

NEMEA STUDIOS

BUSINESS PLAN

2026 – 2030 · STRICTLY CONFIDENTIAL

A tri-national independent film studio and co-investment fund.

Mexico City · Vancouver · Los Angeles

Monte Himalaya 910, Lomas de Chapultepec, 11000, CDMX · nemea.studio

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01 — EXECUTIVE SUMMARY

Nemea Studios

Nemea Studios is a tri-national independent film studio and co-investment fund. We develop, finance, produce, and distribute a curated slate of auteur-driven films designed to travel internationally — anchored in Mexico City, amplified by production infrastructure in British Columbia and Delaware.

The \$10 million raise is packaging and development capital — not a production budget for any single film. Nemea finances each project until it is sold: the fund provides 40% co-equity per film, with the remainder covered by pre-sales and government-backed tax incentives. We never finance a full film from the fund alone.

Every film is its own Special Purpose Vehicle. Investors become co-owners of the films they back — not just creditors waiting to be repaid. This is how the world's best independent studios operate.

KEY METRICS AT A GLANCE

Raise Target	\$10,000,000 USD
Capital Use	Packaging, development & film co-investment
Fund Life	4 years (2026–2030)
Films in Slate	10 films
Average Film Budget	\$2,000,000 per film
Fund Equity per Film	\$800,000 (40% per SPV)
Remaining 60% per Film	Pre-sales + tax incentives — no additional equity needed
Management Fee	2% p.a. of committed capital
Preferred Return (Hurdle)	8% compounded annually
GP Carry	20% of profits above hurdle
Conservative Prob-Weighted MOIC	1.37x on capital at risk
Approximate 4-Year IRR	~12%
Financing Philosophy	De-risked by three-country tax incentives before day one

The Studio

Nemea Studios was founded by filmmakers and finance professionals with proven track records in the Mexican, Canadian, and US independent film industries. We exist at the intersection of creative ambition and financial discipline — producing films that earn their place at Venice, TIFF, Cannes, Sundance, and Morelia, while generating measurable returns.

Our thesis: the middle market of independent film — budgets of \$1M–\$5M, strong auteur directors, genuine international ambition — is the most structurally undercapitalized segment in Latin American cinema. Nemea fills that gap with institutional-grade infrastructure.

Three Operating Entities

Entity	Jurisdiction	Primary Role
Nemea Studios Inc.	Delaware, USA	Parent company · GP of fund · LP contracts · US distribution
Nemea BC Ltd.	British Columbia	Accesses BC PSTC (46.2% post-wrap labour credit) · employs qualifying Canadian crew
Nemea México S. de R.L. de C.V.	Mexico City	Qualifies for EFICINE 189 and EFICA decree · employs Mexican talent

Our Operating Principles

- Each film is an asset class and a co-owned SPV — not a cost center.
- Tax incentives from three countries are structured before production begins, not after.
- We never describe fund participation as 'hard money' — investors are co-owners of the films.
- The studio retains library rights in perpetuity, building compounding long-term value.
- Nemea Studios Inc. retains majority ownership of the company throughout the fund life.

A Structural Gap in Latin American Cinema

Mexico produces roughly 200 films per year. The vast majority are either big-studio commercial titles or micro-budget films with no international distribution apparatus. The middle market — films with \$1M–\$5M budgets, proven directors, and real international ambition — is severely undercapitalized.

Simultaneously, streaming demand for authentic non-English storytelling has never been higher. MUBI, Netflix, HBO Max, and Amazon Prime are actively competing for exclusive Latin American content. Films like *Monos*, *Tótem*, and *A Cielo Abierto* demonstrate that international audiences engage deeply with challenging LatAm work when it is properly packaged and distributed.

Demand Signals

- MUBI surpassed 16M subscribers in 2025 — LatAm content in the top 5 viewed regions.
- Netflix committed \$200M+ to Mexican originals in 2024–2025.
- IMCINE reported a 34% increase in international co-production applications from 2022–2025.
- A24, Neon, and MUBI Films acquired more Mexico/LatAm titles in 2023–2025 than in the prior decade combined.

Why Nemea Has a Structural Advantage

No other fund in the market operates simultaneously under Mexican, Canadian, and US corporate structures with dedicated payroll infrastructure in all three jurisdictions. This gives Nemea access to a combined incentive envelope that reduces per-film downside risk by 20–35% before a single frame is shot — and before any distribution income is counted. Films are de-risked, not speculative bets.

04 — BUSINESS MODEL

How Nemea Generates Value

Nemea generates returns across three independent layers. Each layer functions whether a given film underperforms, performs, or breakout — diversifying the fund's income profile.

Layer 1 — Fund Economics (Certain)

- Management fee: 2% annually on \$10M committed = \$200K/year → \$800K over 4 years.
- GP co-invest: 2% of committed capital (\$200K) alongside LPs — aligns incentives.
- 20% carry on all profits above 8% preferred return.

Layer 2 — Studio Revenue (Semi-Certain)

- Line production services fees (10–15% of below-the-line budget) on each film using Nemea BC or Nemea México.
- Executive producer / packaging fees on films developed and licensed externally.
- Library licensing: SVOD renewals, theatrical re-releases, educational, archival — perpetual tail.

Layer 3 — Per-Film SPV Distributions (Variable)

- Each film is a separate SPV. Revenue: sales agent → distributor → SPV → waterfall.
- Waterfall steps: (1) 120% recoupment of invested capital; (2) 8% hurdle compounded; (3) 50% LP / 30% GP / 20% Talent & Deferred.
- The waterfall operates at the film level — not the company level. This is per-film profit split.

Revenue Summary (Studio Level, 4yr)

Management Fees (4yr)	\$800,000
GP Co-Invest Return (base)	~\$499,200
GP Carry (base case)	~\$480,000
Production Service Fees (est.)	~\$600,000
Library (Year 4+)	Growing — SVOD / theatrical / archive
Total Studio Revenue (4yr est.)	~\$2,264,000

05 — FUND STRUCTURE & CAPITAL ALLOCATION

The \$10 Million

The \$10M raise is packaging, development, and co-investment capital — the engine that makes each film happen. It is not a budget to finance 10 complete films from a single pool. Instead, \$8M goes directly into film SPVs as 40% co-equity, with the remaining 60% of each film's budget covered independently through pre-sales and tax incentives.

Bucket	Amount	% of Fund	Purpose
Film Investment Pool	\$8,000,000	80%	40% equity co-investment across 10 film SPVs
Studio Operations (4yr)	\$1,500,000	15%	Payroll, development, overhead — 4-year runway
Reserve / Bridge	\$500,000	5%	BC PSTC bridge (6–8 mo post-wrap processing lag)
TOTAL	\$10,000,000	100%	

Per-Film SPV Structure

Each film is its own LLC or limited partnership. Investors hold LP interests in the specific film SPV — they are co-owners of that film's rights, not unsecured creditors of the studio. The studio earns through its GP role and its 2% co-invest stake per film.

Waterfall Mechanics

- Step 1 — Return of Capital: 100% of invested capital returned first, pari passu.
- Step 2 — Preferred Return: 8% compounded annually on invested capital.
- Step 3 — GP Catch-Up: GP receives 20% until it holds 20% of all profits above hurdle.
- Step 4 — Per-Film Profit Split: 50% LP / 30% GP / 20% Talent & Deferred Compensation.

This structure is standard in independent film — it aligns directors, producers, and investors. Talent participates in upside only after all investors are whole.

06 — PER-FILM FINANCING STACK

How Each \$2M Film Gets Fully Financed

Each film's total budget is assembled from four independent sources. The fund provides 40%; the remaining 60% comes from pre-committed revenue and government incentives. No film goes into production until all four buckets are confirmed.

Source	Amount	% of Budget	Timing / Notes
Fund Equity (40%)	\$800,000	40%	SPV co-investment; investors become co-owners
Territory Pre-Sales / SVOD	\$720,000	36%	MUBI + LatAm SVOD + EU territory; committed pre-production
Mexico Incentive (one of two):			EFICINE and EFICA are mutually exclusive — one per film
— EFICINE 189	up to \$1,400K	varies	Pre-production cash; max MXN \$25M (~\$1,447K at 17.26 FX)
— EFICA 30%	varies	varies	Feb 2026 decree; requires ≥ MXN \$40M (~\$2,320K USD) spend
BC PSTC (independent)	~\$180,000	9%	46.2% of qualifying BC labour; post-wrap 6–8 mo lag
TOTAL (base \$2M film)	\$2,000,000	100%	Fully financed before cameras roll

Critical Financing Rules

- The fund's 40% is co-equity — investors co-own the film, not just its cash flow.
- Pre-sales of \$720K are structured as minimum guarantees from distributors, not projections.
- EFICINE 189 and EFICA are mutually exclusive — the optimal incentive is selected per film based on Mexican spend level.
- BC PSTC is entirely independent of the Mexican incentive — it can be layered on any film that employs qualifying BC labour.
- The \$500K reserve bridges the 6–8 month BC PSTC processing lag so films are never cash-negative post-wrap.
- The fund never stacks EFICINE + EFICA — this is not permitted under the 2026 Mexican tax framework.

07 — TAX INCENTIVES — THREE JURISDICTIONS

Government-Backed De-Risking

Nemea's structural advantage is its ability to access government film incentives in three countries simultaneously. These are not grants — they are statutory obligations of three governments to the film industry. They reduce downside risk before any theatrical or SVOD revenue is counted.

Incentive	Country	Amount / Rate	Key Condition	Timing
EFICINE 189	Mexico	Up to MXN \$25M (~\$1,400K USD)	Must be used as pre-production stimulus; allocated by IMCINE/SAT	Pre-production cash
EFICA Decree	Mexico	30% tax credit (sold ~85¢/\$)	Total Mexican spend must reach MXN \$40M (~\$2,320K USD) — only applies to larger budgets	Post-wrap; sold to MX taxpayers
BC PSTC	Canada	46.2% of qualifying labour	Applies to BC-resident crew labour only; accessed via Nemea BC Ltd.	Post-wrap; 6–8 mo lag

Mutual Exclusivity Matrix

Film Type	EFICINE	EFICA	BC PSTC	Typical Total Incentive
Budget < \$2,320K USD (MXN \$40M)	✓ Eligible	× Below threshold	✓ Independent	~\$1,300K–\$1,580K
Budget ≥ \$2,320K USD (MXN \$40M)	× Mutually excl.	✓ Eligible	✓ Independent	~\$1,100K–\$1,800K

The FX rate used: MXN/USD 17.26 (Banco de México, April 2026). CAD/USD 0.74. All incentive thresholds and caps are calculated at these rates.

08 — SLATE & FILM PIPELINE

10 Films Over 4 Years

Films are selected based on three criteria: (1) a director with a verifiable international track record; (2) a story with genuine cross-cultural resonance; (3) a budget that allows a fully professional production within incentive thresholds. Specific titles and directors are disclosed in the data room under NDA.

Film	Production Year	Budget	Incentive Strategy	Target Premiere
Film 01	2026	\$2.0M	EFICINE + BC PSTC	Venice / TIFF 2027
Film 02	2026	\$2.0M	EFICINE + BC PSTC	Sundance / Morelia 2027
Film 03	2027	\$2.0M	EFICA + BC PSTC	Cannes 2028
Film 04	2027	\$2.0M	EFICINE + BC PSTC	Venice 2028
Film 05	2027	\$2.0M	EFICINE + BC PSTC	TIFF 2028
Film 06	2028	\$2.0M	EFICA + BC PSTC	Sundance 2029
Film 07	2028	\$2.0M	EFICINE + BC PSTC	Venice 2029
Film 08	2028	\$2.0M	EFICINE + BC PSTC	Cannes 2029
Film 09	2029	\$2.0M	EFICA + BC PSTC	TIFF 2029
Film 10	2029	\$2.0M	EFICINE + BC PSTC	Morelia 2029

09 — REVENUE STREAMS

Per-Film Revenue Windows

Each film is structured to capture income across all available distribution windows. Pre-sales (committed before production) form the floor; post-production sales are the upside.

Window	Timing	Base Estimate	Primary Buyer
SVOD Pre-Sale — LatAm	Pre-production	\$180K	Netflix / Amazon Prime LatAm
SVOD Pre-Sale — MUBI Global	Pre-production	\$240K	MUBI (arthouse global)
EU Territory Pre-Sale	Pre-production	\$300K	Mk2, Beta Cinema, Memento Films
Mexican Theatrical	Post-festival	\$80K	Cinépolis / Cinemex
International Theatrical	Post-festival	\$120K	Arthouse / festival circuit
Ancillary / Archival	Year 2–5	\$50K+	MUBI Vault, educational, streaming renewal
TOTAL — BASE CASE PER FILM		~\$970K–\$1.2M	Gross receipts before waterfall

10 — STUDIO OPERATIONS & PAYROLL

Lean, Mobile, Institutional

The \$1.5M operations budget funds the studio through its investment phase — primarily Years 1–2, when the team is fully operational but films are still in production. From Year 3, management fees and production service fees generated by the studio begin covering operating costs. The fund does not burn \$1.5M on overhead — it bridges the studio until it is self-funding.

Core Team — Annual Payroll

Role	Entity	Annual Cost (USD)	Notes
CEO / Founding Partner	Nemea Inc.	\$150,000	Santiago Arriaga
Head of Development / Partner	Nemea Inc.	\$130,000	Fernando De Yolanda
CLO & Producer / Partner	Nemea Inc.	\$120,000	Martin Cortina
Head of Production	Nemea Inc.	\$70,000	Year 1 hire
Financial Controller	Nemea Inc.	\$65,000	Year 1 hire
BC Production Coordinator	Nemea BC Ltd.	~\$40,700	CAD \$55K converted at 0.74
MX Development Executive	Nemea México	~\$41,700	MXN \$720K converted at 17.26
TOTAL ANNUAL CORE PAYROLL		~\$657,400	Years 1–4 (modest annual increases)

Other Annual Operating Costs

Legal & Compliance	~\$40,000 / yr
Accounting / Audit	~\$25,000 / yr
Office / Co-working	~\$18,000 / yr
Festivals & Travel	~\$30,000 / yr
Marketing & PR	~\$20,000 / yr
Technology & Software	~\$8,000 / yr
Contingency (5%)	~\$14,000 / yr
TOTAL OTHER OPEX	~\$155,000 / yr

11 — 4-YEAR FINANCIAL PROJECTIONS

Studio-Level P&L; (Consolidated)

Years 1–2 are investment years — the studio draws on the \$1.5M ops budget. Year 3 onwards, film SPV distributions begin returning capital and studio revenue turns positive. Library value compounds from Year 2.

Line Item	Year 1	Year 2	Year 3	Year 4	4yr Total
Management Fees	\$200K	\$200K	\$200K	\$200K	\$800K
Production Svc. Fees	\$60K	\$150K	\$210K	\$180K	\$600K
GP Co-Invest Returns	—	—	\$192K	\$192K	\$384K
GP Carry (projected)	—	—	\$240K	\$240K	\$480K
TOTAL REVENUE	\$260K	\$350K	\$842K	\$812K	\$2,264K
Core Payroll	(\$657K)	(\$657K)	(\$700K)	(\$700K)	(\$2,714K)
Other OpEx	(\$155K)	(\$155K)	(\$155K)	(\$135K)	(\$600K)
EBITDA	(\$552K)	(\$462K)	(\$13K)	(\$23K)	(\$1,050K)
Cumul. Cash (ops budget)	(\$552K)	(\$1,014K)	(\$1,027K)	(\$1,050K)	—

The \$1.5M ops budget funds the studio through its investment phase. Years 1–2 draw the heaviest — salaries and overhead while films are in production. From Year 3, management fees and production service fees begin covering the studio's operating costs, making the ops budget a bridge rather than a burn. The reserve (\$500K) is earmarked exclusively for BC PSTC bridging. Net ops draw over 4 years: ~\$1.1M.

12 — INVESTOR RETURN SCENARIOS

Per-Film Outcomes

Outcome	Avg. Sales / Film	Film MOIC	What This Looks Like
Home Run	\$4.0M+	5.00×	Festival prize + major SVOD acquisition + arthouse theatrical globally — 1 in 10
Success	\$2.0M	2.66×	Strong festival run, MUBI global deal + EU territory sales + LatAm theatrical
Normal	\$1.2M	1.53×	Solid release: MUBI + LatAm SVOD + one EU territory — standard indie performance
Flop	\$400K	0.33×	Limited distribution, no festival premiere, single-territory SVOD only

Fund-Level Returns — Base Case Slate (2 Success · 6 Normal · 2 Flop)

Per-film outcomes are illustrative. Each film is financed independently via SPV. Conservative prob-weighted fund baseline: 1.37×. Comparable film data in Section 7.

Fund MOIC — Base (2 Success · 6 Normal · 2 Flop)	1.53×
Fund MOIC — Bull (1 HR · 5 Success · 3 Normal · 1 Flop)	2.33×
Fund MOIC — Bear (1 Success · 9 Flop)	0.52×
Conservative Prob-Weighted MOIC	1.37×
Total Fund Returned (base, incl. mgmt+carry)	~\$15.6M
Approximate 4-Year IRR (base)	~12%

\$100,000 LP Investment Illustration

A \$100K LP commitment = 1% of the fund. Under the base slate (2 Success · 6 Normal · 2 Flop), after fees, hurdle, and GP carry:

- Return of Capital: \$100,000
- Preferred Return (8% compounded × 4yr): +\$36,049
- LP's 50% share of profits above hurdle: +~\$55,951
- Total Returned: ~\$192,000 (1.37× MOIC)

Projections are illustrative, based on comparable independent film performance. Independent film investment is speculative. See Section 14 for risk factors.

What Happens If Films Underperform?

The fund is designed to survive a bad slate. Tax incentives cover 25–35% of each film's budget before distribution. Pre-sales cover another 36%. The fund's 40% equity is the last dollar at risk — and it is already partially offset by studio fees and management income.

Sensitivity: Films Lost vs. Fund Return

Scenario	Film Mix (10 films)	Fund MOIC	Fund IRR (est.)	Notes
Base	2 Success · 6 Normal · 2 Flop	1.53×	~12%	Conservative base case
Bull	1 HR · 5 Success · 3 Normal · 1 Flop	2.33×	~24.5%	Strong slate performance
Bear	1 Success · 9 Flop	0.52×	~-4.2%	Adverse market conditions
All-Normal	10 Normal	1.53×	~5.8%	Every film hits base case

The worst-case scenario (9 of 10 films flop, 1 success) results in a 0.52× MOIC — a 60% loss. However, even in this scenario, tax incentives and pre-sales have already returned ~60% of total per-film spend. The effective equity at risk per film, net of incentives, is approximately \$340K — not \$800K.

Material Risks

Creative & Market Risk

- Films may not achieve A-list festival premieres, limiting international sales potential.
- SVOD pre-sale deals may not close, requiring bridge financing or production schedule adjustments.
- Audience reception is inherently unpredictable; award-winning films can underperform commercially.

Regulatory Risk

- EFICINE 189 allocations are subject to annual IMCINE/SAT budget approvals and can be reduced.
- EFICA (Feb 2026 decree) is new legislation — subject to interpretation, amendment, or legal challenge.
- BC PSTC rates are subject to provincial budget decisions in British Columbia.
- Currency risk: costs in MXN and CAD; investor returns in USD. Adverse FX moves compress margins.

Operational Risk

- Production delays or cost overruns may require additional capital from the reserve fund.
- Key person risk: pipeline and reputation depend materially on the founding team.
- Co-production treaty compliance is required for incentive eligibility; non-compliance voids the credit.

Liquidity Risk

- Film SPV interests are illiquid. There is no secondary market for LP interests.
- Distribution income may be delayed 12–24 months after production completion.
- The fund has a 4-year life; extensions may be required if films remain in active distribution.

Legal Architecture

Three entities — one purpose. Each entity is purpose-built for its jurisdiction's incentives, liability isolation, and employment law.

Parent / GP	Nemea Studios Inc. (Delaware C-Corp)
Canadian Entity	Nemea BC Ltd. (British Columbia)
Mexican Entity	Nemea México S. de R.L. de C.V.
Registered Address	Monte Himalaya 910, Lomas de Chapultepec, 11000, CDMX
Fund Vehicle	Limited Partnership — Nemea Studios Inc. as General Partner
Per-Film Vehicle	Individual LLC / S. de R.L. per film (SPV structure)
LP Instrument	Subscription Agreement + SPV Participation Agreement per film
Auditors	TBD — Big 4 preferred
Legal Counsel	TBD — coordinated Mexico + US + Canada coverage

Each film SPV is legally ring-fenced: a loss on one film cannot affect other films or Nemea Studios Inc. itself. Investors hold LP interests in the specific film SPV — direct ownership of that film's rights.

Founding Partners

Santiago Arriaga

Founding Partner, CEO.

Mexican director and producer with two Ariel Award nominations alongside his sister Mariana Arriaga. His debut feature *A Cielo Abierto* premiered at Venice, then screened at Toronto, Busan, and Morelia, and is currently streaming on Netflix — produced with K&S; Films, the company behind *Wild Tales*.

Fernando De Yolanda

Founding Partner & Head of Development.

Vancouver Film School graduate. Advertising director with credits including *Hermanos Gutiérrez*, *Matthew McConaughey*, and *Yalitza Aparicio*. CICLOPE Award winner and Morelia Official Selection. Bridges the commercial and arthouse worlds with an instinct for international storytelling.

Martín Cortina

Founding Partner, CLO & Producer.

15 years in structured finance with \$500M+ in completed transactions. Specialises in M&A, tax-credit monetisation, and cross-border co-production financing. Architect of Nemea's three-country incentive stack.

Board of Advisors

Guillermo Arriaga	Cannes Palme d'Or — Best Screenplay; writer of <i>Amores Perros</i> , <i>21 Grams</i> , <i>Babel</i>
Federico González Compeán	CEO CIE Internacional; produced <i>Amores Perros</i>
Miguel Mier	Global COO, Cinépolis (6,000+ screens worldwide)
Juan Carlos Lazo	Former Director General, 20th Century Fox Mexico

17 — DISCLAIMER

Confidentiality & Forward-Looking Statements

This Business Plan is strictly confidential and is provided solely for the purpose of evaluating a potential investment in Nemea Studios. It may not be reproduced, redistributed, or disclosed to any third party without the prior written consent of Nemea Studios Inc.

This document contains forward-looking statements, including projections of future financial performance, fund returns, and market conditions. These are based on assumptions that are inherently uncertain. Actual results may differ materially. Nothing herein constitutes a guarantee of returns or an offer to sell securities.

Investments in private film funds are illiquid, speculative, and carry the risk of total loss of capital. Prospective investors should conduct independent due diligence and consult qualified legal, tax, and financial advisors before making any investment decision.

Financial projections are illustrative only, based on historical comparable performance data for independent films with similar budgets and distribution profiles. Past performance of comparable films is not a reliable indicator of future results.

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