

# MUSIC PROJECT HEMIR



## Business plan

HEMIR

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Apple Music: <https://music.apple.com/ru/artist/hemir/1393860200?l=en>

YouTube: <https://youtube.com/channel/UCa4sN3gciSaTiw2KUKTBqNA>

# EXECUTIVE SUMMARY

### Objective

**HEMIR** is **experienced talented independent compose, producer and singer** focusing in trending **urban music**. He has his own recognisable style thanks to **mixing reggaeton with unexpected new sounds**.

Project HEMIR seeks to find a **finance opportunity** to improve the marketing and appeal to an international music audience. This opportunity will allow **to build a stable music brand with significant customer base**. This will translate into **significant sales of music** (streaming services, CDs, MP3s), promotion contracts, audio-advertising, sales of author rights, concert tickets and related products (e.g., merchandise).

### Goals

#### **One year**

- \$987,000 in revenue by the end of 2022.
- 84,200,000 streams in 6 Digital Streaming Platforms (DSP).
- 13 big live shows.
- Release 2 albums.
- Release 7 music video clips.
- Launch own merchandise sales.

#### **Five years**

- \$10,000,000 in revenue.
- 1 billions steams in 10+ DSP.
- 75 big live shows.
- Release 7 albums.
- Release 25 video clips.
- Launch own production studio.

### Solution

The music industry has been growing for the past 7 years. Even in the midst of a pandemic, the music market has managed to adjust and develop the rapidly growing direction of streaming. The genre in which HEMIR works - urban latin music - is also in a growing trend.

To achieve the goals of the HEMIR project, an initial investment \$93 600 is required in 2 main areas: content creation (songs, videos, live shows) and advertising.

The professionalism of the artist and the flexible strategy of his team will make it possible to recoup the investment within one year under a realistic scenario, with a pessimistic scenario - in 3 years. In any case, the investor's profit will be 30% per annum.

## INTRODUCTION&MISSION

### HEMIR Bio

Hemir is a Cuban artist, born on October 10, 1987 in Santiago de Cuba province. Cuba.

His inclination for music led him to study it since he was a child and to graduate in a mid-level **saxophone** at one of the **most prestigious conservatories on the Caribbean island**.

From an early age his participation in music festivals made him stand out, but his dream continued to be bigger and he **went to Havana** to continue his growth as a **professional musician and as a singer**.

His different musical vision and desire to sing fused music motivated him to start creating his own musical arrangements and songs.

Several years he stood out in Havana as a **musical arranger and music producer** working on several high-level projects together with great artists and TV show programs, and also as a **singer in a young reggaeton pop group** named: "Hecho en Cuba" (Made in Cuba) .

At the end of 2016 in one of the studios in Havana where he worked as a musical arranger and producer, he began to be part of the production of a new album of the **Portuguese singer Luciana Abreu**.

**In 2017 Hemir moved in Moscow** and become a singer under the production and representation of the company H.Cumbre Production from Moscow.

In 2018 in Moscow, Hemir begins the **production of his songs** and **produces his first music video**, with the single: "**La Bailadora**", a reggaeton song that is preferred by the Russian latin music-loving public. Then there are excellent **collaborations** with internationally Latin American artists such as the single "**Sin Miedo al Error**" with **singer-songwriter Samo** (former member of the Mexican pop ballad group "Camila"), and another single with the popular Colombian singer **Fanny Lu**.

Now Hemir is working on his **new album in Spanish** and on a new urban **collaboration with Russian DJ** and singer Davlad.

### Mission

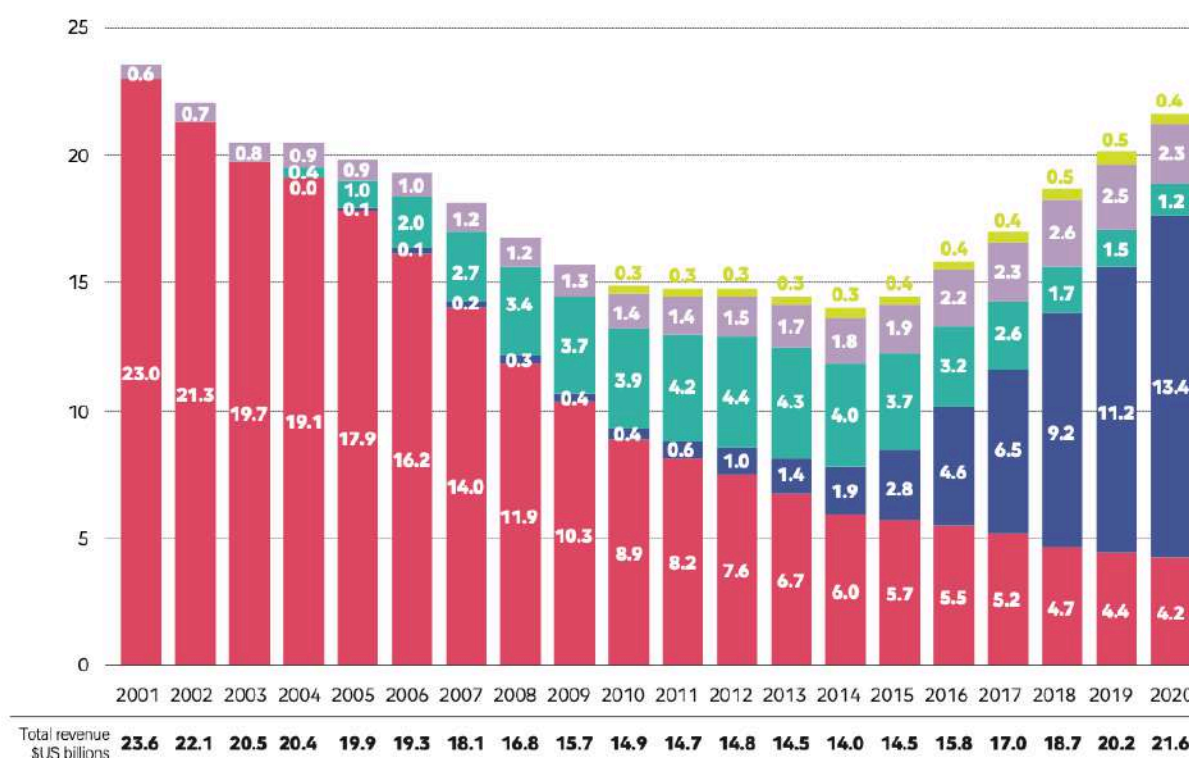
***Create and present high-quality musical compositions in a variety of urban genres mixing with new sounds that are artistically meaningful to the artist and also respond to the needs and desires of international audiences.***

## MUSIC INDUSTRY&AUDIENCE ANALYSIS

### Global Musical Market in numbers

The global recorded **music market grew by 7.4% in 2020**, the sixth consecutive year of growth, according to IFPI, the organisation that represents the recorded music industry worldwide. Figures released in IFPI's *Global Music Report* show total revenues for 2020 were US\$21.6 billion.

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 2001-2020 (US\$ BILLIONS)

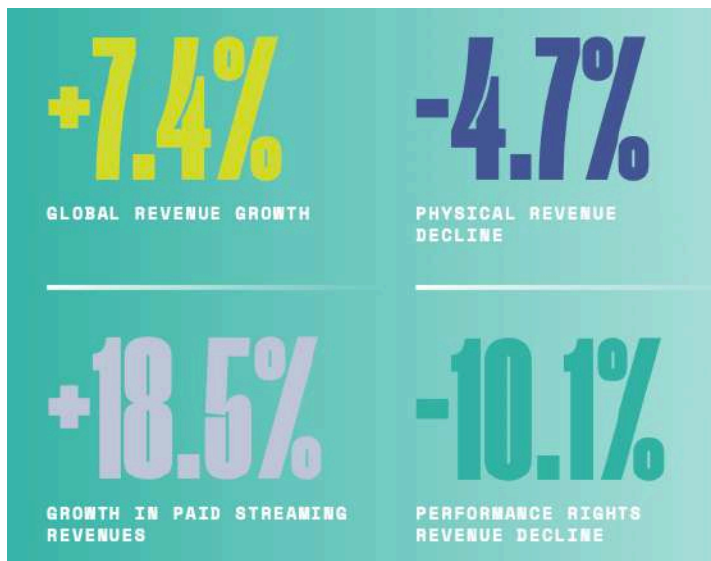


**Growth was driven by streaming revenues** particularly paid subscription streaming – which more than compensated for declines in revenues across other formats.

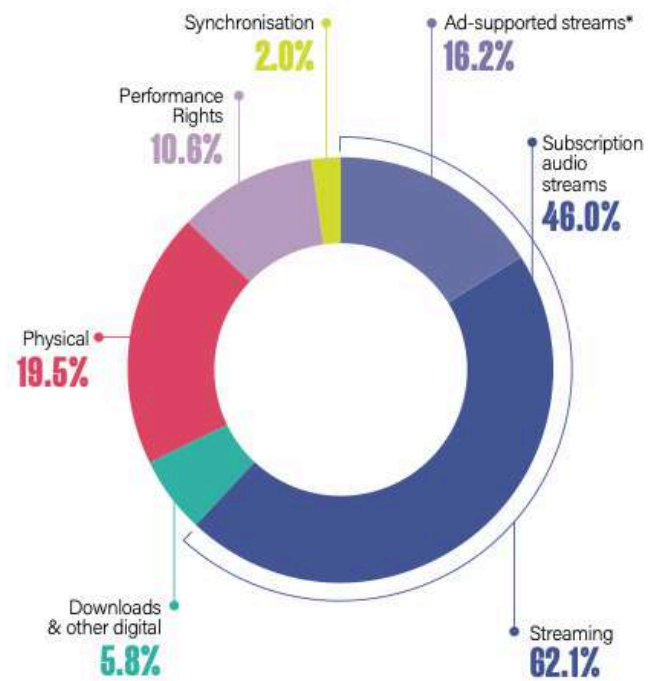
There was **growth in eight of the top 10 markets globally**, largely driven by streaming. Revenues from subscription streaming, in particular, increased across the board.

Record companies' ongoing hard work and investment laid the foundations for a **now predominantly digital industry** and helped to ensure its resilience against the extraordinary circumstances of 2020.

**Record companies have continued to invest in artists, as well as in their own infrastructure and networks around the world, to drive the development of the industry.** Alongside this, they have engaged in diverse methods of bringing music to fans across a **range of digital services, ensuring that there are more opportunities than ever before to experience music.**



**GLOBAL RECORDED MUSIC REVENUES BY SEGMENT 2020**



From geographical aspect, there was widespread growth in 2020, with Latin America maintaining its position as fastest-growing region.





## AFRICA & MIDDLE EAST

Recorded music revenues in the Africa & Middle East region increased by 8.4% in 2020. This was driven primarily by the Middle East & North Africa (MENA) region, where revenues rose by 37.8%.

Streaming dominated, with revenues up 36.4%. South Africa and MENA combined accounted for 86.7% of the region's revenues.



## AUSTRALASIA

Recorded music revenues in Australasia grew 3.3% in 2020 and the region held a 2.3% share of the global market.

Australia maintained its position as the ninth-largest recorded music market globally, with revenue growth of 4.0%. This was driven by a rise in streaming revenues of 12.8%. Subscription streaming aided this: revenues increased by 14.3% in 2020.

New Zealand remained broadly flat on the prior year, with a small decline in revenue of 0.1%, that equated to a reduction of less than US\$1m. Streaming revenues were up by 3.9% and subscription streaming revenues rose by 4.0%.



## LATIN AMERICA

Latin America was once again the fastest-growing region globally. Revenues increased by 15.9% in 2020, which elevated the region's share of the global recorded music market to 3.6%, up from 3.3% in 2019. Latin America remained dominated by streaming revenues, which grew by 30.2% in 2020 and accounted for 84.1% of the region's total revenues.

Brazil was again Latin America's largest recorded music market. Revenues in the country increased 24.5% in 2020. Growth was driven by an increase in streaming revenues of 37.1% and a strong rise in subscription streaming (28.3%).



## ASIA

Asia posted growth of 9.5% in 2020, a strong increase on the year prior (3.9%). The year also marked the first time Asia's digital revenues surpassed a 50% share of the region's total revenues.

High regional growth came despite declining income from Japan, Asia's biggest market, which experienced a year-on-year fall in revenues of 2.1% in 2020. Excluding Japan, Asia would have been the fastest-growing region, with exceptional growth of 29.9%.

A record-breaking year for K-Pop drove South Korea to 44.8% growth and the position as the fastest-growing major market in 2020.



## EUROPE

Revenues in Europe, the second largest recorded music region in the world, grew by 3.5% in 2020. Strong streaming growth of 20.7% offset declines in all other revenue formats. The top three markets in Europe contributed over half (59.5%) of revenue in the region.

The UK had a sixth year of consecutive growth and maintained its position as the third biggest market by revenue worldwide. A 2.2% increase in revenue was driven by growth of 15.4% in streaming revenues. Revenues for all other consumption formats declined.

There was growth of 5.1% in Germany, where streaming revenues increased by 24.4%. It was the first year that streaming contributed more than half of total recorded music revenues in the country.

In Italy, the region's fifth largest market and one of the countries most affected by the COVID-19 pandemic, there was double-digit growth in streaming (29.5%), as well as in both paid

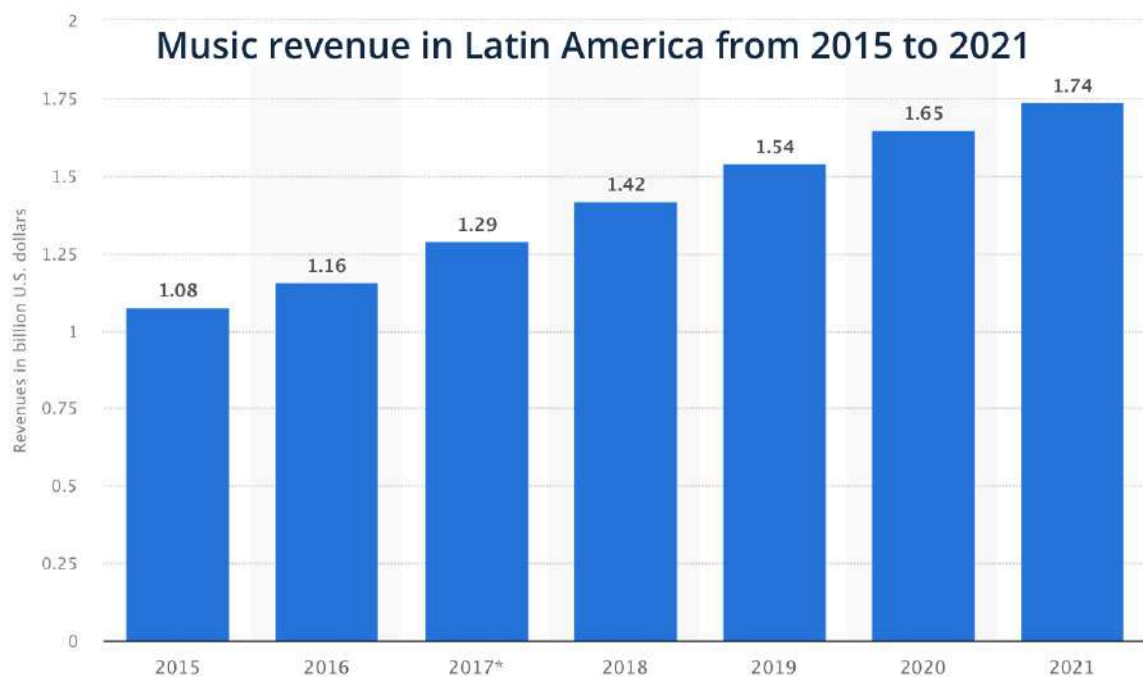


## US & CANADA

The US & Canada region grew 7.4% in 2020, a slower rate of growth than the prior year (11.6%).

The US market grew by 7.3% in 2020. Streaming revenues were up by 12.9%, driven by an increase in subscription revenues of 13.4%. The US again provided a greater contribution to global revenue growth than any other country.

Canadian recorded music revenues grew by 8.1% in 2020. Streaming was the key to growth and revenues rose by 17.8% with subscription streaming income up by 18.2%.



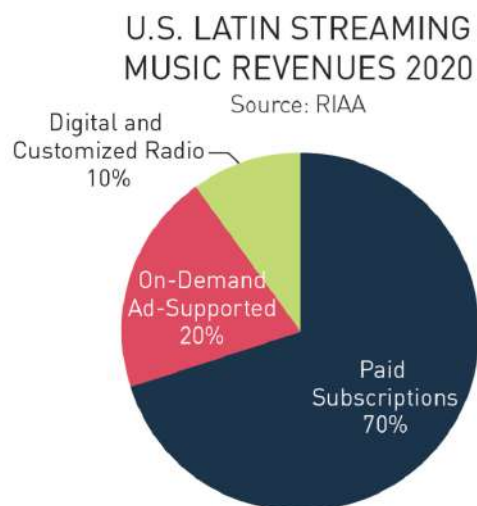
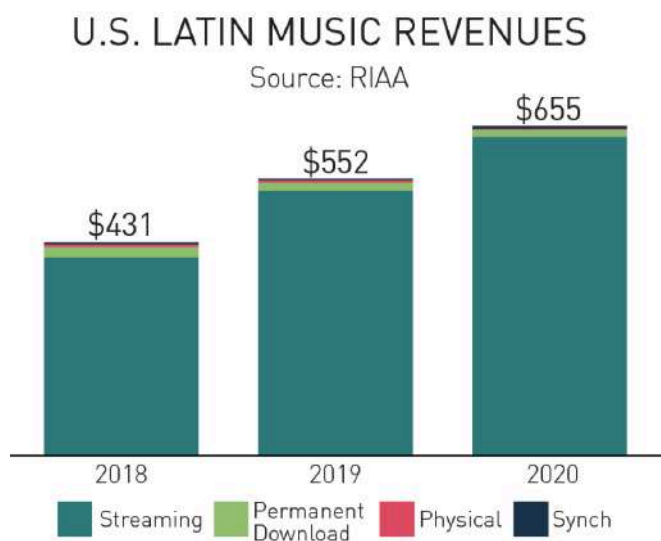
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## Latin music growth analysis

US industry body the RIAA (The Recording Industry Association of America) has published its latest analysis of revenues for Latin music in the US. It shows that in **2020** it accounted for **5.4% of the overall market**, up from 5% in 2019.

Latin music **revenues grew by 19%** in 2020 to \$655m at estimated retail value. That's more than double the 9.2% growth for the overall recorded music market in the US last year.

**Streaming** is absolutely the engine here: paid subscription streams generated **\$439m for Latin music** last year in the US, and on-demand ad-supported streams another \$128m, meaning that **streaming overall was 86.6% of revenues** for this sector. Add in revenues from digital and personal radio services (\$63m) and you're left with just 2.9% of the US Latin music market being physical and digital sales.



## YEAR-END 2020 RIAA U.S. LATIN MUSIC REVENUE STATISTICS

### United States Estimated Retail Dollar Value (In Millions, net after returns)

DIGITAL STREAMING		2019	2020	% CHANGE 2019-2020
(Units) (Dollar Value)	Paid Subscription	\$342.2	\$439.0	28.3%
	On-Demand Streaming (Ad-Supported) <sup>1</sup>	\$120.8	\$128.3	6.2%
	SoundExchange Distributions <sup>2</sup>	\$38.8	\$37.5	-3.2%
	Other Ad-Supported Streaming <sup>3</sup>	\$25.1	\$25.3	1.0%
	<b>Total Streaming Revenues</b>	<b>\$526.9</b>	<b>\$630.1</b>	<b>19.6%</b>

### PERMANENT DOWNLOAD

(Units) (Dollar Value)	Download Single	9.5 \$11.1	8.0 \$9.3	-16.5% -16.4%
	Download Album	0.5 \$4.7	0.5 \$4.4	-3.9% -5.3%
	Other Downloads <sup>4</sup>	0.1 \$0.2	0.1 \$0.2	-8.4% -6.2%
	Ringtones & Ringbacks <sup>5</sup>	0.3 \$0.8	0.2 \$0.6	-23.6% -23.6%
	<b>Total Permanent Download Units</b>	<b>10.5</b>	<b>8.8</b>	<b>-16.0%</b>
	<b>Total Permanent Download Value</b>	<b>\$16.8</b>	<b>\$14.5</b>	<b>-13.6%</b>

### TOTAL DIGITAL VALUE

		\$543.6	\$644.6	18.6%
	Synchronization Royalties <sup>6</sup>	\$4.1	\$5.5	36.0%

### PHYSICAL

(Units Shipped) (Dollar Value)	CD	0.4 \$3.5	0.1 \$1.4	-66.0% -61.0%
	LP	0.0 \$0.6	0.1 \$3.3	339.3% 423.7%
	Music Video <sup>7</sup>	0.0 \$0.2	0.0 -\$0.1	-158.7% -158.9%
	<b>Total Physical Units</b>	<b>0.4</b>	<b>0.2</b>	<b>-46.2%</b>
	<b>Total Physical Value</b>	<b>\$4.4</b>	<b>\$4.5</b>	<b>3.3%</b>

### TOTAL U.S. LATIN MUSIC REVENUES

	<b>Total Units</b>	<b>10.9</b>	<b>9.0</b>	<b>-17.1%</b>
	<b>Total Value</b>	<b>\$552.1</b>	<b>\$654.6</b>	<b>18.6%</b>
	% of Revenues <sup>8</sup>			
	Physical	0.8%	0.7%	
	Digital	99.2%	99.3%	

From toping global charts, to selling out stadiums all around the world and inking worldwide branding deals, **Latin artists** have embraced **new music consumption models** and truly redefined today's music landscape. Here's how **Latin music succeeded in going global**.



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## Factors Driving Latin Music Growth

- ***Streaming has made Latin music available to global audiences.***

“Latin, just because of the economics, is having a more important seat at the table now. And that has to do mainly with streaming. If you look at Spotify, 20% of the subscriber basis is Latin so roughly out of the 200 million people that they have, 40 million or so are Latin listening to mainly Latin content. And that’s just the subscribers. What that does is that when you have a big single that’s been pushed up the charts by 20% of the base, it pushes it up through the algorithms into the charts around the world. So that alone is part of the reason why we’re seeing a prevalence of Latin music and why, when the economics are factored in, the perception is changing.” – **Jorge Mejia**, President, Sony/ATV Music Publishing Latin America (China).

- ***Urban music and Reggaeton are now today’s mainstream pop.***

“With J Balvin, when I started with him, he had never been on the radio outside of Colombia, everybody told him that he would never make it because reggaeton doesn’t come from Colombia. People wouldn’t give him a chance, they wouldn’t do any featurings with him, producers wouldn’t work with him. That’s when I met him and we changed that story. I think at the end of the day that Jose has magic. There’s that X factor. What happened with him is that Colombians speak the most proper Spanish in the region, they took this reggaeton beat and made it much more universal. I believe that was instrumental in mainstreaming reggaeton and kicked down the door for everybody that came after him. He’s got great music, he’s charismatic, he works so hard and it was all strategy.” – **Rebeca León**, CEO & Co-Founder, Lionfish Entertainment (USA)

- ***Latin audiences are the most engaged music fans in the world***

David Price, IFPI’s Director of Insight and Analysis, presented material on recorded music revenues and music consumption in Latin America, the fastest growing region worldwide, focusing on the ways in which streaming drives music engagement.

- ***Artists are collaborating and helping each other reach wider audiences***

“We’re seeing more collaborations between artists. When you see the likes of J Balvin singing with Beyoncé, when you see Justin Bieber with Daddy Yankee and Luis Fonsi and all of those. When you start seeing those collaborations, it makes Latin more visible. Particularly in North America and in the US, a long time ago it was a scene, being Latino. Now, it’s not, it’s actually cool! Now, we’re all back to speaking Spanish and feeling happy about our heritage... and that is contagious.” – **Jorge Rincon**, VP Americas, Deezer (USA)

- ***One-hit wonders are a thing of the past and Latin artists are touring the world***

“There are thousands of Latin artists touring the world and earning money from Europe, from Asia, from North America. We have to look around and not just the hits.” – **Ana Cristina Falcao**, CEO, Cada Instante (Brazil)

# COMPETITORS ANALYSIS

## Main Players

According to information of Billboard (<https://www.billboard.com>) Bad Bunny 2021 has reached significant growth for Latin music. His three 2020 album releases (February's YHLQMDLG, May's LAS QUE NO IBAN A SALIR and November's El Ultimo Tour del Mundo) were the genre's Nos. 1, 5 and 4 most-consumed albums of the year, respectively, and contributed a combined 3.6 billion on-demand streams, while 2019's X 100PRE, at No. 3, gives him four of the 2020 year-end top five.

J Balvin also had a big 2020, as he released his latest album, Colores, and drew a prominent feature on the Black Eyed Peas' "El Ritmo." The collab wraps as the genre's top radio hit of the year with 1.3 billion audience impressions and ranks at No. 5 among all Latin songs by total consumption (sales and streams)

### TOP ALBUMS

Top Albums: Ranked by equivalent album units, comprising album sales, track equivalent albums (TEA) and streaming equivalent albums (SEA). Each unit = one album sale, or 10 tracks sold from an album, or 1,250 premium on-demand streams // 3,750 ad-supported on-demand streams by songs from an album.

	ARTIST	TITLE	ALBUM + TEA + ON-DEMAND SEA
1	BAD BUNNY	YHLQMDLG	1,444,000
2	ANUEL AA	Emmanuel	411,000
3	BAD BUNNY	X 100PRE	410,000
4	BAD BUNNY	EL ÚLTIMO TOUR DEL MUNDO	348,000
5	BAD BUNNY	LAS QUE NO IBAN A SALIR	315,000

### TOP SONGS

Top Songs: Ranked by traditional digital song sales + SES units, where 125 premium streams = one song // 375 ad-supported streams = one song.

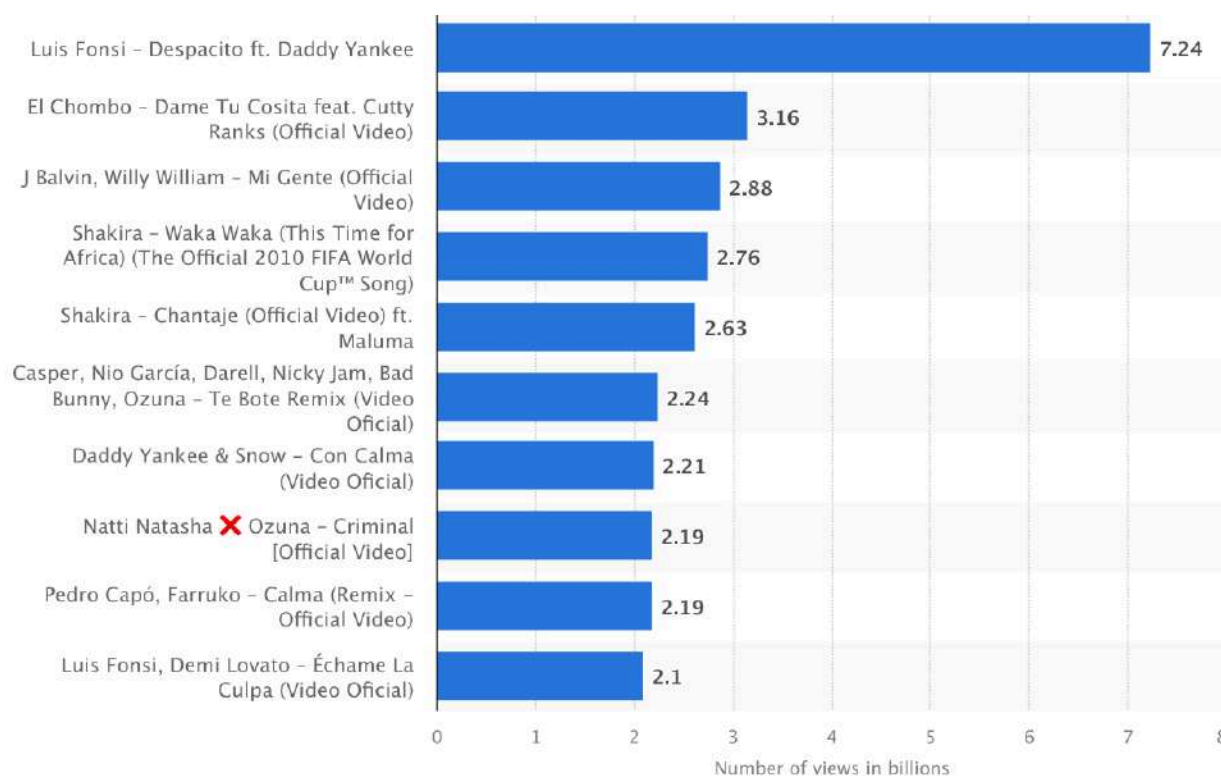
	ARTIST	TITLE	SONG SALES + SES ON-DEMAND STREAMS
1	BAD BUNNY	"Yo Perreo Sola"	1,538,000
2	KAROL G & NICKI MINAJ	"Tusa"	1,455,000
3	BAD BUNNY, JOWELL & RANDY & NENGO FLOW	"Safaera"	1,390,000
4	BAD BUNNY	"Vete"	1,389,000
5	BLACK EYED PEAS X J BALVIN	"RITMO (Bad Boys for Life)"	1,300,000

### TOP RADIO SONGS

Top Radio Songs: Ranked by audience impressions across all monitored formats of radio, arrived at by cross-referencing MRC Data song radio plays with listener information compiled by the Nielsen Audio ratings system to determine the approximate number of audience impressions made for each play.

	ARTIST	SONG	AUDIENCE	SPINS
1	BLACK EYED PEAS X J BALVIN	"RITMO (Bad Boys for Life)"	1,273,232,800	392,000
2	KAROL G & NICKI MINAJ	"Tusa"	490,483,000	141,000
3	DJ SNAKE, J BALVIN & TYGA	"Loco Contigo"	393,193,900	94,000
4	BLACK EYED PEAS, OZUNA + J.REY SOUL	"Mamacita"	339,894,400	128,000
5	PRINCE ROYCE	"Carita de Inocente"	304,186,000	73,000

Most viewed YouTube music videos from Latin American artists as of March 2021



## Emerging Artists

In an era of streaming, home studios and of course, pandemic lockdown, a growing number of emerging artists around the world have been creating new music. Their productions encompass reggaetón, of course, but also traverse a multitude of genres - from romantic ballads to tropical music to a mix of sounds and rhythms.

These acts are either self-releasing or releasing independently, exploring new sounds and new paths to finding their audience. Billboard (<https://www.billboard.com>) has launch Emerging Artists to Watch list, which highlights new acts - most who have never charted or do not have major label or distribution deals:

Artist	Spotify monthly listeners
<b>BAD MILK</b>	<b>524 441</b>
<b>BLESSD</b>	<b>4 237 059</b>
<b>JERRY DI</b>	<b>3 952 431</b>
<b>NATAN&amp;SHANDER</b>	<b>2 855 787</b>

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## ADVANTAGES&STRENGTH

- ***Deep music production knowledge.***

HEMIR graduated in mid mid-level saxophone at conservatory in Santiago de Cuba. He has a vast 15 years experience as a songwriter, producer and arrange for other artists and for his own albums (100+ compositions). In last 3 year he dragged into professional mixing.

- ***Life show performance experience.***

HEMIR produced and performed 50+ his live shows in Cuba and Russia in different formats: club shows, concerts with band, open airs.

- ***Marketing team.***

HEMIR has a strong collaboration with marketing team based in Miami, USA. The team attend all types of advertising and specialise in latin music artists.

- ***Music artist independence.***

HEMIR has no major label and additional high releasing commission.

- ***Urban latin music growing trend.***

Latin music **revenues grew by 19%** in 2020 to \$655m at estimated retail value. That's more than double the 9.2% growth for the overall recorded music market in the US last year.

- ***Streaming revenue growth and perspective.***

Global revenue from streaming has grow by 18,4% in 2020. Record companies are continuing to invest in artists, as well as in their own infrastructure and networks around the world, to drive the development of the industry. Alongside this, they are engaging in diverse methods of bringing music to fans across a range of digital services, ensuring that there are more opportunities than ever before to experience music.

# FINANCIAL PROJECTIONS

## Revenue streams

TOP 3 revenue streams for project HEMIR in the 1th year:

- Digital Streaming platforms - 504 kUSD (54%)
- Life shows - 310 kUSD (31%)
- Merchandise Sales - 68 kUSD (7%)

1th YEAR REVENUE STREAMS										
MUSIC PROJECT HEMIR, release date: January 1th, 2022		Q1 2022		Q2 2022		Q3 2022		Q4 2022		
REVENUE STREAM	Revenue/UNIT	UNIT QTY Q1	Total Revenue Q1	UNIT QTY Q2	Total Revenue Q2	UNIT QTY Q3	Total Revenue Q3	UNIT QTY Q4	Total Revenue Q4	TOTAL 1th year Revenue
Digital Streamig Platforms (DSP), streams:		6 000 000	\$38 478	12 000 000	\$76 955	25 200 000	\$150 680	41 000 000	\$238 008	\$504 120
Apple music	\$0,0074	1 000 000	\$7 350	2 000 000	\$14 700	5 000 000	\$36 750	8 500 000	\$62 475	\$121 275
Napster	\$0,0190	500 000	\$9 500	1 000 000	\$19 000	1 700 000	\$32 300	2 500 000	\$47 500	\$108 300
Sportify	\$0,0044	1 000 000	\$4 370	2 000 000	\$8 740	5 000 000	\$21 850	9 000 000	\$39 330	\$74 290
TIDAL	\$0,0125	500 000	\$6 250	1 000 000	\$12 500	1 700 000	\$21 250	2 500 000	\$31 250	\$71 250
Google Play Music	\$0,0068	500 000	\$3 380	1 000 000	\$6 760	1 700 000	\$11 492	2 500 000	\$16 900	\$38 532
Deezer	\$0,0064	500 000	\$3 200	1 000 000	\$6 400	1 700 000	\$10 880	2 500 000	\$16 000	\$36 480
Amazon	\$0,0042	500 000	\$2 100	1 000 000	\$4 200	1 700 000	\$7 140	2 500 000	\$10 500	\$23 940
Sound Cloud	\$0,0033	500 000	\$1 638	1 000 000	\$3 275	1 700 000	\$5 568	2 500 000	\$8 188	\$18 668
YouTube	\$0,0007	1 000 000	\$690	2 000 000	\$1 380	5 000 000	\$3 450	8 500 000	\$5 865	\$11 385
Live show (Russia)		8	\$35 000	8	\$35 000	8	\$35 000	8	\$35 000	\$140 000
Club show (with DJ, 40 min)	\$2 500	6	\$15 000	6	\$15 000	6	\$15 000	6	\$15 000	\$60 000
Concert (live band, dance show, 1h10min)	\$10 000	2	\$20 000	2	\$20 000	2	\$20 000	2	\$20 000	\$80 000
Live show (Other countries)		0	\$0	3	\$30 000	4	\$50 000	6	\$90 000	\$170 000
Club show (with DJ, 40 min)	\$5 000	0	\$0	2	\$10 000	2	\$10 000	2	\$10 000	\$30 000
Concert (live band, dance show, 1h10min)	\$20 000	0	\$0	1	\$20 000	2	\$40 000	4	\$80 000	\$140 000
Live show streaming/TV	\$3 000	0	\$0	2	\$6 000	4	\$12 000	4	\$12 000	\$30 000
Product Endorsements (contracts)	\$2 500	0	\$0	2	\$5 000	4	\$10 000	10	\$25 000	\$40 000
Ad Revenue & YouTube Partner Program					\$5 000		\$10 000	10	\$20 000	\$35 000
Merchandise Sales (T-shirts, caps, hoodie)	\$40	0	\$0	200	\$8 000	500	\$20 000	1 000	\$40 000	\$68 000
ESTIMATED REVENUE			\$73 478		\$165 955		\$287 680		\$460 008	\$987 120



## Costs estimation

START-UP COSTS				
MUSIC PROJECT HEMIR, release date: January 1th, 2022				
COST ITEMS	UNIT (month, hours, song,	COST/ UNIT	ONE-TIME COST	TOTAL COST
<b>Music production</b>	<b>6</b>	<b>\$5 000</b>	<b>\$0</b>	<b>\$30 000</b>
<i>Music&amp;lyrics</i>	6	\$900	\$0	\$5 400
<i>Voice&amp;Instruments recording</i>	6	\$1 200	\$0	\$7 200
<i>Mixig</i>	6	\$2 000	\$0	\$12 000
<i>Mastering</i>	6	\$900	\$0	\$5 400
<b>Video production</b>	<b>2</b>	<b>\$16 900</b>	<b>\$0</b>	<b>\$33 800</b>
<i>Producer fee, \$/day</i>	6	\$500	\$0	\$3 000
<i>Director fee, \$/day</i>	6	\$500	\$0	\$3 000
<i>Camera operator, \$/day</i>	6	\$500	\$0	\$3 000
<i>Camera equipment rental, \$/day</i>	6	\$1 000	\$0	\$6 000
<i>Key grip + assistant + lighting gear, \$/day</i>	6	\$1 000	\$0	\$6 000
<i>Wardrobe, \$/character</i>	4	\$500	\$0	\$2 000
<i>Location fees and rentals, \$/day</i>	6	\$300	\$0	\$1 800
<i>Actors, \$/day</i>	6	\$350	\$0	\$2 100
<i>Make-up, \$/day</i>	6	\$50	\$0	\$300
<i>Editor fee, \$/hour</i>	6	\$500	\$0	\$3 000
<i>Redundant Hard disk archive, \$/unit</i>	2	\$200	\$0	\$400
<i>Visual FX artist fee, \$/day</i>	16	\$100	\$0	\$1 600
<i>Colorist fee, \$/hour</i>	16	\$100	\$0	\$1 600
<b>Photo session</b>	<b>6</b>	<b>\$800</b>	<b>\$0</b>	<b>\$4 800</b>
<i>Location fees and rentals, \$/hour</i>	12	\$100	\$0	\$1 200
<i>Wardrobe, \$/character</i>	6	\$250	\$0	\$1 500
<i>Photographer (including editor fee), \$/hour</i>	12	\$150	\$0	\$1 800
<i>Make-up, \$/day</i>	6	\$50	\$0	\$300
<b>Media/Promotion</b>	<b>0</b>	<b>\$0</b>	<b>\$20 000</b>	<b>\$20 000</b>
<i>Social media promotion</i>	0	\$0	\$7 000	\$7 000
<i>DSP advertasing</i>	0	\$0	\$7 000	\$7 000
<i>Radio promotion</i>	0	\$0	\$2 000	\$2 000
<i>Influencers</i>	0	\$0	\$2 000	\$2 000
<i>Press acivities</i>	0	\$0	\$2 000	\$2 000
<b>Other costs (transfers, phone, permissions...)</b>	<b>0</b>	<b>\$0</b>	<b>\$5 000</b>	<b>\$5 000</b>
<b>ESTIMATED START-UP BUDGET</b>				<b>93 600,00 USD</b>

## Profit&Loss estimation

Total Start-up investment - 93,6 kUSD

Investment interest - 30% (28,08 kUSD)

Return of investment period - 1 year

P&L 1th YEAR ESTIMATION					
MUSIC PROJECT HEMIR, release date: January 1th, 2022					
INCOME	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
Start-up Investment	\$93 600	\$0	\$0	\$0	\$93 600
Estimated Streaming Sales	\$38 478	\$76 955	\$150 680	\$238 007	\$504 120
Other Revenue (adertaising contracts, live show, merch...)	\$35 000	\$89 000	\$137 000	\$222 000	\$483 000
<b>Net income</b>	<b>\$167 078</b>	<b>\$165 955</b>	<b>\$287 680</b>	<b>\$460 007</b>	<b>\$1 080 720</b>
EXPENSES	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total
Salaries & Wages	\$3 500	\$8 900	\$13 700	\$22 200	\$48 300
Marketing/Advertising	\$20 000	\$20 000	\$30 000	\$40 000	\$110 000
Sales Commissions	\$7 696	\$15 391	\$30 136	\$47 601	\$100 824
Music production	\$30 000	\$30 000	\$40 000	\$40 000	\$140 000
Video production	\$33 800	\$16 900	\$33 800	\$33 800	\$118 300
Photo session	\$4 800	\$4 000	\$4 000	\$4 000	\$16 800
Merchandise costs	\$10 000	\$10 000	\$10 000	\$10 000	\$40 000
Life show costs	\$10 000	\$15 000	\$20 000	\$30 000	\$75 000
Other (transfer, phone, documents...)	\$5 000	\$6 000	\$6 000	\$12 000	\$29 000
Start-up investment return (interest 30%)	\$0	\$0	\$36 504	\$85 176	\$121 680
<b>Total Expenses</b>	<b>\$124 796</b>	<b>\$126 191</b>	<b>\$224 140</b>	<b>\$324 777</b>	<b>\$799 904</b>
<b>Income Before Taxes</b>	<b>\$42 282</b>	<b>\$39 764</b>	<b>\$63 540</b>	<b>\$135 230</b>	<b>\$280 816</b>
<b>Income Tax Expense</b>	<b>\$6 342</b>	<b>\$5 965</b>	<b>\$9 531</b>	<b>\$20 284</b>	<b>\$42 122</b>
<b>NET INCOME</b>	<b>\$35 940</b>	<b>\$33 799</b>	<b>\$54 009</b>	<b>\$114 945</b>	<b>\$238 694</b>

# RISK ASSESSMENT

## Revenue Income risk

Risk - Revenue Income 50% overestimated, moderate probability

Total Start-up investment - 93,6 kUSD

Investment interest - 30% (28,08 kUSD) per year

Return of investment period - 3 years

Total profit from investment: 84,24 kUSD

P&L 4 YEARS ESTIMATION					
MUSIC PROJECT HEMIR, release date: January 1th, 2022					
INCOME	2022	2023	2024	2025	Total
Start-up Investment	\$93 600	\$0	\$0	\$0	\$93 600
Estimated Streaming Sales	\$202 060	\$303 090	\$454 635	\$681 953	\$1 641 738
Other Revenue (adertaising contracts, live show, merch...)	\$241 500	\$362 250	\$543 375	\$815 063	\$1 962 188
<b>Net Income</b>	<b>\$537 160</b>	<b>\$665 340</b>	<b>\$998 010</b>	<b>\$1 497 015</b>	<b>\$3 697 525</b>
EXPENSES	2022	2023	2024	2025	Total
Salaries & Wages	\$24 150	\$36 225	\$54 338	\$81 506	\$196 219
Marketing/Advertising	\$90 000	\$100 000	\$100 000	\$130 000	\$420 000
Sales Commissions	\$40 412	\$60 618	\$90 927	\$136 391	\$328 348
Music production	\$90 000	\$100 000	\$100 000	\$130 000	\$420 000
Video production	\$84 500	\$101 400	\$118 300	\$152 100	\$456 300
Photo session	\$12 000	\$16 000	\$16 000	\$19 200	\$63 200
Merchandise costs	\$30 000	\$40 000	\$60 000	\$80 000	\$210 000
Life show costs	\$75 000	\$75 000	\$80 000	\$150 000	\$380 000
Other (transfer, phone, documents...)	\$29 000	\$29 000	\$33 000	\$40 000	\$131 000
Start-up investment return (interest 30%)	\$28 080	\$74 880	\$74 880	\$0	\$177 840
<b>Total Expenses</b>	<b>\$503 142</b>	<b>\$633 123</b>	<b>\$727 445</b>	<b>\$919 197</b>	<b>\$2 782 906</b>
<b>Income Before Taxes</b>	<b>\$34 018</b>	<b>\$32 217</b>	<b>\$270 566</b>	<b>\$577 818</b>	<b>\$914 619</b>
<b>Income Tax Expense</b>	<b>\$5 103</b>	<b>\$4 833</b>	<b>\$40 585</b>	<b>\$86 673</b>	<b>\$42 122</b>
<b>NET INCOME</b>	<b>\$27 676</b>	<b>\$26 252</b>	<b>\$261 035</b>	<b>\$557 534</b>	<b>\$872 496</b>