

# LARGO.AI CONTRACT

Date:

This short form contract contains the agreement of the parties as follows:

COMPANY	CUSTOMER
<b>Name:</b> Largo Films SA <b>VAT number:</b> CHE-173.625.722	<b>Name:</b> <b>VAT number:</b>
<b>Address:</b> EPFL Innovation Park, Building I, 1015 Lausanne, SWITZERLAND	<b>Address:</b>
<b>Authorized Rep:</b> Sami Arpa / CEO	<b>Authorized Rep:</b>
<b>Phone:</b> +41 78 908 7502 <b>e-mail:</b> info@largo.ai	<b>Phone:</b> <b>e-mail:</b>

This Subscription Agreement (the "Agreement") is entered into by and between the Company and the Customer.

## 1. Subscription:

Subject to the terms and conditions of this Agreement, the Company agrees to provide the Customer with access to the Company's proprietary SaaS Platform (the "Platform") during the subscription term (the "Term"), according to the selected subscription package (the "Subscription Package") specified in the Annex 1 attached to this Agreement (the "Annex 1"). The terms, pricing, and subscription details of the Subscription Package shall be set forth in the Annex 1.

## 2. Term:

- a) The Term of this Agreement shall commence on the date of signature of the contract by the Customer and shall continue for a period of 1-Year (the "Initial Term"), as specified in the Annex 1. This Agreement shall automatically renew for successive 1-Year periods (each a "Renewal Term"), unless either party gives the other party written notice of non-renewal at least 30 Days prior to the end of the then-current term.
- b) Either party may terminate this Agreement with immediate effect upon written notice to the other party in the event that the other party becomes insolvent, is the subject of a petition

in bankruptcy or of any other proceedings under bankruptcy, insolvency or similar laws or makes an assignment for the benefit of its creditors.

- c) Upon termination or expiration of this Agreement for any reason, neither party nor any other person, shall be entitled to any compensation, damages, indemnity, commissions, goodwill payment or any other amount for any cause arising directly or indirectly from such termination or expiration, provided that nothing in this Section shall prevent a party from seeking damages and/or other available remedies in the case of a breach of this Agreement by the other party.
- d) The company may include the Customer's title in its public portfolio, but it may not disclose any details about the customer's projects to third parties without the customer's written permission. If the Customer is the producer of a movie that is analyzed on the Platform, the Customer must include the company in the "end credits roll" of the movie with the title and services provided.

### 3. Fees:

In consideration for the subscription to the Platform, the Customer shall pay the Company the following fees set forth in the Annex 1.

- a) **Down-payment:** The Customer shall pay a one-time down payment of at the start of each subscription year, as set forth in the Annex 1.
- b) **Conditional Fee:** In addition to the down-payment, the Customer shall pay a conditional fee for each subscription year to the Company in the event that one or more films analyzed on the Platform are successful, as set forth in the Annex 1.
  - i. **Conditional Fee Criteria:** The success of a film shall be determined based on the type of Customer as the following:
    - o **Conditional Fee for Producer:** A Conditional Fee is payable if one or more film(s), being at the development or pre-production stage at the time of the analysis during a subscription year, enters into production within 2 years from the start date of the subscription year (the "Production Success") or if one or more film(s), being at the production or post-production stage at the time of the analysis during a subscription year, enters into distribution within 2 years from the start date of the subscription year (the "Distribution Success").
    - o **Conditional Fee for Distributors, Sales Agents, and Others:** A Conditional Fee is payable if one or more film(s) analyzed on the Platform during a subscription year is released within 2 years from the start date of the subscription year and the producer achieves a positive gross profit from the corresponding film(s).
  - ii. **Reporting and Payment Schedule:** The Customer must report the status of films 30 days prior to the end of each subscription year, including the Initial Term and any Renewal Terms, and pay any applicable Conditional Fees if the success criteria are met. The Company reserves the right to request audited financial accounts from the Customer in connection with the Conditional Fees. The

Company retains the authority to issue an invoice for the Conditional Fee when other resources confirm that the films have met the specified success criteria without waiting for the report of the Customer.

- iii. **Cap on Conditional Fees:** The maximum Conditional Fee chargeable for a subscription year shall not exceed the yearly conditional fee amount indicated in Annex 1. As a protection for micro-budget films, if 1% of either the total production budgets of films entering to the Production Success or the films' gross profit entering to the Distribution Success is lower than the yearly conditional fee, the applicable Conditional Fee instead will be 1% of production budget or 1% of the gross profit, whichever is applicable.
  - iv. **Cancellation of Conditional Fees:** For any subscription year, if none of the Production Success or Distribution Success criteria are met within 2 years from the start date of a subscription year, the Conditional Fee for the corresponding subscription year will be canceled.
  - v. **Restrictions During Renewal Terms:** During any subscription year, a film can only qualify for one type of success criterion once. The same success criterion cannot be applied to the same film across different subscription years. In Annex 2, example scenarios are indicated for the trigger, cancellation and lifetime of the Conditional Fee.
- c) The Fee specified in Annex 1 is excluding VAT but payment of all income tax and other taxes which may be due in connection with the payments hereunder shall be the sole responsibility of the Company. The Customer shall pay all invoices within 30 days from the date of invoice receipt.

#### 4. Intellectual Property:

- a) The Platform and all intellectual property rights related to the Platform, including but not limited to patents, trademarks, and copyrights, are the sole and exclusive property of the Company.
- b) The Customer shall not use the Platform or any related intellectual property for any purpose other than as expressly permitted by this Agreement. The Customer is granted a limited, non-exclusive, non-transferable license to use the results obtained from the Platform for the purpose of presenting the Customer's projects to external parties.
- c) The Customer shall retain all intellectual property rights or permissions in any content uploaded to the Platform, including but not limited to movie scripts and video footage. The Customer is solely responsible for ensuring that it has the right to use such content for the purpose of making analysis on the Platform.
- d) The Company shall have no liability for any infringement of intellectual property rights arising from the Customer's use of the Platform. The Customer shall not use the results obtained from the Platform for any purpose other than as expressly permitted by this Agreement.

#### 5. Confidentiality:

Each party shall:

- a) treat all content shared within the scope of this agreement as confidential;
- b) maintain tangible Confidential Information in a secure location;

- c) not use any Confidential Information for any purpose other than in accordance with this Agreement;
- d) not disclose Confidential Information to any person other than its and its Affiliates' employees and contractors, who have a strict need to know such Confidential Information; including but not limited to data science and analytics team and
- e) notify the other party immediately if it is requested or required to disclose any Confidential Information to a third party in connection with any civil or criminal investigation or any judicial or administrative proceeding so that the other party may if it so chooses to seek an appropriate protective order.
- f) The Company will accept the Rough Cut and Fine Cut of the films data if they are in low resolution (SD) and have a distribution watermark on the video content.

## **6. Warranty Disclaimer:**

The Platform is provided "as is" and the Company makes no representations or warranties, express or implied, regarding the Platform or its use or performance. The Company specifically disclaims any and all warranties, including but not limited to any implied warranties of merchantability, fitness for a particular purpose, and non-infringement.

The predictions made by the Platform are based on the parameters selected by the Customer. The Company shall have no liability for any financial loss or damages arising from decisions made by the Customer or any third party based on such predictions. The Company makes no representations or warranties, express or implied, regarding the accuracy of the predictions made by the Platform. The Customer acknowledges and agrees that the Platform is provided "as is" and that the Company specifically disclaims any and all warranties, including but not limited to any implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The Customer shall indemnify and hold the Company and its affiliates, officers, agents, and employees harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of the Customer's use of the Platform or reliance on the predictions made by the Platform.

## **7. Indemnification:**

The Customer shall indemnify and hold the Company and its affiliates, officers, agents, and employees harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of the Customer's use of the Platform, the violation of this Agreement by the Customer, or the infringement by the Customer of any intellectual property or other right of any person or entity.

## **8. Termination:**

Upon termination or expiration of this Agreement for any reason, neither party nor any other person, shall be entitled to any compensation, damages, indemnity, commissions, goodwill payment or any other amount for any cause arising directly or indirectly from such termination or expiration, provided that nothing in this Section shall prevent a party from seeking damages and/or other available remedies in the case of a breach of this Agreement by the other party.

**9. Governing Law:**

This Agreement shall be governed by the laws of Switzerland without regard to its conflicts of laws provisions. The parties consent to the jurisdiction of the competent court of Lausanne, Canton of Vaud, Switzerland for the adjudication of any disputes arising under this Agreement.

**Additional Remarks:**

**Company:**

Date:

Signature:

**Customer:**

Date:

Signature:

# ANNEX 1

The fees and services in this contract will be only applicable for the selected subscription package. The selected package is indicated with the checked column from the first row of the following table:

SELECTED SUBSCRIPTION PACKAGE	STANDARD- 1	STANDARD- 2	STANDARD- 3	STANDARD- 4	PREMIUM
YEARLY LICENSE FEE	<b>\$12'000</b>				<b>\$12'000</b>
<b>Down-payment / Year</b>	\$ 1'188	\$ 2'388	\$ 3'588	\$ 5'988	\$ 12'000
<b>Conditional Fee / Year</b>	\$ 10'812	\$ 9'612	\$ 8'412	\$ 6'012	\$ 0

AI Analysis (included in 1 analysis)	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	PREMIUM
Genre Recipe	✓	✓	✓	✓	✓
Emotional Response	✓	✓	✓	✓	✓
Age Suitability	✓	✓	✓	✓	✓
Demographics Prediction	✓	✓	✓	✓	✓
Characters & Casting	✓	✓	✓	✓	✓
Similar Films Prediction	✓	✓	✓	✓	✓
Custom Comparables	5	10	15	15	20
Streaming Pred. / #Countries	1	5	10	10	20
Box Office Pred. / #Countries	20	40	40	40	60
Genre Analysis Comps	x	✓	✓	✓	✓
Emotion Analysis Comps	x	✓	✓	✓	✓
Demographics Comps	x	✓	✓	✓	✓

USAGE QUOTAS					
# Projects / <b>Yearly</b> Limit	1	3	6	10	25
# Analysis / <b>Monthly</b> Limit	2	4	8	15	20
# Users	1	1	2	2	3

<b>LARGO.AI CONNECT</b>	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	STANDARD - 5
View Projects	✓	✓	✓	✓	✓
Publish Projects	x	✓	✓	✓	✓
Pitching at Markets / Year	x	1 Project	2 Projects	2 Projects	3 Projects

<b>CREATIVE LAB</b>	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	STANDARD - 5
Search and Com. Films & Series	✓	✓	✓	✓	✓
Search and Compare Actors	✓	✓	✓	✓	✓
Search Distributors	✓	✓	✓	✓	✓
AI Match: Actors, Films & Distributors	✓	✓	✓	✓	✓

<b>PACKAGING TOOLS</b>	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	STANDARD - 5
Comparables Management	✓	✓	✓	✓	✓
Casting Management	✓	✓	✓	✓	✓
Financials Management	✓	✓	✓	✓	✓
AI Based Comps, Casting, and Financials	✓	✓	✓	✓	✓

<b>NEW FEATURES</b>	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	STANDARD - 5
Storyboard from Screenplay (Available from March 2024)	x	x	✓	✓	✓
Simulated Focus Groups (Available from May 2024)	x	x	✓	✓	✓

<b>ACCOUNT MANAGEMENT</b>	STANDARD - 1	STANDARD - 2	STANDARD - 3	STANDARD - 4	STANDARD - 5
Private Account Manager	✓	✓	✓	✓	✓

# ANNEX 2

## CONDITIONAL FEE EXAMPLE SCENARIOS

EXAMPLE 1: The Customer signs the contract with the Standard 2 package in March 2020 and has an active term for 5 years.

Year	Downpayment	Applied Conditional Fee	Scenario
1 (2020)	\$2'388	\$0	No film analyzed in Year 1 had the Production Success or Distribution success in Year 1 or Year 2, until March 2022.  <b>Conditional fee for the Year 1 is canceled in March 2022.</b>
2 (2021)	\$2'388	\$9'612	One film in the pre-production stage analyzed in Year 2 proceeded to the production in Year 3.  <b>Conditional fee for the Year 2 is invoiced in Year 3.</b>
3 (2022)	\$2'388	\$0	No film analyzed in Year 3 had the Production Success or Distribution success in Year 3 or Year 4.  <b>Conditional fee for the Year 3 is canceled in March 2024.</b>
4 (2023)	\$2'388	\$9'612	Two films in the pre-production stage analyzed in Year 4 proceeded to the production in Year 4.  <b>Conditional fee for the Year 4 is invoiced in Year 4.</b>
5 (2024)	\$2'388	\$0	No film analyzed in Year 5 had the Production Success or Distribution success in Year 5 or Year 6, until March 2026.  <b>Conditional fee for the Year 5 is canceled in March 2026.</b>





EXAMPLE 2: The Customer signs a contract with the Standard 3 package in April 2023 and has an active term for 1 year.

Year	Downpayment	Applied Conditional Fee	Scenario
1 (2023)	\$3'588	\$0	No film analyzed in Year 1 had the Production Success or Distribution success in Year 1 or Year 2, until April 2025.  <b>Conditional fee for the Year 1 is canceled in April 2025.</b>

EXAMPLE 3: The Customer signs a contract with the Standard 2 package in April 2022 and has an active term for 2 years.

Year	Downpayment	Applied Conditional Fee	Scenario
1 (2022)	\$2'388	\$0	No film analyzed in Year 1 had the Production Success or Distribution Success in Year 1 or Year 2, until April 2024.  <b>Conditional fee for the Year 1 is canceled in April 2024.</b>
2 (2023)	\$2'388	\$2000 <i>(Since the production budget of the film is \$200'000, the Conditional Fee was capped at the 1% of the production budget instead of being \$9'612)</i>	One film in the pre-production stage analyzed in Year 2 proceeded to the production in Year 3.  <b>Conditional fee for the Year 2 is invoiced in Year 3.</b>