



Valuation Report of

WorldBitSports

Generated 18 Jun, 2019

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WorldBitSports

High Tech Campus 32, 5656AE Eindhoven

WBsports aims to support sports clubs (not only physical but also e-sports), academy schools, and young talents through the team's experience and global reach in the professional sports industry.



History and Nature of Business

Besloten Vennootschap, founded 07-06-2019

Started year: **2018**
 Legal Entity: **Yes**
 Founded: **2019**
 Industry: **Leisure & Recreation**
 Business Activity: **Professional Sports**
Venues
 Country: **The Netherlands**
 Committed Capital: **€0**



Management Team

The team consists of experts with backgrounds in marketing, cryptocurrency, sports, management, and finance. They provide an extensive network of ex-players, sportsmanagers, directors, scouts and trainers, and more.

Founders: **5**
 FTE Employees: **0**
 Years of Industry Experience: **80**
 Previous Startup Experience as a Founder:
Yes

Experience

Technical: **All technical skills inhouse**
 Business: **Top-tier management experience**



Product and Service

The concept has never been seen before - for the first time, fans are now able to own shares of their favorite clubs, players, or talents in an academy. At the same time, WorldBitSports offers support for external global projects who are making a positive impact in the sports industry.

Scalable Product: **No**
 Demand Validated: **Demand validated by competitors**
 IP Protection: **IP protection not applicable**

[+] Current Operations

The company is already incorporated. Now we are finalizing the STO dashboard, acquiring new projects/cooperations with clubs like Benfica and Glasgow Rangers, completing the due diligence process, and starting the community building and marketing strategy.



Customers

18+ (male) sports enthusiasts. Marketing through social media, advertisement, community building.



Strategy

After the tokensale, we plan to expand the ecosystem and support more and more projects globally to digitize and revolutionize the sports industry.



Ownership

There are 5 founders with 20% each, who are the also the managers. Yes we have already established a network of investors.

Stage of Development: **Development stage**

Product Roll-out: **Minimum Viable Product**

Profitability: **Not breakeven yet**

Loyalty to the product/service: **High retention**

Feedback received: **All positive**

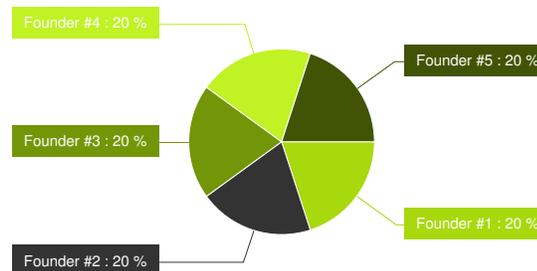
Partners: **Informal agreements with key strategic partners**

Target Market: **Demand validated by competitors**

Level of Competition: **Dominated by several players**

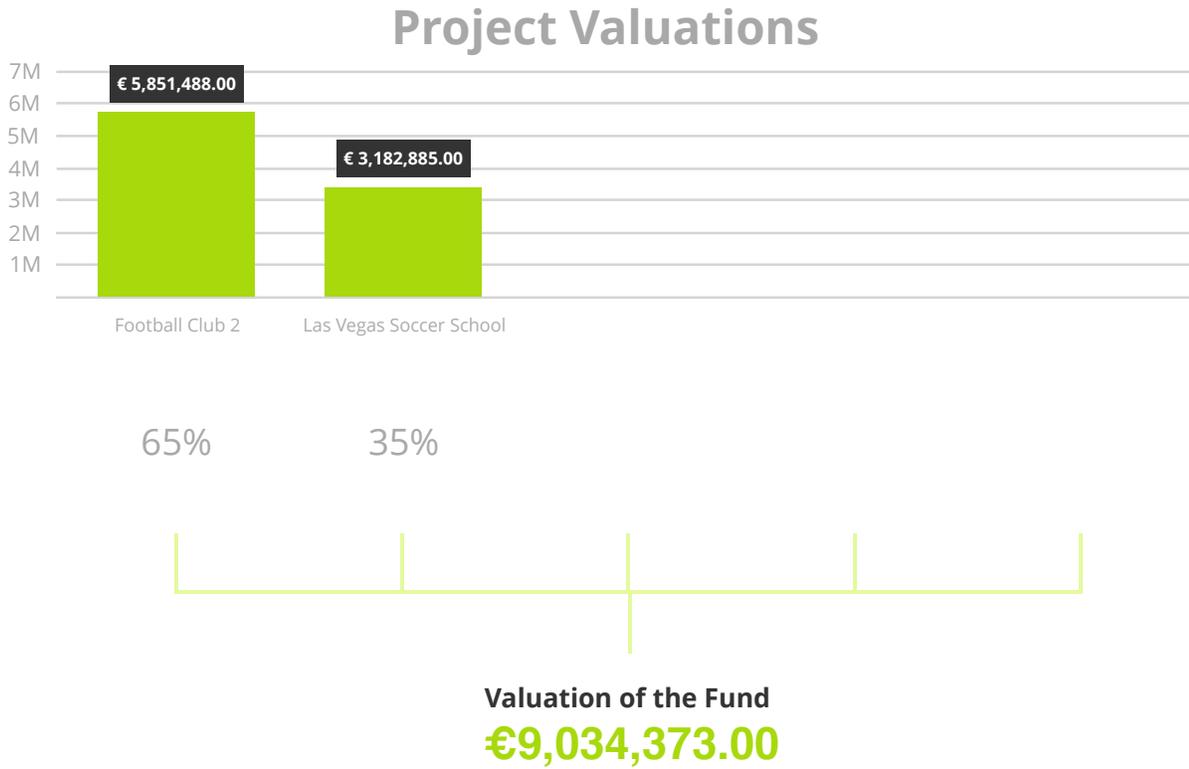
Competitive Products: **Good**

Internationalization: **Active globally**



Valuation of the Fund

The valuation of the Fund is the sum of all the project valuations it starts. Below is an overview of the respective projects, a detailed overview of the respective methodologies, in the parameters and methods used to compute each valuation follows in the Report.



Fund Equity Investment

Given the Pre-Money valuation, a dilution of 37.8% would be the result of raising the €5.5M which is the forecast minimum required capital to bring the chosen projects online and to a self-sustaining stage.

This dilution reflects the situation that the full required amount is funded by a new (or syndicate) investor.

Pre-Money Valuation of the Fund

€9,034,373.00

EQUITY INVESTMENT

37.8%

Investment Amount

€5,500,000.00

Post Money Valuation

€14,534,373.00



Valuation Report of

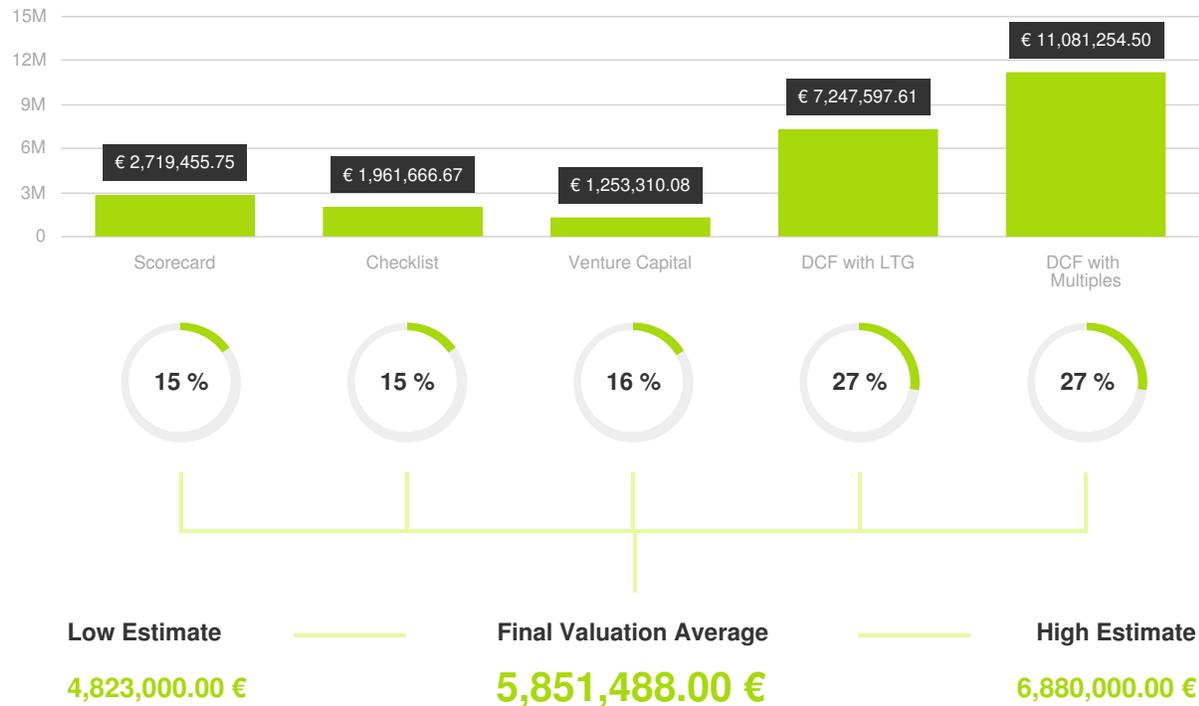
WBSports - Football Club 2

Generated 18 Jun, 2019

Valuation

Valuation guidelines encourage the use of several valuation methods. Each method analyzes the business value from a different angle, giving its managers, shareholders, and stakeholders a more comprehensive and accurate view. The value of a business is ultimately its potential to prosper and generate positive returns to its shareholders. The methods included in this valuation report assess the company's future and risks covering the aspects described in the following pages. The figure below summarizes the results of the methods used for this valuation.

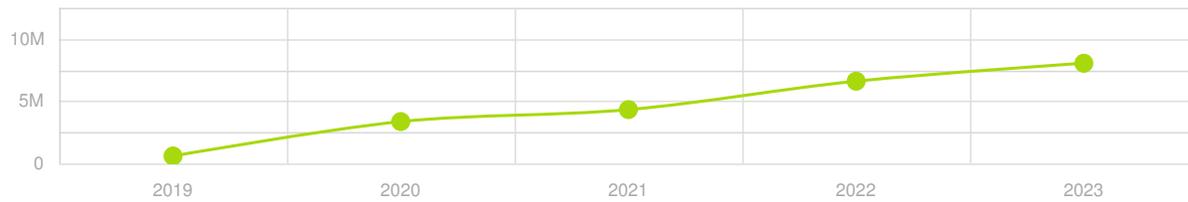
5 Valuation Methods



The final valuation estimate is the weighted average of the valuation methods displayed above. The weights are applied according to the company's development stage and reflect the relative importance of each method regarding the company's case. They are either determined automatically by the Equidam System or manually set by the user of the Equidam platform.

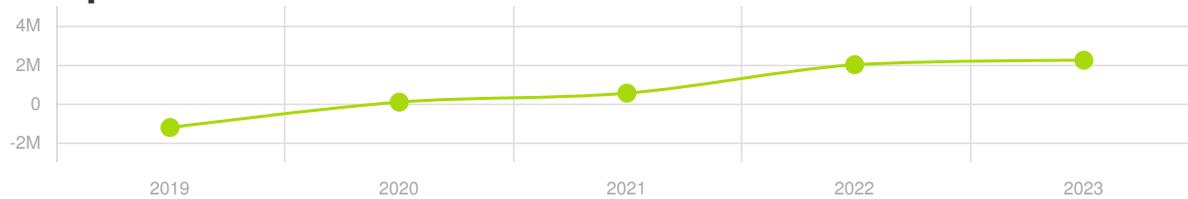
Forecasts

Revenues



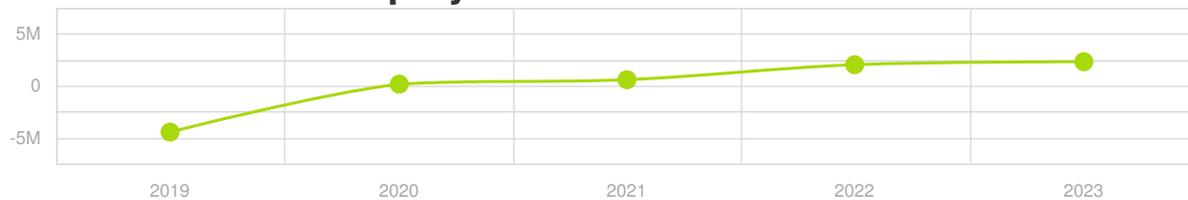
WBSports - Football Club 2	2019	2020	2021	2022	2023
	€ 611,292.00	€ 3,333,846.00	+4.45	€ 8,046,672.00	+0.21

Net profit



WBSports - Football Club 2	2019	2020	2021	2022	2023
	-€ 1,242,180.00	€ 105,025.00	+1.08	€ 2,235,437.00	+0.11

Free cash flow to equity



WBSports - Football Club 2	2019	2020	2021	2022	2023
	-€ 4,452,513.00	€ 132,025.00	+1.03	€ 2,262,937.00	+0.12

Profit & Loss

The Profit & Loss statement (also referred to as Income Statement) for each forecasted year is displayed below. Data about revenues and operating costs (variable and fixed) are provided by the company. Depreciation and amortization, financial gains and losses, and taxes are either provided by the company or estimated by Equidam according to the ratios of peer companies in the same industry.

	Jun. 2018-Jun. 2019	Jun. 2019-Jun. 2020	Jun. 2020-Jun. 2021	Jun. 2021-Jun. 2022
Revenues	-	€ 611,292.00	€ 3,333,846.00	€ 4,376,159.00
Cost of Goods Sold	-	€ 538,479.00	€ 701,825.00	€ 851,940.00
<i>Gross Margin</i>	-	11 %	78 %	80 %
Salaries	-	€ 885,812.00	€ 1,494,886.00	€ 1,738,088.00
Operating Expenses	-	€ 370,514.00	€ 1,005,110.00	€ 1,258,002.00
EBITDA	-	-€ 1,183,513.00	€ 132,025.00	€ 528,129.00
D&A	-	€ 58,667.00	€ 27,000.00	€ 27,500.00
<i>as % of revenues</i>	-	9 %	0 %	0 %
EBIT	-	-€ 1,242,180.00	€ 105,025.00	€ 500,629.00
Financial Gain-Loss	-	-	-	-
Debt interest payment	-	-	-	-
Cash interest gain	-	-	-	-
Taxes	-	-	-	-
<i>Nominal tax rate</i>	-	25 %	25 %	25 %
Effective tax payable	-	-€ 310,545.00	€ 26,256.25	€ 125,157.25
Deferred tax assets	-	€ 310,545.00	€ 284,288.75	€ 159,131.50
Net profit	-	-€ 1,242,180.00	€ 105,025.00	€ 500,629.00

Profit & Loss

	Jun. 2022-Jun. 2023	Jun. 2023-Jun. 2024
Revenues	€ 6,668,996.00	€ 8,046,672.00
Cost of Goods Sold	€ 942,025.00	€ 1,139,391.00
<i>Gross Margin</i>	85 %	85 %
Salaries	€ 1,961,359.00	€ 2,238,059.00
Operating Expenses	€ 1,736,900.00	€ 2,057,884.00
EBITDA	€ 2,028,712.00	€ 2,611,338.00
D&A	€ 17,500.00	€ 27,500.00
<i>as % of revenues</i>	0 %	0 %
EBIT	€ 2,011,212.00	€ 2,583,838.00
Financial Gain-Loss	-	-
Debt interest payment	-	-
Cash interest gain	-	-
Taxes	-	€ 348,401.00
<i>Nominal tax rate</i>	25 %	25 %
Effective tax payable	€ 502,803.00	€ 645,959.50
Deferred tax assets	-€ 343,671.50	-€ 641,230.00
Net profit	€ 2,011,212.00	€ 2,235,437.00

Free cash flow to equity

The Cash Flow Statement starts from the Net Profit of the company and computes the Free Cash Flow to Equity and final Free Cash Flows. The Free Cash Flow to Equity refers to the company's core business and operations, its Capital Expenditure plan, and its debt financing. It is the main cash flow used in the valuation methods.

	Jun. 2018-Jun. 2019	Jun. 2019-Jun. 2020	Jun. 2020-Jun. 2021	Jun. 2021-Jun. 2022
Net profit	-	-€ 1,242,180.00	€ 105,025.00	€ 500,629.00
Change in Working Capital	-	-	-	-
Account Payables	-	-	-	-
Account Receivables	-	-	-	-
Inventory	-	-	-	-
D&A	-	€ 58,667.00	€ 27,000.00	€ 27,500.00
Capital expenditures	-	€ 3,269,000.00	-	-
Change in outstanding debt	-	-	-	-
Debt at the end of the year	-	-	-	-
Free cash flow to equity	-	-€ 4,452,513.00	€ 132,025.00	€ 528,129.00
Raise or repayment of equity	-	-	-	-
Free cash flow	-	-€ 4,452,513.00	€ 132,025.00	€ 528,129.00
Beginning of the year cash	-	€ 4,000,000.00	-€ 452,513.00	-€ 320,488.00
End of the year cash	-	-€ 452,513.00	-€ 320,488.00	€ 207,641.00

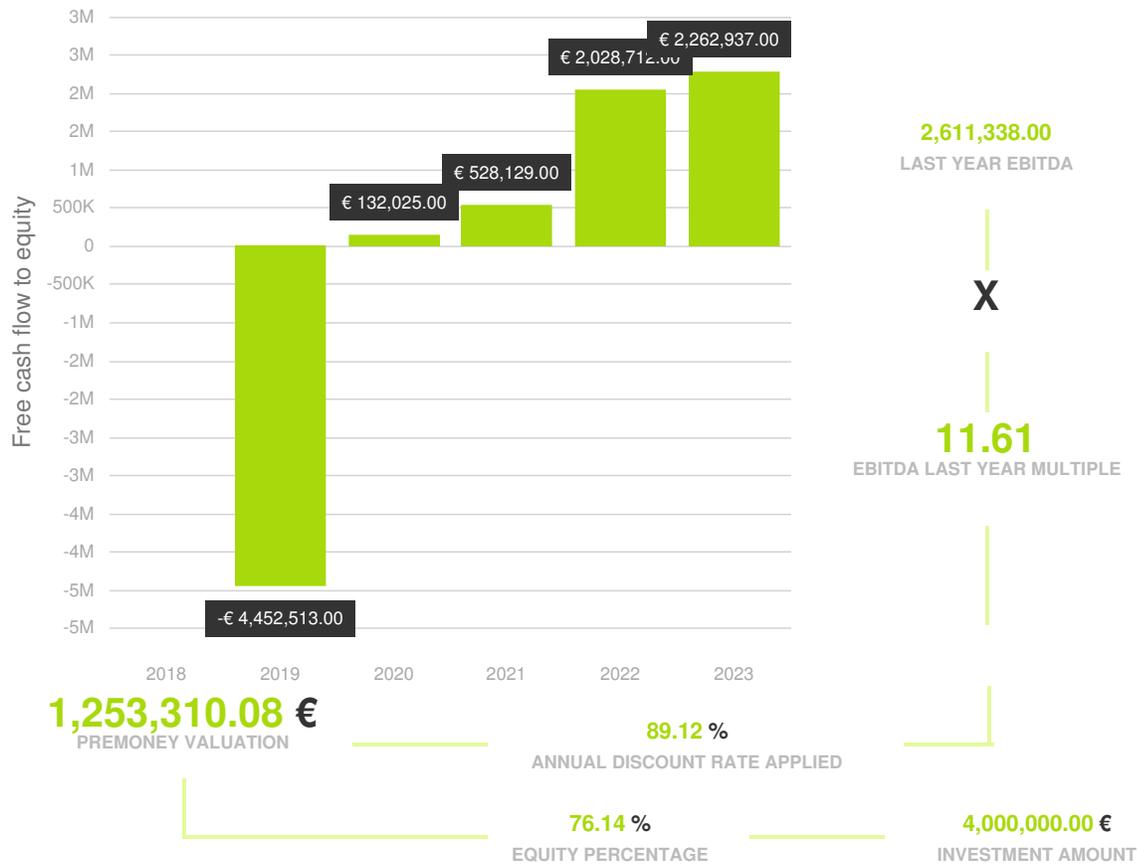
Free cash flow to equity

	Jun. 2022-Jun. 2023	Jun. 2023-Jun. 2024
Net profit	€ 2,011,212.00	€ 2,235,437.00
Change in Working Capital	-	-
Account Payables	-	-
Account Receivables	-	-
Inventory	-	-
D&A	€ 17,500.00	€ 27,500.00
Capital expenditures	-	-
Change in outstanding debt	-	-
Debt at the end of the year	-	-
Free cash flow to equity	€ 2,028,712.00	€ 2,262,937.00
Raise or repayment of equity	-	-
Free cash flow	€ 2,028,712.00	€ 2,262,937.00
Beginning of the year cash	€ 207,641.00	€ 2,236,353.00
End of the year cash	€ 2,236,353.00	€ 4,499,290.00

Financial Methods

VC Method

The venture capital method is a quick approach to the valuation of companies. It comprises in estimating the exit value of the company at the end of the forecast horizon and ignoring the intermediate cash flows. The exit value is calculated by taking the final financial result of the company and applying the EBITDA multiple. This value is then discounted at a high rate to get the present value. The discount rate is determined according to the stage of development and is reported in the table above. Given its simplistic approach, this model does not apply illiquidity or survival discount as the following to methods do. The annual discount rate applied already accounts for these issues.

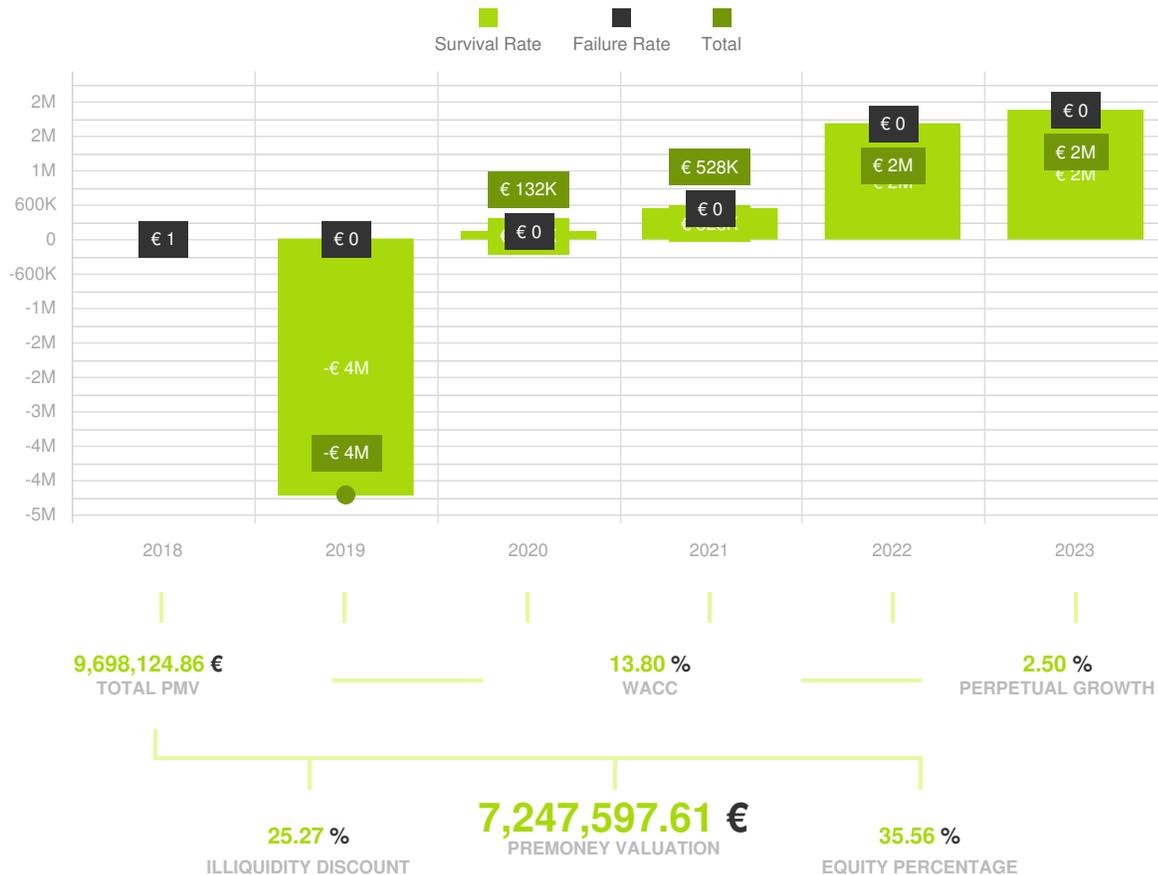


Last Year Exit value: 30,317,634.18 €

Annual Discount Rate applied: 89.12 %

DCF with LTG

Valuation approaches based on the principle of Discounted Cash Flows (DCF) calculate the value of a company by estimating how much cash the company will generate in the future and discounting its value to the present. The DCF with Long-Term Growth (LTG) method uses a perpetual growth rate, which is calculated as the average of the industry, to estimate the terminal value. When calculating the discount rate, Equidam takes into account company-specific risk factors, like the industry, the development stage of the company, and the profitability, as well as the country where it is based. In addition, the Cash Flows are weighted according to the historical risk of failure (or survival rate, as indicated by national statistics) and the risk of illiquidity (a lack of marketability of the shares reduces the valuation).



CRITERIA

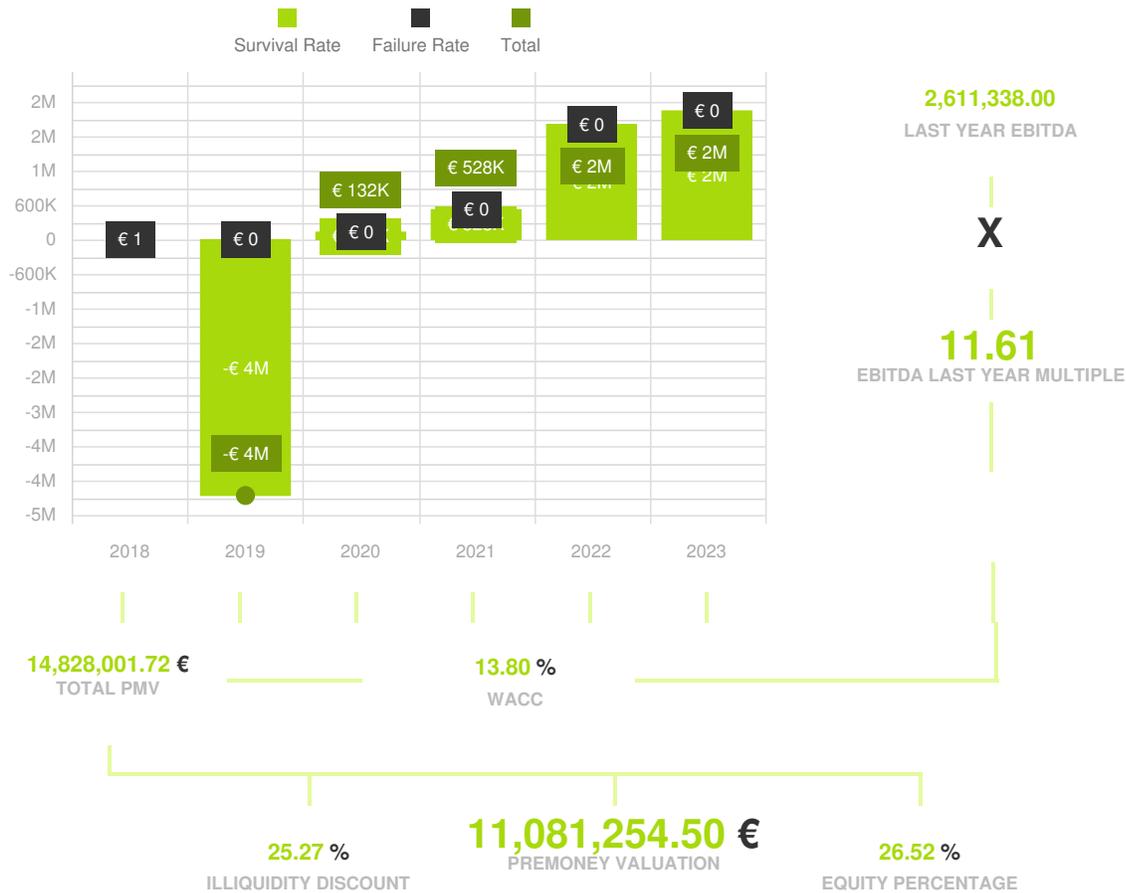
Last Year EBITDA: 2,611,338.00 €
Long Term Growth Winsorized: 2.50 %
Terminal value in last year: 20,526,892.06 €
Implied Annual Return: 12.79 %

ASSUMPTIONS

Beta: 2.12
Market Risk Premium: 6.51 %
Weighted Average Cost of Capital: 13.80 %

DCF with Multiples

The DCF with Multiples method calculates the terminal value by applying an EBITDA multiple (reflecting the ratio of EBITDA to terminal value of comparable companies) to the EBITDA of the last projected year. When calculating the discount rate, Equidam takes into account company-specific risk factors, like the industry, the development stage of the company, and the profitability, as well as the country where it is based. In addition, the Cash Flows are weighted according to the historical risk of failure (or survival rate, as indicated by national statistics) and the risk of illiquidity (a lack of marketability of the shares reduces the valuation).



CRITERIA

Last Year EBITDA: 2,611,338.00 €
EBITDA Last year multiple: 11.61
Terminal value in last year: 30,317,634.18 €
Implied Annual Return: 14.99 %

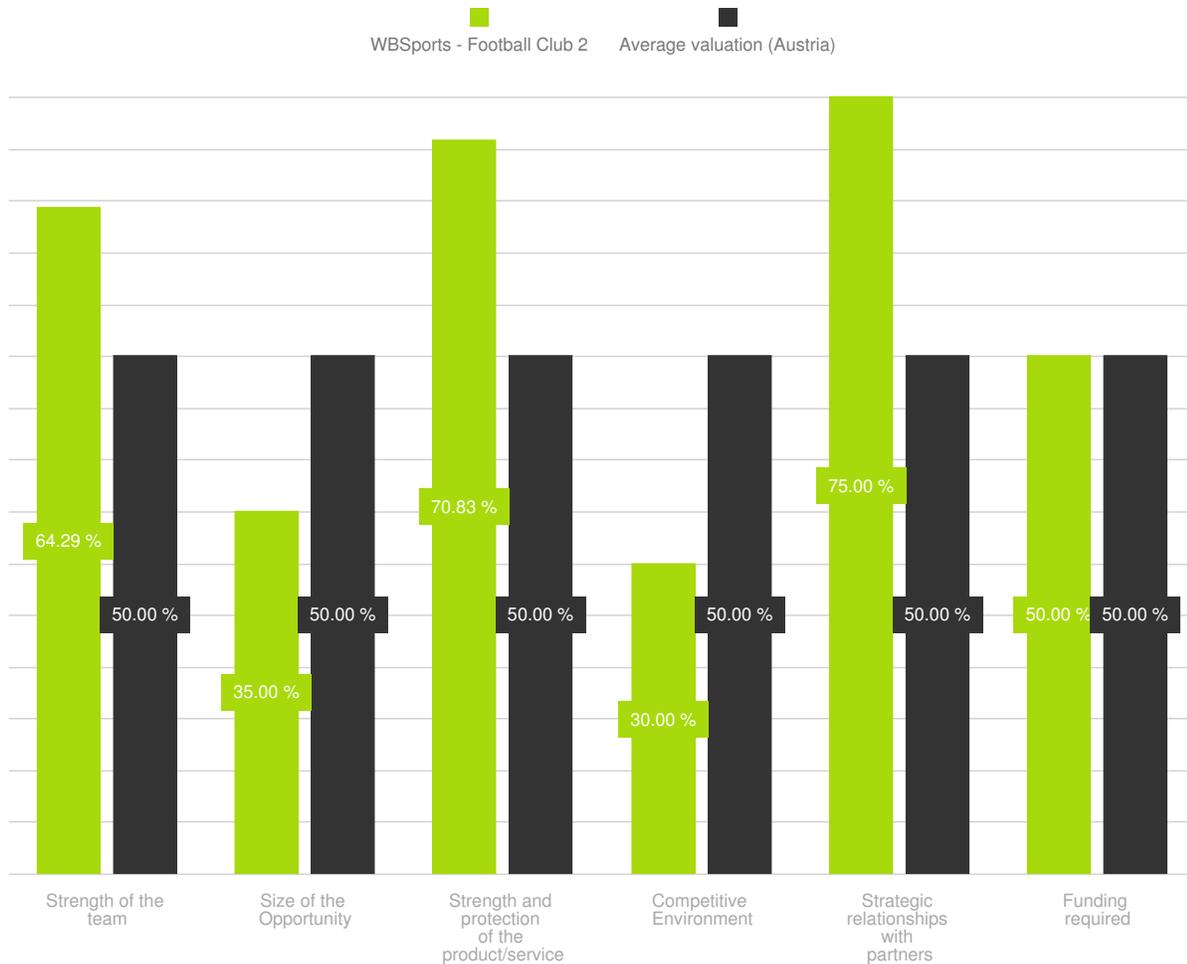
ASSUMPTIONS

Beta: 2.12
Market Risk Premium: 6.51 %
Weighted Average Cost of Capital: 13.80 %

Qualitative Methods

Scorecard Method: 2,719,455.75 €

Originally developed in 2001 by several American business angels, this method has been formalized in 2011 by Bill Payne from Ohio TechAngels. The main tenet of this method is that comparable recent transactions are relevant in pricing a company. This method first determines the average pre-money valuation of similar companies, based on their region. For each of the 6 criteria, this method assigns the target company a score that indicates whether it performs better or worse than comparable companies. Based on these scores and their weights, the valuation will be adjusted upward or downward. See appendix for more details.

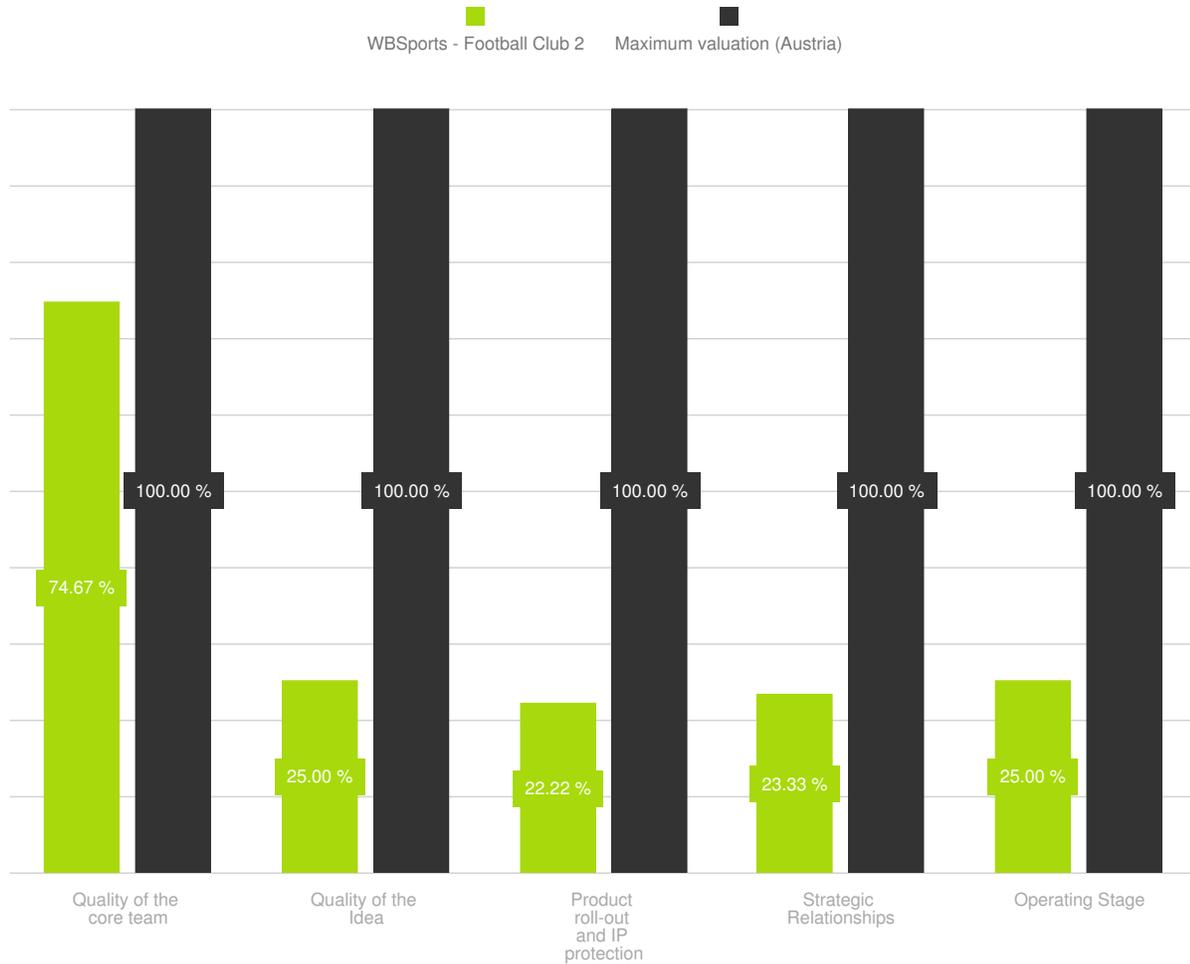


ASSUMPTIONS

Starting value of this method (Average Startup Valuation) : 2,417,294.00 €

Checklist Method: 1,961,666.67 €

The Checklist Method is useful to value early-stage companies as it attributes different values to the various assets the company possesses in order to reach a realistic valuation that also considers valuable intangible assets. Elaborated by Dave Berkus, who has participated in more than 140 early-stage investments, this method assumes a fixed maximum value and sums up assets in the following 7 areas to reach it. See appendix for more details.



ASSUMPTIONS

Maximum value for this method: 5,000,000.00 €



Valuation Report of

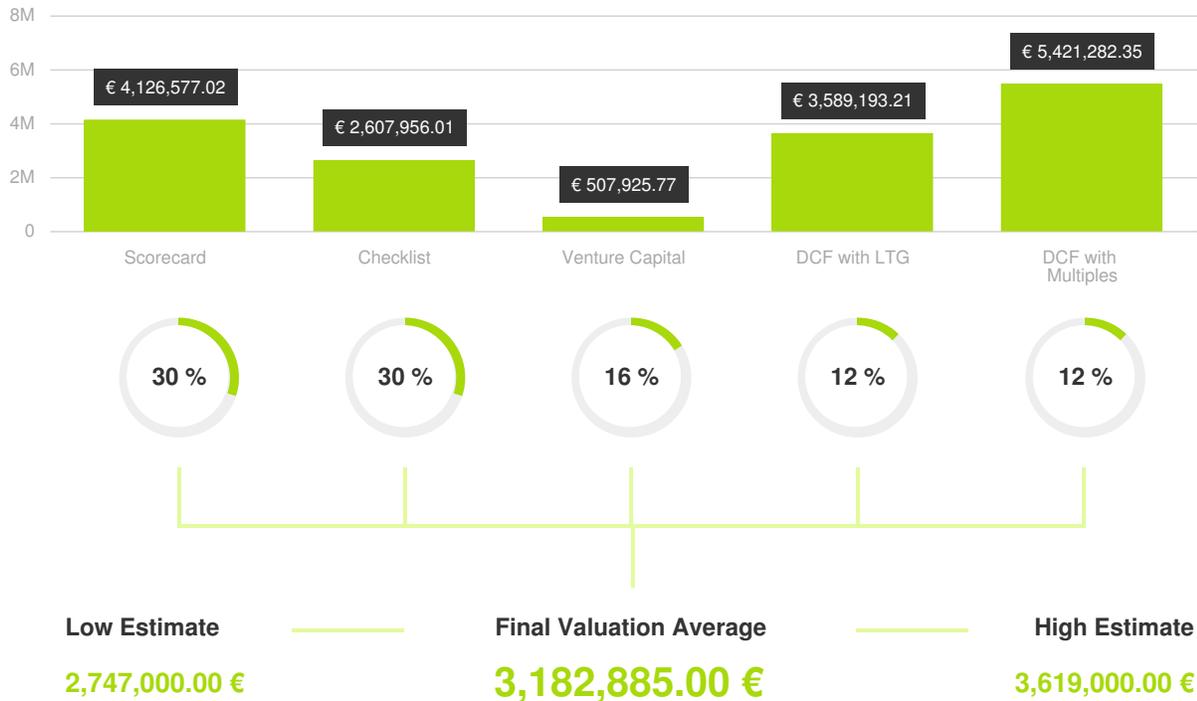
WBSports - Las Vegas Soccer School

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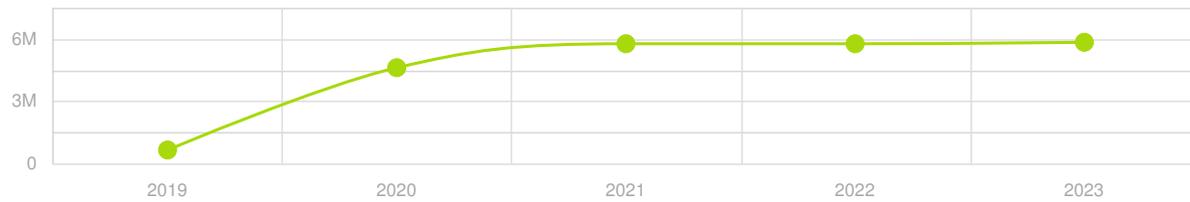
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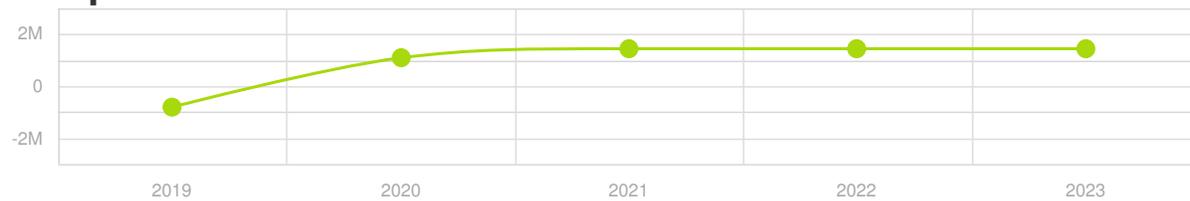
Forecasts

Revenues



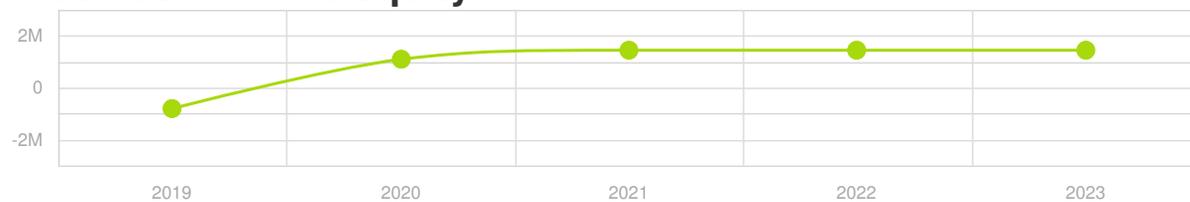
	2019	2020	2021	2022	2023
WBSports - Las Vegas Soccer School	€ 661,938.00	€ 4,606,942.00	+5.96	€ 5,816,199.00	+0.00

Net profit



	2019	2020	2021	2022	2023
WBSports - Las Vegas Soccer School	-€ 795,711.00	€ 1,113,691.00	+2.40	€ 1,461,271.00	+0.00

Free cash flow to equity



	2019	2020	2021	2022	2023
WBSports - Las Vegas Soccer School	-€ 805,322.00	€ 1,114,358.00	+2.38	€ 1,461,938.00	+0.00

Profit & Loss

The Profit & Loss statement (also referred to as Income Statement) for each forecasted year is displayed below. Data about revenues and operating costs (variable and fixed) are provided by the company. Depreciation and amortization, financial gains and losses, and taxes are either provided by the company or estimated by Equidam according to the ratios of peer companies in the same industry.

	2018	2019	2020	2021
Revenues	-	€ 661,938.00	€ 4,606,942.00	€ 5,738,774.00
Cost of Goods Sold	-	€ 140,181.00	€ 344,720.00	€ 403,862.00
<i>Gross Margin</i>	-	78 %	92 %	92 %
Salaries	-	€ 644,691.00	€ 1,459,762.00	€ 1,663,517.00
Operating Expenses	-	€ 672,388.00	€ 1,641,388.00	€ 1,867,755.00
EBITDA	-	-€ 795,322.00	€ 1,161,072.00	€ 1,803,640.00
D&A	-	€ 389.00	€ 667.00	€ 667.00
<i>as % of revenues</i>	-	0 %	0 %	0 %
EBIT	-	-€ 795,711.00	€ 1,160,405.00	€ 1,802,973.00
Financial Gain-Loss	-	-	-	-
Debt interest payment	-	-	-	-
Cash interest gain	-	-	-	-
Taxes	-	-	€ 46,714.00	€ 376,401.00
<i>Nominal tax rate</i>	-	27 %	27 %	27 %
Effective tax payable	-	-€ 214,841.97	€ 313,309.35	€ 486,802.71
Deferred tax assets	-	€ 214,841.97	-€ 51,753.38	-€ 162,155.09
Net profit	-	-€ 795,711.00	€ 1,113,691.00	€ 1,426,572.00

Profit & Loss

	2022	2023
Revenues	€ 5,803,466.00	€ 5,816,199.00
Cost of Goods Sold	€ 413,953.00	€ 414,590.00
<i>Gross Margin</i>	92 %	92 %
Salaries	€ 1,667,865.00	€ 1,668,012.00
Operating Expenses	€ 1,880,693.00	€ 1,883,240.00
EBITDA	€ 1,840,955.00	€ 1,850,357.00
D&A	€ 667.00	€ 667.00
<i>as % of revenues</i>	0 %	0 %
EBIT	€ 1,840,288.00	€ 1,849,690.00
Financial Gain-Loss	-	-
Debt interest payment	-	-
Cash interest gain	-	-
Taxes	€ 386,199.00	€ 388,419.00
<i>Nominal tax rate</i>	27 %	27 %
Effective tax payable	€ 496,877.76	€ 499,416.30
Deferred tax assets	-€ 272,833.85	-€ 383,831.15
Net profit	€ 1,454,089.00	€ 1,461,271.00

Free cash flow to equity

The Cash Flow Statement starts from the Net Profit of the company and computes the Free Cash Flow to Equity and final Free Cash Flows. The Free Cash Flow to Equity refers to the company's core business and operations, its Capital Expenditure plan, and its debt financing. It is the main cash flow used in the valuation methods.

	2018	2019	2020	2021
Net profit	-	-€ 795,711.00	€ 1,113,691.00	€ 1,426,572.00
Change in Working Capital	-	-	-	-
Account Payables	-	-	-	-
Account Receivables	-	-	-	-
Inventory	-	-	-	-
D&A	-	€ 389.00	€ 667.00	€ 667.00
Capital expenditures	-	€ 10,000.00	-	-
Change in outstanding debt	-	-	-	-
Debt at the end of the year	-	-	-	-
Free cash flow to equity	-	-€ 805,322.00	€ 1,114,358.00	€ 1,427,239.00
Raise or repayment of equity	-	-	-	-
Free cash flow	-	-€ 805,322.00	€ 1,114,358.00	€ 1,427,239.00
Beginning of the year cash	-	€ 500,000.00	-€ 305,322.00	€ 809,036.00
End of the year cash	-	-€ 305,322.00	€ 809,036.00	€ 2,236,275.00

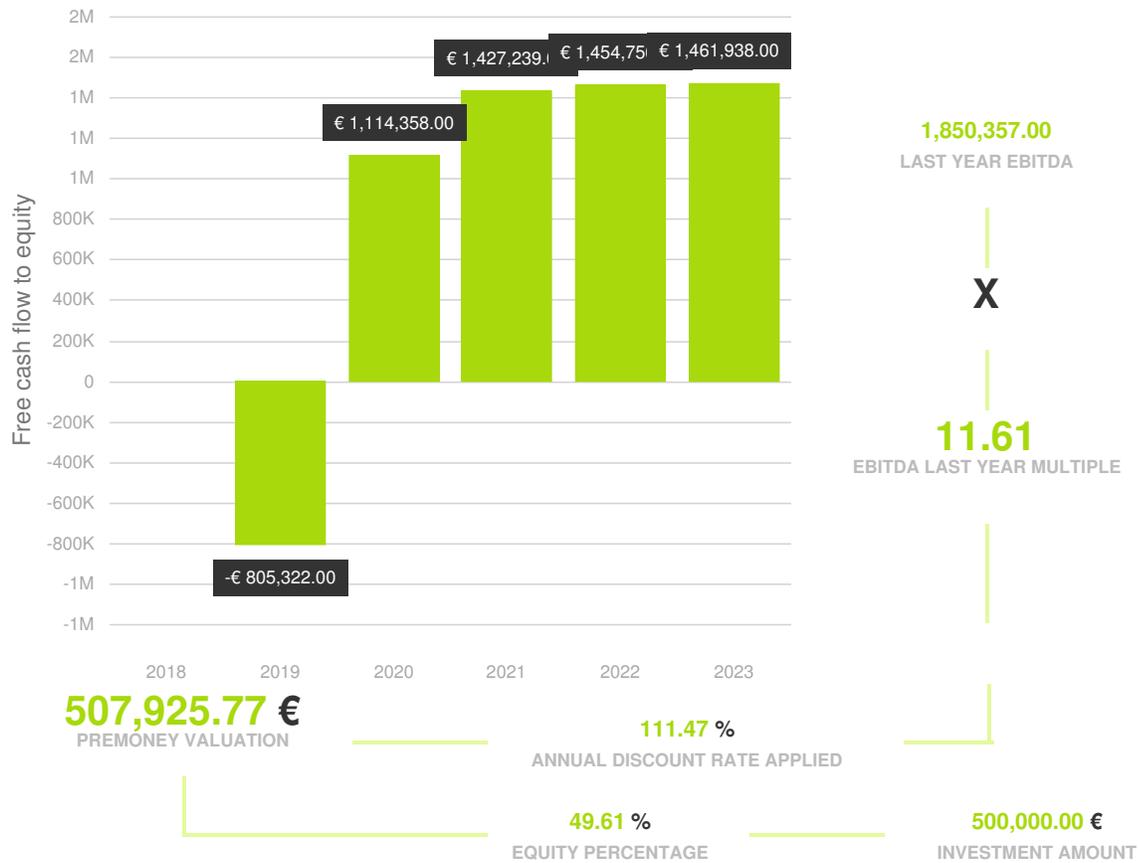
Free cash flow to equity

	2022	2023
Net profit	€ 1,454,089.00	€ 1,461,271.00
Change in Working Capital	-	-
Account Payables	-	-
Account Receivables	-	-
Inventory	-	-
D&A	€ 667.00	€ 667.00
Capital expenditures	-	-
Change in outstanding debt	-	-
Debt at the end of the year	-	-
Free cash flow to equity	€ 1,454,756.00	€ 1,461,938.00
Raise or repayment of equity	-	-
Free cash flow	€ 1,454,756.00	€ 1,461,938.00
Beginning of the year cash	€ 2,236,275.00	€ 3,691,031.00
End of the year cash	€ 3,691,031.00	€ 5,152,969.00

Financial Methods

VC Method

The venture capital method is a quick approach to the valuation of companies. It comprises in estimating the exit value of the company at the end of the forecast horizon and ignoring the intermediate cash flows. The exit value is calculated by taking the final financial result of the company and applying the EBITDA multiple. This value is then discounted at a high rate to get the present value. The discount rate is determined according to the stage of development and is reported in the table above. Given its simplistic approach, this model does not apply illiquidity or survival discount as the following to methods do. The annual discount rate applied already accounts for these issues.

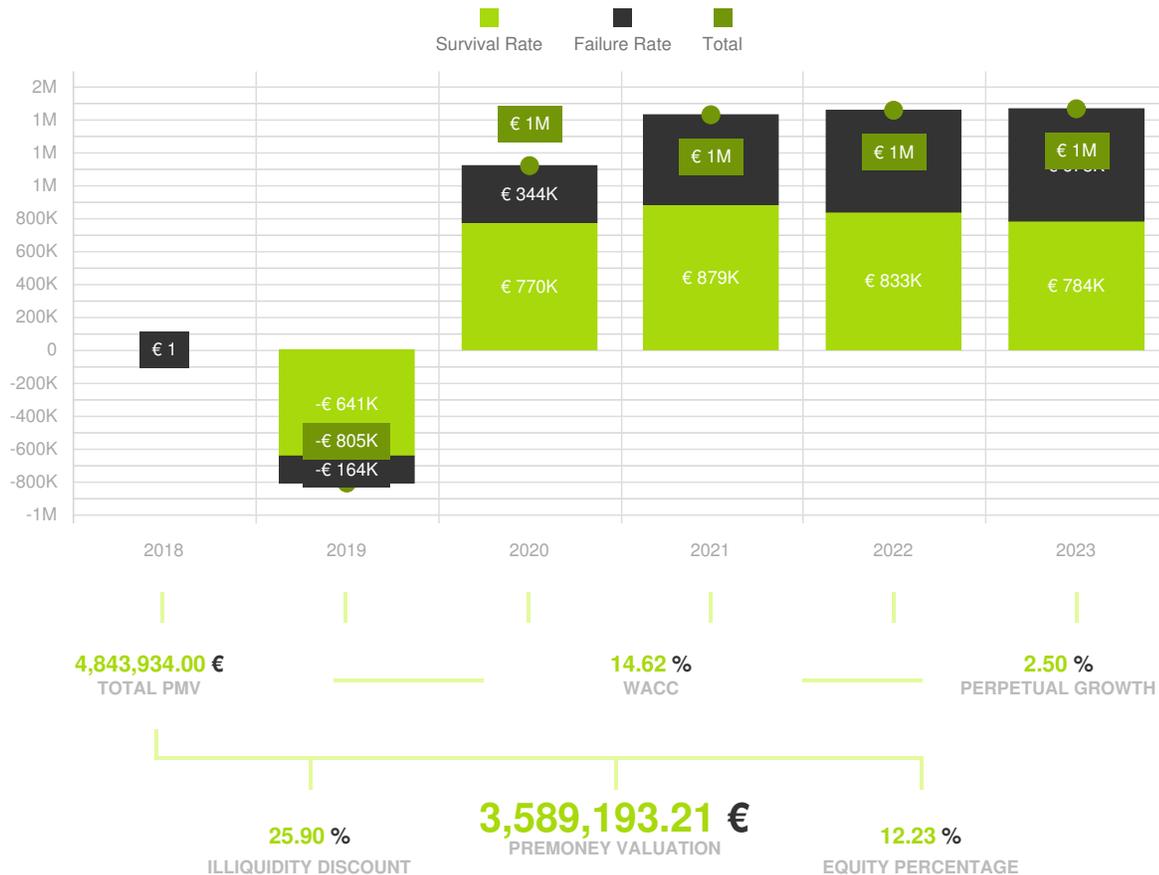


Last Year Exit value: 21,482,644.77 €

Annual Discount Rate applied: 111.47 %

DCF with LTG

Valuation approaches based on the principle of Discounted Cash Flows (DCF) calculate the value of a company by estimating how much cash the company will generate in the future and discounting its value to the present. The DCF with Long-Term Growth (LTG) method uses a perpetual growth rate, which is calculated as the average of the industry, to estimate the terminal value. When calculating the discount rate, Equidam takes into account company-specific risk factors, like the industry, the development stage of the company, and the profitability, as well as the country where it is based. In addition, the Cash Flows are weighted according to the historical risk of failure (or survival rate, as indicated by national statistics) and the risk of illiquidity (a lack of marketability of the shares reduces the valuation).



CRITERIA

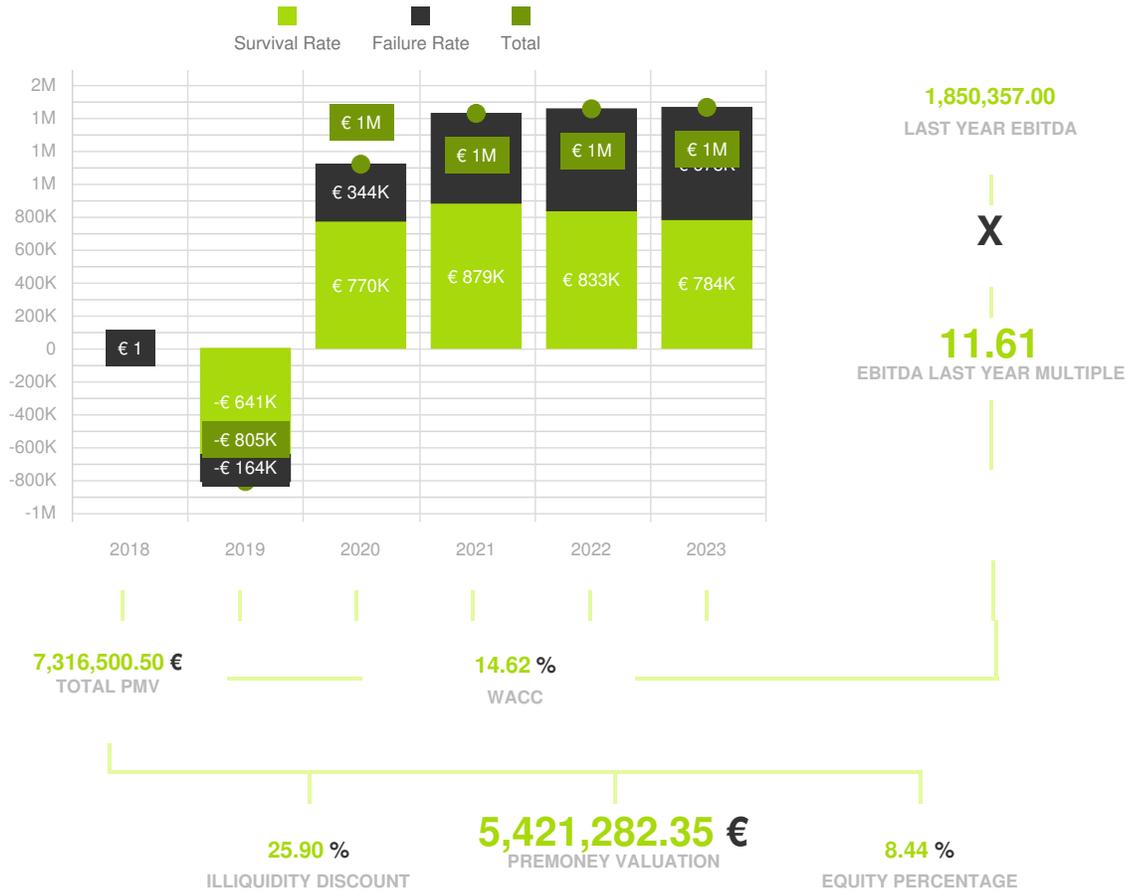
Last Year EBITDA: 1,850,357.00 €
Long Term Growth Winsorized: 2.50 %
Terminal value in last year: 6,634,506.22 €
Implied Annual Return: 10.16 %

ASSUMPTIONS

Beta: 2.03
Market Risk Premium: 5.96 %
Weighted Average Cost of Capital: 14.62 %

DCF with Multiples

The DCF with Multiples method calculates the terminal value by applying an EBITDA multiple (reflecting the ratio of EBITDA to terminal value of comparable companies) to the EBITDA of the last projected year. When calculating the discount rate, Equidam takes into account company-specific risk factors, like the industry, the development stage of the company, and the profitability, as well as the country where it is based. In addition, the Cash Flows are weighted according to the historical risk of failure (or survival rate, as indicated by national statistics) and the risk of illiquidity (a lack of marketability of the shares reduces the valuation).



CRITERIA

Last Year EBITDA: 1,850,357.00 €
EBITDA Last year multiple: 11.61
Terminal value in last year: 11,525,604.93 €
Implied Annual Return: 14.25 %

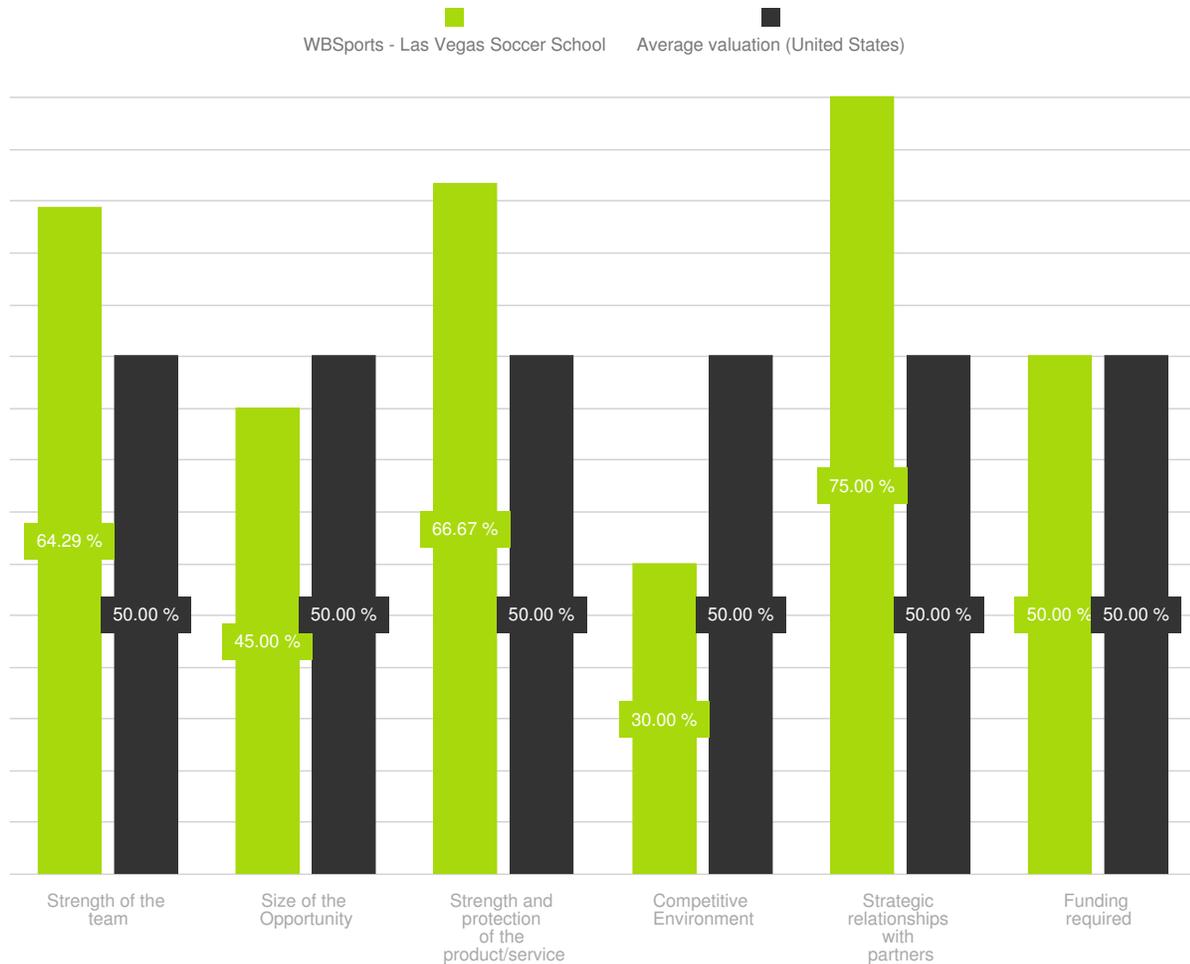
ASSUMPTIONS

Beta: 2.03
Market Risk Premium: 5.96 %
Weighted Average Cost of Capital: 14.62 %

Qualitative Methods

Scorecard Method: 4,126,577.02 €

Originally developed in 2001 by several American business angels, this method has been formalized in 2011 by Bill Payne from Ohio TechAngels. The main tenet of this method is that comparable recent transactions are relevant in pricing a company. This method first determines the average pre-money valuation of similar companies, based on their region. For each of the 6 criteria, this method assigns the target company a score that indicates whether it performs better or worse than comparable companies. Based on these scores and their weights, the valuation will be adjusted upward or downward. See appendix for more details.

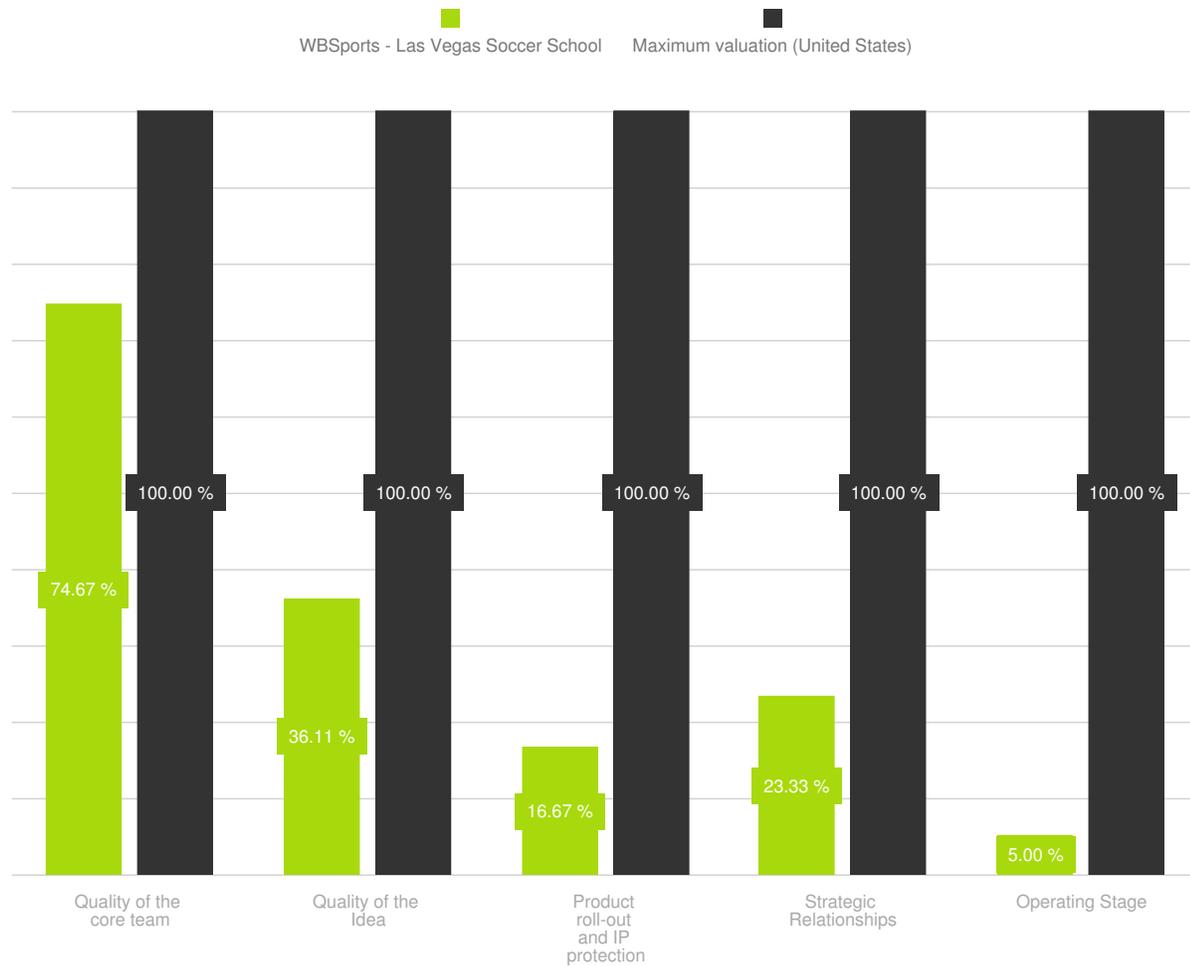


ASSUMPTIONS

Starting value of this method (Average Startup Valuation) : 3,530,761.08 €

Checklist Method: 2,607,956.01 €

The Checklist Method is useful to value early-stage companies as it attributes different values to the various assets the company possesses in order to reach a realistic valuation that also considers valuable intangible assets. Elaborated by Dave Berkus, who has participated in more than 140 early-stage investments, this method assumes a fixed maximum value and sums up assets in the following 7 areas to reach it. See appendix for more details.



ASSUMPTIONS

Maximum value for this method: 7,121,239.10 €

Appendix: Scorecard Method

Scorecard Method vs. valuation based on comparables

The Scorecard Method offers an innovative approach to business valuation of young companies, which resembles the more traditional approach based on comparables (or market approach). The Scorecard Method, contrary to the traditional assets-based method, takes an exclusively qualitative perspective rather than financially-driven one, as startups generally have very limited to no past performance and highly unpredictable projected performance.

Scorecard Weights

Comparison Factor	Weight
Strength of the team	30%
Size of the Opportunity	25%
Competitive Environment	10%
Strength and protection of the product/service	15%
Strategic relationships with partners	10%
Funding required	10%

Comparables (data sources)

Following the framework and principles mentioned earlier, Equidam created its Scorecard Methodology by aggregating information on average valuation on early-stage deals

Criteria definition

The criteria highlighted in the framework above are assessed by the Equidam Questionnaire, developed on the existing literature on startup success predictors, matched with interviews with experienced investors and investment firms, as well as with founders and entrepreneurs. The questions, answers and weights are considered as Equidam's proprietary IP. An overview can be found below.

Strength of the team analyzes:

- Time commitment of the founders
- Number of employees
- Team spirit and comradeship
- Years of industry experience of the core team
- Business and managerial background of the core team
- Technical skills of the core team

Size the opportunity analyzes:

- Estimated revenues in the third year according to the stage of the development
- Estimated size of the market in three years
- Geographical scope of the business

Strength and protection of the product/service analyzes:

- Stage of the product/service roll-out
- Degree of loyalty of customers
- Type of IP protection applicable
- IP protection in place (if any)

Competitive environment analyzes:

- Level of competition in the market
- Quality of competitive products/services
- Competitive advantage over other products/services
- Barriers to entry to the market
- Threat of international competition

Strategic relationships with partners analyzes:

- Strength of the relationships with key strategic partners

Funding required includes:

- Capital required according to the stage of development

Appendix : Checklist Method

Checklist vs. asset-based valuation

One of the most commonly used valuation approaches worldwide is the asset-based method, which consists in evaluating the company's net asset value, or the fair-market value of its total assets minus its total liabilities. This model has been widely adopted in the past when businesses were relying on a solid base of tangible assets, but it proves more challenging for the new breed of businesses based on intangible assets. Another weakness of the asset approach is that it leaves room for interpretation on both which assets and liabilities to include as well as how to measure their worth. The Checklist Method overcomes these challenges by evaluating the (usually) intangible assets of an early-stage company, which often rely on the team behind the company, the stage of development, and the intrinsic innovation factor of the business.

Checklist Weights

Characteristic	Factor	User Score	Max Valuation	Value
Quality of the Core Team	30%	Internal scoring	\$8.0M	
Quality of the Idea	20%	Internal scoring	\$8.0M	
Product Roll-out and IP Protection	15%	Internal scoring	\$8.0M	
Strategic Relationships	15%	Internal scoring	\$8.0M	
Product Rollout or Sales	20%	Internal scoring	\$8.0M	

This is an example of calculation:

Characteristic	Factor	Sample Case Score	Max Valuation	Value
Quality of the Core Team	30%	80%	\$8.0M	$30\% \times 80\% \times 8.0M = 1.92M$
Quality of the Idea	20%	65%	\$8.0M	$20\% \times 65\% \times 8.0M = 1.04M$
Product Roll-out and IP Protection	15%	40%	\$8.0M	$15\% \times 40\% \times 8.0M = 480K$
Strategic Relationships	15%	50%	\$8.0M	$15\% \times 50\% \times 8.0M = 600K$
Operating Stage	20%	50%	\$8.0M	$20\% \times 50\% \times 8.0M = 800K$
Pre-money Valuation				\$4.84M

Or, in relative terms, $(4.84/8) = 60.5\%$ of the total.

Criteria Definition

Quality of the core team analyzes:

- Average age of the founders
- Presence in the team of serial, successful entrepreneurs
- Time commitment of the founders
- Technical skills of the core team

Quality of the idea analyzes:

- Validation of the demand for the product/service
- Feedback received by early adopters/industry experts
- Level of competition in the market
- Geographical scope of the business
- Threat of international competition

Product roll-out and IP protection analyzes:

- Stage of the product/service roll-out
- Type of IP protection applicable

Strategic relationships analyzes:

- Presence of an advisory board and number of advisors
- Presence and type of current shareholders
- Relationship with legal counselors

Operating stage

- Stage of development
- Current profitability

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