

presence
films

Begin the journey



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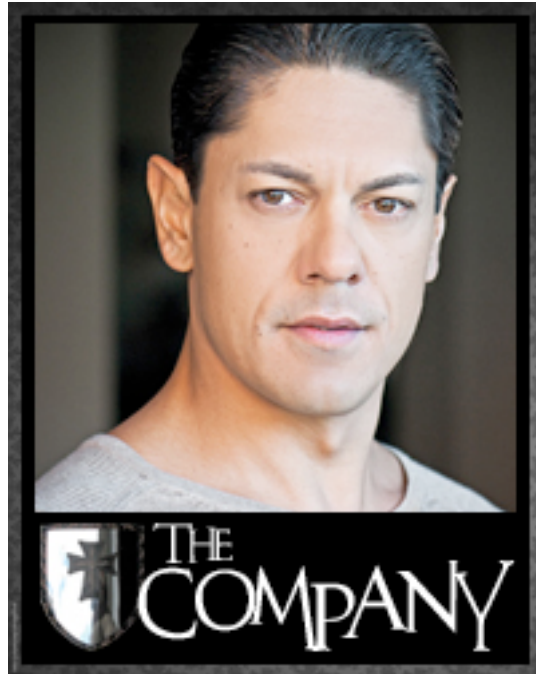
THE FOLLOWING DOCUMENT IS ATTACHED

- **INVESTMENT MEMORANDUM**

THE FOLLOWING DOCUMENT IS AVAILABLE UPON REQUEST

- **THE PRESENCE FILMS (SLATE TWO) PTY LTD - CONSTITUTION**

PRESENCE FILMS believes, '**Great stories make for great entertainment**'.



Critical to our strategy for both development and distribution is our **online community**. Fans and filmmakers from all over the world collaborate to develop our projects. This approach develops and monetizes projects making it possible to generate early capital return and ongoing revenue for investors.

SLATE TWO is dedicated to the development and production of the supernatural-fantasy, '**JOURNEY OF THE SEEDS**'. We warmly welcome your interest and invite you to, '**begin the journey**'.

PRESENCE FILMS seeks up to **USD \$1,500,000** (One million, five hundred thousand dollars) to develop **'JOURNEY OF THE SEEDS'**.



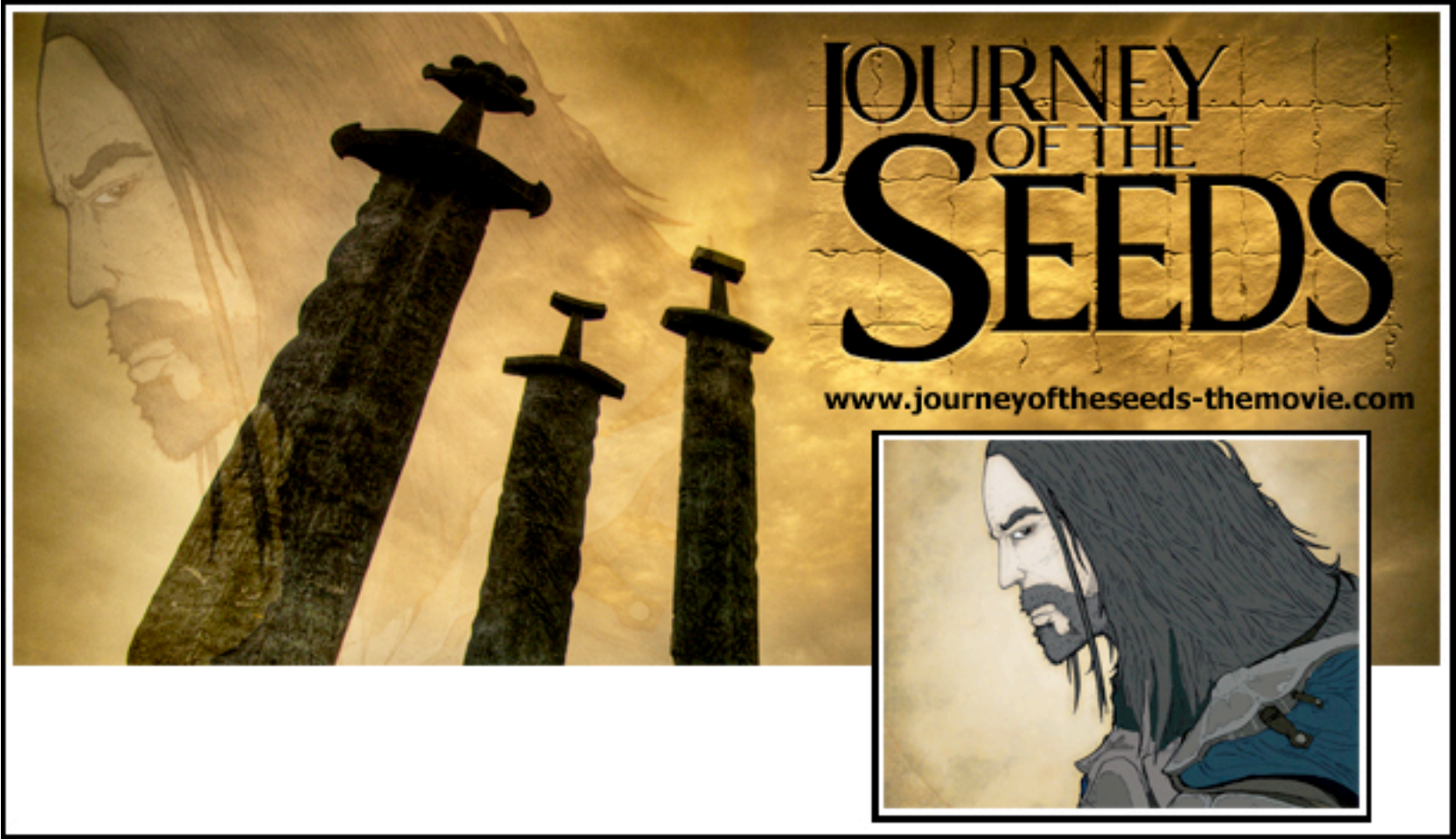
Development Investors receive:

- Shares in Presence Films (**Slate Two**) Pty Ltd
- Capital return, 30 days post the first day of shooting of the feature
- Profit disbursements from all and any works created by Slate Two in relation to **'Journey of the seeds'**, whether they be film, TV or ancillary

Early capital return and a stake in a significant and global media franchise make for compelling reasons to invest.

CONCLUSION

We would be delighted to have you on-board as a shareholder and look forward to answering any questions you may have.



INTRODUCTION

‘**JOURNEY OF THE SEEDS**’, is a media franchise based on a graphic novel by author, **Carol Baauw**.

SYNOPSIS

The **Captain of a road-building crew believes** he is experiencing a psychotic break when he journeys into a parallel universe as a warrior-hero.

His dreams are vivid. His dreams are terrifying. His dreams are real.

GENRE

Supernatural – Fantasy

JOURNEY TO THE SITE

Learn more of the Journey and meet the global team behind it.

<http://www.journeyoftheseeds-themovie.com/>



BUSINESS PLAN

- I. THE PLAN**
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- IX. ANCILLARY INCOME STREAMS**
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I. THE PLAN

PRESENCE FILMS (SLATE TWO) PTY LTD seeks up to **USD \$1,500,000**, (One million, five hundred thousand dollars), by way of a share offer to complete development of the first film of the slate, '**JOURNEY OF THE SEEDS**'.

The Company will issue a total of up to 1,000,000, (One million) shares.

Up to four hundred and fifty thousand **special-A class capital preference shares** will be made available for purchase.

II. THE OFFER

The Company will draw-down development investment in two tranches. The terms of the offer are set out in the attached **Investment Memorandum**.

1. Development investment - Stage One

Total shares available: **200,000**

Rate per share: **AUD \$2.50**

*10,000 shares represent 1% of the Company

Status – Current offer

2. Development investment - Stage Two

Total shares available: **250,000**

Rate per share: **AUD \$4.00**

10,000 shares represent 1% of the Company

Status – Yet to be released

III. TIMELINE

Journey is a considerable franchise, which can manifest in many mediums and generate on-going revenues.

Development of the work goes hand in hand with the creation of its fan-base but its progress and outcomes are wholly fluid based on capital raised and global conditions experienced.

Far too often we see projects promoted with narrow windows for realization and high pressure for delivery in those windows. This leads to poorly developed projects that die young and fail to realize their profit potential.

We recommend potential Shareholders view investment in the Company as a decade long engagement.

That doesn't mean that our relationship will end after that period or take that long to realize a profit, rather that Shareholders should be willing to allow the team the flexibility to run hard with the ball when opportunities present but not be forced to burn up all our resources on an impenetrable line of defenders to meet a pre-determined deadline.

Cash-flow to survive, funding for development and promotion should be our approach. Measured and stable growth until the window presents to fully realize the project and its works. This is our strategy and this is what governs our time-line.

IV. COMPLETION OF DEVELOPMENT

Successful completion of development will be employed to trigger production investment.

V. PRODUCTION BUDGET

Production may take many forms; webisodes, feature film, trilogy, network TV, premium cable etc.

The production budget for a feature version of '**JOURNEY OF THE SEEDS**', may be in excess of USD \$60,000,000 (Sixty million dollars).

Production Investment is triggered by **agreed- to milestones** being achieved. Locking in the cast, team, budget and a schedule to execute production are standard milestones.

Raising production investment is part of the development process.

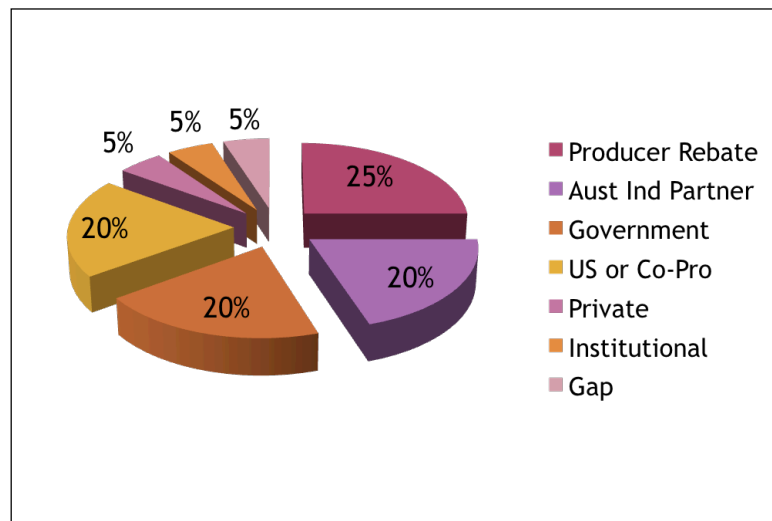
VI. WHO INVESTS IN PRODUCTION?

Production can be as simple as one backer, for example, a Major Studio or a cable network for a long-run TV series.

A typical model would include a mix of investors, collectively secured to the project by a Production and Investment Agreement.

The parties generally have a vested interest in investing whether that's a Post Production house securing work for its team or a regional Government body seeking to bring work and tourism to its region.

The following chart is an example of the kind of Investors that may participate.



Explanation of terms:

- Producer Rebate: A loan borrowed against the Federal Government rebate available to Australian Producers
- Australian Industry Partner: A Post Production house with a vested interest in securing the post production work
- Government: Regional, State and Federal incentives
- US or Co-Pro: A US Studio Major seeking to fill its slate and to distribute the work or an international co-production
- Private: Australian and International Private Investors
- Institutional investment
- Gap: Gap finance to cover any balance required

VII. PRESENCE EQUITY AND THE PRODUCER OFFSET

Presence Films acquires equity in its own productions by borrowing against the Producer Offset.

What is the Producer Offset?

The Producer Offset is a refundable tax offset (rebate) for producers of Australian feature films, television and other projects.

The Producer Offset is worth 40 per cent of qualifying Australian production expenditure (QAPE) incurred on a feature film. (*different mediums may attract different rates of offset).

The Producer Offset is administered by Screen Australia.

<http://www.screenaustralia.gov.au/>

It was introduced by the Australian Government and designed to increase production and help the Australian industry grow by developing sustainable businesses.

For more information on the Producer Offset:

http://www.screenaustralia.gov.au/producer_offset/

Presence Films' twenty five percent equity is based on the offset's forty percent rebate minus an allowance for non-qualifying expenditure, the cost of borrowing, a buffer and an amount set aside for the development of the next production.

VIII. MARKETING OF THE COMPLETED WORKS

Works of this size and status will typically enter into distribution arrangements before the film goes into production and will continued to be marketed. Being a franchise the works can have a far greater life than a one-off production.

IX. ANCILLARY INCOME STREAMS

In addition to income derived from the theatrical release, the Company will exploit ancillary rights such as DVD, VOD, cable, Television etc.

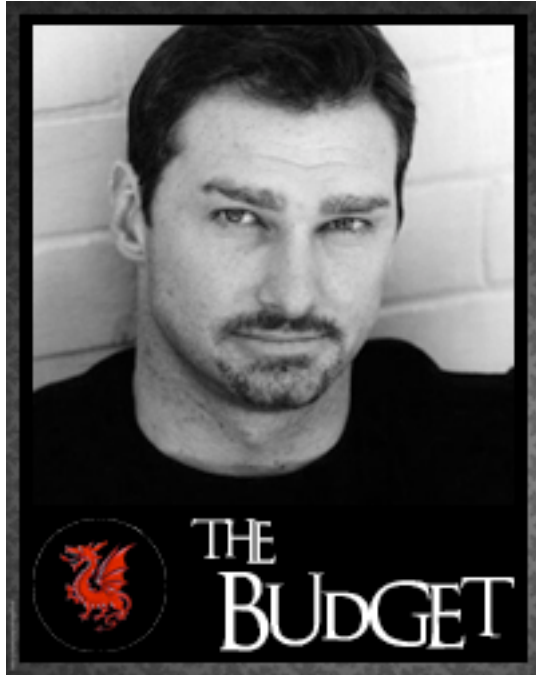
Historically, ancillary income streams represent an additional 2 x (two times) the return from theatrical release.

X. ALTERNATIVE MODEL

In the event the Company is unable to raise the total production funding required, it may seek to employ an alternative model to realise capital return and a profit for Investors such as sale of a developed project to a third party such as a Major Studio.

XI. DEVELOPMENT INVESTORS' PROFITS

Development Investors receive their capital back post the first day of shooting. Development Investors' profits are realised through the sale of, or distribution and global exploitation of, the Projects' rights.



BUDGET

Development can be likened to a relay race.

Each team member runs their best race in a specialty field then hands on the baton to the next team member.

The concept team develops story.

The producer team demonstrates the overwhelming case for the film to Production Investors by:

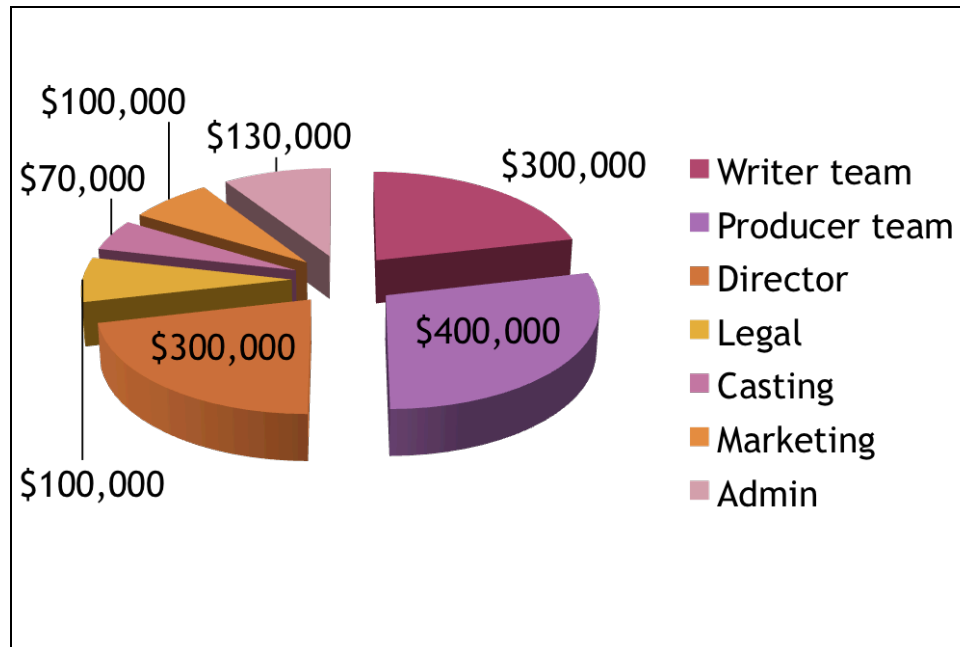
- Attaching the cast and team
- Determining a schedule and budget
- Securing the parties with a suite of contracts

The production team develops and executes the look of the film.

The post team assembles the created work and enhances it whilst the composer breathes emotion into the work through soundtrack.

Once completed its back to the Producer and their team to market the work and realize the maximum revenues for the investors and participants.

The following chart demonstrates an example of expenditure that may be incurred during development. This is not meant to represent an exact outcome but rather a guide.





PROJECTION

Australian made Feature films such as ‘**Australia**’ and ‘**Knowing**’ generated approximately **USD \$200,000,000**, (Two hundred million), each, at the global box office.

In addition, ancillary media such as DVD-release historically generates 2 x (two times) the box office return.

Minus costs, (See table on the following page), a \$60,000,000 feature film can generate a profit of in excess of **\$60,000,000** to be shared between the production investors.

PRESENCE FILMS EQUITY POSITION

Presence Films equity entitles it to **25%** of those profits, (based on our employment of the Producer Offset to fund 25% of the film).

POTENTIAL RETURN TO INVESTORS

A development investor holding \$100,000 (One hundred thousand dollars) worth of shares in the current offer would be entitled to a return in excess of \$600,000 (Six hundred thousand dollars).

CAPITAL

Investors have already received their capital back during production. **The figure quoted is all profit.**

IN THE EVENT

Allowing for average results, poor exchange rates, unforeseen problems and increased costs, even if an Investor **received their capital back plus one quarter of the projected return, this would represent a significant profit.**

BONUS POSITION – THREE BITES OF THE PIE

This projection demonstrates the potential return from one film however our **shareholders are entitled to return from the all works realized by the slate.**

Based on that, a **\$100,000** (One hundred thousand dollars), **investment in the current offer could generate a return from say a trilogy of films worth \$1,800,000 (One million, eight hundred thousand),** over 15 years.

CONCLUSION

Our target is a **\$200,000,000** (Two hundred million), return from the global box office for the first film however **Journey of the Seeds** is a supernatural-fantasy similar to feature films like **Narnia**, **Lord of the Rings** and **the Da Vinci Code**.

The global box office returns from these films are stated on IMDB Pro as:

Narnia: **\$739M**

Lord of the Rings: **\$861M**

The Da Vinci Code: **\$757M**

These results are all well above our \$200M target and this doesn't include the returns from their sequels or from their ancillary media worth another 2 x the box office return.

These considerations make for compelling reasons to invest.

ITEM	IN	OUT	BALANCE
Global box office	\$200,000,000		\$200,000,000
Ancillary media X 2	\$400,000,000		\$600,000,000
Exhibition x 55%		\$330,000,000	\$270,000,000
P and A		\$100,000,000	\$170,000,000
Distributors' Fees 35%		\$59,500,000	\$110,500,000
Currency adjustment USD to AUD 1:1	\$11,050,000		\$121,550,000
Cost of Production		\$60,000,000	\$61,550,000
Presence equity 25%			\$15,387,500
Rate paid per 1% shareholding			\$153,875



TO PURCHASE SHARES

If you have not already downloaded our information memorandum, please do so or request one by phone or e-mail. To discuss your purchase, please feel free to contact the C.E.O, David Steinhoff.



CONTACT

C.E.O.

David Steinhoff

Phone

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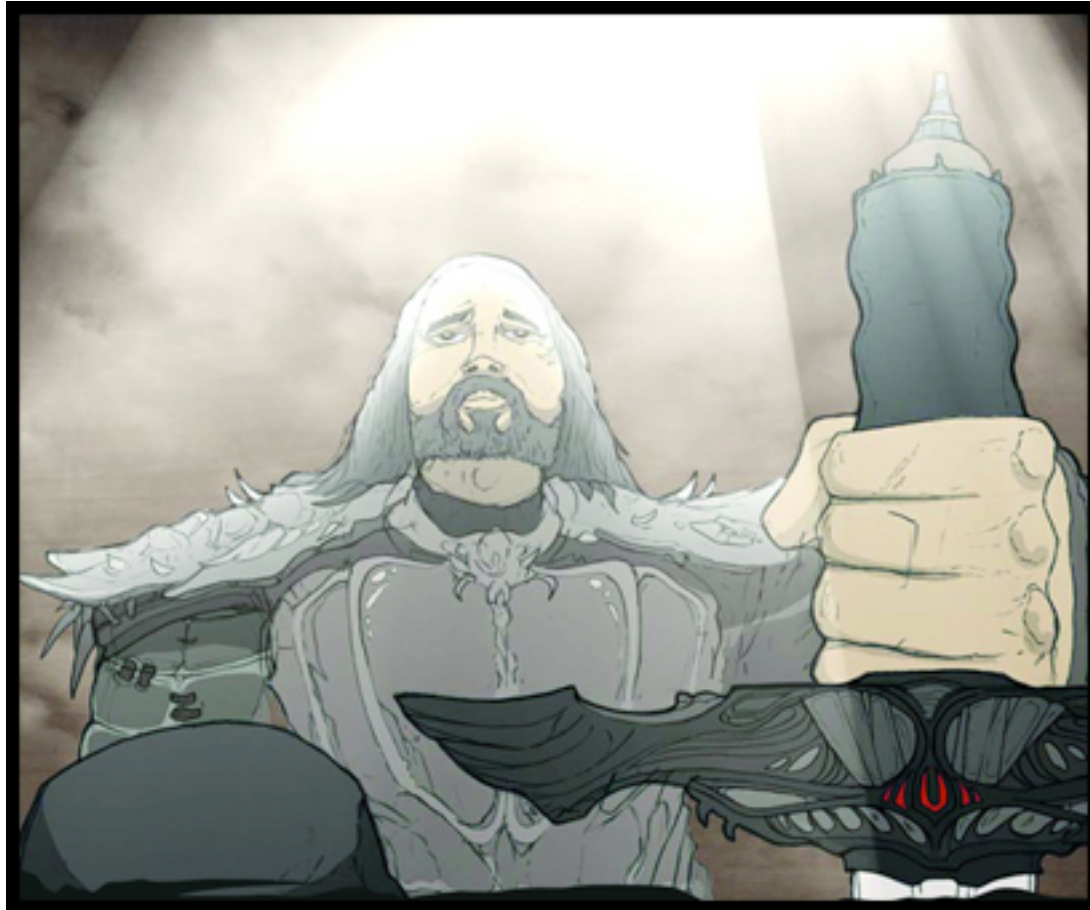
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