

# Business Plan & Valuation Presentation

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# OUR VISION & MISSION

## Our Mission

SilverScreen aims to redefine the movie-going experience by providing an unparalleled cinematic journey in a state-of-the-art environment. We showcase a diverse selection of the latest blockbusters, independent gems, and timeless classics, all presented in high-definition with premium sound systems. By prioritizing comfort and convenience through plush seating, gourmet concessions, and exceptional customer service, SilverScreen ensures that every film outing is an enjoyable and memorable occasion for audiences of all ages. Our mission is to be a cornerstone in our community's cultural landscape by fostering a deep appreciation for the art of cinema.

## Our Vision

SilverScreen aspires to redefine the future of movie theaters by becoming the ultimate destination for cinematic experiences. In twenty years, we envision creating a network of theaters renowned globally for their innovative technology, luxurious comfort, and exceptional customer service. Our goal is to foster a community of film enthusiasts who appreciate the magic of cinema, thereby making SilverScreen synonymous with unforgettable movie experiences and lasting memories.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 527k**

Revenue

**\$ 195k**

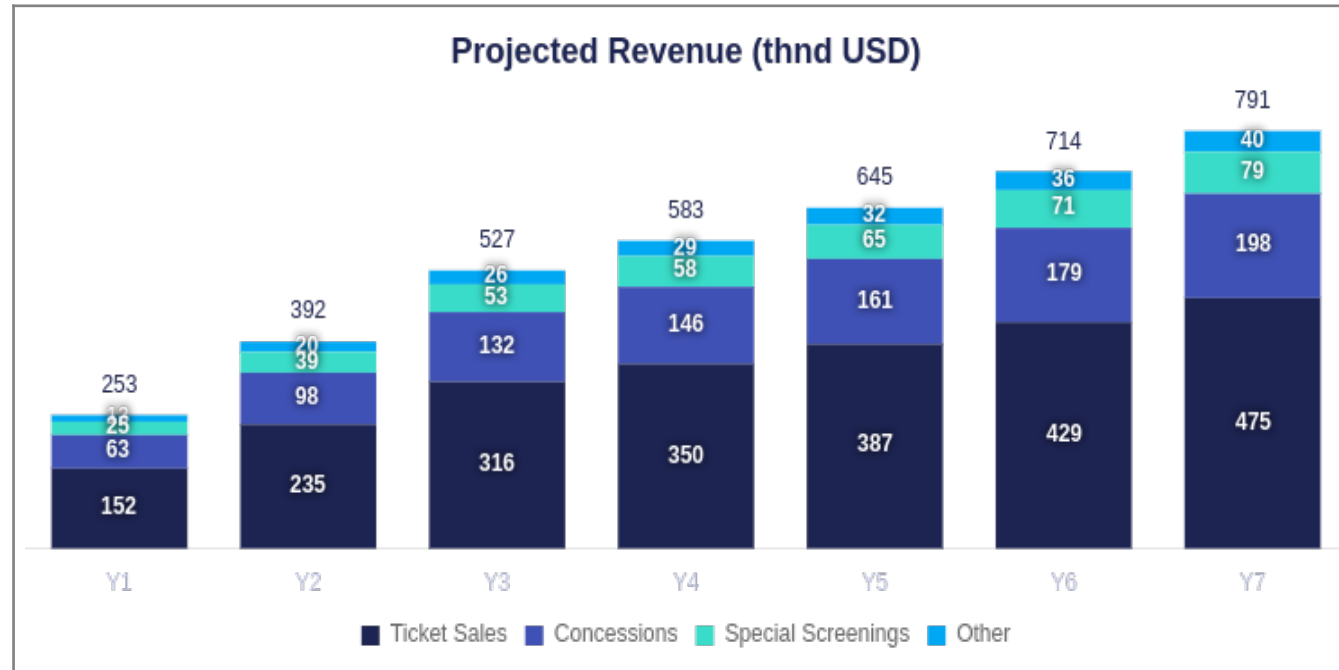
Gross Profit

**\$ 38k**

EBITDA

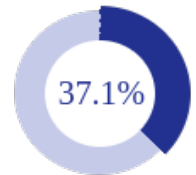
**125.00%**

Target Market Share

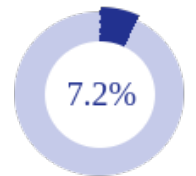


Margins  
(Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin

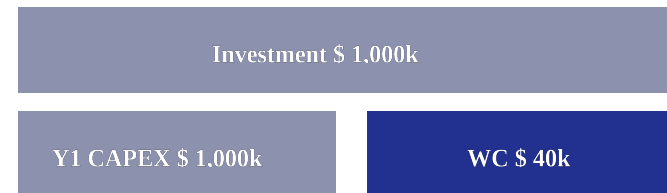


## Project Phases



Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.



# About the Company: General Overview



SilverScreen is a modern movie theater dedicated to providing an exceptional cinematic experience in a state-of-the-art environment. Specializing in motion picture, video, and television programme activities, SilverScreen operates within the information and communication sector. The theater boasts a diverse selection of the latest blockbusters, independent films, and classic favorites, all presented in high-definition with premium sound systems. SilverScreen prioritizes comfort and convenience, offering plush seating, gourmet concessions, and a welcoming atmosphere that enhances every film outing. With a commitment to exceptional customer service and a passion for the art of cinema, SilverScreen delivers a superior movie-going experience that captivates and delights audiences of all ages.



# The Main Phases: Projects & Impacts



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Enjoy a high-quality cinematic experience with state-of-the-art facilities and premium sound systems.</li> <li>2. Access to a diverse range of films including blockbusters, independent films, and classic favorites.</li> <li>3. Enhanced comfort and convenience with plush seating and gourmet concessions.</li> </ol>
<b>Local Businesses</b>	<ol style="list-style-type: none"> <li>1. Increased foot traffic and brand exposure through marketing partnerships and collaborations with SilverScreen.</li> <li>2. Opportunities for joint promotions and events, fostering community engagement.</li> <li>3. Potential for new revenue streams through co-hosted events and shared initiatives.</li> </ol>
<b>Film Distributors</b>	<ol style="list-style-type: none"> <li>1. Expanded audience reach for both blockbuster and independent films through SilverScreen’s diverse movie offerings.</li> <li>2. Increased film revenue due to enhanced viewing experiences and audience satisfaction.</li> <li>3. Opportunities for showcasing exclusive premieres and special screenings, boosting visibility.</li> </ol>
<b>Local Community</b>	<ol style="list-style-type: none"> <li>1. Access to a cultural hub that promotes the art of cinema and provides a gathering place for film enthusiasts.</li> <li>2. Educational opportunities through film festivals, workshops, and special events hosted at SilverScreen.</li> <li>3. Strengthened community ties and local pride through a shared entertainment venue.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Job opportunities in a modern and engaging work environment at SilverScreen.</li> <li>2. Training and development programs to enhance skills and career growth within the entertainment industry.</li> <li>3. Incentives and benefits that promote job satisfaction and employee well-being.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Potential for steady revenue growth through diversified profit streams such as film festivals, private screenings, and gourmet concessions.</li> <li>2. Attractive returns on investment with phased market expansion and innovation in offerings.</li> <li>3. Opportunities to invest in cutting-edge entertainment technologies and hybrid viewing experiences.</li> </ol>
<b>Independent Filmmakers</b>	<ol style="list-style-type: none"> <li>1. Platforms to showcase their work to a broader audience through SilverScreen’s diverse film selection.</li> <li>2. Opportunities for collaboration and film festival participation, increasing visibility and recognition.</li> <li>3. Engagement with an enthusiastic audience that appreciates independent and classic cinema.</li> </ol>



# Key Performance Components

## Competitive Advantage

### State-of-the-Art Environment

SilverScreen provides an exceptional cinematic experience with high-definition visuals and premium sound systems, ensuring each film is presented at the highest quality for an immersive viewing experience.

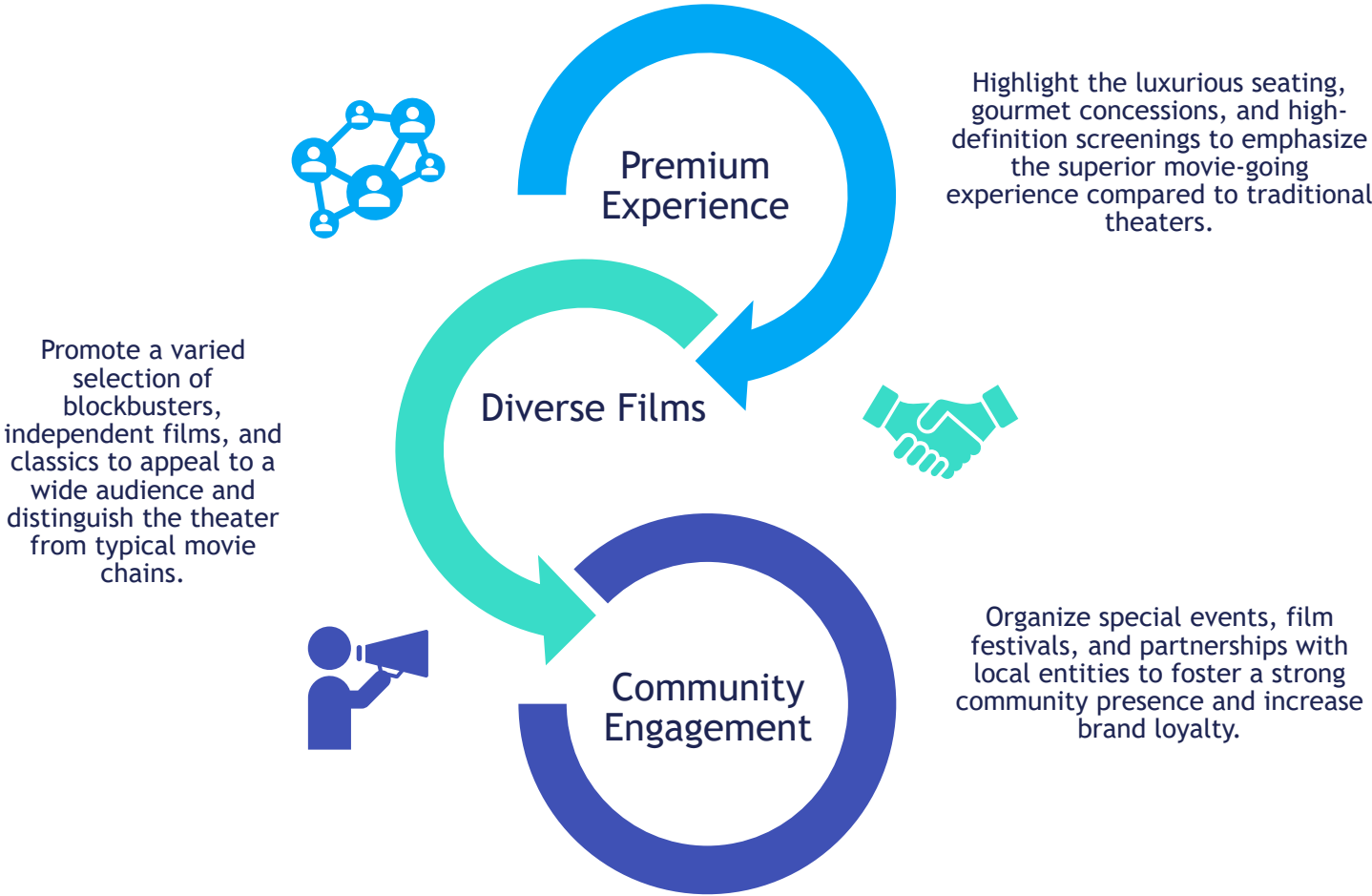
### Diverse Film Selection

SilverScreen features a wide range of films, from the latest blockbusters to independent cinema and classic favorites, catering to diverse tastes and ensuring there's something for everyone.

### Premium Comfort

SilverScreen enhances movie outings with plush seating, gourmet concessions, and a welcoming atmosphere, prioritizing customer comfort and convenience for a superior movie-going experience.

## Marketing and Growth Strategy



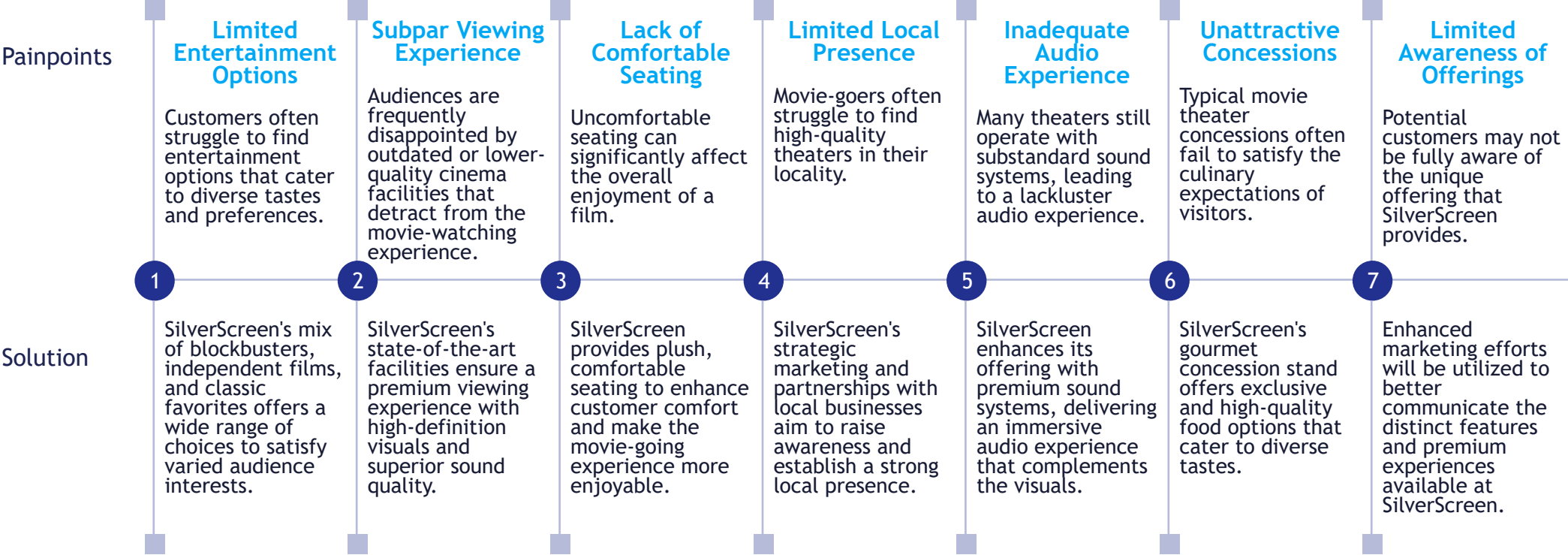


# Target Groups

Industries		Description
I	 <b>Movie Enthusiasts</b>	Individuals who have a passion for cinema and frequently watch a diverse range of films.
II	 <b>Families</b>	Parents with children seeking a comfortable and safe environment for family outings and animated movies.
III	 <b>Couples and Date Night Goers</b>	Couples looking for a romantic and enjoyable experience with quality films and comfortable settings.
IV	 <b>Senior Citizens</b>	Older adults who enjoy classic films and prefer matinee showings in a relaxing atmosphere.
V	 <b>Students and Young Adults</b>	Younger audiences who are interested in the latest blockbusters and indie films, often attending in groups.
VI	 <b>Corporate Clients</b>	Businesses looking to host private screenings, corporate events, or team-building activities in a luxurious setting.
VII	 <b>Film Festivals and Special Event Organizers</b>	Organizations and individuals looking to utilize a state-of-the-art venue for hosting film festivals and exclusive screening events.




## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**



Exceptional cinematic experience with state-of-the-art facilities. Diverse selection of films catering to all tastes. High-definition presentations with premium sound systems. Commitment to comfort with plush seating and gourmet concessions. Exceptional customer service creating a welcoming atmosphere.

**Weaknesses**




High operational costs due to advanced technology and premium facilities. Competition from in-home entertainment and streaming services. Dependent on a steady stream of new film releases. Limited geographical presence may reduce market reach. High ticket prices might deter budget-conscious customers.

**Opportunities**



Expansion to new geographic locations. Partnerships with independent filmmakers and film festivals. Introduction of exclusive membership programs and loyalty rewards. Collaboration with streaming services for exclusive screenings. Leveraging social media for targeted marketing and promotions.

**Threats**



Economic downturns reducing discretionary spending on entertainment. Rapid advancements in home entertainment technology. Changes in consumer preferences towards digital consumption. Regulatory changes impacting theater operations. Potential disruptions from pandemic-like situations reducing footfall.



# History & Roadmap



## Current Status.

SilverScreen's roadmap aims to launch, upgrade, expand, and engage. The brand will debut in Feb 2024, followed by tech upgrades in Jun 2024. A loyalty program will launch in Sep 2024. Expanded offerings, including gourmet concessions and exclusive films, will roll out in Jan 2025. A second theater will open in May 2025. Finally, community engagement activities will start in Sep 2025. Together, these steps promise a state-of-the-art, customer-focused cinematic experience that stays ahead of industry trends.



# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Develop Business Plan	●	Not Started	High	CEO 1 month
2	Secure Funding	●	Not Started	High	CFO 2 months
3	Register Business Name and Legal Structure	●	Not Started	High	CEO 1 month
4	Lease or Purchase Theater Property	●	Not Started	High	COO 2 months
5	Obtain Necessary Permits and Licenses	●	Not Started	High	COO 1 month
6	Develop Initial Staffing Plan	●	Not Started	Medium	CPO 2 months
7	Establish Banking and Financial Systems	●	Not Started	High	CFO 1 month
8	Set Up Technology Infrastructure	●	Not Started	Medium	CTO 2 months
<b>Marketing</b>					
1	Develop Brand Identity	●	Not Started	High	CMO 2 weeks
2	Launch Marketing Campaign for Grand Opening	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Partnerships with Local Businesses	●	Not Started	Medium	CRO 6 weeks
5	Develop Customer Loyalty Program	●	Not Started	Medium	CPO 2 months
6	Invest in Search Engine Optimization (SEO)	●	Not Started	Medium	CMO 3 months
7	Launch Email Marketing Campaigns	●	Not Started	Low	CMO 1 month
8	Develop Mobile App for Moviegoers	●	Not Started	Low	CIO 4 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 1 &amp; Technical Set Up for next Phases</b>						
1	Secure location and lease agreements	●	Not Started	High	CEO	2 months
2	Design and renovate theater facilities	●	Not Started	High	COO	4 months
3	Install state-of-the-art projection and sound systems	●	Not Started	High	CTO	3 months
4	Establish vendor agreements for films	●	Not Started	High	CPO	2 months
5	Hire and train staff	●	Not Started	Medium	COO	3 months
6	Set up ticketing and booking systems	●	Not Started	High	CTO	2 months
7	Arrange partnerships with gourmet vendors for concessions	●	Not Started	Medium	CFO	3 months
8	Develop initial film lineup and schedule	●	Not Started	High	CMO	1 month
<b>Phase 2</b>						
1	Upgrade Sound Systems	●	Not Started	High	CIO	2 months
2	Purchase Plush Seating	●	Not Started	High	CFO	3 months
3	Collaborate with Local Businesses for Partnerships	●	Not Started	Medium	CMO	2 months
4	Develop Targeted Marketing Campaigns	●	Not Started	High	CMO	1 month
5	Enhance Customer Loyalty Program	●	Not Started	Medium	CPO	1.5 months
6	Implement Online Booking System Enhancements	●	Not Started	High	CTO	2 months
7	Conduct Audience Surveys to Gather Feedback	●	Not Started	Medium	CSO	1 month
8	Expand Social Media Presence	●	Not Started	Medium	CRO	1.5 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 3</b>						
1	Host Film Festivals	●	Not Started	High	COO	3 months
2	Develop Private Screening Packages	●	Not Started	Medium	CPO	2 months
3	Expand Gourmet Concessions	●	Not Started	High	CMO	3 months
4	Launch Membership Programs	●	Not Started	Medium	CRO	4 months
5	Organize Themed Movie Nights	●	Not Started	Low	CSO	2 months
6	Partner with Local Art Schools	●	Not Started	Medium	CMO	3 months
7	Create Custom Merchandising	●	Not Started	Low	CPO	4 months
8	Expand Promotional Activities	●	Not Started	High	CMO	2 months
<b>Phase 4</b>						
1	Research virtual reality film technologies	●	Not Started	High	CTO	3 months
2	Identify potential streaming platform partners	●	Not Started	High	CBO	2 months
3	Develop business model for hybrid viewing options	●	Not Started	High	CFO	4 months
4	Pilot virtual reality film experiences	●	Not Started	Medium	COO	5 months
5	Negotiate contracts with streaming platforms	●	Not Started	High	CRO	6 months
6	Set up technical infrastructure for hybrid viewing	●	Not Started	High	CTO	7 months
7	Marketing campaign for VR and hybrid viewing options	●	Not Started	Medium	CMO	8 months
8	Evaluate customer feedback and iterate on new offerings	●	Not Started	Medium	CPO	9 months



# Core Risks & Migration Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Malfunctions	COO	Implement routine maintenance schedules and keep an inventory of critical spare parts to minimize downtime.
2	Theater Environment Control Failures	CTO	Install redundant HVAC systems and conduct regular inspections to ensure optimal environmental conditions.
3	Supply Chain Disruptions	CPO	Establish relationships with multiple suppliers and maintain an emergency inventory for essential concessions and equipment.
4	Staffing Shortages	COO	Develop a strong employee training program and maintain a roster of on-call staff to ensure operational continuity.
5	Security Breaches	CISO	Implement robust security protocols and systems, and conduct regular security audits to identify vulnerabilities.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Licensing and permits	COO	Ensure all necessary licenses and permits are acquired, regularly reviewed, and updated in accordance with local laws.
2	Film distribution agreements	CPO	Establish and maintain strong relationships with film distributors and regularly review contract terms to ensure compliance.
3	Health and safety regulations	CSO	Implement rigorous health and safety protocols and conduct regular training and audits to ensure adherence to occupational safety standards.
4	Consumer data protection	CIO	Adopt and maintain secure data handling practices and ensure compliance with data privacy laws like GDPR.
5	Accessibility compliance	COO	Ensure theater facilities and online services are fully accessible to individuals with disabilities in compliance with the Americans with Disabilities Act (ADA).





### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Changing Consumer Preferences	CMO	Conduct regular market research and customer surveys to adapt to evolving preferences and trends.
2	Intense Competition	CPO	Differentiate offerings by emphasizing unique features like premium sound systems, plush seating, and exclusive film selections.
3	Dependence on Film Studios	CEO	Establish strong relationships with multiple film studios and explore alternative content sources like independent film producers.
4	Shift to Streaming Platforms	CTO	Explore hybrid viewing options and integration with streaming platforms to offer unique value propositions.
5	Economic Downturn Impact	CFO	Develop flexible pricing models and cost-effective promotions to retain customers during economic downturns.

### 4. Finance risk

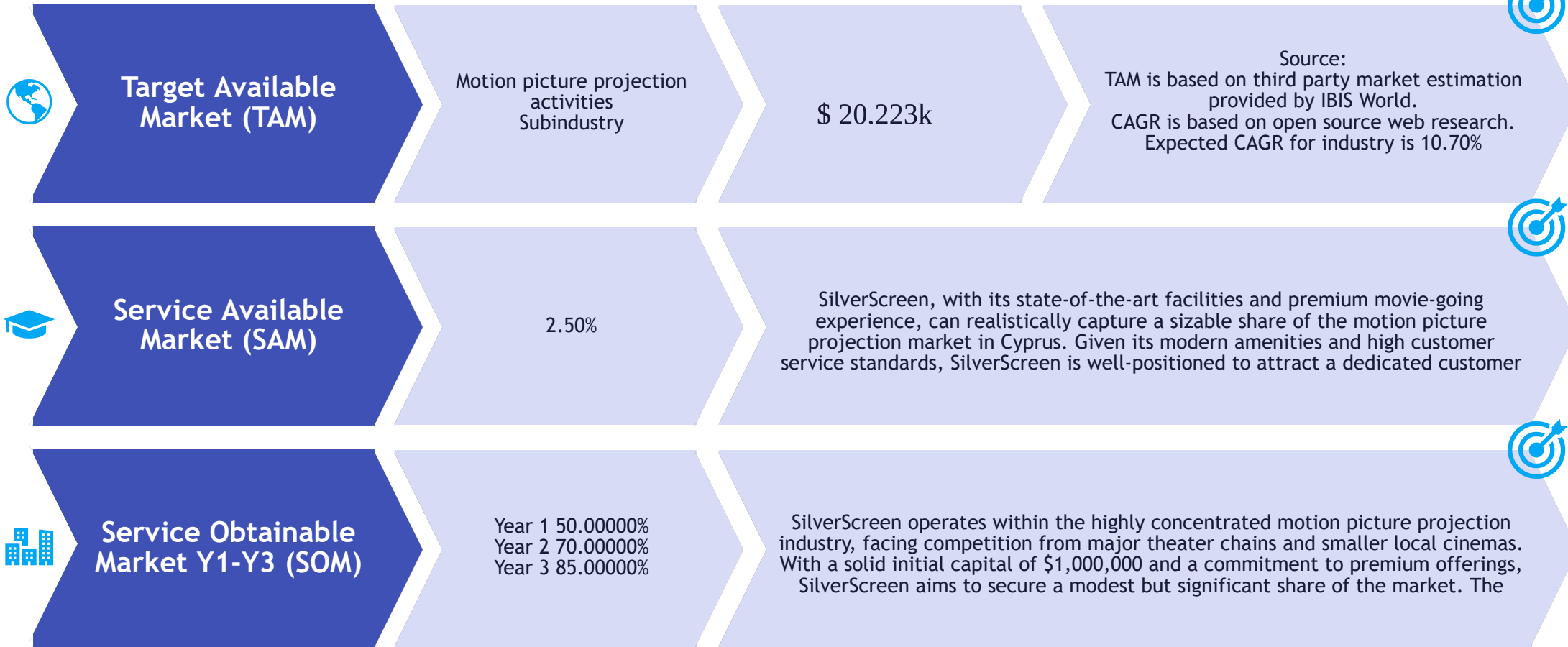
#	Risk Type	Area	Mitigation Strategy
1	High initial capital expenditure	CFO	Secure diversified funding sources including loans, grants, and investor capital to mitigate dependency on a single financial stream.
2	Cash flow management	CFO	Implement rigorous financial planning and monitoring systems to ensure adequate liquidity and timely debt payments.
3	Forecast inaccuracies	CEO	Employ detailed market analysis and historical data to inform reasonable projections and consistently update forecasts based on real-time performance.
4	Revenue volatility	CSO	Diversify revenue streams through Phase_3 initiatives like private screening events and expanded gourmet concessions to stabilize income.
5	Economic downturn impacts	CRO	Develop a flexible pricing strategy and cost-control measures to maintain profitability and customer engagement during economic downturns.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation Damage	CMO	Implement a comprehensive PR strategy and invest in social media monitoring to quickly address any negative feedback or publicity.
2	Competition	CRO	Regularly analyze market trends and competitor strategies to inform competitive pricing, unique offerings, and strategic partnerships.
3	Changing Consumer Preferences	CPO	Conduct regular customer surveys and feedback sessions to stay updated on preferences and adapt offerings accordingly.
4	Talent Retention	COO	Develop an employee engagement and retention program that includes competitive benefits, career development opportunities, and a positive work culture.
5	Supply Chain Disruptions	CFO	Establish multiple supplier relationships and maintain higher levels of critical stock to mitigate supply disruptions.



# Market Overview (TAM, SAM and SOM)



# Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

The total investment required is \$ 1.000k

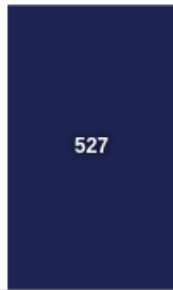
Y1 Cash Flow Stream(thnd USD)	Inflows	Outflows
Gross Profit	94	
Payroll Expenses		20
Marketing and Branding		13
Rent & Utilities		10
Training and Development		10
Capex		1,000
Other Miscellaneous		9
Legal and Professional Fees		5
Communication Expenses		4
Office supplies		3
Representation and Entert.		3
<b>CAPEX &amp; WC shortage Y1</b>		<b>982</b>
<b>Buffer</b>		<b>18</b>
<b>Total Required Investment(thnd USD)</b>		<b>1,000</b>



# Financials Dashboard

## Y3 PL formation and Margins

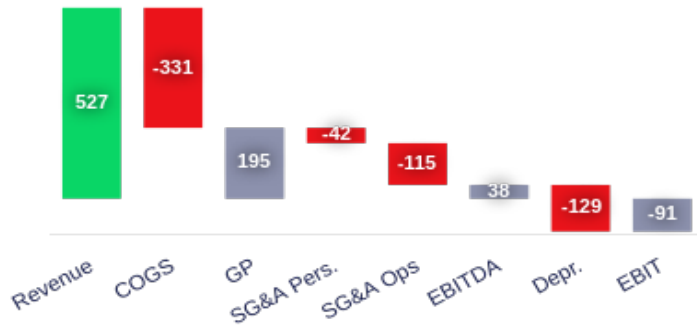
### Revenue



### Projected Revenue

- GP 37.1%
- EBITDA 7.2%

### PnL Formation (Y3 thnd USD)

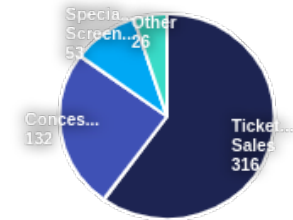
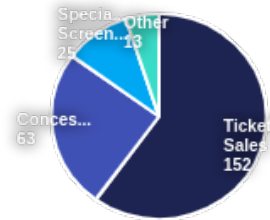


## Business Line Breakdown (thnd USD)

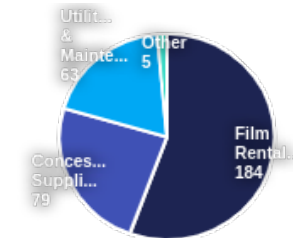
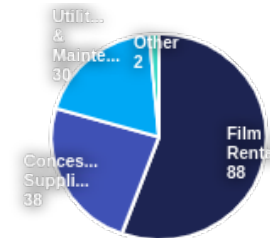
### Y1

### Y2

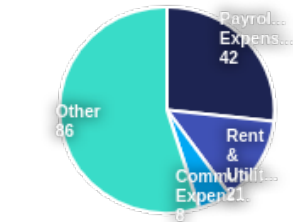
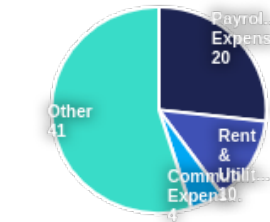
### Revenue



### COGS



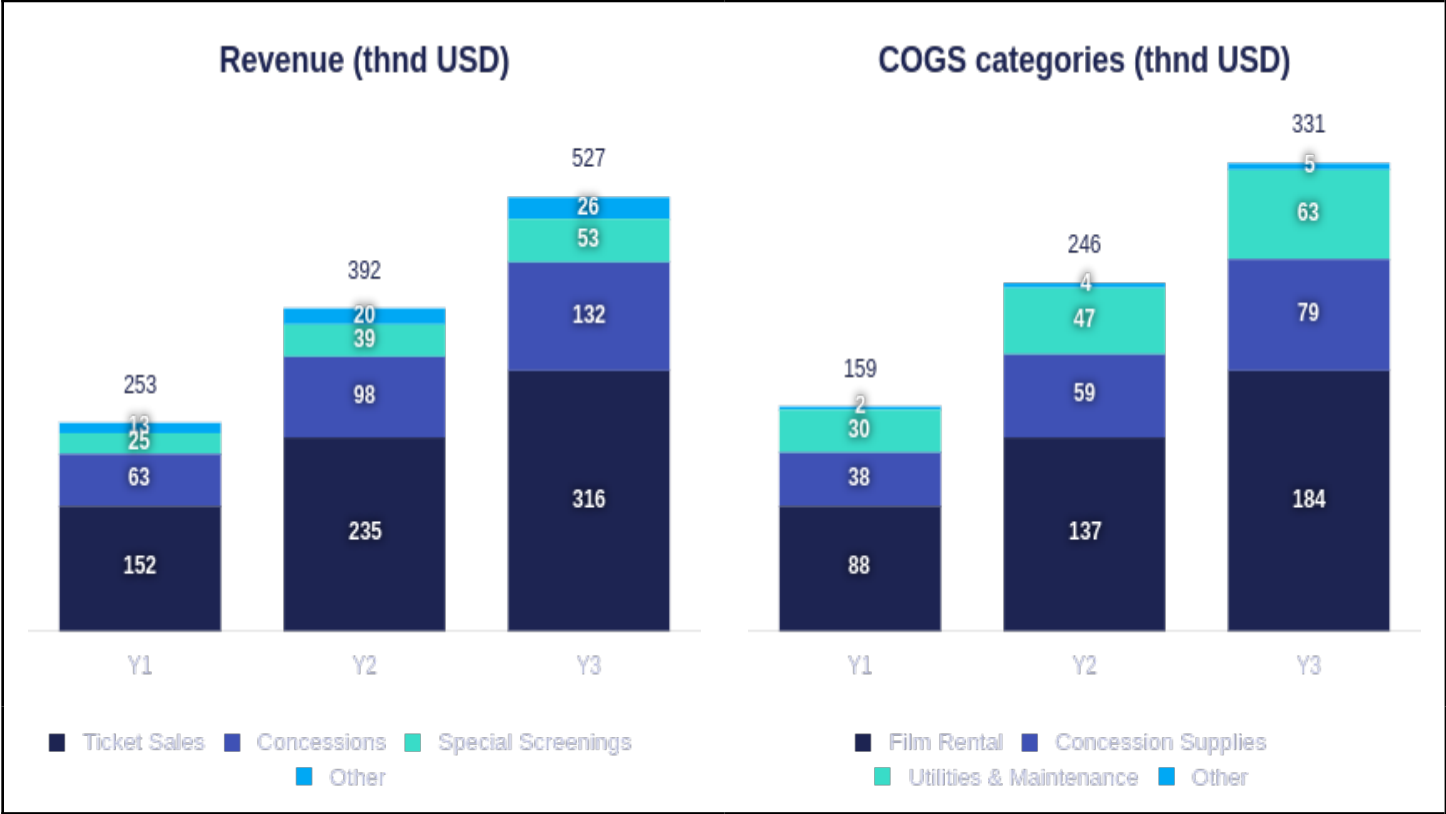
### Admin



# Revenue Formation Narrative

SilverScreen, a premier modern movie theater, specializes in creating an unparalleled cinematic experience with cutting-edge high-definition visuals, premium sound, and luxury amenities. Operating within the motion picture, video, and television programme activities sector, our theater is strategically positioned to tap into a Total Addressable Market (TAM) of 20,223.157k USD through our unique and superior offerings. We have projected that SilverScreen has the potential to secure a Serviceable Addressable Market (SAM) percentage of 2.5%, which translates into a strong foothold within the competitive market of Cyprus, thanks to our state-of-the-art facilities and exceptional customer service. Our Serviceable Obtainable Market (SOM) has been meticulously calculated to reflect realistic growth trajectories. Starting with 50.00000% in Year 1, we anticipate increasing this share to 70.00000% in Year 2 and ultimately reaching 85.00000% by Year 3. These projections are based on strategic marketing efforts, positive customer feedback, and the unrivaled movie-going experience SilverScreen offers. Correspondingly, our revenue projections mirror this growth. For the first year, SilverScreen expects total revenue of 252.789k USD, followed by 391.773k USD in Year 2, and peaking at 526.627k USD in Year 3. Our revenue streams are diversified across four main lines of business: Ticket Sales contributing 60.00%, Concessions at 25.00%, Special Screenings making up 10.00%, and Other Revenue generating 5%. These estimates are critical in our business plan to demonstrate SilverScreen’s targeted and strategic approach to capturing a significant market share while emphasizing our commitment to delivering a superior cinematic experience.

**\$ 527k** Y3 Projected Revenue **125.00%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Ticket Sales	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Concessions	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Special Screenings	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

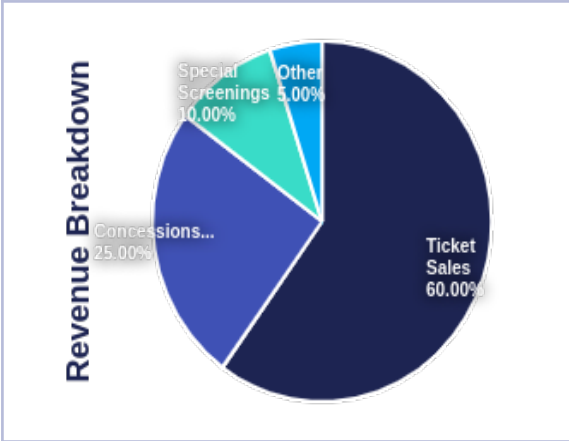
Ticket Sales	9	9	9	11	11	11	14	14	14	16	16	16	152	235	316
Concessions	4	4	4	5	5	5	6	6	6	7	7	7	63	98	132
Special Screenings	2	2	2	2	2	2	2	2	2	3	3	3	25	39	53
Other	1	1	1	1	1	1	1	1	1	1	1	1	13	20	26
<b>Total Revenue (thnd USD)</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>253</b>	<b>392</b>	<b>527</b>

Total revenue is expected to reach \$ 527k by year 3.

Main revenue driver are:

- Ticket Sales which generates \$ 316k by Year 3
- Concessions which generates \$ 132k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 44.34 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Film Rental	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Concession Supplies	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Utilities & Maintenance	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Other	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%

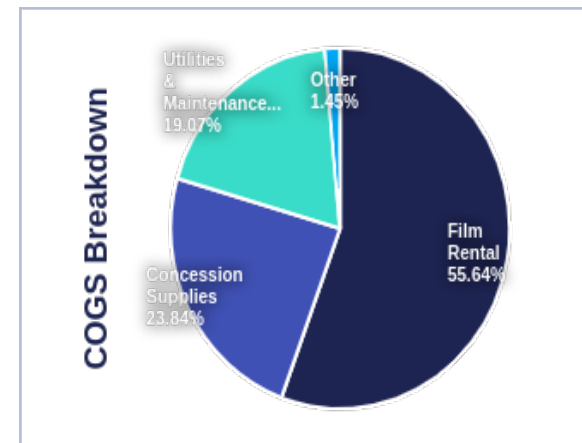
Film Rental	6	6	6	7	7	7	8	8	8	9	9	9	88	137	184
Concession Supplies	2	2	2	3	3	3	3	3	3	4	4	4	38	59	79
Utilities & Maintenance	2	2	2	2	2	2	3	3	3	3	3	3	30	47	63
Other	0	0	0	0	0	0	0	0	0	0	0	0	2	4	5
<b>Total COGS (thnd USD)</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>159</b>	<b>246</b>	<b>331</b>

Total COGS is expected to reach \$ 331k by year 3.

Main revenue driver are:

- Film Rental which generates \$ 184k by Year 3
- Concession Supplies which generates \$ 79k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 44.34 %



# SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Rent & Utilities	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Communication Expenses	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Office supplies	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Legal and Professional Fees	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Marketing and Branding	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Representation and Entertainment	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Training and Development	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Other Miscellaneous	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%	3.40%

Payroll Expenses	1	1	1	2	2	2	2	2	2	2	2	2	20	31	42
Rent & Utilities	1	1	1	1	1	1	1	1	1	1	1	1	10	16	21
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	4	6	8
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	3	4	5
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	1	1	1	5	8	11
Marketing and Branding	1	1	1	1	1	1	1	1	1	1	1	1	13	20	26
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	3	4	5
Training and Development	1	1	1	1	1	1	1	1	1	1	1	1	10	16	21
Other Miscellaneous	1	1	1	1	1	1	1	1	1	1	1	1	9	13	18

<b>Total SG&amp;A (thnd USD)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>76</b>	<b>117</b>	<b>157</b>
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# PaT Expectations

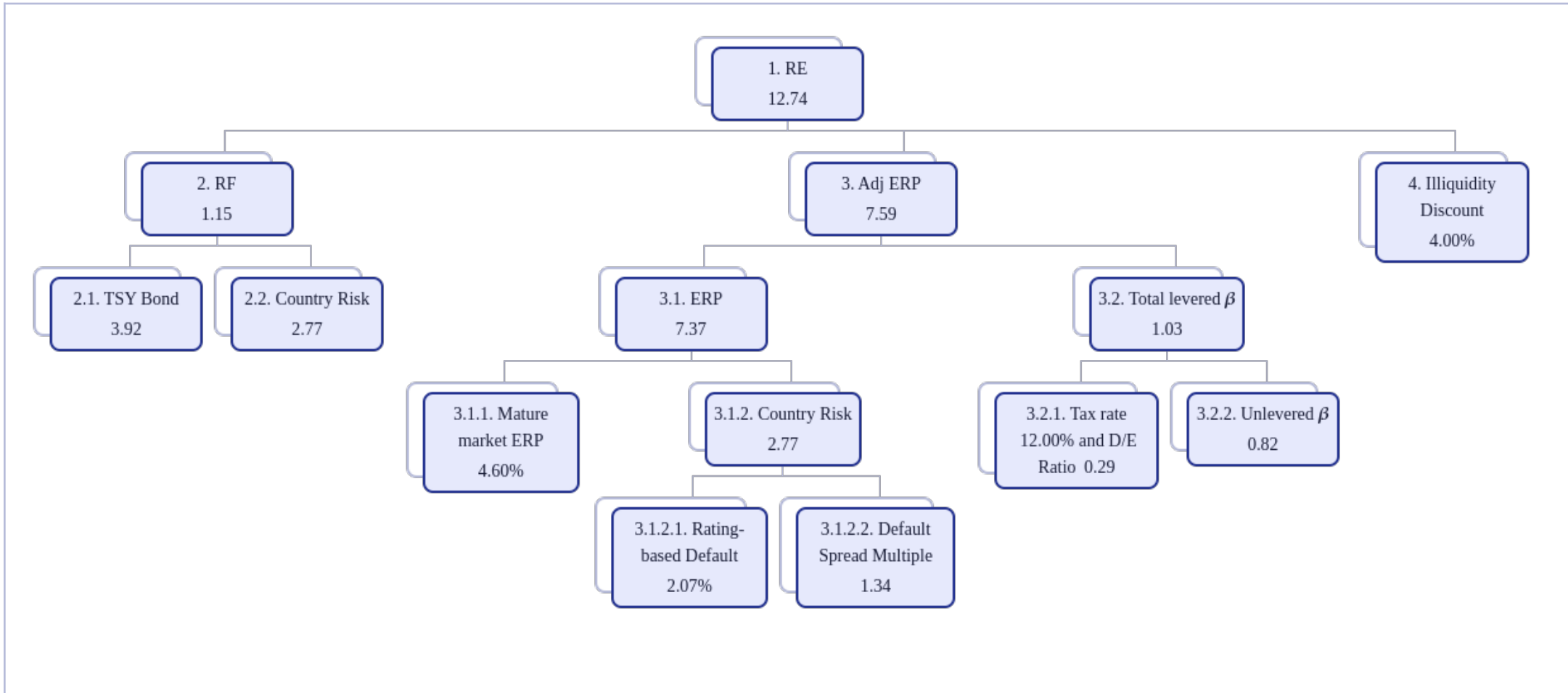
1 2 3 4 5 6 7

Financial Projection

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	16	16	16	19	19	19	23	23	23	26	26	26	253	392	527
Ticket Sales	9	9	9	11	11	11	14	14	14	16	16	16	152	235	316
Concessions	4	4	4	5	5	5	6	6	6	7	7	7	63	98	132
Special Screenings	2	2	2	2	2	2	2	2	2	3	3	3	25	39	53
Other	1	1	1	1	1	1	1	1	1	1	1	1	13	20	26
<b>COGS</b>	-10	-10	-10	-12	-12	-12	-15	-15	-15	-17	-17	-17	-159	-246	-331
Film Rental	-6	-6	-6	-7	-7	-7	-8	-8	-8	-9	-9	-9	-88	-137	-184
Concession Supplies	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-38	-59	-79
Utilities & Maintenance	-2	-2	-2	-2	-2	-2	-3	-3	-3	-3	-3	-3	-30	-47	-63
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-4	-5
<b>Gross Profit</b>	6	6	6	7	7	7	9	9	9	10	10	10	94	145	195
<b>SG&amp;A Personal Expenses</b>	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-20	-31	-42
<b>SG&amp;A Operating Expenses</b>	-3	-3	-3	-4	-4	-4	-5	-5	-5	-6	-6	-6	-55	-86	-115
<b>EBITDA</b>	1	1	1	1	1	1	2	2	2	2	2	2	18	28	38
<b>Depreciation</b>	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-11	-129	-129	-129
<b>EBIT</b>	-10	-10	-10	-9	-9	-9	-9	-9	-9	-9	-9	-9	-110	-100	-91
<b>Interest Expense</b>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-4	-4
<b>Profit before Tax</b>	-10	-10	-10	-10	-10	-10	-9	-9	-9	-9	-9	-9	-114	-104	-95
<b>Tax</b>	1	1	1	1	1	1	1	1	1	1	1	1	14	13	11
<b>Profit after Tax (thnd USD)</b>	-9	-9	-9	-9	-9	-9	-8	-8	-8	-8	-8	-8	-101	-92	-83



## Required Return on Equity Derivation



## Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is  $R(E) = R(F) + \beta * (ERP)$ , where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple ( $\beta$ ) is average equity betas of corresponding industries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premium of 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

## Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

## Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

[http://pages.stern.nyu.edu/~adamodar/New\\_Home\\_Page/datafile/ctryprem.html](http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html)

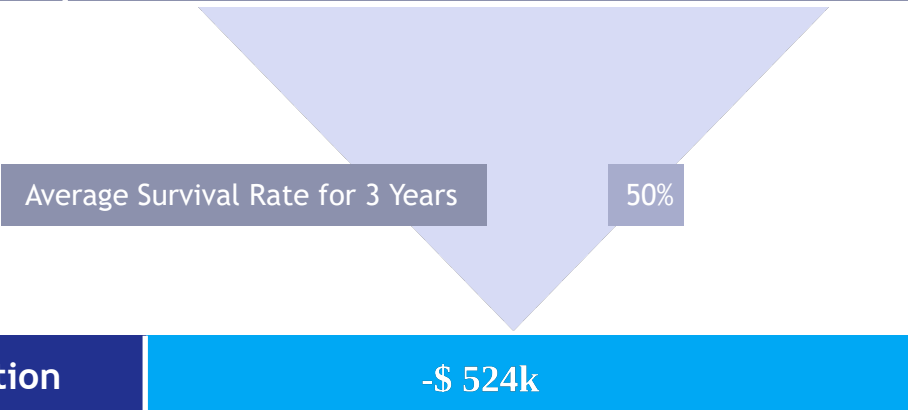
<https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

<http://pages.stern.nyu.edu/~adamodar/>



# Business Valuation

	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	-101	-92	-83	-92	-102	-113	-125
	Growth% Y4-Y7				10.70%	10.70%	10.70%	10.70%
	Growth% Y7 -->	3.50%						
	WACC	12.74%						
	PV Y1-Y7 at Y0	-89	-72	-58	-57	-56	-55	-54
	PV Y7 --> Y0	-606						
	NPV (thnd USD)	-1,048						



The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 12.74 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 10.70 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.



## Financial and Technical

b \$ - Billions of \$  
 B2B - Business to Business  
 B2C - Business to Customer  
 CAPEX - Capital Expenditure  
 CAPM - Capital Asset Pricing Model  
 COGS - Cost of goods sold  
 DCF - Discounted cash flow  
 Depr. - Depreciation  
 EBIT - Earnings before interest and taxes  
 EBITDA - Earnings before interest, taxes, depreciation, and amortization  
 EBT - Earnings Before Tax  
 ERP - Equity Risk Premium  
 ETA - Estimated Time of Arrival  
 EV - Enterprise Value  
 FA (Tangible and Intangible) - Fixed assets (tangible and intangible)  
 FX - Foreign Exchange  
 FY - Fiscal year  
 GP - gross profit  
 k \$ - Thousands of \$  
 LLM - Large Language Model  
 LFY - Last fiscal year  
 m \$ - Millions of \$  
 MTD - Month-to-date  
 MVP - Minimum Viable Product  
 NFT - Non-Fungible Token  
 NPV - Net present value  
 OPEX - Operating Expense  
 P&L - A profit and loss (P&L) statement  
 PaT - Profit after Tax  
 POC - Proof of Concept  
 PPE - Property, plant, and equipment  
 SG&A - Sales, General and Administrative  
 TSY bond rate - Treasury bond rate  
 WACC - Weighted average cost of capital  
 YTD - Year-to-date

## Organisational Structure

CBDO - Chief Business Development Officer  
 CEO - Chief Executive Officer  
 CPO - Chief Product Officer  
 CFO - Chief Financial Officer  
 CTO - Chief Technology Officer  
 C-level - Chief level  
 Eng - Engineer  
 Dev - Developer  
 HR - Human Resources

## Other

Av - Average  
 EoP - End of Period  
 LE - Legal Entity  
 PE - Private Equity  
 TOM - Target Operating Model



# Disclaimer

The following information and valuation analysis are provided for informational purposes only and do not constitute financial or investment advice. This presentation is based on assumptions, projections, and historical data, which are subject to inherent uncertainties and risks.

Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

The valuation does not guarantee future financial performance or the accuracy of the projections. Actual results may differ materially from those presented in this analysis due to numerous factors, including but not limited to changes in economic conditions, market dynamics, competition, regulatory factors, and unforeseen events.

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