

BUSINESS POTENTIAL FOR UNIQUE ASSET CLASS INVESTMENT

Independent genre film by acclaimed film maker

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SLIDE SECTIONS:

- **Why Invest in Independent Film**
- The Power of the Thriller Comedy Genre
- Clear Talent Track Record: Meshaal AlJasser
- Production/Release Strategy & Operations
- Investment Structure

MARKET ANALYSIS: NEVER BEEN A BETTER TIME TO INVEST IN INDEPENDENT FILMS

Consumer Behavior Shift:



Industry analysis and box office data has shown that consumer preferences for subtitled movies have drastically shifted in favor to, and this constitutes greater demand for in foreign languages thus expand the Total Addressable Market for independent movies (regardless of language)

Monetization Diversity:



With the advent of digital media distribution and digital media marketplaces, independent films are now able to access multiple revenue streams beyond traditional box office returns, such as SVOD licenses and VOD purchases and rental that were previously not available

Technological Productivity:

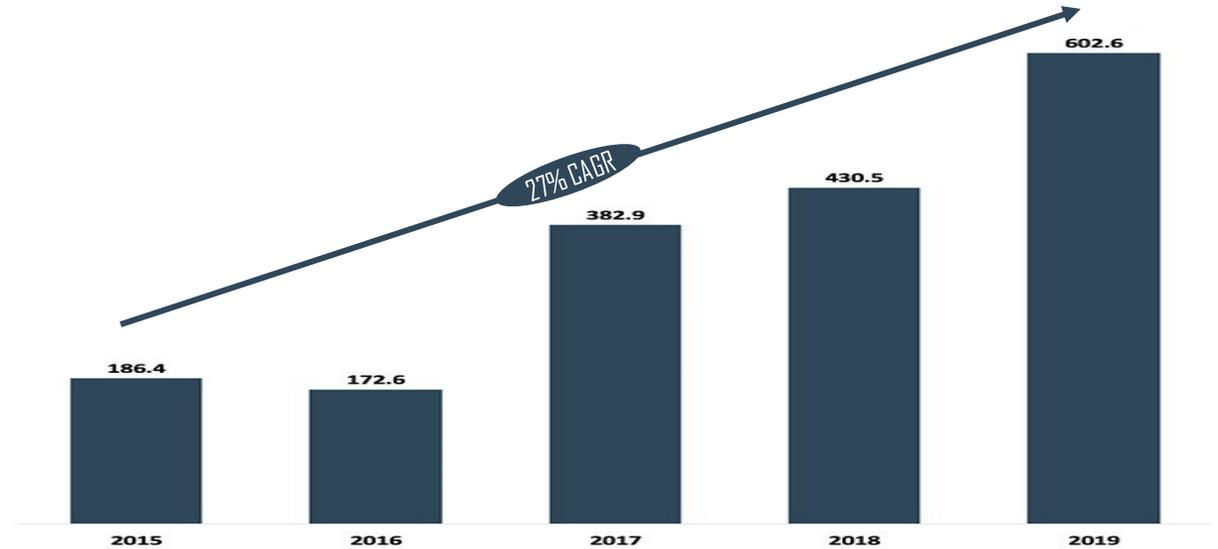


Camera, film editing, and VFX technology is allowing independent film makers to produce higher quality content at much lower costs and thus generating greater audience interest and higher monetary return due to the increased demand

Talent Track Record:



As more and more content is being consumed through social media platforms such as YouTube, it has become much easier for film investors to verify a proven track record of talent for potential directors, such as total views on smaller projects and total audience engagement to de-risk investment



Annual Global Revenue for Top Independent Films (Millions of Dollars)

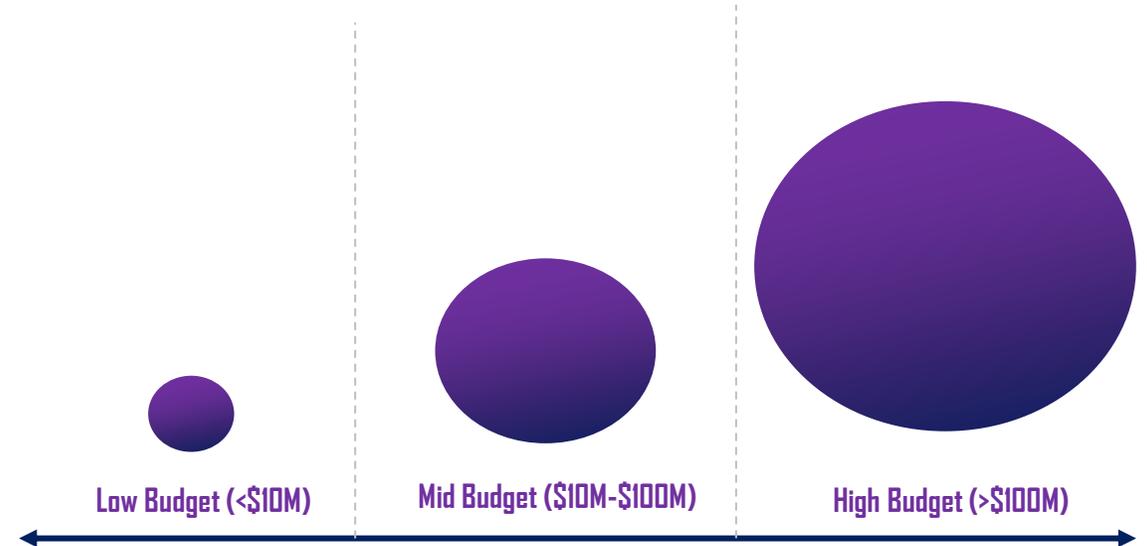
- Market data only includes top grossing films which industry experts assume account for ~70% of total market which indicates much larger growth than indicated
- Does not include all the ancillary revenue streams for independent films such as SVOD licenses, TV rights, flight and hotel licenses, VOD purchases and licenses, and merchandize
- Independent films have inherently lower cost structures that allow for much greater profit margins that increase total cashflow to investors compared to traditional films

MARKET ANALYSIS: PRODUCTION TRENDS ALLOW FOR GREATER ROI FOR INDIES

% of Total Film Production



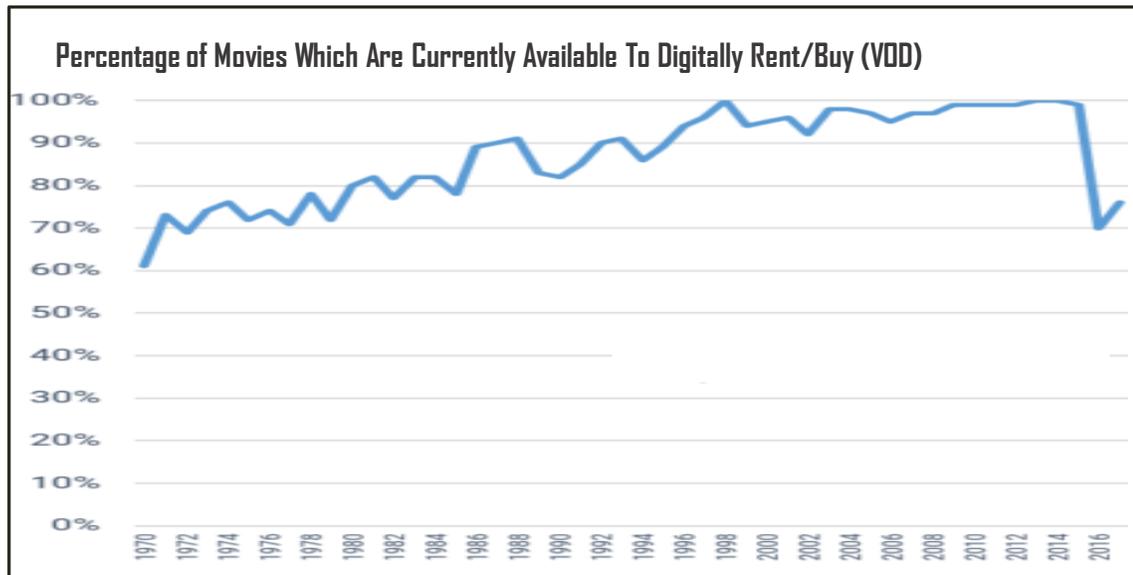
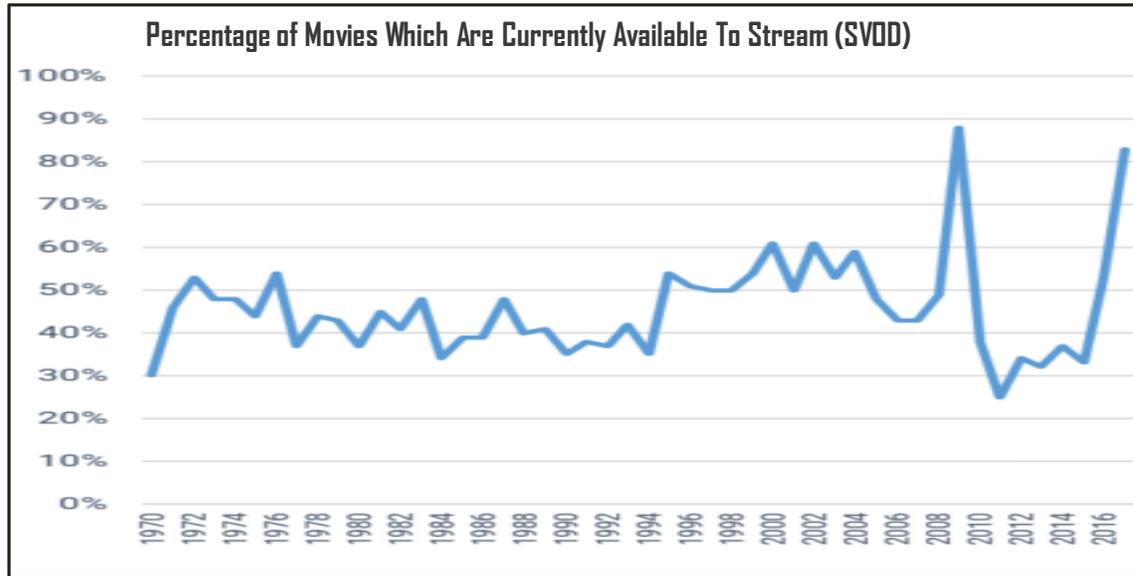
Media Whitespace: Decreased Competition from large studios & incumbents



- A major recent trend in film production has been the shift away from low to mid sized heavy production portfolios to production portfolios focused on more high end budgets (above 100 million USD) due the economies of scale associated with them, as well as the quantity film limits in key theater markets such as China

- This shift has lead to a decrease in overall focus of large studios on low budget movies, with many studios preferring to simply buy independently produced movies and distribute them under their own label. This shift has lead to a decrease of competition from large studios in this space, as well as more demand for independent movies, which in turn has increased expected ROIs

MARKET ANALYSIS: THE REVENUE LONGEVITY OF GOOD CINEMA



Consumer behavior studies in film and entertainment have constantly shown that consumers have a preference for quality content regardless of release date, thus allowing movies as old as 50 year to still have considerable monetization today. Analysis shows that movies with more of a focus on artistic value as opposed to commercial value are the assets with the longest revenue longevity

Both SVOD service providers (e.g., Netflix, Hulu, Disney+) and VOD providers (YouTube, Amazon, iTunes) have large inventories of content that dates back decades and thus have allowed for content creators and their investors to realize returns many years after the release of the film. SVODs particularly will increase licensee renewal payments if the content has proven to be a core part of the customer experience

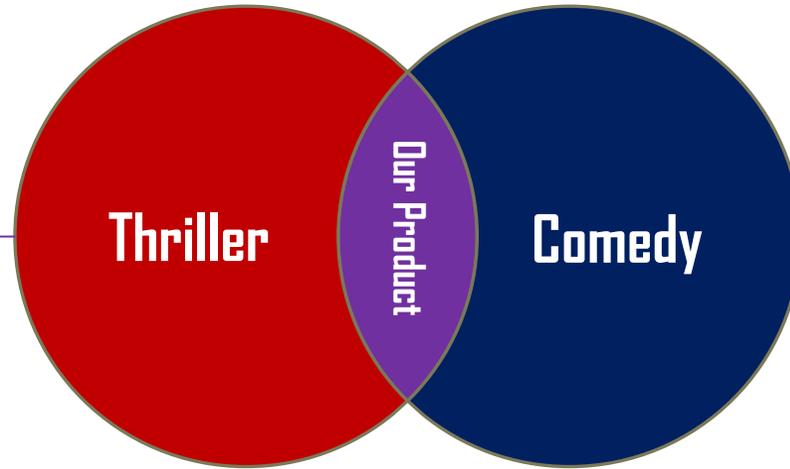
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FILM ANALYSIS: MULTI-GENRE FILMS CAN ATTRACT LARGE DEMOGRAPHICS

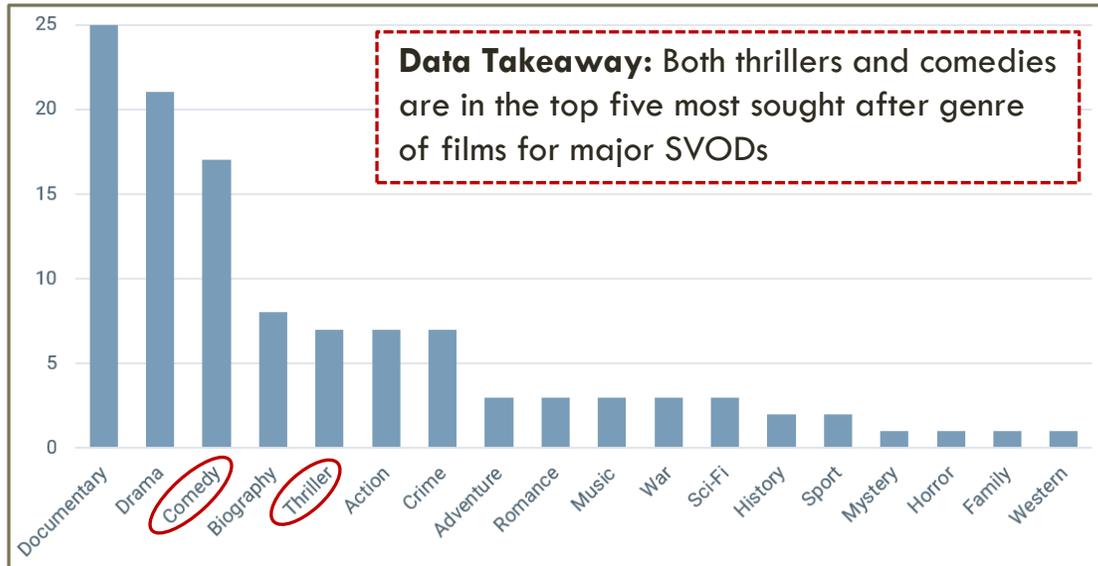
Thriller movies, also known as "suspense films", is a genre of film that aims at invoking excitement and suspense by focusing on a situation with objectively high stakes and unclear outcomes.

Thrillers have become a staple of film portfolios as they tackle a current problem with film audiences: short attention spans. Thrillers allow audiences to focus as the story is centered around a single plotline.

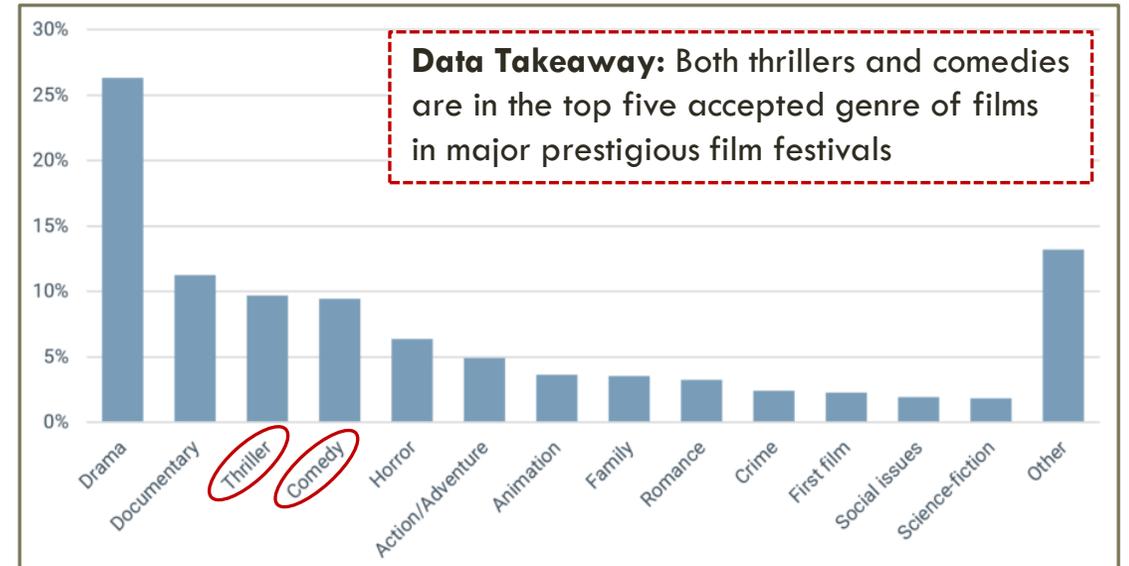


Comedy movies are a genre of film that emphasizes humor and are designed to arouse laughter and amusement from the audience. These can include both light and dark humor.

Comedies are an extremely valuable film genre due to the inherent desire for escapism that is a major factor for film going, as well as the potential for post film laughter through "memes" and "reactions"



Data Takeaway: Both thrillers and comedies are in the top five most sought after genre of films for major SVODs



Data Takeaway: Both thrillers and comedies are in the top five accepted genre of films in major prestigious film festivals

Genre of feature-length Netflix Original Films

Genre of movies at Cannes Film Festival 2020

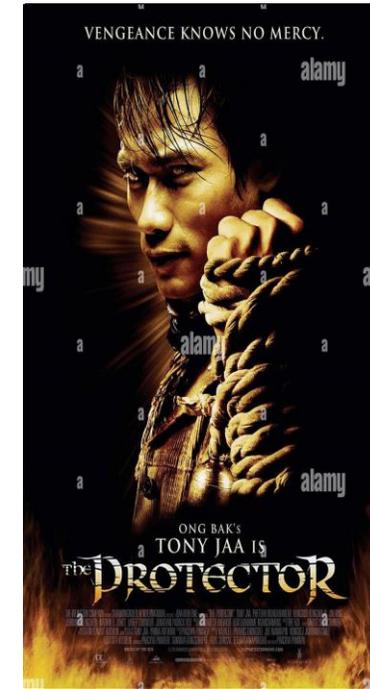
FILM ANALYSIS: COMPARABLE FOREIGN THRILLER COMEDIES SHOW HIGH RETURNS



	Budget \$4M USD
	Theatrical Revenue \$69M USD
	Theatrical Profit \$65M USD ROI: ~1725%
	Festival Awards -Cannes Film Festival -Miami Film Festival



	Budget \$15M USD
	Theatrical Revenue \$260M USD
	Theatrical Profit \$245M USD ROI: ~1600%
	Festival Awards -Cannes Film Festival - British Independent Films



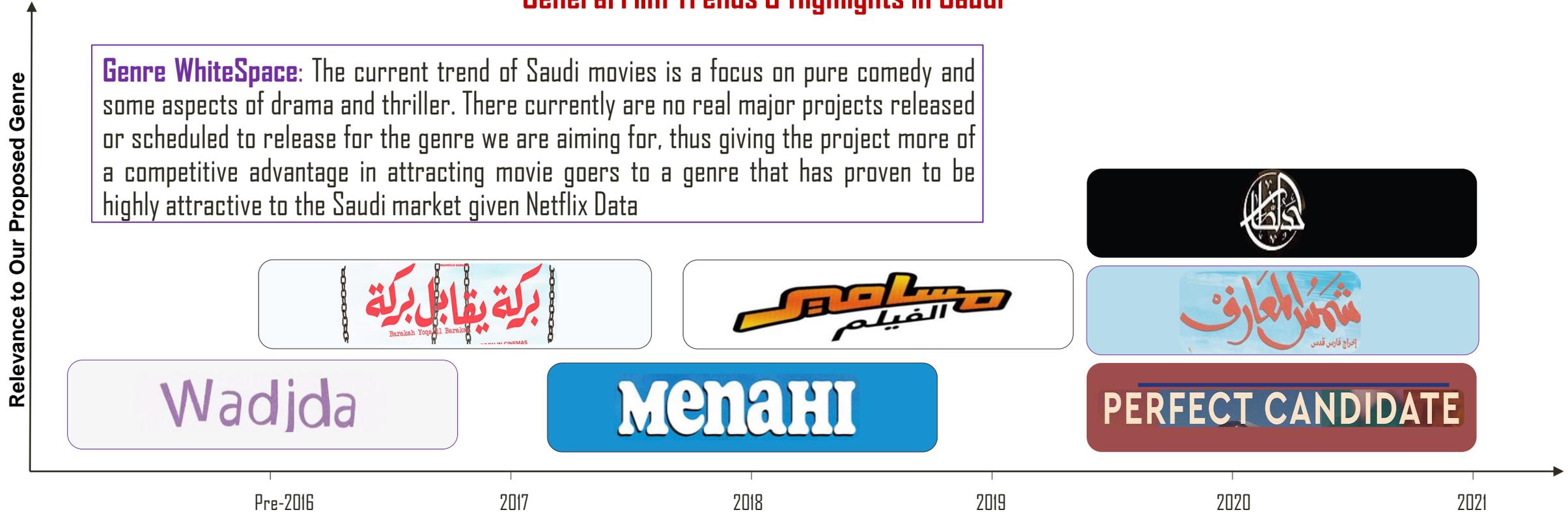
	Budget \$5M USD
	Theatrical Revenue \$28M USD
	Theatrical Profit \$22M USD ROI: ~440%
	Festival Awards - Toronto Inter-Film Festival

- All three movies have a clear characteristic amalgamation of thriller and comedy, with the main genre focus being thriller and the comedically aspects being sprinkled in the story at varying points
- All these genre stories were able to win at large prestigious film festivals where this specific type of genre combination has a high probabilistic chance of success in garnering awards
- Due to the focus of these types of genre on story and plot, they tend to have smaller budget requirements and smoother shooting schedules as long chunks of the movie can be centered around a single shot and do not require much in the way of changing locations

FILM ANALYSIS: CLEAR WHITE SPACE IN SAUDI CINEMA FOR THRILLER COMEDIES

Saudi Film Industry: Although it is an extremely nascent industry, Saudi cinema has proven to have huge potential both commercially and artistically. Movies such as *The Perfect Candidate* have garnered film festival buzz (including from Cannes) and films like *Masmear* have proven extremely commercially viable both directly through ticket sales, and indirectly through SVOD licenses and offshoot revenue from the IP in the movies such as the *Masmear* ride and merchandize

General Film Trends & Highlights in Saudi



FILM ANALYSIS: CENTER FOCUS ON THE DOMESTIC-INTERNATIONAL SPECTRUM

Domestic-International Focus Spectrum: A major factor for foreign independent movies is how to balance between inducing demand in the domestic market and the international market. While the international market is larger and can be more lucrative, it is extremely difficult to reach “escape velocity” from the domestic market without a lot of traction from local demand to prove to international distributors of the investment worthiness of your product.



- **Idiomatic Language:** Heavily domestic movies use language that is extremely difficult to translate with a high degree of authenticity
- **Extremely Localized Topics:** Heavily domestic films focus on topics that can be extremely narrow in their topic that can only be related to with the appropriate cultural and societal context
- **Non-Native Language:** Here movies will use a non-native language as the main means of communication within the film to attract larger international audience (English/French)
- **Broad Universal Topics:** Heavy international films focus on topics that can be extremely universal and have little to no relevance to the country of origin

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TRACK RECORD: QUANTITATIVE ANALYSIS SHOWS CLEAR POTENTIAL FOR SUCCESS



Total Content Views of 1.36 Billion

Working as a director, writer, and actor, the total aggregate work that Meshaal has produced has generated more than 1 billion total views, with an average number of views of **+3 million views per the type of long-form high-production-value content** that Meshaal has become specialized in



Multiple Festival Attendance & Awards

Multiple works from Meshaal have garnered prestigious awards and festival attendances, including an **award at the prestigious Sundance Film Festival and a screening at Cannes Film Festival**, as well as first place in the Qumrah Award out of 22,000 contents and finally winning the Atlanta Jury Award making his work an **Oscar Qualifying Film**



+1000 Minutes of Produced Content

Extensive experience producing the type of high-production value content that is associated with feature films, with total content produced exceeding 1000 minutes, including **writing producing that was sold to the Saudi Broadcasting Company** as well as **selling a short film to Netflix**



+3 Million Social Media Followers

With today's influence of social media on film, Meshaal has already amassed an extremely large social media presence, including more than 1.5 million Instagram followers, which translates to increased **free publicity for any film production and a built in fanbase for future work**

TRACK RECORD: EXTENSIVE EXPERIENCE PRODUCING HIGH-QUALITY CONTENT



Role: Producer, Writer, Director
 Folaim is a direct creation of Meshaal which focuses on high production quality short films (<10 minutes) that tackle a wide variety of topics from both a comedic and dramatic aspect. With an average of 3 Million View per video with the highest being 10M views.



Role: Writer & Director
 "Another Planet" is a unique TV show series that was directed and writing by Meshaal that was sold to the Saudi Broadcasting Corporation and funded for a total of 30 episodes with an average production cost of around 500,000 SAR per episode



Role: Creator, Writer, Director
 Arabian Alien is a groundbreaking dramatic Saudi film that was hugely critically acclaimed, being invited to multiple film festivals such as Sundance, and winning prizes and acclaims such as the Atlanta Jury Award and the Sundance Vimeo Award.



Role: Writer & Director
 Telfaz11 is considered one of the most pioneering production houses in Saudi leveraging digital talent. Meshaal was a early team member, writer, producer, director for many of the production of Telfaz11 and garnering more than an aggregate of 1 billion views



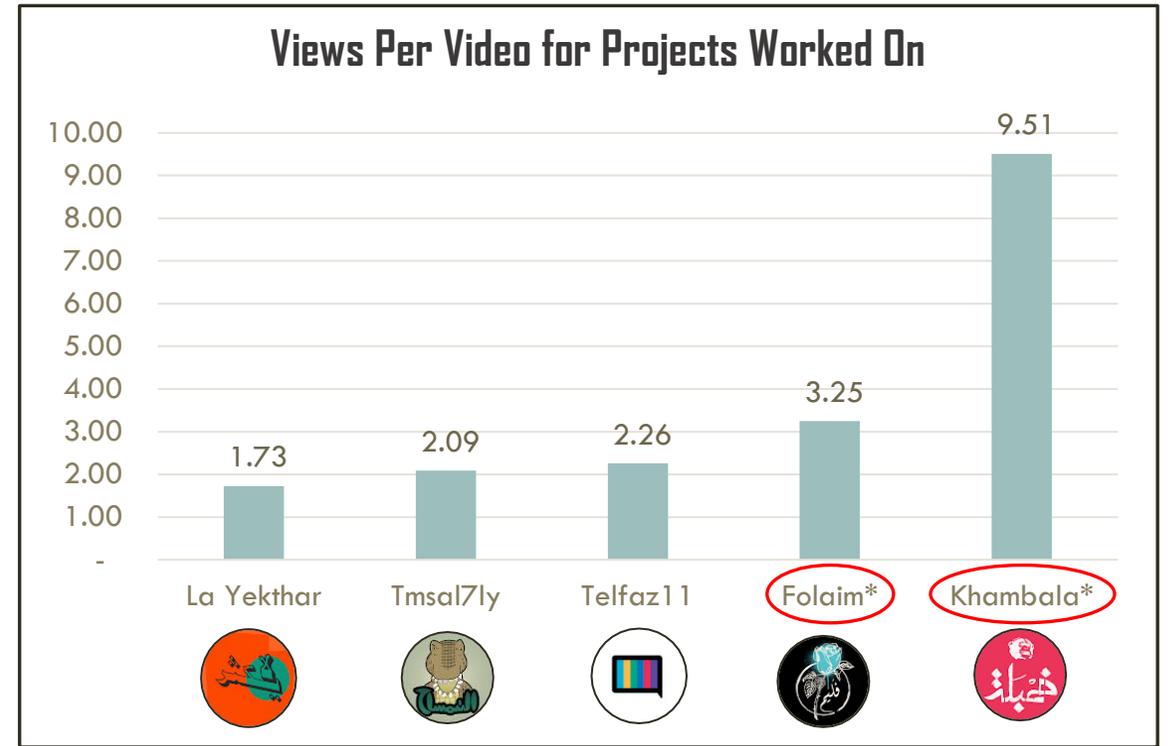
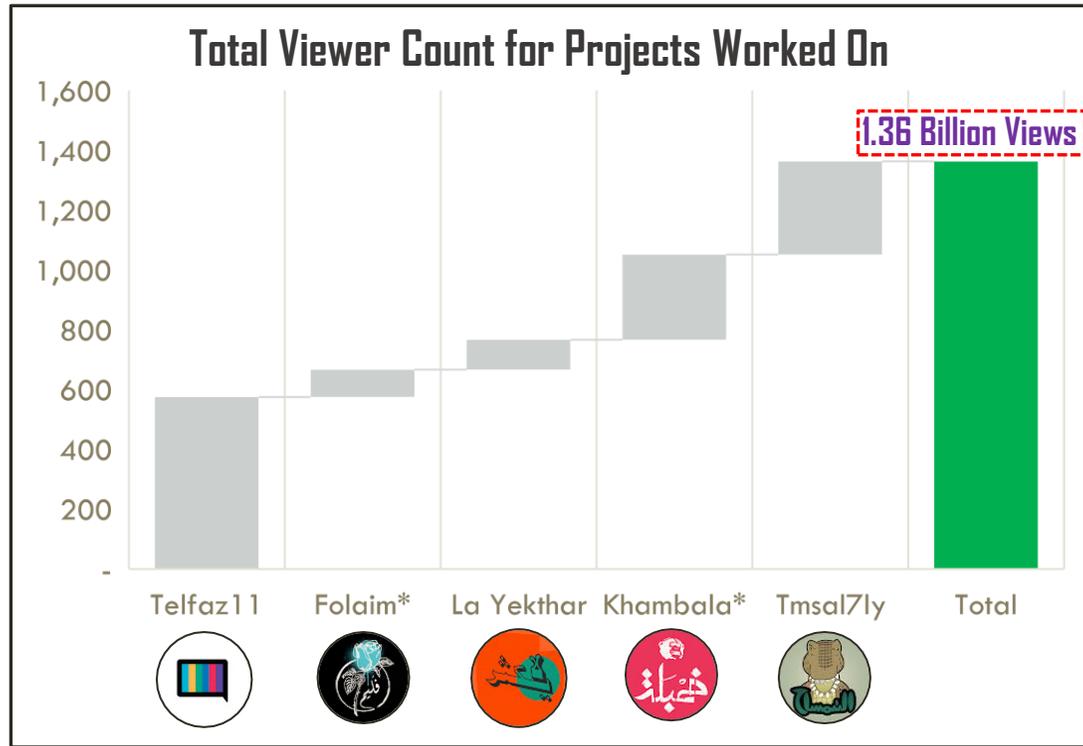
Role: Writer & Director
 Under Concrete is an emotional and highly impactful high-production value short film which focuses on a story of a family under distress. The short film won the First Prize Qumrah Award out of more than 22,000 contestants and more than 1M views



Role: Creator, Writer, Director
 Is Sumiyati Going to Hell is a dramatic short film created by Meshaal that discusses the sensitive topic of houseworkers in Saudi. The film was awarded multiple festival prizes and eventually sold to Netflix as part of its Six Windows in the Desert Series



TRACK RECORD: OVER A BILLION TOTAL VIEWS AND CONSISTENT + 3M VIEW PER VIDEO



Meshaal has been a core member of a number of successful media projects, all considered pioneers in the Saudi media space. With extensive experience in building content that focuses both on comedy and drama, Meshaal has a clear and quantitatively evidenced ability to generate content that will attract viewers on a mass scale

As Meshaal transitioned in his creative career from core team member to team leader and higher ownership in his content with projects such as Folaim and Khambala, as well as focusing more on long-form high-production value content, his viewer per video metric has dramatically increased, outpacing the majority of prominent other Saudi talent

TRACK RECORD: EXPERIENCE IN COMMERCIAL FILMMAKING FOR LARGE CORPORATIONS

Domestic Advertisers



International Advertisers

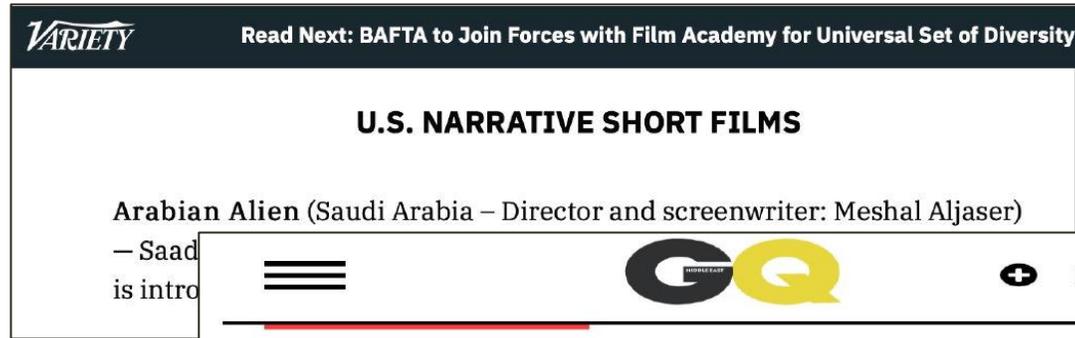


Average Budget for Projects: +1 Million SAR

Role in Projects: Writer (and/or) Director

Outlet for Advertising: Traditional TV & Social Media

TRACK RECORD: HIGH EXPOSURE IN INTERNATIONAL AND LOCAL MEDIA (1/2)



VARIETY



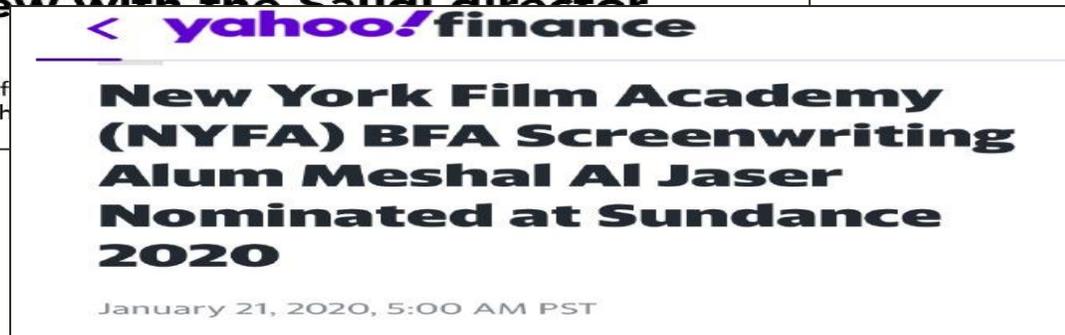
GQ



VOGUE



VICE



yahoo!
finance

TRACK RECORD: HIGH EXPOSURE IN INTERNATIONAL AND LOCAL MEDIA (2/2)



10 YEARS **Esquire** MIDDLE EAST

-The Esquire 100 - Meshal Al Jaser

Film Director
Esquire 100 | August 29, 2018

Esquire



ARTS&CULTURE

The 8 Arab films selected at the Palm Springs International ShortFest

— The festival, which will take place online, will run from Tuesday, June 16 to Monday, June 22



The National



Hollywood THE REPORTER

Hollywood Flocks to Paramount Lot for Saudi Arabian Film Days

Hollywood THE REPORTER



commercial appeal

Subscribe Sign In

Nearly 250 films to screen during 20th Indie Memphis Film Festival

commercial appeal
PART OF THE USA TODAY NETWORK

Meshaal's extremely unique and extensive exposure in both local and international media and especially American Film journals such as The Hollywood Reporter show the impact of his work. This also indicates that any future work will likely get similar coverage, thus increasing ticket demand and the return on investment

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RELEASE STRATEGY: SAUDI THEATERS SHOW CLEAR VIABILITY OF RECOUPING COSTS*

Benchmarks Commonality with Current Proposed Project



YouTube Background: Both production teams were YouTube natives who started out their creative career with YouTube videos. This allowed film investors to get a clear track record of their capabilities as well as Paid Sponsorship agreements for in film advertising.



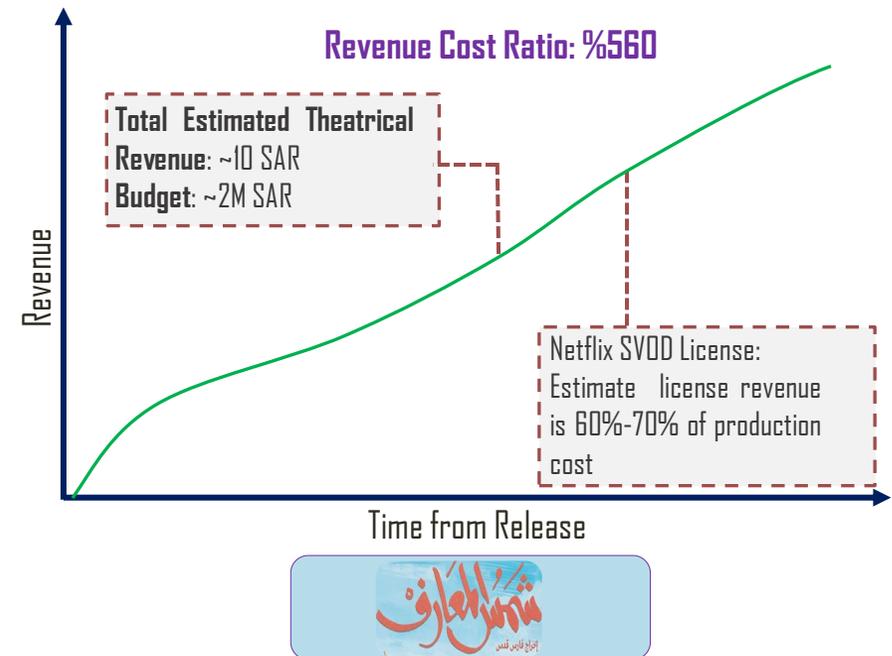
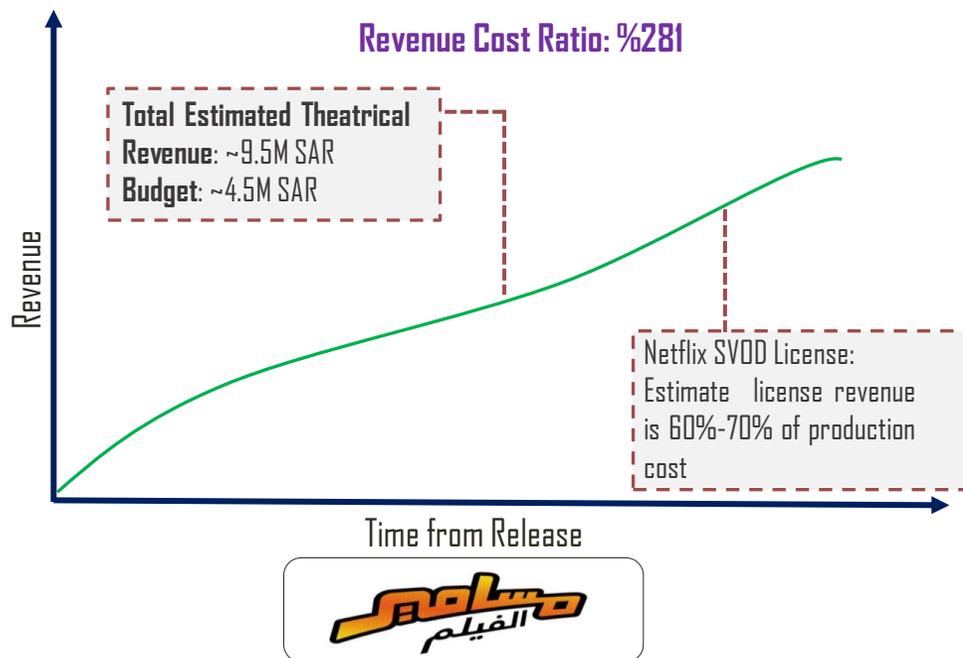
Built In Fanbase: Due to the large body of published work both teams had before the film, both projects had an established built in fanbase that allowed for greater first-day sales, as well as more free marketing and better leverage with SVOD licenses deals with Netflix



Saudi Focused Content: Both productions focused heavily on Saudi focused content that touches on the lived experience of the viewers and provides a clear link to contemporary Saudi society thus highlighting that the domestic market has demand for creative localized content



First Mover Advantage: Given the nascent nature of the Saudi Film Industry, both films were able to capitalize on the general first mover advantage of being Saudi films, as well as genre specific first movies (animated comedy, drama comedy), which gave them significant box office advantages that would not be viable in a saturated market



*Both films were released close to the COVID-19 pandemic and so we expect returns to be greatly larger in a non-lockdown scenario

** No concert numbers are available. Provided figures are estimates based on public proxies (e.g. announced number of ticket sales) and other public ally available information/industry knowledge

RELEASE STRATEGY: FILM FESTIVALS HUGELY AUGMENT BOX OFFICE RETURNS

Film Festival Competitive Advantages:

Leveraged Experience

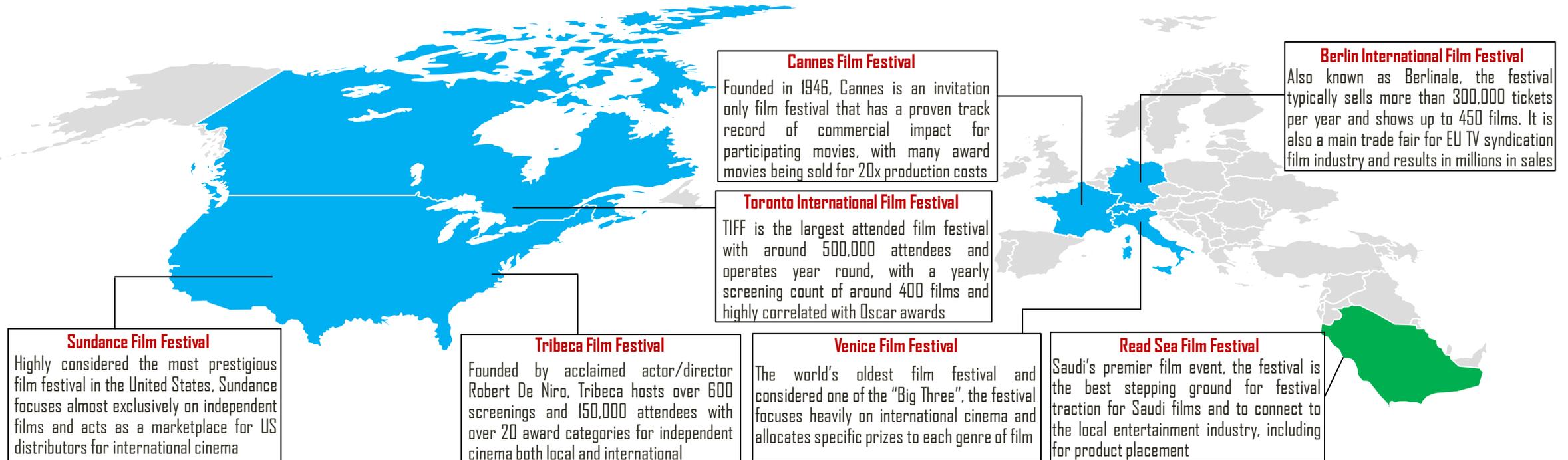


As with all other endeavors, experience in applying is key to a successful festival tour, and our experience in the festival field will be instrumental in increasing our chances of both getting into and winning awards at top festivals. Our previous works, such as Arabian Alien, were selected and won key prizes at prestigious film festivals such as Sundance

Genre Focus



As shown in the previous slides, there are certain genres that have much higher chances of success in both attending and winning at prime film festivals, and both comedies and thrillers are both in the top 4 of genres selected for most prestigious film festivals, and thus our dual genre combination will likely generate higher chances of selection



BUSINESS ANALYSIS: MULTIPLE CONCURRENT REVENUE STREAMS DE-RISK PAYBACK



Post Film Festival Theatrical: Given the proven track record of the producing team, we are highly optimistic of the film's chances admission to prestigious film festivals which will lead to a huge uptick in interest and publicity/marketing of the film and international distribution in multiple regions (similar to the benchmarks in the previous slides)



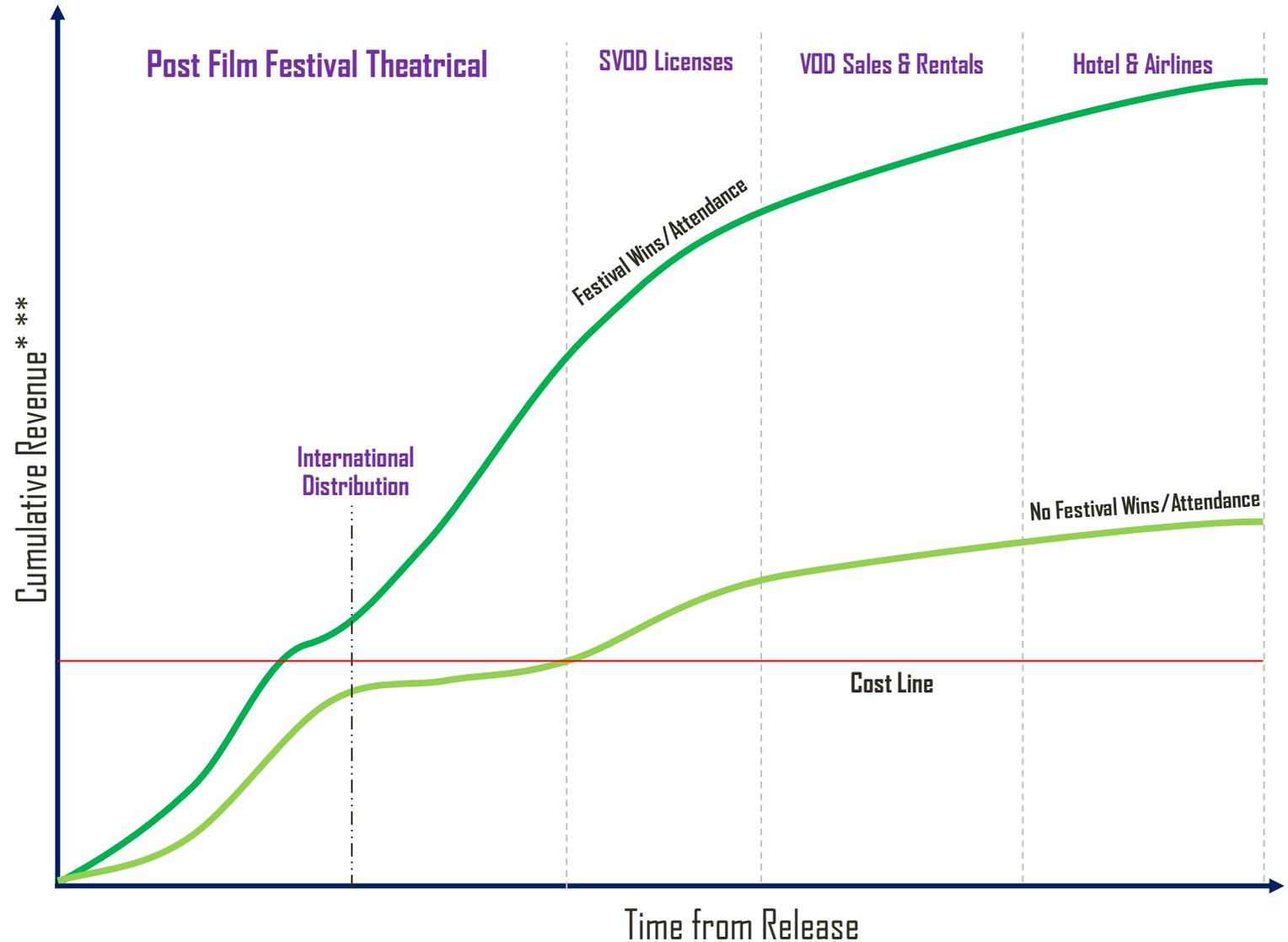
SVOD Licenses: Once the film is established through both film festival presentation/awards and a clear cinema numbers, we can start negotiations with SVOD providers such as Netflix to license the film (a process we already have experience in)



VOD : Dependent on the agreement with the SVOD service, we will attempt to put the film on VOD platforms such as YouTube, Amazon Video and iTunes, for rent and direct purchase



Hotel & Airlines: Given the unique global nature of airlines and hotel chains, they are strategic demanders of foreign films and so we are likely to gain significant returns from the hotel and airline industry film demand



*Does not include pre-release revenue such as native advertising

*Illustrative graph, refer to financial model for actuals | Not to scale

INVESTMENT STRUCTURE: DETAILED PRODUCTION COSTS AND SCHEDULE



■ Above The Line: 1.58M SAR

■ Production: 3.79M SAR

■ Post Production : 0.79M SAR

■ Other: 0.12M SAR

Contingency 6.0%: 0.37M SAR

Withholding Mx 3.0%: 0.18M SAR

Expected Shooting Dates: June 20 – July 25, 2021

Preparation Duration: 4 Weeks

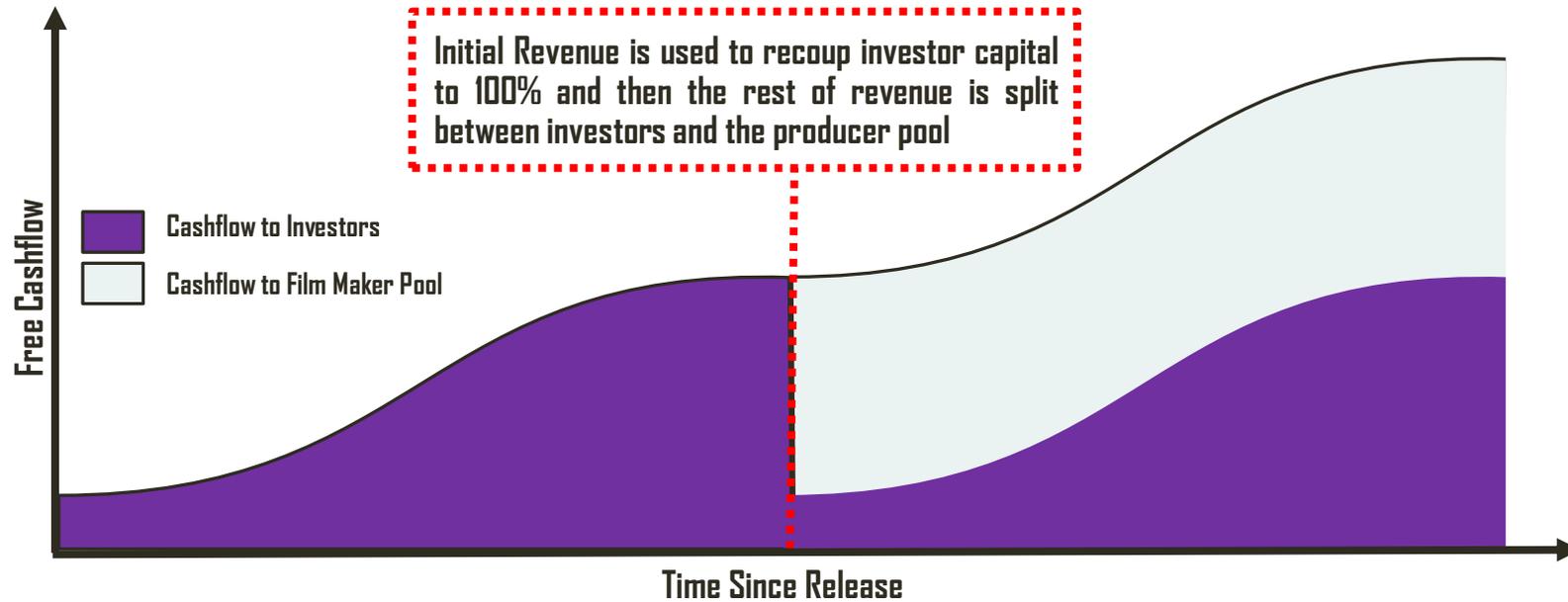
Shoot Duration: 5 Weeks

TOTAL PROJECT FUNDING : 6.86 Million SAR

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INVESTMENT STRUCTURE: CASHFLOW PRIORITY FOR INVESTOR POOL



This industry standard investment structure is meant to decrease risk for investors due to the risk nature of film production and release



This structure acts as a strong as an incentive structure to the producer pool (production staff that have equity in the project)



The structure ensures that both investors and producers are incentivized to decrease outside cuts such as distributors and sales agents

INVESTMENT STRUCTURE: FILM FUNDAMENTALS ALLOW FOR RISK MITIGATION

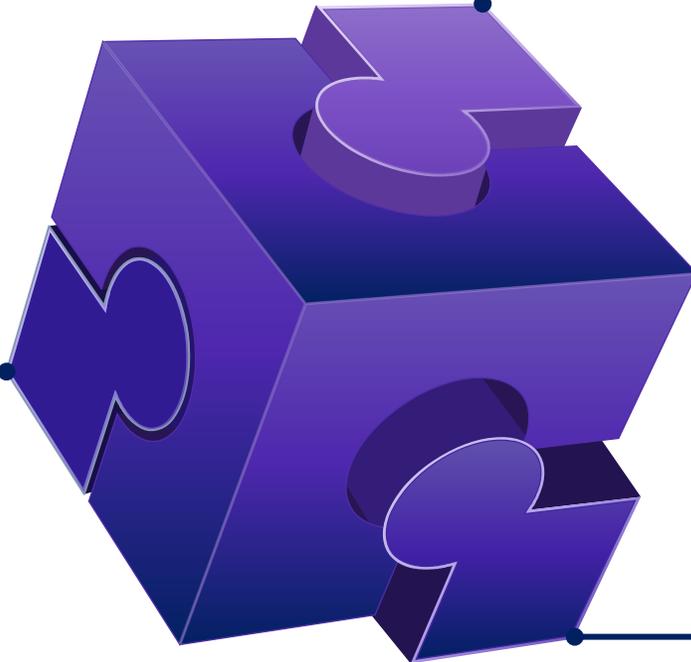
The Current Project Provides Potential Investors with A Three Pronged Investment Worthiness Rational

A Unique Investment Asset with Advantageous Return Structure & High Upside Potential

More private equity firms are investing in film content than ever before due to the counter-cyclical nature of SVOD oriented content and the proven high potential multiples from independent films, as well as the unique investment structure that allows for fast cash returns and priority for the investment class in the return hierarchy

Proven Artistic Talent

With any content investment, there is a risk of subpar execution in terms of production quality and artistic ability. In this investment, it is abundantly evident that the core production team have both the ability and the talent to produce the type of quality content that can garner critical acclaim and film recognition that will have significant cultural impact and long-lasting fan desire and appreciation



Proven Commercial Talent

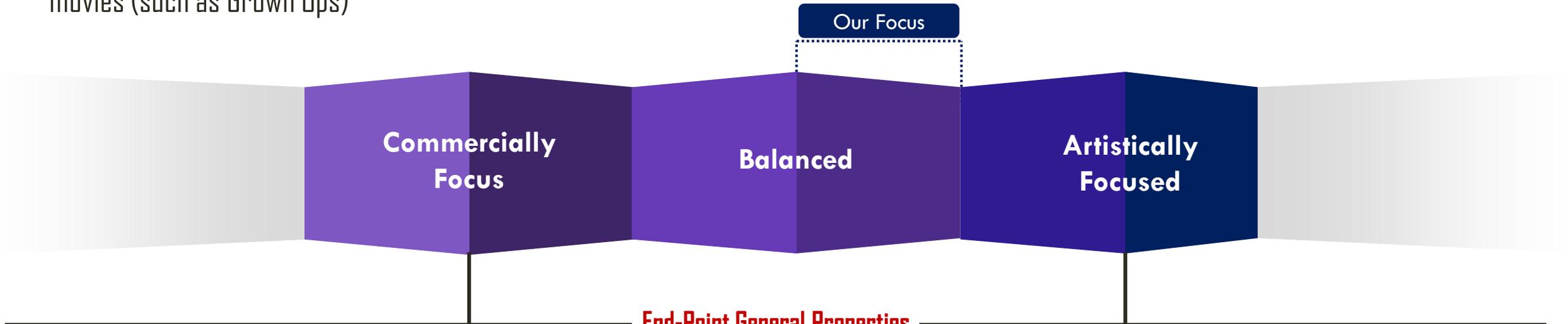
Even with top artistic execution, commercial success can be allusive. However, this production team has extensive experience in commercial success with multiple successful deals with SVOD companies such as Netflix (which increases the likelihood of future deals with Netflix as well as higher negotiation leverage), and deals traditional film distributors such as SBC, all of which allow for greater expected returns

APPENDIX



FILM ANALYSIS: CENTER-RIGHT FOCUS ON THE COMMERCIAL-ARTISTIC SPECTRUM

Commercial-Artistic Spectrum: A major factor for independent movies is how to balance between the desire for the film to fulfil a niche artistic taste of high-end film critiques and to appeal to general audiences to garner commercial success. While movies such as Parasite and other have proven that artistic and commercial are not mutually exclusive, it is best to think of the dichotomy as a spectrum, in which one end are extreme arthouse projects (such as L'Atalante) and the other being extremely commercially oriented movies (such as Grown Ups)



- **Extremely Simple Story:** Commercial movies tend to have simple easy to follow plots that allow for most viewers an easily understandable journey
- **Family Oriented Rating:** Most commercial movies tend to aim for a PG rating in order to be family attractions and get more tickets to the theater
- **No Deep Underlying Premise:** Commercial movies end philosophies center around simplistic messaging such as the importance of love or family
- **Bland Production Quality:** Commercial movies tend to have very colorful and standard cinematography with a high focus on simple shots and editing

- **Narrative Complexity:** Arthouse cinema focuses deeply on complex narrative with multiple threads and sometimes non-linear storytelling
- **Niche Oriented Content:** Arthouse films tend to grapple with certain niche themes such economic anxiety, and other non-family suitable subjects
- **Complex Messaging:** Art movies feature deeply philosophical undertones with no clear answers, such as a clear distinguishing between hero and villain
- **Experimental Production Quality:** Arthouse features tend to have unique and experimental cinematography with a trend of grey color toning