head of NEXT: Redacted

- Confirmed verbally that key risk is Google deal (sacred in Samsung)
- Key issue is: Samsung agreed **not to monetize via app installs in search**
 - + Redacted
 - + Redacted
- Redacted

Options

1. Sue Google / Samsung and try to get injunctive relief
 - Will destroy relationship forever. Not a good path
2. Support US vs Google case over the next 5+ years
 - Not guaranteed.
3. Carrier pressure overrules Samsung's contract
 - Must build proof points with carriers to make it worth their fight
4. Make an offer to Samsung worth the fight (\$1B)
 - They must believe it. Uncertain and could be very near-term costly
5. Integrate into another part of the product (non search)
 - Having some early stage conversations but these will be low \$ value