



Financials

Distant Star Studios expects to achieve break even in the first quarter of the third year after receipt of funds and begin distributing to shareholders in the first quarter of that year.

The Business Opportunity

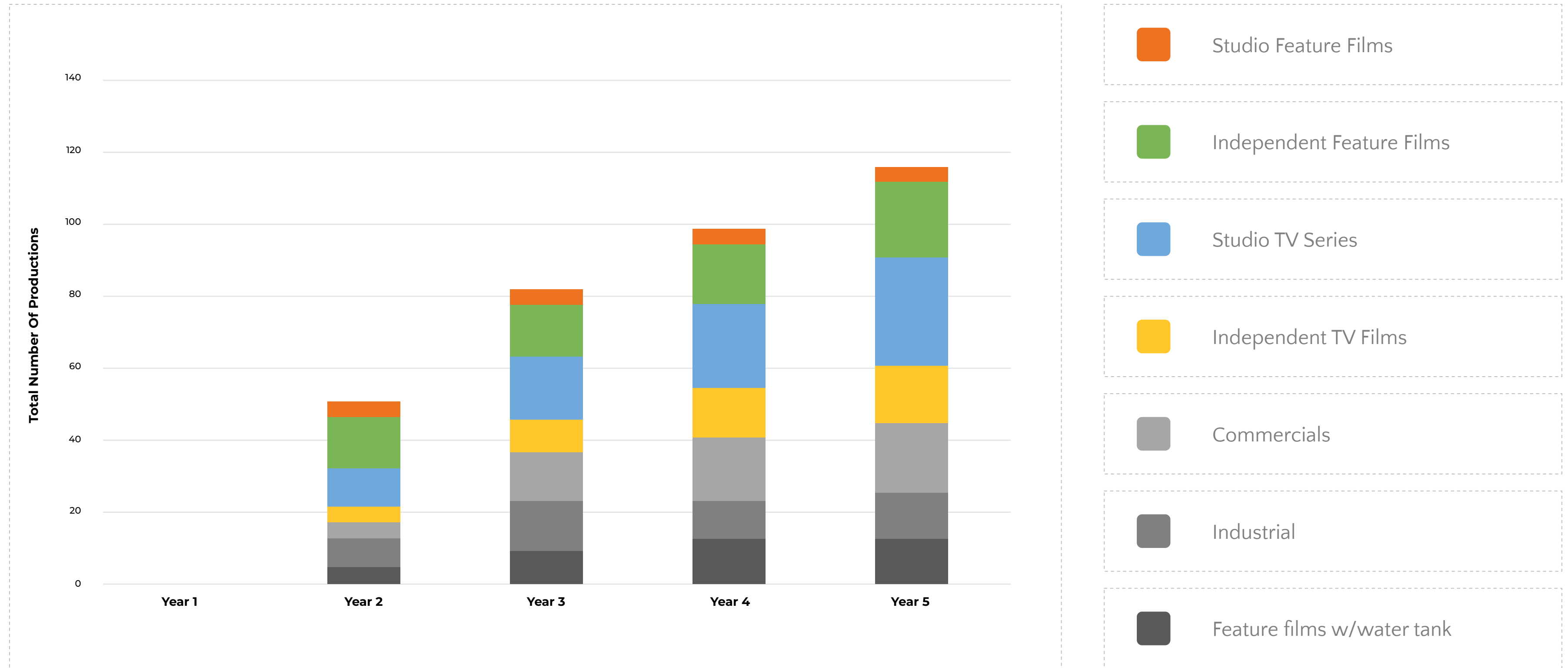
The \$80 million in equity investment would be spent approximately as follows:

Real estate / Building acquisition	\$2,500,000
Build out of main building	\$9,000,000
Sound stages build outs (eight total – 20,000 sq ft -60,000 sq ft)	\$20,750,000
Standing set construction & decoration	\$8,000,000
Backlot Residential building/streets/sidewalks/trees/furnish	\$4,500,000
Business District building/streets/sidewalk/furnish	\$18,000,000
75' diameter water tank	\$3,000,000
Pre-opening/Operating expenses (Technology costs, sales, marketing, salaries, payroll taxes, benefits)	\$14,250,000
	\$80,000,000

Revenue sources for the Company would include:

- ✓ Construction of standing sets & extensive back lots
- ✓ Construction of 75' heated/filtered water tank
- ✓ Construction of 9 Sound stages
- ✓ Construction of offices and conference rooms
- ✓ Construction of recording studios & editing studios
- ✓ Construction of green screen studios
- ✓ Construction of 18 Hotel suites
- ✓ Construction of state of the art virtual reality studios
- ✓ Construction of screening rooms
- ✓ Purchase of Picture cars & airplane sets.
- ✓ Construction of a cafeteria & coffee shop
- ✓ Marketing and promotional expenses
- ✓ Salaries, benefits, payroll taxes.

Production type by year



Market need

Increase in streaming platforms

The streaming video market was 60.1 Billion in 2021 and is anticipated to reach \$213.1 billion by 2028 at a CAGR of 19.9%. By 2019-2020, the number of global online video subscriptions increased by 26%, reaching 1.2 billion subscriptions.

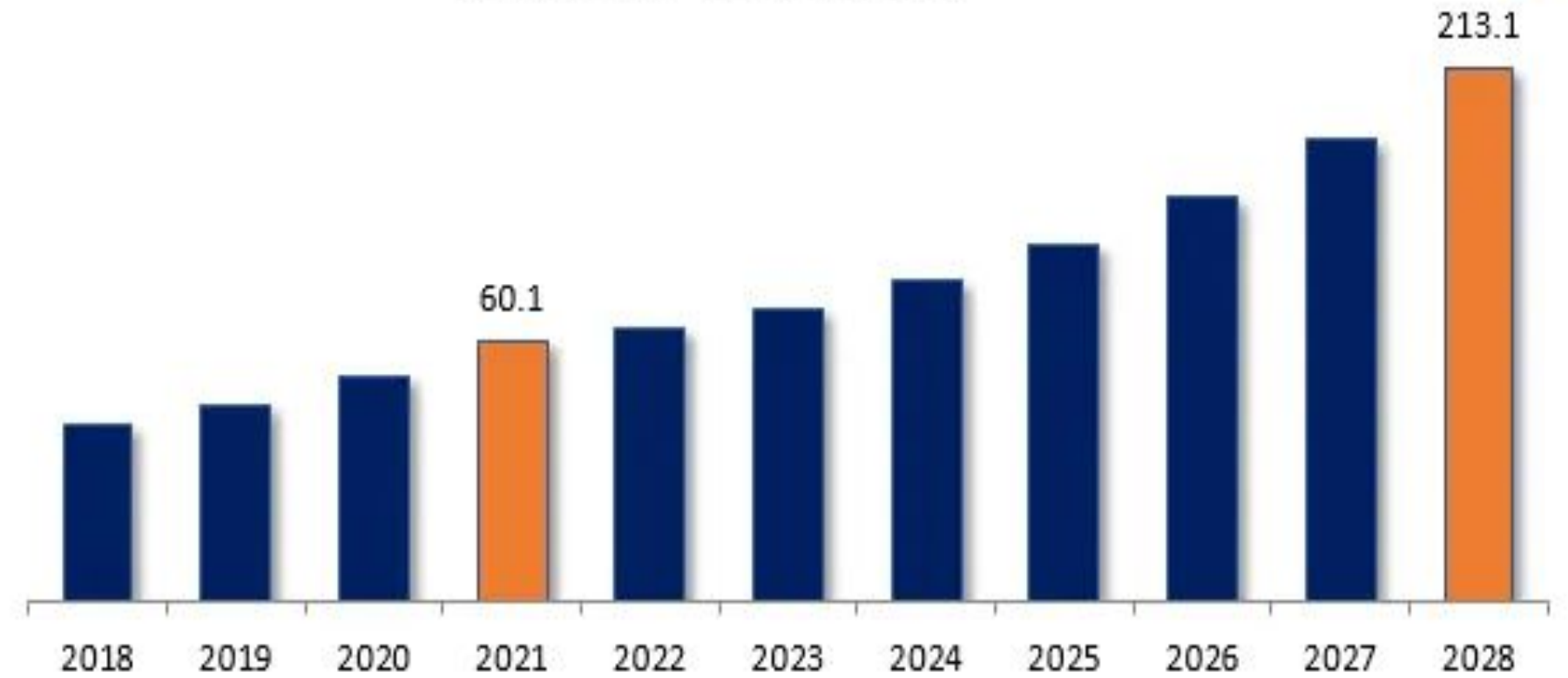
Increase in content spending

As more platforms emerge and audience demand grows, spending on content production continues to ramp up as well. In 2020, a record-breaking \$220.2 billion was spent on making and acquiring new feature films and TV programming.

Increase in Indie content spending

In 2020, Independent filming spending increased by 25.3% to 144.3 billion. Of the billions spent on content production, over half went to indie filmmakers. Disney and Warner Bros. still technically produce the most content—however, they often outsource production work to independent filmmakers, or buy the rights to indie content, to distribute on their streaming platforms.

Global Video Streaming Market, By Value, 2018-2028 (USD Billion)



Source: BlueWeave Consulting

Increase in television budgets

In 2020, the budget for an average TV series in the U.S. was \$59.6 million, a 16.5% increase year-over-year. As audience demand continues to grow, and budgets keep rising, growth has become the new normal with No ceiling in sight for the film & television Industry

Subscription Streaming Services: The Big Global Players by paid subscriptions

*With latest available data as of 2021



Prime Video is included in all Amazon Prime memberships. In 2020, Jeff Bezos reported that 175 million Prime members streamed video.

Disney+ had hoped to reach 60-90 million subscribers by 2024, a goal they surpassed by Q4 2020.

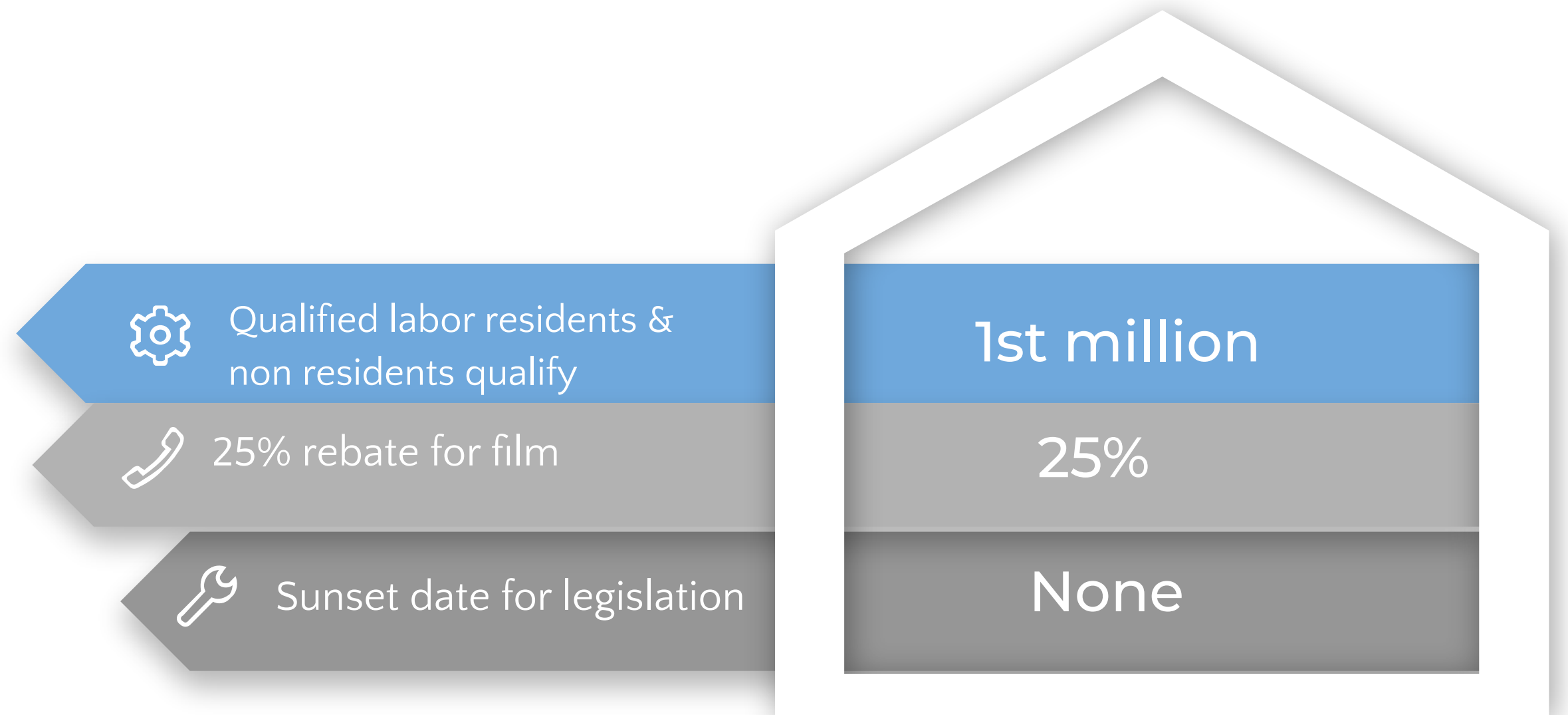
HBO Max expects to reach up to 150 million global subscribers by 2025.

This figure is an estimate, as **Apple** hasn't released its video customer numbers. But the total number of paid subs across all of Apple's services surpassed 660 million in Q2 2021.

Source: Netflix Q1 2021 Letter to Shareholders, Amazon 2020 Letter to Shareholders, Tencent Q4 2020 Report, Statista, The Walt Disney Company Q2 2021 Report, Screen Daily, Medianama, Business Wire, Gadgets 360, The Wrap, Hollywood Reporter, Fierce Video, Advanced Television

Appendix A – North Carolina Tax Incentives

North Carolina offers many forms of television and film production incentives. Productions can their cash rebates and film tax incentives with essentially no cap as far as the number of projects that come in state to film.



DISTANT STAR

STUDIOS

2023





Executive Summary:

Distant Star Studios is a studio for film and television production seeking \$80 million in equity investment to build a state-of-the-art movie studio in North Carolina. The studio will feature standing sets, extensive backlot areas, large sound stages, green screen rooms, a large tank for underwater filming, audio and video editing rooms, screening rooms, production offices, cafeteria and more. It will generate revenue from rental of these facilities and services, as well as hosting industry events providing white glove service and amenities found only at Distant Star Studios.





Introductory

John P. Tomasek has worked in the film industry for over 13 years with the film company Distant Star Pictures as a writer, director and producer for television pilots and feature films. John's team have extensive experience in the film Industry ranging on average from 20-40 years in television and movies and have worked with Netflix, Hallmark, NBC, CBS, Lionsgate & Lifetime to name a few network studios.

John's vision has recognized the Industry's need for a unique comprehensive studio on the east coast to provide movie and television productions the type of state of the art studio with full service amenities they would utilize and not find anywhere else.



The Problem

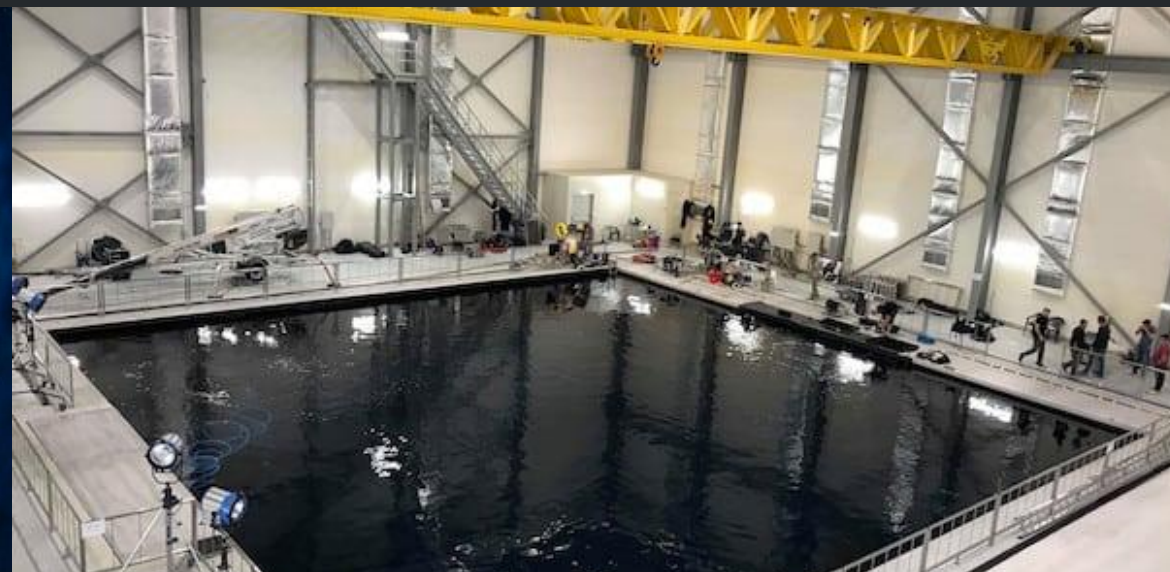
The film and television industry outside of California including North Carolina has been on the rise recently, however, there is a scarcity of comprehensive standing set studios with extensive backlots outside of California. This results in a need for productions to travel long distances or construct temporary sets, or just filming portions of a project in a location forcing productions to complete the rest in California leading to added expenses and inefficiency.





The Solution

Distant Star Studios aims to address this problem by building a comprehensive state-of-the-art movie studio in North Carolina with all the resources needed for film and TV production. The studio will be conveniently located and able to attract industry projects from all the surrounding regions.





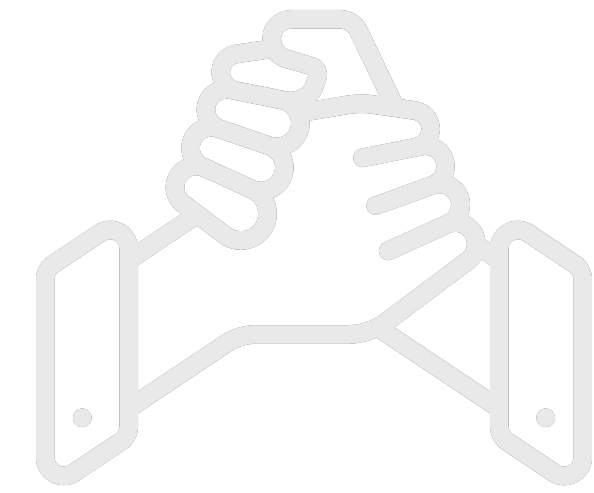
The Market

The film and television industry industry has exploded with studios and networks filming in many states in and near North Carolina. Film & television entertainment is a \$100 billion dollar Industry with more and more platforms becoming available to watch content with a steady upward growth.

The creation of more content will lead to the need for more film studio space. Distant Star Studios would capitalize on this need with the differentiating factor of being the first comprehensive studio of this magnitude to offer everything a production company needs all at one convenient location.

The Competition

There are other film and television production studios in and around North Carolina, but the differentiating factor is that none have the scale and comprehensive offering and many other offerings that Distant Star Studios will provide, all at one studio. Our emphasis will be on recruiting & training culture centered professionals to support a white glove approach to the customer service experience. Additionally, the studio's ideal central location, tax incentives and accessibility will make it a unique and attractive option for industry projects.





The plan



**DISTANT STAR
STUDIOS**

Phase I would be the acquisition of 150+ acres of land in North Carolina and begin building the main structure. Phase II would be the completion of the water tank and sound stages and starting the backlots. Phase III would be completion of backlots and construction of standing sets. Phase IV would be the completion of all construction. This would occur over the course of 2 years.

Within five years, we envision Distant Star Studios as the premier movie studio dominating North Carolina and surrounding regions with a strong and loyal customer base. We also plan to have expanded our offering to include additional resources and services for film and television productions.



Market Opportunity

The film and television industry in North Carolina and surrounding states have experienced significant growth in recent years, with the state becoming a popular location for film and TV productions. The state's incentives, including a 25% rebate on qualified in-state expenditures, have attracted major productions such as "The Hunger Games" "Days of Thunder" "Iron Man" and countless others to film in North Carolina.

As the first comprehensive studio outside of the California region, Distant Star Studios is well positioned to take advantage of this growth and attract industry projects from the Midwest, South and East coast.



The Team

The management team at Distant Star Studios is composed of experienced professionals with expertise in marketing, operations & finance. The team has access to necessary contacts needed for comprehensive infrastructure within the state Government and various Industries. The team has identified the risks associated with starting and growing a new venture and has developed strategies to mitigate these risks.



JOHN PATRICK TOMASEK, CEO.

Is the visionary behind Distant Star Studios. John is an experienced entrepreneur and business owner currently leading Distant Star Pictures as its founder and CEO. John is an experienced writer, director, and filmmaker with intimate knowledge of films from concept to completion and understands the entertainment business and the needs of productions. John has Produced and Directed television pilots, web series and short films as well as feature length productions. John has previously owned and managed a chain of franchises, He also served as Vice President of Operations and Client Services for an HR technology consulting firm data245, until its closing in 2021. John has a B.A. in Organizational Management from The University of Arizona Global Campus.



WALT SLOAN, CFO.

Walt Sloan is a broadly experienced financial and business development consultant whose recent clients have included Optimal Design Co., an award-winning product design and development company, and their spin-off company, Optimal Ventures, LLC, providers of the Liteband® family of personal wide beam LED headlamps. Walt is also a financial advisor to Pixquid tm , a Chicago- based early-stage video streaming platform. Walt was VP of Finance and Business Development for mFrontiers LLC, maker of the mFinity platform, which received Oracle Excellence Awards in 2014 for Sustainability Innovation and in 2015 as ISV Cloud Partner of the Year for North America. Walt has a B.S. in Engineering Physics from the University of Illinois – Chicago, an M.S. in Metallurgy and Materials Science from Lehigh University, and an M.B.A. in Finance from the University of Chicago. He is a published author in two peer-reviewed technical journals and has eighteen issued patents.



ELAYNE SCHNEIDERMAN SCHMIDT, VICE PRESIDENT OF SALES.

Elayne is an Executive who founded Sweet Tomato Films and renowned Line Producer who has worked with legendary filmmakers J.J. Abrams and Michael Bay. Elayne's numerous years in the business include Academy Award nominated films such as "I am Number Four," "Ali," "Up in the air," "The Birdcage," "Entourage" and "Pig" winning numerous awards and nominations starring Nicolas Cage. She has brought her considerable expertise to the independent film world with focus on smaller projects with exceptional stories and potential for both film festival accolades and cross-over appeal for mainstream audiences. She has broken barriers with her creative producing of independent films such as 2017 academy award best picture "Moonlight," and Cannes Festival and Oscar short-lister "The Florida Project" with William Dafoe, which together received 17 major award nominations in 2018. Elayne will actively work to utilize her extensive resources with renowned Hollywood Producers and filmmakers.



TOMMY KELLY, VICE PRESIDENT OF OPERATIONS.

Tommy Kelly was CEO and owner of Toms CATV Construction and TK Telecom with over 50 employees each and more than 250 subcontractors employed. Starting both companies in 1993 and selling them in 2021. During his time as CEO, he made numerous professional and political contacts within South Carolina and is currently working with local and state Government on the Studio's infrastructure. Tommy will work to obtain tax breaks, tax exemptions and grants within the local and state governments and will help oversee construction of the studio as Vice President.



KELLY LYNN REITER, VICE PRESIDENT OF MARKETING.

Kelly Lynn Reiter began acting at age 14. Graduated from UNC Chapel Hill with a biomedical engineering degree, moving to LA afterwards. She continued acting in movies and television and has currently been in over 85 titles. She is also an accomplished Producer with titles such as: "3 Days in Malay" starring Donald Cerrone & Louis Mandylor, "Runaway," & an upcoming feature being released with Danny Trejo. In her time working in the business she has created numerous business relationships with studios and executives. Kelly would bring her knowledge and connections and work public relations and social media additionally heading up any marketing campaigns.



MATTHEW ASHFORD, VICE PRESIDENT OF PUBLIC RELATIONS

Matthew is a four time award winning emmy producer who reached daytime royalty as a legendary fixture on daytime network television for over thirty years. As an actor he has graced the small screen on "General Hospital", "One Life To Live", and most notably one half of super couple "Jack and Jennifer" on NBC's "Days Of Our Lives". In addition he has also starred and produced the hit series, "The Bay." Matt's popularity has led him to countless appearances in film and television including him playing himself on the mega series, "Friends" for NBC. Matthew has produced many other films under his production company, and worked extensively both in front of and behind the camera at all levels of the entertainment industry. Matthew's contacts span several networks, production companies and show runners.



DAVID M. ROSS, PUBLIC RELATIONS MANAGER

David is most known for his writing prowess and skillful story development. David has worked on dozens of projects as both a writer, script editor, and producer. Among David's writing and producing credits are "Bassasouras" starring William Forsythe, the horror cult classic, "Chronicles of an Exorcism", "Cach of a Lifetime" for Hallmark, and the soon to be released thriller, "Spirit". David has enormous experience working in publicity and Public Relations at both the Network, and often Studio Level, as well as on numerous independent projects.



JEFF SMITH, DIRECTOR OF OPERATIONS.

is President JMS Builders inc. He's a Master builder who has worked on large commercial projects and small residential homes. He holds an AS Degree in Architecture, AD in Surveying and BS Degree in Civil Engineering. Jeff is also a Licensed General Contractor in NC & SC and will oversee the day-to-day workload on site of contractors and sub-contractors during construction of the Studio.



PLACEHOLDER - DIRECTOR OF IT

dan in an IT Professional numerous years in the business include Academy Award nominated films such as "I am Number Four," "Ali," "Up in the air," "The Birdcage," "Entourage" and "Pig" winning numerous awards and nominations starring Nicolas Cage. She has brought her considerable expertise to the independent film world with focus on smaller projects with exceptional stories and potential for both film festival accolades and cross-over appeal

“Since its opening in 2011, the Cinespace Chicago Studio has generated \$1.2 billion of in-state expenditures and supported film and television productions that have created 5,000 jobs.”

“Georgia film and TV productions spent \$4.4 Billion in the 2022 tax season.”



Overview

Examples include some of the following proposed movie sets:



Hospitality including: 18 Hotel suites for top production people and talent. Cafeteria and coffee shop within the main building for production's convenience.



State of the art editing suites, digital recording studios, & two main screening rooms. Production offices and conference room spaces with storage.



Extensive backlots including a 16 house residential neighborhood Vintage Motel backlot & business district backlots and more.



747 Airplane, private jet sets, police station sets, jail cell sets, court rooms, hospital & emergency room sets, restaurant set, bank set, bar sets, and much more.



The addition of nine large sound stages ranging from 20,000 sq ft to 60,000 sq ft. state of the art VR sound stage & green screen stage.



The addition of a 75' filtered and heated water tank for both underwater and filming boats on top.



The Business Opportunity

Distant Star Studios is proposing to buy a commercial space in the state of North Carolina and build it out as a standing set studio and extensive back lots. The plan would be as follows:



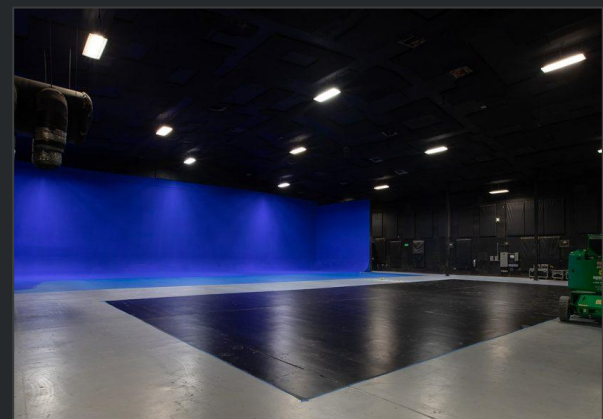
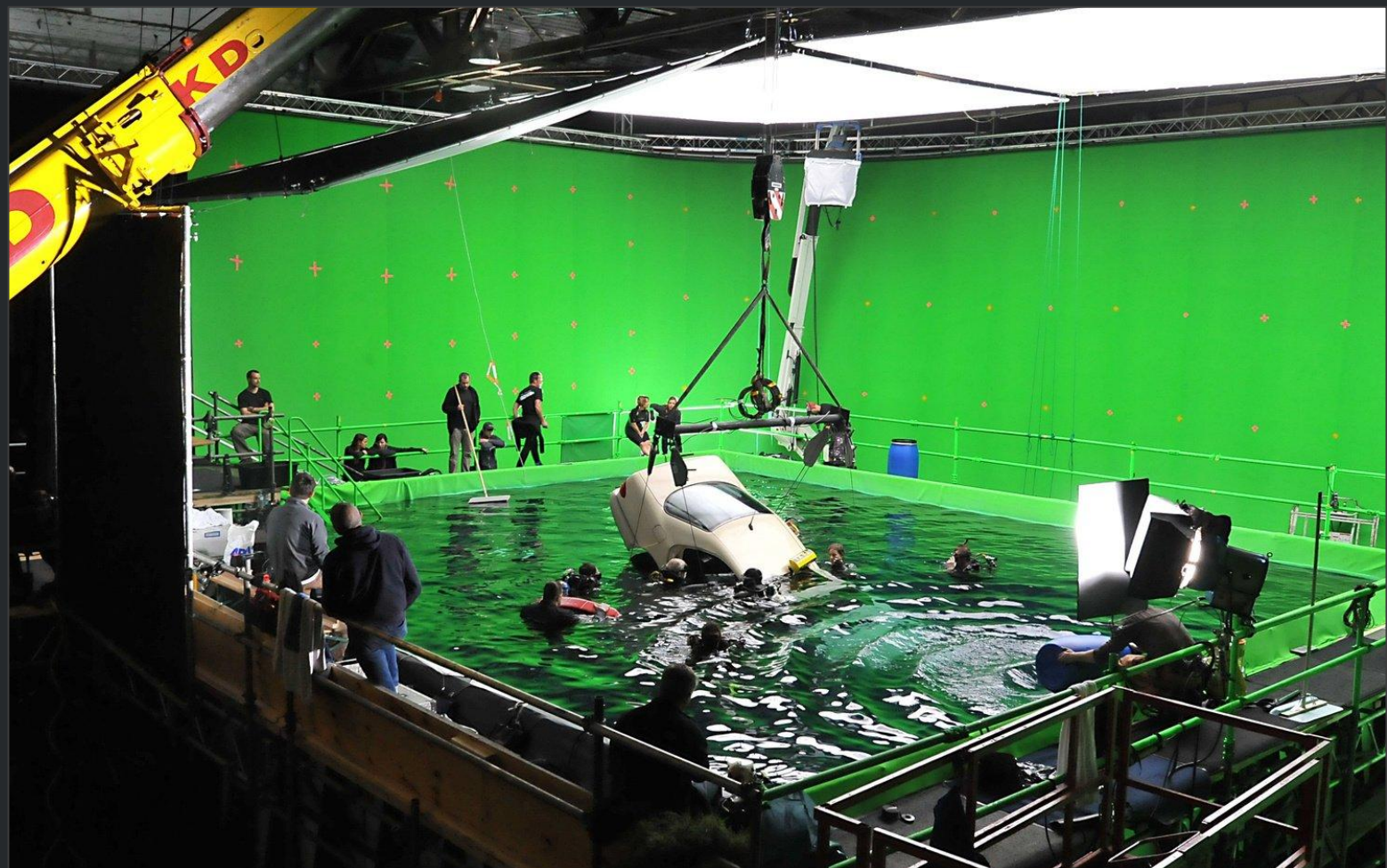
Purchase of a commercial space with 150 - 200 acres of land for building back lots.



Standing set design, construction, and decoration.

State of the art build out of:

- ✓ Multiple office space & Conference rooms for Productions
- ✓ 2 screening rooms with 40+ seats each
- ✓ 15,000 sq ft Large green screen stage
- ✓ 3 audio recording studios & several video editing suites
- ✓ 9 sound stages (20,000 sq ft – 60,000 sq ft)
- ✓ Residential street backlot with 16 houses
- ✓ Business district backlot with 30 store fronts
- ✓ 1960's style Motel rooms backlot with 10 rooms
- ✓ 1980's/90's themed strip mall with video store, Radioshack, Arcade, Convenience store & Pizzeria
- ✓ Cafeteria and Starbucks inside the facility
- ✓ This means increased revenue to North Carolina
- ✓ The creation of hundreds of jobs from Networks & Studios





Conclusion

With a unique and much-needed offering in a growing market, a strong management team, and a clear path to profitability, we believe that Distant Star Studios represents a compelling investment opportunity. We are building the first movie studio of its kind in North Carolina and take advantage of the growth in the film and television industry in the region and surrounding regions.

