MELBA CULP

Musical Artist (Rock & Metal), Music Publishing Company, Independent Record Label,
Merchandiser & Film Production Company

Pitch Deck

September 2023

TEAM

Jack McConnell
Founder, Musician & Manager
- Guitarist Since Age 5, Now Mid 20s
- Background in Film, Music & Start-Ups
- Award-Winning Short-Film Producer

Kevin ‘131’ Gutierrez
Recording/Mixing Engineer
- Multi-Platinum, Award-Winning Audio Engineer
- Past Clients Include Paul McCartney, Shinedown, Johnny Cash, Bret Michaels…

Ted Jensen
Mastering Engineer
- Grammy Award-Winning Mastering Engineer
- Past Clients Include Metallica, Avenged Sevenfold, Ghost, Green Day, Evanescence, Guns N’ Roses, Megadeth, Disturbed, Foreigner…

Travis Smith
Album Art
- Renowned Graphic Artist
- Past Clients Include Avenged Sevenfold, Opeth, Megadeth, Devin Townsend, Overkill, Slayer, Death, Diamond Head…

Zev Deans
Video Director
- Past Clients Include Mastodon, Ghost, Gojira, Danny Elfman, St. Vincent, Behemoth, Mayhem…

Tom George
Publicist
- Past Clients Include Neal Schon (Journey), Doyle (Misfits), Wayne Static (Static-X), Alien Ant Farm, Buckcherry…

Mika Karhumaa
Music Industry Advisor
- Music Industry Author & Legal Expert
- Former Artist Manager & Label Legal Advisor

Kim Dylla
Clothing Designer
- Past clients include Alice Cooper, Amon Amarth, Journey, Slipknot, Rob Zombie…

Jacqui King
Clothing Designer
- Past Clients Include Judas Priest, Cinderella, Mötley Crüe, Bon Jovi, Dio…

Josh Schwartz
Multi-Instrumentalist
- Guitarist for A Sound of Thunder

Brad Charles
Orchestration
- Owner of Magic Giraffe Soundworks

Problem

Can you name a hard rock or heavy metal artist that has emerged into the spotlight over the past 10 years? We can't.
The demand is there, the financing isn't.

<u>**The label model is broken.**</u>

- As music revenues reach record highs, **labels are assuming less financial risk** than ever before. New artists are not given consideration, especially in rock and metal.
- **Labels are continuing to downsize**, passing responsibilities to artist organizations and management companies, while in turn demanding an unprecedented share in the artist's income.
- It's becoming common practice at labels for **the parents of their artists to assume the financial risk** of their careers.
- Through a frenzy of acquisitions, **label executives are no longer music fanatics or musicians** themselves, but technology executives and MBAs.
- Major **labels prefer fame-seeking individuals they can mold like clay** as opposed to artists. That does not work for rock and metal.
- The few rock & metal labels out there are **focused entirely on their veteran talent**, providing peanuts for the rest of their roster and predatory deal terms.
- **Label contracts have expiration dates** and are not built around creating long-term value with artists.
- **Establishing an artist is expensive.** The typical investment to get an artist profitable ranges from the low six-figures for rock/metal artists to mid seven-figures for pop artists. It's not something that can realistically be done from someone's bedroom, especially genres that involve recording instruments.
- Do you ever wonder how on Earth that song or artist got big, while your super-talented neighbor struggles to fill a small bar? **People tend to underestimate the role money and exposure play** in an artist's success.
- While innovative resources are becoming more abundant for established artists, **no one is stepping up for new and emerging artists.**
- There is a fictional storyline that rock and metal are dead. That storyline is false. <u>Heavy metal is the fastest growing music genre in the world, yet out of approximately 9M releases in existence, less than 50K are hard rock or heavy metal.</u> **Rock and metal are not dead, the financing for them is.**

Hard Rock & Heavy Metal Market

Hard rock and heavy metal is a big market. A REALLY big market.

Genre Highlights

- Heavy metal is the fastest growing music genre in the world. Streaming and download numbers were up 154% in 2018 and remain strong.
- A Spotify study in 2015 revealed that metal has the most loyal fanbase, with rock also taking 5th of the 11 genres.
- Classic rock has the highest average concert ticket price at $119. Modern rock and metal ranked 4th at $86.
- 33% of radio airplay is rock and metal music.
- 33% of music festivals are rock and metal music.
- 24% of total music revenue comes from rock and metal music.
- 16% of music streamed in the U.S. is rock and metal music.

Box Office Highlights

- Guns N' Roses 'Not in This Lifetime' tour grossed $584M in ticket sales
- AC/DC's 'Black Ice' tour grossed $441M in ticket sales
- Metallica's 'WorldWired' tour grossed $417M in ticket sales
- Rammstein's 'Rammstein Stadium Tour' has grossed more than $364M in ticket sales (ongoing)
- Bon Jovi's 'Because We Can' tour grossed $270M in ticket sales
- Mötley Crüe and Def Leppard's 'The Stadium Tour' grossed $176M in ticket sales from only 36 shows.
- Iron Maiden's 'Legacy of the Beast' tour grossed $167M in ticket sales
- Scorpions' '50th Anniversary' tour grossed $49M in ticket sales

Other Highlights

- Metallica generated $125M in merchandise sales in North America alone between 1991 and 2019
- KISS has generated more than $1B in revenue from more than 3,000 merchandising licenses as of 2014
- Cadillac paid $10M to use Led Zeppelin's 'Kashmir' in a TV commercial
- Several members of Alice In Chains sold their share of the songwriting catalog for a reported $50M
- Mötley Crüe sold the rights to their master recordings for $150M
- "Heavy metal music is really popular and successful when the world is under a lot of stress... a lot of people turn to more aggressive music" - Megadeth's Dave Mustaine

Estimated

500,000,000

<u>Hard Rock & Heavy Metal Fans Globally</u>

Solution

Investors and fans enable and share in the success of their favorite new artists.

Welcome to the band and the new music industry!

Why Invest In Music?

- Music royalties are often considered **recession-proof** as music consumption does not tend to be impacted by economic trends
- Streaming services are **transforming music consumption from a luxury to a utility**. Goldman Sachs predicts that 1.15B people will be paying for music streaming services by 2030.
- Songwriting catalogs sell at a **15x to 23x multiple** of their annual income generation (publishing income), with many catalogs selling for $100M+ in recent years, including newer artists such as Imagine Dragons
- In general, profits from the sale of music rights are taxed as **capital gains**
- In most countries, **copyright lasts 70 years past the death** of the last surviving participating songwriter
- 9,500 artists earned $100K or more from Spotify alone in 2021, with **1,040 artists earning more than $1M**. Streaming generally accounts for 5% to 10% of an artist's total income. Spotify accounts for approximately 31% of the global streaming market.
- **30% to 75% of gross concert ticket sale revenue generally goes to artists**. In 2022, **at least 16 artists grossed $100M+** from tour box office data reported to Billboard with the top 5 concert tours **grossing between $208M and $373M**. In 2018, the top 100 concert tours **grossed between $19M and $432M**. Amidst a pandemic in 2021, the top 100 tours saw a significant decrease in gross but still managed to **gross between $4M and $116M**.
- Artists generally receive **$5 to $10 per concert attendee in merchandise sales**. For major artists, this figure can be **$300,000 to $400,000 per event**.
- Technology has enabled independent artists to run their own show at a **faster pace** than ever without the hierarchy of labels and **maintain creative control** with adequate financial backing
- Even those who aren't household names do quite well. Based on available data, Melba Culp estimates **the top 16.5K musical artists/groups net $500K+ annually**. Viking death metal group Amon Amarth reported an income of $1,875,000 in 2017. Before their breakthrough into massive commercial success, records reveal Ghost vocalist Tobias Forge earned $837K in 2017. Dying Fetus and Veil of Maya manager Derek Brewer provided MetalSucks with a financial breakdown of a metal band playing clubs to 500 people a night for a month-long tour; Brewer estimated a band profit of over $27K for the 30-day trek, $44K if the artist is self-managed/booked.
- Musical artists have **dozens of diversified income streams**, including performance fees and splits, sponsorships and endorsements, merchandise sales, subscription-based social media, ad partner programs, mechanical and streaming mechanical royalties, interactive service payments, digital performance royalties, public performance royalties, songwriting catalog sales, sync licensing, cameos, persona licensing, retail sales, digital sales, lyrics display and more… Please visit https://melbaculp.com/investors and download the "Music Industry Income Overview" to learn more about music industry cash flow.

Traction

**Melba Culp spent several thousand dollars to release a demo song and video for “Never Surrender”.
The demo release attained the following:**

- **200K+ streams** within the first 3 months of release
- 60+ satellite, internet and FM **radio stations playing “Never Surrender”**
- **1st place** on Metal Devastation Radio’s Weekly & Monthly Battle of The Bands
- **10K+ growth in followers** across Melba Culp’s social media
- High-profile **bookings in Finland** that were unfortunately cancelled due to COVID-19
- **Song placement** in feature film “The Wraith Within”, released on Prime Video, Vudu and more on February 21st, 2023.
- **Hipnogis Songs Fund** (IP acquisition & management company) expressed their **interest in working with Melba Culp** in December 2022, if Melba Culp can secure outside funding. Hipgnosis is headed by Merck Mercuriadias (former manager of Iron Maiden, Elton John, Guns N’ Roses and more) and Ted Cockle (former President of Virgin EMI, where he managed the recording careers of artists including Queen, Taylor Swift, Katy Perry, Justin Bieber and more).

Press Coverage

- "...**a must hear band**...their ferocious track...as they send lightning through your veins." - Music Junkie Press
- "...a very welcome surprise...a wall of riffs, melodies, harmonies and sweeping solos...**a fresh wind to the genre** and are sure to find a lot of fans along the way." - The Metal Review
- "...a bombastic slab of heavy rock, foot stompingly addictive and with **enough infectiousness to even nod the head of the laziest rock/metal fan**...a breath of fresh air, standing astride the border of the hard rock and heavy metal genres." - Frenzy Fire
- "...fierce drum kicks, fast riffing, a ripping solo and **all the glory.**" - Indy Metal Vault
- "...a twister of metal...combining some of the **classic elements of our beloved genre with a new hard rock edge**...riff filled, chest stomping sound..." - The Circle Pit
- "...**straight-forward, aggressive** and guitar-driven metal." - Horror Patch

Listener Feedback

- “**Epicness meets bad*ssery.**” - Azu on YouTube
- “This is a **great f*cking song**! Can’t wait for the next one.” - Mary on YouTube
- “Finally, **a new band worth listening**!” - Khamir on YouTube
- “**Best new music** I’ve heard in a while.” - Mandi on Facebook
- “Didn’t know the band before but they are definitely **on my list now**!” - Philipp on YouTube
- “**Fully support**. It’s not common to see this type of music with the industry we have today. Let’s go!” - Drew on YouTube
- “When is the whole album coming out? I’ve been waiting for it for years! **I love this song! I love the vocals and everything!** This is a very good band and approach. I am a guitarist and I want to play something like this, I will look for band members.” - Adrián on YouTube [translated from Spanish]

Investment

Melba Culp is seeking to raise $150,000 from investors (Reg D 506(b)) to fund Album Cycle 1 in exchange for 15% equity in all of Melba Culp's income streams and entities.

22% Funded as of 09/10/2023

A minimum investment amount is set at $5,000 per investor.

Investment Allocation & Timeline

From Date of Investment

- 6-10 Months - Album 1 Release (100% written, 25% complete), 10 Songs, 10 Music Videos, 3+ Short Films (**95% Investment Allocation**)
- 10-15 Months - Stand-Alone Single 1 Release (100% written), 1 Song, 1 Music Video, 1 Short Film (**5% Investment Allocation**)
- 24 Months or less- Album 2 Release (60% written), 8 Songs, 8 Music Videos
- 36 Months or Less - Album 3 Release (40% written), 7 Songs, 7 Music Videos
- 42 Months or Less - Stand-Alone Single 2 Release (70% written), 1 Song, 1 Music Video
- 48 Months or Less - Album 4 Release (40% written), 8 Songs, 8 Music Videos

*Album Cycle 1 allocation includes marketing and promotional budget.

Investor Projections (Ex: $5,000 Investment For 0.50% Equity)

Annual Active Year Net Income (Estimated 60% of Years)	Annual Passive Year Net Income (Estimated 40% of Years)	Investor Share (0.50%)	Annual Active Year Investor Income	Annual Passive Year Investor Income	Publishing Income Estimate (10% of Total Active Year Income, 50% of Total Passive Year Income)	Estimated Sale Value of Investor Publishing Share (low multiple, 15x)	Estimated Sale Value of Investor Publishing Share (high multiple, 23x)	Estimated Sale Value of Investor Share (62% of Annual Active Year Income x 3.5, + 10% of Annual Active Year Income x 19)	Level of Success
$ 100,000	$ 20,000	0.50%	$ 500	$ 100	$ 10,000	$ 750	$ 1,150	$ 2,035	Low
$ 250,000	$ 50,000	0.50%	$ 1,250	$ 250	$ 25,000	$ 1,875	$ 2,875	$ 5,088	Low
$ 500,000	$ 100,000	0.50%	$ 2,500	$ 500	$ 50,000	$ 3,750	$ 5,750	$ 10,175	Moderate
$ 750,000	$ 150,000	0.50%	$ 3,750	$ 750	$ 75,000	$ 5,625	$ 8,625	$ 15,263	Moderate
$ 1,000,000	$ 200,000	0.50%	$ 5,000	$ 1,000	$ 100,000	$ 7,500	$ 11,500	$ 20,350	Intermediate
$ 1,500,000	$ 300,000	0.50%	$ 7,500	$ 1,500	$ 150,000	$ 11,250	$ 17,250	$ 30,525	Intermediate
$ 2,000,000	$ 400,000	0.50%	$ 10,000	$ 2,000	$ 200,000	$ 15,000	$ 23,000	$ 40,700	Noteworthy
$ 2,500,000	$ 500,000	0.50%	$ 12,500	$ 2,500	$ 250,000	$ 18,750	$ 28,750	$ 50,875	Noteworthy
$ 3,000,000	$ 600,000	0.50%	$ 15,000	$ 3,000	$ 300,000	$ 22,500	$ 34,500	$ 61,050	High
$ 5,000,000	$ 1,000,000	0.50%	$ 25,000	$ 5,000	$ 500,000	$ 37,500	$ 57,500	$ 101,750	High
$ 7,500,000	$ 1,500,000	0.50%	$ 37,500	$ 7,500	$ 750,000	$ 56,250	$ 86,250	$ 152,625	High
$ 10,000,000	$ 2,000,000	0.50%	$ 50,000	$ 10,000	$ 1,000,000	$ 75,000	$ 115,000	$ 203,500	High
$ 15,000,000	$ 3,000,000	0.50%	$ 75,000	$ 15,000	$ 1,500,000	$ 112,500	$ 172,500	$ 305,250	High
$ 25,000,000	$ 5,000,000	0.50%	$ 125,000	$ 25,000	$ 2,500,000	$ 187,500	$ 287,500	$ 508,750	Genre Leader
$ 50,000,000	$ 10,000,000	0.50%	$ 250,000	$ 50,000	$ 5,000,000	$ 375,000	$ 575,000	$ 1,017,500	Genre Leader
$ 75,000,000	$ 15,000,000	0.50%	$ 375,000	$ 75,000	$ 7,500,000	$ 562,500	$ 862,500	$ 1,526,250	Music Leader
$ 100,000,000	$ 20,000,000	0.50%	$ 500,000	$ 100,000	$ 10,000,000	$ 750,000	$ 1,150,000	$ 2,035,000	Music Leader
$ 200,000,000	$ 40,000,000	0.50%	$ 1,000,000	$ 200,000	$ 20,000,000	$ 1,500,000	$ 2,300,000	$ 4,070,000	Music Leader

Key

(red)	Estimated Album Cycle 1 Performance Range
(blue)	Estimated Album Cycle 2 Performance Range
(white)	Estimated Album Cycle 3 Performance Range
(dark grey)	Estimated Album Cycle 4 Performance Range
(light grey)	Phenomenal Success Range

Active Year	New Music, Touring
Passive Year	Production, Limited Releases & Performances

To learn more please visit melbaculp.com/investors

Contact: InvestorRelations@MelbaCulp.com