

# Business Plan & Valuation Presentation



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# OUR VISION & MISSION

## Our Mission

SilverScreen is dedicated to providing an exceptional cinematic experience by showcasing a diverse selection of films in a state-of-the-art environment. We focus on delivering high-definition visuals and premium sound systems, combined with plush seating, gourmet concessions, and unparalleled customer service. Our mission is to captivate and delight audiences of all ages by creating a comfortable and convenient movie-going experience that celebrates the art of cinema.

## Our Vision

SilverScreen envisions becoming the premier destination for movie enthusiasts by continually setting new standards in the cinematic experience. In twenty years, we aspire to have created a vast network of theaters renowned for innovation, exceptional customer service, and an unwavering commitment to the art of cinema. Our vision is to be at the forefront of the industry, integrating the latest technological advancements and expanding our influence, making a lasting cultural impact, and fostering a global community of film lovers who share a passion for extraordinary storytelling and unforgettable movie experiences.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

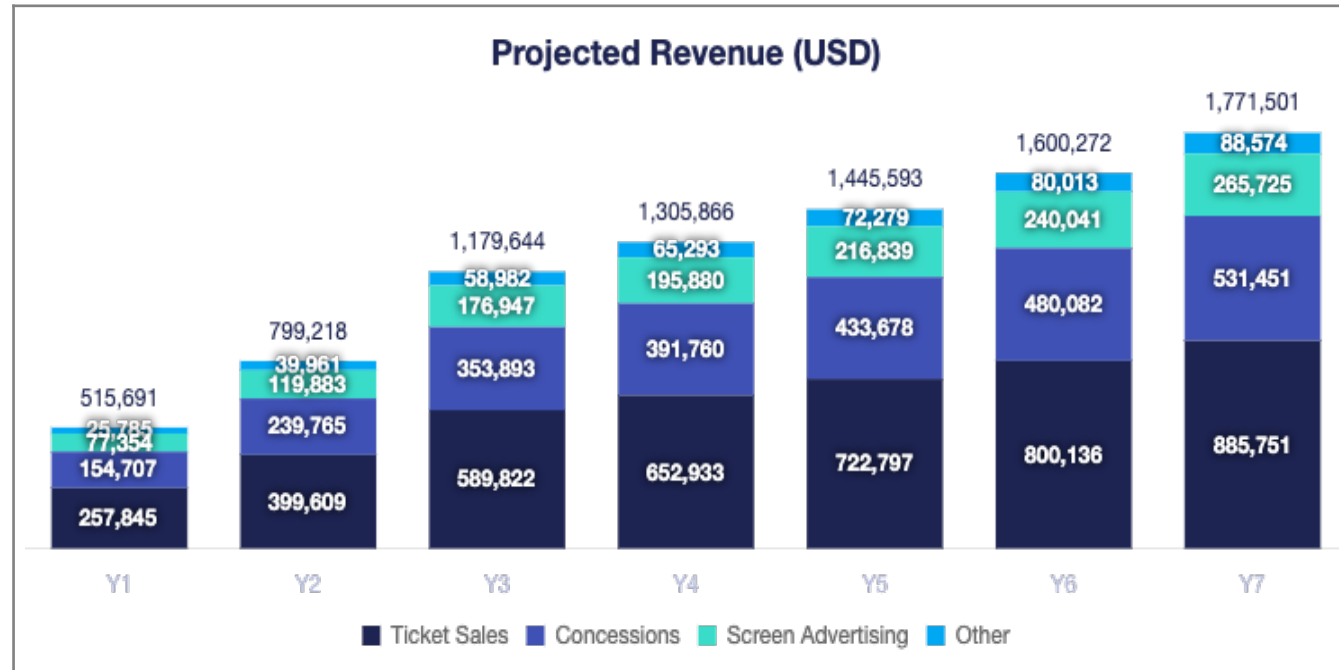
**\$ 1,179,645**

Revenue  
**\$ 496,512**

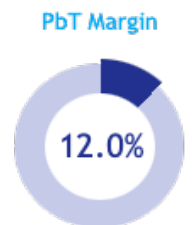
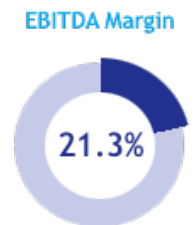
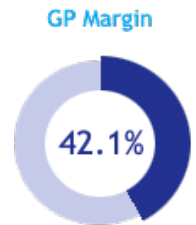
Gross Profit  
**\$ 251,264**

EBITDA  
**255.00%**

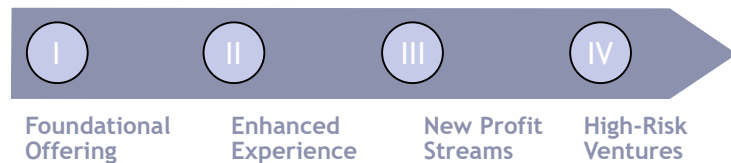
Target Market Share



Margins  
(Stabilized by Y3)

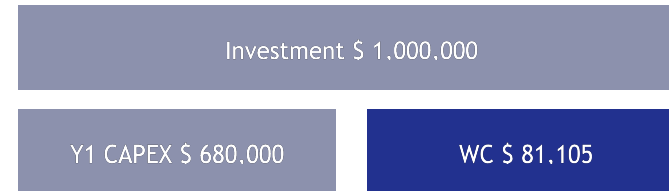


## Project Phases



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. The company specializes in motion picture, video, and television programme activities, operating within the information and communication sector. SilverScreen features a diverse selection of the latest blockbusters, independent films, and classic favorites, all presented in high-definition with premium sound systems. At SilverScreen, the focus is on 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

## 01 Foundational Offering

Phase I.

Establish core theater operations with high-definition visuals, premium sound, and plush seating to create an exceptional cinematic experience. Focus on showcasing blockbusters and classic films.

## 02 Enhanced Experience

Phase II.

Expand film selection to include more independent films and niche genres. Improve customer service, enhance concessions, and introduce loyalty programs to grow and retain the audience base.

## New Profit Streams 03

Phase III.

Innovate with in-theater dining, virtual reality experiences, and private event hosting. Explore partnerships with streaming services for exclusive content premieres and special screenings.

## High-Risk Ventures 04

Phase IV.

Experiment with the integration of augmented reality in films. Investigate opportunities in film production and distribution. Consider expanding into international markets and emerging technologies.



# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Enjoy an elevated cinematic experience with high-definition visuals and premium sound.</li> <li>2. Access a diverse selection of films, including blockbusters, independent films, and classics.</li> <li>3. Benefit from loyalty programs and exceptional customer service for a more fulfilling movie-going experience.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Work in a state-of-the-art environment that prioritizes innovation and customer satisfaction.</li> <li>2. Receive opportunities for growth and development through training and career advancement programs.</li> <li>3. Benefit from competitive salaries and a positive workplace culture.</li> </ol>
<b>Film Distributors</b>	<ol style="list-style-type: none"> <li>1. Gain access to a platform that showcases a wide variety of films, increasing visibility and audience reach.</li> <li>2. Benefit from partnerships that promote exclusive content premieres and special screenings.</li> <li>3. Enjoy a reliable and high-quality exhibition venue for their film releases.</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>1. Establish a long-term relationship with a growing and innovative theater chain.</li> <li>2. Benefit from consistent demand for high-quality products and services.</li> <li>3. Receive timely payments and clear communication to maintain a smooth supply chain.</li> </ol>
<b>Local Community</b>	<ol style="list-style-type: none"> <li>1. Experience increased cultural enrichment and entertainment options within the community.</li> <li>2. Benefit from job creation and local economic stimulation through SilverScreen's operations.</li> <li>3. Enjoy community engagement initiatives and events hosted by SilverScreen.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Potential for substantial returns on investment as SilverScreen expands and innovates.</li> <li>2. Confidence in a strong business model with multiple revenue streams and growth phases.</li> <li>3. Regular updates and transparency in business operations and performance metrics.</li> </ol>
<b>Filmmakers</b>	<ol style="list-style-type: none"> <li>1. Opportunity to showcase their work in a premium theater setting with high audience engagement.</li> <li>2. Access to a diverse and expanding audience base interested in various film genres.</li> <li>3. Potential for collaboration in exclusive content premieres and special event screenings.</li> </ol>

# Key Performance Components

## Competitive Advantage

### State-of-the-Art Technology

SilverScreen utilizes high-definition presentation and premium sound systems to enhance the cinematic experience, providing audiences with unparalleled visual and auditory quality.

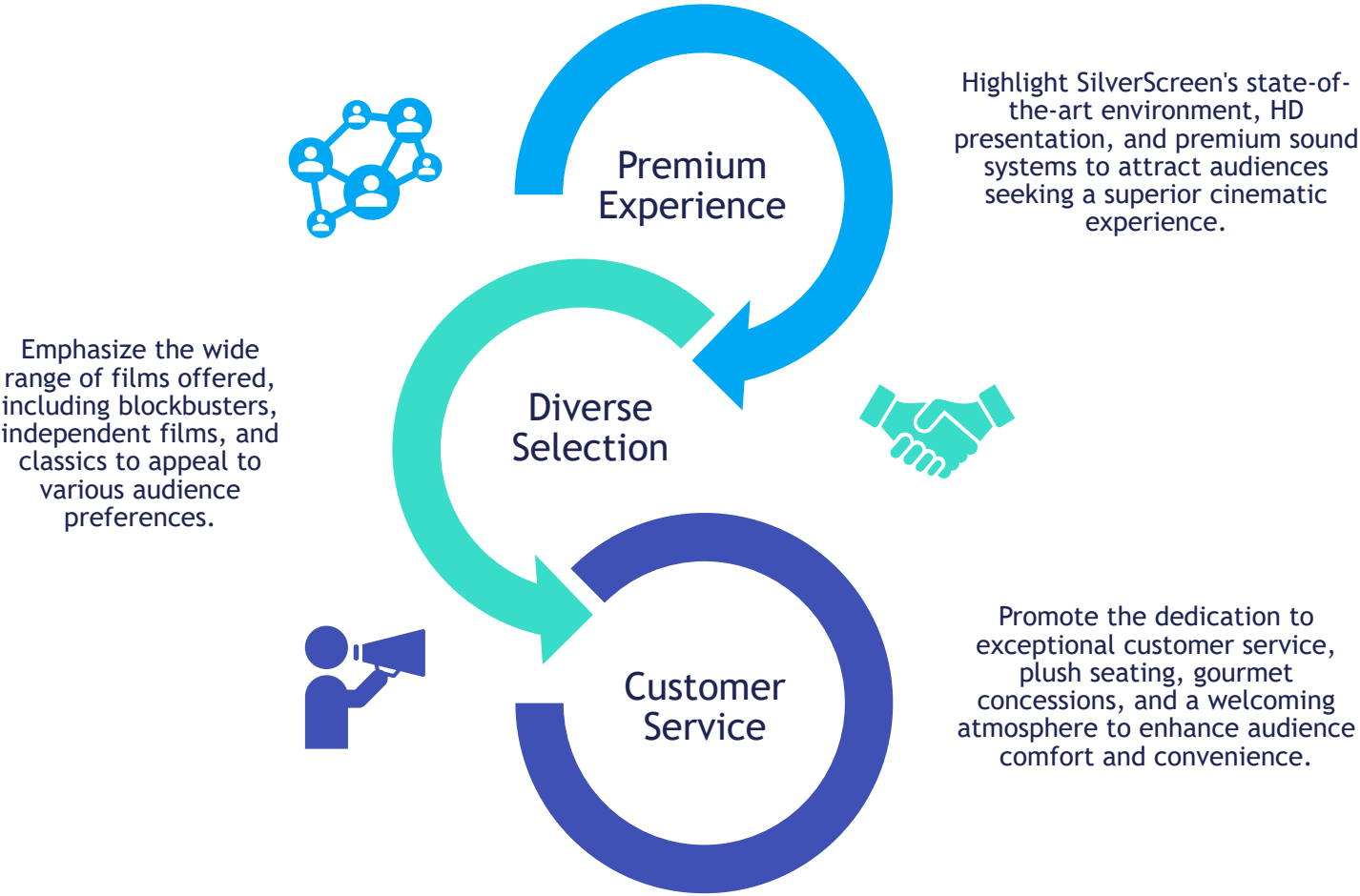
### Comfort & Convenience

With plush seating and gourmet concessions, SilverScreen ensures a comfortable and convenient movie outing, creating a welcoming atmosphere for all patrons.

### Exceptional Selection








From the latest blockbusters to independent films and classics, SilverScreen offers a diverse film selection, catering to varied cinematic tastes and ensuring something for everyone.

## Marketing and Growth Strategy

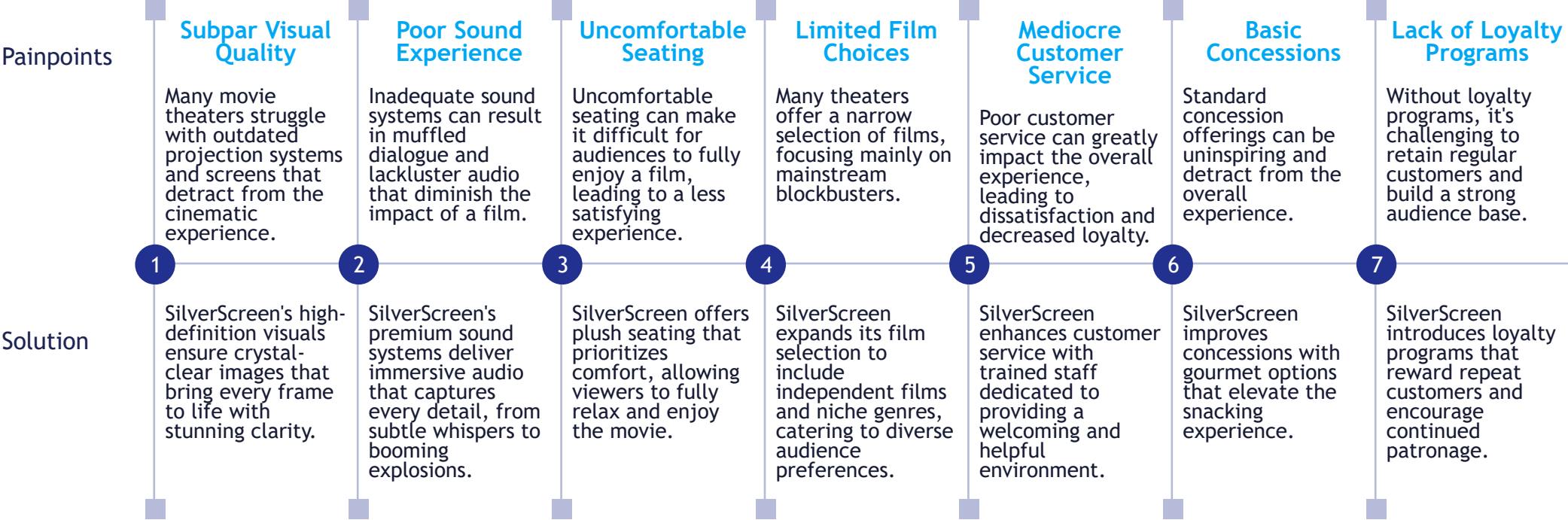




# Target Groups


Industries		Description
I	 Cinephiles	Movie enthusiasts who appreciate high-quality visuals, sound, and comfort, and are keen on experiencing both classic and contemporary films in the best possible environment.
II	 Families	Parents and children looking for a convenient and enjoyable entertainment option that provides a variety of family-friendly film choices in a comfortable setting.
III	 Couples	Partners seeking a premium date night experience with gourmet concessions and a luxurious ambiance that adds a romantic touch to their movie outings.
IV	 Independent Film Fans	Audience members who have a strong interest in indie films and niche genres, seeking diverse film selections beyond mainstream blockbusters.
V	 Tech Enthusiasts	Individuals fascinated by cutting-edge technology in cinematic experiences, such as virtual reality and augmented reality integrations offered in later phases of development.
VI	 Special Event Planners	Event planners looking for a unique venue to host private functions, corporate events, or special screenings with in-theater dining and bespoke services.
VII	 Film Distributors and Studios	Industry professionals interested in partnering with SilverScreen for exclusive content premieres, special screenings, and exploring opportunities for film production and distribution.

## Solution from Phase I to Phase IV




# Strategic Analysis: SWOT

**Strength**




State-of-the-art projection and sound systems. Diverse film selection catering to varied tastes. Premium, comfortable seating enhances customer experience. Exceptional customer service focus. Gourmet concessions enhance the overall experience.

**Weaknesses**




High operational costs due to advanced technology and premium services. Dependency on new film releases for revenue. Limited market presence compared to established competitors. High ticket prices may deter budget-conscious customers. Maintenance costs of high-end equipment.

**Opportunities**



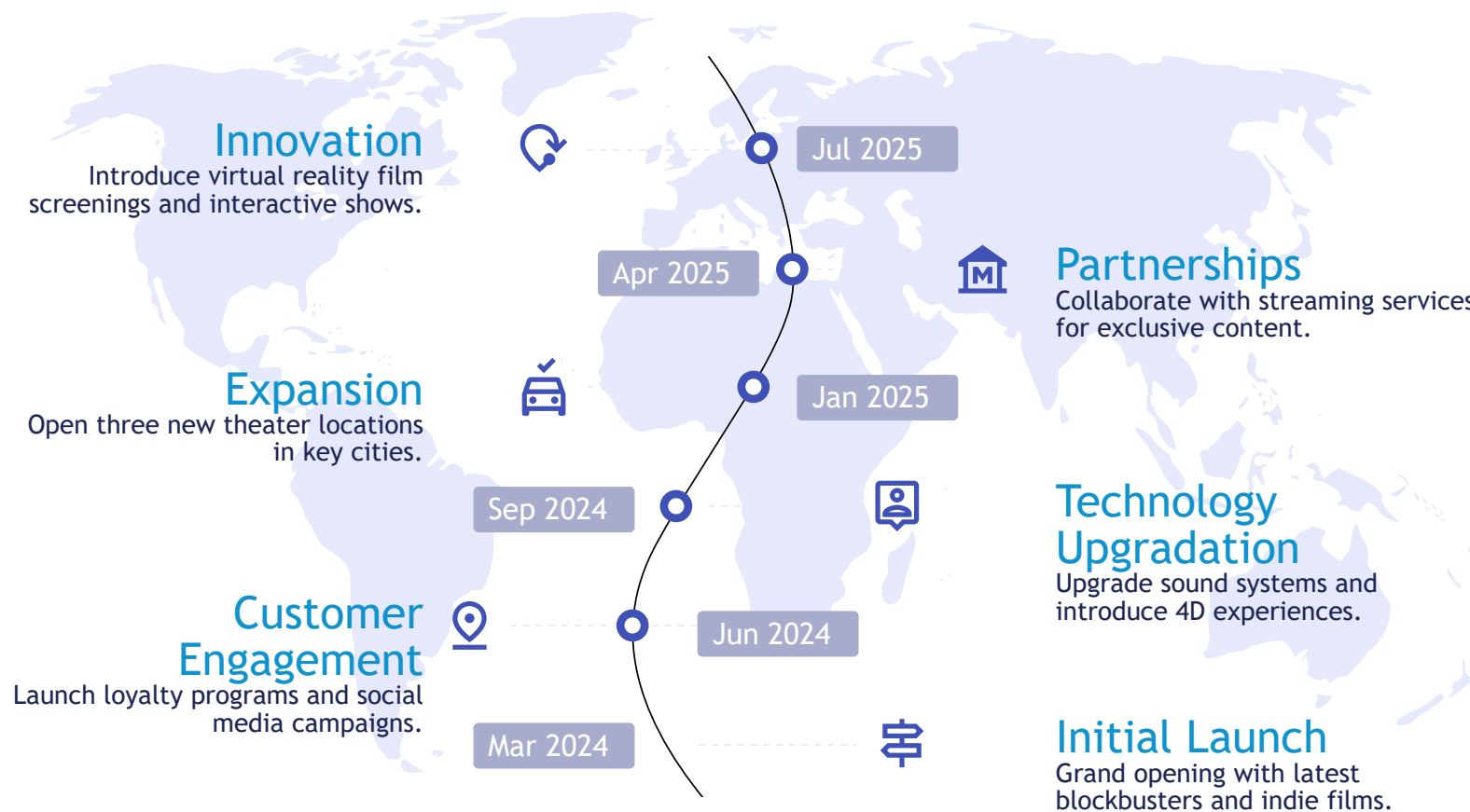
Expand to new locations or markets. Host special events and private screenings. Collaborate with local filmmakers for exclusive content. Explore loyalty programs to retain customers. Integrate digital platforms for promotions and ticket sales.

**Threats**



Competition from streaming services. Economic downturns affecting discretionary spending. Potential shifts in film distribution models. Technological advancements increasing operational costs. Changes in movie-going habits and preferences.

# History & Roadmap



## Current Status.

The roadmap for SilverScreen outlines its future development stages:

- Grand opening in Mar 2024 featuring blockbusters and indie films.
- Launch of loyalty programs and social media campaigns by Jun 2024.
- Technology upgradation with 4D experiences by Sep 2024.
- Expansion to three new cities by Jan 2025.
- Collaboration with streaming services for exclusive content by Apr 2025.
- Introduction of VR film screenings and interactive shows by Jul 2025.

# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Register Business Name	●	Not Started	High	CEO 1 week
2	Develop Business Plan	●	Not Started	High	CEO 2 weeks
3	Secure Initial Funding	●	Not Started	High	CFO 1 month
4	Select Theater Location	●	Not Started	High	COO 3 months
5	Hire Key Personnel	●	Not Started	High	CPO 2 months
6	Set Up Legal Structure	●	Not Started	High	CEO 1 month
7	Establish Tech Infrastructure	●	Not Started	Medium	CTO 2 months
8	Create Corporate Branding	●	Not Started	Medium	CMO 3 weeks
<b>Marketing</b>					
1	Develop Comprehensive Marketing Plan	●	Not Started	High	CMO 2 weeks
2	Launch Website and Mobile App	●	Not Started	High	CTO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Develop Brand Identity and Logo	●	Not Started	High	CBO 2 weeks
5	Initiate Email Marketing Campaigns	●	Not Started	Medium	CMO 1 month
6	Organize Grand Opening Event	●	Not Started	High	COO 2 months
7	Partner with Local Businesses for Promotions	●	Not Started	Medium	CRO 1 month
8	Execute PR Campaign	●	Not Started	Medium	CSO 1 month

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA	
<b>Phase 1 &amp; Technical Set Up for next Phases</b>						
1	Secure High-Definition Projectors and Premium Sound Systems	●	Not Started	High	COO	2 months
2	Design and Install Plush Seating	●	Not Started	High	CPO	3 months
3	Negotiate Blockbuster Film Licenses	●	Not Started	High	CRO	1 month
4	Schedule Classic Films for Screening	●	Not Started	Medium	CRO	1 month
5	Set Up Energy-Efficient Lighting and Climate Control	●	Not Started	Medium	COO	2 months
6	Develop Ticket Booking System	●	Not Started	High	CTO	2 months
7	Implement Customer Feedback Mechanism	●	Not Started	Medium	CMO	1 month
8	Hire and Train Staff for Operations	●	Not Started	High	COO	3 months
<b>Phase 2</b>						
1	Expand Film Selection to Include Independent Films	●	Not Started	High	CPO	2 months
2	Improve Customer Service Training Programs	●	Not Started	Medium	COO	3 months
3	Upgrade Concession Offerings	●	Not Started	High	CMO	2 months
4	Implement Loyalty Programs	●	Not Started	Medium	CRO	4 months
5	Introduce Niche Genre Screenings	●	Not Started	High	CPO	3 months
6	Evaluate and Enhance Seating Comfort	●	Not Started	Medium	COO	2 months
7	Launch Marketing Campaigns for Loyalty Programs	●	Not Started	High	CMO	3 months
8	Gather and Analyze Customer Feedback	●	Not Started	Medium	CSO	1 month

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 3</b>					
1	Implement In-Theater Dining Services	●	Not Started	High	COO 3 months
2	Launch Virtual Reality Experiences	●	Not Started	High	CTO 4 months
3	Establish Private Event Hosting	●	Not Started	Medium	CBO 2 months
4	Develop Partnerships with Streaming Services	●	Not Started	High	CRO 5 months
5	Schedule Exclusive Content Premieres	●	Not Started	Medium	CMO 2 months
6	Enhance and Diversify Concession Offerings	●	Not Started	Medium	CPO 3 months
7	Introduce Specialty Screening Events	●	Not Started	Low	CBO 4 months
8	Analyze and Optimize New Revenue Streams	●	Not Started	High	CFO 6 months
<b>Phase 4</b>					
1	Research and Develop Augmented Reality Integration	●	Not Started	High	CTO 6 months
2	Explore Film Production Opportunities	●	Not Started	High	CPO 12 months
3	Investigate International Market Expansion	●	Not Started	Medium	CSO 9 months
4	Develop Partnerships with Emerging Technology Providers	●	Not Started	Medium	CIO 8 months
5	Analyze Potential for Film Distribution Division	●	Not Started	High	COO 10 months
6	Organize Pilot AR Cinematic Events	●	Not Started	Medium	CMO 7 months
7	Evaluate Financial Risks and Opportunities of High-Risk Ventures	●	Not Started	High	CFO 5 months
8	Assess Feasibility of Exclusive AR Film Screenings	●	Not Started	Medium	CRO 6 months

# Core Risks & Migration Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Downtime	COO	Schedule regular maintenance and have backup projectors and sound systems available to minimize disruption.
2	Supply Chain Disruptions	CPO	Develop relationships with multiple suppliers and maintain a buffer stock of essential items.
3	Technological Obsolescence	CTO	Invest in ongoing technology upgrades and stay informed about industry advancements to ensure state-of-the-art facilities.
4	Staff Turnover	COO	Implement comprehensive training programs and offer competitive benefits to retain skilled employees.
5	Health and Safety Hazards	CSO	Conduct regular safety drills and inspections to ensure compliance with health and safety regulations.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Data Privacy Regulations	CIO	Implement robust data protection protocols and regular audits to ensure compliance with data privacy laws such as GDPR and CCPA.
2	Licensing and Copyright Issues	CRO	Secure all necessary licenses and avoid unauthorized use of protected content by closely collaborating with legal experts and licensing agencies.
3	Health and Safety Compliance	COO	Adopt industry-standard health and safety practices and undergo regular inspections to comply with local and national health regulations.
4	Advertising and Promotion Regulations	CMO	Ensure all marketing strategies comply with the regulations set by advertising authorities and avoid false or misleading promotions.



### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CMO	Differentiate offerings and enhance customer experience
2	Changing Consumer Preferences	CPO	Adapt film selections and services quickly
3	Content Supply Fluctuations	COO	Develop strong partnerships with film distributors
4	Economic Downturn	CFO	Optimize costs and diversify revenue streams
5	Technological Disruptions	CTO	Invest in cutting-edge cinema technologies

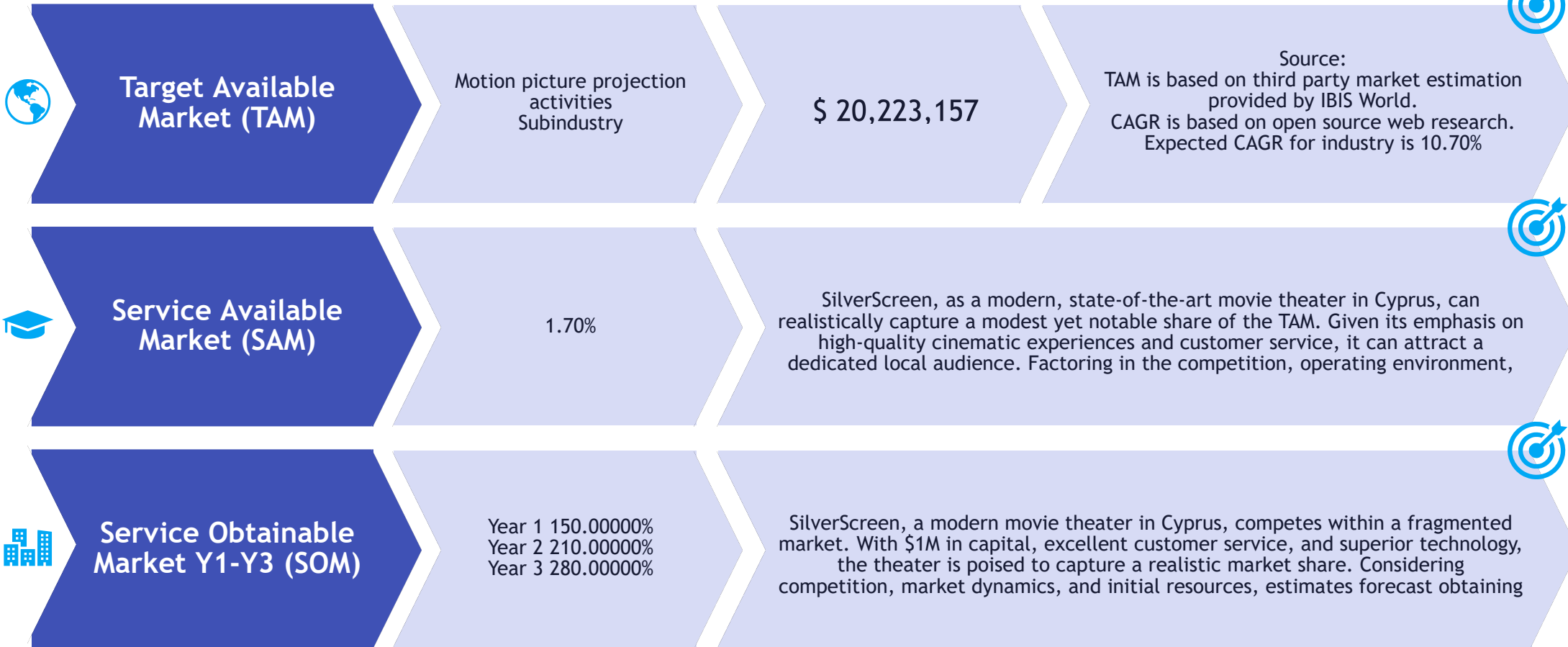
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Maintain a cash reserve and diversify revenue sources.
2	Overexpansion	COO	Conduct thorough market research before expansion.
3	Revenue Fluctuations	CFO	Implement flexible pricing and diversify offerings.
4	High Operational Costs	COO	Optimize efficiency and negotiate better supplier terms.
5	Credit Risk	CFO	Regularly review and manage credit policies.

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Brand Reputation	CMO	Monitor customer feedback and respond quickly.
2	Economic Downturn	CFO	Diversify revenue streams.
3	Technological Advancements	CTO	Stay updated with tech trends.
4	Market Competition	CEO	Differentiate with unique offerings.
5	Customer Preferences	CPO	Conduct regular market research.

# 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 \$ 1,000,000

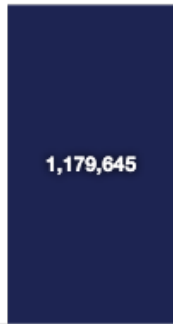
Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	217,054	
Payroll Expenses		46,412
Rent & Utilities		25,785
Marketing and Branding		10,314
Communication Expenses		5,157
Capex		680,000
Legal and Professional Fees		5,157
Training and Development		5,157
Other Miscellaneous		4,074
Office supplies		2,578
Representation and Entert.		2,578
<b>CAPEX &amp; WC shortage Y1</b>		<b>570,158</b>
<b>Buffer</b>		<b>429,842</b>
<b>Total Required Investment(USD)</b>		<b>1,000,000</b>



# Financials Dashboard

## Y3 PL formation and Margins

### Revenue



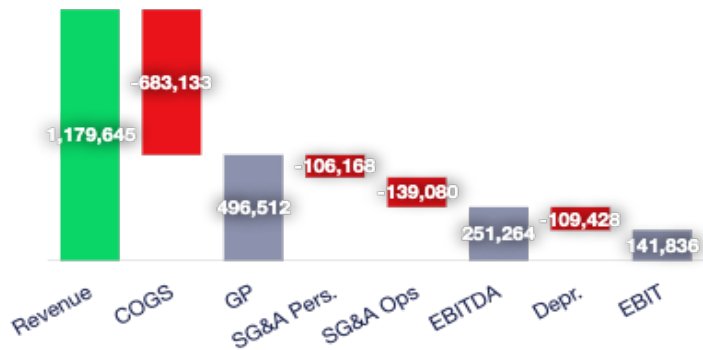
### Projected Revenue

- GP 42.1%
- EBITDA 21.3%

Y3

Y3

### PnL Formation (Y3 USD)

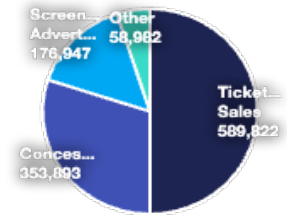
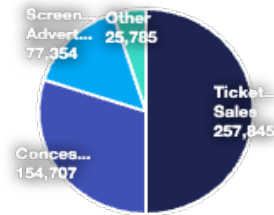


## Business Line Breakdown (USD)

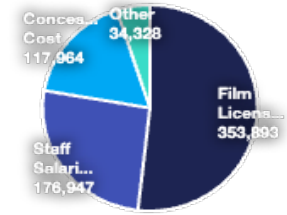
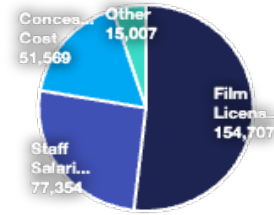
Y1

Y2

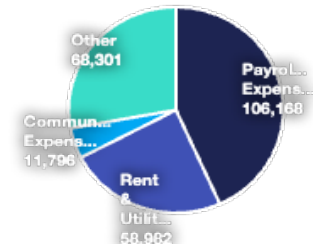
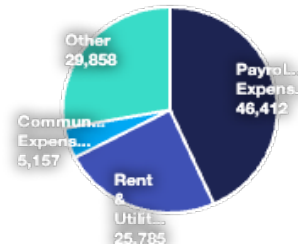
### Revenue



### COGS



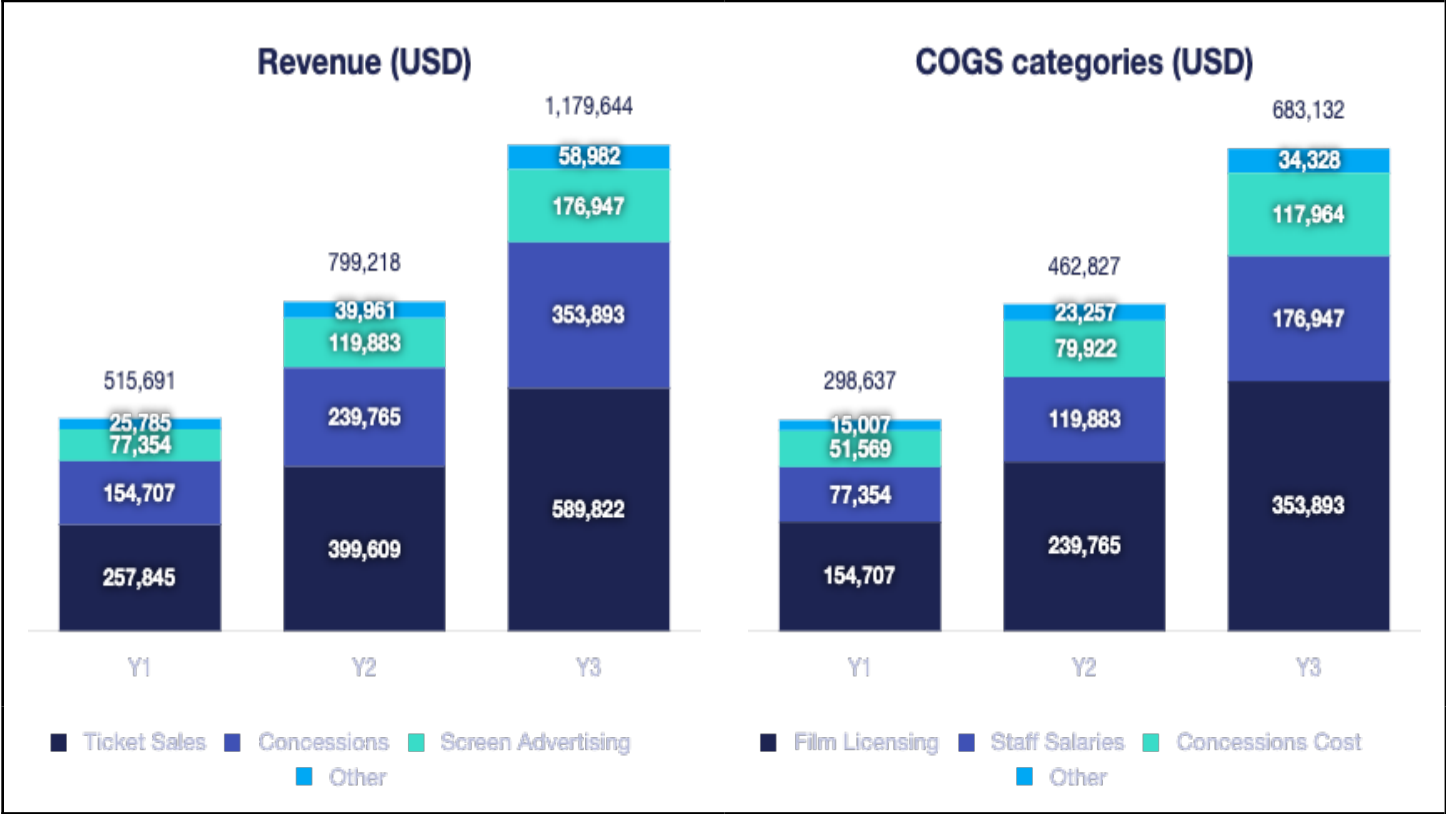
### Admin



# Revenue Formation Narrative

SilverScreen is well-positioned to dominate the movie theater industry in Cyprus with its high-quality cinematic experiences and stellar customer service. Within an addressable market of 20,223,157 USD, we have conservatively estimated that SilverScreen can capture a 1.7% share of the market (SAM). This estimate considers the competition, the local market environment, and our operational capabilities, making a SAM of 1.7% both attainable and pragmatic. For the first three years, our serviceable obtainable market (SOM) is projected to grow steadily. In the first year, SilverScreen is expected to secure 1.5% of the market, translating into 515,690.5 USD in revenue given the initial investment and market conditions. By the second year, an increase to 2.1% share will result in revenue rising to 799,217.14 USD, and by the third year, a 2.8% market share is expected to drive revenue up to 1,179,644.5 USD. This growth is driven by our unique value proposition and strategic capital deployment. The primary revenue streams include Ticket Sales (50.00%), Concessions (30.00%), Screen Advertising (15.00%), and Other sources (5.00%). Our commitment to providing top-notch movie-going experiences will ensure continued growth and increased market capture over the projected period.

**\$ 1,179,645** <sup>Y3</sup> Projected Revenue      **255.00%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Ticket Sales	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Concessions	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Screen Advertising	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%
Other	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %	5 %

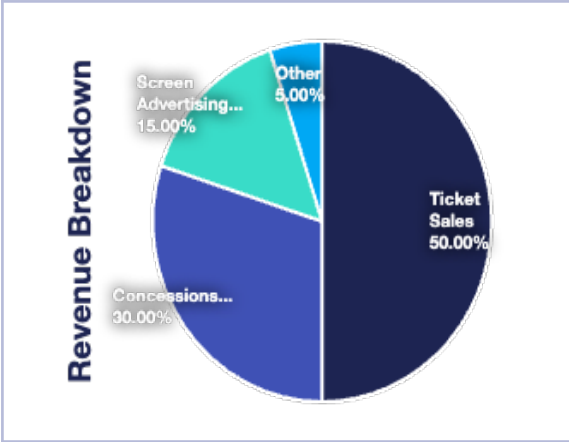
Ticket Sales	16,115	16,115	16,115	19,338	19,338	19,338	23,636	23,636	23,636	26,859	26,859	26,859	257,845	399,609	589,822
storeRevenueLOB.value?.res2?.name	9,669	9,669	9,669	11,603	11,603	11,603	14,181	14,181	14,181	16,115	16,115	16,115	154,707	239,765	353,893
Screen Advertising	4,835	4,835	4,835	5,802	5,802	5,802	7,091	7,091	7,091	8,058	8,058	8,058	77,354	119,883	176,947
Other	1,612	1,612	1,612	1,934	1,934	1,934	2,364	2,364	2,364	2,686	2,686	2,686	25,785	39,961	58,982
<b>Total Revenue (USD)</b>	<b>32,231</b>	<b>32,231</b>	<b>32,231</b>	<b>38,677</b>	<b>38,677</b>	<b>38,677</b>	<b>47,272</b>	<b>47,272</b>	<b>47,272</b>	<b>53,718</b>	<b>53,718</b>	<b>53,718</b>	<b>515,691</b>	<b>799,217</b>	<b>1,179,645</b>

Total revenue is expected to reach \$ 1,179,645 by year 3.

Main revenue driver are:

- Ticket Sales which generates \$ 589,822 by Year 3
- Concessions which generates \$ 353,893 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 51.24 %



# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Film Licensing	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Staff Salaries	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%
Concessions Cost	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	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%	2.91%

Film Licensing	9,669	9,669	9,669	11,603	11,603	11,603	14,181	14,181	14,181	16,115	16,115	16,115	154,707	239,765	353,893
Staff Salaries	4,835	4,835	4,835	5,802	5,802	5,802	7,091	7,091	7,091	8,058	8,058	8,058	77,354	119,883	176,947
Concessions Cost	3,223	3,223	3,223	3,868	3,868	3,868	4,727	4,727	4,727	5,372	5,372	5,372	51,569	79,922	117,964
Other	938	938	938	1,125	1,125	1,125	1,376	1,376	1,376	1,563	1,563	1,563	15,007	23,257	34,328

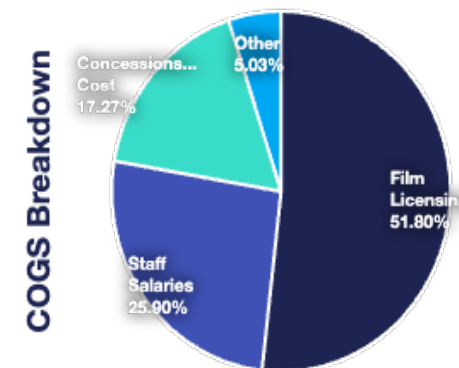
<b>Total COGS (USD)</b>	<b>18,665</b>	<b>18,665</b>	<b>18,665</b>	<b>22,398</b>	<b>22,398</b>	<b>22,398</b>	<b>27,375</b>	<b>27,375</b>	<b>27,375</b>	<b>31,108</b>	<b>31,108</b>	<b>31,108</b>	<b>298,636</b>	<b>462,827</b>	<b>683,132</b>
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Total COGS is expected to reach \$ 683,132 by year 3.

Main revenue driver are:

- Film Licensing which generates \$ 353,893 by Year 3
- Staff Salaries which generates \$ 176,947 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 51.24 %



# SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Payroll Expenses</i>	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
<i>Rent &amp; Utilities</i>	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%
<i>Communication Expenses</i>	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%
<i>Office supplies</i>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Legal and Professional Fees</i>	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%
<i>Marketing and Branding</i>	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%
<i>Representation and Entertainment</i>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Training and Development</i>	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%
<i>Other Miscellaneous</i>	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%

<i>Payroll Expenses</i>	2,901	2,901	2,901	3,481	3,481	3,481	4,254	4,254	4,254	4,835	4,835	4,835	46,412	71,930	106,168
<i>Rent &amp; Utilities</i>	1,612	1,612	1,612	1,934	1,934	1,934	2,364	2,364	2,364	2,686	2,686	2,686	25,785	39,961	58,982
<i>Communication Expenses</i>	322	322	322	387	387	387	473	473	473	537	537	537	5,157	7,992	11,796
<i>Office supplies</i>	161	161	161	193	193	193	236	236	236	269	269	269	2,578	3,996	5,898
<i>Legal and Professional Fees</i>	322	322	322	387	387	387	473	473	473	537	537	537	5,157	7,992	11,796
<i>Marketing and Branding</i>	645	645	645	774	774	774	945	945	945	1,074	1,074	1,074	10,314	15,984	23,593
<i>Representation and Entertainment</i>	161	161	161	193	193	193	236	236	236	269	269	269	2,578	3,996	5,898
<i>Training and Development</i>	322	322	322	387	387	387	473	473	473	537	537	537	5,157	7,992	11,796
<i>Other Miscellaneous</i>	255	255	255	306	306	306	373	373	373	424	424	424	4,074	6,314	9,319

<b>Total SG&amp;A (USD)</b>	<b>6,701</b>	<b>6,701</b>	<b>6,701</b>	<b>8,041</b>	<b>8,041</b>	<b>8,041</b>	<b>9,828</b>	<b>9,828</b>	<b>9,828</b>	<b>11,168</b>	<b>11,168</b>	<b>11,168</b>	<b>107,212</b>	<b>166,157</b>	<b>245,248</b>
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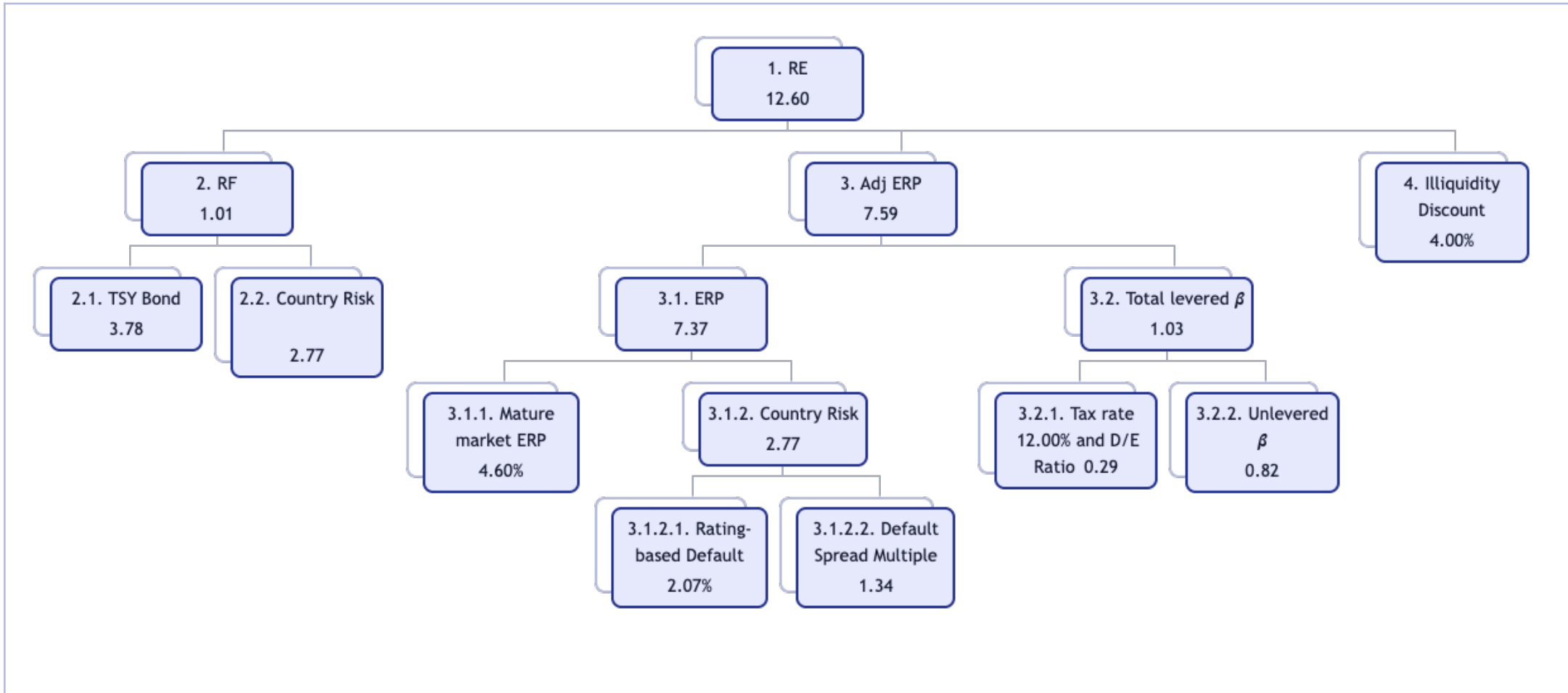
# PaT Expectations

1 2 3 4 5 6 7

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	32,231	32,231	32,231	38,677	38,677	38,677	47,272	47,272	47,272	53,718	53,718	53,718	515,691	799,217	1,179,645
Ticket Sales	16,115	16,115	16,115	19,338	19,338	19,338	23,636	23,636	23,636	26,859	26,859	26,859	257,845	399,609	589,822
Concessions	9,669	9,669	9,669	11,603	11,603	11,603	14,181	14,181	14,181	16,115	16,115	16,115	154,707	239,765	353,893
Screen Advertising	4,835	4,835	4,835	5,802	5,802	5,802	7,091	7,091	7,091	8,058	8,058	8,058	77,354	119,883	176,947
Other	1,612	1,612	1,612	1,934	1,934	1,934	2,364	2,364	2,364	2,686	2,686	2,686	25,785	39,961	58,982
<b>COGS</b>	-18,665	-18,665	-18,665	-22,398	-22,398	-22,398	-27,375	-27,375	-27,375	-31,108	-31,108	-31,108	-298,636	-462,827	-683,132
Film Licensing	-9,669	-9,669	-9,669	-11,603	-11,603	-11,603	-14,181	-14,181	-14,181	-16,115	-16,115	-16,115	-154,707	-239,765	-353,893
Staff Salaries	-4,835	-4,835	-4,835	-5,802	-5,802	-5,802	-7,091	-7,091	-7,091	-8,058	-8,058	-8,058	-77,354	-119,883	-176,947
Concessions Cost	-3,223	-3,223	-3,223	-3,868	-3,868	-3,868	-4,727	-4,727	-4,727	-5,372	-5,372	-5,372	-51,569	-79,922	-117,964
Other	-938	-938	-938	-1,125	-1,125	-1,125	-1,376	-1,376	-1,376	-1,563	-1,563	-1,563	-15,007	-23,257	-34,328
<b>Gross Profit</b>	13,566	13,566	13,566	16,279	16,279	16,279	19,897	19,897	19,897	22,610	22,610	22,610	217,054	336,390	496,512
<b>SG&amp;A Personal Expenses</b>	-2,901	-2,901	-2,901	-3,481	-3,481	-3,481	-4,254	-4,254	-4,254	-4,835	-4,835	-4,835	-46,412	-71,930	-106,168
<b>SG&amp;A Operating Expenses</b>	-3,800	-3,800	-3,800	-4,560	-4,560	-4,560	-5,573	-5,573	-5,573	-6,333	-6,333	-6,333	-60,800	-94,228	-139,080
<b>EBITDA</b>	6,865	6,865	6,865	8,238	8,238	8,238	10,069	10,069	10,069	11,442	11,442	11,442	109,842	170,233	251,264
<b>Depreciation</b>	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-9,119	-109,429	-109,429	-109,429
<b>EBIT</b>	-2,254	-2,254	-2,254	-881	-881	-881	950	950	950	2,323	2,323	2,323	414	60,805	141,836
<b>Interest Expense</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit before Tax</b>	-2,254	-2,254	-2,254	-881	-881	-881	950	950	950	2,323	2,323	2,323	414	60,805	141,836
<b>Tax</b>	270	270	270	106	106	106	-114	-114	-114	-279	-279	-279	-50	-7,297	-17,020
<b>Profit after Tax (USD)</b>	-1,983	-1,983	-1,983	-775	-775	-775	836	836	836	2,044	2,044	2,044	364	53,508	124,815

## 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

	(USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	364	53,508	124,815	138,171	152,955	169,321	187,438
	Growth% Y4-Y7				10.70%	10.70%	10.70%	10.70%
	Growth% Y7 -->				3.50%			
	WACC				12.60%			
	PV Y1-Y7 at Y0	323	42,206	87,438	85,966	84,519	83,096	81,697
	PV Y7 --> Y0				929,617			
	NPV (USD)				1,394,861			

Average Survival Rate for 3 Years 50%

**Final Valuation** \$ 697,431

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 12.60 % 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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