

# BOOKSCOUT.AI

Find unique manuscripts  
using AI



LITERACKA  
technologie



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# THE SEARCH FOR A FUTURE BESTSELLER

Searching for a future bestseller among thousands of manuscripts is a considerable challenge.

- The process of finding a bestseller is time-consuming and expensive.
- The risk of overlooking a valuable publication is very high.

To miss a bestseller is to miss an opportunity for market advantage.

A single bestselling title can generate revenues of around **€4 billion** from book sales and translations alone.

The average revenue from one published book is about **€130,000**.



€4 billion



€130,000

## BOOKSCOUTING COSTS

**Publishers around the world face the problem of vetting manuscripts and selecting books for publication.**

**Current solutions are inefficient and costly.**

According to data from the German book market, **a typical publisher spends about €27,000 per month** reading and evaluating 200 manuscripts.

Just to get through all the manuscripts, you need to hire **3 full-time people** (the average salary of a publishing house employee in the US is over **\$70,000 a year**).



€27,000



\$210,000



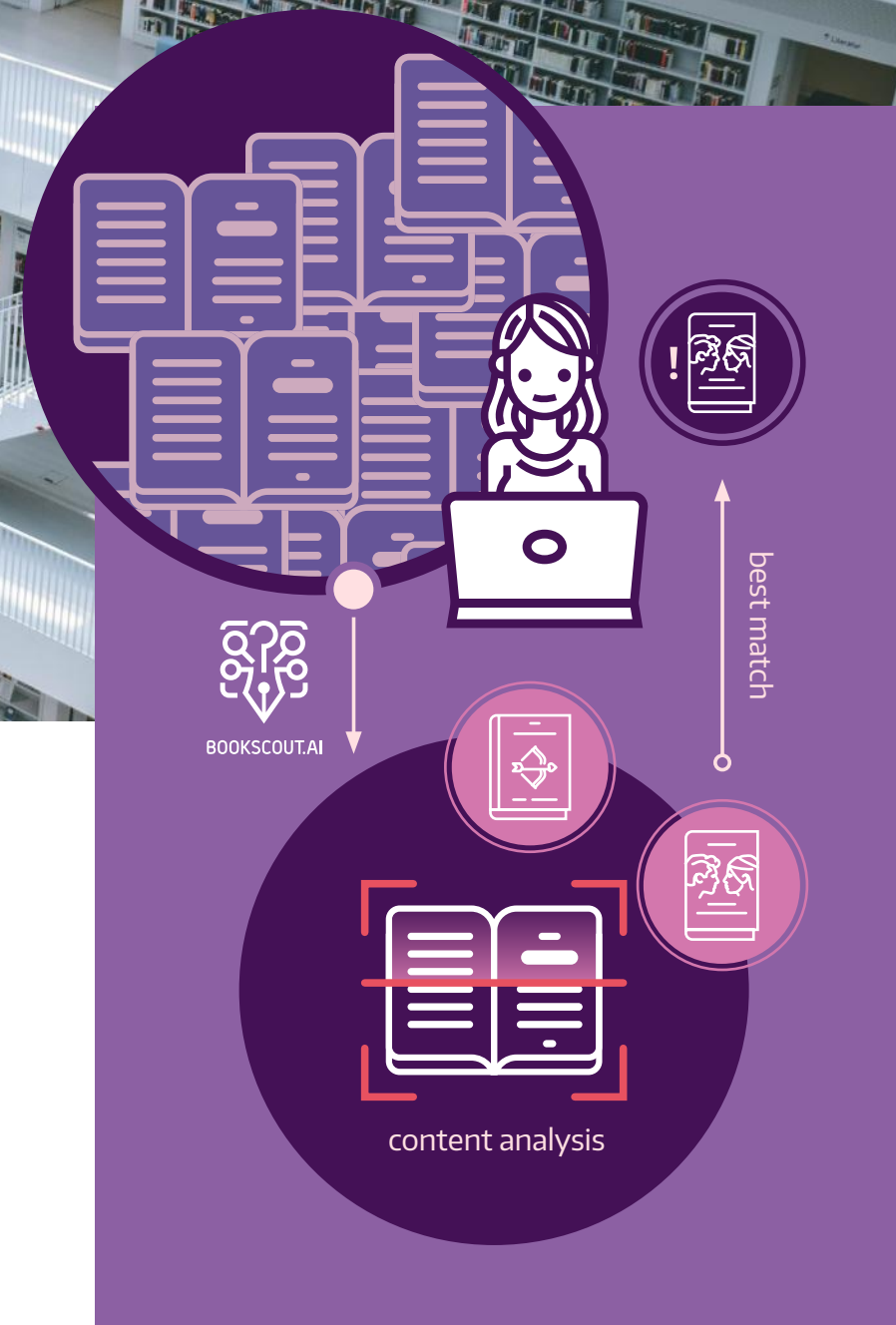




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## WHAT IS THE SOLUTION?

**BookScout.ai** is a tool that simplifies the bestseller search process using artificial intelligence algorithms.



# BOOKSCOUT.AI – WHAT DOES IT DO?

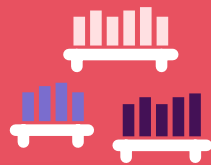
## BookScout and its artificial intelligence explained



AI system searches books according to many plot features (e.g., location, time, characters) and keywords.



Full-text sentiment analysis.



AI automatically creates thematic and seasonal collections.

It helps publishers and literary agents **identify manuscripts with the best promise** as future bestsellers.

**It automatically analyzes both submitted works** and those it finds on the Internet or receives directly from authors.

**It sends an email alert whenever it comes across a manuscript that matches** the Publisher's target audience and publishing profile.

# BOOKSCOUT.AI – HOW DOES IT WORK?



The book's  
market potential



Narration and quality  
of the language



Themes and  
literary genres



The emotional overtones  
of the book

## BOOKSCOUT.AI ALLOWS YOU TO EXAMINE AT A GLANCE:



which manuscripts **fit the publishing profile** and may even form collections with other books,



**market potential of the manuscript** – revenue estimation, assessment of fit with trends, comparison with other publishers' offerings,



target group,



**themes and storylines in the content,**



automatic matching to **literary categories,**



**tags, keywords** – more effective marketing,



what **emotions** it evokes in the reader,

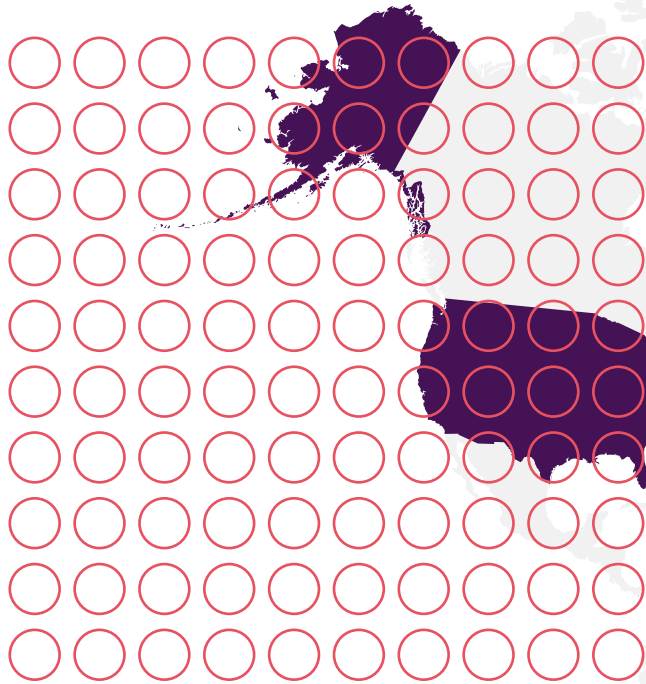


**features of style and language,**



**publishing costs** (editing, translation, proofreading, printing).

## BUSINESS MODEL



There are **2,000** active publishing houses in Poland and **100,000** in the United States.

The global book market is valued at **\$151 BILLION** (it's bigger than the gaming, music, and film markets).



**Monthly subscription fees from publishers** in exchange for rapid and efficient manuscript selection and content analysis of books before publication.

**average subscription price:**  
**€7,800 per year**

**average price per 1 analysis:**  
**€49 Euro per 1 analysis**

## CASH FLOW (PLN)

Year	2019	2020	2021	2022	2023	2024	2025
Number of customers	10	30	100	140	260	360	470
Average annual subscription price	-	-	12,500	25,000	25,000	25,000	25,000
<b>BookScout.ai revenue</b>	-	-	<b>1,250,000</b>	<b>3,500,000</b>	<b>6,500,000</b>	<b>9,000,000</b>	<b>11,750,000</b>
Revenue – other AI tools/recommendation system – commission/	150,000	450,000	550,000	605,000	665,500	732,050	805,255
<b>Total sales revenue</b>	<b>150,000</b>	<b>450,000</b>	<b>1,800,000</b>	<b>4,105,000</b>	<b>7,165,500</b>	<b>9,732,050</b>	<b>12,555,255</b>
Grant from the National Centre for Research and Development	1,000,000	1,000,000	1,000,000	1,000,000	500,000	0	0
Investments to expand in foreign markets	-	-	1,500,000	1,500,000	0	0	0
<b>Revenues – total</b>	<b>1,150,000</b>	<b>1,450,000</b>	<b>2,800,000</b>	<b>5,105,000</b>	<b>7,665,500</b>	<b>9,732,050</b>	<b>12,555,255</b>
<b>TOTAL COSTS</b>	<b>1,550,000</b>	<b>1,350,000</b>	<b>2,600,000</b>	<b>4,050,000</b>	<b>3,320,000</b>	<b>3,746,000</b>	<b>4,243,400</b>
Including R&D	1,200,000	1,250,000	1,500,000	1,700,000	500,000	500,000	500,000
<b>EBIT</b>	<b>-400,000</b>	<b>100,000</b>	<b>200,000</b>	<b>1,055,000</b>	<b>4,345,500</b>	<b>5,986,050</b>	<b>8,311,855</b>

### MAX PACKAGE

€1,000 monthly • €10,000 annual

### MINIMUM PACKAGE

€300 monthly • €3,000 annual



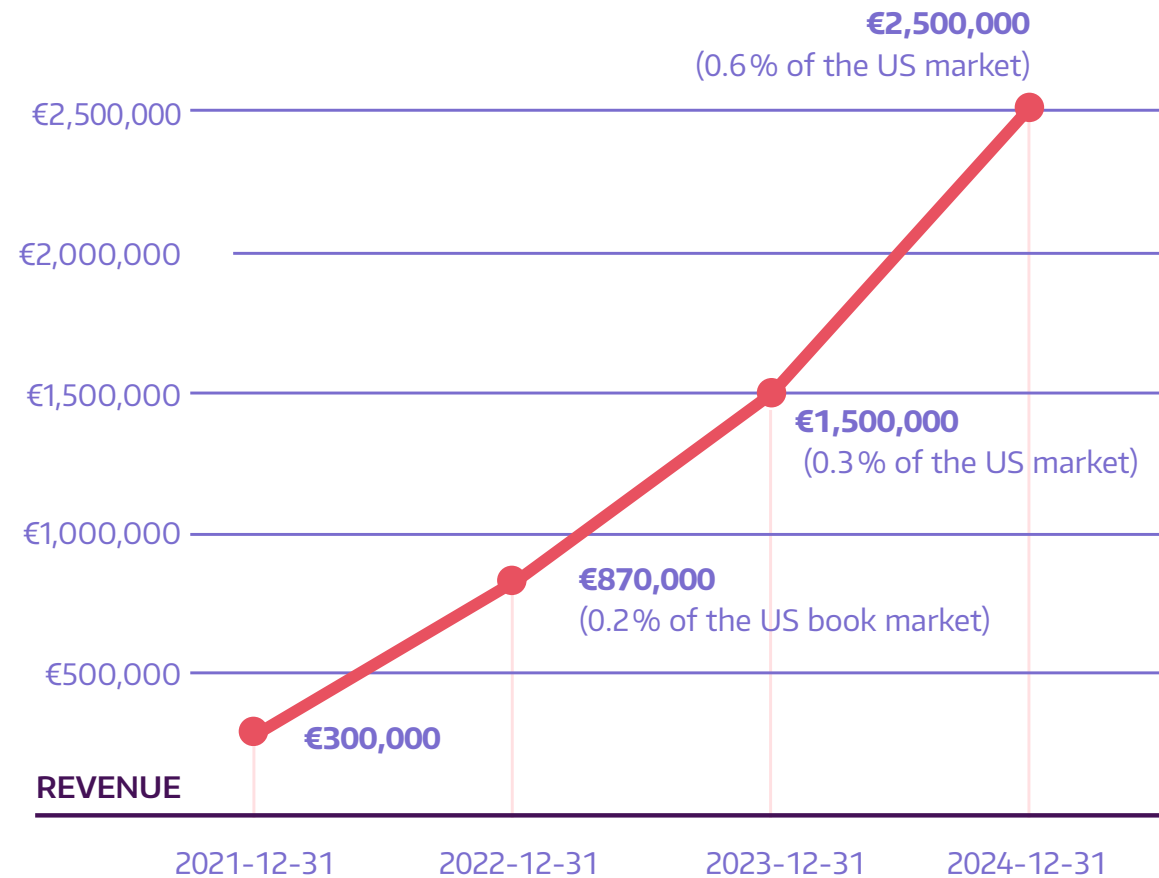
Break-Even Point



# FINANCIAL OUTLOOK, KEY INDICATORS

100,000  
manuscripts  
analyzed

100  
contracts signed  
with publishers



# PLANNED DEVELOPMENT OF THE TOOL



## **In Q4 2021 we plan to introduce services for scientific publishers.**

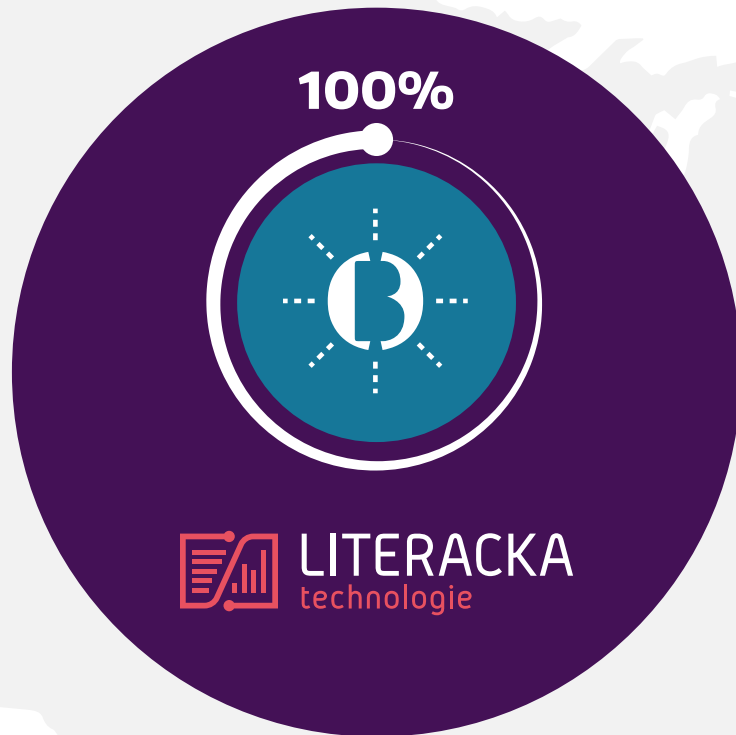
AI compares incoming manuscripts with the content of already published books, their descriptions, or publishers' offerings, finds the most similar existing publications, identifies potentially missing topics and helps publish books that meet market demand.

### **MARKET APPLICATION:**

- creating new publications from existing content
- search for relevant reviewers and authors – experts in any field of science
- trend analysis
- supply analysis to diagnose market / thematic gaps

# PLAN TO ENTER THE ENGLISH LANGUAGE BOOK MARKET

## DISTRIBUTION CHANNELS



### Q3–Q4 2021

Entering the English-language book market in the US and GB – based on OpenBooks.com contracts and resources.

In 2020, **Literacka bought a 100% stake in Open People, owner of openbooks.com** – a service operating in the US and UK, allowing users to generate ebooks and test the marketing potential of books before publishing and self-publishing.

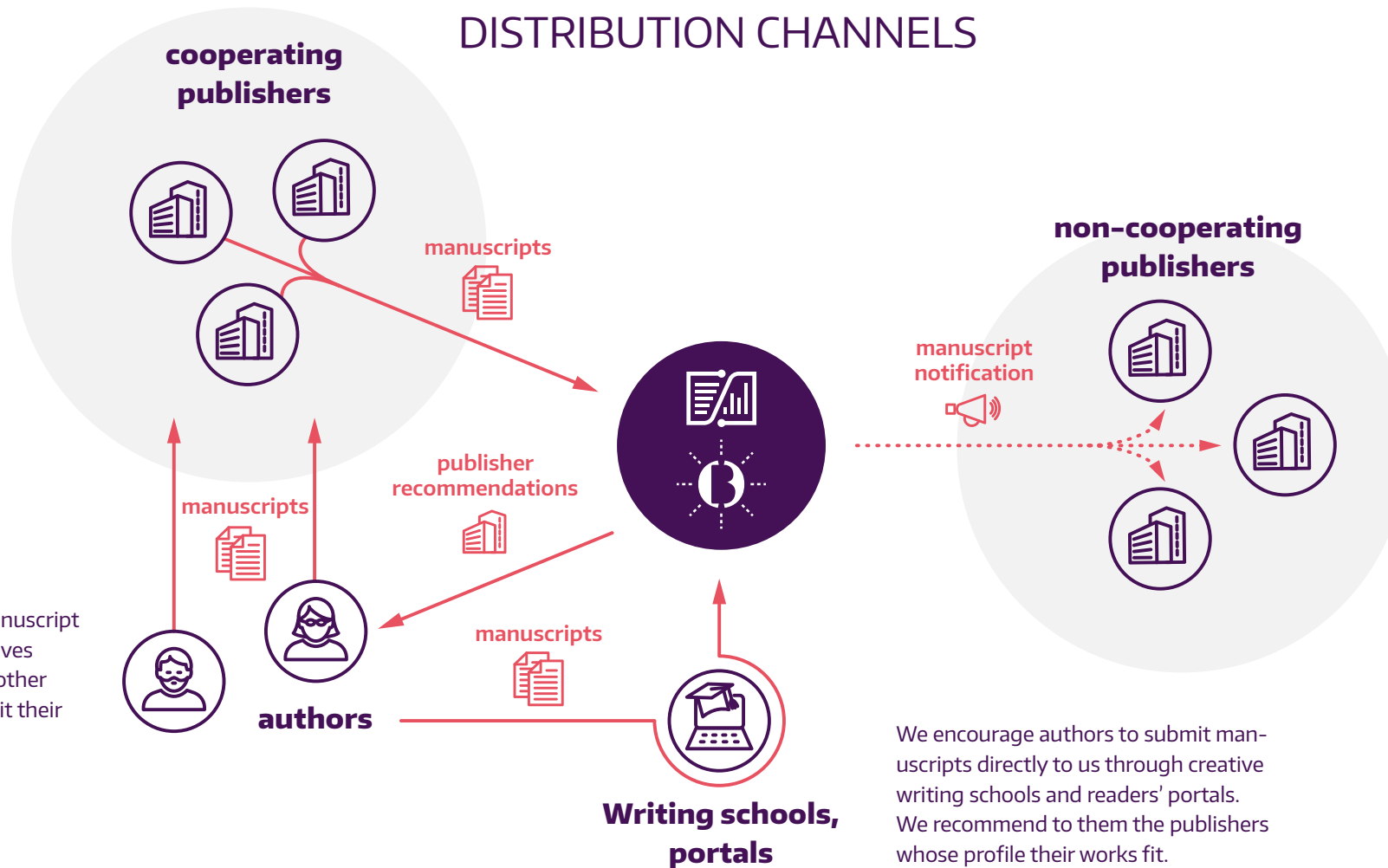


# PLAN TO ENTER THE ENGLISH LANGUAGE BOOK MARKET

## DISTRIBUTION CHANNELS

Each publishing house we cooperate with directs a stream of manuscripts to us.

Each author submitting a manuscript to a particular publisher receives a recommendation of which other publishers they should submit their manuscript to.



Any publishing house that does not work with us receives a notification from us of a new manuscript that fits their profile, which they can review. The initial review is free, with access to the full content and author contact upon purchase of the service.

We encourage authors to submit manuscripts directly to us through creative writing schools and readers' portals. We recommend to them the publishers whose profile their works fit.

## WHO ARE WE?

**Literacka Technologie** is a leader in the analysis of long texts by artificial intelligence algorithms. Our algorithms achieve **82-96%** efficiency. Literary category recognition – 2% more accurate than humans.

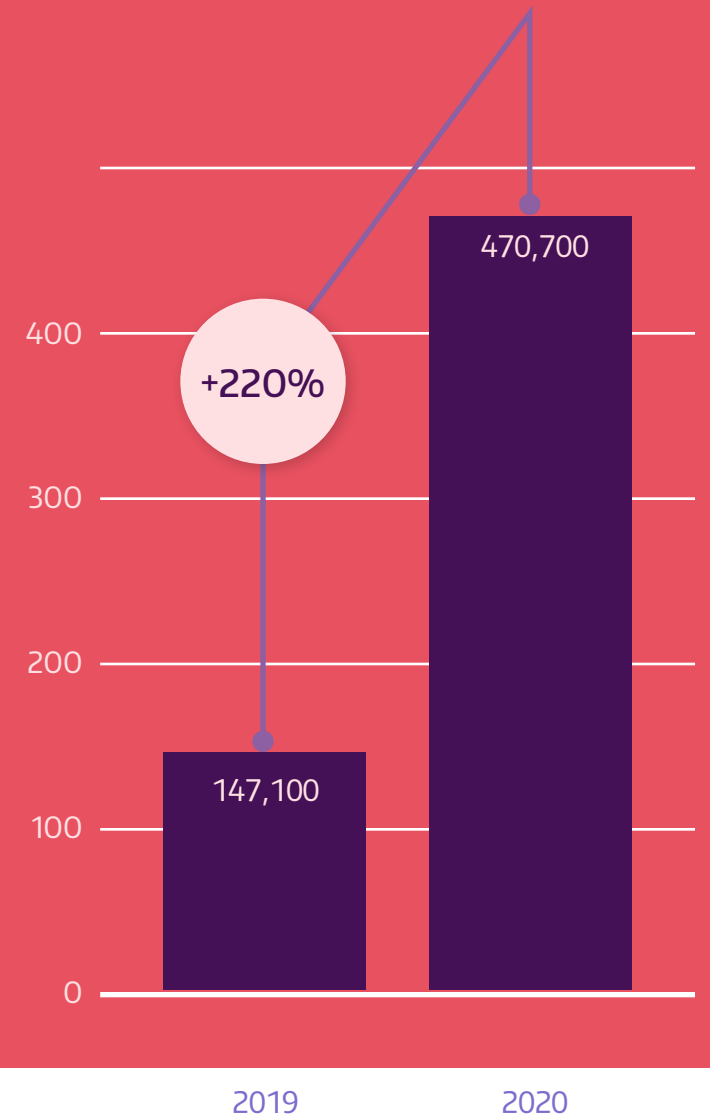
We are in a scientific consortium of the “Clarin – Common Language Resources and Technology Infrastructure” research project, together with Wrocław University of Science and Technology.

How AI helps publishers, explained by our CIO:



[www.youtube.com/watch?v=N\\_pyeRsbLa4](https://www.youtube.com/watch?v=N_pyeRsbLa4)

### Sales revenues



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# COOPERATION



**Our team is the coordinator and implementer of R&D work for Legimi SA:** Development of models for behavioral analysis of users using artificial intelligence algorithms to predict consumer behavior, offer product recommendation, and automate marketing and sales processes in the book industry.

Since March 2020, we have been the organizer of the national **Book Marketing** conference, and the most prominent online event for the book industry – **Book Targ industry fair**, as part of the **Book Targ virtual book fair (with Legimi, Allegro, Lubimy czytać)**.

Based on the book content analysis, we implement innovative solutions for bookstores, publishers, and libraries, including **Nexto's e-Kiosk**, the **Polish Book Institute**, **NORLA (Oslo/Norwegian Literature)**, **Biblioteka Analiz**, **Marpress**, **Agora**, and publishing agencies in the **US**.

Legimi

publio.pl

Biblioteka Analiz

INSTYTUT  
KSIĄŻKI

POZNAŃSKIE  
TARGI KSIĄŻKI

POLSKA  
IZBA  
KSIĄŻKI

Rynek-Książki.pl

You can learn about our work, in the words of our clients, on our Youtube channel:



[www.youtube.com/watch?v=N\\_pyeRsbLa4](https://www.youtube.com/watch?v=N_pyeRsbLa4)



# OUR SOLUTIONS



## ©FIONA

In 2019, we developed the proprietary ©FIONA software for long text analysis.



## SZREK

Data from Fiona feeds the Advanced Book Recommendation System (SZREK) we created



SZREK is implemented as a **Virtual Bookseller** in libraries and online bookstores.



It was awarded an **Eagle of Innovation** for its implementation in the Publio.pl bookstore (December 2019).



The Virtual Bookseller is always learning; in the first year of implementation (2019), it improved the conversion rate by 86%, and cart value by 45%.



Current results (Q4 2020):  
**100% conversion increase,**  
**58% cart value growth.**

# MANAGEMENT TEAM



**MAŁGORZATA SIENIEWICZ**

CEO, CO-FOUNDER

A graduate of Polish philology, law, and MBA; in 2011 – after years of working in the media, publishing, and event organization, she established her bookstore. She was nominated for Olsztyn Citizen of the Year for her activities promoting readership. She is a scholarship holder of the Minister of Culture. A juror in literary competitions, an editor of books.



**DR KRZYSZTOF SOPYŁA**

CIO, HEAD OF R&D

researcher in machine learning and data science, programmer, assistant professor at the University of Warmia and Mazury, Faculty of Mathematics and Computer Science. He has been managing commercial IT projects and R&D work for many years: processing on GPU (CUDA), classification algorithms, and pattern recognition using SVM and Neural Networks. He did his PhD at the Polish-Japanese Academy of Information Technology in Warsaw.



**BARTEK FILIPEK**

DEVELOPMENT MANAGER FOR FOREIGN MARKETS

for 20 years engaged in marketing communications and business development; working for global consumer brands in Poland on behalf of leading international and local public relations agencies. For four years, he was head of marketing for FranklinCovey CEE; he founded Mudita.com and OpenBooks.com technology companies.



**URSZULA WITKOWSKA**

CHIEF MARKETING OFFICER, CO-FOUNDER

For many years, she managed the promotion in a nationwide bookstore chain, where she implemented an e-commerce sales platform and a loyalty program; PR and Media Relations specialist by education and publishing policy and book market expert, reviewer, and blogger. She has extensive contacts in the bookselling and publishing industry.

## PARTNERS / INVESTORS



**MAREK KUKURYKA**

BUSINESS ADVISOR

shareholder, business angel,  
long-time president of  
Sanitec Koło and many other  
companies in the sanitary and  
construction industry



**WOJCIECH DRZYMAŁA**

FINANCIAL ADVISOR

shareholder, partner  
in KPMG Polska



**MICHAŁ KICIŃSKI**

DEVELOPMENT ADVISOR

founder of CD Project  
and Midity



**SIMPACT FUND**

INVESTOR BRIDGE ALFA

**We are supported  
by experts and  
the first impact  
investing fund  
in Poland.**

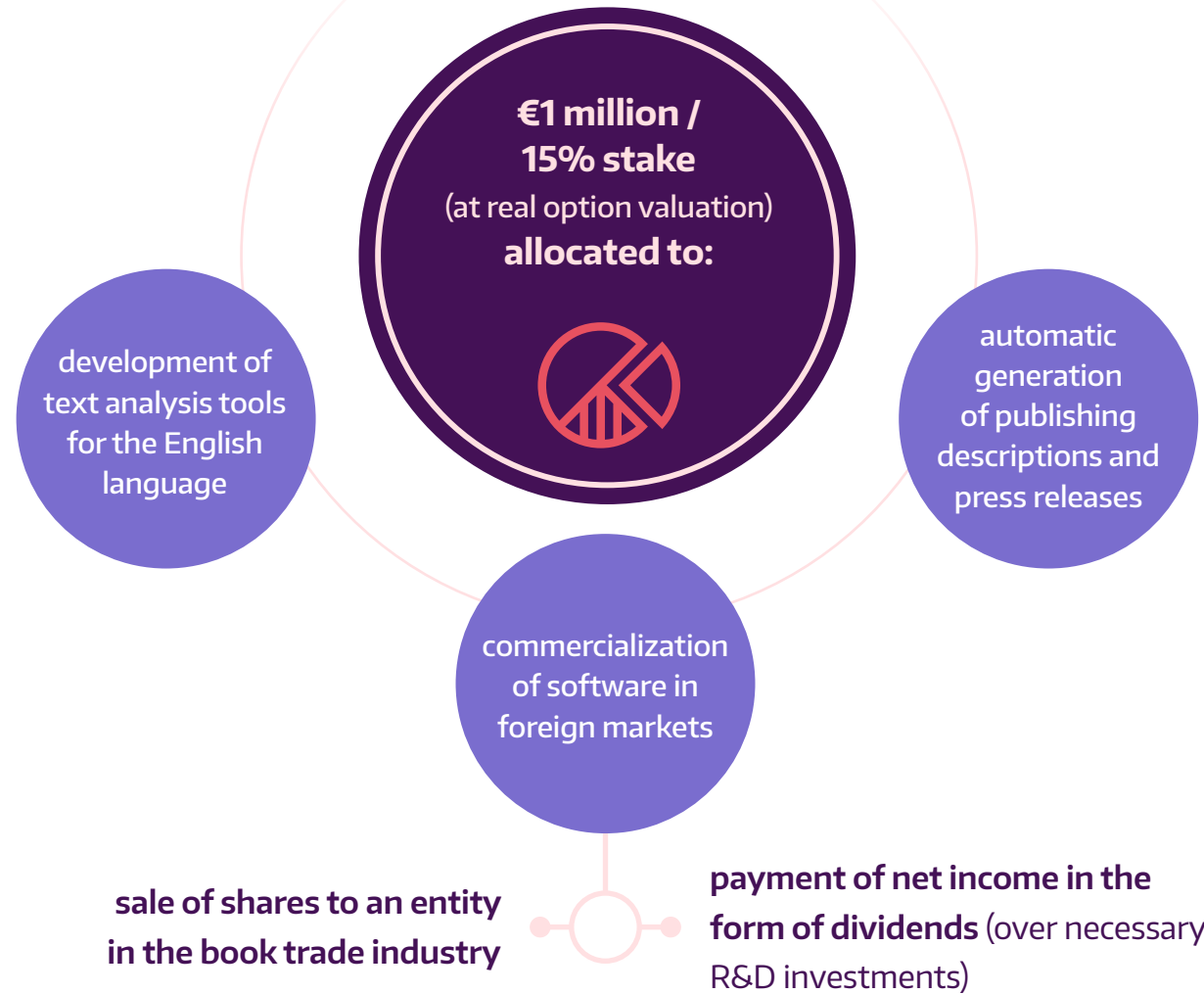
**20% stake in the  
company** held by an  
investment fund

**80% owned by  
shareholders, founders –**  
operational involvement +  
resources + networking





## FUNDING ROUND



19/19

We invite you to co-create the  
future of the publishing market.



Let's schedule an appointment to talk!



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