



ASG ENTERTAINMENT END OF YEAR UPDATE

December 14, 2017: After terminating the acquisition agreement with Hollywall in April 2017 due to non-performance on their part, we have moved forward and made some great progress.

We finalized our movie *BorderCross*, negotiated and executed several distribution agreements for the release and sales of the film. We executed an agreement with SP Releasing for domestic sales and a separate agreement for foreign territorial sales with American Cinema International. We released the movie on December 5th, licensed the film to most major digital platforms and have finalized sales agreements for DVD's "hard goods" with Walmart, Best Buy, Barnes and Noble, Amazon, Target, Microsoft Xbox, as well as iTunes, Direct TV, VUDU, and Google Play. In a few months it will be available on Netflix and other SVOD platforms and services. We are very pleased with this very deep penetration across most of the platforms so far. We expect to be releasing with foreign territories shortly. We retained the rights to the movie soundtrack, which is already getting airplay and are facilitating sales and marketing ourselves. The soundtrack is comprised of some great and notable artists. Our music supervisor is Ronnie King is very well known throughout the world and has worked with some of the most popular artists in the last 25 years. We look forward to strong sales in 2018. We thank the artists on the soundtrack for their contribution in making the movie better with their music. Thank you!

Our television show "Eight Flags" has completed the treatment and has now progressed to the writing of the first episodes, casting, and funding. We are planning on producing the first 90-minute film/pilot in Florida by the summer of 2018. Our partners Global Genesis Group have experienced very strong interest for the show in both domestic and international markets. We are very excited with the overall strength of interest and are very enthused about the prospects for the show.

We are pleased with the progress we have effectuated with some of our colleague/partner affiliates. We have assisted with the negotiation, and execution of two corporate relationships on behalf of the Ronnie King Group. We now have a sponsorship and consulting arrangement with Keeling Technologies, which is a new wireless ear monitor product initially being created for the music industry based in Calgary, Canada. Keeling product of superior quality with endorsement by George Lucas's THX Sound Group. Ronnie King has tested this product and is assisting with the exposure and education throughout the music industry. We also will be providing other ancillary services for Keeling as they scale their operations worldwide.

In addition, we have provided services for the finalization of a "Brokerage" Agreement with the Ronnie King Group and The Go Digital Media Group. Go Digital is a multi-platform music and media acquisition, licensing and monetization company based in Los Angeles with offices worldwide. We will be selecting successful million selling artists and their catalogues to Go

Digital for consideration for acquisition and or licensing of the libraries. Go Digital also has their own record label “Cing Records”

Of particular note, we are very proud of our colleague/advisor/ producer Travis Cloyd who has just completed a stellar year producing in Virtual Reality (360) and Escape (180) four very high-profile feature films with some of the biggest stars in the movie industry; Wesley Snipes (Recall), Nicholas Cage (Humanity Bureau), John Cusack (Distortion) and John Travolta (Speed Kills), Travis is now considered the top VR producer/director in the country. With more projects on the slate for 2018 and beyond, along with his collection of “new media” companies involved with digital marketing, digital distribution, virtual reality production, corporate and investor relations, we are honored and very excited about the prospects for the growth and success of the relationship and these companies. Travis will be one of the producers for our Eight Flags television show and future media content projects in the works.

We have numerous projects on deck for launch with our analytics division and with appropriate funding will proceed with the launch of these valuable services.

As we enter the new year, we as a company are fortunate to still have the very strong and experienced management team in place. We welcome a more interactive involvement by Ronnie King for the music and Travis for his many skillsets. We have enough business on the slate to keep us busy and growing for years to come. We have projects in the stream of commerce and are generating revenues with estimates for ever strengthening top line growth. We will continue to keep our overhead at a minimum and still expect to be transacting business between Florida and Los Angeles. We envision much of our planned production to take place in Georgia with its aggressive and stable tax incentive program but will entertain other venues when it is financially and artistically attractive and makes overall sense. As previously mentioned, we are planning to apply for and facilitate a public listing of the company. This can be facilitated in many ways such as a reverse shell-merger, S-1 Filing, Reg. A+, and others. We mentioned a public company merger several weeks ago and have reserved that option for a period of time to make the appropriate decision. We are hopeful of being able to complete a listing and offering in 2018. In order for this to transpire we are in need of financing. We are presently working diligently to make this happen in the first quarter of 2018.

Respectfully,



ROBERT MAERZ
CHAIRMAN & CEO
ASG ENTERTAINMENT