



DAY SIX ENTERTAINMENT

BUSINESS PLAN

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BUSINESS PLAN OVERVIEW

EXECUTIVE SUMMARY

- The business is a multi-faceted entertainment company which provides record label management, audio-visual recording and post-production services, and full-service videography and feature films. The company is Day 6 Entertainment and unlike at any other time in the history of content, is superbly positioned to become the quintessential name in the entertainment industry in the US. Here's why:
 - In a world that will be increasingly controlled by artificial intelligence and machine learning capable computers, creativity is our saving grace. But creativity isn't inherently available in all of us. It's a gift, and as more of the world's jobs are automated, as more of the world's content will become homogenous, creativity is shaping as the most critical competitive advantage in the world. Original Netflix Series are examples of extreme demand for unique and authentic content.
 - As more and more content is created and more and more companies follow Red Bulls' example and set up their own media divisions, it's now more important than ever to stand out. To truly stand out and achieve cut-through, brands, artists, and influencers need creative ideas, engaging content and beautiful execution.
 - Moreover, the path to discovery for talented new artists, creatives, and brands is changing. Record labels and movie studios no longer exert the influence they once did, and social media has changed the way upcoming talent and enterprises can build their audiences and launch their careers or products.
- For those reasons, the entertainment companies that are multi-skilled and revenue diverse will flourish. Provided that they specialize in creative ideas and skillful execution, entertainment companies and content creators stand to gain significantly in the race for relevance. Day 6 Entertainment is one of those companies; destined to take their offering to a wide range of artists and companies and help usher in a new era of entertainment and content.
- The experienced team behind Day 6 Entertainment consists of CEO and founder, David Petway, who has a tremendous amount of artist management and executive level leadership and his team of technical specialists who are highly-regarded in their fields of expertise. The

talented group will use their combined business expertise to grow the business with traditional, digital and experiential marketing will help grow the number of artists on its books, commercial partners and clients.

- The company derives revenue from four different business units: audio mixing and post-production, studio hire, full-service videography (pre-production, shooting, and post-production) and artist management services. The company currently works with more than 100 artists, clients, and agencies and is already generating more than \$100,000 in annual revenue. With funding, revenue is expected to grow to \$200,000 by 2021.
- Day 6 Entertainment is seeking to fund the growth of the business and to fund seven individual creative projects (circa \$15million). Specific project investment will be ring-fenced for each project and returns generated based on the success of the individual project. Details of the individual projects can be found in the Financial Information section of this plan.
- No investors have been solicited for investment and none of the projects listed in this plan have existing investors.

BUSINESS OVERVIEW

Founded by entrepreneur, hobby singer, and pianist, David Petway, as a vehicle to amplify the voices of the Gulf Coast creative community; Day Six connects local talent with the global market and helps organizations of all sizes create world-leading content. Day Six is an award-winning multimedia facility (Nappies Award's Winner in the Best Local Recording Studio category), audio and visual production house and full-service record label. The crossover and harmonies of the three businesses units help to generate regular and recurring revenue for the company. The next evolution is growing our client base, our internal talent and revenue.

More specifically, the multimedia services offered by the company include:

- Mixing;
- Feature film concept development, recording and grading;
- Mastering; and
- Post-production.

Artist and event management services include:

- Recording artist management,

- Public relations;
- Marketing; and
- Events.

Although a young company, Day Six has recruited and maintained a talented team. It has over 60 years of combined technical and management experience. Our team's portfolios bring a wealth of experience to the facility. Our current and past client list includes Rich Boy, Three Doors Down, Roman Street, 50 Cent, Trinidad James, Moneybagg Yo, Big Krit, Jim Jones, Niles Rodgers, DJ Envy, DJ Drama and others.

Film projects include but are not limited to full-length feature film, Alabama Dirt; music video Tupelo Honey (Multi)-Van Morrison Cover (The South Alabama Film Festival Music Video Award), and Red Box release Hay Ride.

Current clients include local rising hip-hop artist Jay Cash, indie pop soloist Madison Grace and rap phenomenon Arti B. To grow our list of clients, we intend to aggressively scout new talent, unleash existing talent with underperforming management and explore commercial opportunities from within our suite of services. For example, where musicians are also actors, MCs are voiceover artists, and advertising agencies require hip-hop instrumentals (that our artists can create). There is huge cross-sell and up-sell opportunities from within the Day Six Entertainment group.

Mission Statement

Day Six Entertainment provides creative individuals with the tools needed to achieve the zenith of their creative pursuits. The primary mission of Day Six is to facilitate the endeavors of artists from conception to consumption, utilizing in-house capability and strategic partnerships.

TEAM



David Petway is no stranger to business. As a successful owner and operator of several companies for almost 20 years, Mr. Petway's business savvy has garnered the respect and admiration of his peers and notable national figures alike. A lover of music and film, David Petway started Day 6 Entertainment Group, Inc. with the vision of bringing back the artistry which, too often, is lost in today's entertainment industry. Upon seeing the creativity and passion of one young, local

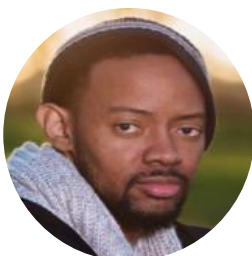
filmmaker, Nathaniel Nuon, Mr. Petway formed a partnership between Nuon Films and Day 6 Entertainment.



Alana Bell has worked alongside national Recording artists Plies, Nayo, Ace Hood, DJ Khaled, and Flo Rida. She now works behind the scenes at Day 6 Entertainment. Utilizing her Master of Business Administration degree, she works closely with the production team and oversees the administrative portions of projects. Alana brings her knowledge and experience together to make sure each project is professionally executed to the satisfaction of each client.



Walter Jones comes with a wealth of experience. He has been in the Entertainment industry since the 990's and has negotiated a number of record deals with noted companies as Interscope, Sumthing Distribution and most recently with Day 6 Entertainment and Ingrooves of Universal Studios Music Group. Walter is experienced marketing and promotional and talent scouting and development. In addition he has booked concerts for A list musical talent such as Young Jeezy, and Ciara.



Patrick is a Mobile, AL native and graduate of Spring Hill College with a degree in Business Management. While attending Spring Hill,



Patrick began organizing events at various venues throughout the area. His talent quickly evolved from organizing college events to banquets, concerts, and even product marketing. For the past 9 years, Patrick has developed great working relationships with many venues in the Gulf Coast, as well as several industry contact.

Matt is a professional audio engineer with over 20 years' experience in the entertainment recording industry. He's had the great privilege to work with some fantastic people, on some excellent projects. After working for Integrity Music (a professional record label) for 11 years, Matt worked as a freelance audio engineer and producer for 7 years while at Jada Entertainment in downtown Mobile, AL. Matt has recorded and mixed many genres of music including Rock, Rap, Hip Hop, R&B, Gospel, Country, Contemporary Christian, and Jazz music.



A graduate of The Conservatory of Recording Arts and Sciences, Sam continued his training at Paragon Studios in Nashville, TN after graduation. Having trained on many large format consoles and professional outboard gear, Sam has become certified in Smart, L-Acoustics, Waves, and Pro Tools and proficient in many industry-standard DAWs (digital audio workstations). His love for music is not limited to studio production and engineering, for he is also a musician. Growing up playing the blues and jazz and joining many indie punk rock bands has promoted a desire for professional studio quality recording.



Nathaniel Nuon, a full-time filmmaker since 1995, is an experienced and award-winning director and creator of short films, feature films, music videos, promotional works, commercials, and more. Nathaniel's talents have earned him several awards at several film festivals. These include the San Diego Filmmaker Award at the San Diego Film Festival, and Viewer's Choice Award at the Temecula Valley Film Festival for his powerful short-film *Residue*. The film went on to win 2 Emmy awards for best short film and original score. Nathaniel's commercial work includes directing "Hotel California," a 2012 soul-rock remake of the Eagles classic song by R&B singer and hip-hop recording artist TQ from Compton, California. He followed up with an international debut "The Final Answer" by Cambodian recording artist Jay Chan that became an instant hit overseas.

TEAM CAPACITY

One of the key questions raised by the ambitiousness of the projects listed in this business plan is the ability to deliver them on time and to budget. Thankfully, the team above are adept at managing projects of this magnitude (e.g. music videos and entire feature films) and have the requisite recruitment and subcontracting contacts to facilitate filming and post-production. As a multi-faceted entertainment company we have multiply strings to our bow. Accordingly, some of the team will only work on the music projects and others will only work on the videography projects. This division of responsibilities holds the company in good stead to meet projected timings and investor expectations.

The following are additional to be confident of Day Six's ability to meet this aggressive production schedule:

- A large portion of Project One: Life's Work has already been shot. Most of the work on this project will be in the post-production studio.
- The team are incredibly experienced at managing this number of projects in a twelve-month period. In the past year, we've recorded many more singles, albums, catalogue tracks and more, and still found the time to write our next feature films and collect raw footage to be used in Life's Work. Capacity planning or effective use of resources is one of your most important jobs as a leader and David is confident his management skills will come to the fore.
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SUMMARY OF BUSINESS FACILITIES AND REVENUE UNITS

The facility hosts two recording studios, excessive audio and video recording and producing equipment and the creative environment where the staff flourishes in delivering exceptional television, film and musical projects.

Facility

The Day Six Entertainment studio space and recording facility is a unique asset. One of the few of its kind on the Gulf Coast and a massive asset to the business. In the last financial year, studio recording revenue contributed 45% of all Day Six revenue with little promotion. With impeccable attention to detail and design making it truly an experience destination and creative hub. It boasts a live recording studio, a recording studio with 3 isolation booths, management offices, conference and think-tank rooms, pre-production studio and post-production audio and film house. Each piece is designed to empower our performers and clients and help to bring out the most visceral creativity.

The recording spaces in the studio are:

Studio A

Perfect for recording your next studio album or Sunday sermon, Studio A features top of the line hardware and equipment as well as the latest in software and plugins, which allow you to process the sound of your instrument in an almost unlimited variety of ways. Here at Day 6, we meet and exceed industry standards.

Live Room

The Live Room provides an organic and open sound, perfect for choirs, orchestras, gospel groups, and bands. In addition to being perfect as a rehearsal space, the Live Room is fit for recording live music (both

stripped back acoustic guitar and percussion with sultry vocals). At 850 sq. ft., the Live Room features two isolation booths and a dedicated control room.

The perfect customers of these services include:

- Recording artists (demos and mixtapes through to eps and albums);
- Rehearsing bands and artists;
- Music schools;
- Pastoral sermons and gospel groups;
- Podcast recorders; and
- Advertising agencies recording voiceovers and radio ads.

After the recording is complete, Day Six helps to cut, channel, mix and master the audio for the intended purposes. All genres, all purposes, all performed by experienced and skillful audio engineers.

REVENUE UNITS

In addition to offering live studio recording space, Day Six also have other complementary revenue streams. They are:

Artist Management

At the heart of Day 6 is the love of quality and excellence in music and entertainment. Discovering and fostering raw musical talent is an integral part of the Day 6 enterprise. Our local and regional community is ripe with talented artists looking for a break. We strive to provide a platform for local artists to perfect their craft and reach mass audiences. Thanks to our industry connections, artist nurturing and state of the art facilities, we can often help artists go from zero to hero. There's money in discovering the next superstar too (even if on a local scale). Our management fees are 20% of all revenue generated by the artist including EP and album sales (including streaming revenue), merchandise sales, ticket sales, appearance fees, and other commercial revenues.

A successful capital raising round will allow us to actively recruit the next generation of Day Six artists and better promote our management services.

Media Production

Day Six gives clients a full-service studio experience. We offer a wide range of creative services that fits your needs and budget. Say you have a self-produced album that needs cover artwork or an idea for your next music video. Whether an artist or a client is a beginner or a longtime professional, our team can help

take their creativity to new heights with expert ideation and years of experience.

- **Videos, TV spots and short films**
From live acoustic videos to Hollywood style shots filmed on location, Day 6 is equipped to do it all. Having this broad skillset is incredibly lucrative given the importance of video content on all forms of marketing and promotion. Every music video has both a lyric video pre-release and a live-action feature, every event has a teaser, every brand needs an explainer video, every product needs a promotional video and every influencer needs a piece to camera for their vlogs. This revenue stream is enormous.
- **CD Artwork, packaging, and duplication**
After completing singles or albums, Day Six get straight into shipping mode; helping artists finalize projects with professional album art, packaging, and duplication. Present yourself and your work in the best light possible. Trusted and dedicated graphic designers and suppliers are at hand to help artists and their managers and labels make a lasting impression on music lovers.

Video and Audio Post-Production

Whether the audio or video has been recorded or filmed with or without the help of Day Six, the company can still help prepare it for release. This usually involves color grading raw video footage, adding audio channels and tracks to edited footage, all post-production (editing, motion graphics, transitions and bumpers, and stings). These services are critical for creating a finished piece of art. They are the final pieces that make an enormous difference in the quality of the work and cannot be understated.

The post-production services Day Six offer include:

- color grading;
- sound and visual after-effects;
- distribution deliverables (e.g. Blu-Ray, DVD, Web, VOD, RED 8k, Red 4K, and 2K DCP for Theater);
- 5.1 audio mixing, 7.2;
- final audio mastering; and
- ADR (Automated Dialog Replacement).

The clients for these services include any videographers, audio engineers, artists, agencies with raw footage that needs a polish before being published or released.

Film, Documentary, Music Video Projects

The Day Six team have also worked on feature films and intend to partner with studios to continue to build their experience and reputation in this area and create significant revenue for the business. As the market for original content increases and as more and more content creators seek to tell their stories in long-form, the need for film production capabilities will skyrocket. Netflix, YouTube, and Amazon Prime are examples of the content companies thirsty for more original content. There has never been a better time for video and film. Investing in an independent film with a smaller production budget offers the chance to make more profit with less risk than a film with a large budget, where overheads need to be recouped before investors will see a return.

MARKET ANALYSIS

Video Production Industry	
Total Industry Revenue (2017)	\$7bn
Annual Growth	3.7%
Employment	41,022
Businesses	14,889

Major Label Music Production Industry	
Total Industry Revenue (2017)	\$7bn
Annual Growth	4.8%
Employment	9,346
Businesses	415

Audio Production Studios Industry	
Total Industry Revenue (2017)	\$1bn
Annual Growth	4.7%
Employment	5,183
Businesses	1,737

COMPETITIVE ANALYSIS

Competitor	Strengths	Weaknesses
Empire Group	<ul style="list-style-type: none"> - Online studio bookings facilitate e-commerce revenue and convenient consumer decision making. Likewise, online instrumental purchases (beats) remove conversion friction and improve sales revenue. - Successfully position themselves for both music recording and 	<ul style="list-style-type: none"> - Poor use of social media to attract new artist, partners, and customers. - The website does a poor job at showcasing their work. Links are broken, videos do not load, and information on services offered is limited.

	<p>voiceover recording appealing to artists and marketing agencies.</p> <ul style="list-style-type: none"> - Affordable prices appeal to amateur musicians to increase studio booking revenue. - Include a photography room to strengthen their offering to artists and advertising agencies. 	<ul style="list-style-type: none"> - Little evidence of the people behind the services. It's critical for audio engineers to have experience working with different artists and different genres. The customer has no way of knowing whether Empire will be good for their project. - Little nurturing of up and coming artists. Empire could offer educational content, learning sessions to get familiar with equipment and equipment reviews to boost website visitors and inquiries.
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MARKETING STRATEGY

How we'll sell more studio bookings

The studio bookings are always-on and provide an excellent opportunity for us to generate revenue with little marginal cost. With two spaces and facilities that are suitable for a raft of clients, we'll look to grow this portion of our business aggressively. Here are the tactics we'll employ:

- Search engine marketing: This is the obvious push marketing technique to acquire more studio bookings. When people have already made up their minds they want some studio time, they'll hop on to Google. We need to be astute in our bids to attract these clicks and our landing pages must be hyper-relevant to the search. For example, if someone wants a small studio space, there is no point taking them to a landing page with both options. We'll structure our campaign, so they are served with the small studio info page and booking form. We'll also ramp up our efforts to track conversions from click all the way through to conversion.
- Social media marketing: Social ads on Facebook and Instagram will be targeted at those with the occupation artist, with an interest in music and who live in the local area. The more targeted our ads, the cheaper our customer cost per acquisition. Social media is a nice medium for studio time advertising because of the tendency for new artists to use social to build an audience, release new music and get the attention of labels. As well as attracting this target audience to use our studio, we may also discover new talent to manage. It will also be beneficial if we start to record more behind the scenes recording sessions to show new and experienced artists what makes our studio unique.

- Content marketing: Content marketing pieces will be published on a company blog hosted on the website and on third-party blogging platforms like Medium. Content marketing is an example of pull marketing, as the strength of our content draws potential customers to inquire with us. Content marketing is value added, educational and far less disruptive than some forms of marketing.

Here are the types of blog titles we will write about:

- What to look for in a recording studio
 - When to know you're ready to record
 - From your bathroom to the recording studio; what upcoming artists should expect
 - How to get a record label to sign you
 - Why every artist needs a studio that makes them feel at ease
 - What does every hit album have in common?
- Open booth nights: Similar to pub open mic nights, we want to launch Open Booth Nights whereby our studio is free to anyone to come and have a thirty-minute session each. We'll put on drinks, food and with the help our talent roster, inspire the next generation of artist to get in the booth. Recordings of each session wouldn't be free, they would cost and help offset some of the cost of running the event. By getting artists in the booths, we think they're more likely to book a session.
 - Free trials: In a similar vein, the more people we can get experiencing the thrill of the both, the more recording sessions we'll close / book. We're confident in our ability to upgrade people on our database. So to get more on the database, we'll offer free trials. Borrowing from the SaaS world, free trials may last for thirty minutes and be followed up with an email marketing nurture sequence. A sequence could include:
 - A thank you message for taking up a free trial;
 - An explanation of the recording process - what would usually happen next;
 - A mastered cut from their sessions, showing them how good they sound;
 - An offer for a ten-recording session concession card and online booking platform link;
 - Inspiration in the form of other artists in a similar genre who have been busy in the booth

- School partnerships: Every school has a music class or department full of students passionate about making music. Some play instruments; some are on vocals, some are in groups and some dream of becoming huge. We can help make them all happy and feeling empowered by partnering with the school to offer the use of the space whenever they need (for those that don't have them all). The school would cover the cost. Even as the student leaves school, they have fond memories of our recording studio.
- Embrace the podcasts: Podcasts are the only piece of content you can digest while doing something else. That's why they're so popular. You can learn about Bitcoin while you're walking the dog, listen to a Jay Z interview while cooking dinner and get engrossed in a true crime story while on the train. That's also why so many brands are using them in their content marketing strategy. We will set up Studio A to facilitate podcasts with crisp audio and soundproofing setup, with appropriate mics and with conference call facilities. The result is the perfect space for brands to record their stories. We'll then pitch for the editing work. We could even start our own podcast which follows the journey of one promising artist as they try and make it big. For example, it could follow their experiences the first time in the booth, their first event, their first label meeting and so on.

How we'll discover and sign more artists

Although it is much easier to find new music online these days via Facebook, YouTube, and SoundCloud, the volume of it all still makes finding high-quality talent tricky. Therefore, we'll still rely on our network of contacts and proactive measures to find our next superstar artist.

- Live events: Apart from facilitating a network where friends of ours are encouraged to submit new artists to us, we'll need to get our brand out there more. We envision doing this with live events (concerts, live DJ sets, meet and greets). Positioning the brand as the premium label in the region and the label with the highest likelihood of achieving artist success will take brand awareness first and trust second. These events do both. If we use our artists and charge an appearance fee, this is also a savvy way to offset lower streaming royalties and increasing the reputations of our artists.
- Social media: Justin Bieber was discovered on YouTube, so there's every chance another superstar is posting on Snapchat, Weibo or another platform at the moment. We'll send our team to search for new music videos, clips, and SoundCloud recordings to unearth the next Kendrick Lamar, Lauryn Hill or Tim McGraw. Potentially even

by encouraging participation through a competition, or by paying for every video uploaded.

- Submit a demo: A function on our website where talent can come to us and get a free review of their sample or even a free mastering of their recording. That way, we get the first listen.

How we'll increase the number of postproduction clients we work with

- Partner with agencies: Advertising agencies are responsible for the large chunk of video production work in the world these days. We'll reach out to the agencies in the area, host them at our studio to showcase our skills and then look to partner with them more often, even when preferred supplier discounts are required.
- Partner with influencers: The other change in traditional content production comes via influencers. Brands are increasingly giving up their brand guidelines and trusting influencers to represent their brand in the right way for their audiences. While a lot of this content is quick and dirty, we'll look to incentivize local influencers to use our services to touch up their videos and create a compelling case to attract more brands and sponsorships.
- Embrace the trends: Video is no longer limited to television commercials or big budget productions. Video is used by brands to promote their products, internal HR departments to onboard and train their staff, lecturers to deliver virtual lessons and microcontent creators for live streams and interviews. Rather than wait for that type of work to come to us, we're going to solicit it, with an eye on trends. For example, we'll test product ideas like ten hour-long booking concession cards, Khan Academy and other online learning platform lesson development including learning guides and voiceovers; we'll train our talent with journalism skills to be able to conduct the interviews on behalf of our clients as brands become their own media houses; and we'll package the lessons up skillfully.

How we'll market individual projects

- Producing short promotional films, animations, and vignettes to promote the individual documentary, film, series or album on Facebook, Instagram, Twitter, and other social media channels.
- Running targeted online promotional and paid advertising campaigns across social media, landing pages, and Google.

- Producing and placing creative content for print (magazines and newspapers), OOH billboard advertisements and other channels to promote the projects in targeted regions throughout the country, and internationally.
- Offering free screenings / launches of video content and listening parties for audio projects.
- Providing free licenses and screening packs to everyone who wants to host screenings and launch parties.
- Generating hype and interest by providing additional DVDs, CDS and free downloads of the projects to give away in lead generation promotions.

COMPETITIVE ANALYSIS

There are a considerable number of competitive layers to our business - everything from film studios to freelancers; across all of our services. While competition gives consumers more choice, we believe the vast array of competitors suits our business well. Rather than work with a huge number of competitors from each service category or niche, our all-encompassing full-service offering will benefit consumers tremendously. Our existing clients prefer working with us because we are a total solution. They only need to give one brief, contact with one account manager and trust one organization to deliver for them. That is Day Six.

The breadth of our services and the strength of our individual talent is also a deterrent for new market entrants. The model is difficult to set up and expensive to copy. Especially in the Gulf Coast area which relies on meaningful relationships and location nous.

Broadly speaking, there are different layers of competition within each of our services. Here is an example for the videography space:

Five Levels of Video Production Capability			
Video Production Capability Level	Number of Providers	Size of Market Demand	Price Range for Projects
Equipment Owner Only	10,000s	100,000s	0 - \$2,500
Experienced Videographer	1,000s	1,000s	\$1,000 - \$5,000
Experienced Production Company	1,000s	10,000s	\$2,000 - \$30,000
Value-added Production Company	100s	1,000s	\$5,000 - \$75,000

Regional Market Leader	1 or 2	100s	\$25,000 +
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The same applies to audio engineering and even recording studios in respect of the different types of facilities available. That said, these are the locals that we compete with for most of our work:

Our competitive advantages are:

- Multi-faceted service offering. We offer everything from audio to video, pre-production to post-production and self-service to full service. No matter what type of inquiry we receive, we can help bring projects to life.
- Unparalleled experience. Creative projects are won and lost on the strength of the people delivering them. Our team are some of the best on the East Coast and bring a competitive advantage to every single project we work on. Our experience is impossible to replicate, and work comes to us because of our talented team.
- Top of the line recording spaces. Other studios skimp on equipment quality, have very little space and lack the technical proficiency to record well. Our studio is the best in the region. No expense has been spared to build it. Artists gain a massive advantage when they record in better quality, with us.
- Local and international industry connections. Regardless of the global trend of democratized industries, the music industry still has centralized control and a small number of influential industry figures and companies. Thankfully, the Day Six team know them, have worked with them and earned their respect. We receive a lot of work on the strength of these relationships, and use them for our client's and artist's advantage.
- Ambition. Every company can say that, however, Day Six displays it on a regular basis and uses it to push the boundaries of possible. We ask our partners to be ambitious, our clients and we set goals for our company and our individual projects that redefine film and audio experiences.

OPPORTUNITY TO INVEST IN INDIVIDUAL PROJECTS OR ALL PROJECTS

Investment is sought for the funding of individual creative projects. Investors can choose to invest in all projects or handpick the projects that best align to their investment portfolio or expertise. Investors in all projects will be entitled to a share of the revenue of all projects proportionate to their investment.

Investors in the individual projects will be entitled to revenue only from the individual project (and excluding revenue from the operation of the recording studio and associated revenue units). No equity in Day Six Entertainment is offered at this time.

Investment in the revenue units of Day Six Entertainment provides a number of attractive investor incentives including:

- Expected significant returns from the sale and monetization of the film, with investor participation in producer's box office, DVD, and video-on-demand, television, merchandising, sponsorship, soundtrack and ancillary revenues.
- Participation in the up-and-coming video-on-demand sector in which box office, video-on-demand and download revenues continue to grow; and
- Benefiting from the increasingly low-cost internet and social media advertising and distribution methods.

PROJECT INVESTMENT 1: DOCUMENTARY - CHAPTER #25

EXECUTIVE SUMMARY

- The first project Day Six aim to fund and release is Chapter #25 (Life's Work). The documentary does exactly that, documents the first 25 years of successful photographer Jeffrey Dennis's life.
- Dennis has recorded the most important moments of his life. From growing up loving music amongst personal tragedies to footing it with some of the biggest names in music as he turned his attention to photography and film.
- The story the footage tells is remarkable. The audience gets to experience everything about a 25-year old's life. The achievements, the setbacks, the influences and the future.
- As the subject of the documentary, Dennis shines brightly with his exceptional storytelling, brilliant ability to harness his own emotion and hurt into creativity for others.
- Having worked with Drake, Kanye West and other international artists, #Chapter 25 will appeal to creatives, musicians, hip-hop fans and other curious consumers seeking a debut film from one of the hottest up and coming directors.
- Given the rise of popularity in the documentary genre on video on demand streaming services, the timing for #Chapter 25's release is perfect. It is expected that the documentary will be picked up both domestically and internationally, and generate significant revenue from streaming deals.

PROJECT OVERVIEW

#Chapter 25(Life's Work) is a feature-length documentary celebrating the life and career success of acclaimed photographer Jeffrey 'HALO' Dennis.

The synopsis is set out below:

When Jeffrey "HVLO" Dennis set out to document the first 25 years of his own life, he wasn't prepared for the journey he'd embark upon. Nor was he prepared for what his motivation for money and material gain would cost him in the process. Until the day he received one phone call.

Life's Work is a heart-wrenching, inspiring, and beautiful story about friendship, love, dreams, and the ripple effects of poverty and state of

the black community, HVLO's raw and unmatched eye has captured the energy and essence of what it means to create a difference despite the tragedies that come and change very fabric of our lives. Through his own lens and personal journey entitled *Chapter 25*, we come to understand what it truly takes to evolve, heal, elevate, and become the light that we so desperately seek in this world.

Jeffrey "HVLO" Dennis has always been a creatively strong individual when it comes to interpreting and translating feelings through various art form mediums. Starting with a strong musical foundation at a very early age, HVLO began advancing his passions for film and photography at the age of 14.

HVLO's quick rise to success in the music industry allowed him to build a name for himself and become very well known for his photography and video work. Although he ran alongside some of this generation's hottest rap and R&B artists, entertainers, brand ambassadors, and influencers, he always carried the feeling that something was missing and out of place. Surely there had to more.

Knowing that his level of talent was being used to promote and advertise things that his emotional state didn't fully support, HVLO began to consider his true path and direction toward the future as a creator, filmmaker and artist. When the influence of the money, sex, and drugs that allowed him to support his family drove him farther away from his true self and kept him in a world where he didn't necessarily belong, he knew that change was inevitable must and it must begin with him.

In 2016 at the age of 25, one phone call was all it took for him to question his entire existence and purpose in life. This event would spark a spiritual journey into a metaphysical plane that would take an immediate front seat to everything in the physical world had to offer. And for the first time in his young life, HVLO points the camera at SELF to document his life moment-by-moment after receiving the call that changed it all. Chapter 25 is his debut film.

The trailer for the film can be viewed at
<https://www.dropbox.com/s/y6jsn16uj9bivpq/Halo%20Trailer%20Nov%2015.mp4?dl=0>

KEY SUCCESS FACTORS

- Choosing the right sales agent and distributors are critical to increasing the number of deals we sign and the number of people who see the documentary. A well-connected and competent team is a core

competitive advantage over other documentaries competing for virtual shelf space on Netflix, Prime, and other platforms. While we have an expert team and deals in place, it is still essential to put together the best possible team.

- #Chapter 25 must premiere strong. While it's difficult to get into Toronto Film Festival or Sundance, it is possible to get into the Alabama Film Festival and other smaller festivals and use them as a springboard to success. We can do this by building our audience ahead of the release and targeting doc-centric festivals.

RISKS

- A large portion of the documentary has already been filmed thanks to the director's cuts. This reduces the scheduling constraints we have with all the other projects we're looking to fund and develop. That said, there are still pressures to manage our time effectively to complete the documentary in amongst two feature films and our music projects. Accordingly, there is a risk we don't complete the documentary to schedule.
- Unlike some documentaries (for example an expose on the lack of clean drinking water in the developing world), ours could be considered of niche appeal rather than of broad appeal. We will mitigate this with our marketing efforts, but also embrace it, as a way of using influence in our key niche to spread the documentary.

MARKETING STRATEGY

- The sales and marketing of films is a complex process that will be managed by Day Six and the producers of the film together with a team of third-party sales executives and lead agent.
- The team is tasked with negotiating with film distribution companies in every film territory of the world for the best price to license films for release in cinema; on DVD and VOD; on television, both premium pay and free-to-air, and on any other distribution platform that exists or will exist in the future. Notably, Netflix prefers exclusive rights on pay per view platforms. Therefore, if we receive \$600,000 from Netflix we'll have to rely on free to air programming (such as the BBC) to source the remaining VOD income. We're confident we'll generate an additional \$2million from free to air rights sales.

- Building an audience ahead of the launch will be achieved by building a community as we produce the documentary. We can do this by providing small snippets of content, by engaging with our niche target demographic, by reaching out to the artists Jeffrey has worked with, and by reaching out to budding photographers and documentary filmmakers that want to be part of the experience.

FINANCE REQUIRED

Description	Cost	
<u>Production Expenses</u>		
Pre-Production	\$	370,820
On-Set Equipment Cost	\$	515,196
Filming - On-Set Crew	\$	1,507,084
Post Production Services	\$	683,760
Publicity	\$	10,000
Insurance	\$	131,000
General Expenses	\$	35,000
Production Subtotal		\$ 3,252,860
<u>Marketing Expenses</u>		
Social Media Marketing	\$	100,000
Premiere	\$	100,000
Influence Marketing	\$	20,000
PR	\$	35,000
Print Advertising	\$	65,000
YouTube Pre-rolls and other trailer advertising	\$	40,000
Bandwidth and miscellaneous expenses	\$	40,000
Marketing Subtotal		\$ 400,000
	Subtotal	\$ 3,652,860
	0.00%	\$ -
	Total	\$ 3,652,860

REVENUE EXPECTED

Description	Revenue
TV Deal	\$500,000
Local Box Office	\$3,000,000
International Box Office	\$1,500,000
Video on Demand Income	\$2,600,000

DVD Sales	\$150,000
Airline Deal	\$250,000
Total	\$8,000,000

REVENUE BASIS AND NOTES:

- Chapter 25 is the headline release for Day Six in 2019. Thanks to the large network of influence around Jeff and his existing following, the documentary should be an easy sell to distributors and fans. The trailer, for example, has already received plenty of praise and we are confident this title will be the launching pad for our other projects.
- As a category, documentary has grown significantly over the past few years. Some call this the ‘Netflix effect’, But it’s not just Netflix. The number of active buyers for documentary films suggests there’s an enthusiasm for independent nonfiction cinema that goes beyond the VOD giant.
- The strong performance of “I Am Not Your Negro” (by Magnolia Pictures) indicates theatrical distribution is still viable for non-fiction features.

PROJECT INVESTMENT 2: FEATURE LENGTH FILM - TEDDY

EXECUTIVE SUMMARY

- Day Six Entertainment seeks investors to produce the edgy new drama, Teddy for which the company owns the screenplay, film rights, and all ancillary rights.
- Under the terms of the offer, Investors subscribe for a membership stake in Teddy, entitling them to a proportion of the profits and any capital value realized from its business activities.
- Teddy explores the flawed central character the film is named after, as he grows up in a brothel, witnessing his parent's abusive relationship and instead of walking away from the environment starts to transform it with a knack for business and a respect for women the other men in his life have ever displayed. However, as Teddy's life begins to spiral out of control, Teddy's violent upbringing begins to rear its head and influence Teddy more than he ever believed possible. Is Teddy just like his Dad? Or is he the protective, generous figure the brother's woman need?
- The film will be championed by a powerful cast which mixes extensive acting experience and up and coming talent in a way that will resonate with our target audience of largely 18-30-year old's.
- In addition to a talented cast, the soundtrack (hip-hop and R&B) provides another competitive advantage and will be a compelling opportunity to grow revenue, audience and increase relevance in our target markets.
- The assembled production team have extensive experience in the industry and will ensure the film is completed to the very highest production quality. The cinematography will be creative and evocative, with wide sweeping shots of city life juxtaposed against the hustle and bustle of life in one of the busiest brothels in town.
- The script is commercial and has huge audience appeal as it explores the depth of paternal relationships with particular emphasis on the way children cope when they grow up witnessing violent relationships. Additionally, the script features humility, generosity, and love in an unexpected location - an inner-city brothel.

PROJECT OVERVIEW

Teddy is a feature length film full of sex, violence and complicated relationships. But above all else, Teddy celebrates the inherent graciousness of people, despite challenging upbringings and environments. The film synopsis is set out below:

Teddy is a pimp. Not surprising given he was raised in a whore house and learned everything he knows from his pimp father and prostitute mother. He's good at it too; helping the women he looks after to make thousands each night and enjoy lavish lifestyles surrounded by designer clothes, expensive jewelry, and excessive pampering. But unlike his violent father, Teddy has empathy. He treats his women well; helping him to grow his business rapidly.

Aside from the swathe of women in his work life, there are two special women in his private life. A bottom bitch who left Teddy without warning who will later end up dead (sparking police investigations and an informant to go undercover inside Teddy's operation), and a former love interest. There's also Teddy's unexpected daughter that belongs to one of them.

Just as Teddy's beginning to learn how to care for his daughter and starting to fall in love with her mother again, Teddy discovers the informant and beats her to with an inch of her life. Momentarily slipping into the worst traits he saw in his father, Teddy is embarrassed to commit such an act in front of his own daughter and is incarcerated with a \$1million bond.

When hope seems lost, Teddy's girls get back on the street and pool together to make his bail; rewarding Teddy for his loyalty and protection over the years and proving he's nothing like his father and can still be a positive influence in his daughter's life.

Teddy is a realistic love story set amongst grimy and violent background. It explores the male, female power dynamics in the sex worker industry and its impact on functioning relationships with the people we love. Above all, Teddy is a film about a flawed character who's upbringing gave him everything and nothing at the same time. Full of drama, luxury, violence and complex relationships.

KEY SUCCESS FACTORS

The primary method of revenue generation from our feature documentary is through the retail digital distribution sales (targeting Sony and Orchard). In addition, films can also derive revenue from endorsements, sponsorships,

events and merchandising. Accordingly, it is essential that we manage to produce the film on-budget and promote aggressively. The following factors are critical to the film’s success and our ability to generate a return on investment.

- Reaching and appealing to our target audience effectively. Our primary, secondary and tertiary target markets for this project are set out below:

Primary Target Audience	Secondary Target Audience	Tertiary Target Audience
Males, ages 18-30, strong interest in culture, music, sports and gaming. Enjoy thrillers, action and comedy genres. Appreciate aspirational actors and up and coming leads.	Females, ages 18-30, enjoy the character arc of family dramas and beautiful cinematography. Appreciate a rich, and complex plot with emotive impact.	Females and males 31-55, lovers of all films but prefer something a little edgier than traditional rom-coms. Frequent moviegoer and on-demand film viewer.

- It will also be essential to focus on securing an over-the-top internet streaming deal over or in addition to traditional bundled cable deals. i.e. we need to ensure our time spent selling the film is focused on the most profitable deals. Sales efficiency targeting the most likely and the most valuable customer is crucial.
- Achieving success in several international markets (as well as the domestic US market) is critical to our success. We believe that the film will perform strongly in the US, British, European, Latin American and other international markets, due to the subject matter, high production quality and international cast.

RISKS

- Securing talent for this film appears to be the major challenge and barrier to commercial success. It needs to be backed by well-known, strong actors (i.e. at least one ‘big name’) to attract supporting talent, commercial interest, and public success. In addition to talent acquisition, increasing production costs, scheduling challenges and marketing expenditure can all impact the success of creating Teddy and promoting it.
- The storyline could be confronting and challenging for some viewers. Prostitution and male against female violence could isolate some of our target audience, cause us to be censored, restricted or banned from some theatres or prevent us from advertising.
- More than 1,000 independent films are released in New York alone each year. Competition is high, and thus, theatres, airlines, and streaming

platforms have a huge amount of choice as to what film to pick up. Just 50 are picked up by the Sundance Film Festival. The independent route is challenging, and even if the film is picked up, consumers still vote with their feet.

MARKETING STRATEGY

Trailers, teasers and pre-rolls

- Netflix and YouTube do an excellent job at showcasing their television shows, films and original content in short ad format. Small snippets intended to hook the audience, entice them to watch, seek more information and increase the 'hype' for the film (i.e. increase the demand for wider release). These will be particularly pertinent for such a gritty topic. For example, a small 30-second clip of the prostitute informant sneakily relaying information back to her bosses while her investigative suspect, Teddy, listens and simmers away with rage, will leave the audience hooked as to what happens next.
- Our marketing strategy involves something similar; producing short promotional films, animations, and vignettes to promote the film on Facebook, Instagram, Twitter, and other social media in an orchestrated transmedia storytelling extravaganza. These videos will be boosted by running targeted online promotional and paid advertising campaigns across social media, landing pages, and Google.
- In addition to videos of the film itself, we'll use impactful behind the scenes clips to tell the story from a different angle and increase the feeling of 'involvement' from our target audience.

Print advertising and billstickers

- Producing and placing creative content for print (magazines and newspapers), OOH billboard advertisements and other channels to promote the projects in targeted regions throughout the country, and internationally. Movie posters in billsticker form showing the Teddy, his girls, the police and the lifestyle could be incredibly effective in the right locations.
- The designs used on billstickers will also make up parts of the collateral kit provided to film festivals, brand partners and distributors.

Premiere, private screenings and film festival circuit

- The festival circuit is a good opportunity to close TV deals, theatre arrangements (all over the world) and even airline deals. We plan on taking our film to the LA Film Festival, Tribeca Film Festival. To prepare we need a Festival Pitch Kit consisting of an introductory letter, a copy of the film, press releases and cast and crew biographies.
- Private screenings for friends of Day Six Entertainment, distribution partners, competition winners and critics will be organized at select local theatres. Private screenings act as the perfect early test bed, help to build positive sentiment for the film (including referrals, reviews, and recommendations) and can generate revenue for the film through ticket sales, merchandise sales and DVD sales.

Influencer outreach program

- In conjunction with an engaging social media campaign, we'll also look to influencers to help us spread the message of the film and spark demand, ticket sales, and stream watches. Influencers will be paid for their content, recommendations, referrals through social media to their audience. For Teddy, the influencer-generated content will be sought from both macro and micro influencers, asking them to explore their own complex family relationships in engaging and raw social content.
- The traditional influencer, critics, will also be invited to early screenings to rate the film and help us generate publicity.
- Our social media strategy also involves premier ticket giveaways, cast ask us anything social takeovers, brand partner giveaways, and message distribution and amplification through a Teddy-appropriate hashtag.

Product partnerships

- The film will feature several opportunities for brands to showcase their products via subtle product placements. We'll target jewelry, cars, alcohol and makeup brands and offer exclusive endorsements per category. Teddy and the brands we partner with will need a natural harmony and film / product fit. Once we have the right brands on board we need to ensure the brand's receive appropriate targeting so we can generate the maximum revenue possible from the small product feature opportunities.

Soundtrack

- The Teddy story lends itself to an incredible soundtrack full of big hip-hop tracks (similar to the Kendrick Lamar produced Black Panther soundtrack). We'll use our lineup of label artists and well-known lead artists and features to use the film's music to support the marketing efforts. Using our industry contacts, we are confident we can attract some well-respected and highly followed musicians to appear on the soundtrack.

FINANCE REQUIRED

To fund the development and production costs associated with the 'Teddy' film project, the company seeks ~\$4.2million. In consideration for investment in the film, investors will receive membership interest in the film by way of Class A Units. The film's lifetime profits, losses, gains, deductions and credits will be allocated 100% to the Class A Members in the proportion to each Members Unit holding. For more information on this offer, please see the terms sheet provided.

Description	Cost	
<u>Production Expenses</u>		
Pre-Production	\$	457,272
On-Set Equipment Cost	\$	767,294
Filming - On-Set Crew	\$	1,748,794
Post Production Services	\$	683,760
Insurance	\$	131,000
General Expenses	\$	35,000
Production Subtotal		\$ 3,823,120
<u>Marketing Expenses</u>		
Social Media Marketing	\$	100,000
Premiere	\$	100,000
Influence Marketing	\$	20,000
PR	\$	35,000
Print Advertising	\$	65,000
YouTube Pre-rolls and trailer advertising	\$	40,000
Bandwidth and miscellaneous expenses	\$	40,000
Marketing Subtotal		\$ 400,000
	Subtotal	\$ 4,223,120
	0.00%	\$ -

	Total	\$ 4,223,120
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REVENUE EXPECTED

Description	Revenue
TV Deal	\$340,000
Local Box Office	\$4,500,000
International Box Office	\$1,750,000
Video on Demand Income	\$800,000
DVD Sales	\$150,000
Airline Deal	\$100,000
Product Placement Income	\$500,000
Total	\$8,640,000

REVENUE BASIS AND NOTES

- The revenue figures have been calculated using comparable film performances (see table below):

Comparable Film Performance		
Film	Budget	Takings (million)
Notorius	\$20,000,000	\$44,400,000
Straight Outta Compton	\$28,000,000	\$201,600,000
Medicin for Melancholy	\$15,000	\$120,000
Dope	\$7,000,000	\$18,000,000
Get Out	\$4,500,000	\$255,400,000
The Big Sick	\$5,000,000	\$56,400,000
BlackkkKlansman	\$15,000,000	\$87,800,000
Sorry to Bother You	\$3,200,000	\$17,500,000
Averages	\$10,339,375	\$85,152,500

- Revenue figures also include comparable VOD and other distribution deals recently closed for the category and adjusted for the anticipated star power of the film.

PROJECT INVESTMENT 3: FEATURE LENGTH FILM - BROKEN BALANCE

EXECUTIVE SUMMARY

- Broken Balance is a feature length film shot in Cambodia.
- Investors can invest in Broken Balance and unlock an investment in an emerging film industry with an enormous market size.
- Cambodia itself is enjoying a renaissance. More and more tourists flock to Angkor Wat and other temples and idyllic regions that are synonymous with South East Asia. As a result, more people are interested in studying its history, visiting and consuming content produced in the area. Broken Balance will be no exception.
- The film industry in Cambodia (while improving) is still immature. We can instill some much-needed professionalism in the market and position themselves as the first mover in the film industry in the area. This will help us market Broken Balance, but also establish consultancy opportunities and other revenue from the region.
- For Day Six, Broken Balance is a sensible hedge against the US film market and offers less competition. Moreover, our filmmaker Nathaniel Nuon is highly experienced and respected in the region.

PROJECT OVERVIEW

Broken Balance is an original story that encompasses adventure, fantasy, science fiction, and romance. The story offers a fascinating insight into a country's ancestry, the unknown, and possibilities for the future. The Broken Balance story has the quality to become a major motion picture franchise.

Our goal is to create a cinematographic project that will also be commercially attractive to mass audience through exhibition, pay-per view, cable broadcast, and all home video formats.

Broken Balance will release into Cambodian theaters soon after completion. We intend to release the film into Cambodia's three premier cinemas in Phnom Penh: Legend Cinemas, Platinum Cineplex, and CineLux.

KEY SUCCESS FACTORS

- Being able to transition the film for the Cambodian market (and language) to a worldwide audience is important for the success of the

project, particularly to create lifetime revenue opportunities, rather than a flurry of takings at the time of launch.

- The adventure, fantasy genre is under-represented in Cambodia. Most films are low budget comedies or war movies (exploring the Khmer Rouge regime). We have an excellent opportunity to introduce a new title in a category rarely seen, particularly with a strong budget and cast to leverage it. This unique approach should hold us in good stead for commercial success.
- Filming in Cambodia may help reduce some of the production costs despite travel adding to the expenditure sheet. We'll look for opportunities to reduce this operating budget and therefore maximize returns to investors.

RISKS

- The film is tailor-made for the Asian market (particularly the Cambodian market). While that is exciting to target a developing film market with plenty of upside and a lower expected cost of sales throughout the region, it does mean we could be limited in international sales.
- Filming in Cambodia may limit our ability to apply for filming grants, tax credits, and other financial support.

MARKETING STRATEGY

- Targeting the Cambodian (and other Asian country communities) in Australia, New Zealand, UK, and USA will be important to help the film win international opportunities and revenue. This can be done by targeting religious communities in each of those segments, hospitality precincts in those communities and by facilitating meet-ups.
- Compete with the big-budget Hollywood releases by leaning on the Cambodian scenery, talent, stories and resurgence in a way that is clever and social media savvy. Asia leads the way in mobile phone uptake, therefore we'll utilize social media platforms that are often ignored by other film makers and studios. WhatsApp, WeChat, Weibo and Messenger will become a core part of our strategy. Specifically, when we create mobile-optimized content and experiences to explore the movie.

FINANCE REQUIRED

Description	Cost
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<u>Production Expenses</u>		
Pre-Production	\$	257,272
On-Set Equipment Cost	\$	137,294
Filming - On-Set Crew	\$	1,048,794
Post Production Services	\$	783,760
Insurance	\$	61,000
General Expenses	\$	35,000
Travel	\$	125,000
Production Subtotal		\$ 2,448,120
<u>Marketing Expenses</u>		
Social Media Marketing	\$	50,000
Premiere	\$	50,000
Influence Marketing	\$	20,000
PR	\$	35,000
Print Advertising	\$	65,000
YouTube Pre-rolls and trailer advertising	\$	20,000
Bandwidth and miscellaneous expenses	\$	20,000
Marketing Subtotal		\$ 260,000
	Subtotal	\$ 2,708,120
	0.00%	\$ -
	Total	\$ 2,708,120

REVENUE EXPECTED

Description	Revenue
TV deal	\$650,000
Cambodia box office	\$1,500,000
Asia box office	\$2,500,000
International box office	\$750,000
Video on Demand Income	\$800,000
DVD sales	\$150,000
Airline deal	\$500,000
Product Placement Income	\$600,000
Total	\$7,450,000

REVENUE BASIS AND NOTES:

- Filming in Cambodia has challenges and advantages. For example, labor costs are significantly cheaper (but skill levels lower) and travel

expenses increase. Broken Balance will be cheaper to film than our other projects but will take longer to master back in the studio.

- The filming crews used for Broken Balance will differ from Teddy, however some shared responsibilities will be required between the projects. It is intended that the shoots are seasonal, allowing both to be filmed in 2019. The two hemispheres allow split-shooting.
- There is precedent for filming in Cambodia with Angelina Jolie's Tomb Raider using parts of Angkor Wat. The film enjoyed excellent local publicity and performance.
- The majority of the sales effort will be focused on the local markets (local airlines, local box office and other nearby SE ASIAN territories)

PROJECT INVESTMENT 4: SIX MUSIC SINGLES

Our first musical project is to produce six different music singles for six different Day Six signed artists. The music singles will utilize the impressive facilities at our business premises and our creative audio engineers, producers, mixers and masters. For a long time, music producing has been our forté. We are confident we can identify talent, select the right artist and produce the music that will turn a decent profit.

EXECUTIVE SUMMARY

- We cut our teeth on music management. Our team's individual portfolios bring a wealth of experience to the facility. Our current and past client list includes Mobile's own platinum recording artist Rich Boy, Three Doors Down, Roman Street, 50 Cent, Trinidad James, and Moneybagg Yo. Big Krit, Jim Jones, Niles Rodgers, DJ Envy, DJ Drama and others
- We've already secured a worldwide distribution agreement with Universal Studios subsidiary, Ingrooves. We'll leverage this to drive royalties and subsidiary earnings through endorsements, sponsorships, events, commercials, licenses, features, video game placement and soundtrack opportunities.
- The exciting aspect of music producing is the ancillary revenue opportunities available on the back of releasing the single. Music singles can lead to appearance fees, concert revenue, tour fees, product endorsements, sponsorships and merchandise sales. Investors will benefit from this revenue too.
- Our team is equipped to explore and monetize all of these options when our singles perform well. We're experienced at managing artists and can react quickly when one of the singles performs well.
- We anticipate the music singles will return \$996,000 in 2019; increasing year on year for the next three years (largely through appearances, endorsements, and ticket sales)

PROJECT OVERVIEW

The six music singles we produce will come from our existing artists or from artists we pick up as part of the recruitment drive suggested in the Facility marketing plan above.

An example of our expertise in producing radio-ready music singles and our ability to foster and nurture upcoming talent, is Jay Cash. Jay Cash is signed to

Day 6 Entertainment and Ingrooves Universal (it's this partnership which will make distribution and sales much easier to achieve for all six of our singles and two albums) and his music is distributed through all major digital outlets. 48 Hours his lead single has helped enhance his reputation amongst hip-hop fans and the performer circuit. You can listen to 48 Hours [here](#).

We have not yet chosen the artists to produce singles for as we prefer to scout for additional talent, respond to emerging trends and listening feedback from our target audience. This approach gives us the flexibility and time to increase investor returns. For example, during the soundtrack for the documentary and films, we're likely to come across high quality unsigned music talent. The talent could be worthy of one of the singles and could sell more than one of our existing artists.

KEY SUCCESS FACTORS

- The timing of single releases is critical. For example, summer is ideal for up-tempo releases where publicity is easier to garner and more listeners are tuning in. However, singles ahead of major country music festivals and key events can also be useful. Choosing the right timing will be key to the singles' success.
- It is expected that some of the music singles will be used in the feature films above or the documentary. This will help with awareness for our artists and also guide the timing of the rest of the music releases. It will also help guide whether the singles are created as music videos or simply support the film. In short, if the film projects Day Six is undertaking are successful, so too will the singles.

RISKS

- The music single space is less risky than some of the projects for which we're seeking funding. The production costs are significantly lower, the barriers to enter mainstream markets are fewer and the marketing opportunities more bountiful. It's also easy to get instant feedback from the market. Do they like it? Will radio stations play it? Can we promote this through YouTube, Instagram, SoundCloud and other social media platforms before considering alternative advertising and promotion efforts? However, there are some risks that the music is not well received, is not picked up domestically or internationally and that the release doesn't generate additional revenue opportunities (like club performances, events and so on).
- To spread the risk, we'll choose different genres of music to ensure we have a nice representation across country (hugely popular in our region),

hip-hop, R&B and gospel. We'll also conduct market research and listener testing to assess which artist is more likely to be successful.

MARKETING STRATEGY

- Three elements are critical to single success. They are radio play, blog features, press/media coverage. We have to foster these and aggressively pursue them. Independently and with the help of a PR team, we'll target the appropriate stations, publications and media to get our artists to record interviews, the radio to play the music and the blog to review the music. When we have both mainstream radio play and smaller blog platforms, we can appeal to both the mass and niche markets.
- The prevalence of video content has ensured that YouTube must be an essential part of any song marketing strategy. We'll immediately upload the song lyric video, the music video (if recorded in conjunction with project six below) and clips of our producers putting together the music. The links can be boosted, heavily promoted in other social media platforms and also used for PR and publicity.
- Listening parties, concerts and festival appearances will also help the awareness and performance of the singles. We'll look to host our own listening party, collaborate with others occurring around the same time and generate invites to all relevant State events.

FINANCE REQUIRED

Activity	Cost (per single)
Production Expenses	
Additional Sound Equipment	\$ 2,500
Catering	\$ 1,200
Mastering	\$ 12,500
Backing Vocals / Artist Features	\$ 22,500
Sample Royalties	\$ 10,000
Total Production Expenses	\$ 48,700
Marketing Expenses	
Marketing and Promo	
New Release eBlast	\$ 2,500
Publicity	\$ 7,500
Printed Marketing Material	\$ 15,000
Service Meet and Greet	\$ 3,000

Street Teams	\$	16,000
Radio	\$	30,000
Radio Buys	\$	15,000
Digital Marketing	\$	6,000
Video Promotional Material	\$	17,000
Cable Television Commercial	\$	3,000
Total Marketing Expenses	\$	115,000
Sub Total	\$	163,700
Talent/Creative Developmental Costs	\$	214,286
Total (Six Singles)	\$	1,196,486

REVENUE EXPECTED

Revenue Stream	Revenue (per single)
Performance Fees	\$2,500
Mechanical Royalties	\$15,000
Endorsements	\$5,000
Features	\$40,000
Merchandising Royalties	\$1,500
Streaming / Download Income	\$100,000
Advertising Revenue	\$2,000
Sub Total	\$166,000
Commercial Film and Advertising Licensing	\$800,000
Split of Touring Revenue (Post Single Release)	\$192,500
Total (Six Singles)	\$1,988,500

REVENUE BASIS AND NOTES:

- Production costs are low on account of the existing studio space we operate which includes most of the equipment, technology and talent we need to produce the singles. Additional allowances have been made for additional mastering support and payments to talent.
- Costs could be shared (e.g. catering and equipment rental) if we record multiple singles per recording day, but we must assess what is the best approach for our artists.
- Revenue assumptions consider the performance of other indie musicians and industry benchmarks as well as a marketing spend ROI.
- Because a music single is likely to contribute to a tour's success, this project shares a portion of tour revenue proceeds for all artists.

- Commercial film and advertising plays are a huge opportunity for unique singles. For example, [advertisers can pay up to \\$200,000 per year](#) to use a song. Knowing this we'll actively target this revenue stream. Accordingly, we have predicted substantial success in this area.

PROJECT INVESTMENT 5: TWO MUSIC ALBUMS

EXECUTIVE SUMMARY

- In addition to the singles above, we'll release two full studio albums for the best performing artists for retail digital distribution. Using the singles as a barometer for album, success, the albums will be produced and managed by the Day Six Entertainment Label.
- Following a successful album, the artist will be further monetized and their artist persona further exposed with concerts, events, appearances and a local and nationwide tour.
- Our experience in producing, mixing and mastering audio and music means we don't need to hire expensive sound engineers or undertake a costly recruitment process. We have the team and know how, and this holds us in good stead for commercial album success.

PROJECT OVERVIEW

The albums that we'll produce will be for Day Six artists (either existing or new) and will be chosen based on artist popularity, streams, reputation and likelihood of success. Therefore, no additional information about the artist, genre or specific audience specific marketing plan can be given.

We have significant experience in producing music albums, for example, we produced all of Arti B's EPs and albums (information [here](#)) to critical and community acclaim.

KEY SUCCESS FACTORS

- Music is much more than music these days, and rarely does a great piece of music sell itself. In modern times, artists and their management teams must wrap quality music around quality storytelling. That is, to build a story that compels listeners to take action and stream, download or buy. For instance, Beyoncé's Lemonade wasn't just an album, it was an unexpected video album which referenced her personal family issues in a way that generated significant consumer interest.
- We've already built strong partnerships with distributors and other important stakeholders in the industry. However, we'll need to rely on these even more, generate other relationships and leverage them well to

get our artist's music in the right hands, on the right shelf and the right digital streaming platform. PR, distribution, marketing and activation partners are all valuable to the cause.

RISKS

- The risk in releasing two albums for Day Six artists is that our artists are relatively unknown in the music world. Research often suggests it takes at least \$500,000 to 'break' a new artist; a process which involves seeding them in influential publications building hype through a single, EP or teaser and then marketing aggressively.
- We also run the risk of releasing albums to market too quickly; before the product is mastered and ready to be released. The earlier to market the more chance of generating revenue sooner, however, an 'unfinished' album could reduce the amount of sales and streams. Timing also plays a huge part in how we schedule our singles. Music must be able to breathe and perform before new music is released.
- Album sales are also at the mercy of the artist themselves. While we select the best artists to take through to album stage and are confident they'll act appropriately at all times, a single Tweet, a negative interaction with a fan or a poor performance could jeopardize sales.

MARKETING STRATEGY

- To ensure the maximum number of downloads are generated for our albums and to build a community of fans around our music, it will be essential for us to list the album on all major streaming services. These include iTunes and iTunes Match, Apple Music, Spotify, Pandora, Deezer, Tidal, YT music, Groove Streaming, Groove Downloads, Google Play, Google Play All Access and Amazon.
- Free services such as Bandcamp or MusicGlue will also be utilized, whereby users can access the album for free and help grow the fanbase of the artist organically.
- To achieve tour, festival and concert bookings, we'll need to prove that our artists can put on a show. Therefore, we'll host listening parties, launch parties (in multiple locations) to build awareness, generate sales and validate fan interest and the impressiveness of our artists. There's nothing like live music to win over a new fan and nothing like an energetic performance to earn more. Live events will be a huge pillar of our strategy and a key to the album's overall success. Secret shows are

some of the most common ways of achieving live success and album hype.

FINANCE REQUIRED

Activity		Cost (per album)
Production Expenses (per album)		
Additional Sound Equipment	\$ 15,000	
Catering	\$ 5,000	
Mastering	\$ 15,000	
Backing Vocals / Artist Features	\$ 15,000	
Sample Royalties	\$ 15,000	
Production Expenses Total		\$ 65,000
Marketing Expenses (per album)		
MP3 / One Sheet	\$ 1,500	
CD Promo & CD Samplers	\$ 3,500	
Record Label Supporting Payments	\$ 10,000	
New Release Eblast	\$ 500	
Digital Marketing	\$ 12,000	
Posters, Billboards, Thongs	\$ 10,000	
Meet and Greet, Rollout Strategy	\$ 3,000	
Mixshow / Radio / Spins	\$ 30,000	
Label Fees	\$ 15,000	
Radio and Radio Buys	\$ 36,500	
Publicity	\$ 6,000	
Print Advertising	\$ 5,000	
Cable Promotions	\$ 5,000	
Promotional Tour	\$ 25,000	
Video Content and Promotion	\$ 32,000	
Marketing Expenses Total		\$ 195,000
Talent/Creative Developmental Costs		\$ 150,000
Total for Both Albums		\$ 670,000

REVENUE EXPECTED

Revenue Stream	Revenue (per album)
Performance Fees	\$ 15,000
Mechanical Royalties	\$ 15,000
Performance Royalties	\$ 12,500
Endorsements	\$ 15,000

Features	\$ 60,000
Merchandising Royalties	\$ 2,500
Streaming / Download Income	\$ 300,000
Advertising Revenue	\$ 5,000
Licensing Non-Lead Singles	\$ 25,000
Sub Total	\$ 250,000
Split of Touring Revenue (Post Album Release)	\$ 287,500
Total for Both Albums	\$ 987,500

REVENUE BASIS AND NOTES

- Streaming revenue has been calculated based on Spotify pay out rates of approximately \$0.006 to \$0.008 per stream. Performance royalties are a volume game and thus we must build our own following and rely on radio station uptake to max out streaming income. To achieve the \$300,000 streaming revenue, we need our albums to generate 75,000,000 plays. To put that into context, Ariana Grande’s new song ‘thank u, next’ has achieved 545,000,000 in ten weeks.
- The large number of streaming options offer new ways for the fans to discover our music and will also help multiply revenue.
- However, one of the key ways to derive revenue is by having our artists feature on other record label rosters. Record labels frequently pay \$5,000 - \$15,000 for a verse, chorus or hook on one of their artist’s singles. Thus, we will aggressively pursue these feature options and have forecasted substantial revenue off the back of those sales efforts. Notably, this revenue is not split with album or music video projects.

PROJECT INVESTMENT 6: TWO MUSIC VIDEOS

EXECUTIVE SUMMARY

- To support the distribution of our artists' music we intend to produce companion music videos for two of the singles. Like the singles and music videos, the distribution will be handled through Ingrooves Platform with support from our sister company AVA J Publishing. For an example of our music video work, please see Tupelo Honey by Multi (<https://www.youtube.com/watch?v=2uf7VzAW2II>).
- Aside from the obvious royalties awarded through streaming services and retail distribution, we propose offering the music videos and accompanying tracks for use in commercials, video games, film soundtracks and other international licensing. Albums and music videos often lead to requests for tours, features on other artist tracks, product placements / endorsements and merchandise. YouTube advertising and streaming revenue is also anticipated.
- Music videos are important bridge between indie / local artists and mainstream artists. With two impeccably shot and directed music videos we can take our artists further; helping them create a bigger legion of fans all across the country. A music video can be easily boosted (paid advertising), shared (word to word referrals) and picked up by media outlets, blogs and other music influencers.
- It is also very apparent that music videos will only perform as well as the artist who features in them. Artists need a strong personal brand (something the Day Six team have a great deal of experience doing) before promoting their music and benefiting from an impressive music video. We'll create a personal brand strategy for our artists to create the perfect launchpad for our music video success.
- The change in distribution model from the likes of MTV and other Cable TV towards YouTube, Reddit, VEVO and more opens up a huge opportunity in the music video space for us to exploit.

KEY SUCCESS FACTORS

- Music videos play somewhat of a nurture role within an overall artist release strategy (i.e. often the music video accompanies a music single soon after its release and helps to sow the seeds for an album release). Thus, we need to be incredibly strategic about the way we film the video. Yes, the video should support the single, but at the same time it can tease the full album in small social media ready clips and act as

further promotional material for live shows. Therefore, a key success factor is repurposing the footage shot for the video and strategically using it to promote the videos.

- Choosing the right concept is invariably critical to the video’s success. While the song itself plays its part, the story, the cinematography and the characters in the music video are important too (i.e. Ariana Grande’s new video for ‘thank you, next’). The video can get views and plays on the strength of the music or the strength of the video. We get two bites at success.

RISKS

- Negotiating upfront payments, backend residuals and flat fees and revenue sharing is complex and time-consuming. While we’re confident the music will succeed on its own, we need the commercial arrangements in place to monetize the music appropriately.

MARKETING STRATEGY

- Prior to the videos being released it will be important for us to build a sublist of email subscribers (like a community around our artists) who can be a VIP list of early adopters who help us launch the video. These subscribers will ensure we get the initial views for credibility and will help us share it to their music-loving friends. This works well because creating the video but not having an audience to launch it to (notably, the single will do this too) won’t help our artists sell more music, merchandise and tickets. We’ll create this list through listening parties and free gated music tracks (e.g. email address supplied for an early download pre-release).
- Once the videos have been released, paid ads on social media and email blasts to industry connections will help ensure a large number of views and subsequently, advertising revenue.

FINANCE REQUIRED

Activity		Cost (per video)
Production Expenses		
Studio Space	\$	3,500
Talent (backing dancers, actors)	\$	10,000
Catering	\$	1,600
Crew	\$	8,000
Equipment + Wardrobe	\$	3,200

Locations	\$ 2,500	
Post-Production	\$ 4,000	
Production Expenses Total		\$ 32,800
Marketing Expenses		
Record Label Supporting Payments	\$ 10,000	
New Release eBlast	\$ 500	
Digital Marketing	\$ 12,000	
Posters, Billboards, Thongs	\$ 10,000	
Meet and Greet, Rollout Strategy	\$ 3,000	
Mix show / Radio / Spins	\$ 10,000	
Label Fees	\$ 15,000	
Radio and Radio Buys	\$ 15,500	
Publicity	\$ 6,000	
Cable Promotions	\$ 15,000	
Video Content and Promotion	\$ 32,000	
Marketing Expenses Total		\$ 129,000
Total for Both Videos		\$ 323,600

REVENUE EXPECTED

Revenue Stream	Revenue (per video)
Advertising Revenue	\$196,000
Licensing	\$35,000
Product Placement Income	\$75,000
Sub Total	\$256,000
Split of Touring Revenue (Post Video Release)	\$110,000
Total for Both Videos	\$672,000

REVENUE BASIS AND NOTES

- Advertising revenue is based achieving \$1,000 per million views. Accordingly, we anticipate 196 million views across our videos. To put that into context, Ariana Grande's video for 'thank u, next' has 247 million views in eight weeks.

PROJECT INVESTMENT 7: TWO PUBLISHING CATALOGS

EXECUTIVE SUMMARY

- The most distinctive of all of our projects is the publishing catalog we plan to create with Ava-J Publishing. The catalog is likely to be a children's book or songwriting book of gospel, pop, R&B, rap and other genres of music). Catalogs will consist of 20-40 songs and we'll sell them through our existing network of publishers and partners.
- Publishing is an important arm of the music industry; often met with confusion and uncertainty about its important to artists. However, the management of artists original works and the monetization of each catalog is beyond most artists. Publishers act as the conduit between artists music, copyright, licensing and revenue. Day Six (via their subsidiary, AVA J publishing) are experts and have been in the publishing business for years. We acutely understand how to create and profit from different catalogs.
- Catalogs are varied in genre, but the most obvious opportunities at present center around children's work, gospel and hip-hop and R&B.
- Catalogs present an enormous opportunity to generate lifetime returns. There is no expiry date on a piece of music, no 'flavor of the month' approach like there can be to artists and the need for catalog-based music will always exist (or increase like we expect it to).
- We've included a large upfront cost to acquire talent and develop the creative needed to put together these exciting and lucrative catalog projects. We're confident that this will be returned quickly and create an ROI for investors over a long period of time.

KEY SUCCESS FACTORS

- We've identified 20-40 songs as being the perfect size to market because the first rule of thumb for catalog marketing is that quality of compositions and recordings, (including talent and production) are generally more important than sheer quantity of tracks for a new catalog. This focus will help us ensure a high-quality piece of work that the publishers we work with will love (and agree to sell). We know because we've already worked with them for years.

RISKS

- Three things could prevent the catalogs from being successful. They are:
 1. Choosing the right time to release the catalog;
 2. Selecting the right material for the catalog; and
 3. Recruiting the appropriate team and partners to reinforce the marketing efforts.

- An additional risk is in the copyright sphere. Namely, copyright can be prohibitively expensive, but failing to do so in the right way, at the right time can have disastrous consequences and remove our ability to license our own work. We'll engage copyright lawyers to assist with this process to mitigate this risk. We've also done it thousands of times already of our clients.

MARKETING STRATEGY

- Partnership marketing is still the tried and tested approach to licensing our music catalogs. We've forged strong relationships with publishers and other partners and we'll unlock these to get our catalogs in front of more people in the market to buy our music. One of the best ways to promote licensing is prospecting (email, phone calls, industry discussion group networking and asking current or previous clients for referrals). And our partners will help facilitate this.

FINANCE REQUIRED

Description	Cost (per catalog)
Songwriting	\$2,500
Executive Producer	\$5,000
Studio Time	\$10,000
Label Fees	\$15,000
Equipment	\$10,000
Licensing	\$5,000
Artist Payments	\$10,000
Rehearsal Space	\$2,500
Audio Engineer	\$8,000
Mixing	\$10,000
Mastering	\$10,000

Album Artwork	\$2,000
Sub Total	\$90,000
Talent/Creative Developmental Costs	\$1,428,571
Total (Two Catalogs)	\$1,518,571

REVENUE EXPECTED

Revenue Stream	Revenue (per catalog)
Sales	\$850,000
Songwriting Royalties	\$500,000
Licensing	\$550,000
Residual Rights Revenue (In Perpetuity)	\$100,000 per year and not included below
Sub Total	\$1,900,000
Total for Both Catalogs	\$3,800,000