

Available for Acquisition #210906

Leading Design & Development Studio

ACT Capital Advisors is pleased to offer a leading Design and Development Studio headquartered in Western Canada for acquisition. The Studio develops original television and online series programming and provides advertising content, interactive design, and digital products to the television, film, and advertising industry. Founded in 2000, the Studio has built its reputation as a premier full-suite studio with deep expertise in multiple industries.

Investment Highlights

Diversified Revenue Streams: The Company derives its revenue from multiple service lines, including film, television and online series production, advertising content development, and interactive and digital design. The Company's diversified revenue base provides flexibility to respond to market demands and by shifting resources to higher value, more profitable projects.

Series Production Growth: The Studio currently has three original television or online series contracts booked to continue or premier in 2021 and 2022 on Cartoon Network's Adult Swim, PBS and YouTube. Series production work provides the Studio with a stable, recurring revenue stream based on owned original content. The Studio expects to pursue additional series production opportunities as it adds headcount and capabilities as part of its growth strategy.

Owned Original IP: The Company's original, owned series content represents valuable intellectual property that offers repeatable and expanding revenue opportunities worldwide. In addition to fees it receives from broadcasters on licensed programming, there are opportunities to further monetize this IP through creative licensing and marketing deals surrounding the characters, storylines, and digital worlds it creates.

Favorable Production Tax Credits: The Company is eligible for various provincial and federal Canadian film and production labor tax credits upwards of 50% offered per project for filming and producing its original content. The Company uses these labor tax credits to bid more competitive prices for projects when competing with animation studios not operating in Canada.

Strong Reputation: With over 20 years of experience, the Studio has built up a strong reputation and has longstanding relationships with major players in the media industry. It has won numerous awards including an Emmy, selection for multiple films at Sundance, several Cannes Lions and London International Awards for Advertising, as well as several Daytime Emmy nominations.

Impressive Customer Base: The Company has worked with various major media and broadcast companies including BBC, Netflix, PBS Kids and Cartoon Network for series work. It boasts an impressive list of advertising clients, as well, including Leo Burnett, Y&R, and FCB, and clients like Coca-Cola, Kia, and PayPal.

Experienced Employees: Led by the Owners' expertise, hand-picked staff across all film and media backgrounds help diversify the Studio's work portfolio, allowing the company an unusually broad creative range.

Available for Acquisition #210906

Summary Financial Performance (\$ CAD)

FYE	2018	2019	2020	2021 <small>(10/31)</small>	2021E	2022E	2023E
Revenue	\$.78MM	\$2.19MM	\$1.38MM	\$1.54MM	\$2.02MM	\$7.58MM	\$8.01MM
Gross Profit	\$.47MM	\$1.16MM	\$.55MM	\$.79MM	\$1.12MM	\$3.03MM	\$3.27MM
Adj. EBITDA	\$(-.41)MM	\$.47MM	\$(-.01)MM	\$.14MM	\$.167MM	\$1.78MM	\$1.82MM

Notes

- 2018: Pivot to series and interactive development
- 2020: Mandated studio closure due to COVID-19

Contact Information & Next Steps

For more information, please contact:

ACT Capital Advisors, LLC
7525 SE 24th Street, Suite 630
Mercer Island, WA 98040

Interested parties should execute the attached Non-Disclosure Agreement (“NDA”) and return to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum (“CIM”).

NDA’s and CIM requests should be submitted to:



Matthew Latimer

Managing Director & General Counsel

mlatimer@actcapitaladvisors.com

(206) 914-5484



Jack Welch

Associate

jwelch@actcapitaladvisors.com

(509) 991-5045