

THE ARCADE LAUNCH BLUEPRINT

Financials & Capital Analysis: A strategic breakdown of the \$693,000 – \$815,000 investment required to launch and sustain operations.



EXECUTIVE SUMMARY: HIGH FRICTION, RAPID REWARD



→ **\$693k – \$815k**

↓
Total Capital Required
(Launch + Buffer)



↑ **\$545,000**

↓
Hard CAPEX
(Equipment & Buildout)



🕒 **Month 2**

↓
Projected
Break-Even Point

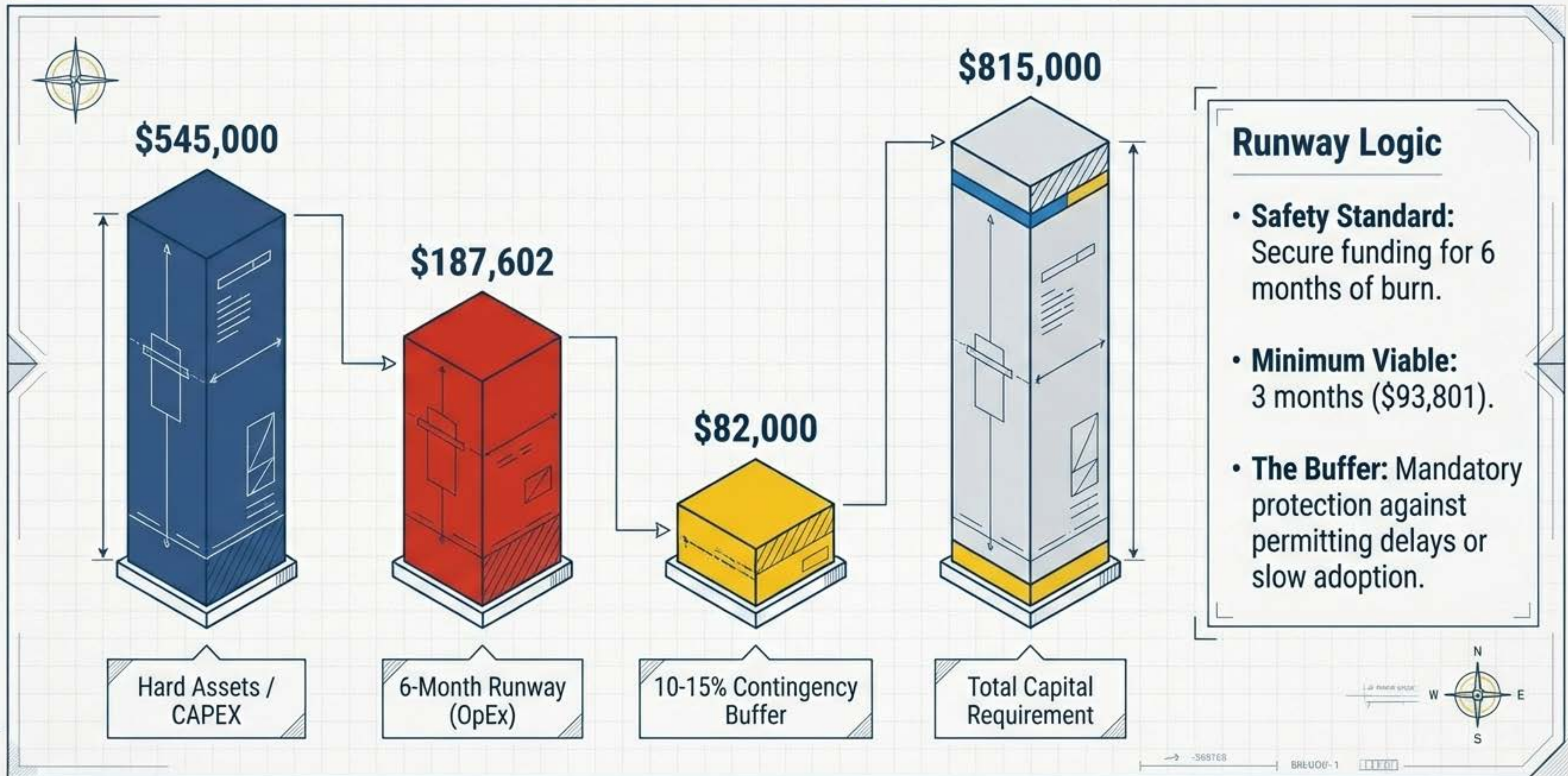


↗ **\$206,000**

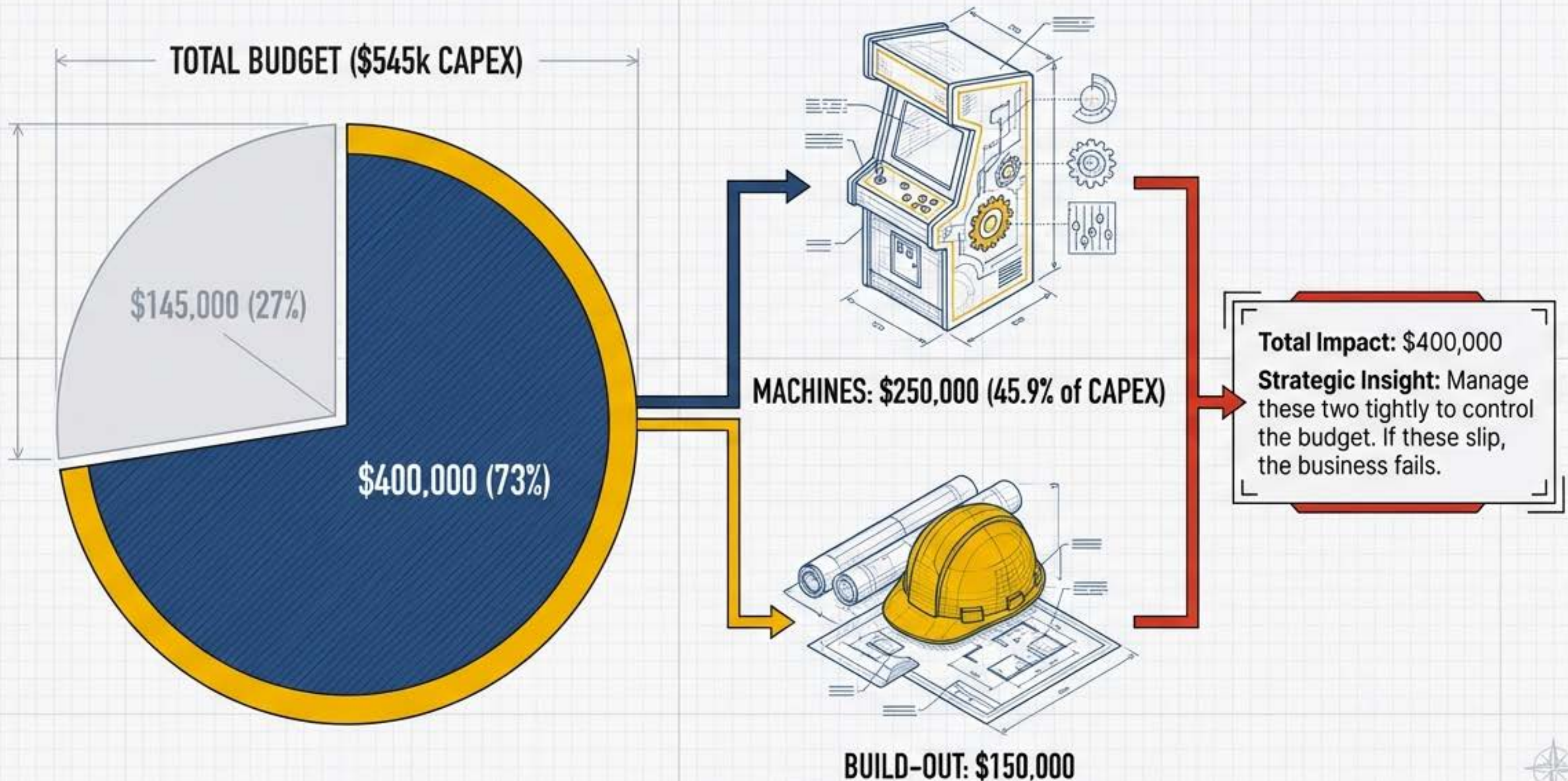
↓
Year 1 EBITDA
(On \$763k Revenue)

🎯 — The Thesis: The model relies on heavy capitalization to clear the first 60 days of friction, after which cash flow turns positive. — 🎯

THE CAPITAL STACK: ALLOCATING THE \$815,000

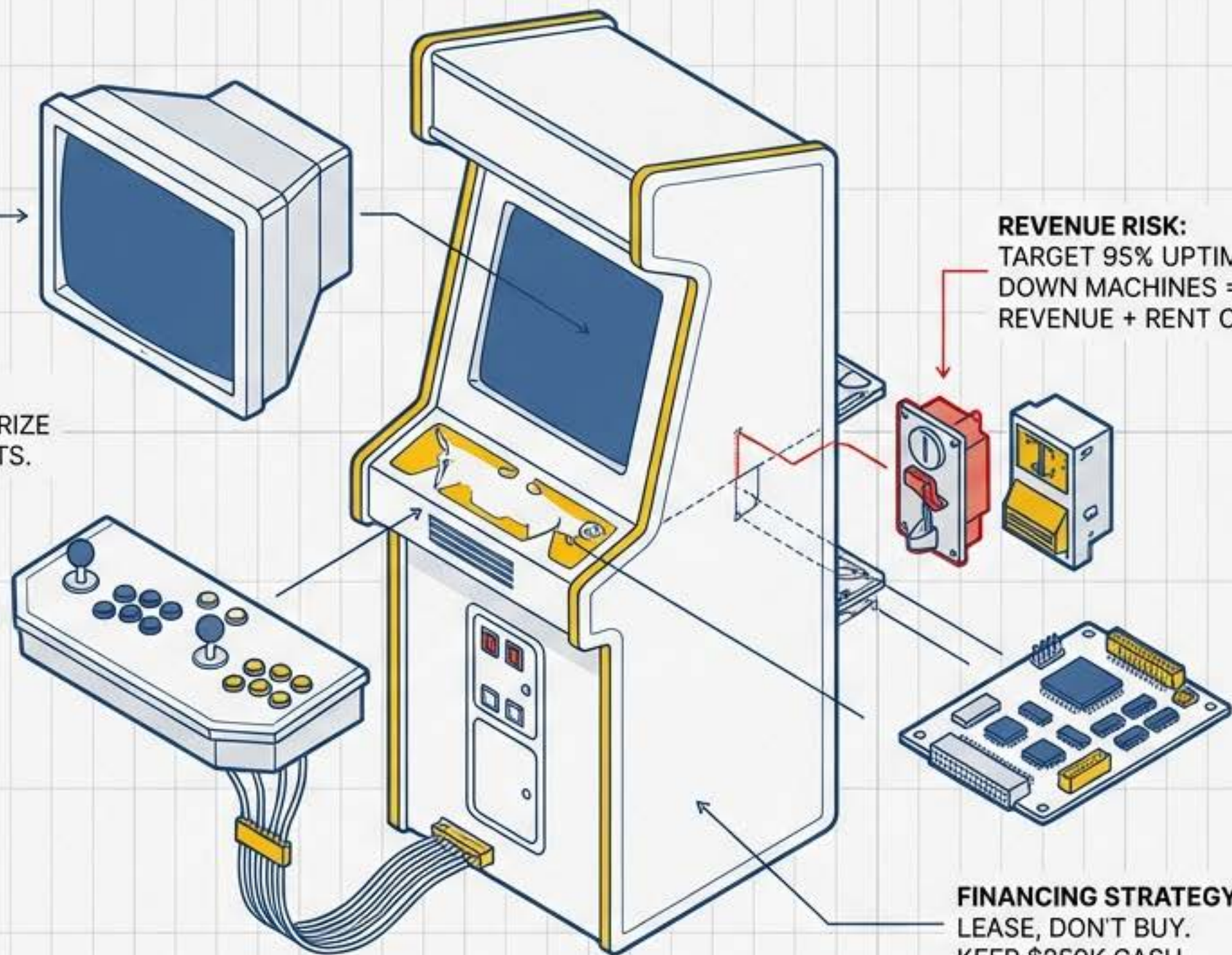


THE HEAVY HITTERS: TWO CATEGORIES CONSUME 73% OF CASH



ASSET CLASS 1: ARCADE MACHINES (\$250k)

THE SPEND:
VIDEO GAMES & PRIZE
REDEMPTION UNITS.



REVENUE RISK:
TARGET 95% UPTIME.
DOWN MACHINES = ZERO
REVENUE + RENT COST.

FINANCING STRATEGY:
LEASE, DON'T BUY.
KEEP \$250K CASH
IN THE BANK.

OPERATIONAL MANDATE

- Secure 12 months preventative maintenance.
- Negotiate bulk pricing or certified refurbished units.
- Leasing transfers residual risk to lessor.

] DIN Condensed

] Inter

ASSET CLASS 2: VENUE RENOVATION (\$150k)

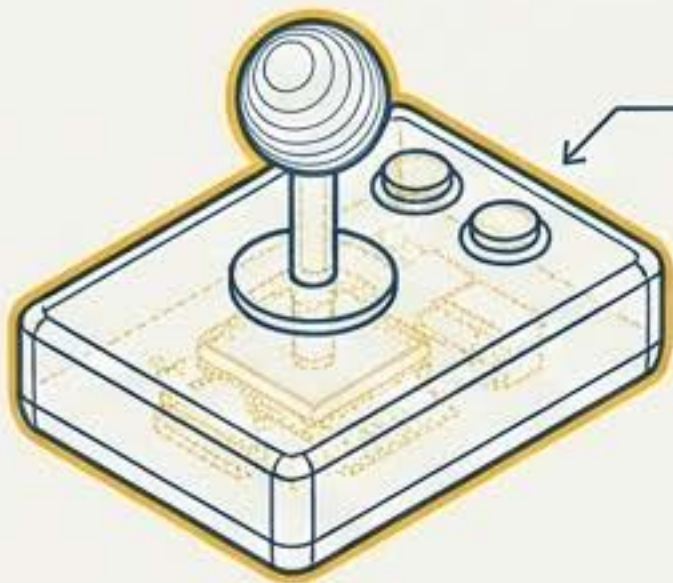


COST CONTROL STRATEGY

- Lock in Fixed-Price Contracts (Stop Scope Creep).
- Audit permit fee estimates early.
- Verify zoning review timelines.

OPTIMIZING THE FUNDING MIX

LEASE STRATEGY

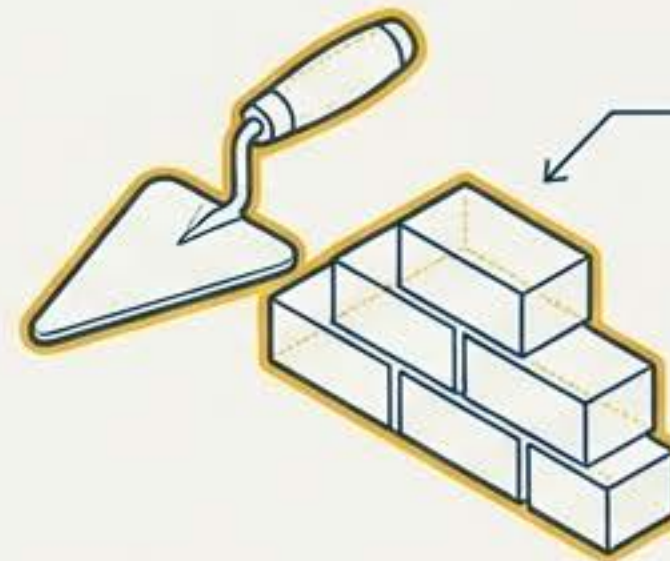


Asset: Machines (\$250k)

Action: Lease to preserve liquidity.

Est. Cost: ~\$4,000/mo.

DEBT STRATEGY

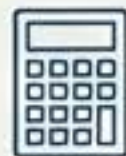


Asset: Build-Out (\$150k)

Action: 5-Year Term Loan.

Est. Cost: ~\$3,000/mo.

The Cash Flow Math



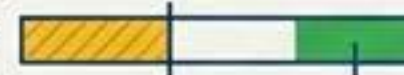
Total Monthly Debt Service:
~\$7,000



Projected Annual EBITDA:
\$206,000



Result: Debt service is **safe at <35%** of EBITDA, leaving **>\$13k/mo** operational cash flow.



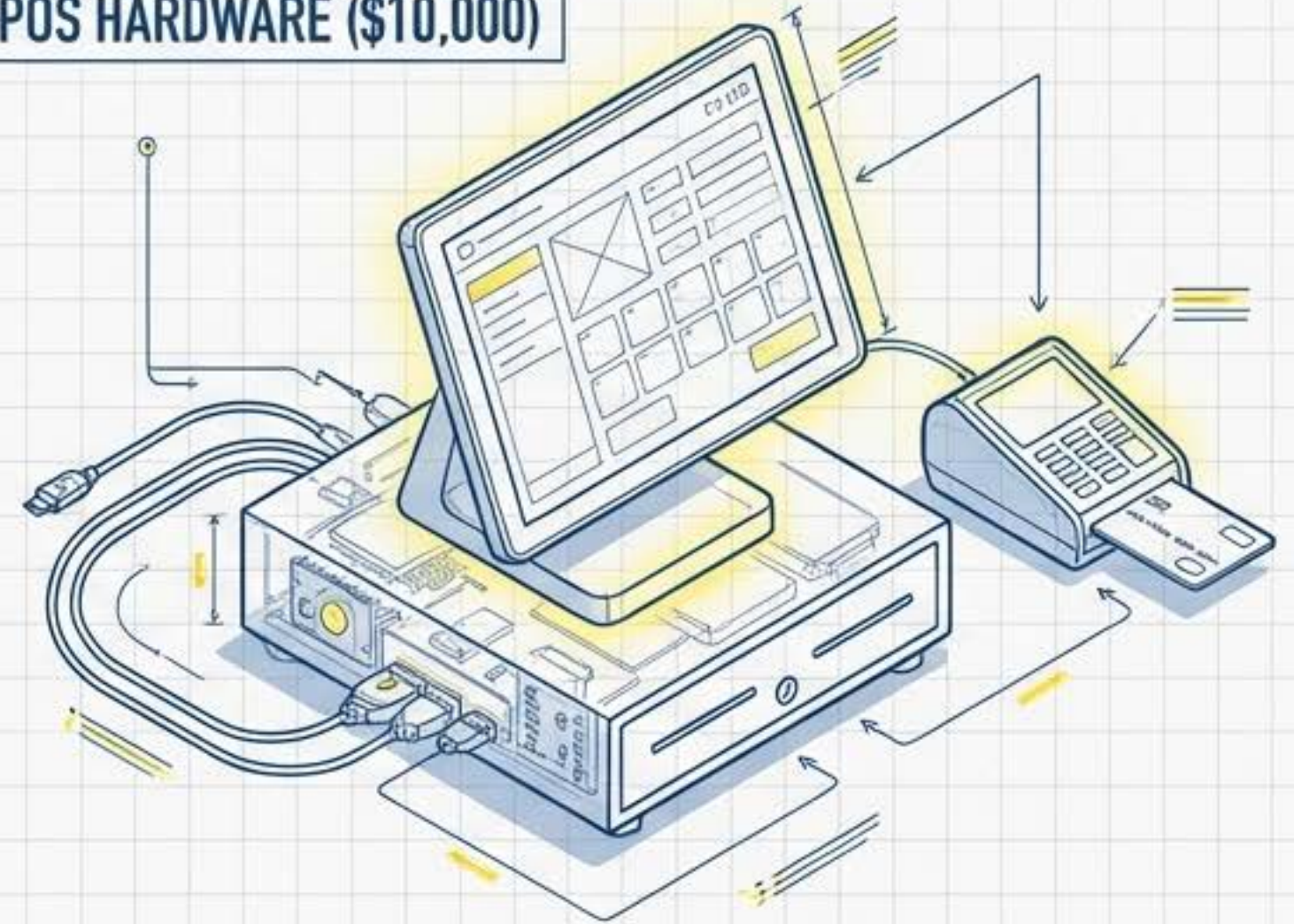
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INFRASTRUCTURE FOR HIGH-MARGIN REVENUE

KITCHEN & BAR (\$40,000)



POS HARDWARE (\$10,000)



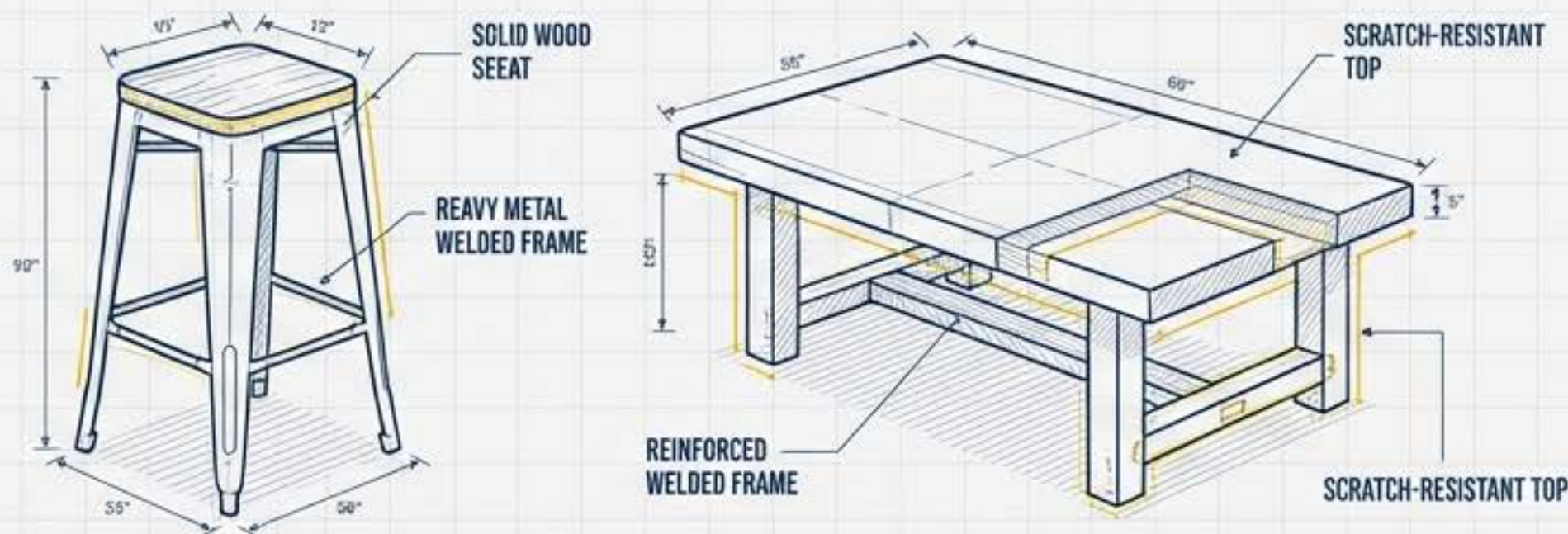
- Essential for health code compliance.
- Strategy: Buy used/refurbished for non-core items (coolers).
- Only buy new for critical ice machines.

- The 'Brain' of the operation.
- Requirement: 4 Terminals.
- Critical: Must separate Game Credits from F&B sales.

THE EXPERIENCE LAYER: FURNITURE & PRIZES

FURNITURE & FIXTURES (\$30,000)

Strategy: Durability over style.
Heavy wear-and-tear expected.
Defines the social lounge vibe.

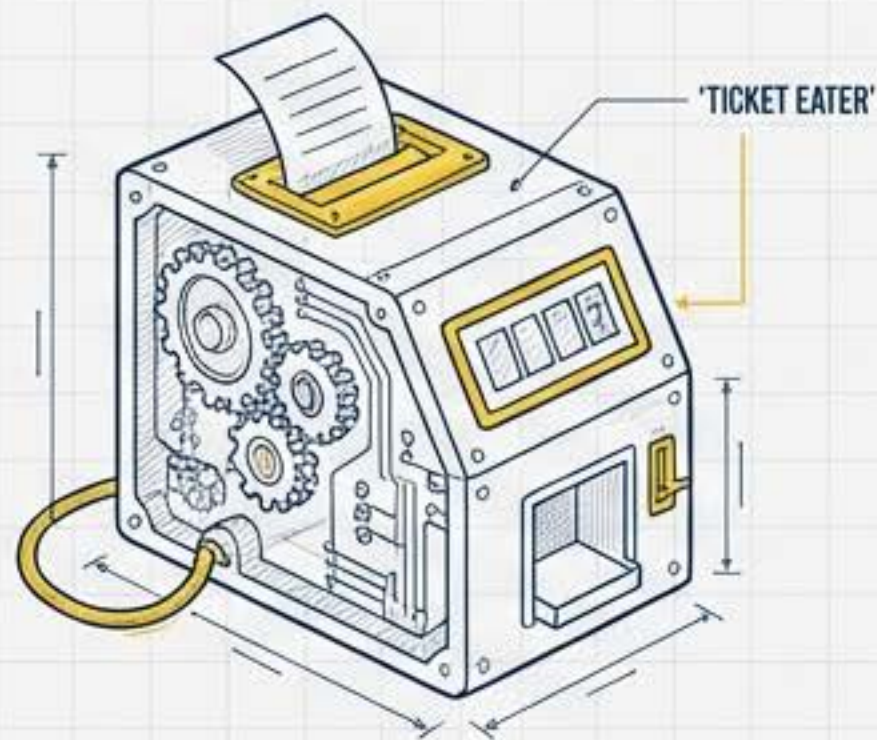


PRIZE REDEMPTION (\$20,000)

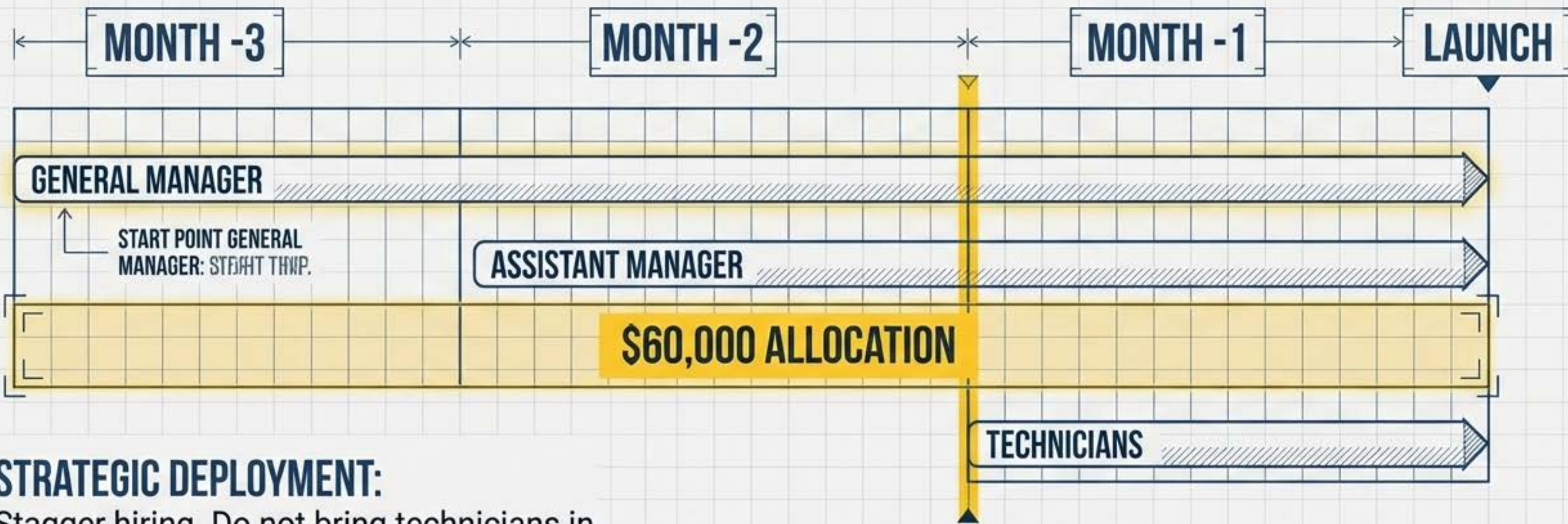
Strategy: The hook for repeat business.
Includes software and initial swag.



Insight: Don't overstock high-value prizes early. Use data to replenish.



PRE-OPENING PAYROLL: THE HIDDEN BURN



STRATEGIC DEPLOYMENT:

Stagger hiring. Do not bring technicians in until the electrical build-out is ready.

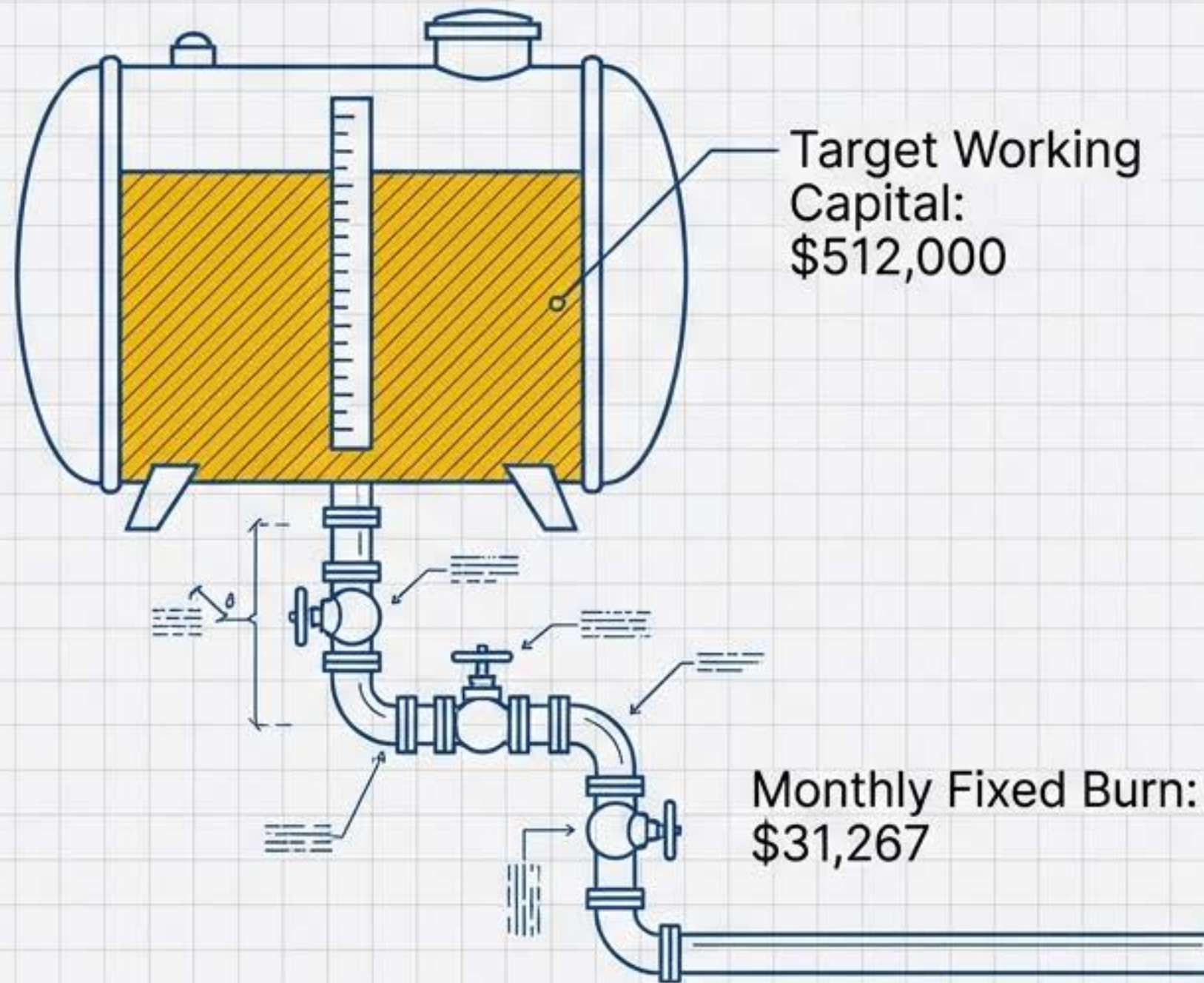
Warning: Critical: If this \$60k runs out before doors open, operations fail.



ELECTRICAL BUILD COMPLETION

TITLE	TITLE	REV	DIS
	TECHNICAL BUDGET	1	4

SURVIVING THE LAUNCH VALLEY



BURN BREAKDOWN:

Rent & Utilities: \$11,350
Inter



Salaries: \$19,917
Inter



Liquidity is life. You need a buffer for the unexpected. This capital ensures survival past the initial 2-month deficit.

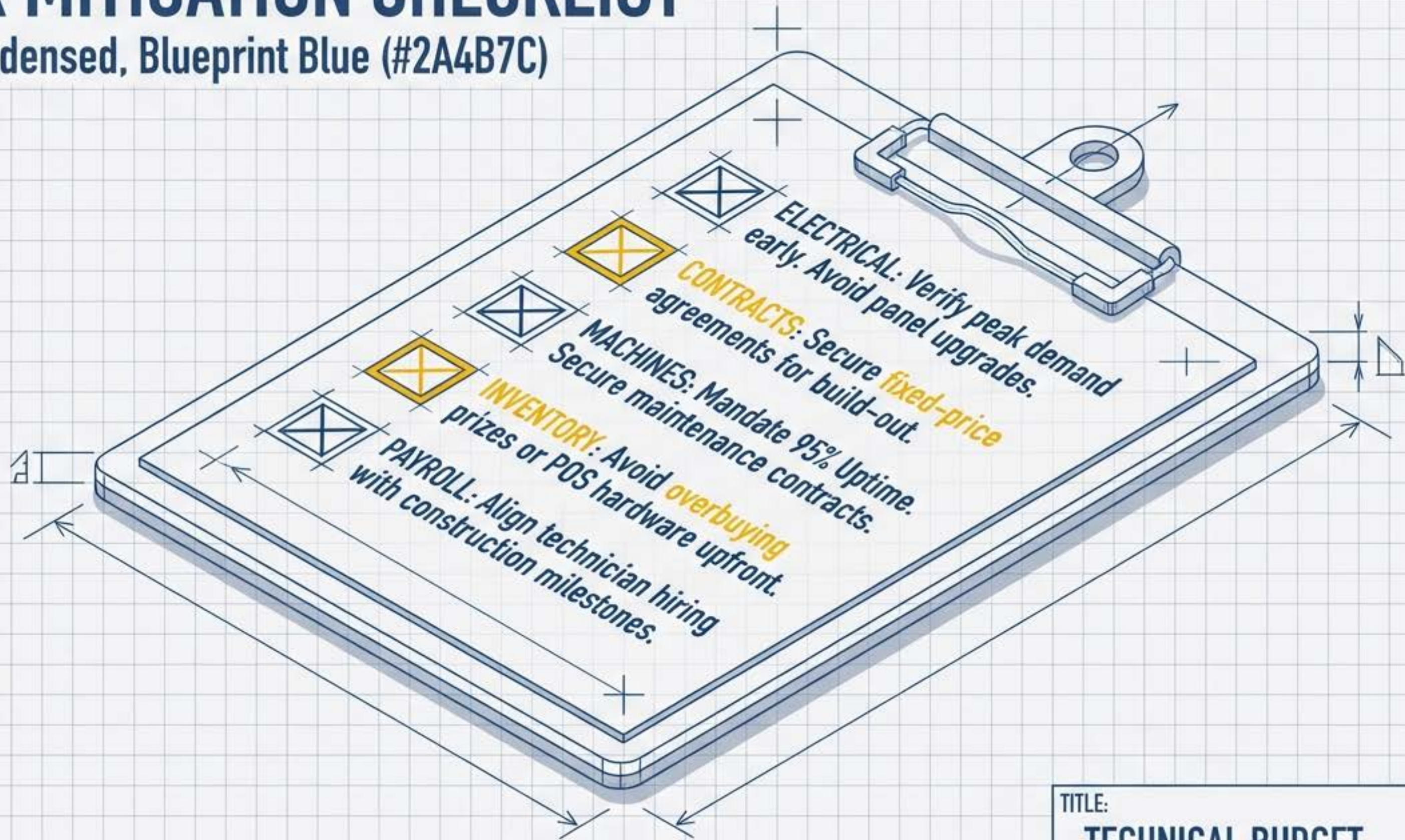
TRAJECTORY TO PROFITABILITY



The model is built for speed. High upfront costs yield rapid stabilization.

RISK MITIGATION CHECKLIST

DIN Condensed, Blueprint Blue (#2A4B7C)



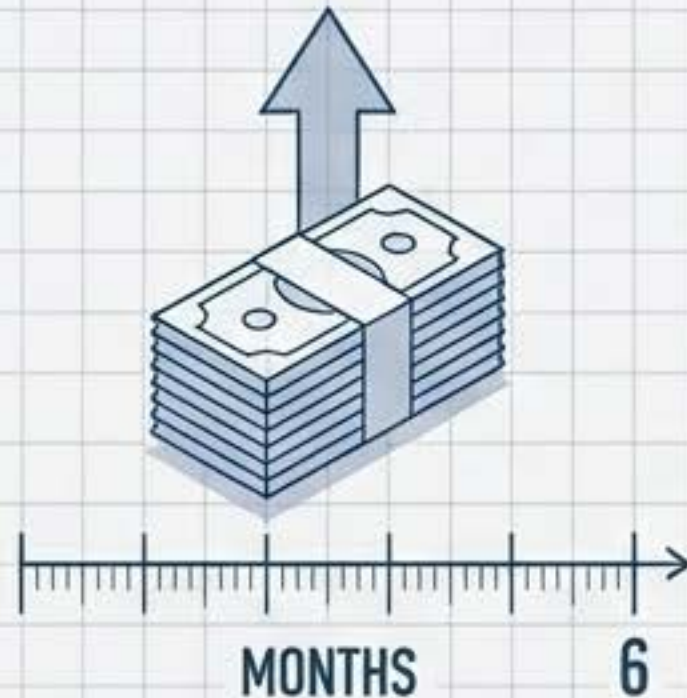
TITLE:
TECHNICAL BUDGET

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3 OF 4

SUMMARY RECOMMENDATION

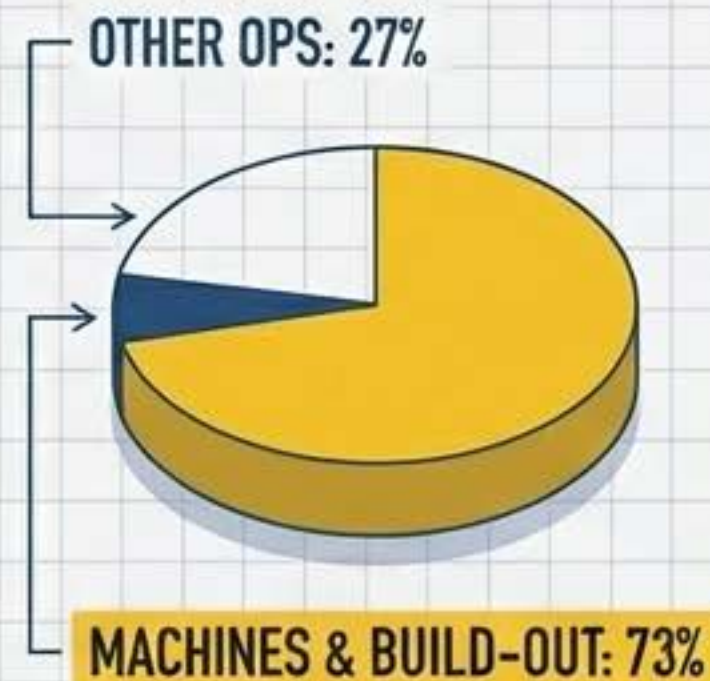
1 CAPITALIZATION

- Raise ~\$800k to be safe. Ensure a 6-month runway.



2 ALLOCATION

- 73% of funds must go to Machines and Build-Out.



3 LIQUIDITY

- Lease the \$250k in machines. Preserve cash.



4 OUTLOOK

- Expect break-even by Month 2 and ~\$200k EBITDA in Year 1.



Verdict: Capital Intensive but High-Yield.



PIXEL PALACE

BUILT FOR HIGH-VOLUME ENTERTAINMENT.