

AI-powered Music Royalty Exchange



WAVEXTM



discovery ➔ promotion ➔ moneymaking



music market challenges:

- Presently, it's nearly impossible for new, unsigned talent to create buzz without a significant promo budget to go viral.
- Music streamers face difficulties accurately matching music to their listeners' taste due to un-holistic music recommendation algorithms relying on a very limited data set.
- There is no efficient marketplace allowing music consumers to capitalize on their favorite music artists and songs.



WAVEX solution:

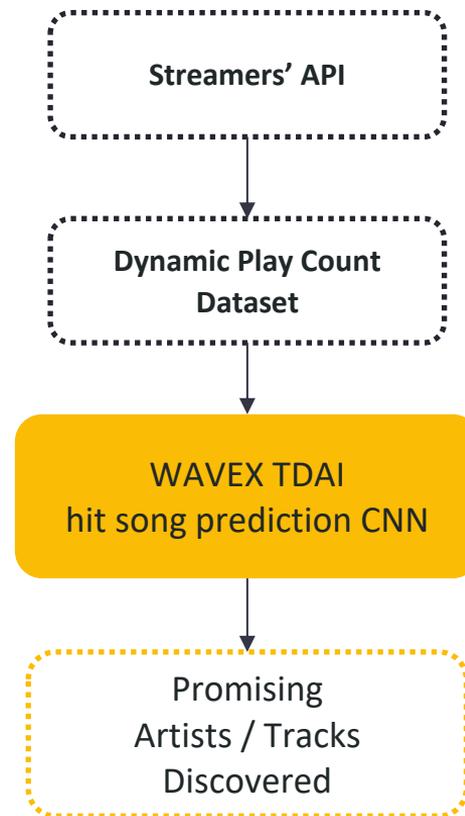
- ➔ WAVEX **Talent Discovery AI** (TDAI) employs machine learning to **identify** emerging **talent**.
- ➔ WAVEX **Music Promotion AI** (MPAI) uses machine learning to define the most **taste-matching audience** for the discovered artists; then, it **promotes** the emerging ones to fans through streaming services and social media.
- ➔ WAVEX Music Royalty Exchange provides an ultimate **AI-powered Marketplace** for general public and emerging artists to buy and sell music IP rights.

how does WAVEX do it: **discovery**

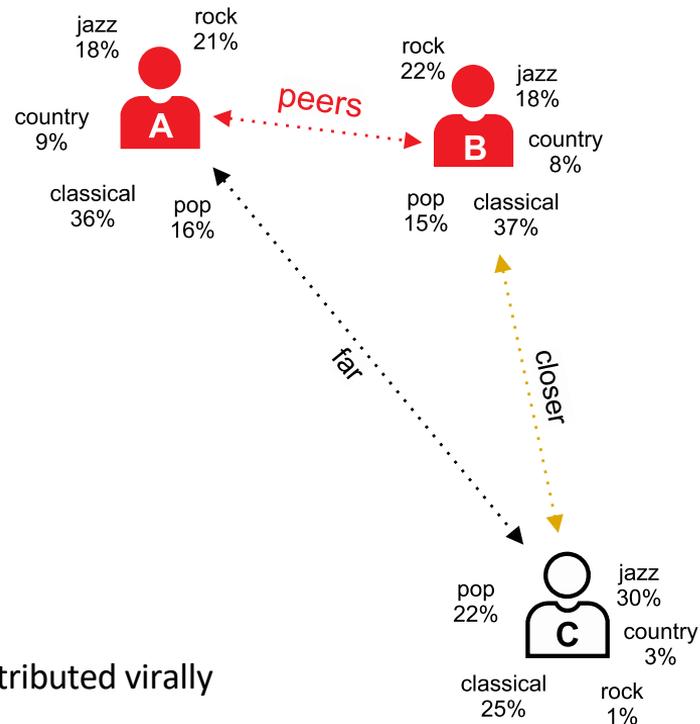
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WAVEX TDAI provides proven hit song prediction to identify emerging artist trends and discover **promising artists** and songs.

While most previous models formulate hit song prediction as a regression or classification challenge, WAVEX TDAI is a Convolutional Neural Network (CNN) that treats it as a **ranking challenge**.

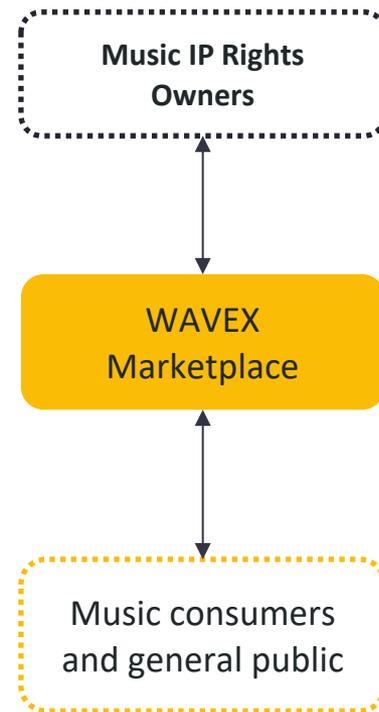


- **WAVEX MPAI** considers each person as a point in a multidimensional music space. The person's "**position**" in this space is precisely defined by a computed set of coordinates derived from the music choices made by the person within **streaming services** and **social media**.
- MPAI registers individual music choices such as Likes, Shares and Downloads, analyzes **music tags** and computes unique positions for all persons in the space.
- MPAI computes **distances** between individual persons' positions and defines the **peer group** made of the like-minded people.
- As a result, the most suitable music **recommendations** are being distributed virally through the streaming communities and social media.



how does WAVEX do it: **moneymaking**

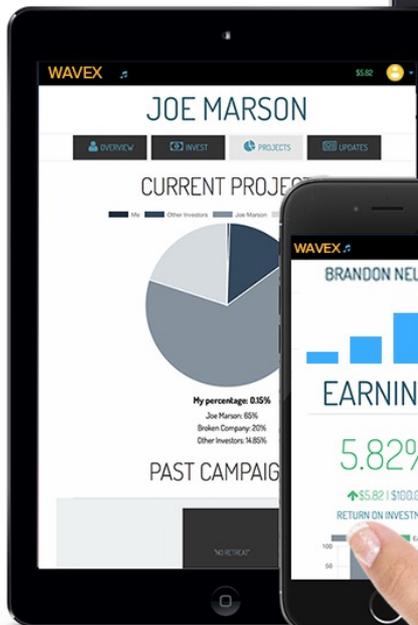
- **WAVEX Marketplace** is open for a broad range of independent and corporate **music IP rights owners**: artists and record labels; big players such as TuneCore or Warner Music Group; as well as for fans and general public of all ages*.
- WAVEX Marketplace makes it possible for **music consumers** to support their favorite artists by buying equity in their IP rights portfolio as a **commodity** and receive **revenue from the royalties** paid by music distributors.
- The market volatility on WAVEX Marketplace is derived from the fact that the music streaming/listening time is a **finite value**, so the new hits are displacing the older ones while any older one can come back in popularity at any time, thus making it attractive to **speculatory investors** and **day traders** to buy and sell shares in music IP rights.
- Empowered by unprecedented talent discovery and music promotion mechanisms (TDAI & MPAI), WAVEX Marketplace provides IP rights owners, music consumers and speculative investors with the turn-key **solution to capitalize** on the music market.



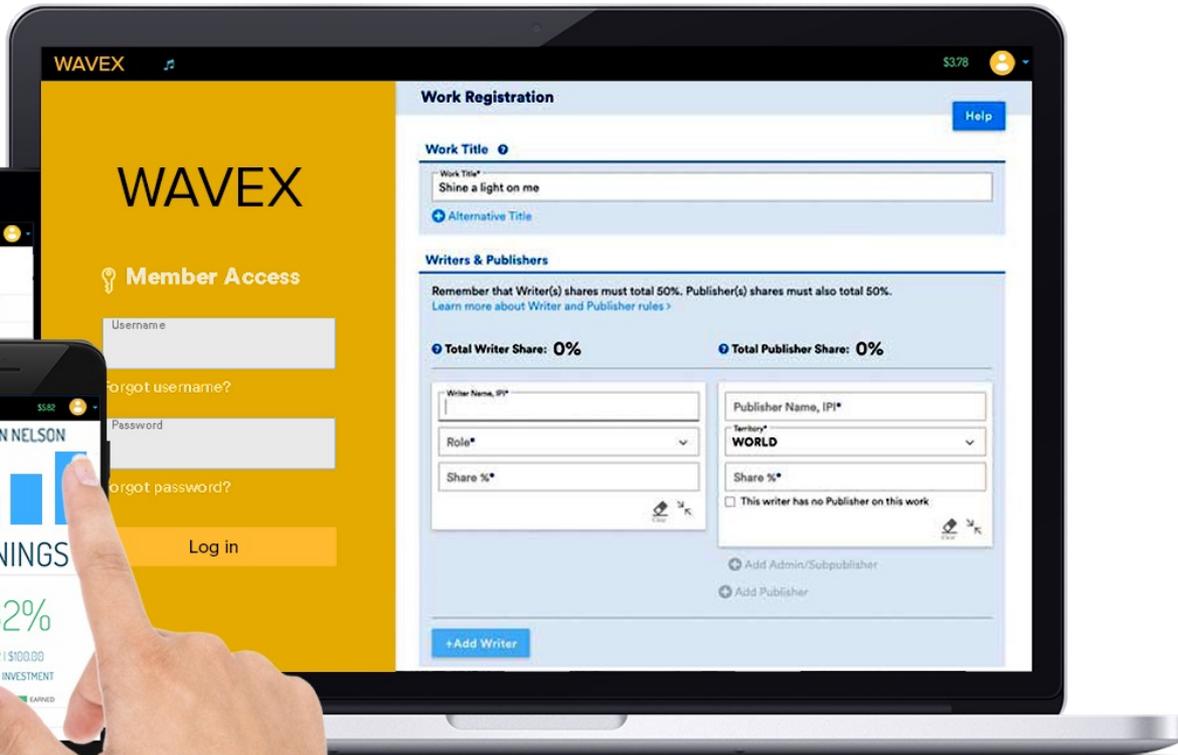
***Note:** Underage investors are allowed by law to conduct financial transactions through their respective Custodial Accounts.

how does it look like for the user

investor



creator





Creators / Performers / Record Labels

Emerging artists virally promoted through the streaming services and social media; gaining vast popularity fast and raising funds from their fans on the WAVEX Marketplace.



Music Lovers / Royalty Investors

Listeners get perfectly matching music recommendations from their respective streaming providers, while investors receive a share of royalties from their favorite artists through the WAVEX Marketplace.



Speculatory Investors / Day Traders

For stock, commodities, and all other financial markets community, WAVEX reveals fresh, AI-powered and high volatility trading instruments to buy and sell, thus providing for additional diversification of their trading portfolios.



Music Streamers / Distributors

By subscribing to WAVEX Music Recommendation API, music streamers such as Spotify, Amazon, or Apple Music provide their listeners with the perfectly matching music suggestions, thus increasing the level of client engagement and appreciation to stay ahead of the competition.

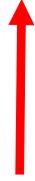


Social Media / Dating Apps

Through the WAVEX Music Recommendation API, social media such as Facebook and Instagram, as well as dating services such as Bumble, Hinge, or Tinder provide instant rapport and common ground for vis-à-vis due to guaranteed shared interests and cultural tastes, thus highly increasing the user-to-user traffic, improving the user engagement leading to efficiency and profitability of advertising.



AI-powered volatility



WAVEX

no talent discovery



automated talent discovery AI



low volatility





competitive advantage

There are digital marketplaces on the music market such as [Royalty Exchange](#), or [GlobalRockStar](#), allowing a creator to sell, and an investor to buy music IP rights. Period — none of them do anything else but providing buy and sell capabilities.

At that, investors won't get any prompt on what to buy, while the emerging artists — the potential IP sellers — are not able to reach buyers. As a result, neither creators, nor their fans / investors get what they deserve.

WAVEX is aimed to change the game:



AI-powered marketplace

WAVEX patent pending **Talent Discovery AI** identifies the new emerging artists early, thus ensuring their recognition by the fans.



WAVEX patent pending **Music Promotion AI** promotes new music to its consumers through streaming and social media.



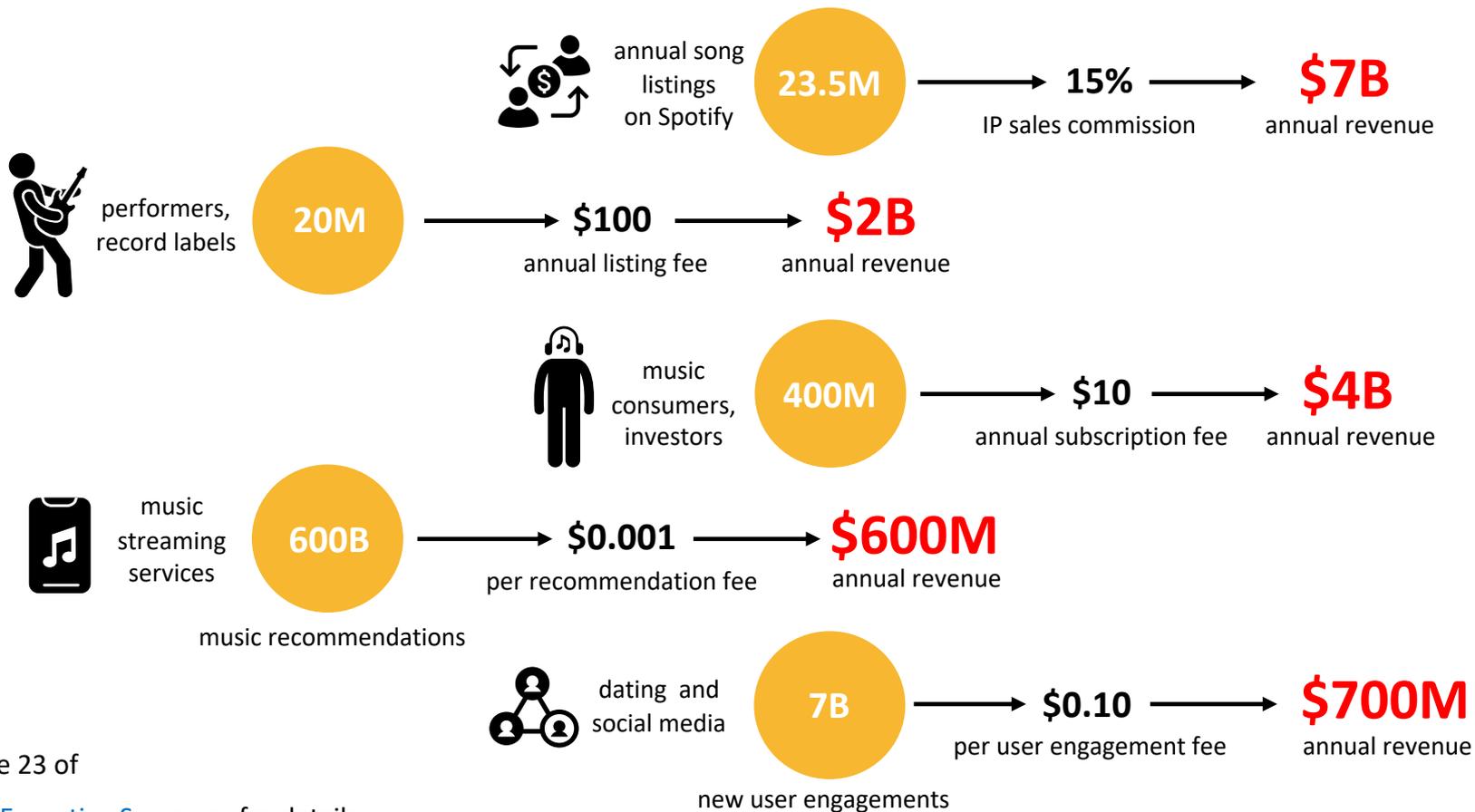
WAVEX Music Royalty Exchange provides an ultimate **AI-powered marketplace** for general public and emerging artists to buy and sell music IP rights.

200 million

music tracks
uploaded
to the cloud

400 million

music streaming
subscribers
worldwide



See page 23 of

[WAVEX Executive Summary](#) for details.



Exchange Transaction Fee

An estimated **23.5 million** songs are uploaded annually to Spotify. An average raise of **\$2K** for a Pink Sheet listing provides for about **\$47B** annual raise through the exchange. If taking 15% exchange commission, that's **\$7 billion** in a pre-tax annual net.



Annual Registration Fee for Music Consumers

According to statista.com, there are over **400 million** music streaming subscribers worldwide. WAVEX is planning to charge them as low as **\$10** annual subscription fee, which corresponds to **\$4 billion** annual market depth.



Music Recommendation Fee for Streamers

Music streamers such as Spotify or Apple Music are looking for ways to improve music recommendations for their subscribers. There are over **400 million** music streaming subscribers worldwide. WAVEX is planning to charge as low as **\$0.001** per recommendation. In average, the music consumer receives about **1,500** music recommendations a year, which corresponds to **\$600 million** annual market depth.



Listing Fee for Artists / Record Labels

20 million artists share their music on SoundCloud looking for recognition and effective promotion. WAVEX is going to charge at least **\$100** annual listing fee, which corresponds to **\$2 billion** annual market depth.



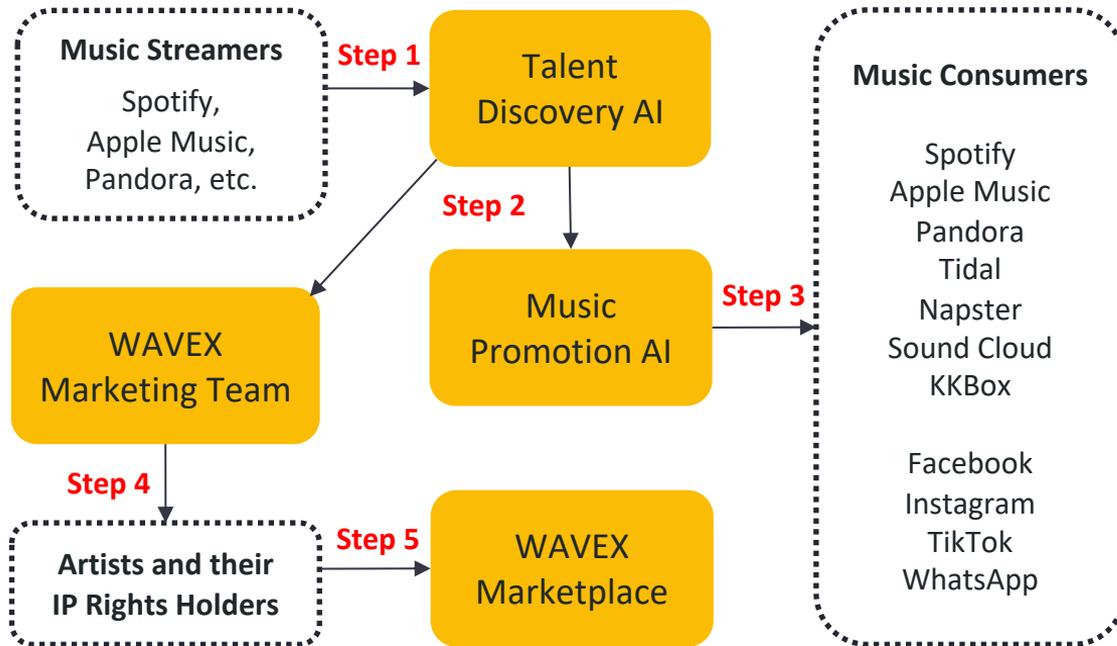
User Engagement Fee for Social Media Apps

To boost advertising exposure, social media apps should increase the in-network timespan by their subscribers. By exchanging fresh music recommendations between unfamiliar people, WAVEX would generate at least **7 billion** new engagements a year for **400 million** socializing music consumers.

\$0.10 per each new engagement yields additional annual **\$80 CPM** revenue for social media apps while producing over **\$700 million** annual market depth for WAVEX.

market penetration approach

Challenge: Promising artists miss the opportunity to promote their music to wider audience as well as to monetize on selling their IP rights.



WAVEX Solution:

Step 1: Talent Discovery AI Engine (TDAI) discovers promising tracks and artists over the streamers' APIs

Step 2: TDAI Engine submits the discovered songs to Music Promotion AI Engine (MPAI) for promotion, as well the artists' contacts to the WAVEX marketing team.

Step 3: MPAI Engine promotes discovered songs to the growing number of music consumers over the streamers and social media APIs and displays the raising play count.

Step 4: WAVEX marketing team approaches the promising artists attracting them with the growing play count and encouraging them to sign with WAVEX to monetize on selling their IP rights.

Step 5: Artists and their IP rights holders sign with WAVEX Marketplace to monetize on their IP rights and to further promote their content to the wider audience.

Minimal Viable Product (MVP) tasks: \$450K*:

- 1. Create the Talent Discovery AI (TDAI) server-side application.**
- 2. Connect TDAI Engine to streaming and social media APIs.**
Upon completion of this task, the TDAI Engine will receive and process the listening data from major music streamers and social media to discover emerging performers/tracks.
- 3. Create the MPAI Music Recommendation API.**
Upon completion of this task, the Music Promotion AI Engine (MPAI) will be able to promote emerging music by providing perfectly matching music suggestions for music streaming, social media and dating apps.
- 4. Create WAVEX Marketplace server-side environment, as well as all required mobile and desktop/web GUI.**

***Note:** \$200K for MVP development has been contributed by WAVEX founders.

WORK IN



PROGRESS

WAVEX is seeking
immediate financial
collaborators to
complete a marketable
product development.

Pre-seed — \$200K:

Initial market research, core product architecture design, as well as licensing of required AI frameworks have been funded by the founders out-of-pocket.

Seed — \$250K* *in exchange for 10% OF EQUITY, currently seeking:*

Funding is required for completion of the planned MVP development tasks; engaging key market players; securing production environment and hiring instrumental team members.

Round “A” — \$1M:

Funds will be used to launch service, permitting the company to scale up, face competitors, and secure a market share. The capital is used for business development efforts, talent acquisition, and developing new technologies.

Round B → Exit — \$5MM:

Funds utilized for further expansion, to secure greater market share, and to develop more products and services. The company will secure the commitment of an underwriter for an IPO; or will arrange for a high-value M&A exit.

WORK IN



PROGRESS

WAVEX is seeking
immediate financial
collaborators for the **Seed**
round to complete a
marketable product
development.



Yury Arane
Founder, R & D
[LinkedIn](#)



Anatoly Tkach
Founder, Product
[LinkedIn](#)



Edward Yusupov
Founder, BD, Finance
[LinkedIn](#)



WAVEX is brought to you by a team of top software engineers and business development professionals from New York with 20+ years experience in innovative business solutions.

summary:



connect with us:

WAVEX offers **innovative turn-key solutions** to the music industry players. By Integrating unique and patent pending **Artificial Intelligence** algorithms into traditional exchange / auction-based marketplace, it allows emerging artists to **gain popularity fast**, while letting fans to **capitalize** on the artists' success.

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WAVEX team is looking for financial collaborators to complete a marketable product deployment.

We also welcome a music streaming partner to collaborate in delivering the proof of demand on the volumetric focus group.