

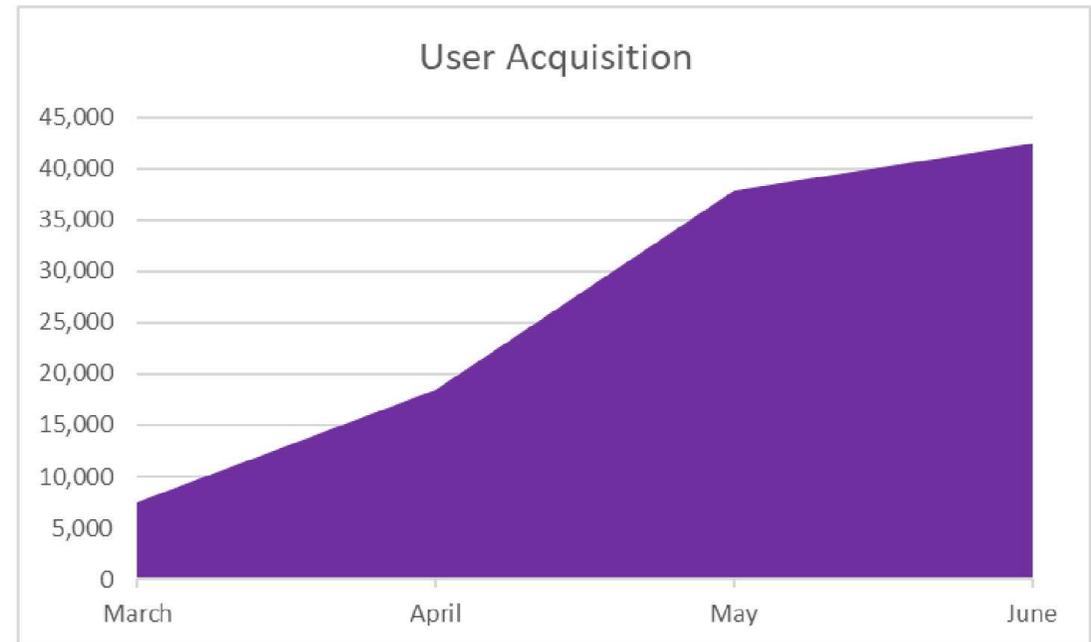
**Coda Music**

People Powered Music

# Overview

*Coda is creating a new music streaming market with a different business model, pricing strategy, and proprietary technology that is attracting a younger demographic by including a social component.*

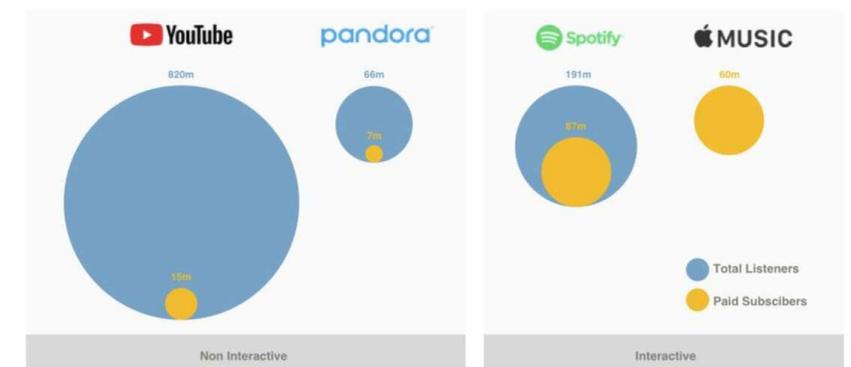
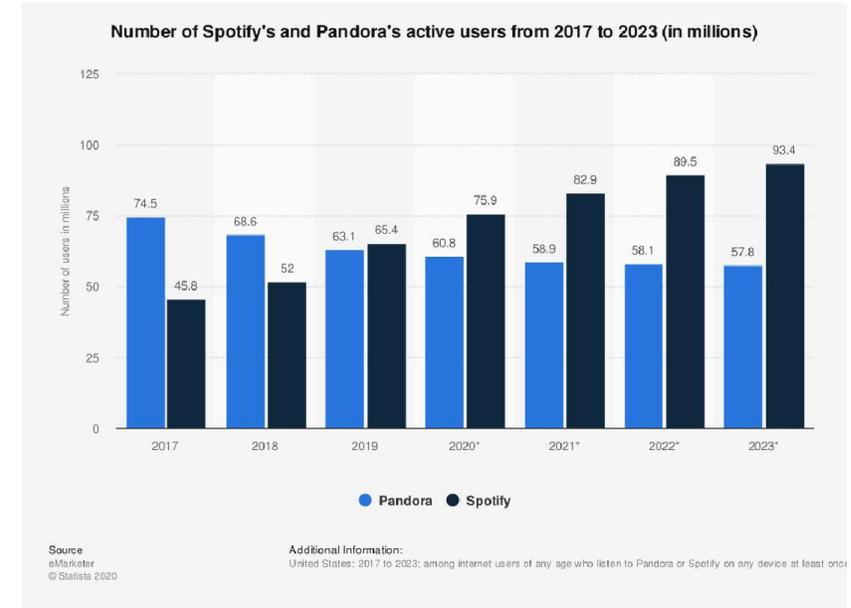
- Two current markets: Lean Back (free, non-interactive) listeners and Lean In (paid, interactive) subscribers. Coda is taking a two phased approach to these markets.
- Coda launched the Lean Back version on March 1, 2020 on iOS, Android, and Web. Phase II will launch late 2020 or early 2021 and will include Lean In subscription plans.
- Over 42,000 users have streamed over 1.3M songs in the first 3 months since launch.



# Music Streaming Market

*There are two distinct markets within music streaming, Non-Interactive (free + ad supported) and Interactive (paid and ability to choose songs). There are few companies competing fiercely for users with the same pricing and consumer experience.*

- Revenues are consistently high, but so are COGS, CAC, and operating costs. No one is making money.
- Spotify has the most paid subscribers and uses a free tier as a loss leader/conversion tool.
- Pandora is the leading free non-interactive app and is in steep decline.
- Google, Apple and Amazon just want users / data and don't care about profit/loss.
- Tidal and Deezer are making niche plays

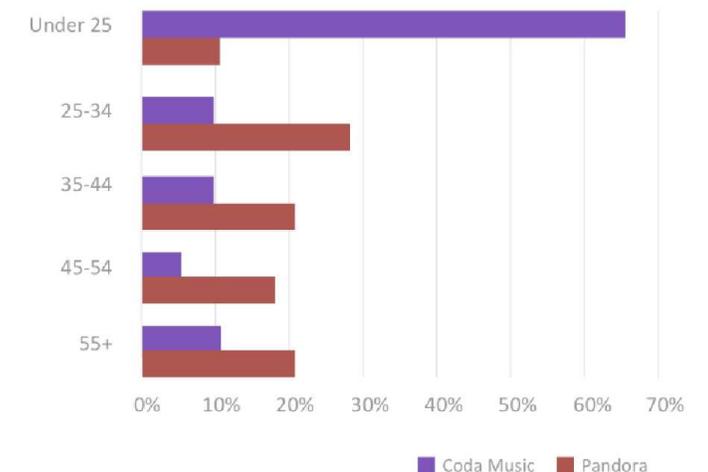
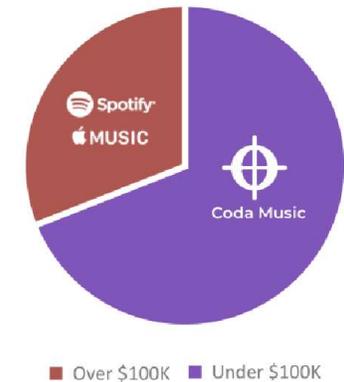


# Opportunity

*The music industry, even through recent medium transformations, has always been controlled by a few music labels (aided by the 1998 DMCA act) that fix prices and control competition, thereby limiting consumer options and stifling innovation.*

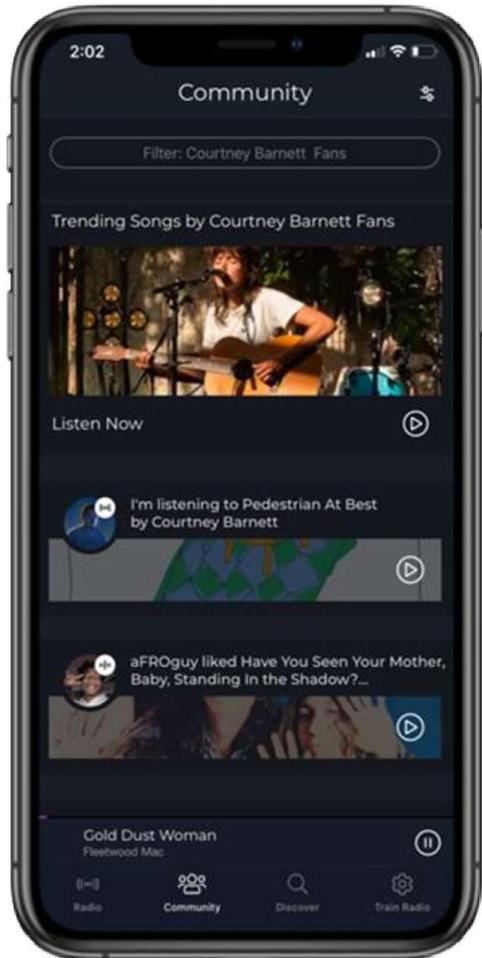
- There are two price tiers available in the market, free and \$9.99+/mo. Younger and less affluent consumers are looking for more flexible pricing terms and free services; many have been priced out of interactive plans. There is need for a new price tier in this market.
- Coda will win new users at the subscription tier by offering a 'pay as you go' subscription model similar to prepaid cellular plans.
- Coda will profit at the free service tier where users are easily acquired, while creating a steady stream of conversions for the subscription tier.

Target Demographic by Income



# Coda Music – Lean Back

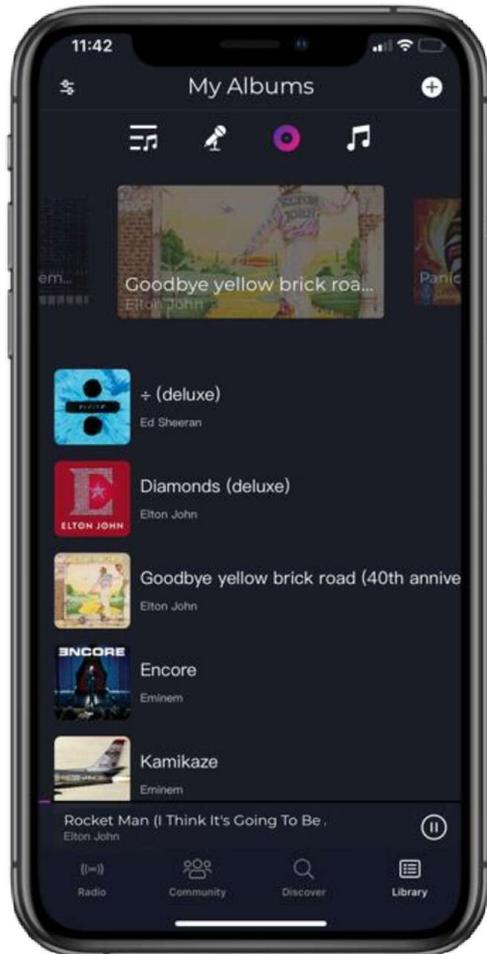
*Coda is the first music streaming service built on a social network, utilizing a proprietary crowd sourcing algorithm to solve the problems of new music discovery and song repetition by connecting listeners with similar characteristics.*



- Free / Ad-supported with Premium Option to remove ads for \$2.99 (Pandora is \$5 for their ad free option).
- The social aspect of the solution is attractive to younger listeners, keeping them constantly engaged and creating new ways to connect users with artists and their community.
- Benefits of social + crowdsourcing technology include:
  - Social network revenue opportunities (display ads) are additive to typical music revenue streams (audio ads).
  - Crowd sourcing technology delivers the song curation for each user, allowing for significantly reduced labor cost to the business.
  - Social network virality will add organic growth at \$0 CAC.
  - Improved music discovery and reduced song repetition.

# Coda Music – Lean In

*Coda attracts consumers with a better free music streaming option, building a following for entry into the interactive market with a pay as you go model to capitalize on the price elasticity of music streaming.*



- Pay as you go pricing will be attractive to ~252 million US consumers who are currently priced out of lean in plans.
- UMG sees an opportunity to better monetize their content in a new demographic. UMG has set KPI's for Coda to achieve in order to obtain a pay as you go interactive license.
- Benefits of pay as you go pricing include:
  - Setting a floor of \$2.99/mo allows users to subscribe to an interactive service for a fraction of current pricing, opening up an entirely new market.
  - The younger and less affluent users we are targeting for the free service are the same demographic attracted to pay as you go plans.
  - Social activity at the free service tier generate in app purchase/upgrade triggers.

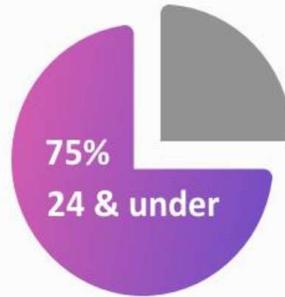
# Traction

*Coda's entry into the market has been validated by surge in new users, high ratings, conversion to paid, and early signs of increased engagement.*

Over 42,000 MAU



Winning target demographic



Trending with high rating



**Coda Music**

People Powered Music

OPEN



4.5 ★★★★★  
99 Ratings

#23  
Music

12+  
Age

640K seed round from friends & family. Product development begins.  
**Q2 2019**

DMCA licensing approval for all major and indie labels & PROS.  
**Q1 2020**

10,000 User Milestone  
**April 5, 2020**

100,000 User Milestone.  
**March 1, 2021**

**Q1 2019**

Coda Music, Inc. formed by Randy Fusee and Jeff Teles. Proof of concept developed. Provisional patent filed.

**Q4 2019**

MVP product enters beta testing.

**March 1, 2020**

Coda Music launches for iOS, Android & Web.

**April 23, 2020**

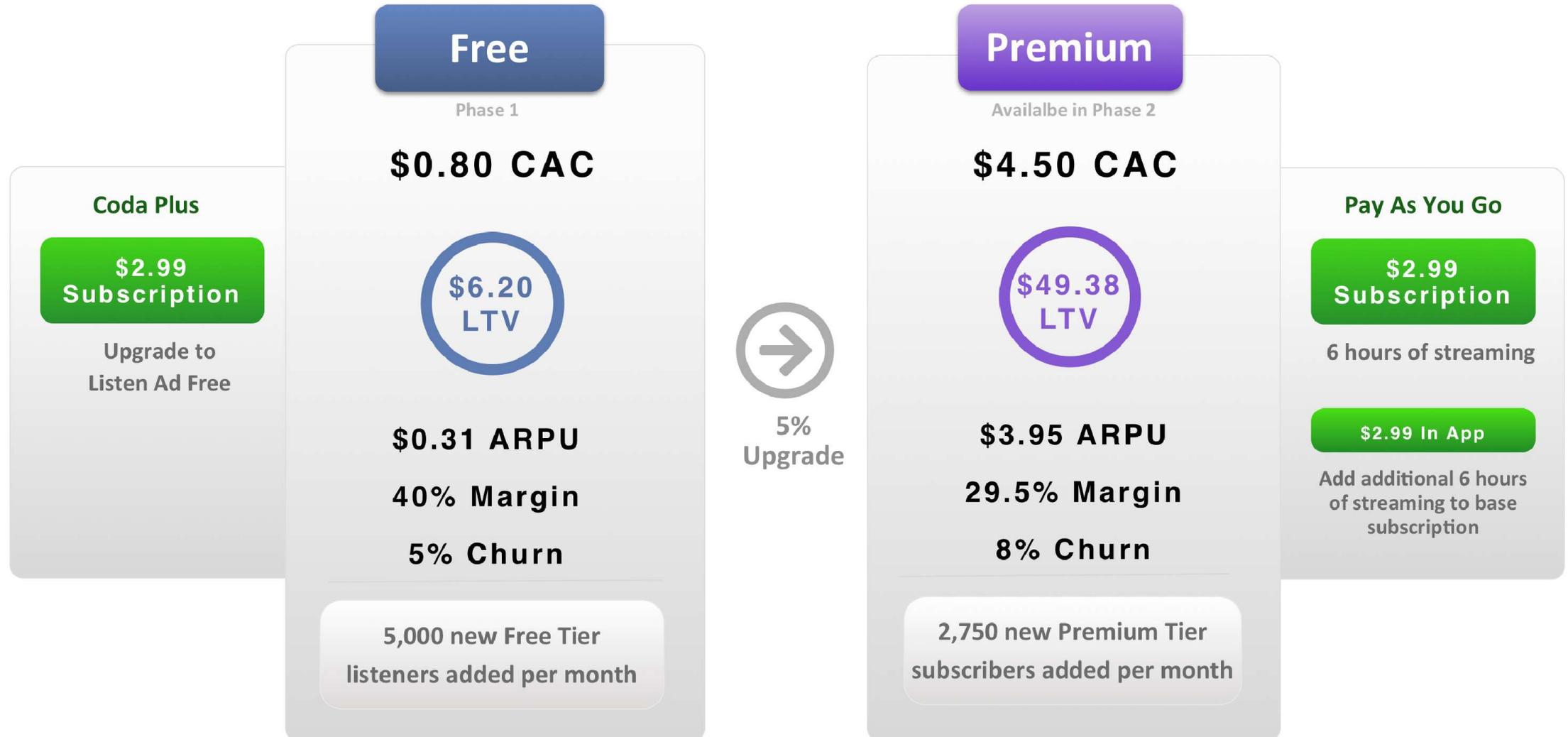
20,000 User Milestone

**May 1, 2021**

Series A

# Business Model

*Coda's innovative pricing strategy and business model not only resonates with consumers, but also generates higher profits on less capital.*



# Team

*Experienced co-founders with a recent exit immediately prior, and personally invested in Coda.*



Randy Fusee is a University of Maryland graduate with over 20 years of executive leadership experience in sales, product management, and technology. He has a successful entrepreneurial history, founding Global Apptitude which he bootstrapped through to acquisition in 2017.



Jeff Teles is a University of Maryland alumnus with extensive technical expertise and over 20 years of executive experience at multiple venture-backed tech companies. He is responsible for all aspects of Coda Music's technical vision and execution. Jeff co-founded Global Apptitude with Randy in 2012.

*Notable Friends, Advisors, and Investors on the cap table include:*



Gregg Alexander has previously worked at Sony Music, Interscope Records, Rdio, and Revyrie and is a well connected insider within the music industry.



David Ring previously served as Executive Vice President, Business & Legal Affairs and Business Development, with Universal Music Group and now serves as Chief Music Licensing counsel for Pandora / SiriusXM.



Ken Fuchs previously served as President of Yahoo! Entertainment and Sports and as CEO of STATS, and currently serves as President of Mobile for William Hill.

# Seeking

*Raising \$100-250K Seed to continue marketing strategy and reach 100K MAU to enter interactive market with Universal Media Group*

- \$700K invested, \$200K from Founders
- Terms: SAFE, \$8MM CAP
- Increase marketing spend to \$50K / month
- Continued development on social features, data collection, etc.
- Upon reaching critical mass, prepare for pay as you go model with Universal Music Group and raise Series A