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Zacks Small-Cap Research

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All For One Media

(AFOM-OTCQB)

AFOM: A Pure Play in Music And Video Content Targeted at Tweens

Valuation is based on AFOM reaching $9 million in revenues in calendar 2018. Based on peer valuations of 3.2 EV/sales, the company could be worth $27 million or $0.34 per share. A year from that it could rise to $0.58 if projections are met.

Current Price (04/09/18)	$0.06
Valuation	**$0.34**

ALL FOR ONE MEDIA creates original entertainment content for 7-14 year olds through multimedia platforms including: music, movies, & merchandise. It is in the final stages of postproduction on *Crazy for the Boys*, a musical film, with an anti-bullying theme, aimed at tweens. As an offshoot, the company intends to launch a girl band, *Drama Drama, the fictional* band created in the movie. The company's CEO, Brian Lukow, has had experience with similar ventures: his most notable success is with the boy band Billboard Number 1 selling artist, *Dream Street*. The company owns and controls all of the master recordings in *Crazy for the Boy*s as well as over 50 first class professionally produced songs including all of the original Dream Street recordings. It is currently in pre-production on a Dream Street Documentary and will be casting a new boy band later this year.

OUTLOOK

SUMMARY DATA

52-Week High	**$0.08**
52-Week Low	**$0.04**
One-Year Return (%)	**-20.2**
Beta	**N/A**
Average Daily Volume (sh)	**309,014**
Shares Outstanding (mil)	**78.2**
Market Capitalization ($mil)	**4.6**
Short Interest Ratio (days)	**0.0**
Institutional Ownership (%)	**0.0**
Insider Ownership (%)	**45.0**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**0.0**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2018 Estimate	**2.0**
P/E using 2019 Estimate	**0.3**
Zacks Rank	**N/A**

Risk Level	**High**
Type of Stock	**N/A**
Industry	**Movie/TV Prod & Dist**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2016	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2017	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2018	$0.0 A	$0.0 E	$1.0 E	$2.0 E	$3.0 E
2019					$20.0 E

GAAP EPS

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2016	-$0.06 A	-$0.01 A	-$0.16 A	$0.01 A	-$0.22 A
2017	-$0.01 A	-$0.04 A	-$0.04 E	-$0.13 A	-$0.25 A
2018	$0.02 A	-$0.01 E	$0.01 E	-$0.01 E	$0.03 E
2019					$0.21 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/M**

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KEY POINTS

- All for One Media is **about to premiere its new musical movie**, *Crazy for the Boys*. It is now in post-production and is currently shopping for US and international distribution. The company believes *Crazy for the Boys* is a modern day *Grease*.

- This movie, with a production cost of approximately $3 million, is about a diverse group of high school girls forced to work together and thereby develop a deep friendship. This movie will launch the girl music group *Drama Drama* who will release its already completed album based on the movie soundtrack.

- AFOM should begin to recognize meaningful revenues in calendar Q2 2018 or its Fiscal Q3 2018. These initial revenues are expected to be generated from advances for movie distribution and soundtrack advances.

- If successful, *Crazy for the Boys* could garner multi million dollars of revenue from the movie, music, merchandising and licensing. While it is very difficult to forecast revenues for the movie, or for All For One Media, the potential for significant revenues exists for companies that are successful in penetrating the tween market.

- While the company expects financial success for its movie, its objective is to garner the widest possible audience, as it intends to use the film to introduce the band *Drama Drama* that is featured in the movie. This strategy is intended to create multiple revenue streams including, licensing, live performances, soundtrack sales, music streaming, merchandising, as well as other ancillary products.

- The company intends to release a **trailer of the movie within the next 30 days that will be used for potential distributers and the public to create awareness and the potential of the film.**

- The company also has plans to **release a documentary** on the boy band *Dream Street* in Q2 of 2019, followed by the creation and launch of a new boys band.

- The company currently has a fully diluted market value of $4.6 million, and an enterprise value of $6.9 million which would appear to be undervalued based on the company's forward-looking projections. The company expects to reach revenues of $9 million in this calendar year with most of those revenues occurring between October and December. **By 2019, if it can achieve $15 million in calendar revenues, it could be worth $0.58 per share** based on an industry average enterprise value to sales of 3.2 times. Investors must be aware that there is great risk and variation in the possible outcomes of revenue and earnings generation for these projects, as well as the exact timing of recognition of those revenues.

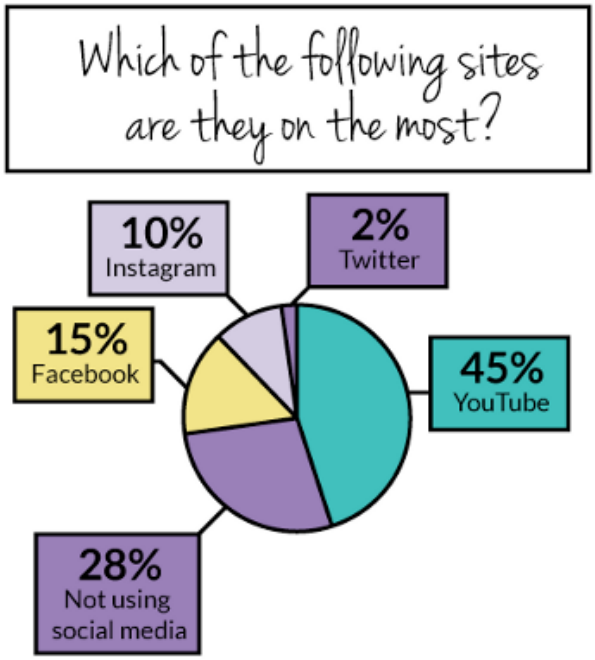
OVERVIEW

All For One Media is a media and entertainment company created to market to the tween demographic. Its initial focus is to create a franchise around the release of Crazy For The Boys, an original full-length motion picture that is a cross between Grease and High School Musical. Featuring fourteen original songs, the movie is intended to launch a new girls band. It went public through a reverse merger in late 2015 by acquiring the assets of Crazy for the Boys LLC, which included a movie screenplay, master recordings, trademarks, and web domain names.

The *Crazy For The Boys* movie that is currently in post-production, is a musical comedy that also serves as the backstory to the company's plan to launch a new girl group. AFOM also owns over 50 complete professionally produced master recordings from music in the movie. AFOM expects to generate revenues from sales, downloads and streaming of original recorded music, videos, motion pictures, music publishing, live performances, licensed merchandise and corporate sponsorships. Principal photography was completed on July 30, 2017. The film is currently in post-production in Los Angeles, and is scheduled to be finalized in May 2018. The company has several other major projects in various stages of development that will be completed and marketed in FY 2018 and 2019.

Social Media Allows Customers to Be Reached Far More Cheaply Than In the Past

From a macro perspective, the enormous power of social media, especially among AFOM's target demographic, has made it **easier and more cost effective to reach tweens** globally. Tweens are smart, Internet savvy, and want to be entertained online. Today's tweens grew up with the Internet and social media. The explosive growth of social media networks such as Instagram and Snapchat as well as streaming music and video services such as YouTube and Spotify have made reaching a worldwide global audience as easy as clicking on a smart phone. It is also much more inexpensive to reach a potential audience than in the past. From a global business perspective, it is the perfect storm; the world has gotten smaller as the market has gotten bigger.



To illustrate this, according to the *New York Times*, more than 800 million people use Instagram for more than 30 minutes a day and young Americans spend two hours a day watching video online. AFOM believes it is poised to be a major beneficiary of both the maturation of social media as well as the increased demand for quality content.

The significant increase in media outlets such Netflix, Hulu and a host of other platforms, has made quality content more valuable than ever. AFOM is positioned to provide such content in such a fashion that it will not only fill that void, but it will create multiple revenue streams for the company.

Target Market Demographic

AFOM is focused on exploiting what is now commonly referred to as the "tween" market, consisting of children between the ages of seven to fourteen years old. This demographic represents a significant opportunity for companies that are successful in its penetration. Currently there are over fifty million tweens in the United States alone. Over the last decade, this population has grown at twice the rate of the overall U.S. population. It is estimated, **aggregate spending by U.S. tweens was in excess of $60 billion in 2017**. Additionally, tweens influence a staggering $300 billion of their parents' spending. The largest segments of tween spending are clothes, music, toys and hobbies, video games and entertainment.

Pre-teen children are among the few remaining reliable buyers of entertainment. Last year, 10 to 14-year-olds **spent about $3 billion on entertainment content**. For the savvy marketer, the tween demographic is easier to penetrate than any time in history as the current crop of tweens are the first generation ever to grow up in a "mature social media" environment. According to KidsMarketing Inc., a research center focused on the kids and teens' marketplace, today's tweens account for nearly $300 billion in consumer sales.

Management of AFOM believes tween girls are underserved in the marketplace especially in the film industry. There is no shortage of super hero movies that are marketed to tween boys. Films primarily attracting a tween girl audience have less competition. Both *Pitch Perfect,* which opened on a modest 700 screens in the United States, and *High School Musical*, which premiered on the Disney Channel, went on to become billion dollar franchises.

CURRENT PROJECTS

***Crazy for the Boys* – The Movie**

The plot of the movie tells the story of five girls, all seniors at J.F.K. High, end up in detention on the same day. Miss Macy, the school principal, gives each girl an option: compete in the county talent show, or serve two full weeks of detention. With nothing but detention time on their hands, the girls consider the alternatives and one by one resign themselves to the fact that entering the contest is the lesser of two evils. They decided to enter the talent contest together as a singing group. Amazingly, the five girls surprise everyone when they walk away with first prize at that contest. The company considers the movie a perfect teen coming of age comedy. It completely captures the nuances of High School: teen angst, unrequited love, the mean popular girl, and peer pressure. It also has a **deep anti-bullying theme**. The movie is a true musical and includes 14 original songs and infectious choreography.

This movie is directed by Martin Guigui, written by Brian Lukow and Martin Guigui and, and produced by All For One Media and Sunset Pictures. Martin Guigui's director credits of full feature films are: *9/11, The Bronx Bull, Beneath the Darkness, Bennie Bliss and the Disciples of Greatness, Cattle Call, Swing, Changing Hearts*, and *My X-Girlfriend's Wedding Reception*.

Eden Shabtai is the movie's world famous choreographer and known for hip-hop and pop music. Since her arrival in Hollywood, Eden has worked on almost every major network including: ABC, NBC, CBS, BET, VH1, CW, and MTV as well as all of the major awards shows, (Grammy's Oscars, Billboard, BET, American Music Awards). She has choreographed for major TV talk shows including Ellen DeGeneres, James Corden, Jimmy Fallon, Jimmy Kimmel, and the Today Show. Eden Shabtai has also choreographed numerous multi-platinum superstars such as Ariana Grande, Demi Lovato, Pit-Bull, Jason Derulo, Enrique Iglesias, Lil Wayne Chris Brown, No Doubt, Snoop Dogg, the Girl Group- Little Mix, and many others.

The High School Principal is played by Cheri Oteri best known as being a member of the *Saturday Night Live* cast. She has also appeared in several Hollywood movies, including: *Scary Movie, Inspector Gadget, Liar Liar, Dumb and Dumber, When Harry Met Lloyd, Shrek the Third* and *Southland Tales.*

The five girls who star in *Crazy for the Boys* were chosen through an extensive talent search in New York and Los Angeles. AFOM auditioned over 600 girls selected from over 5,000 submissions. AFOM believes the girls who were cast are of the highest triple threat talent caliber. A "triple threat" refers to a person who excels at singing, dancing, and acting.

Michelle DeFraites – Sydney
Rebellious rocker, Sydney is a social outcast at JFK High. Her hardcore punk style seems the appropriate match for her sarcastic, defiant, and often hostile attitude. When the popular star quarterback Jake Roberts becomes infatuated with Sydney, the social order at school begins to unravel.

Michelle currently stars in the TV series *The Quad* that is now in its second season on the BET network.

Amelia Demilo - Stella
Modern day flower child Stella is the JFK Student Council Vice President. Though only in high school, Stella is best described as an old soul. She's always a loyal friend whose nature is to see the good in every situation. That is until her best friend Chad starts dating Madison Peters.

Carlye Tamaren - Veronica
Veronica is the daughter of an auto mechanic who rides a Harley. That might explain Veronica's preference for leather pants and biker boots to more conventional high school attire. Charmingly naïve she is the nicest girl you will ever meet. That is, unless you get on her bad side.

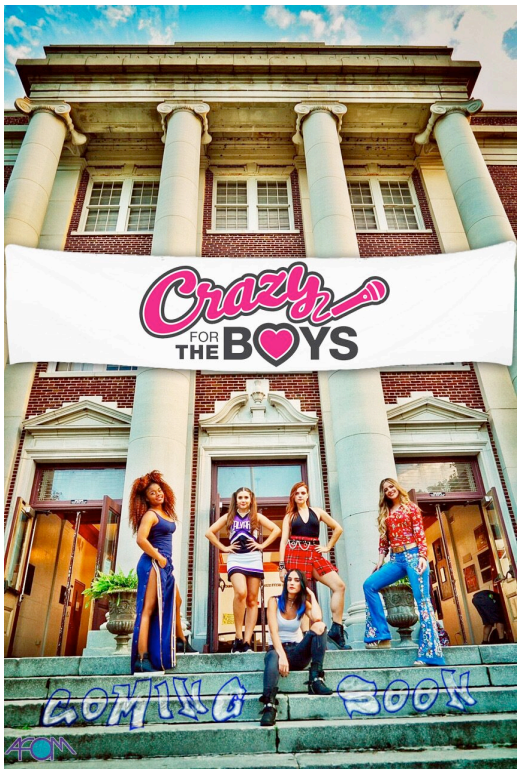
Carlye has thirteen credits as an actress and was most recently in the TV miniseries *S is for Revenge*. She will also be starring the upcoming movie *Golden Boy* that is currently in postproduction.

Zonta - Mo
A natural born leader, ultra confident and independent thinking Mo is immune to peer-pressure. Mo is going to be a hip-hop star and nobody can convince her otherwise. Thus, when the idea of entering a talent contest is proposed and seems totally un-cool to the other girls, Mo jumps at the opportunity to perform without hesitation.

Ana Golja - London
Popular, pretty and preppie London is strictly A-list at JFK High. The captain of cheerleaders and the homecoming queen has grown accustomed to getting what she wants. What London wants however is Jake Roberts and Jake seems to have other ideas. Senior year is certainly turning out different than London ever imagined!

Ana has 30 acting credits and is best known for starring in 33 episodes of the TV series DeGrassi: Next Class. She has parts in the upcoming movies *The Cuban, A Father's Nightmare,* and *Moose*, which is now filming.

Another member of the cast is **Cinta Laura Kiehl** a well-known German-Indonesian actress, singer and model. She has starred in several big hit TV series and movies including *After the Dark* and several Indonesian TV shows. She won best actress Nickelodeon Kids Choice Awards Indonesia in 2008 and her first album sold over a million copies in Indonesia, Malaysia, and Brunei. Because of her overseas success, All for One Media believes that *Crazy for the Boys* will draw a meaningful international audience and garner an international distribution advance.



Distribution

AFOM is currently exploring its options relative to distribution for *Crazy for the Boys. It is currently speaking with both large and boutique distributors.* The company has a commitment letter from its production partner Sunset Pictures for domestic distribution via its output deal with 20th Century Fox. This includes theatrical release via Atlas Distribution, as well as all ancillary rights including Netflix, Cable TV, Network TV, as well as DVD, Blue ray, VOD, and streaming. Sunset Pictures will also facilitate advertising to drive the marketing of the theatrical release and marketing of the film. The company expects to receive an upfront advance against royalties for any distribution agreement that it selects.

Girl Group - Drama Drama

The movie will be used to launch a new girl group called *Drama Drama*. Much like the *Spice Girls* concept, each girl will have a different persona: hip-hop girl, punk rocker, biker babe, hippie chick, and preppie cheerleader. Through their friendship, the movie and band will present an anti-clique anti-bullying theme. AFOM believes *Crazy for the Boys* is the first movie in history to launch an original pop group.

Dream Street Rights and Documentary

In 2016, AFOM acquired all of the rights to the master recordings of *Dream Street*, one of the most popular boy bands of the last decade. All for One Media's CEO and President was a co-creator of the Dream Street group. The company is currently digitizing more than 1000 hours of Dream Street video which includes extensive rare material that has never been seen before including, the initial auditions, rehearsals, live performances and captivating behind the scenes moments. With this video footage, the company plans to produce a documentary chronicling the band, which is expected to be released in Q2 2019. This project is expected to create multiple revenue streams for the company.

Boy Band

In addition to the girl band, the company is developing a cast and projects for a boy band that will be comprised of five teenage boys. This group is tentatively scheduled to be created and cast later this year, and launched in early calendar 2019. As stated previously, the company's CEO was a co-creator of the popular boy band, *Dream Street*. AFOM's management believes it is uniquely poised to succeed due to several factors including, a proven track record, a first class creative team, an innovative marketing approach, and major industry relationships, as well as the globalization of media. It has seen that a successful band can reap huge financial rewards. An example of the upside of a popular boy band, *One Direction,* was able to become a billion dollar brand in 2015.

Economics to Common Shareholders

All For One Media, the public company has a complicated structure due to the fact certain rights for its content are owned by All for One Media LLC with different ownership and financial structure. Investors in AFOM's common stock should be aware that not all of the revenues from the movie would flow to them.

All for One Media LLC is 73% owned by All for One Media the public company. This LLC also has debt of approximately $1 million that needs to be satisfied upon release of the movie out of gross proceeds. This debt is expected to be satisfied through a combination of movie revenues as well as grants from both the city of Savannah and the state of Georgia for producing the film there. Tax incentives of $700,000 from the state of Georgia and the city of Savannah will be used to repay most of the $1 million debt.

Movie Revenue Scenarios

Box Office Gross Revenue	$10,000,000	$20,000,000	$30,000,000
Theater Take 50%	5,000,000	10,000,000	15,000,000
Distributor Take 12.5%	1,250,000	2,500,000	3,750,000
Revenues to CFTB LLC	3,750,000	7,500,000	11,250,000
Tax Incentive	700,000	700,000	700,000
Loan Payback	1,000,000	1,000,000	1,000,000
Net Revenues	**3,450,000**	**7,200,000**	**10,950,000**
Minority Interest LLC 27%	931,500	1,944,000	2,956,500
AFOM 73%	2,518,500	5,256,000	7,993,500

Besides Box office revenues, there are a host of other potential revenue streams expected to be generated by the movie and the band these revenues are shown on the table below:

Potential Revenue Streams

Theatrical Distribution	√
Foreign Distribution	√
Cable/TV Rights	√
TV Spin Off	√
Music Publishing	√
DVD/Video on Demand	√
Sequel Rights	√
Pay Cable	√
Network Television	√
Retail Merchandise	√
3rd Party Script License	√
YouTube Ad Driven Videos	√
3rd Party Song Licenses	√
CFTB & Drama Drama Concert Touring	√
CFTB & Drama Drama Concert Merchandise	√
Corporate Sponsorships and Endorsements	√
Soundtrack Sales	√
Soundtrack Downloads	√
Future Drama Drama Music Sales	√
Streaming Drama Drama Music Streaming	√
The Making of CFTB DVD/Blueray Special	√

INDUSTRY OUTLOOK

The movie industry is risky, as many films are commercial failures. However, the rewards, if successful, can be quite large. While there may be 2,500 to 10,000 movies completed per year, there are only approximately 700 movies released in theatres each year. These theatrical releases combined grossed a total of $11 billion according to Box Office Mojo. Another 300-400 films are released via television, video, DVD, or other streaming deals.

All for One Media hopes to replicate the success of huge musical movie hits targeted to teens such as *Pitch Perfect* and *High School Musical*. Although such success is no doubt a long shot, extraordinary results have been garnered by a number of franchises. For example, *Pitch Perfect* was created on a $17 million budget and grossed over $115 million. Its sequel was produced for $29 million and grossed $287 million and Pitch Perfect 3, just released this December, had a $45 million budget and grossed $183 million. These revenues were just from the U.S. box office, and do not include other sources of income such as International Distribution, licensing and music sales.

High School Musical was a similar success being Disney's highest rated telecast for the Disney Channel. During its debut year, the program reached over 100 million unduplicated viewers worldwide, and had the first-ever TV movie soundtrack to reach #1 on the Billboard Top 200 chart. According to analysts *High School Musical* generated $1 billion in profits for Disney in two years.

There are three movies that the company points to as being similar to *Crazy for the* Boys that were extremely successful: *The Duff* (2015*)*, *Edge of Seventeen* (2016), and *Paper Towns* (2015) all of which are based at high schools but are not musical.

Movie	Theaters	Domestic Gross	Days in Release	Gross/Screen
The Duff	2,575	34,030,343	84	13,216
The Edge of Seventeen	1,945	14,431,633	49	7,420
Paper Towns	3,031	32,000,304	84	10,558

MANAGEMENT

Brian J. Lukow
President, CEO and CFO

Brian has been with All for One Media since its founding. Before that he was the co-creator and co-producer of *Huckapoo* a girl band. He was the co-creator and executive producer of *Dream Street*, a successful boy band, and a best-selling pop music act, whose debut album reached number one on the Billboard Magazine Independent charts. He is also an accomplished songwriter with writing credits for the song *Jennifer Goodbye* recorded by *Dream Street* on its first album; that album went on to sell nearly one million units. Mr. Lukow is a co-writer on five of the original *Huckapoo* recordings as well. Brian was the associate producer of the motion picture *The Biggest Fan* starring Chris Trousdale, Cindy Williams, and Pat Morita. From 1994 to 1996 Brian was President of Brirock Entertainment, a firm specializing in artist management. He began his professional career on Wall Street working at both Lehman Brothers and Ladenburg Thalmann.

Howard Kra
COO

Howard was named COO in February 2018. He has business experience that spans Wall Street, private investment Firms, and his own startup companies. He began his career in 1982 as a wealth advisor at Lehman Brothers in New York, rising rapidly to become a Senior Vice President. In 1993, Mr. Kra relocated to Washington D.C. to join Morgan Stanley as a Senior Vice President, serving until 2002. During his time on Wall Street, Mr. Kra participated in industry consolidations/rollups in the advertising, courier/logistics, and telecommunications industries. Mr. Kra played an instrumental role in the launching of Streamline.com, a pioneering ecommerce company that he helped take public in 1999, raising $45 million before Peapod acquired it. Following that, Mr. Kra helped lead the founder of Advanced Communications Group through the process of going public and raising $115 million. In 2004, he became a partner and private investor at Atlantic Capital Group. While there, he worked closely with the beverage company Honest Tea (acquired by CocaCola) both as an advisor and early investor. Most recently, Mr. Kra has been working closely with startups through his consulting company, Kra Consults. Mr. Kra earned a BS degree from the University of Maryland.

BOARD OF DIRECTORS

Brian J. Lukow
Chairman, President, CEO and CFO

Aimee Ventura O'Brien
Secretary

Aimee has a diverse background in business, including experiences on Wall Street and architecture. On Wall Street, she traded complex equity derivatives for Credit Suisse and Fidelity Investment. She eventually decided to return to school to become an architect. Since graduating, Ms. O'Brien has worked for two large building envelope firms in New York, learning about the complex design of building skins. Ms. O'Brien holds a BS in mathematics and business from Skidmore College and a BA in Architecture from NY Institute of Technology. Ms. O'Brien has won awards from the American Institute of Architects, Henry Adams Certificate, Robert Jensen Memorial Award, and the Maria Bentel Memorial Thesis Travel Grant.

Brian D. Gold

Brian D. Gold is currently the president and CEO of his family's business, Sultana Distribution Services, Inc., which is the largest candy re-distributor in the United States, selling to hundreds of wholesalers across the country. Mr. Gold started with the company in 1975, joining Sultana Crackers, Inc., a company started by his father, Bernard, in 1947 and expanded it to additional products, including candy.

VALUATION

AFOM is a unique company, in that it creates content using multiple mediums for distribution to a targeted demographic. There is a wide range of the potential for profitability, some of which are outside of the company's control. Such success is dependent on the public's acceptance of the content that the company creates. Prediction of the public's tastes is a risky proposition. There are few public companies to compare AFOM with, as none have its exact business model. If we are to look at the public entertainment content

providers we see that they trade at an average of 3.2 times EV to sales. Assuming AFOM could reach $9.0 in sales in calendar 2018, the company could have an enterprise value of $29 million and a market value of $27 million and a share price of 0.34 if it traded in line with its peers. Looking at 2019, management believes sales could reach $15 million in the calendar year. If so, the stock price could rise to $0.58 per share.

Company	Ticker	Revenue 2018E	Revenue LTM	TTM EBITDA	Enterprise Value / Sales 2018E	Enterprise Value / Sales LTM	EV/ EBITDA	Included Average?	Enterprise Value
Chicken Soup for the	CSSE	$36	$8	$3	2.4x	11.0x	26.4x	y	88
Entertainment One	ENTMF	NA	$1,500	$234	NA	1.6x	10.5x	y	2,460
DHX Media	DHXM	NA	$301	$68	NA	3.5x	15.3x	y	1,040
Gaia	GAIA	$41	$28	-$20	5.6x	8.0x	-11.2x	y	226
Genus Brands	GNUS	$9	$1	-$6	2.5x	26.6x	-4.2x	y	23
Lionsgate	LGF-A	$4,110	$4,340	$632	2.0x	1.9x	13.1x	y	8,250
WWE	WWE	$843	$801	$114	3.3x	3.5x	24.6x	y	2,800
Average				**205.4**	**3.2x**	**4.9x**	**6.9x**		**$2,955**

	Revenue 2018E	Revenue LTM	TTM EBITDA	Enterprise Value / Sales 2018E	Enterprise Value / Sales LTM	Valuation Range Low	Valuation Range High
All For One Media	**$9.0**	**$0**		**3.2x**	**4.9x**	**$0**	**$29**

RISKS

- AFOM has only two full-time employees. Brian Lukow functions as Chairman, President, CEO, and creative leader. As a result there is risk in having only one person so important for the company's fate, as well as creating limited oversight into operations and it hires consultants as needed. It outsources its CFO functions. In the event that Mr. Lukow becomes incapacitated or is not able to function in his current roles, the company would be adversely affected.

- The company has accumulated a large amount of debt that may be difficult to satisfy if its movie and music projects are not profitable.

- The movie and music businesses can have a wide range of outcomes. There is no way to determine whether AFOM's movie or other projects will be commercial successes.

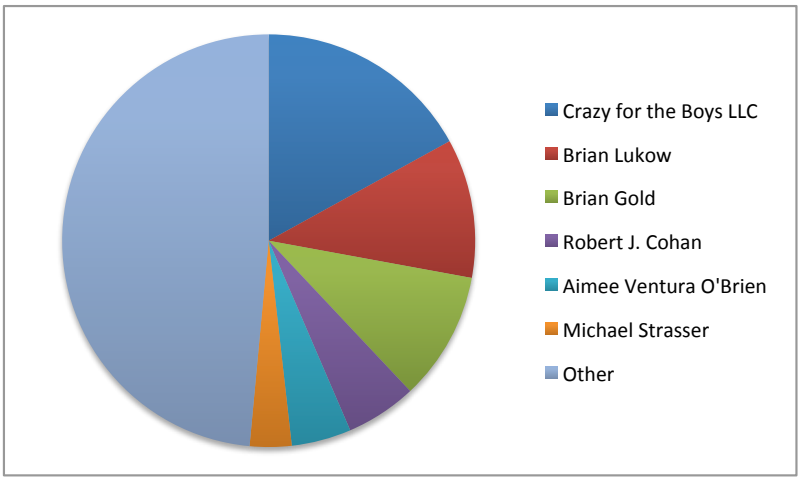
- The movie and music industries are dependent on the personal tastes of consumers that are very difficult to predict, and therefore investors should be aware they could lose their entire investment.

- In the entertainment industry deadlines and scheduling can be an inexact science, and therefore forecast of the exact timing of revenue recognition may not be accurate. Therefore, investors may be disappointed if such forecasts prove to be inaccurate.

- AFOM is an OTCQB SEC fully reporting company, however it is considered a penny stock, and in general penny stocks are considered risky based on lesser requirements for listing.

OWNERSHIP

Crazy For the Boys LLC sold its assets to All For One Media for stock and still owns 5.2 million shares. 20 individual investors own this LLC. This LLC is not the same as Crazy for the Boys Movie LLC that is 73% owned by All for One Media.



PROJECTED INCOME STATEMENT

Forecasts for the next few quarters depend on the timing of signing distribution agreements and the schedule for the completion and launch of the movie, which has slipped on several occasions in the past. This estimates assumes the company signs a domestic movie distribution agreement and receives an upfront fee of approximately $1.0 million in the June quarter. The theatrical release of the movie is expected in FY 2019, during the December 2018 quarter. While we expect other income in upcoming quarters, it is difficult to forecast the exact timing of revenue.

INCOME STATEMENT	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018E	June 30, 2018E	Sep. 30, 2018E	FY 2016	FY 2017	FY 2018E	FY 2019E
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,300**	**$1,000,000**	**$2,000,000**	**$0**	**$0**	**$3,001,300**	**$20,000,000**
Operating expenses:												
Compensation expense	32,520	22,000	21,002	98,518	20,060	48,000	48,000	48,000	713,701	174,040	164,060	200,000
Professional and consulting expense	45,933	263,585	49,101	130,085	101,282	12,000	12,000	12,000	1,400,701	488,704	137,282	60,000
Production expenses	58,056	0	0	(58,056)	0	75,000	75,000	75,000	0	0	225,000	300,000
General and administrative expenses	48,287	25,840	181,123	50,209	25,628	25,000	165,000	215,000	60,704	305,459	430,628	1,945,000
Total operating expense	184,796	311,425	251,226	220,756	146,970	160,000	300,000	350,000	2,175,106	968,203	956,970	2,505,000
Loss from operations	(184,796)	(311,425)	(251,226)	(220,756)	(146,970)	(160,000)	700,000	(300,000)	(2,175,106)	(968,203)	2,044,330	17,495,000
Other income (expense)												
Derivative expense	(135,113)	(63,112)	(509,408)	(1,066,161)	(122,391)	0	0	0	(204,947)	(1,773,794)	(122,391)	0
Change in fair value of derivative liabilities	231,561	(200,996)	129,475	(1,524,036)	1,167,628	0	0	0	118,573	(1,363,996)	1,167,628	0
Interest income	0	0	0	5	0	0	0	0	0	5	0	0
Other expense from loan guarantee	0	0	(100,000)	0	0	0	0	0	0	(100,000)	0	0
Interest expense	(69,238)	(99,043)	(191,250)	(388,413)	(526,805)	(68,000)	(75,000)	(75,000)	(21,796)	(747,944)	(744,805)	(75,000)
Total other income (expense)	27,210	(363,151)	(671,183)	(2,978,605)	518,432	(68,000)	(75,000)	(75,000)	(108,170)	(3,985,729)	300,432	(75,000)
Loss before provision for income taxes	(157,586)	(674,576)	(922,409)	(3,199,361)	371,462	(228,000)	625,000	(375,000)	(2,283,276)	(4,953,932)	2,344,762	17,420,000
Provision for income taxes	0	0	0	0	0	0	0	0	0	0	0	0
Net Loss	(157,586)	(674,576)	(922,409)	(3,199,361)	371,462	(228,000)	625,000	(375,000)	(2,283,276)	(4,953,932)	2,344,762	17,420,000
Loss attributable to non-controlling interest	0	0	24,419	39,809	55,566	34,106	(93,750)	56,250	0	64,228	52,172	(2,613,000)
Net loss attributable to AFOM Corp.	$ (157,586)	$ (674,576)	$ (897,990)	$ (3,159,552)	$ 427,028	$ (193,894)	$ 531,250	$ (318,750)	$ (2,283,276)	$ (4,889,704)	$ 2,396,934	$ 14,807,000
Primary shares outstanding	16,529,852	17,734,428	20,582,102	25,200,000	27,609,043	30,000,000	40,000,000	50,000,000	10,367,847	19,465,939	36,902,261	55,000,000
EPS	**$ (0.01)**	**$ (0.04)**	**$ (0.04)**	**$ (0.13)**	**$ 0.02**	**$ (0.01)**	**$ 0.01**	**$ (0.01)**	**$ (0.22)**	**$ (0.25)**	$ 0.06	$ 0.27
Fully diluted shares	16,529,852	17,734,428	20,582,102	25,200,000	78,238,774	78,238,774	72,002,078	72,000,000	10,367,847	19,465,939	72,002,078	72,002,078
Fully diluted EPS	$ (0.01)	$ (0.04)	$ (0.04)	$ (0.13)	$0.01	$ (0.00)	$ 0.01	$ (0.01)	$ (0.22)	$ (0.25)	**$ 0.03**	**$ 0.21**

BALANCE SHEET

The company's cash position is poor, and its auditors issued a "going concern" opinion. However, its movie is nearly complete, and it expects to receive an advance against sales of the motion picture, and separately for its sound track from its distributor of the movie and one from the music company. These payments should enable the company to pay back the debt and restructure the balance sheet to remove derivatives thus reducing the diluted share count considerably. Management is currently working to resolve its short-term cash requirement

	Dec. 31, 2017	Sep. 30, 2017	% Change Qtr-Qtr	Dec. 31, 2016	% Change Yr-Yr
Current assets:					
Cash and cash equivalents	$ 9,056	$ 109,785	-92%	$ 109,785	-92%
Prepaid expenses and other current assets	133,942	179,105	-25%	179,105	-25%
Total current assets	142,998	288,890	-51%	288,890	-51%
Other assets					
Film production costs	2,661,708	2,931,849	-9%	2,931,849	-9%
TOTAL ASSETS	2,804,706	3,220,739	-13%	3,220,739	-13%
Current Liabilities					
Accounts payable and accrued liabilities	178,301	256,273	-30%	256,273	-30%
Accrued interest	93,618	30,380	208%	30,380	208%
Convertible notes payable, net	525,739	183,915	186%	183,915	186%
Loans payable, net of debt discount	1,603,152	1,740,258	-8%	1,740,258	-8%
Due to related parties	2,701	2,701	0%	2,701	0%
Derivative liabilities	3,238,321	4,224,528	-23%	4,224,528	-23%
Total current liabilities	5,641,832	6,438,055	-12%	6,438,055	-12%
Long-term liabilities:					
Convertible notes payable including accrued interest, net	147,300	233,710	-37%	233,710	-37%
Total liabilities	5,789,132	6,671,765	-13%	6,671,765	-13%
Stockholders' deficit:					
Preferred stock					
Common stock	26,560	25,236	5%	25,236	5%
Additional paid-in capital	3,906,909	3,813,095	2%	3,813,095	2%
Accumulated deficit	(7,043,531)	(7,470,559)	-6%	(7,470,559)	-6%
Total All For One Media Corp. Stockholders' deficit	(3,110,062)	(3,632,228)	-14%	(3,632,228)	-14%
Non-controlling interest in subsidiary	125,636	181,202	-31%	181,202	-31%
Total Stockholders' deficit	(2,984,426)	(3,451,026)	-14%	(3,451,026)	-14%
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	2,804,706	3,220,739	-13%	3,220,739	-13%
Current and quick ratio	0.0	0.0	-44%	0.0	-44%
Working Capital	(5,498,834)	(6,149,165)	-11%	(6,149,165)	-11%
Cash	$ 9,056	$ 109,785	-92%	$ 109,785	-92%
Debt	5,517,213	6,385,112	-14%	6,385,112	-14%
Debt/Total Assets	197%	198%	-1%	198%	-1%

CASH FLOW

	Yr Ending Sep. 30, 2016	Yr Ending Sep. 30, 2017	3 Months Dec. 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (2,283,276)	$ (4,953,932)	$ 371,462
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of debt discounts	19,250	526,854	286,269
Stock-based compensation	1,984,427	316,902	32,578
Derivative expense	204,947	1,773,794	122,391
Change in fair value of derivative liabilties	(118,573)	1,363,996	(1,167,628)
Non-cash interest expense	0	128,745	203,942
Non-cash other expense from loan guarantee	0	100,000	0
Changes in assets and liabilities:			
Prepaid expenses and other current assets	(20,000)	(159,105)	20,163
Film production costs	0	(2,829,647)	(46,609)
Accounts payable and accrued liabilities	18,794	219,674	(34,891)
Accounts payable and accrued liabilities - related parties	(12,273)	0	0
Accrued interest	1,744	59,416	36,594
Accrued interest - related party	(13,870)	0	0
NET CASH USED IN OPERATING ACTIVITIES	(218,830)	(3,453,303)	(175,729)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances from related party	2,701	0	0
Proceeds from loans payable, net of issuance cost	0	1,228,265	0
Proceeds received in connection with a profit share arrangement	0	300,000	0
Payments on convertible notes	(80,350)	(68,000)	0
Payments on loan payable			(25,000)
Proceeds from convertible notes payable, net of issuance cost	135,000	1,258,500	100,000
Proceeds from sale of membership interest in subsidiary	0	800,000	0
Proceeds from sale of common stock, net of issuance costs	205,700	0	0
NET CASH PROVIDED BY FINANCING ACTIVITIES	263,051	3,518,765	75,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	44,221	65,462	(100,729)
CASH AND CASH EQUIVALENTS - beginning of year	102	44,323	109,785
CASH AND CASH EQUIVALENTS - end of period	44,323	109,785	9,056
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for: Interest	14,672	32,881	0
Cash paid for: Income taxes	0	0	0
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of common stock in connection with asset exchange agreement	5,201	0	0
Issuance of common stock for accrued salaries	7,500	0	0
Issuance of common stock for prepaid services	4,380	0	0
Discount on derivative liabilities	135,000	1,251,879	100,000
Reclassification of derivative liabilities to equity upon conversion	0	386,515	40,970
Issuance of common stock in connection with conversion of note payable	0	117,326	21,590
Capitalized interest related to production included in film cost	0	102,202	31,130
Reclassification of prepaid expense to note payable as payment			25,000
Reduction of accounts payable and notes payable and filmcost due to the release agreement			347,880
Reclassification from LT notes payable to ST note payable, net			118,858
Expenses directly paid on behalf of the Company	0	64,465	0
Operating Cash Flow	$ (193,225)	$ (743,641)	$ (150,986)

HISTORICAL STOCK PRICE



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