

TuneNShare

Let's Make Music Together®

Team Member

Team Member

Team Member

Agenda

- ♪ Overview of TuneNShare
- ♪ The Problem TuneNShare is solving
- ♪ Solution Statement
- ♪ How TuneNShare works
- ♪ The Nature & Size of the Market
- ♪ Competition & Differentiation
- ♪ Marketing our Service
- ♪ Revenue & Pricing Model
- ♪ Risks
- ♪ Financial Picture - Milestones
- ♪ Cost Structure & Use of Funds
- ♪ Summary

Overview of TuneNShare



- ♪ Community marketplace where musical **beginners, intermediates, hobbyists,** and **semi-professionals** can rent or sell instruments to one another.
- ♪ Allows consumers to rent, acquire, and learn how to play instruments at a low cost and at their convenience



The Problem TuneNShare is Solving



- ♪ Going to a physical music store is time consuming and expensive
- ♪ New instruments can cost anywhere from \$150 up to \$2,000
- ♪ Low-end affordable instruments are often of poor quality
- ♪ Losing interest in the instrument can be costly
- ♪ Learning how to play can be time consuming
- ♪ A rental program (which is usually a rent-to-own program) can cost two to three times over the actual retail cost of the instrument.

Solution Statement



- ♪ Our low cost operating structure allows us to charge consumers at a lower price than the competition
- ♪ Creating greater and transparent access to affordable equipment to promote accessibility and creativity
- ♪ Generating additional income for owners and tutors
- ♪ Providing customers with good quality instruments
- ♪ Students can learn on their own time, due to the flexibility of their tutor's schedule

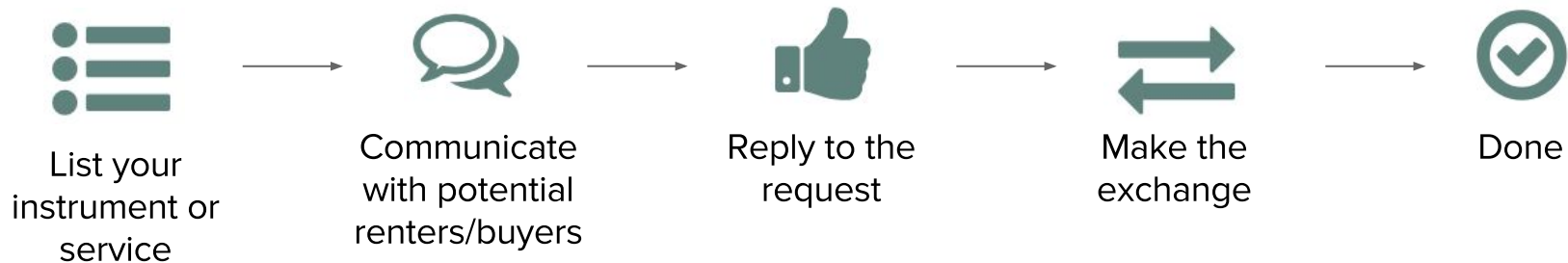
How TuneNShare works (I)



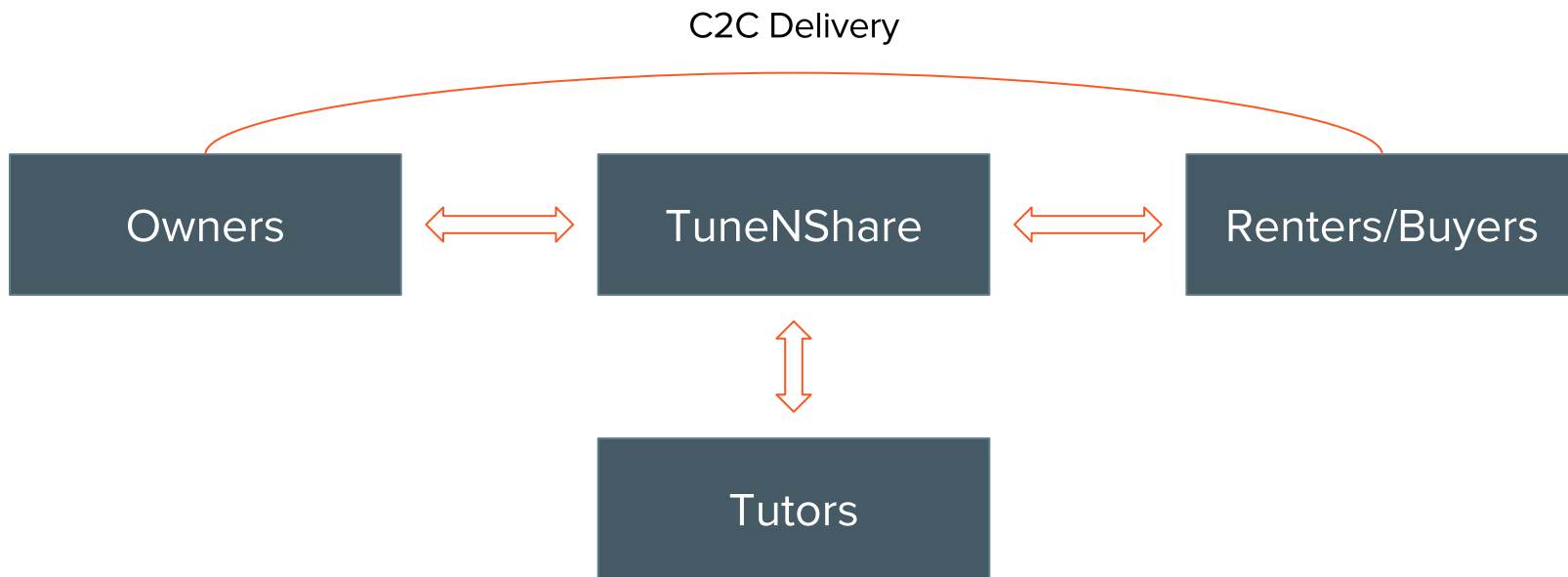
Renting/Buying



Listing



How TuneNShare works (II)



The Nature & Size of the Market



♪ Customers include:

- Students
- Young professionals
- Adults
- Parents and their children
- Instrument owner's
- Tutors

♪ We project a customer segment of 10.1 million people (# of musicians in the US who are aged from 10 to 35 years old)

- 28 million people played an instrument within the last 12 months in the US
- 36.04% of the US population is aged between 10 to 35 years old

Competition & Differentiation



Marketing Our Service



- ♪ Initially advertising towards instrument owners, so they can join our service and list the instrument that they would like to sell or rent
- ♪ Reaching out to music schools to raise awareness for our service among students
- ♪ Highly customized social media campaigns
- ♪ Referral system
- ♪ Showcasing at events: Boston Calling, FreshGrass BlueGrass Festival, etc.

Revenue & Pricing Model



We will generate Revenue through:

- ♪ Rental: 10%
- ♪ Sales: 15%
- ♪ Maintenance: 10%
- ♪ Lessons: 10%
- ♪ Late Fees: \$5/day

Membership is Free!



Risks



Risks we face:

- ♪ Dealing with maintenance and theft of property
- ♪ Potential loss of income due to cash payments
- ♪ Owners of instruments might not want to list their instruments for sale or rent on our service
- ♪ Evaluating the condition of a used instrument
 - Used brass instruments can wind up with bent slides or broken valve

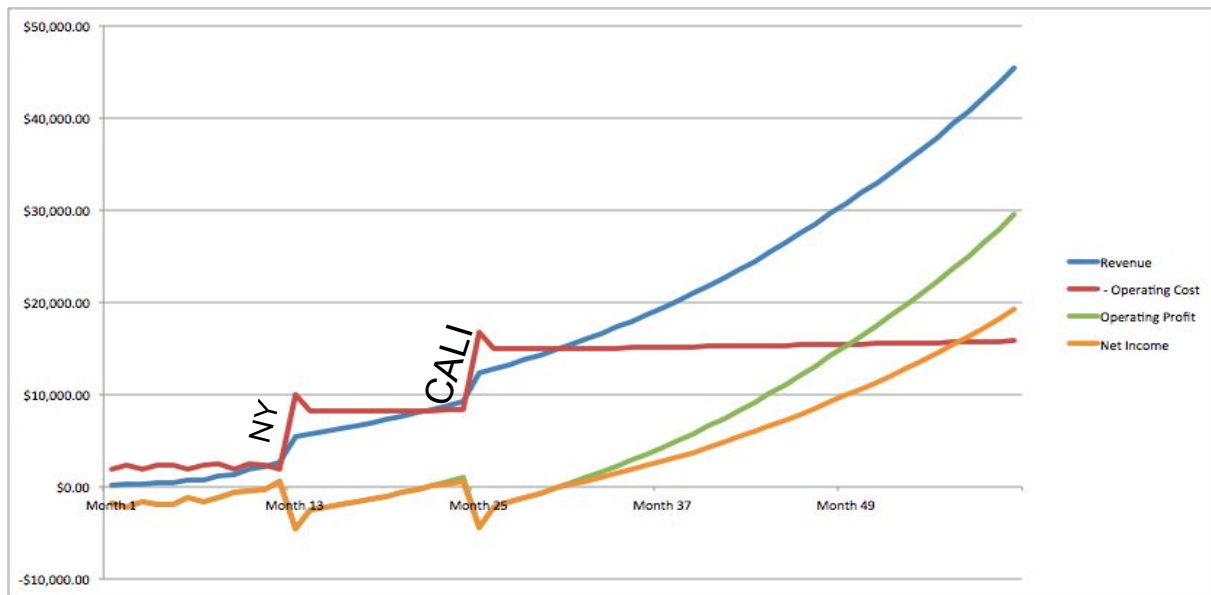
Our solution:

- ♪ Security Deposit
- ♪ Secure peer-to-peer website
- ♪ No solution to uninterested partners
- ♪ 24-hour return policy and customer service

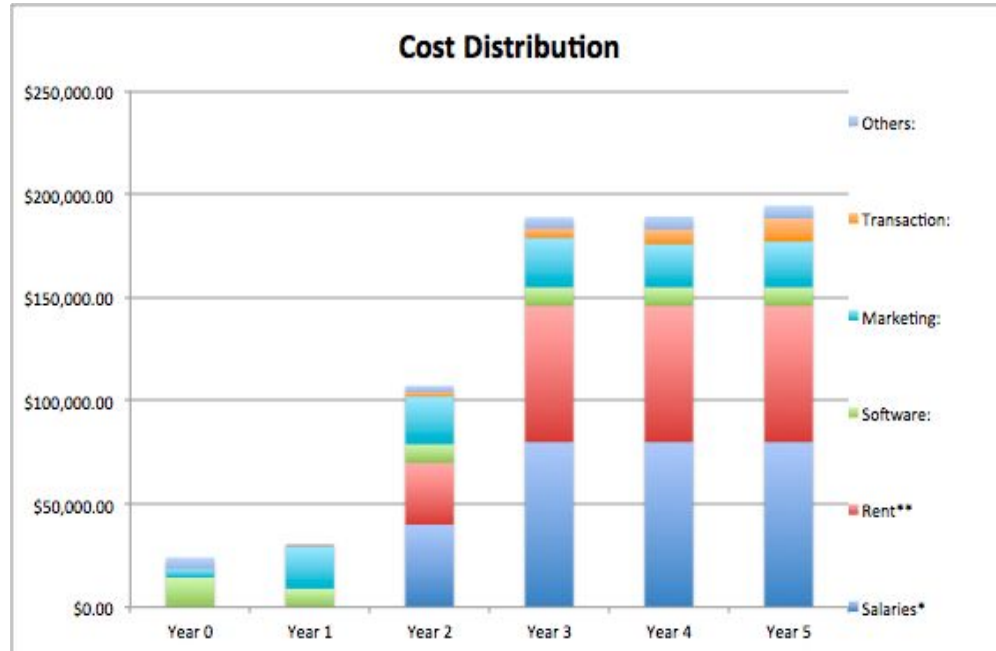
Financial Picture - Milestones



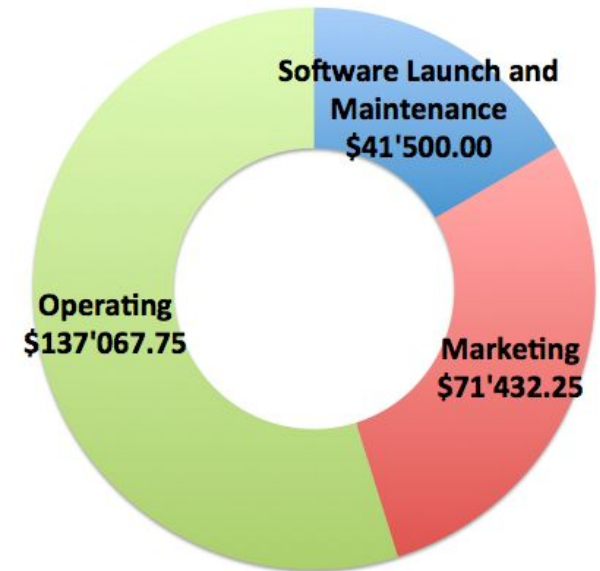
\$100,000.00 at the end of Year 2 for 20% equity



Cost Structure & Use of Funds



Use of Funds



Summary

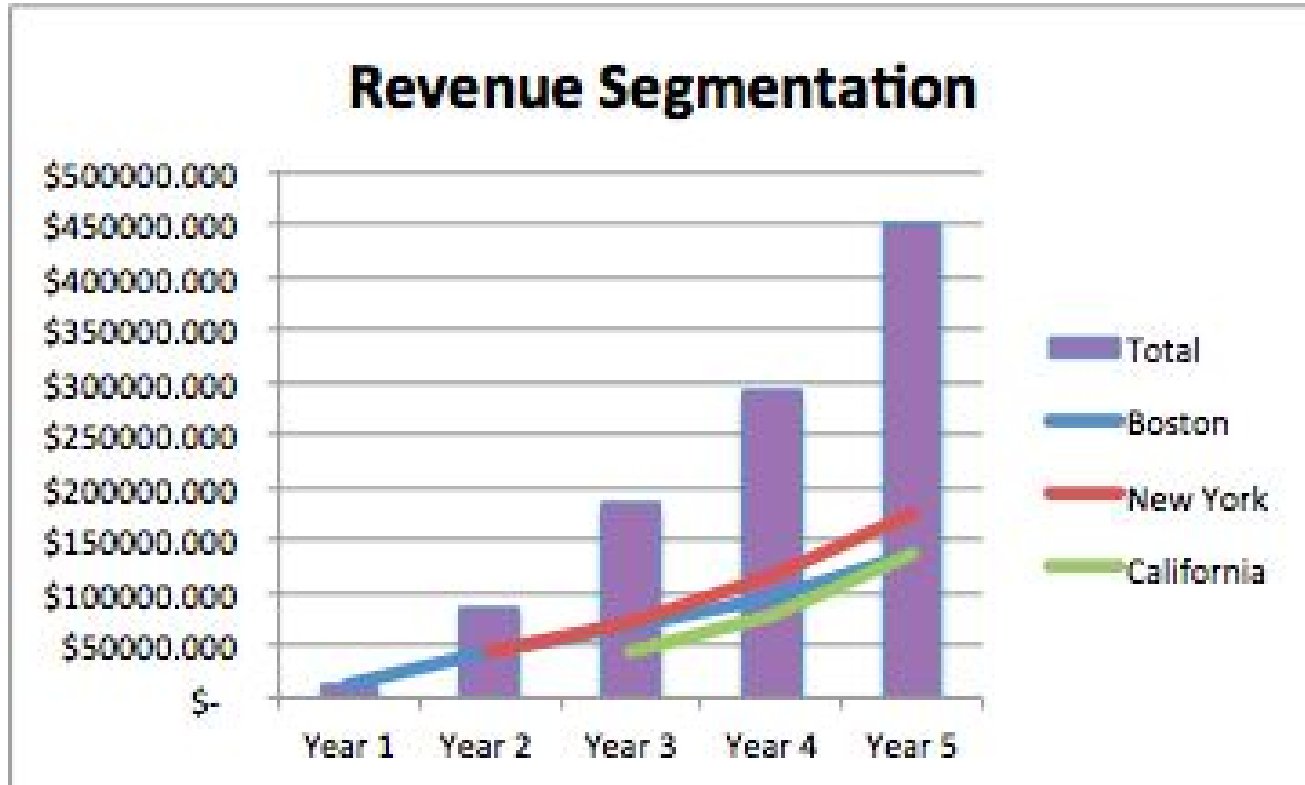


- ♪ Our firm revolutionizes the industry, allowing users to gain access to instruments and music lessons in an easier fashion
- ♪ TuneNShare has a low competition, since the rest of the players in the market conduct traditional, high cost forms of business
- ♪ We are looking to grow our operations and are seeking \$100,000 in the next two years, in return for 20% equity



**THANK
YOU**

Revenue Analysis



Financial Picture - Milestones



FINANCIAL OVERVIEW						
ANNUAL I/S	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Transactions	0	1,051	7,846	20,125	27,627	30,390
Revenue	\$0.00	\$12,372.15	\$86,555.54	\$183,558.21	\$290,730.36	\$451,424.08
- Operating Cost	\$24,100.00	\$26,409.30	\$101,041.89	\$182,010.96	\$183,634.26	\$187,795.60
Operating Profit		-\$14,037.15	-\$14,486.35	\$1,547.26	\$107,096.10	\$263,628.48
Profit Margin		-113.46%	-16.74%	0.84%	36.84%	58.40%
Retained Earnings	\$24,100.00	-\$14,037.15	-\$28,523.50	-\$26,976.24	\$80,119.86	\$343,748.33
Number of Employees	0	0	1	2	2	2
Cap Requirements	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5
Founders	\$20,540.00	\$15,460.00	\$100,000.00	\$14,000.00		
Seed			\$100,000.00			
Series A						
Stock Option	*10% stock opt. issued				10%	10%
Investors			20%	20%	20%	20%
Kaan	33.30%	33.30%	26.67%	26.67%	23.33%	23.33%
Heskel	33.30%	33.30%	26.67%	26.67%	23.33%	23.33%
Yann	33.30%	33.30%	26.67%	26.67%	23.33%	23.33%
Total Equity	100%	100%	100%	100%	100%	100%

Pricing Model



<u>Average Sales/Rental Price</u>	<u>Sales</u>	<u>Rental / month</u>
Keyboard		
Average Second Hand Price	\$150.00	\$15.00
#units	15%	15%
Acoustic Guitar		
Average Second Hand Price	\$200.00	\$20.00
#units	20%	20%
Drum Kit		
Average Second Hand Price	\$400.00	\$40.00
#units	15%	15%
Electric Guitar		
Average Second Hand Price	\$300.00	\$30.00
#units	15%	15%
Violin		
Average Second Hand Price	\$150.00	\$15.00
#units	10%	10%

Bass Guitar		
Average Second Hand Price	\$300.00	\$30.00
#units	5%	5%
Clarinet		
Average Second Hand Price	\$200.00	\$20.00
#units	10%	10%
Saxophone		
Average Second Hand Price	\$400.00	\$40.00
#units	5%	5%
Flute		
Average Second Hand Price	\$100.00	\$10.00
#units	5%	5%
Weighted Average	\$242.50	\$24.25