
PROPRIETARY

XCineX streaming service for concerts, movies to open USD 20m Series A - CEO

30 JUN 2020

XCineX, a Palo Alto, California-based TV streaming service to watch live ticketed concerts and movies at home, hopes to raise up to USD 20m in a Series A round of funding that will open in August, said CEO Cihan Atkin.

The round would fund a December debut of its streaming device, called Venue, including a marketing campaign and more staff, he said, noting that the capital would fund the company for two years.

It is currently accepting pre-orders for Venue. Upon launch, it will provide access to live concerts and major movie premiers, for fans who may be uncomfortable attending in person until a vaccine for the contagious COVID-19 virus is released.

The pre-revenue company has been securing its patents and building its technology since 2015, said Atkin. It unveiled Venue in February 2020 and announced its live launch for December.

XCineX has 11 employees and, with its Series A funds, plans to hire 11 more, mostly in sales as well as a few in engineering. It has so far raised around USD 2m in capital from angel investors, he said.

[Venue costs USD 59.99](#) and connects to an at-home TV. Users can then browse upcoming ticketed events that have partnered with XCineX.

Its device's patented sensors detect how many viewers are in the room and watching a show. It then charges each person an individual ticket price. Content pauses if more viewers enter the room or if parents check on kids, for example. Pets and infants are free while toddlers are charged full price.

The cost of each ticket is pre-determined by the artist or content owner. Atkin said XCineX is in the midst of pitching contracts directly to singers and major movie studios, though he declined to provide names.

XCineX will make its profit on “a small fee” for using its platform, said Atkin. Eventually, it plans to offer its platform to boxing matches, symphonies and any ticketed event, he noted. As it scales, it can also derive revenue from advertising and analytics data, said CFO Charles Wingate.

Benefits for artists include reaching a wider audience, such as people with disabilities and rural America, said Atkin, noting that it aims to be live in India and the Middle East shortly after its US launch.

For every ticket sold, an artist will receive 10% to 20% more revenue than via traditional venues, said Atkin. Artists can restrict access to geographies, such as New York, for example, for a New York-based concert.

For manufacturing, it is currently scouting partners in China or India, and hopes its first product run will be between 100,000 and 200,000 units, said Atkin.

It aims to be in 1 million homes by 2022 if it has a proper marketing campaign and support from the artist community, he said.

Competition

XCineX's most well-known competitor is The Screening Room, which charges consumers one flat fee per event or movie. Recently renamed SR Labs, it is co-founded by Sean Parker, who invented Napster and was an early Facebook executive.

In April, [SR Labs announced a capital raise](#) of USD 27.5m equity financing. It also appointed a new CEO, Man Jit Singh, former president of Sony Pictures Home Entertainment.

Atkin said XCineX is the only company with a “pay-per-viewer” business model, meaning the traditional ticketing model of paying per person remains intact.

Regarding scanning consumers with sensor technology, the executive said its technology does not engage in any facial recognition but rather tallies an anonymous headcount of its viewers. Images are analyzed by artificial intelligence (AI) and machine vision, and then they are deleted, he said.

Future exit

XCineX hopes to partner with digital content providers like Apple [NASDAQ:AAPL], Netflix [NASDAQ:NFLX] and Amazon [NASDAQ:AMZN] to offer its app on their platforms, said Atkin.

It also envisions licensing its technology to be integrated directly into any major TV brand like Samsung and VIZIO; digital cable boxes from providers like AT&T [NYSE:T] and Comcast [NASDAQ:CMCSA]; or any digital content platform, like Google [NASDAQ:GOOGL], Roku [NASDAQ:ROKU], Hulu or Disney [NYSE:DIS] Plus, according to Atkin.

In the long-term, XCineX could be an ideal target for any of the above-mentioned companies, he said, noting it could also appeal to media companies or research firms.

It could also one day consider an IPO, said Wingate, noting XCineX would be a valuable asset if it scaled to reach 15m to 20m homes within the next four to five years.

Venue also supports web-based video conferencing, turning any home TV into a large conference screen, and could, therefore, appeal to companies like Zoom [NASDAQ:ZM], said Atkin.

“We are open to working with all the players to benefit from our infrastructure,” he said. “We are the marketplace (for live events).”

by Dayna Fields in Los Angeles

Grade: Confirmed

TARGET

[XCineX](#)

BIDDERS

[Apple Inc.](#)

[Amazon.com, Inc.](#)

[GV](#)

[AT&T Inc.](#)

[Roku, Inc.](#)

[Hulu, LLC](#)

[The Walt Disney Company](#)

[Zoom Video](#)

[Communications, Inc.](#)

[Comcast Corporation](#)

OTHERS

Countries

USA

Sectors

Computer software

Leisure

Media

Sub-Sectors

Other entertainment

Software

development

TV broadcast

Topics

California (Northern)

Companies for sale

Family

Owned/Closely Held

Growth Capital Raise

SR Labs

Intelligence ID:
intelcms-kkbtbm

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