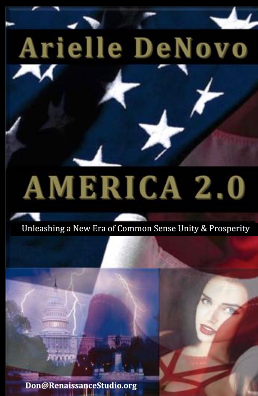
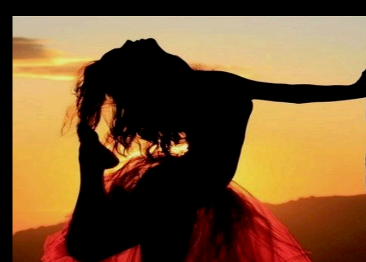
Renaissance Studio, Ltd.



Renaissance Studio. Ltd.

Executive Summary

Dysfunction Offers Lucrative Opportunities



Renaissance Studio, Ltd.

Exploiting the dysfunction of the movie industry and its public equity markets to earn extreme Alpha

Overview

Extreme wealth is earned by exploiting the dysfunction of the status quo, not conforming to it.

Every adult who likes movies is familiar with the recurring frustration of wanting to view a film, checking the listings and finding nothing that inspires them to go to the theater or view by other means. These same adults are mystified that Hollywood produces so few movies that they want to see.

This strange and persistent reality represents the largest disconnect between product features and consumer preferences of any industry. No other industry embraces a culture and business practices that systematically ignore the preferences of 85%+ of their potential adult consumers.

According to MPAA data, **835** movies were released in theaters in the USA in 2019 but 90% of adults saw only **2** of these films in theaters. Stop and think for a moment:

- How many of those 835 films did you see? How many were great movies?

If you are like most adults, MPAA statistics indicate that your answers are 2 and zero out of **835 possibilities**. This pervasive disconnect between movie product features and adult consumer preferences exists because:

- Over 85% of adults are not inspired by the poor concepts, shallow story telling, one dimensional characters and the gratuitous/repetitive action, violence, depravity, horror, crude humor, animation, narrow focus indies, sci-fi, super heroes and CGI extravaganzas that dominate modern cinema.
- The studios and movie producers **ALL** access their content from the same depleted agency and other "known sources" that consistently result in uninspiring movies that disappoint global adult audiences and lose money for production equity investors over 85% of the time.

"Hollywood" believes that "A List" talent, distribution networks and marketing drive cinematic and financial success even though all of these factors are useless without superior content that inspires people to view the movies. They largely ignore the movie concepts and content that drive over 90% of the choice to view a movie.

Blind fealty to the "usual suspect" content sources and group think business practices defies all cinematic, market and financial facts, logic, reason and common sense and yet it persists to the detriment of all concerned.

The true "mission impossible" of the movie industry is finding **ANYONE** who is willing to think outside the box of industry "group think" to focus on the quality of content and its resonance potential with large adult audiences rather than on only the "known source" of the content.

These systemic flaws represent a lucrative exploitation opportunity for anyone who can produce exciting movies that match adult viewing preferences. The enormity of the earnings opportunity is illustrated by the rise of the market equity value of Netflix from zero in 1997 to $3 billion in 2012 to as high as $250 billion in early 2021 with price to earnings multiples in the 80x to 300x range:

https://www.macrotrends.net/stocks/charts/NFLX/netflix/market-cap

Movie industry investors largely ignore the reality that 95% of earnings potential lies in the exploitation of the irrational public equity markets, not direct earnings from the films themselves. Renaissance Studio, Ltd. ("RSL") has been created to exploit the dysfunction of the movie industry and its irrational public equity markets to convert a $15 million primary equity investment into a $6+ billion IPO windfall by year 5.

Renaissance Studios, Ltd. ("RSL")

RSL is an emergent movie studio with a digital age business model that will skillfully exploit:

- The huge disconnect between product features and adult consumer preferences in the movie industry.
- The dramatically increased demand for exciting movie content in the Covid age as people seek more entertainment options in the safety of their homes.
- The public equity markets that have been offering Netflix irrational 65x to 300x price earnings multiples over the last two years.

The vital key to achieving these goals is developing and employing effective move concept and content evaluation metrics and screenwriting methodologies that skillfully excite the attraction receptors in the adult male and female psyches through a diversity of compelling resonance elements.

The 180 page RSL business plan and its exciting 10 film franchise profiles are designed to create a compelling IPO profile after year 4 that will target the same "Hyper Alpha" investors who lifted Netflix from a $3 billion market cap in 2012 to as high as $250 billion recently.

The RSL Value Proposition

RSL has invested many years in a comprehensive analysis of the motion picture industry and the creation of the means to exploit its dysfunction to deliver a risk adjusted Alpha that dwarfs other investment alternatives. To achieve its goals, RSL has developed:

- A digital age business model and plan for a virtual movie studio that will avoid the pitfalls of the movie industry and exploit its vulnerabilities and its irrational public equity markets to deliver an extraordinary IRR to prescient capital and production partners.
- Effective movie content evaluation metrics that avoid the 85% of movie concepts that are produced but lose money for production equity investors.
- Visionary screenwriting methodologies that skillfully match a diversity of compelling resonance elements with the viewing preferences of modern adults in global markets.

RSL has employed its innovative screenwriting methodologies to create an initial inventory of 16 screenplays with production budgets below $35 million. These scripts are designed to launch up to 10 compelling film franchises in the action/thriller/clandestine genres that have averaged about $500 million in revenues per film since 2006. This inventory represents a consistent and high certainty of success earnings foundation for a compelling IPO profile after year 4. Please visit the RSL "Investment" webpage at the link below for more insights:

http://www.renaissancestudio.org/investment.html

"America 2.0: Artistry ("A2A") is the launch movie for RSL and the most consequential and diversely entertaining motion picture ever conceived. It offers a clear path to above $1 billion in revenues on a $35 million production budget. A read of the A2A script will confirm this assertion and reasons for strong optimism that its financial success will:

- Allow the return of the $15 million primary equity investment by month 24 to eliminate primary equity risk.
- Fund the execution of the RSL business plan to launch up to 7 sensational film franchise profiles in 3 years.
- Deliver a $6+ billion IPO windfall to RSL shareholders after year 4.

The A2A webpage, project summary and "teaser" video at the links below will help you visualize the

exciting characters, venues, scenarios, artistry, story progression, a huge diversity of compelling resonance elements and strong reasons for optimism that A2A and RSL will succeed:

http://www.renaissancestudio.org/america-2.0--artistry.html

http://nebula.wsimg.com/4c39634c0dbe3234737adb7c808e6f77?AccessKeyId=9E533268DA51246EF35E&disposition=0&alloworigin=1

https://www.youtube.com/watch?v=6gTs2WDAIOE

RSL Movie Concepts & Content

Compelling movie content has never been more valuable and the public equity markets for the movie industry are offering irrational price to earnings multiples. RSL has developed an inventory of 10 exciting film franchise profiles that will compare favorably to almost anything in theaters or online for the 85%+ of adults that are being largely ignored by Hollywood.

- RSL is on a mission to create thought-provoking and diversely entertaining movies that powerfully engage a broad spectrum of viewers on intellectual, emotional, visceral, sensual, visual, audio, artistry, life relevant, sociopolitical, poignant and the other 20 primary resonance dimensions.
- The RSL projects are all triumph of the human spirit stories and among the most consequential and diversely entertaining motions pictures ever conceived. They are the movies that most adults want to see, that no one want to end and that will resonate in the minds of viewers long after they are viewed.
- All of the RSL content also has theatrical potential but can be easily adapted into series that might be more valuable in the streaming format. Each of the 10 franchise profiles has multi sequel potential in new scripts.

RSL Alpha Potential

Professional due diligence on RSL will confirm all of my assertions and reveal a very real opportunity to convert a $15 million equity investment into a $6+ billion IPO windfall by 2025. This goal will be achieved if:

- The RSL films average 50% of the genre average revenues since 2006 and
- The RSL IPO receives a 30x price to earnings multiple that is only 38% of the 80x multiple that Netflix is currently receiving and 10% of the 300x peak multiple that Netflix experienced 2 years ago.

Netflix currently offers a negative risk adjusted Alpha and there is not enough premium content available to serve the huge magnitude of Netflix's subscriber expectations. Netflix is also facing greater competition from Disney, Amazon and other streamers and the loss of its Marvel content that will soon move to Disney.

Despite these issues, Netflix has recently benefited from expansion of its subscriber base as more people view movie content at home during the Covid-19 pandemic.

While Netflix offers significant upside earnings potential to investors, it also has substantial downside from its current 80x P/E multiple. Netflix cannot hope to replicate its 82x market cap increase from $3 billion in 2012 to its recent $250 billion peak. Therefore, Netflix is no longer a "Hyper Alpha" opportunity and this reality leaves Netflix investors searching for the next hyper Alpha scenario to emerge in the movie industry.

RSL is designed to exploit these same irrational "Hyper Alpha" investors.

The timing of the RSL venture could not be better because the overall demand for quality movie content has exploded as people across the globe search for entertainment at home during the pandemic.

Full professional due diligence will confirm the very high plausibility of exceeding the IPO goal.

Movie Industry Reality Check

In truth, there is a massive global shortage of inspiring motion picture content that skillfully matches product features with adult consumer preferences. This assertion is confirmed by the personal experience of yourself and almost everyone you know. This huge shortage exists because:

- The movie industry operates in a cult like "Hollywood Bubble" that employs faulty "group think" mythology, methodologies and business practices that are largely disconnected from movie concepts, content, common sense and financial considerations. This myopic process typically creates abysmal movies to match industry expectations and mythology rather than consumer preferences. As a result, it produces too many products that very few adults want to see and that lose money for production equity over 85% of the time.
- Movie industry executives collectively believe that 1) distribution and marketing power and 2) " A List" directing and acting talent drive cinematic and financial success. In truth, movie concepts, content and characters are above 80% of the success equation. There are countless directors and actors who can convert a great script into a successful movie. There is no one who can convert a poor script into a successful film.
- Global movie viewing demand is strong and growing because of Covid-19 and countless billions of dollars have been invested to 1) increase the volume and locations of theaters and 2) expand the digital distribution channels and viewing alternatives through the internet and other means.
- By contrast, almost nothing has been invested to create effective content evaluation metrics and screenwriting methodologies to consistently develop exciting movie projects and film franchises that skillfully match a diversity of compelling resonance elements with the viewing preferences of most adults.
- In effect, the film industry has created huge, global distribution and exhibition pipelines without developing the means to fill them with movies that most people want to see.
- The movie industry fanatically employs faulty content evaluation ("coverage") metrics and screenwriting methodologies that focus on technical elements but largely ignore the viewing preferences of most adults.
- **EVERYONE** in the insular "Hollywood bubble" aggressively excludes movie content from "unknown sources". This means that everyone in the movie industry is competing for content from the same depleted agency, book and other "usual suspect" "known sources" that produce films that consistently disappoint audiences and lose money for production equity investors over 85% of the time.

Strong evidence of the accuracy of these assertions can be found in the consistently uninspiring films that litter theaters and other exhibition channels and the general void of awe inspiring content. When is the last time you saw a great movie?

Hollywood produces the films it wants to make, not the movies that most people want to see.

Movie Industry Financial Track Record

The cinematic and financial folly of relying on antiquated business models and the "usual suspect" "known sources" for content is demonstrated by the very poor financial track record of an industry where over 85% of the products it produces lose money for production equity investors. Please consider the following evidence that strongly supports these assertions:

Recent Significant Failed Entities

- Relativity Media
- Broad Green

- Weinstein - It was failing before the scandal
- Open Road Films
- Paramount Vantage
- Warner Independent Studios
- Wanda Qingdao Studios
- Countless smaller film ventures, film funds and thousands of independent films

On Life Support - Financial Failures Kept Alive By Corporate Sponsors or Capital Partners in Denial

- Amazon Studios
- Alcon Entertainment
- STX Entertainment
- Virgin Produced
- Miramax
- Global Road Entertainment
- Paramount
- Wanda Film Group
- Legendary Entertainment
- Alibaba Pictures
- Annapurna

Financial Under Performers

- **Lions Gate Entertainment** – After a 68% increase in its market cap from 2016 to 2018, LGF has lost over 55% of it public equity market value since January 2018 while the S&P 500 has increased about 32% over the same time period. This loss is the direct result of very poor content choices and over inflated G&A costs.

These financial failures generally shared all or many of the following flaws:

- Employed execution teams with industry experience that created a false sense of security for investors despite their poor financial success track records.
- Ignored the viewing preferences of the over 85% of adults who are not inspired by the shallow story telling, one dimensional characters and gratuitous action, violence, depravity, horror, crude humor, sci-fi, niche market indies, super heroes and CGI extravaganza that dominate modern cinema.
- Competed with each other and the studios and other producers to acquire movie content from depleted "known sources" that produce movies that lose money for production equity over 80% of the time.
- Failed to develop effective content evaluation metrics to avoid the above 80% of movies that were obviously dead on arrival. Instead they relied on traditional but faulty "coverage" methodologies that largely ignore the viewing preferences of over 85% of adults and produce the abysmal movies that fill the theaters and lose money for production equity over 80% of the time.
- Relied on third party content sources instead of developing effective screenwriting methodologies to self write and develop cost and earnings effective scripts and film franchises that skillfully match a diversity of compelling resonance elements with the viewing preferences of broad spectrum, global adult demographics.
- Often relied on well known producers or directors to select films for production despite the overwhelming evidence that most of them have no clue how to select and produce films that will consistently achieve

strong global market acceptance and financial success.

- Ignored the reality that the skill sets to effectively evaluate movie concepts and content and their global market acceptance and earnings potential are **VERY** different than the ability to produce a movie with strong production values.
- Collectively squandered billions of dollars producing movies that almost no one wanted to see and that were near certain to lose money from inception.
- With very few exceptions, they all failed to create successful and sustainable film franchises.
- Many of them erroneously believed that minimizing production equity risk to avoid losses and just being financial intermediaries and/or distributors was a successful business model.
- Largely embraced the industry myth that content is not consequential because "A List" attachments and marketing/distribution power drives financial success.
- Often wasted huge amounts of money on unproductive G&A expenses.
- Ignored the opportunity to create a successful, earnings producing, going concern studio IPO profile that could exploit the above 100x price earnings multiples that Netflix shareholders are enjoying.

Collectively, these entities squandered billions of dollars of capital by employing business practices and strategies that were clearly flawed from inception. Despite this reality, new ventures like Soltice and others continue to raise hundreds of millions of dollars to employ similar, faulty business practices.

“The definition of insanity is doing the same thing over and over again and expecting different results.”

Companies like Skydance have achieved some success by participating in big budget film franchises but even they 1) often deliver disappointing financial results after theater takes, P&A, G&A, production and other expenses and 2) typically earn uninspiring **risk adjusted** IRRs because of their huge budgets. Skydance also has not created a compelling IPO profile that would deliver a multi billion dollar windfall to its shareholders.

In truth, less than 5% of the films all of these entities produced would have met the RSL green light standards for concept or content reasons or because they had too much capital invested in individual projects that increase concentration risks and limit IRRs. Yes, some of the Skydance films made money but much higher **risk adjusted** IRRs could have been achieved by 1) investing that same capital in much more cost effective content with similar revenue potential and 2) focusing on the creation of a compelling IPO profile that offers over 90% of the potential earnings in filmmaking and investment.

The major studios produce over 80% of the financially successful films. They are largely big budget “tentpole” films in well established comic book based, animation or sci-fi franchises. These large financial successes and distribution fees on lesser films generally allow the major studios to post positive earnings in spite of their huge investments in infrastructure, content acquisitions and G&A expenses. However, the risk adjusted IRRs of the studios are dwarfed by the above 30,000%, 5 year ROE that is very plausible in the RSL value proposition.

All of the above is evidence that independent filmmaking that 1) relies on “usual suspect” sources of content or 2) limiting capital at risk in large or small budget movie projects and/or 3) relying on distribution fees is not a path to consistent earnings to drive a compelling IPO profile that can exploit the above 80x price/earnings multiples that Netflix has been enjoying in the public equity markets.

The RSL Business Model & Strategy

An understanding of the RSL value proposition is vitally important but the purpose of this document is to convey a reality check on the extreme dysfunction of the motion picture industry to highlight the RSL exploitation opportunity.

The RSL White Paper reveals a very clear and plausible business model and plan that includes the following key success elements:

- Do not embrace the faulty conventional wisdom, culture and business practices of the movie industry and start exploiting their dysfunction.
- Do not rely on third party content sources that result in movies that lose money over 80% of the time.
- Do not invest capital to fund or distribute third party projects that do not meet RSL green light standards.
- Employ advanced content evaluation metrics that focus on matching movie product features with adult consumer preferences to insure strong and consistent global market acceptance and profitability.
- Elevate "green light" standards to avoid concepts and content without broad, global market appeal.
- Employ screenwriting methodologies that skillfully match product features with adult consumer preferences.
- Write, develop and produce sustainable film franchises with strong, global cinematic and earnings potential.
- Create a consistently profitable, going concern studio with a compelling IPO profile by 2023.
- Embrace the RSL metrics, methodologies, business model & content inventory that will achieve these goals.

RSL Content Inventory

The RSL metrics and screenwriting methodologies have been employed in thousands of hours of advanced screenwriting to create an initial inventory of 16 screenplays. This inventory includes a major pentalogy, a major trilogy and the primary films in 8 other film franchise profiles. Brief summaries can be found at the link below. **You may have to copy and paste the web address into your browser to access the file:**

http://www.renaissancestudio.org/projects.html

Key features of the RSL movie projects and franchises can be summarized as follows:

- Thought provoking, high concept, triumph of the human spirit stories that often feature sensational female protagonists who are immersed in the most exciting scenarios of the modern world.
- All RSL scripts meet the RSL green light standards so they are very high certainty of financial success scenarios as compared to the content from the "usual suspect" "known sources" of the movie industry that produce films that fail to achieve box office and earnings success over 80% of the time.
- Films that almost all global adults will want to see, that no one will want to end and that will resonate in the minds of viewers long after they are seen.
- Often involve insightful scenarios that light a path to a much better world.
- Can all be produced on budgets of less than $35 million in genres that have averaged above $400 million in box office revenues since 2006 to insure strong and consistent earnings.
- Movies that are designed for all adults but especially the 85%+ of adults who are not inspired by the shallow story telling, one dimensional characters and gratuitous/repetitive action, violence, depravity, crude humor, horror, sci-fi, super heroes and CGI extravaganzas that dominate modern cinema.
- Include a broad diversity of compelling resonance elements that skillfully match the viewing preferences of broad spectrum international adults.

Collectively, these screenplays and franchises represent the most valuable content inventory in the motion picture industry if maximizing risk adjusted IRRs are the financial and investment goals. They are, in effect, a very cost and capital effective, multi franchise starter kit for a “Marvel Studios” like scenario with much lower capital investment requirements and exponentially greater IRR potential. They are also a strong cinematic and earnings foundation for a compelling, $6+ billion IPO profile after year 4.

Summary

The purpose of this document has been to:

- Expose the faulty culture, mythology, business practices and conventional wisdom of the movie industry that result in movies that consistently fail to inspire large global audiences and seldom earn positive risk IRRs for production equity investors.
- Reveal the comparative superiority of the RSL business model, business plan, methodologies, strategies, concepts, content and film franchise profiles.
- Highlight the very lucrative opportunities to exploit the dysfunction of the movie industry and the irrationality of the valuation metrics in the public equity markets to deliver a multibillion dollar IPO windfall to insightful capital partners.

To accomplish this goal, RSL has developed a digital age business model and a 180 page business plan that will avoid all of these mistakes to minimize risks, optimize global market acceptance, establish exciting film franchises, manage risks, insure strong earnings and create a compelling IPO profile after year 4.

Unlike other movie venture scenarios, RSL does not rely on third parties for content that fails over 85% of the time. RSL has developed and employed advanced content evaluation metrics and screenwriting methodologies to write and develop all of its own movie projects and film franchises to skillfully match consumer preferences to insure strong and consistent global market acceptance and profitability. RSL recognizes that exploiting the public equity markets through a compelling IPO is the source of 95%+ of potential earnings in film ventures.

The RSL value proposition will not inspire closed minds that embrace blind fealty to narrow investment parameters or the faulty and discredited conventional wisdom and prevailing business practices of the movie industry as the path to career and financial success.

RSL is designed for prescient professionals and capital partners who grasp the obvious reality that exploiting rather conforming to the status quo of the movie industry and the equity markets is the best path to extraordinary IRR, ROE and Alpha results.