



# **MAD INVEST PROPOSAL**

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This proposal (the „Proposal“) has been issued by Swissploitation Films GmbH, Langstrasse 14, 8004 Zurich, Switzerland („Swissploitation“) on September 24, 2020, and provides eligible investors (the „Mad Investors“) an overview of the investor program for the funding of Swissploitation's MAD HEIDI film (the „Mad Invest Program“).

# **TABLE OF CONTENTS**

<b>Executive Summary</b>	<b>2</b>
<b>«MAD HEIDI»</b>	<b>4</b>
<b>The Mad Invest Program</b>	<b>5</b>
<b>Marketing &amp; Distribution</b>	<b>8</b>
<b>Financial Opportunity</b>	<b>11</b>
<b>Mad Investor Exclusive Privileges</b>	<b>15</b>
<b>Film Budget &amp; Financing</b>	<b>17</b>
<b>The People &amp; Companies Behind the Project</b>	<b>18</b>
<b>Production Timeframe</b>	<b>19</b>
<b>Why Invest</b>	<b>19</b>
<b>Frequently Asked Questions</b>	<b>20</b>
<b>Disclaimers &amp; Risk Factors</b>	<b>24</b>

# EXECUTIVE SUMMARY

MAD HEIDI is a film project which will prove that fan-driven films for a worldwide audience are a fun and profitable investment opportunity. Through the Mad Invest Program, investors can buy a profit share in the MAD HEIDI film and participate in the film's revenues. Investors can get additional exclusive privileges such as film credits or participation in merchandise revenues according to the amount of their investment.

-  **MAD HEIDI is building on a global brand:** Heidi is a story full of Swiss clichés, and has been known around the world for decades with over 50 million books sold to date. It's a perfect brand to be exploited into a grotesque and funny Swissploitation film.
-  **MAD HEIDI involves the fans:** Building a strong worldwide community around the film creates demand and serves as a significant multiplier for our marketing efforts.
-  **MAD HEIDI multiplies profits:** Releasing the film through digital platforms to audiences worldwide at the same time multiplies profits by cutting out middlemen and reducing piracy.
-  **MAD HEIDI is building on smart technology:** Using blockchain-based smart contracts to secure investments and automate revenue distribution provides security and transparency.

Our mission is to break new ground in the way films are financed and distributed, levelling the playing field for small, independent film companies and allowing fans to participate like never before. We're convinced that this is a model for the financing, production and distribution of creative content in the future.

Join the revolution and get your piece of the cheese!

<b>Company</b>	Swissploitation Films GmbH, Langstrasse 14, 8004 Zürich, Switzerland
<b>Activity</b>	Production & distribution of the MAD HEIDI film
<b>Mad Heidi film total investment</b>	2,600,000 Swiss Francs (CHF)
<b>Mad Invest Shares</b>	Swissploitation issues 5,200 Mad Invest Shares (total value CHF 2,600,000). Up to 4,000 Mad Invest Shares (76,92%) are distributed to the Mad Investors and 1,200 (23,08%) are distributed to the creators of the MAD HEIDI film (the „Creators“, together with the “Mad Investors” are the „Participants“). The Mad Invest Shares are a contract between Swissploitation Films and the Participants that entitles the Participants to a share of the MAD HEIDI film revenue.
<b>Shared Revenue</b>	Of the net revenue made with the MAD HEIDI film, 25% is used to cover marketing and administration costs, 75% is distributed among the Participants.
<b>Price per Mad Invest Share</b>	CHF 500, payable by bank transfer or credit card or cryptocurrency
<b>Participation Period</b>	Seven years from the release of the MAD HEIDI film. Release is expected in 2022.
<b>Transfer restrictions</b>	The Mad Invest Shares are only transferable with Swissploitation's prior approval.
<b>Risk factors</b>	See Section Risk Factors
<b>Law and jurisdiction</b>	Swiss law, Courts of Zurich, Switzerland.

# «MAD HEIDI»

## Building on a global brand

The original Heidi story was written by Johanna Spyri in 1880 and became a worldwide bestseller shortly thereafter. To date, over 50 million copies have been sold in dozens of languages, 12 feature films, 8 animation films and 5 TV-Series have been produced around the globe. The story of the naïve mountain girl from the Swiss alps has moved the hearts of whole generations. Time to pump some new life in there!

Now all grown up, Heidi is just a girl from the Alps in an alternative Switzerland that has fallen under fascist rule. Little does she know that her yearning for personal freedom will be the spark that ignites a revolution. From fondue torture to death by chocolate, Mad Heidi is an action-adventure-comedy-horror parody of the beloved children's storybook character Heidi and a true Swissploitation film. Think Kill Bill meets The Sound of Music. The much-anticipated film will have all that fans of the genre could desire. If you liked Iron Sky, Kill Bill, Mad Max, or Monty Python then you'll love Mad Heidi.

The film will be shot in English with a few jokes in the local language Swiss German.

**Watch the teaser on [madheidi.com](http://madheidi.com)**

## A proven concept

MAD HEIDI has already generated amazing traction. It all started with an idea, a poster, and a Facebook page. When we realized that the concept of a Swissploitation film with a Heidi character drew so much attention, we decided to produce a promo teaser as a pilot. Since its release, a wide and active fanbase has been put in motion through social media and the MAD HEIDI webpage. A community that's growing every day. So far, 2700+ fans from 45 countries generated gross revenues of over CHF 266,000 by purchasing HeidiBonds and Merchandise (see [www.madheidi.com](http://www.madheidi.com) for more info).

With these crowdfunds as seed money, we were able to develop the script, calculate the budget, and build the Mad Invest Program together with our collection service partner FilmChain Ltd.

**We are now ready to offer you your piece of the revolution.**

# THE MAD INVEST PROGRAM

## Overview

Until now, we have been crowdfunding the project: Fans have been able to contribute to the project, as well as buy MAD HEIDI merchandise on our website madheidi.com.

Now, we are taking things to the next level with a crowd investing opportunity: We are selling revenue shares to the film itself.

We sell 4,000 revenue shares for CHF 500 per share. The 4,000 shares represent 76,92% of the total of 5,200 shares. The remaining 1,200 shares (23,08%) are reserved for the MAD HEIDI creators.

The money raised by selling the profit shares will be used to produce and market the film.




Mad Invest Shares are not traditional shares or equity in a company. They do not provide any voting rights or authority regarding Swissploitation Films or the MAD HEIDI production. Mad Invest Shares are a contractual right to participate in the revenues of the MAD HEIDI film.

The smallest Mad Invest Share you can buy is CHF 500 (Swiss Francs), equaling 0.019231% of the total. You can buy Mad Invest Shares in increments of CHF 500 for any desired amount.

## Built on smart technology

One of the new things about the Mad Invest Program is that instead of sending around a paper contract, your investment is automatically written into a digital smart contract on the blockchain (operated by our partner FilmChain), where you can always see your Mad Invest shares.

FilmChain acts as a collection agent, which means that all revenues will be collected by them and are immediately and automatically distributed among all participants according to the Mad Invest recoupment waterfall (see page 12). You can track your recoupment on your filmchain.co dashboard at all times. No paperwork is required because it is automated and secure. The technology behind this is based on a private Ethereum blockchain, but there are no cryptocurrencies involved (see FAQ for more info).

-  **MAD INVEST provides efficiency because the entire process is automated and paperless.**
-  **MAD INVEST provides transparency because you can see your investment and the revenue streams at all times.**
-  **MAD INVEST provides security because revenues are distributed among investors instantly, tamperproof, thanks to the immutability of blockchain technology.**

## **How to invest**

- 1** Check your eligibility, choose your investment amount, accept the Mad Invest Terms and Conditions, and pay your investment on [madinvest.co](https://madinvest.co). You can pay by credit card or by bank transfer or even cryptocurrency. Your investment will be recorded in Swiss Francs (CHF). As mentioned above, the minimum investment is CHF 500, however, we have prepared some pretty kick-ass exclusive privileges for those willing to dig a bit deeper into their pockets. See the Mad Invest Exclusive Privileges on page 16 for more information.
- 2** If the payment has successfully been executed, the transaction is immediately recorded and visible in your automatically created user account on [filmchain.co](https://filmchain.co), where you have now full access. You can view your investment and your amount of Mad Invest Shares as well as the total of Mad Invest Shares sold on your [filmchain.co](https://filmchain.co) dashboard.
- 3** If we reach our minimum target (soft cap) of CHF 1,000,000 worth of Mad Invest Shares sold, your investment will be transferred to our production account and the production of the film will begin. The Mad Invest Program will remain open until the maximum (hard cap) of CHF 2,000,000 has been reached, or it will be closed 10 days before the digital global premiere of the film at the latest. If we have not reached the soft cap of CHF 1,000,000 by December 31st, 2020, we will, at our sole discretion, prolong the call until April 30th 2021, return all investments or bring other funding to reach the minimum, e.g. own investments, subsidies, etc. In the event that the soft cap is not reached, you have no right to a refund unless and until the call is canceled. Note that in the case of refund to the Mad Investors, a transaction fee of CHF 20 will be deducted.

- 4** The film will most likely be ready for release in 2022 (this date is not confirmed and may be moved). Log into your Mad Invest dashboard on [filmchain.co](http://filmchain.co) and wait for the money to come in. You will automatically be informed when revenues are generated. As soon as the revenues in your dashboard have surpassed the minimum of CHF 30.-, you can request a payout to your private bank account. Bank charges are borne by the beneficiary.



# **MARKETING & DISTRIBUTION**

## **Involving the fans**

The marketing and crowd-engagement for this film started already long ago and are a continuous process. We currently have 40,000+ engaged fans and supporters on our social media accounts and over 2500+ people have already contributed to our crowdfunding – even though there is nothing but a teaser so far.

This work will continue throughout the production process. We will provide our fans with exclusive access to the production, keep on selling merchandise, and engage them in many other forms.

The strategic challenge is simple: Build the largest possible worldwide fan community in order to get the film out there. The more fans we have, the bigger the marketing power we have, and the more profit all investors will make.

The means to achieve that are: a strong and continuous online and social media presence with cool content, fan engagement in all stages of production, highly targeted marketing, and lots of firepower. About 23% of the film's budget and 15% of the revenues are reserved for marketing activities. In traditional independent film production outside Hollywood studios, the marketing budgets are usually between 0 and 1 %.

The fans are the most valuable factor in this project. They multiply our efforts and they create our market. Our team brings in-depth knowledge of fan-involvement to the table.

## **Multiplying the profits**

In traditional film distribution, a sales company is selling the film to distributors in individual territories, who then decide when and how to release a film. The creators have no more control over it and many times will not see much money from distribution.

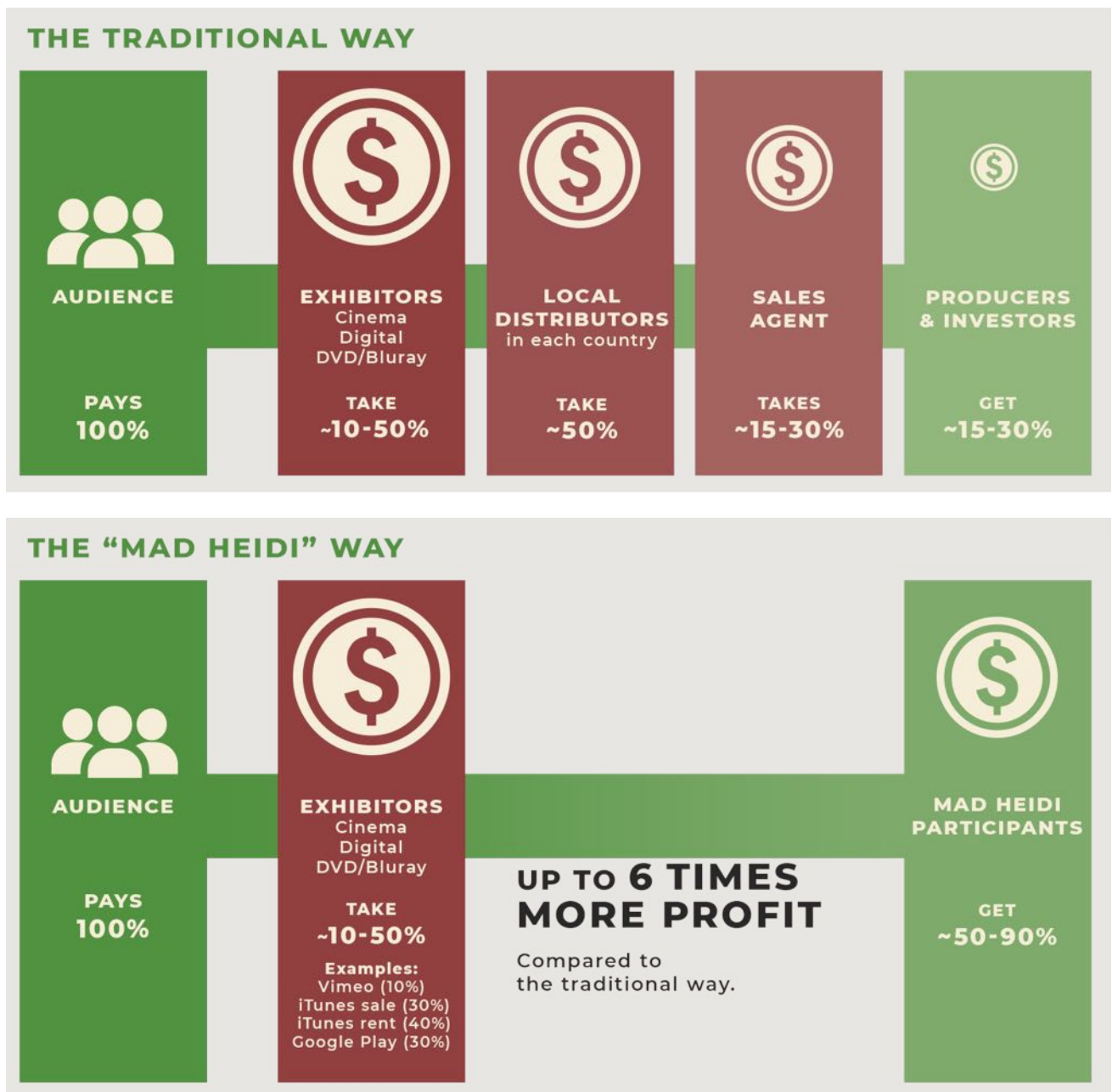
This system does not work for us. The MAD HEIDI fans are all around the world, and the film will have to be released for all of them at the same time.

What was impossible for an indie-film only a few years ago will now revolutionize the business:

By keeping control of all rights and releasing the film digitally worldwide, we minimize the number of middlemen, resellers and gatekeepers, minimize piracy and multiply the profits.

- 👉 Thanks to fan funding, we can keep 100% control in all decisions.
- 👉 Thanks to technological progress, we can release the film through our own platform and cut out the middlemen.
- 👉 Thanks to fan engagement, we can build up the necessary marketing power.
- 👉 Thanks to a global release, we can reduce piracy.

Compared to the traditional way with local releases, distributors, and sales companies, we can multiply our profits up to six times.



# Smart Distribution

The film will be globally available from day one after the release, following an 8 to 12 weeks long pre-release phase, where the film is available for fan premieres, event cinema screenings, festivals, and sponsor screenings.

The first wave of the digital distribution takes place only on our website madheidi.com, without any distributors or sales companies taking away profits.

The second wave, boosted by the hype we create for the launch, will start 4 to 8 weeks after the digital release. In this phase we have VOD platforms such as iTunes, Amazon, etc., charging 30 to 50 % of the sales price, but the reach will be wider as well. DVDs and Blu-rays will also be published in this phase.

The third wave, 6 to 12 months later, includes possible TV deals as well as subscription deals (e.g. Netflix or others).



# FINANCIAL OPPORTUNITY

## The Revenue Streams

**Mad Investors participate in the following revenue streams:** All net revenues from the «MAD HEIDI» film itself, such as digital streams or downloads, sales of DVDs, Blu-rays or other physical formats, revenues from theatrical releases, and TV sales.

Mad Investors who have invested at least CHF 5,000 (see Mad Invest Exclusive Privileges on page 16) will additionally participate in all merchandise net revenue generated through the madheidi.com webstore, except Heidi Bonds (we initially started the crowdfunding by selling “Heidi Bonds”, for which you can get “Bond Rewards”, but they are not connected to Mad Invest Shares). Revenues from Heidi Bonds go directly into the production budget of the film and are not considered revenues for participants.

Net revenues are gross revenues after the deduction of sales taxes and third-party costs. If a transaction is handled by a third party (e.g. iTunes), it is simply the amount we get from them (minus VAT). If a transaction is handled through the MAD HEIDI shop, it is 50% of the sales price.

Film revenue participation is limited to 7 years after the global digital release of the film. Merchandise revenue participation is limited to 12 months after the global digital release of the film.

Mad Investors will not participate in potential profits from selling or licensing the MAD HEIDI intellectual property rights to a third party, e.g. the sale of remake rights, sequels, videogames, etc.

Mad Investors start recouping immediately after the Mad Invest Program has been closed. The Mad Invest Program will be closed:

- ➔ immediately after all Mad Invest Shares have been sold;
- ➔ or, if not all Mad Invest Shares were sold, no later than 10 days before the global digital release of the film.

If we have not reached the soft cap of CHF 1,000,000 by December 31st, 2020, we will, at our sole discretion, prolong the call until April 30th 2021, return all investments or bring other funding to reach the soft cap, e.g. own investments, subsidies, etc. If we do not reach the soft cap until April 30th 2021, all Mad Investors will be reimbursed. Mad Investors will be informed about the closing or cancellation of the Mad Invest Program by email.

# Definitions

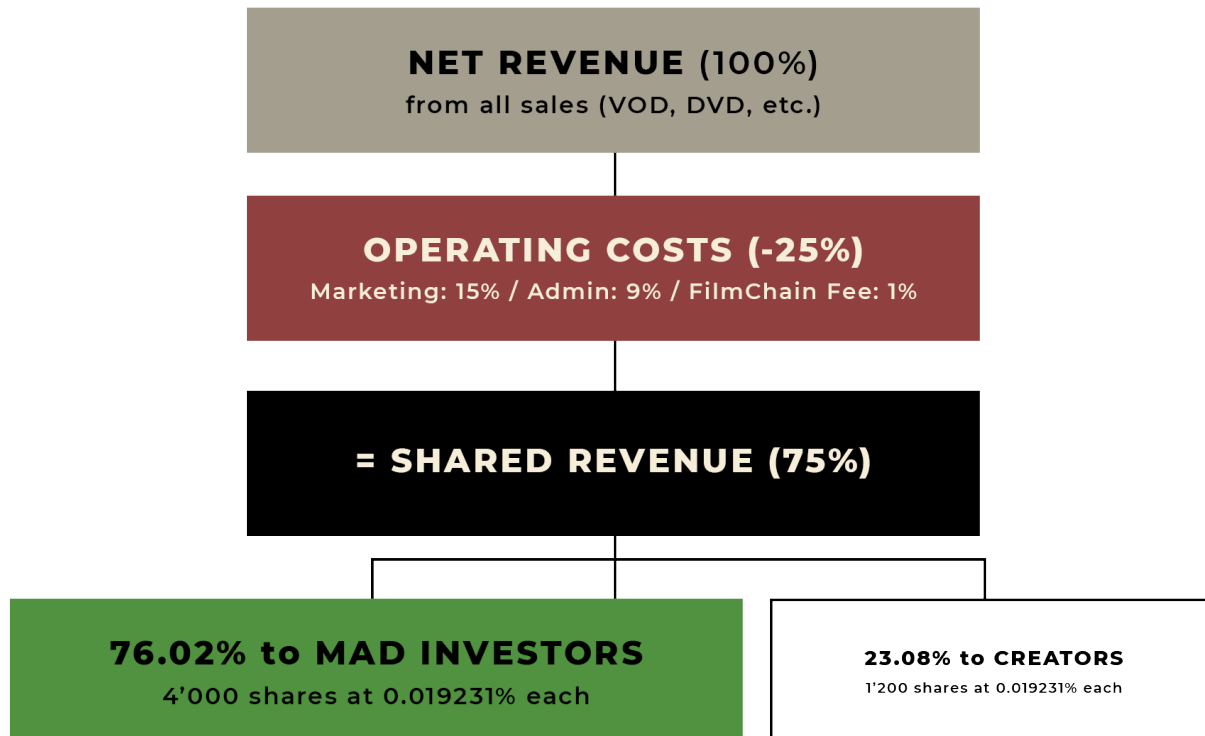
- Gross Revenue:** All monies generated through the sale of the MAD HEIDI film.
- Net Revenue:** Gross revenue after deduction of sales taxes and third-party costs. If a transaction is handled by a third party (e.g. iTunes), it is simply the amount we get from them (minus VAT). If a transaction is handled through the MAD HEIDI shop, it is 50% of the sales price.
- Operating costs:** A flat fee of 25% deducted from the Net Revenues for administration and continuous marketing costs.
- Shared Revenue:** Net Revenue minus Operating Costs. This is the amount distributed to all participants (subject to applicable fees and taxes).

# The Mad Invest Waterfall

The waterfall shows how the Net Revenue is distributed among the participants. From the Net Revenue, we first have to deduct operating costs. They are composed of:

- ➔ A collection fee for filmchain.co of 1%.
- ➔ A Swissploitation Films administration fee of 9%. This is to cover administrative expenses such as fan support, accounting, etc.
- ➔ A marketing fee of 15% to cover continuous expenses to promote the film and maximize revenue. Note that this is very important. If we don't actively market the film after the release, we won't be able to make as much revenue. You have to spend money to make money.

The remaining value is the Shared Revenue. The Shared Revenue is distributed without any further deductions between all Participants. Mad Investors get 76.92%, Creators get 23.08%.



# Estimating Revenues

Revenue projections usually have one thing in common: They are always wrong. There are simply too many factors at play. We, therefore, decided not to create any estimates that will fail anyway, but to present you a few thoughts to approach the question of the financial potential yourself. As we are focusing on a simultaneous worldwide digital release, the majority of all revenues will come from digital distribution.

Our target is to produce a cult movie with a wide fanbase and thus a long life, yet there are two simple business facts to be considered:

- 1.** The price for streaming the film will go down over time. When it's new, a price of CHF 12-15 can be charged, but after a couple of months, the price will go down to around CHF 4-6.
- 2.** The number of views will go down over time as well. Most people will want to see a film when it's new and everybody talks about it, and the longer it's out, the less new audience it will find.

As the release will only be in 18-24 months from today, we won't lock the price for the film yet, but let's assume that we charge CHF 15.- per view during the first wave of distribution when the film will only be available on madheidi.com. Deducting a platform fee of 15% and then 25% operating costs as described in the waterfall, the Shared Revenue per view is CHF 9.56.

 **Under these assumptions, it takes 271,896 worldwide views for the Mad Investors to break even and start making profits.**

As reference from our own experience, with Iron Sky (2012), the team around Tero Kaukomaa was able to create a big global buzz through fan engagement, bringing over 50 million views for the film during the first 12 months. But unfortunately, they were forced to use traditional film funding and traditional distribution rules, which meant that when piracy hit the film, most of the world had not yet released it and the fans did not have a chance to pay. Eventually, it meant that „only“ 2 million out of 50 million did pay for the film during the first year.

Given those numbers, the break-even does not seem very high, even if only half the price could be charged. Also, the above calculation does not take into consideration additional revenues that come from DVD and Bluray sales, potential TV sales, and, for those Mad Investors who invest at least CHF 5,000, the merchandise revenues.

If we do a proper job, the break-even is not out of reach. But be aware: There is no guarantee. We cannot know if and when we will break even. You might make very good profits, but you might also lose some of your investment.

# **MAD INVESTOR EXCLUSIVE PRIVILEGES**

Just because you're an investor it doesn't mean you have to spend all day staring at spreadsheets. All Mad Investors also get to unlock fun bonus rewards like visiting the set, attending the wrap party, or even seeing your name in the credits. You even get a rank in Heidi's army. Check your privileges depending on the invested amount on the next page.

You would like to participate in MAD HEIDI with your company? We also have a list of exclusive sponsorship opportunities. Please drop us a note: [sponsor@madheidi.com](mailto:sponsor@madheidi.com)



EXCLUSIVE PRIVILEGES FOR MAD INVESTORS		MAD HEIDI RESISTANCE ARMY RANKS									
		Angry Farmer	Angry Citizen	Mad Goat Herder	Cowbell Paratrooper	Helvetia Avenger	Yodler Squad Lieutenant	Absinthe Sorority Squad Leader	Alphorn Brigade Commander	Heidi Elite Escort General (max. 4)	Five-Star Edelweiss General (max. 2)
	500	1'000	3'000	5'000	10'000	15'000	30'000	50'000	100'000	250'000	
Minimum amount invested in Swiss Francs	★	★	★	★	★	★	★	★	★	★	
Exclusive Film Production Updates	★	★	★	★	★	★	★	★	★	★	
Participation in Film Revenues	★	★	★	★	★	★	★	★	★	★	
Online Premiere Tickets	-	★	★	★	★	★	★	★	★	★	
Set Visit (1)	-	-	★	★	★	★	★	★	★	★	
Participation in Merchandise Revenues (2)	-	-	-	★	★	★	★	★	★	★	
Cinema Event Premiere Tickets (3)	-	-	-	2	2	4	6	8	8	12	
DVDs or Blurays (4)	-	-	-	1	4	10	10	50	50	100	
Set Visit Last Day of Shooting incl. Wrap Party (1)	-	-	-	-	★	★	★	★	★	★	
Signed Shooting Script Copy (5)	-	-	-	-	-	★	★	★	★	★	
Film End Credits (6)	-	-	-	-	-	Fan Producer	Associate Producer (+IMDb)	Executive Producer (+IMDb)	-	-	
Host Your Own Mad Heidi Cinema Screening (7)	-	-	-	-	-	-	-	-	★	★	
Film Opening Credits (6)	-	-	-	-	-	-	-	-	Executive Producer (+IMDb)	Co-Producer (single card) (+IMDb)	
Credit on Official Film Poster	-	-	-	-	-	-	-	-	Executive Producer	Co-Producer	

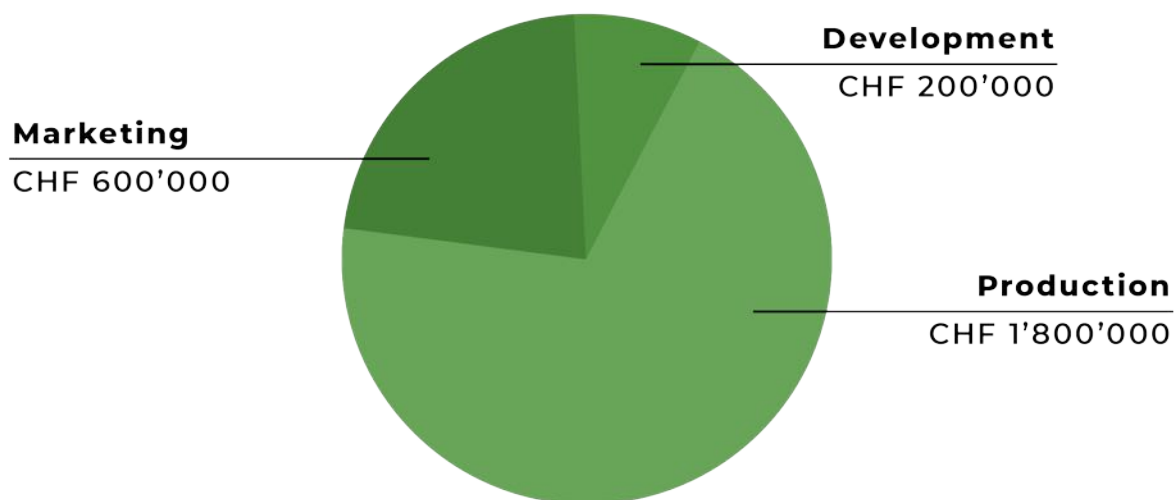
1) Set visit: Producers will announce possible dates during the shooting of the film. Visitors have to pay for travel and accommodation themselves.  
 2) Merchandise revenue share equals film revenue share and is limited to 1 year after release of the film.  
 3) Cinema Event Premiere Tickets: Time and place (in Switzerland) will be announced by the producers. Guests have to pay for travel and accommodation themselves.  
 4) DVD/Bluray: Investors may communicate their preferred format. Discs will be sent out by mail.  
 5) Shooting Script Copy: Investors will receive the script on the 1st day of shooting after signing non-disclosure agreement (NDA).  
 6) +IMDb: Executive Producers and Associate Producers will get a credit in the Internet Movie Database imdb.com.  
 7) You can organise your own private exclusive cinema screening in your home town, we will provide the film and the presence of the director and/or producers for a Q&A.

Note: If you invest more than once, your investments will be added up and you are entitled to the rank and privileges of the sum of your investments.

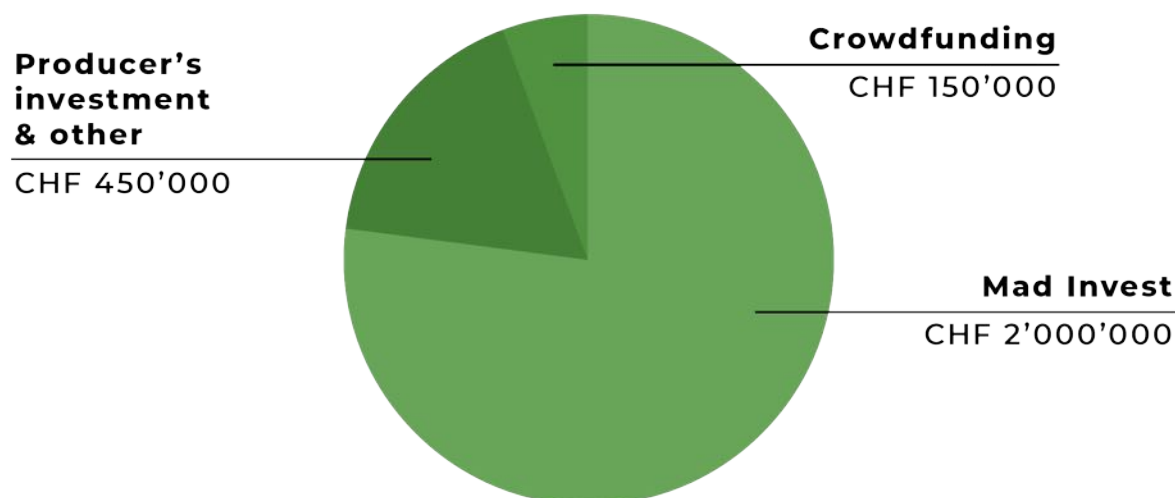
Interested in a sponsorship as a company? Get in touch with us at [sponsor@madheidi.com](mailto:sponsor@madheidi.com)

# FILM BUDGET & FINANCING

The provisional overall budget of the film is set at CHF 2.6m. Note that the total amount as well as the percentages may change at any time during production at Swissploitation Film's sole discretion.



The financing plan is including producers' own investments, the to-date net revenues from the crowdfunding plus tax incentives or other funding in the amount of CHF 600,000. Together with the Mad Invest Shares worth CHF 2m, the financing matches the total budget of CHF 2.6m. Note that while all Mad Investor Shares keep their exact value, the financing structure of the film can change anytime without notice at Swissploitation Film's sole discretion.



# THE PEOPLE & COMPANIES BEHIND THE PROJECT

## Film Production Company

Producers TERO KAUKOMAA ([IMDb](#)) and VALENTIN GREUTERT ([IMDb](#)) both have a long track record in the business. While Kaukoomaa is a pioneer in crowd and fan engagement with world-renowned films like IRON SKY and IRON SKY THE COMING RACE, Greutert recently produced a major success in Swiss cinemas with his extraordinary production PARADISE WAR – THE STORY OF BRUNO MANSER. Together, Greutert and Kaukoomaa have produced more than 40 feature-length films. With MAD HEIDI, they combine their thrive for innovative content and new production methods.

Director JOHANNES HARTMANN ([IMDb](#)), driven by his deep passion for exploitation and B-movies, will direct his first feature film after many shorts and commercials.

Also part of the team is award-winning US screenwriter, actor, director, and producer TRENT HAAGA ([IMDb](#)), who has been involved in over 100 films and co-wrote the screenplay.

The project is being produced by Swissploitation Films GmbH, a newly founded company jointly owned by Kaukoomaa, Greutert, and Hartmann.

The three are on a mission to break new ground in the way films are financed and distributed, levelling the playing field for small, independent film companies and allowing fans to participate like never before.

## Technical Provider

Our technological partner for the Mad Invest Program is FilmChain Ltd, a very successful startup from London, innovating the money flow from the point of sale to the rights holders through fintech.

The company has won „Best startup of the year 2020“ at London Business Awards and „Best Woman-led Investment in Innovation“ UKBAA Awards 2019 and was nominated for other prestigious awards in media and tech, including SXSW 2020 Pitch Finalist in „Content & Entertainment“.




# PRODUCTION TIMEFRAME

Due to regulatory reasons, we will greenlight the production once we have sold CHF 1,000,000 worth of Mad Invest Shares. At this point, we will continue collecting money, but we will kick off preparations for the shooting. This will take us around 4-6 months and the shooting itself around 6 weeks. Once the film is shot, post-production will take another 8-10 months to complete the film. 3-5 months will be needed to prepare the release, including 2 months for theatrical releases and special events before we finally have the global digital release.

Many factors may have an impact on the timeline, and depending on how things go, it might well change along the way. All in all 18-22 months from kick-off to digital release is a reasonable timeframe. You can expect the film to premiere in 2022.

## WHY INVEST

There are many ways to invest money. Some are less risky, others more. Maybe you will only get part of your money back, maybe you will make decent profits. What we can guarantee is that there has probably never been a more fun investment opportunity than MAD HEIDI.

-  **You are INVOLVED:** You will be part of a movie production, get lots of exclusive info and opportunities to take part.
-  **You are REVOLUTIONARY:** You invest in a project that reinvents film financing, creation, and distribution. Fans first!
-  **You are PASSIONATE:** You support a team believing in its mission far beyond simple profit thinking. We do this because we love it, and we'll do our very best to make it a success.

If you have any questions, do not hesitate to contact us at [investor@madheidi.com](mailto:investor@madheidi.com).

# FREQUENTLY ASKED QUESTIONS

## **Who can participate in Mad Invest?**

MAD INVEST is open to all citizens outside of the following countries: United States (incl. US Persons), Mainland China, Afghanistan, Cuba, Democratic People's Republic of Korea, Ethiopia, Guyana, Irak, Iran, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Vanuatu and Yemen.

## **Why can people from the United States and other countries not invest?**

Offering investment opportunities to US based investors is highly regulated by the strict US securities laws and regulations. Therefore, many projects, including ours, are to exclude US based investors. The same applies to other countries mentioned above.

## **How much more funding is needed to finance the film?**

At least CHF 1m is required to begin the production of the movie. The total budget is expected to be CHF 2-2.6m.

## **How do you make the film if you do not get the full budget?**

We will not stop but continue to sell profit shares and look for other investments until shortly before the release of the film. The 1 million threshold is just the point where we kick off production due to legal constraints.

Regardless of the number of shares sold, a share will keep its value. Should it be necessary, we will also give out Madinvest Shares to our team as well as service and equipment providers in return for lower prices.

## **When will the movie go into production?**

We will begin pre-production as soon as CHF 1m MAD INVEST shares have been sold. At this point we will continue collecting money, but we will kick off preparations for the shoot. Pre-production will last 4-6 months, followed by a 6-week shoot. Once the film is shot, post-production will take another 8 to 10 months. 3-5 months will be needed to prepare the release, including two months for theatrical releases and special events before the global digital release. The total time frame between pre-production and global release will last about 18-22 months. Thus, the film is scheduled to premiere in the Spring or Fall of 2022.

## **How will the movie generate revenue and what revenue is shared with Mad Investors?**

Mad Investors participate in all net revenue from the MAD HEIDI film, including digital streams or downloads, sales of DVDs, Blu-rays or other physical formats, and revenues from theatrical releases and TV sales. This participation is time-limited to 7 years after the initial release of the movie. Mad Investors who invest at least CHF 5,000 also

participate in all net revenues generated through merchandise sales for one year after the movie is released.

### **How many views will you need for the project to break even and start generating profits?**

As the release is still 18-24 months away, the price of the film has not yet been set in stone. However, assuming a price of CHF 15 per view during the first wave of distribution when the film is exclusively available on madheidi.com, 271,896 views will be required to break even.

For reference, Iron Sky (2012) which was produced by Tero Kaukomaa (who is now one of the producers of MAD HEIDI), amassed 50 million views in the first 12 months.

### **Do I have to declare my investment with the taxes?**

The participation in the Mad Invest program is likely subject to taxation in your local jurisdiction (e.g., wealth tax, capital gains tax and income tax). Please verify with your local tax advisor what the tax consequences of your investment may be. In Switzerland, you have to declare your shares as capital assets according to the applicable rules in your canton.

### **Can I invest more than once?**

Yes, as long as there are shares left to sell, you can invest as many times as you like. All your investments are accumulated and you are entitled to the investor privileges of the sum of all your investments.

### **Is revenue participation time limited?**

Yes, all Mad Investors participate in net revenue from the MAD HEIDI film for 7 years after the initial release of the movie. Mad Investors who invest at least CHF 5,000 also participate in net revenues generated through merchandise sales for one year after the movie is released.

### **Why is film revenue participation limited to seven years?**

Film revenues are usually very high in the first two years after the release and then gradually go down. After 3 or 4 years, they will be very low, and after 6 years they will be almost zero. Thus, the administration costs would be higher than the revenues.

### **Why is merchandise revenue participation limited to 12 months after global digital release?**

Merchandise sales are connected to a brand, not a film. Think about Star Wars. If MAD HEIDI sequels are created, it will be impossible to say which merchandise revenue is connected to which film.

### **Is there a marketing budget included in the film budget?**

Yes, 23% of the budget and 15% of the revenues are earmarked for marketing & promotion.

### **What are the soft-cap and hard-cap targets of this investment round?**

The soft-cap goal is CHF 1m (2,000 shares sold). The hard-cap is CHF 2m (4,000 shares sold).

### **Will I get my money back if the soft-cap goal is not reached?**

Yes, if the funding goal of CHF 1m is not reached, all investments will be reimbursed to participants minus a flat fee of CHF 20 for bank charges.

### **How and when will revenues be paid out?**

All revenues from the film flow directly into the blockchain-secured collection account on FilmChain.co, and then into the wallets of Mad Investors. Each Mad Investor can then transfer their share of the revenue to their own bank account once their wallet balance has reached a minimum of CHF 30. Bank transfer fees will be borne by Mad Investors. The majority of revenue tends to be earned in the first two years after a film is released. The current release date is projected to be in Spring or Fall in 2022.

### **How is FilmChain involved in this project?**

FilmChain Ltd is a UK-based company founded by Irina Albita and Maria Tanjala. FilmChain is the appointed collection service company for the Mad Heidi film, responsible for revenue collection and payment allocation to all beneficiaries. The platform is automated and runs on a combination of Ethereum-based smart contracts and trusted banking partners, making the system secure and transparent. For more information please visit [filmchain.co](http://filmchain.co).

### **What happens if FilmChain goes out of business?**

Our contract with FilmChain ensures that in the unlikely case of its termination, all beneficiary and CAMA data must be handed over in an industry standard allowing migration and further usage.

### **Is FilmChain also taking a fee from the investments, or only from the revenue?**

FilmChain gets their 1% fee only from the revenues once the film is completed and released. There are no fees on the investments.

## **What is blockchain technology?**

A blockchain is a form of distributed computing network that can be used to track the origin and transaction history of a digital asset - in this case MAD INVEST shares. Blockchain networks make it possible to transfer digital assets automatically without requiring a central intermediary, which reduces administrative costs. For more about blockchain, [click here](#).



# Disclaimers & Risk Factors

This section describes various risks of an investment in legal language, as required by law.

## Important Information

This Proposal is for informational purposes only. Any actual investments are subject to the Mad Invest GTC.

The following disclaimer applies to the attached document and you are therefore advised to read this carefully before reading, accessing, or making any other use of the attached document. By accessing the Proposal, you acknowledge that you have read, understood, and accepted the terms set out in this notice.

## General

The Proposal is intended solely to provide information on the Mad Invest Program and the MAD HEIDI film project. The Proposal is not constructed in accordance to Article 652a and Article 1156 of the Swiss Code of Obligations or Article 35 ss. of the Swiss Financial Services Act and does not constitute a prospectus, an offering document, an offer, solicitation for investment, or engaging in any other similar activities as an offer in any jurisdiction, nor does it constitute or is purported to constitute investment advice, nor to provide any (including personalized) investment recommendations.

The Mad Invest Program is directed at Swiss residents above the age of 18 and does not constitute a public offer in any other jurisdiction than Switzerland. Non-Swiss residents are solely responsible to assess their eligibility for participation under local laws. The Mad Invest Program described in this Proposal will not be offered, directly or indirectly, in any country or jurisdiction, in which the Mad Invest Program would be illegal or would otherwise violate any applicable law or ordinance, or which would require Swissploitation to change the terms or conditions of the Mad Invest Program in any way, to submit any additional filing to, or to perform any additional action concerning any governmental, regulatory or legal authority. Documents relating to the Mad Invest Program must not be distributed in or sent to any such countries or jurisdictions. Any such documents must not be used to solicit the sale or purchase of securities of Swissploitation by any person or entity resident or incorporated in any such country or jurisdiction.

The United States of America and Other Prohibited Countries

This is under no circumstances an offer for residents in the United States (incl. US Persons), Mainland China, Afghanistan, Cuba, Democratic People's Republic of Korea, Ethiopia, Guyana, Irak, Iran, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Vanuatu and Yemen. There will be no public offering in the United States. Mad Invest Shares may not be offered or sold in the United States.

The Mad Invest Program and the Mad Invest Shares will not be registered under or offered in compliance with applicable securities laws of any state, province, territory, county or jurisdiction of the United States or in any jurisdiction in which

such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction and therefore no offer, solicitation, advertisement or whatsoever is made with respect to the citizens, permanent residents, and green card holders and any persons residing in the United States. Mad Invest Shares are not for sale or distribution directly or indirectly in or into any jurisdiction into which the same would be constructed as unlawful.

## Forward-Looking Statements

This Proposal contains forward-looking statements that are based on the beliefs, assumptions, and information currently available to us. All statements other than present and historical facts and conditions contained in this Proposal including, but not limited to, statements as to future operating results and financial positions, business strategy and plans and our objectives for future operations. When used in this prospectus, the words „anticipate“, „believe“, „continue“, „could“, „estimate“, „expect“, „intend“, „may“, „might“, „ongoing“, „objective“, „plan“, „potential“, „predict“, „should“, „will“ and „would“, or the negative of these and similar expressions, identify forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the MAD HEIDI film project to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason. No representation, expressed or implied is or will be given and no responsibility or liability is or will be accepted by Swissploitation, its directors, employees, agents, and advisors as to the accuracy or completeness of the information contained herein.

## No Legal, Regulatory or Tax Advice

Nothing contained in this Proposal constitutes investment, legal, business, tax, or other advice. Any payments based on Mad Invest Shares may be subject to fees or taxation such as withholding tax and other taxes and fees. In particular, the information in this Proposal does not take into account your investment objectives, financial situation, or particular needs. Before making an investment decision, prospective contributors should consider their objectives, financial situation, and needs and seek legal, tax, financial advice in accordance with their jurisdiction.

The Proposal does not purport to contain all the information which may be required to evaluate any acquisition of Mad Invest Shares. Any interested purchaser should conduct their independent analysis of the Mad Invest Program, consult with their business, tax, and legal adviser and rely only on the information contained in the Mad Investor Agreement.

## **Risk factors: General**

An investment in the Mad Invest Program and the Mad Invest Shares involves a high degree of risk. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves after proper consultation whether, in light of those risks, their investment and its size are appropriate. The Mad Invest Shares should be regarded as a highly speculative investment and an investment in Mad Invest Shares should only be made by those with the necessary expertise to fully evaluate the investment. Prospective investors are advised to consult an independent adviser being a person who is authorized or exempt under the applicable jurisdiction to render competent investment advice. The information set out below does not purport to be an exhaustive list or summary of the risks which the Swissploitation GmbH (the Company) and the MAD HEIDI film project (the Project) may encounter and is not set out in any particular order of priority.

The Company's business, finances, or operations and the Project could be materially and adversely affected by the occurrence of any of the risks described below. In such cases, the market price or evaluation of the Mad Invest Shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial may also have an adverse effect on the Company and the Project. The Company considers the following risk factors to be significant for potential investors, but the list of risks is not intended to be exhaustive nor does it comprise all those risks associated with an investment in the Project. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves after proper consultation whether, in light of those risks, their investment is appropriate. Mad Invest Shares will be characterized by a high degree of risk. A prospective investor should thoroughly review the information contained herein and the terms of the Mad Investor Agreement, and carefully consider whether an investment in the Project is suitable to the investor's financial situation and goals. Neither delivery of this Proposal nor any statement herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. No regulatory authority has examined or approved any of the information set out in this information memorandum. No such action has been or will be taken under the Swiss laws, regulatory requirements, or rules of any jurisdiction. The mere publication, distribution, or dissemination of this Information Proposal does not imply that the applicable laws, regulatory requirements, or rules have been complied with.

Mad Invest Shares are Non-Refundable. The company is not obliged to provide the Mad Investors with a refund related to the Mad Invest Shares for any reason, and the Mad Investor will not receive money or other compensation in lieu of the refund. No promises of future performance or price are or will be made with respect to the Mad Invest Shares, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Mad Invest Shares will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the Mad Investors.

No FINMA supervision and deposit insurance: The Mad Invest Program is not subject to supervision by the Swiss Financial Market Supervisory Authorities and the Swiss government deposit insurance scheme does not apply.

## **Project Specific Risks**

Film production is a risky endeavor and the completion of the project is by no means certain. The Project may be halted due to lack of financing, regulatory intervention, key persons leaving the Project, etc.

The distribution system of the film is untested and there are no clear indicators as to the commercial success of the film.

The Company or FilmChain may go bankrupt or be otherwise inoperable prior to the completion and/or the distribution of the film, potentially also leading to a full loss of the investment.

## **Technology & Regulatory Risks**

**Risk of Software Weaknesses.** The concept of a smart contract which creates the Waterfall mechanism, the underlying software application and software (incl. the Ethereum blockchain) are still in an early development stage and unproven. There is no representation and warranty that the process will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities, or bugs causing, inter alia, the complete loss of the investment.

**Risk of New Technology.** The Mad Invest Program is new and there might be problems of completion or implementation. Investors should not fully rely on the Smart Contract or the ability to receive funds associated with the Mad Invest Shares in the future without further ado.

**Risk of Loss of Access.** If the investor loses the access information to the Mad Investor wallet, there is no guarantee that any revenue may be distributed to the Mad Investor. Moreover, any third party that gains access to such access information, including by gaining access to login credentials of a hosted wallet or vault service the Investor uses, may be able to misappropriate the investor's assets. The company is not responsible for any such losses.

**Risk of Government Action.** The Mad Invest Program is new and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of the Company and/or pursue enforcement actions against it. All of this may subject Company to judgments, settlements, fines or penalties, or cause Company to restructure their operations and activities or to cease offering the Project.