

Project Brief



An App for viewing Events as they've never been viewed before

BFS Ref.: IG/375

Finance required: up to £ 160,000

Summary

The BBC ran an item on its news programmes not so long ago about the annoyance felt by many people attending Gigs and other events where their enjoyment was spoiled by people in front of them trying to take photos or videos on their mobile phones. Our client has developed technology that will not only eliminate this problem but will make high quality videos of the events available very shortly after they take place, via an App to, potentially, a worldwide audience.

The product is called **iGiG**. It is a unique service that will incorporate the following major features & benefits:

- High quality videos of live events will be available for streaming to PC's, tablets, mobiles etc. within hours of the end of the event. The real USP will be that the event will be recorded on multi-cameras and **the Viewer will be able to choose which view they watch at any time i.e. they become the Director**. Sound and vision will be fully synchronised in HD at all times.
- Access to the download sites will be via the **iGiG** App which will be freely available.
- The initial target market is live Gigs but the technology has many other potential applications e.g. sports events, training sessions and many more.
- The App can be customised for specific clients/corporations i.e. White Labelled.
- The App will give access to the video streaming sites where videos can be purchased for viewing. This will include **IGIG Ltd.**'s own web site www.igig.tv .
- With the opportunity to offer this **iGiG** technology worldwide, the revenue potential is enormous.
- **iGiG** will have the support of both artists and venues as it will increase the earnings potential of both and will also increase the accessibility of artists to new territories and fan bases.
- Additional income from licensing the technology and leasing encoder boxes to add income generation.

The first version of the **iGiG** product is aimed at the market for viewing music Gigs. Currently the only option available to people unable to attend a live Gig is for them either to view a low quality video taken on someone's mobile or on the TV or YouTube, or to wait for several months until the official DVD of the Gig is released (if it ever is). In all cases however the viewer has to rely on the Director's choice of camera angles. Not so with iGiG!

We are not including any precise forecasts of sales in this document as the potential of the product is virtually impossible to predict (more so following the positive reaction shown to it at South by South West in Austin, Texas earlier this year). What we will do however is include some indicative figures of likely returns based on a range of sales achievements.

The Business

- The **iGiG** product was the brainchild of one of the Directors, Ray Meadham, who has many years of experience in the music and music management business.
- Ray engaged a highly experienced software development specialist who did much of the early development and will be involved in the future in Training technical staff and in future product development.
- **IGIG Ltd** was registered in June 2012 but has not been in a position to trade until now.
- The **iGiG** team includes people skilled in finance as well as general management. Until now, however, everyone has been involved on a part-time basis.

The business was originally set up with an investment of £60,000 spread across 9 shareholders. A further £20,000 has since been injected. The company now recognises that the product is ready for a serious launch and, as such, the business needs a full-time, professional team. Part of the finance we seek is to cover the staffing costs for the first 6 – 9 months following the launch.

The Product

As with most good ideas the concept is a simple one.

- **iGiG** will provide worldwide access for quality multimedia footage of live events via The iGiG web site www.igig.tv and unique URL links for artists to promote Pay to view sites such as iTunes (we already have Apple approval for the App.).
- High quality, multi-camera recordings will be made of live Gigs (and other events).
- These will either be provided by the venue or will be shot by iGiG Ltd using professionals.
- The videos themselves will be edited then uploaded, via a special 'Black Box' that we have developed, to the **iGiG** web site & iTunes (or other on-line providers).
- People wishing to view a particular video will be able to access it using the **iGiG** App. They will, however, only be able to stream the video, not fully download it. The length of time for which the video is available to them to stream can be set by iGiG e.g. 30 days.
- In its initial format the programme will allow videos from up to 3 cameras to be available for any particular event.

iGiG has also recently started working with a company that specialises in App development. The intention is to use their services to develop future versions & enhancements to iGiG. The costs of this for the next 12 months are included in the finance we seek.

The first version of **iGiG** uses three HD camera feeds. These are fully synchronised, allowing the viewer to seamlessly switch from one to another without interrupting the sound. Thus if you want to watch the lead singer or the drummer or simply watch the folks on the Mosh Pit you can choose when you want to do so. Later versions will include new developments such

as 360° cameras and (particularly for sporting events) the new micro cameras that can be placed on helmets etc. We are also in discussion with VR equipment developers.

At the moment the App is only available in Apple format. Having proved the concept, however, we are now ready to develop the Android and other versions. Our development company are confident that they can do this quickly and have quoted us for the work involved (see Finance). The eventual aim is to make **iGiG** videos viewable on everything from Mobiles to Tablets and full screen TV's. As previously mentioned we also plan to offer a VR capability in the future.

Additionally, there is the potential to customise the App. Thus if a Corporate client wishes to use the App to allow its clients to access videos of events that it is involved in, then **iGiG** can tailor the App to be specific to that Corporation. There would be a fee for such customisation.

We should point out that the App only allows users to stream any video rather than download it. **iGiG** can choose how long any video remains available to a particular user for streaming e.g. 14 days, 30 days etc. The user will also have the choice of purchasing either a single song from a Gig, several songs or the complete Gig.

The Market

Purely for reasons of "Familiarity" the decisions was taken to concentrate initially on the Music Industry. What has become apparent through the development stage is that not only are there a wide range of events that could benefit from the "iGiG treatment" but that the whole iGiG concept incorporates more than one basic product.

The worldwide market for music and music videos is enormous. Some basic facts & figures on the Digital Music market:

- I. The worldwide music economy is currently estimated to be worth around US\$160 Billion.
- II. Annual Digital music sales worldwide appear to have exceeded US\$20 Billion in 2015.
- III. Music revenues (all forms) in W. Europe in 2010 were US\$14 Billion.
- IV. UK music fans have spent more than £2.5 billion on digital music since the launch of legal online music services in 2004,
- V. Apple iTunes passed 317 Billion music downloads in 2015 and Apps downloads reached 130 Billion in June 2016.

Until now, however, the only options to see a specific Gig were:

- To actually try to record it yourself on your mobile at the event (poor quality and you or a friend have to be at the event).
- Hope the event is big enough to be on TV (and the Director decides what you watch).
- Hope that a DVD of the event will be released (some months later).

What iGiG has to offer that no one else can is:

- The ability for the viewer to not only watch a Gig shortly after it takes place, but to choose what/who they watch at any time.
- If you are unable to get to the Gig you can now watch it very shortly afterwards.
- You can choose to stream either specific songs or the complete event.

- The artists and Venue owners can benefit financially from the additional viewers as **iGiG** can offer them a proportion of the revenue generated by the sales through the App. See the revenue section of 'Financials' below for an overview of the revenue potential.

A major, and increasing, problem that has plagued the music industry, since the introduction of digital technology, is the advent of illegal downloads. **iGiG** carries protection against this eventuality allowing access on only 3 devices.

A recent announcement by Apple that they have now patented a product that enables them to stop people from using their iPhones to record Live Gigs gives a further great boost to the opportunities for **iGiG**.

Whilst the initial target market is people wishing to view Gigs, subsequent versions will be produced suitable for use at sporting events, for training purposes etc. The company is already working with a client on a training-oriented version of the product. This again will greatly enhance the revenue potential of the business. The initial offerings will be aimed at the UK & Europe. Substantial interest is already being shown, however, at a high level in the music industry in the USA following the visit of Ray Meadham to SXSW earlier this year. The organisers are already talking to us about incorporating our App into theirs at next year's Event. As the World's biggest Digital Music Event this will give **iGiG** a huge boost into the US market.

Competition

There is currently no direct competition to **iGiG**. There is a web site iGiG.co.uk. The site itself appears to have been designed to allow Bands/Artists to upload videos of their performances for free viewing by the public but the site has not been updated since 2004, the date of the latest video on it. Attempts have been made to purchase the domain name, but without response.

There is a page on the iTunes web site that refers to **iGiG**. This is, however a Gig diary for Bands and Artists i.e. it performs a totally different function to Our **iGiG** product and the name is not registered at this time.

Financials

Revenue

Primary revenue will be generated through sale of the videos.

- The current plan is that the basic App will be available FoC.
- The App itself will simply access the **iGiG** web site where the event videos can be purchased.
- Alternatively people can purchase them from other providers such as iTunes. We already have full Apple approval for this.
- In either case the revenue generated will be shared between **iGiG Ltd**, the venue owners and (in the case of Gigs) the Artists.

As Ray Meadham says, "For simplicity's sake we have projected filming 10 events in the UK over the next 10 months of operation. We will be looking to film bands which are relatively 'New' on the music scene and who have a growing Fan base, ideally of 250,000+. At this time we are proposing to offer the video of a complete Gig (c. 10-12 tunes on average) at £4.99p. Thus if we sell the **iGiG** video to only 10% of the fan base this will generate £124,750 for a single Gig. Thus if we offer only 10 Gig Videos over the next 10 months our revenue stream will be in the region of £1,250,000, and this does not take into account any advertising revenue

that we generate or the possibility that we may also be able to offer older videos as a ‘back catalogue’”.

The Company knows from recent discussions with both Music Management and Corporate Event Sponsors that **iGiG** is likely to be invited to film much more than 1 event per month. The true picture is therefore that within a couple of months of Launch, the revenue earnings potential will be much greater from music Gigs alone.

Further proof of this will be evidenced by the fact that we now have our first video of a Gig (performed by the Fratellis) ready to sell. This will be launched in August with the full Gig version selling for £4.99. The Fratellis have c. 500,000 fans so sales to just 1% of these would generate £24,950. The Fratellis and their Record Label are particularly keen on the launch of this video, as it will act as a precursor to their next overseas tour scheduled for September.

As previously mentioned, many other Revenue streams are available. These include advertising and the availability of the App as a white label product for large corporations wishing to promote their own events to their clients. **iGiG** are already in discussion with a number of UK Corporations who are interested in this for Music and Sports events that they sponsor. There is also a potential market for the **iGiG** Black boxes that has been identified

Costs

There are basically four major cost centres involved in formally Launching the business and growing it to meet demand over the next 12 months. These are:

- Hardware & Software development costs.
- Staffing costs.
- Launch & marketing costs.
- Acquisition of an initial library of Videos to support the launch.

The shareholders have already invested £80,000 in the project, most of which has been spent on market research & software development.

The following table shows expected costs over the next year; that being the period for which we seek funding.

Development Costs	New versions of App	£42000
	E-Commerce	£21000
	Update web site	£10000
Hosting	Per annum	£1200
Hardware	Black Boxes	£15000
UK production	Filming 10 events	£20000
Staffing		£25350
Marketing	Social Media etc.	£18000
SXSW	Filming rights etc.	£200000
Travel	UK & US	£7000
Total		£359,550

Note:

- *The forecasts assume targeting of the UK, Europe and USA markets. They do not take into account costs from other markets e.g. Japan, India, China.*
- *We are still researching the cost of acquiring a back catalogue so have excluded that from current projections (good to have but not essential).*

iGiG have received a formal request from the organisers of SXSW 2017 (March 2017) to have a serious presence at the event. This we are being encouraged to do also by UK T&I. We estimate that this will cost in the region of £200,000 (as shown above) but anticipate that much of the cost of this can be borne out of revenue generated.

Funding requirements & rewards for Investors

It is estimated that, excluding the costs of SXSW, the business will require a further £160,000 of funding to cover the costs as outlined above.

In return for this investment the company proposes to offer a combination of Ordinary (Class A) shares and preferential non-voting (Class B) shares with a fixed dividend. Details to be discussed and agreed with Investors.

Exit route

The expectation is that there could be a trade sale to one of the major music or internet corporations within 3 to 5 years.

Alternatively the Company may be floated on AIMS.

To discuss this opportunity in more detail please contact:

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