



Understanding JadooZ - F.A.Q

1. What are the JadooZ Zones?

- a. Platinum
- b. Minimax
- c. Jalsa
- d. VR World

2. What are the services in each of the zones?

- a. Platinum
 - i. Movies – Full HD/3D/4K/VR
 - ii. VR @ Immersive
 - iii. Education
 - iv. Chai Nashta Cafe
- b. Minimax
 - i. Movies – Full HD/3D/4K/VR
 - ii. Education
 - iii. Snacks
- c. Jalsa
 - i. Movies – Full HD/3D/4K/VR
 - ii. Education
 - iii. Snacks
- d. VR World
 - i. VR@Immersive
 - ii. Snacks

3. How much does a family of four need to pay for a JadooZ experience?

A family of four can watch a movie, have Chai-Nashta and have a VR experience in less than INR 500.

4. What are the key USP of the JadooZ zones?

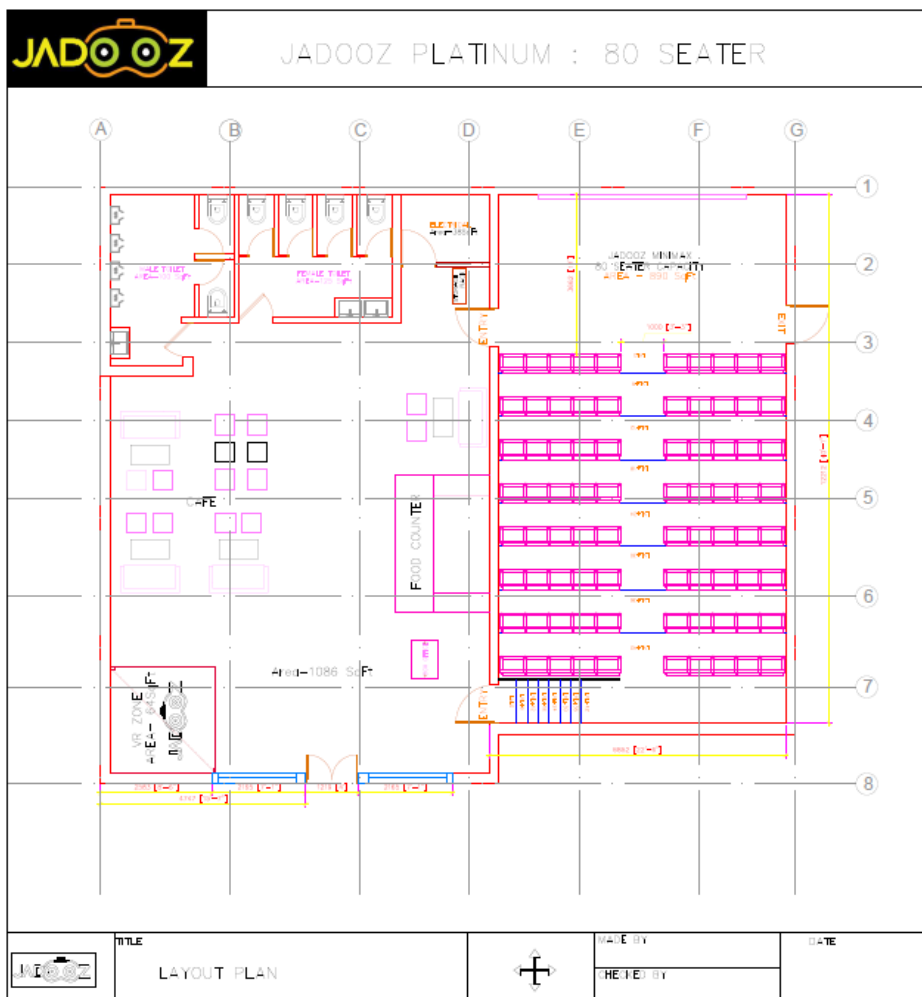
- a. Hollywood certified JadooZ Secure Distribution System
- b. 100+ Licensed VR Experiences and increasing
- c. Unlike other Cinema theaters:
 - i. A JadooZ Zone gives 4K/Full HD/3D/VR viewing experience

This is a confidential document, shared with a few partners. In case you have further questions on the same- pl. feel free to reach out to the JadooZ team. This document is in possession with JadooZ partners and JadooZ employees. If you have it with you and you are none of the two above, kindly return this document to JadooZ by sending an email to info@jadooZ.in

- ii. A Jadoo Zone gives semi-interactive certified education
- iii. A Jadoo Zone shows stand-up comedy, magic shows and sports events among others

5. What are the ideal demographics of a location for setting up a Jadoo Zone?

- a. Population: 25000+
- b. Average Income: INR 15000 to 5000
- c. Presence of Retail Outlets in a 5 KM - 10 KM radius
- d. Presence of School and Colleges in a 5 KM - 10 KM radius
- e. Standard Layout of Jadoo Platinum Zone:



6. What are the requirements of the shell that the Franchisee will provide?

- a. Platinum:
 - i. 2000-2500 sq. Feet space with a minimum height of 12 feet
 - ii. Minimalistic Civil Work as per Jadoo design
 - iii. Toilets

This is a confidential document, shared with a few partners. In case you have further questions on the same- pl. feel free to reach out to the Jadoo team. This document is in possession with Jadoo partners and Jadoo employees. If you have it with you and you are none of the two above, kindly return this document to Jadoo by sending an email to info@jadoo.in

1. Male: 2 Toilets and 4 Urinals
 2. Female: 4 Toilets
 - iv. Parking Slots:
 1. Four Wheelers: 7
 2. Two Wheelers: 20
 - v. Uninterrupted Power of 10 KVA
 - vi. Steps inside the Hall
- b. Minimax:
 - i. 1250-1500 sq. Feet space with a minimum height of 12 feet
 - ii. Minimalistic Civil work as per Jadoo Design
 - iii. Toilets
 1. Male: 2 Toilets and 4 Urinals
 2. Female: 4 Toilets
 - iv. Parking Slots:
 1. Four Wheelers: 5
 2. Two Wheelers: 10
 - v. Uninterrupted Power of 7.5 KVA
 - vi. Steps inside the Hall
- c. Jalsa:
 - i. 600-800 sq. feet space with a minimum height of 12 feet
 - ii. 50-Seater
 - iii. Minimalistic Civil work as per Jadoo Design
 - iv. Toilets:
 1. Male: 2 Toilets
 2. Female: 2 Toilets
 - v. Parking Slots:
 1. Four Wheelers: 3
 2. Two Wheelers: 10
 - vi. Uninterrupted Power of 5 KVA
 - vii. Steps inside the Hall
- d. Jadoo VR World:
 - i. 400-600 sq. Feet space with a minimum height of 12 feet
 - ii. Minimalistic Civil work as per Jadoo Design
 - iii. Toilets: 1 Unisex
 - iv. Parking Slots:
 1. Four Wheelers: 3
 2. Two Wheelers: 10

- v. Uninterrupted Power of 2.5 KVA
- vi. Steps inside the Hall

7. What is the rough length, width and height of the shell for the Zones?

- a. Height 11 - 15 feet
- b. Width 25 Feet
- c. Length 21 - 35 Feet

8. What is the cost of the shell in case the franchisee has to build the shell?

- a. Platinum: INR 20 Lakhs
- b. Minimax: INR 13 Lakhs
- c. Jalsa: INR 6 Lakhs
- d. VR World: INR 4 Lakhs

9. What is the cost of the franchisee & implementation of the Zone on the Franchisee's existing shell?

- a. Platinum: INR 22.5 Lakhs plus GST
- b. Minimax: INR 17.5 Lakhs plus GST
- c. Jalsa: INR 9 Lakhs plus GST
- d. VR World: INR 6 Lakhs plus GST

10. What are the challenges that a Franchisee will face in case they try to do it themselves?

The standalone entrepreneur finds the following challenging:

- i. Secure Content Delivery
- ii. VR Technology and Maintenance
- iii. Content Planning and acquisition
- iv. Education

11. What is the break event point and ROI?

- a. The revenue outlook is as follows:
 - i. 0-3 Months: Pilot Phase –Non-Revenue
 - ii. 3-6 Months: Ramp Up Phase – 25 percent of steady state
 - iii. 6 Months Onwards – Steady State
 - iv. 24- 30 Months – Break Even

12. What is the steady-state income expected for the franchisee?

- a. Platinum: INR 2 Lakhs a month
- b. Minimax: INR 1 Lakhs a month
- c. Jalsa: INR 35 K per month
- d. VR World: INR 20K per month

13. What are your occupancy assumptions?

- a. Theater
 - i. Weekdays @ 2 shows a day: 30 %
 - ii. Weekends @ 4 shows a day: 80%
- b. Café
 - i. Weekdays @ 25 % occupancy
 - ii. Weekend @ 75 % occupancy
- c. VR
 - i. Weekdays@ 25% occupancy
 - ii. Weekend@ 75% occupancy

14. What are the various revenue streams?

- a. Movie – Commercial: 35%
- b. Movie -3D: 2.5%
- c. Movie – VR :2.5%
- d. Advertising – 15%
- e. Education -15%
- f. Chai Nashta-15%
- g. Special Packages :15%

15. How much are the monthly expenses?

- a. The main zone expenses are as follows:
 - i. Manpower
 - 1. Platinum: 4 people
 - a. Supervisor (INR 10K-15K)

This is a confidential document, shared with a few partners. In case you have further questions on the same- pl. feel free to reach out to the Jadoo team. This document is in possession with Jadoo partners and Jadoo employees. If you have it with you and you are none of the two above, kindly return this document to Jadoo by sending an email to info@jadoo.in

- b. Electrical and Electronics (INR 8K-10K)
- c. F&B (INR 8K)
- d. Housekeeping & Security *2 (INR 8K)

2. Minimax: 3 people

- a. Supervisor (10K-15K)
- b. Electronics and Electricals (INR 8K-10K)
- c. F&B –Housekeeping-Security (INR 8K-10K)

3. Jalsa: 2 people

- a. Electronics-Supervisor (INR 8K-10K)
- b. F&B/Housekeeping – Security (INR 5K)

4. VR World: 2 people

- a. Supervisor (INR 10K)
- b. F&B-Housekeeping-Security – (INR 8K)

ii. Electricity (Approximately: 30K/Month)

- 1. Platinum: INR 32500
- 2. Minimax: INR 25000
- 3. Jalsa: INR 17500
- 4. VR World: INR 12000

iii. COG –F&B, Sanitary etc.

iv. AMC (10K/Month)

v. Internet (2.5K/Month)

vi. License: As Applicable

vii. Content Films: Fifty percent of the ticket collections go to the Producer

viii. Agency Commissions: As applicable

ix. Marketing: INR 17.5K-20K/Month

16. Who is responsible for revenue?

a. Jadoo operates the Zone in collaboration with the state partner and Franchisee. Revenue is an accountability of all the three parties:

- i. Jadoo
- ii. State Partner/Cluster Partner/JV Partner
- iii. Franchisee

This is a confidential document, shared with a few partners. In case you have further questions on the same- pl. feel free to reach out to the Jadoo team. This document is in possession with Jadoo partners and Jadoo employees. If you have it with you and you are none of the two above, kindly return this document to Jadoo by sending an email to info@jadoo.in

17. What is the profit share in the zone?

- a) The Franchisee get the profit as follows:
 - a. Year 1-3 :60%
 - b. Year 3-5: 55%
 - c. Year 5-10: 50%

18. How is the profit calculated?

- a. The profit is calculated as 'Gross Receipts – Expenses as mentioned in clause 15.

19. Who is responsible for the taxes?

- a. Each side is responsible for their taxes.

20. What are the models of operations?

- a. Jadooos works on:
 - i. Franchisee owned- Jadooos operated
 - ii. Franchisee rented- Jadooos operated
 - iii. Shop-in-shop models

21. What other expenses are the Franchisees responsible for?

- a. Anything in addition to the expenses listed in the Franchisee agreement, is the accountability of the Franchisee.

22. If the Zone revenue is larger than the assumption you have shared, due to an effort of the Franchisee: how is the share split?

- a. In case the revenue goes up due to an expense incurred by the Franchisee, and it was an agreed expense with Jadooos, the expense from the pool is deducted and Franchisee given its share in a 60:40 ratio.
- b. In case the Franchisee revenue exceeds targets due to an effort of Franchisee or the effort of Jadooos, the split continues to be 60:40.
- c. Franchisee will have total visibility into the manpower, electricity, marketing, repair and maintenance costs – as they are incurred on actual basis.

23. Will the share of Franchisee ever go up? If yes, in what circumstances?

- a. As the zone stabilizes, the absolute value of what the Franchisee makes goes up, but not the percentage split of the profit. This is because, content and technology, brand, and marketing support continue to be key to the business and being provided by Jadoo till perpetuity, while Franchisee provides the location.
- b. Franchisee share goes up in case of any re-structuring of the model or re-allocation of the expenses.

24. What is the incentive for Franchisee to make effort in promotion the zone?

- a. Increase in absolute money coming in as well as faster break-even/ pay back and a better ROI. More footfalls, means more revenue for both the Franchisee and Jadoo

25. How can a Franchisee make more money?

- a. As Jadoo becomes a brand or establishes as the driver for footfall at a location, a Franchisee can open ancillary business in the area, will potentially see its own real estate value going up are. These are few ways a Franchisee can capitalize on presence of Jadoo in an area.
- b. Additionally, as Jadoo expands and adds new businesses, our Jadoopreneurs will get an opportunity to grow and expand with the business.

26. Why is Jadoo keeping a lower share of the profits?

- a. A proportion of the up-front Investment in site is done by Franchisee and Jadoo wants to give the Franchisee an opportunity to recover the investment earlier.

27. Where are the movies coming from?

- a. Jadoo shows both Regional and Bollywood movies and currently has partnerships with a range of studios and producers on a revenue share. Hence every ticket sold, a large percentage of that is shared with the content partners.
- b. It is also important to note, that since Jadoo works on a rev share model with the content partners, increase in revenue also means a proportionate increase in expense – content.
- c. Content partnerships and scale go hand in hand. To get new content- first day first show, Franchise partners, Distributors and JV partners have to ensure they are identifying, signing and opening locations as per agreement.

- d. Delays in opening sites will delay in delivering new content which will delay in breakeven points and ROI.
- e. Jadooos encourages only those franchisees to sign up who have an ability to open at least 5 zones in their regions within the year 1 of operations.

28. What if the base assumptions are not met, and if the Zone is making no money- will Jadooos pay a minimum guarantee?

- a. Jadooos does not offer any minimum guarantee model. We work in a JV, Distributor or an aggregated Franchisee model
- b. Jadooos is open to shifting the infrastructure to a new site where the footfalls are better.

29. If the Franchisee wants to get his friends to the hall: do they get free tickets? If yes, how many?

- a. Jadooos works on a corporate model. All customers will be charged on the regular price- which will be adjusted against profit and revenue shares.

30. Whose accountability is to get additional licenses if required due to change of any policy?

- a. If the License is required at a corporate level for Jadooos and applies to all sites across India and other global locations, Jadooos will take a lead on procuring the licenses with support from partners.
- b. If the new norms are related to a state- state partner is accountable to get the licenses with support from Jadooos in time – to ensure the operations do not suffer.
- c. If the Licenses are associated with a site, either the state partner or the local Franchisee will lead the process with support from Jadooos.
- d. Jadooos might consider setting up a central licensing department over time – if the process becomes complex- but a fee will be charged to the JV/ Franchisee towards the fee and services used

31. What is the operational accountability for the Franchisee?

- a. Local Knowledge
- b. Local Promotion
- c. Local Licenses
- d. Liaison with local schools
- e. Local Advertising

32. Where is the money that comes in the Zone deposited: Franchisee Account or Jadooos account?

- a. All the collections are deposited in the Jadooos accounts or the Jadooos JV Account
- b. The Franchisee is paid their share on a monthly basis

33. What if the Franchisee wants to sell the property?

- a. Presence of Jadooos might add a significant premium to the property, which can make it an interesting value proposition to someone to sell.
- b. Jadooos will take up a location, only if there is an expectation to have at-least 7-10 years.
- c. The Franchisee agreement makes it imperative to have the lease of the premise for 10 years.
- d. In case the Franchisee wants to sell the property, they will have to ensure the new landlord is willing to take on Jadooos infrastructure without any disruption and a tri-party agreement is signed on the terms which were agreed with the original owner.

34. If the Franchisee or Jadooos wants to shut the Zone due to non-performance, what are the liabilities of each?

- a. **Jadooos will take possession of all assets and try the following:**
 - i. Look at an optional site to shift business there with the same terms and conditions.
 - ii. Auction the assets and share the proceeds in a 50:50 ratio.