

# The FilmoCrat™ Decentralized Film Ventures

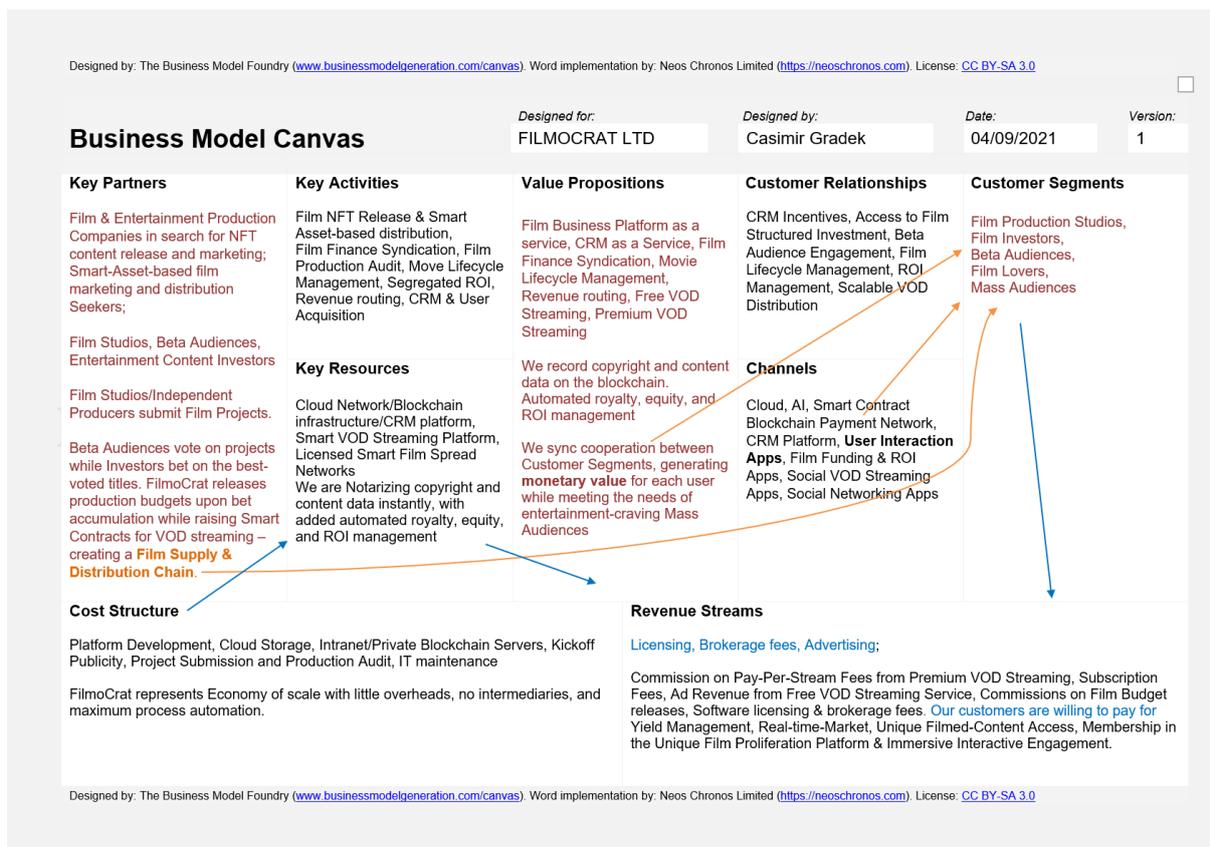
## Executive Summary

**[001]** In [Whitepaper](#), we reveal the FilmoCrat app's appliance, functionality, and market impact. While addressing the film industry's digital transition needs, we connect filmmakers with investors and audiences in a value generation chain sprang by socio-economic interdependencies and enabled by DLT technologies.

**[002]** Users can create decentralized film ventures through the Platform and set the undertakings for competitive commercial performance. This summary will only mention the essence of the Platform operations and pass it on to the Business Model, Profitability Forecasts, and Roadmap.

# Business Model Canvas

Key Partners, Key Activities, Key Resources, Value Proposition, Customer Relations, Channels, Cost Structure, Revenue Streams



## Business Model

**[003]** FilmoCrat addresses inefficiencies and digital transformation needs within the \$200 billion movie industry. While we introduce the Platform with smart-contract-based process management and instant transacting abilities, we can run multiple projects for film studios internationally. It makes an unbiased film funding, monetization, and distribution network with an audience engagement component and content publicity push. **FilmoCrat will generate revenue** by the commission on the content finance, the Platform viewing traffic, and software licensing fees.

# **Competitive Advantage**

## **Content Finance Model**

**[004]** First to market: The FilmoCrat decentralized content finance model unlocks the participation of a broader range of investors and brings a significant advantage in the capital volume available for content development. While content sourcing, funding, and release are driven by market demand and endorsed by the authority of the crowds, the beta audience's best-voted movies will compile the FilmoCrat unique streaming libraries.

## **Differentiator**

**[005]** Unlike Netflix, which relies on centralized debt financing for content production or purchasing streaming rights, FilmoCrat attracts crowdfunding equity to structured film ventures. It notarizes contributors' profit rights on blockchain and raises self-executing contracts to manage revenue routing and ROI.

## **Business Strategy**

**[006]** Providing a superb, business-like infrastructure to the most creative studios/personalities in the industry, engaging beta audiences in content promotion, and charging a commission on consumer fees. While equity, copyrights, and profits stay with content owners, FilmoCrat gets rewarded for structuring content sourcing, realization support, and proliferation.

## **First to market**

**[007]** We are the first to unlock film entry barriers to institutions and individual investors through managing film equities and standardizing revenue distribution formats. The system rewards beta audiences and incentivizes the mass consumer to engage.

## **Unique Features**

**[008]** Netflix, Hulu, and HBO Prime – do not offer structured crowdfunding or equity management, nor are they rewarding consumers.

## Revenue Streams

**[009]** Film stakeholders will make money by streaming fees (\$ 1 to \$ 7 per stream). The expected ROI within the film investment realm is 50 to 100x in the first year from content release. FilmoCrat aims to exceed that with the audience engagement ecosystem.

**[010]** Audiences can use the following options to sign up:

- Pay-per-stream – without the need for a subscription
- Subscription & voting-based unlimited usage, free of publicity
- Free streaming service – sponsored by advertisers

**[011]** All signup options will unlock audience access to content rating leading to obtaining shares in studio-released products. FilmoCrat is an impartial **Film Interaction Media** that allows participants to generate independent proceeds.

**[012]** **FilmoCrat will make money** by charging a commission on content-production funding, consumers' viewing traffic, and advertising while also including:

- Media software licensing Fees
- Content brokerage fees
- Ad circulation fees
- Commissions on film production budget releases
- Commission on Pay-Per-Stream film revenues
- Subscription fees
- Voting token sales

**[013]** The platform will synchronize a chain of film development events for production companies worldwide. The brand aims to circulate the **Beta Audience's**

**best vote-chosen productions** and thus seize a share of the global entertainment market. FilmoCrat's earnings may 100x exceed the grossing of a top-performing movie.

## Profitability

**[014]** With the scalable film funding model, we will reach the Netflix-like level of consumers three to four years from launch. The network will then have 1000 hours of new original content that would likely represent an aggregated outlay of \$10 billion by vetted investors. The FilmoCrat content delivery network would have 200 million members enjoying 250 million hours of content a day for \$1 an hour. It would be collecting \$250 million a day from consumption fees, grossing \$90 billion a year when spun out, shareable between film producers and film investors.

**[015]** The Platform would charge a 10% commission on the gross. It would be making \$ 9 billion a year for FilmoCrat shareholders.

### Projected growth

Estimated Profitability 2023	\$ 30 million
Estimated profitability 2024	\$ 90 million
Estimated profitability 2026	\$ 900 million

## Estimated Platform Execution Cost

MVP development and testing	\$ 300,000.00
Customer Sourcing and CR development	\$ 1,5 million
Fully functional platform rollout	\$ 2,5 million
The kickoff ads and customer acquisition	\$ 5,5 million
<b>Total</b>	<b>\$ 9,8 million</b>

**Fully functional platform launch** **Q2, 2023**

## Platform Profitability Case Study

**[016]** The following case study relates to rivals' performance, namely Netflix. Just for a reference in concrete figures – using the Netflix approx, 40% share in the existing market – Netflix's estimated 1,000 hours of original content and outlay of \$13 billion in 2018 is projected to reach \$22.5 billion in annual spending by 2022, per Goldman Sachs.

**[017]** **Netflix** has over 200 million subscribers in over 190 countries, enjoying more than 250 million hours of TV shows and movies per day. If the company only made \$ 0,3 on those programs per hour, it would have made a **\$27 billion profit a**

**year.** While its annual revenue reached 20.15 billion US dollars in 2019, it had a total net income of 1.86 billion USD that year due to the licensing fees/content streaming rights, overheads, and customer acquisition and retention costs.

**[018]** **FilmoCrat** aims for a similar content volume, yet it has a significant advantage over Netflix in obtaining streaming rights and drawing customer engagement. We offer customers an unbiased content finance model that includes

- Aggregated film equity funding by independent investors
- Beta Audience greenlighting motion picture projects for production
- Enhanced Movie PR
- Structured profit-sharing between film production companies and equity funders
- Automated ROI forwarding

**[019]** We are streaming content on behalf of owners, charging a 10% commission in exchange for Platform utilities.

**[020]** At FilmoCrat, the content development costs will spread over a scalable network of film funding crowds, including Beta Audience, retail investors, VC syndicates, hedge funds, and investment banks. Film Producers and their financial backers retain ownership of content and revenue from streaming. Content owners will pass streaming rights to the Platform to structure the film finance, broadcasting, and marketing deal. Consequently, FilmoCrat does not invest in movies but content sourcing, production support, and distribution infrastructure.

**[021]** We aim to service the top-tier premium content, including the Beta Audience's best-voted films globally. We will admit mid-range budget production from \$1.5 to \$80+ Million. Our structured Film Finance Model can exponentially raise the volume and range of FilmoCrat streaming libraries.

**[022]** Solely with the 1/100 of Netflix viewing reach (2 million members – with 2,5 million viewing hours per day and \$ 0,1 commission per hour per consumer), we will make \$ 250,000 a day, approximately \$ 90 million per year, which should grow 100x by 2026, reaching **\$ 9 billion**.

## 3-Year Consolidation Plan

**[023]** In contrast to the Netflix forecasted expenditure of \$22.5 billion, the FilmoCrat estimated outlay is \$22 million for the first three years, which we plan to spend on developing and maintaining the infrastructure, security solutions, and marketing and advertising.

**[024]** By putting the multiparty film finance model into service, FilmoCrat, will reach and possibly exceed its goal of 1,000 hours of new movies and shows by 2026.

## Go to Market Speed-Up

**[025]** **FilmoCrat will admit** some ready-made, externally financed movies for their strictures premieres. That will let some of the not-yet-allied studios try out FilmoCrat's direct monetization: It will help engage more producers in future cooperation and quicker expand the FilmoCrat movie libraries.

## Key Content Supply Resources

**[026]** With the automation of content's lifecycle contracts and interactive audience engagement, FilmoCrat will attract the best storytelling pieces, the top talent, and production crews. It will offer an enhanced business model to Hollywood production studios, renowned cinematographers, and independent producers worldwide.

## **Customer/Consumer Relationships**

**[027]** While the system is under development, we will carry out further rollout based on specific customer needs, and we aim at production studios, independent producers, and media conglomerates. We will be onboarding industry insiders, financiers, mentors, and legal advisors with motion picture production and marketing backgrounds. At the same time, we can offer an early partnering opportunity.

**[028]** Besides, we build consumer relations by offering social media tools, including chat and movie access gifting. We will nominate Content Ambassadors and reward Beta Audiences for spreading the word and marketing contributions. FilmoCrat will establish a customer/consumer relationship service. We will report relevant events, host user meetings, and raise publicity campaigns.

## **User Communication Channels**

**[029]** FilmoCrat builds its Platform around user social connections. We integrate dedicated networking tools in users' interfaces and apps while also linking the apps to film finance reporting and film and Platform performance reporting.

## **Platform Shareholders' Dividends**

**[030]** FilmoCrat dividends are proportional to Platform revenue, with a 50% portion designated to the shareholder's stakes. Dividends equal platform earnings divided by members' shares and roll out quarterly from day one. By 2026 the Platform revenue from commissions should reach \$ 9 billion. If you owned 1% of FilmoCrat shares, you would be entitled to \$ 45 million.

## Film Investor's ROI Case Study

**[031]** Per a conservative estimation, a Beta-Audience-chosen \$10-million-budget film production should make a 50x return (\$500 million) in the first year to share between content investors and producers. At the same time, the film equity holders' ROI should roll out accordingly to their holding. The platform will manage that using a Profit Factor formula.

**[032]** The movie funder's Profit Factor (PF) is the ratio of his equity (EQ) to production budget (B):

$$PF = EQ / B$$

**[033]** If your equity is \$10k in a \$10 million budget production, your profit factor PF that will govern your returns is:

$$PF = 10k / 10 \text{ million} = 0.001$$

**[034]** While a 50/50 split of earnings between the investors and producers will apply, the following formula would rule your proceeds:

$$\text{ROI} = \text{Revenue (Movie Gross per year)} \times 50\% \times PF - \text{EQ} - \text{Commission}$$

If a \$10 million-budget-production makes a 50x return (\$500 million a first year), with a profit factor of 0.001, your ROI will roll out as follows:

$$\text{ROI} = \$500 \text{ million} \times 50\% \times 0.001 = \$250k - 10\% \text{ platform commission} = \$225k - \$10k \text{ equity} = \$215k \text{ profit per first year}$$

Not to mention the proceeds throughout movie lifecycles 3 to 7 years.

## Roadmap

1. Developing user interface to wireframe spec. – **Q2 2022**
2. Ensuring content cloud storage and multiple backups – **Q3 2022**
3. Building and testing the blockchain-based architecture – **Q3 2022**
4. Building and testing the MVP – **Q3 2022**
5. Integrating a VOD streaming site – **Q3 2022**
6. Integrating social media tools – **Q3 2022**
7. Integrating the NFT and Kino Coin functionalities – **Q4 2022**
8. Integrating user wallets – **Q4 2022**
9. Integrating Film-Studio Existing-Movie Launchpad – **Q4 2022**
10. Building and testing functional Platform – **Q4 2022**
11. Kino Coin ICO – **Q4 2022**
12. Onboarding Advisory Board and film industry insiders – **Q4 2022**
13. Onboarding legal advisors – **Q4 2022**
14. Populating Content Bidding Theater with new film projects – **Q1 2023**
15. Settling FilmoCrat Library with external films – **Q1 2023**
16. User support, privacy, and security solutions – **Q1 2023**
17. CR/film investors, audiences, and film production companies – **Q2 2023**
18. Mass Customer Acquisition – Carrying out an advertising campaign – **Q2 2023**
19. Fully functional platform launch – **Q2 2023**

Thank you

### Disclaimer

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