HYPER MARKET ANALYSIS RESEARCH

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WELCOME TO HYPER: HIGH OCTANE GIRLHOOD

Logline

Nikki Nitrous a lionhearted 17 year old, thundering through life's challenges chasing every impulse and leaping at every chance to compete in illegal street races, is wrenched from the comforts of her Uncle Lunk's garage, encompassed by pistons and gears galore, to face of intergalactic threats representing Earth in the high stakes digital multiverse of intergalactic racing, where she must learn to go faster means to go slower.

Format

22m Sci-fi Series, *5pm*

12 Episode (Short Runner)

Proposed Timeslot: 5-6pm

Expected Rating: 12A

Central Appeal – Teenagers and Fast Cars (mostly focusing on fast cars)

Core Theme

Hyper is an adrenaline pumped confection that reflects the emotional intensity of the teenage years, where every life experience is boosted to 10. Framed in the world of high-speed racing and exotic cars, the story of Nikki Nitrous is an echo chamber of the certainty of teenage idealism that will ultimately be put to an unimaginable test as every belief system Nikki has graciously constructed for her outgoing personality is systematically torn down.

Hyper is a girl's coming of age story deep in the heart of the lion's den of the male-dominated universe. As the ever-shifting definitions of modern feminism circulate through the millennial generation, it is becoming increasingly more difficult to define girlhood (and in direct correlation, boyhood) in our current political climate.

This show attempts to explore that identity by celebrating girls and fast cars, although with a more progressive take on both. The cars themselves will ultimately serve as a metaphor of old-world mechanics with digital modernization, and the ability to manipulate both regardless of gender.

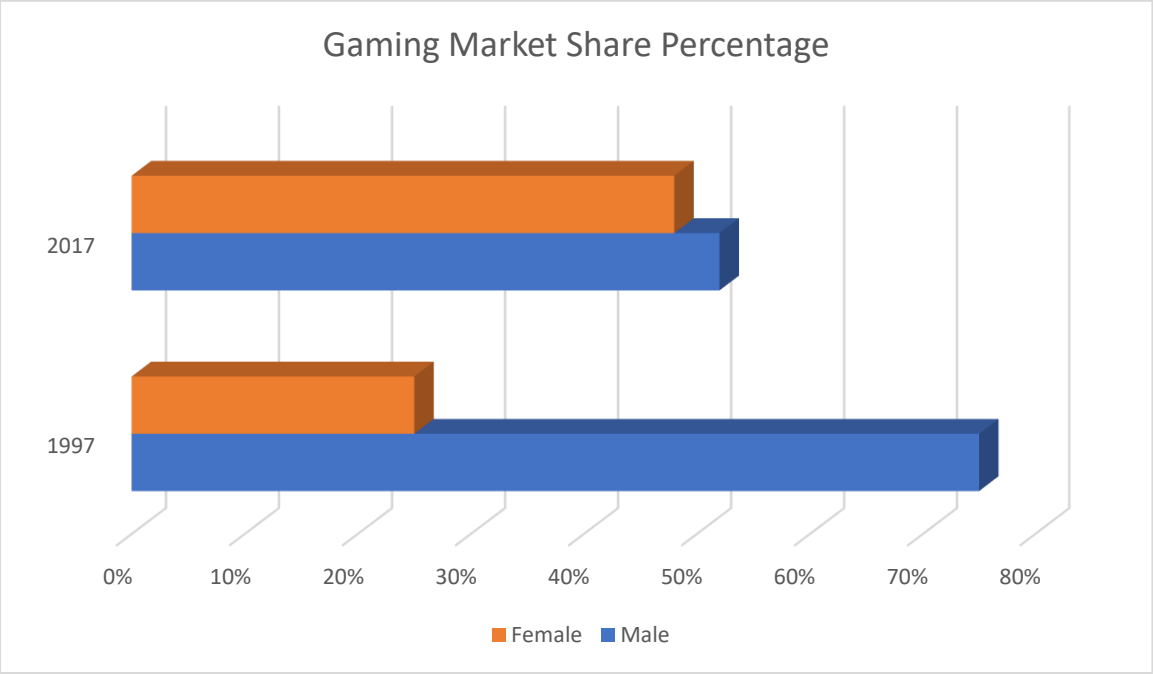
The Story

"Think less. Move fast!" is Nikki Nitrous' mantra in life, and why in the humdrum, day-to-day boredom of Santa Cruz teenage life, the only thing she cares about is following her gut and taking it to the local street racing crews. The neighbourhood thugs, embroiled in a turf war, do not take kindly to a mouthy, Hispanic girl who saunters into their world and she is blocked from the one thing in life she loves the most, and that's to race cars. When her old Uncle Lunk, her only carer and anchor to reality, is arrested for taking the rap on a minor crime she committed, Nikki's world begins to unravel, until she is approached by the gregarious and eccentric Jonathan Bach. Recruiting her as Earth's primary representative in a secret universe of intergalactic racing. Shocked, Nikki

must put aside her ideal of being as good as the boys, to focus all her faculties on becoming the best in the world, ultimately becoming the best in the galaxy. It is in this dynamic arena, Nikki realizes that, regardless of who she is, she can become a true legend. For this to become real, she must first move from the emotional hype to purely driven heart, and from talking a good game to perfecting one. As she continues her pursuit to reach ever more dizzying heights of speed, she comes to realize that she may be chasing more than just accolades. At the heart of her driving passion to go faster may be her desire to finally catch up with the truth behind her Uncle Lunk and the parents who left her behind. In doing so, she may finally find the answers she needs from her past, and for the first time in her life, Nikki will have to think carefully before every move. When she does, she will go even faster.

Overall Goal

The central ambition for Hyper is to create a mass market franchise that targets a growing female demographic weaned on Japanese anime and videogames that can also support its equivalent male audience. Similar in fashion to the market penetration of the Tomb Raider franchise that entered the classically male dominated video game arena, helping to grow a 25% female market share during 1997 to a 48% female market share in 2017.



Hyper hopes to replicate this success by introducing a new female action/adventuring lead into the male dominated landscape of urban and exotic cars.

Market

USP – Modern Girls with Modern Cars.

Redefining Action Racing for Millennials

Above all, is a grounded sci-fi action show that combines the coming-of-age trials and tribulations of the millennial generation with Need for Speed cars, facing off against high-tech alien podracers, with a progressive female lead that young adults can both admire and aspire to become.

The moral core that old world and new world can comfortably co-exist and that being physically talented and mentally sharp do not have to be mutually exclusive.

Market Share Strategy

Central appeal teenagers and fast cars, 12A rating

Serialized IP giving forth to a sequel strategy.

Potential plan for a "spin off" IP that includes games.

Identify core values for Modern Girls with Modern Cars audience

MARKET ANALYSIS

Global Market

Merchandise Revenue

Hyper would produce a range of tech and product-based merchandise with consumer technology releasing in 2020. Hyper presents several intergalactic racing teams that would give the perfect opportunity to branch into the clothing market such as racing jackets, enamelled lapel pins and themed "team" merchandise including t-shirts and backpacks.

All the while expanding into a toy market especially considering the rise in demand in collectible figurines, including Pop Vinyl figures, scale model figures, model die cast cars and vehicles (including alien craft) and keychains. While considering part of the audience may be on a lower income, merchandise would include mugs, coasters, hanging banners, car decals/vinyl stickers and a possible art book for devoted fans.

With the rise of Pop Vinyl collectables over the past few years, there's been a rise in demand for affordable collectables of fans of franchises.

Sales of Pop Vinyl figures rose exponentially between 2014-2016 nearly quadrupling due to a combination of greater revenue per active property especially with retailers selling the firms merchandise, many shops including Game, Smyths Toys Superstores, Forbidden Planet and food stores including Tesco's and Walmart to name just a few.

Fourth Quarter 2017 Highlights:

- Net sales increased 28.0% to $169.5 million,
- Gross margin increased 180 basis points to 39.3%,
- Income from operations increased 2.0% to $21.4 million,
- Net income was $9.2 million and included a $5.1 million pre-tax loss on extinguishment of debt,
- Earnings per diluted share was $0.07,
- Adjusted pro forma net income was %11.2 million, adjusted pro forma earnings per diluted share was $0.22 and adjusted EPITDA was $33.6 million.

EVERETT, Wash., March 08, 2018 (GLOBE NEWSWIRE) -- Funko, Inc. ("Funko," or the "Company") (Nasdaq:FNKO), a leading pop culture consumer products company, today reported its financial results for the fourth quarter and fiscal year ended December 31, 2017.

(Funko, Inc., 2018)

First Quarter 2018 Highlights:

- Net sales increased 38.5% to $137.2 million,
- Gross margin increased 210 basis points to 37.4% and included $1.8 million of costs related to Toys R Us shipments for which no revenue was recognised,
- Income from operations increased $5.8 million to $7.2 million,
- Net income increased to $2.2 million from a net loss of $5.6 million,
- Earnings per diluted share was $0.04,
- Adjusted pro forma net income was $1.7 million, adjusted pro forma earnings per diluted share was $0.03 and adjusted EBITDA was $17.5 million.

EVERETT, Wash., May 10, 2018 (GLOBE NEWSWIRE) -- Funko, Inc. ("Funko," or the "Company") (Nasdaq:FNKO), a leading pop culture consumer products company, today reported its financial results for the first quarter ended March 31, 2018.

(Funko, Inc., 2018)

Second Quarter 2018 Highlights:

- Net sales increased 32% to $138.7 million,
- Gross margin increased 120 basis points to 38.2%,
- Income from operations increased 125% to $9.1 million,
- Net income improved $5.4 million to $0.9 million and earnings per diluted share were $0.01,
- Adjusted pro forma net income improved $1.9 million to $3.5 million and adjusted pro forma earnings per diluted share were $0.07,
- Adjusted EBITDA increased 12% to $19.9 million.

EVERETT, Wash., Aug. 09, 2018 (GLOBE NEWSWIRE) -- Funko, Inc. ("Funko," or the "Company") (Nasdaq: FNKO), a leading pop culture consumer products company, today reported its consolidated financial results for the second quarter ended June 30, 2018.

(Funko, Inc., 2018)

Stock Quote

NASDAQ GS: FNKO

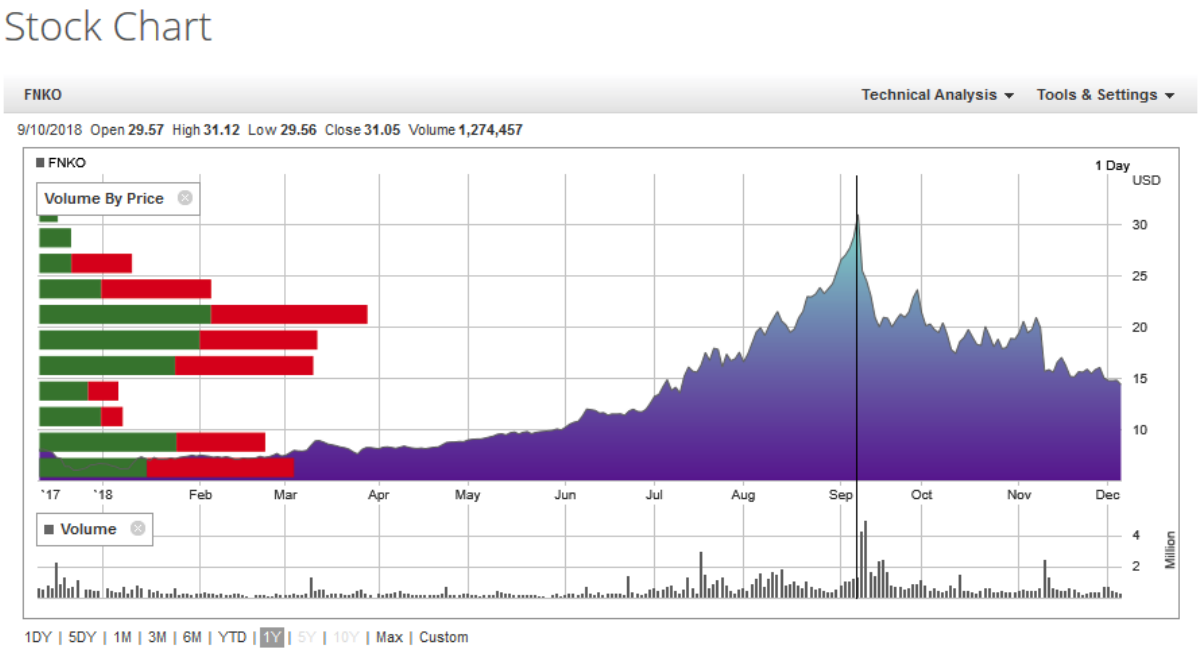
$14.37

Dec 7, 2018 4:00 PM EST

Change	-0.44 (-2.97%)	Today's High	$14.84
Volume	245,596	Today's Low	$14.08
Today's Open	$14.55	52 Week High	$31.12
Previous Close	$14.81	52 Week Low	$5.81

(Funko, Inc., 2018)

Funko's Stock Charts puts just a fraction of this into perspective.



(Funko, Inc., 2018)

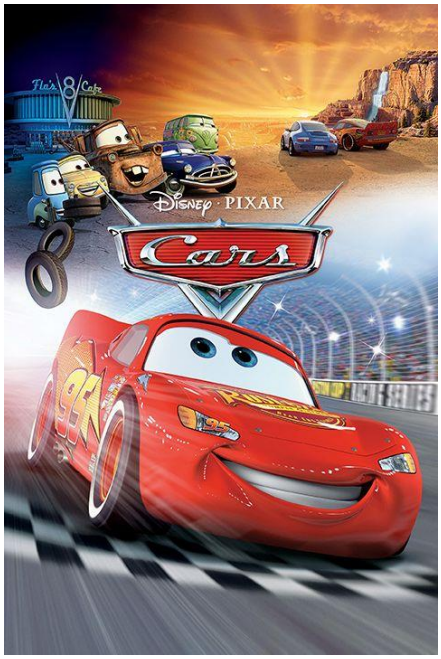
Considering Hyper's large intergalactic racing theme this gives plenty opportunities to branch out into exploring the story through graphic novels and a "spin off" comic series to be released alongside the series air in-between time considering if the team were to need any potential hiatuses or between season releases on Netflix. These graphic novels/comics could explore technology through using QR codes to fully immerse the reader and audience.

Comparative Analysis

There are several animated films, live action films and cartoons/anime that are competition against Hyper, the examples given are based on the target demographic that Hyper is targeting and the themes that appear in both.

At current times there are numerous competitors of Hyper, those of which include:

Disney Pixar's Cars (2006)



Production Budget: $70,000,000

Theatrical Performance:

Domestic Box Office: $244,082,982

International Box Office: $217,568,264

Worldwide Box Office: $461,651,246

Home Market Performance:

Est. Domestic DVD Sales: $325,678,985

Est. Domestic Bly-ray Sales: $13,718,220

Total Est. Domestic Video Sales: $339,397,205

(Cars, 2018)

Initial D

Approximate Manga Sales: 48,000,000

Serialized: 1995-2013

Number of volumes: 48

Main demographic: Young men aged between 18-22

Currently ranked at number: 168 of all time

(En.wikipedia.org, 2018)

Initial D being the original starting point for Hyper's main take for inspiration, with the series inspiring the heavy theme of illegal street racing. Hyper shall tap into the success of the Initial D franchise and use this to propel itself to new heights.

Need for Speed (2014)

Production Budget: $66,000,000

Theatrical Performance

Domestic Box Office: $43,568,507

International Box Office: $150,601,112

Worldwide Box Office: $194,169,619

Home Market Performance:

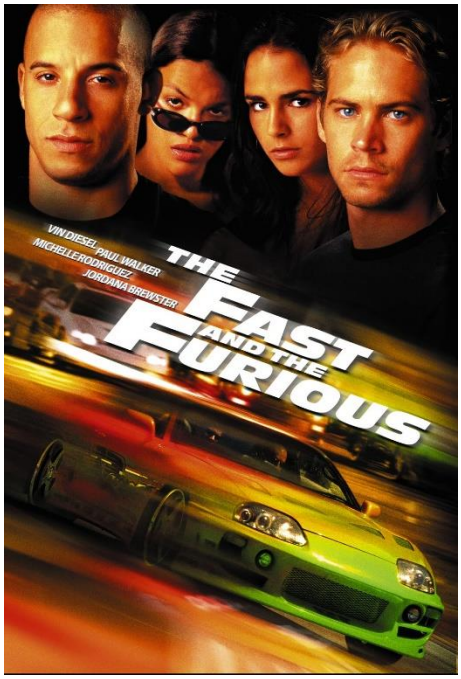
Est. Domestic DVD Sales: $6,837,518

Est. Domestic Blu-ray Sales: $4,490,112

Total Est. Domestic Video Sales: $11,327,630

(The Numbers, 2018)

The Fast and the Furious



Production Budget: $38,000,000

Theatrical Performance:

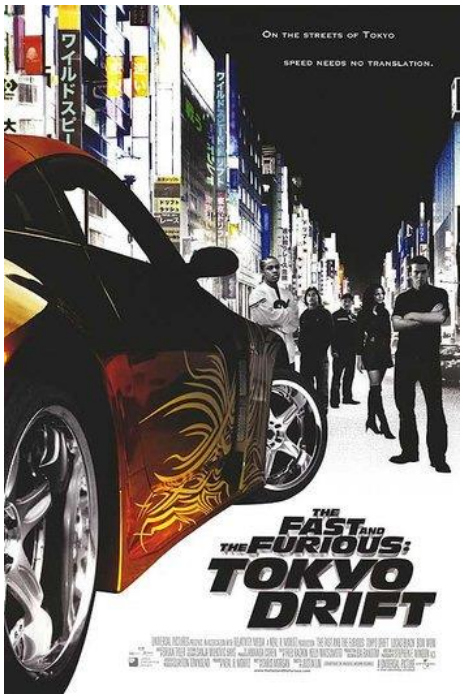
Domestic Box Office: $144,512,310

International Box Office: $62,000,000

Worldwide Box Office: $206,512,310

(The Numbers, 2018)

The Fast and the Furious: Tokyo Drift



(The Numbers, 2018)

Theatrical Performance:

Domestic Box Office: $62,615,510

International Box Office: $95,178,695

Worldwide Box Office: £157,794,205

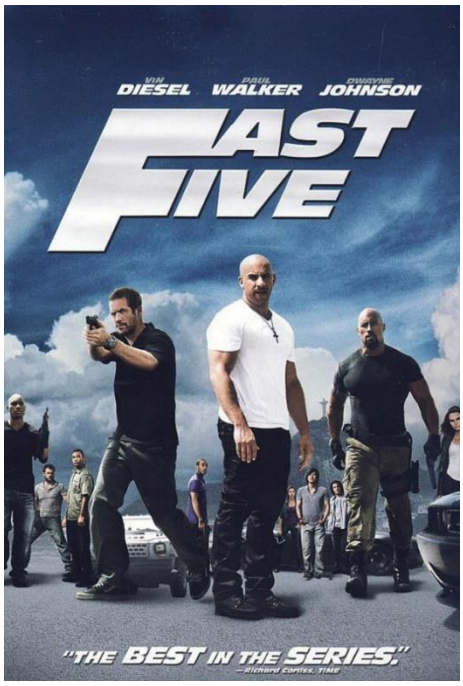
Home Market Performance:

Est. Domestic DVD Sales: $41,275,614

Est. Domestic Blu-ray Sales: $1,175,824

Total Est. Domestic Video Sales: $42,451,438

Fast Five



(The Numbers, 2018)

Production Budget: $125,000,000

Theatrical Performance:

Domestic Box Office: $210,031,325

International Box Office: $420,132,129

Worldwide Box Office: $630,163,454

Home Market Performance:

Est. Domestic DVD Sales: $40,775,454

Est. Domestic Blu-ray Sales: $30,157,260

Total Est. Domestic Video Sales: $70,932,714

Furious 7

Production Budget: $190,000,000

Theatrical Performance:

Domestic Box Office: $353,007,020

International Box Office: $1,165,715,774

Worldwide Box Office: $1,518,722,794

Home Market Performance:

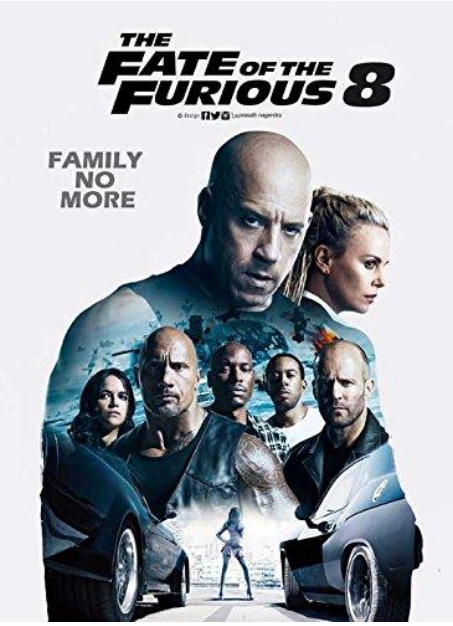
Est. Domestic DVD Sales: $32,744,428

Est. Domestic Blu-ray Sales: $39,338,584

Total Est. Domestic Video Sales: $72,083,012

(The Numbers, 2018)

The Fate of the Furious



Production Budget: $250,000,000

Theatrical Performance:

Domestic Box Office: $225,764,765

International Box Office: $1,009,143,255

Worldwide Box Office: $1,234,908,020

Home Market Performance:

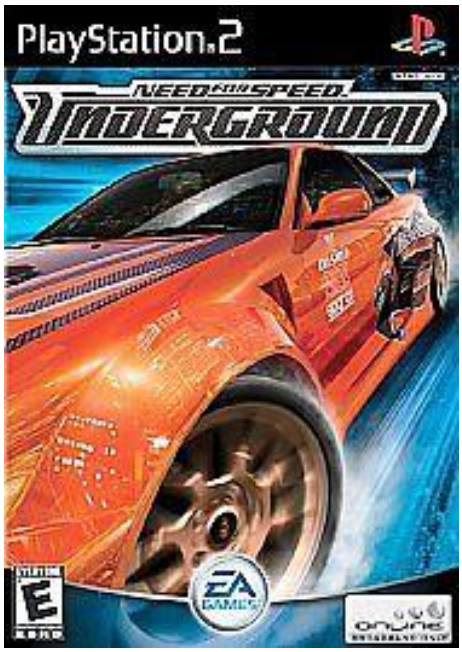
Est. Domestic DVD Sales: $17,867,929

Est. Domestic Blu-ray Sales: $30,641,230

Total Est. Domestic Video Sales: $48,509,159

(Gray, 2018)

Need for Speed Underground



Need for Speed series sells: 100 million

Shift moves: 309K

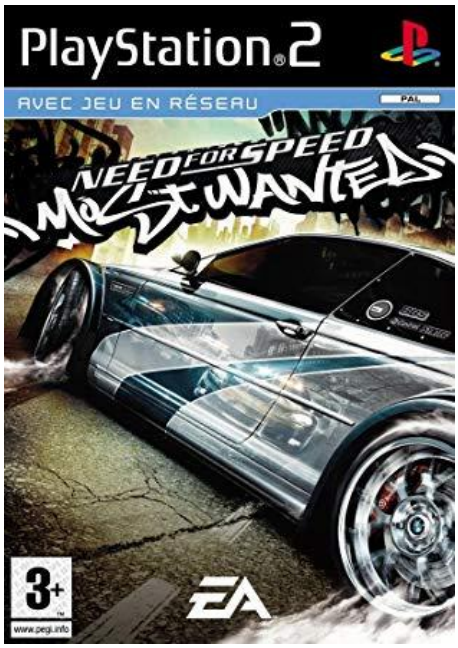
First Quarter: Revenue up $79 million

Profits Rise: $5.6 million

(Thorsen, 2018)

"no other game will make you feel the Gs at every turn like NSFU does." – Editors of Computer Gaming World

Need for Speed Most Wanted



International sold copies: 16,000,000

U.S Domestic Sales copies: 3,900,000

Making Most Wanted the best-selling title in the series.

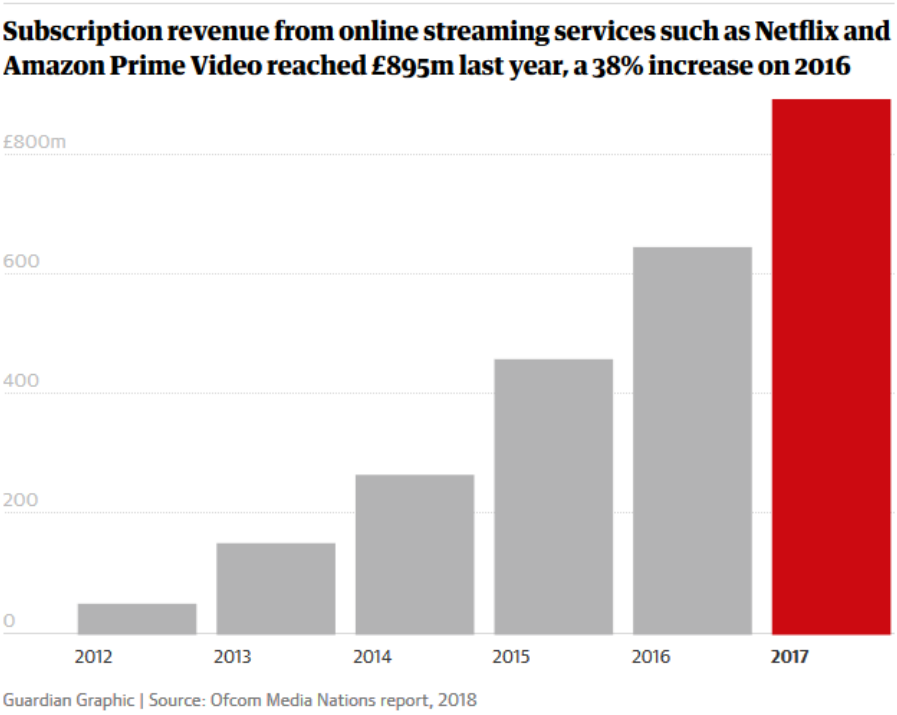
Keeping EA at the top with its contenders.

(En.wikipedia.org, 2018) (Thorsen, 2018)

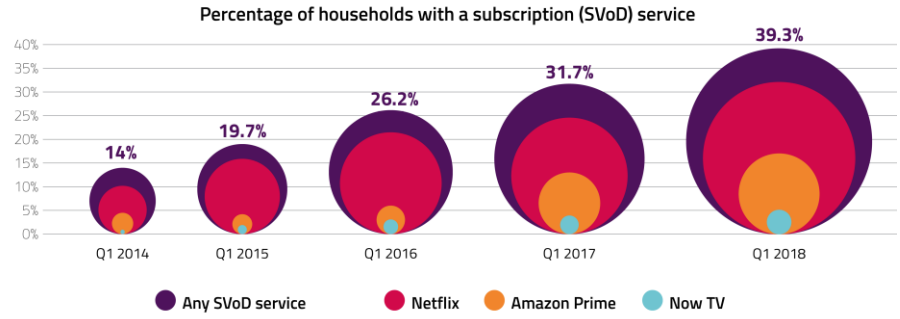
Distributions

The distributions services that yield the most promise lead in the direction of Netflix and Amazon Prime with the rise of streaming services becoming more popular than paid TV series. In the UK alone, the subscriber count of the most popular streaming services being Netflix, Sky's Now TV and Amazon Prime reached 15.4 million by the first quarter of 2018, only with subscribers to paid TV packages reaching 15.1 million at the same time.

With the shear increase in the popularity of Silicon Valley streaming services in the UK fuelled a 28% increase pushing it to £2.3 billion, in this, subscription on demand revenues largely increased by 38%, nearing £900 million.



Considering the rise in households with a subscription service to have risen to 39.3% in 2018 from 14% in 2014 strongly suggests that subscription services will continue to rise and be a strong platform for Hyper to utilize.



BARB Establishment Survey Q1 2014 – Q1 2018

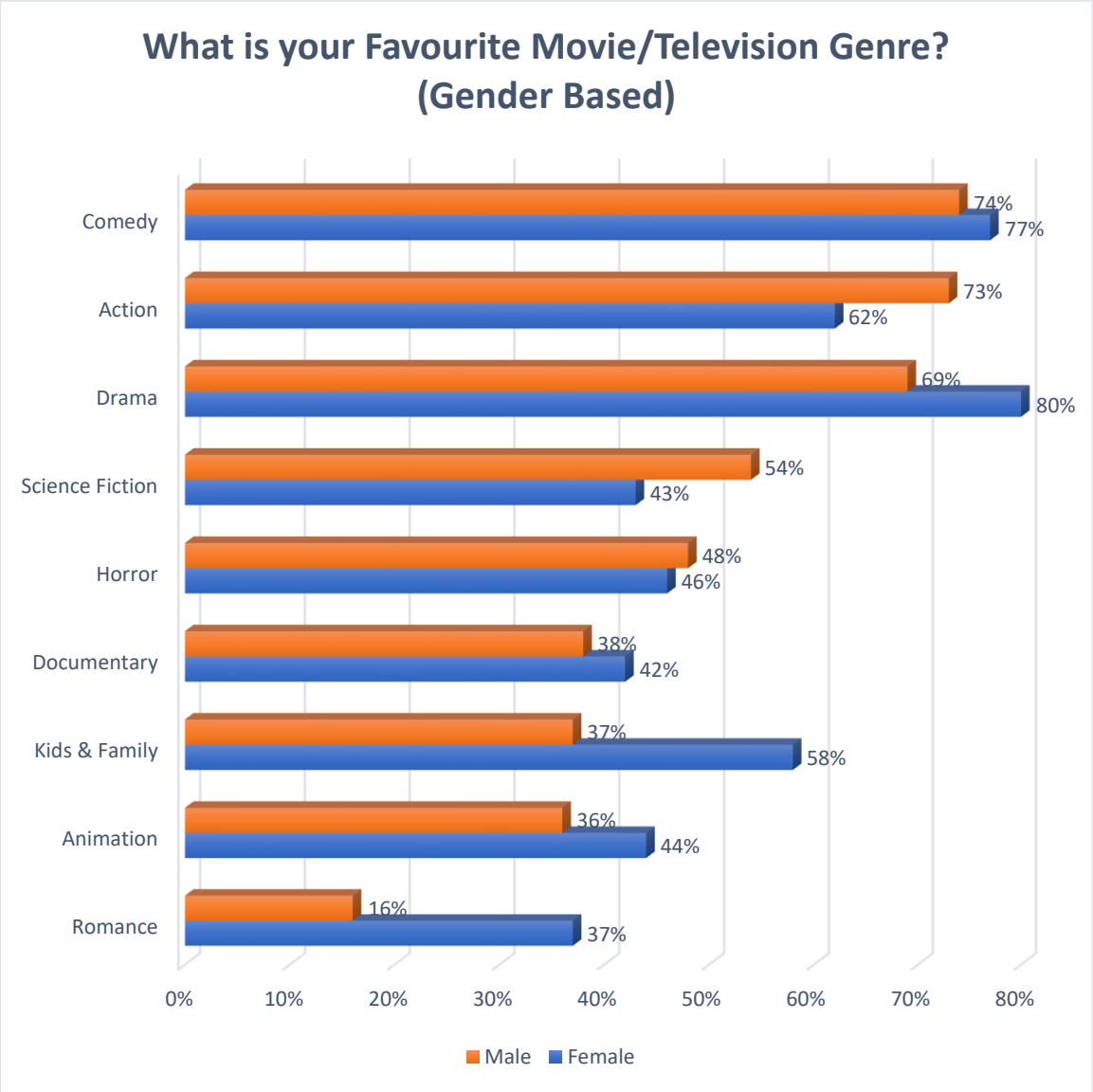
Our current business model canvas is as shown, taking into account with distributions previous discussed.

Considering the median leisure time has increased over the past 40 years with the average person dedicating 168 minutes of leisure time per day, more time than any other leisure activity.

The information provided below include all ages over the age of 15 and all days of the week.

	Minutes	% of total
Watching TV	168	54.9%
Socializing and communicating	39	12.7%
Playing computer games	25	8.2%
Reading	20	6.5%
Other activities	18	5.9%
Sports, exercise, recreation	19	6.2%
Relaxing and thinking	17	5.6%
Total	306	100.0%

During recent years there has been a widespread impression that leisure time has been trending steadily higher since the Industrial Revolution, and with the average figure being 168 minutes, Hyper would slot into



(Source: Paypal via Statista 2018, Information based on 1000 respondents of the United States during September 2016.)

Considering a large interest in genre in both men and women include action, science fiction and animation, all three of these genres come in direct correlation with Hyper's genre basis, primarily being an action sci-fi animated TV short runner, ultimately making Hyper a perfect candidate for an up and coming series.

In the past 10 years the median weekly hours have steadily increased with manufacturing exceeding 42 hours since 2008. Considering the employment to population ratio has steadily increased to a 12.30 percent change from 1950-2000. Through this increase, leisure time hasn't noticeably expanded for both Americans and as of late, Europeans. Although it is stated by Ramey and Francis that leisure has increased "by 10 percent since 1900".

More leisure time is as a result of the rising trend in output per person-hour with the rising productivity of the economy. With an increase to leisure time, the demand for leisurely activities rises.

As long-term growth in leisurely related industries largely depends on the rate of technological advancements throughout the economy. The trend in productivity is provided by the National Income and Product Accounting of the U.S. Department of Commerce. During 2013 the hours of the television consumption median per person was at 1,771 with 1,086 of those for basic cable programs, and 73, pay cable programs.

Considering Hyper will be running at 22 minutes per episode this would only take up 1/7th of the median population's leisure time.

Weapon Studios

Weapon Studios are a branch of the University of Wales Trinity Saint David, Swansea College of Art currently situated in South Wales. Where we provide previs, the tools and talent for film directors to visualize a range of complex fx scenes cheaply and quickly, techvis and postvis.

At current time there are two members working on Hyper, who include:

Series Creator:

Al Kang

Experience:

Conceptual Design for EA's new IPs including: *Need for Speed Underground* and its hit sequels that of which include *Most Wanted*

Previsualization and Look Development for EA's new IP franchise *Skate*

One of the founding members of Sandbox Studios, now known as DICE Canada, the known creators of the Battlefield franchise.

One of the key founding members of Nerdcorps the creators of the new IP in television being Slugterra and Dragon Booster.

Senior Story Artist for Cartoon Network's Ed, Edd and Eddy.

Art Lead for the new offshoot of the Star Wars universe in The Force Unleashed.

Charlotte Preston

Experience:

3D Generalist and Retopology on Atomicom's Ben Ten Reboot.

2D Animator on Atomicom's Lucky Legend.

Previsualization and Look Development on an animated series for Vicki Media's: Techromancers, Gen Zero One.

Previsualization and Look Development on a Rugby Zombies mass market app game.

Concept Artist/Art Director on DragonfiAR's Wizard Wrath.

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