



Allied Vaughn Entertainment Distribution

AV Entertainment is the fastest growing and largest distributor of motion picture and television titles in North America. We have relationships with all e-commerce platforms, digital platforms, catalogs, and physical retail merchants - every meaningful DVD and Blu-ray reseller, and a growing list of digital sales channels.

AV Entertainment licenses and distributes over 17,000 films, TV series, special interest and audio titles from over 180 studios and networks including Warner Bros., Universal Studios, Sony Pictures, Fox, MGM, Paramount, Lionsgate, CBS, NBC, Viacom, National Geographic, BBC and TCM. We are the sales and marketing distribution choice for film, television, documentaries, sports, educational, and specialty content. Our proprietary manufacturing and distribution process enables all retail channels to merchandise and sell our catalog without the investment, risk, inventory and constraints of the traditional distribution supply chain.

Our business is founded on the premise that:

- Sales of new release and catalog titles are increasingly driven by online sales.
- Retailers and digital platforms require streamlined and efficient distribution.
- Expanding the availability of titles including and beyond the major retail outlets is critical to maximizing income.
- Sales are driven by 100% 'available to ship' guarantees.
- Investment should be in availability, merchandising and promotion, not in inventory.
- Every sale or digital view should result in a net royalty payment to the content owner. Elimination of chargebacks and returns should be the standard, not the exception.

Here is what we do for our content partners:

DVD, Blu-ray, 3D and UHD Packaged Media Products

Ingestion and Launch

- We ingest your finished ISO files (the format required for a packaged media product), packaging art files, and metadata into our Manufacture on Demand and sales systems. If the title has not yet been authored, we can also author your DVD or Blu-ray from your mezzanine file at below market rates.
- We provide a dedicated Content Onboarding Manager to work with our content partners to coordinate all aspects of materials acquisition – from set-up to launch.
- AV Entertainment sells titles to all sales channels at 30% off the Suggested List Price of your titles.
- AV Entertainment has a deep integration with Amazon, Walmart and other top ecommerce platforms, and will set your titles up for sale at all relevant packaged media e-commerce retailers.



Retail Management

- We proactively feed new title information to our network of resellers via weekly title pitches, emails and newsletters. We have manual and automated product data feeds set up for all our resellers, enabling your titles to be activated on dozens of webstores, direct mail film catalogs, and specialty distributors.
- We have dedicated staff to work with our sales channels to increase visibility and reseller focus on new release and catalog content.
- We run regular promotions on title collections in collaboration with our resellers.
- We offer a co-branded e-commerce store for our content partners, using AV Entertainment's proprietary MovieZyng e-commerce platform. Your store is fully integrated with our manufacturing, customer service and fulfillment center. Content partners can direct traffic to their store using social media, blogs, press releases, and affiliates to drive sales. When you agree to partner with AV Entertainment to direct traffic – we provide you with a Movie Zyng store at no charge.

Manufacturing and Fulfillment

- We manufacture and fulfill orders on demand to both resellers and direct to consumers. Most have direct EDI order integration with us. Once titles are listed on their site, we can take orders.
- Our ship turn-times are generally 1-2 business days or less.
- We guaranty against material defects.
- We provide dedicated customer service staff to our resellers, freeing you up to focus on your content.

Reporting and Royalties

- We report sales to content partners on a monthly basis, and pay royalties 60 days after the end of the quarter.
- Royalties are 50% of the net revenue. Net revenue is the sale price minus a manufacturing fee. This manufacturing fee includes the cost of disc, printed wrap, all outer packaging, and fulfillment. The consumer or the resellers pay the shipping cost. None of this is borne by the content partner.
- We do not take returns for reasons other than defects. *So, all sales are a "final sale".*

Royalty Calculation Examples by Suggested List Price*

Suggested List Price	DVD	Blu-ray
\$ 9.99	\$2.05	\$1.25
\$ 14.99	\$3.80	\$3.00
\$ 19.99	\$5.55	\$4.75
\$ 24.99	\$7.30	\$6.50

*Assumes DVD-5 and BD-25 discs used | *Assumes no encryption
*Multiple disc title examples available

AV Entertainment Digital Distribution

AV Entertainment's digital distribution programs are designed to provide content partners with access to major and new emerging digital TVOD, SVOD and AVOD channels, along with AV Entertainment proprietary digital sales channels.

We have developed the most cost effective, streamlined process to publish your digital video assets across all platforms and consumption methods. These programs provide a single process and a single point-of-contact for releasing your titles digitally - so that you can focus on your core business of acquiring and producing new programming for consumers.

The digital distribution landscape is a matrix of complex platforms, expanding international territories, and a myriad of different file codex, metadata specifications and artwork requirements. Consumers can now choose to watch and own titles as transactional sales or rentals, subscription video-on-demand, ad-supported video-on-demand, and linear OTT channels.

AV Entertainment provides a turnkey service to manage the submissions, sales, marketing, commerce, reporting and payments for all your content in all these programs. The result is new business, new customers and new income from your content library.

Program Overview.

- AV will offer your titles to 60+ (and growing) worldwide digital platforms including Amazon Video, TubiTV, Overdrive Digital, Hoopla, Crackle+, Redbox, Xumo and many more.
- Subject to your underlying rights, titles will be offered on a transactional, subscription video on demand and ad supported basis, in multiple territories worldwide.

**We pay you 70% of net revenue received from each digital platform
- less delivery costs, liquidated out of royalties paid to you.**

Here's what we need from you.

- A signed digital licensing addendum to our MOD agreement - or new agreement if you aren't already a content partner.
- ProRes content files.
- Additional metadata fields (we already capture most in the MOD metadata you deliver today).
- Closed Captions files.
- Artwork: Poster Art, 3x4 poster image – Minimum 1575 x 2100 pixels. 2x3 poster image – Minimum 1400 x 2100 pixels. Landscape Art - 16x9 landscape image – Minimum 2048 x 1152 pixels. 16x6 landscape image – Minimum 2048 x 768 pixels.
- Trailer.

Here's what we do.

Ingestion and Launch

- We ingest your files, artwork and metadata into our Digital Content Management technology stack. We transcode your files to meet the specifications of each digital platform. All at no charge.
- Your Content Onboarding Manager will coordinate all the aspects of materials delivery – and set up for launch.
- For transactional VOD (download to own and download to rent), we collaborate with our content partners to set the suggested selling price for each title.
- AV Entertainment will announce and pitch your avails to over 60 digital platforms around the world.

Digital Platform Management

- We proactively feed new title information to our network of platforms via pitch decks, avails feeds, weekly emails and newsletters. We have dedicated sales staff who works with our sales channels to increase visibility and merchandising of your digital content on digital platforms.

Reporting and Royalties

- We report sales to content partners monthly, and pay royalties 60 days' post calendar quarter that monies are received.
- Royalties are 70% of the net revenue received from each digital sales channel, less delivery costs. Net revenue is the selling price or rental price charged a consumer for download to own or download to rent, minus the fee retained by each platform on which your titles are made available to consumers. For Subscription VOD or Ad Supported VOD, Net Revenue is the per title usage fee, ad revenue or flat fee paid to AV Entertainment by the platform for SVOD or AVOD usage.

Summary

- In short – we handle the entire process of taking your titles to market. Once you say yes – we do the rest.
- You merely give us content files, artwork and metadata, or we can help with that as needed.
- Your physical and digital product marketing and supply chain strategy is now handled so you can focus on adding new titles.

