

# A stock that makes you go WOW!

WOW! Unlimited Media Inc. (TSXV: WOW.A | TSXV: WOW.B) is a Canadian-American animation and media holding company. It was formed as a result of the merger between Rainmaker Studios, Frederator Networks and Ezrin Hirsh Entertainment (EHE). WOW! are focused on the kids and youth market, but let's face everyone loves kids shows.

## Rainmaker Studios

Rainmaker Studios is a multi-faceted animation studio and one of Canada's largest producers of computer graphics ('CG') animation. Originally established as Mainframe Entertainment, the Company produced the first-ever CG animated series, ReBoot, and over the course of its 15+ years of innovative history, Rainmaker Studios has continued to break new ground in animation. In addition, Rainmaker has produced with partners and clients including Mattel, The Weinstein Company, Hasbro, Lionsgate and Sony. These are some of the big names in the industry. Rainmaker Studios also develops proprietary projects.



WOW!'s ReBoot CG series

## **Frederator Networks Inc.**

Frederator Networks Inc. is a small media company that produces and distributes cartoons, often on Channel Frederator, and through its in-house animation studio Frederator Studios. The studio focuses primarily on artists who write their own shorts, series, and movies. Their slogan is "Original Cartoons since 1998." It is one of the most successful independent cartoon production companies of the past 20 years with hits on Cartoon Network and Nickelodeon. It is the largest distributor of independent animation online. The studio has locations in New York City, where Frederator Digital is based, and Burbank, California.

## **Ezrin Hirsh Entertainment Inc.**

Ezrin Hirsh Entertainment Inc. was acquired by Rainmaker in a move that saw the company's CEO Michael Hirsh take the reins of the entire Company. It was then re-branded as WOW! Unlimited Media Inc. The new Company carries a dual-share equity structure to comply with Canadian ownership requirements under broadcasting laws.

## **WOW! Unlimited Media Inc.**

WOW! engages in the provision of animation business by focusing on two digital platforms and content. It operates through Animation Production, and Networks and Platforms. The Animation Production segment offers animation services on a work-for-hire basis as well as financing and producing its own intellectual property for licensing and distribution. The Networks and Platforms segment owns various proprietary channels on the same platform generating a stream of advertising-on-demand revenues, including Cartoon Hangover.

# Revenue model

## Animation Production

A. IP Generation Revenue



Selling owned & produced content to platforms/channels worldwide

B. Work For Hire Service Revenue

Production services for clients

## Networks and Platforms

A. YouTube Advertising On Demand



YouTube Advertising (Ad) revenue share

B. New Launches – WOW Unlimited TV



Subscription revenue from cable cos in US/Canada + Ad revenue

B. New Launches – VRV



Subscription revenue from consumers + Ad revenue + production revenue

## WOW!'s revenue model

On July 11, 2018, WOW! announced that the Canadian Radio-Television and Telecommunications Commission has approved an application by WOW! Unlimited Networks Inc. to acquire ownership of national English language discretionary channel Comedy Gold from Bell Media Inc., and obtain a new broadcasting license. WOW! Networks is excited to relaunch Comedy Gold as a newly created kids and youth channel that combines next gen innovation with an immersive multi-platform experience to bring young Canadians the content they love.

CEO Michael Hirsh achievements have helped shape today's era in animation production. In 1971 he cofounded Nelvana Limited where he developed many of television's most celebrated programs such as Babar, Tintin, Bernstein Bears, Care Bears, Droids, Ewoks, The Magic School Bus, Franklin, Little Bear, Max and Ruby, and Beyblade.

WOW!'s current hit shows include Reboot: The Guardian Code, Spy Kids: Mission Critical, and Barbie Dreamhouse Adventures.

For the three months ended March 31, 2018, revenue grew by 167% to \$15.7 million compared to the same quarter in 2017. Operating EBITDA was \$1.6 million for the three months ended March 31, 2018, and the net loss was \$0.2 million. WOW! Unlimited Media have a market cap of C\$ 47.5m.

With great content, a new broadcasting license and channel, and profitability just around the corner, all I can really say is WOW! I'm impressed.