

A hand holding a glowing globe with network lines, symbolizing global connectivity and technology.

# Freedom Games Holdings, Inc.

Common Equity Valuation as of December 31, 2025

CONFIDENTIAL

Valuation Services Group

## Table of Contents

### **Transmittal Letter**

### **Background**

- Company Overview
- Historical Financings and Capitalization
- Historical Financials Analysis
- Industry Overview
- Economic Overview
- Valuation Methodologies

### **Total Company Valuation**

- Income Approach
  - Discounted Cash Flow Analysis
  - Weighted Average Cost of Capital
  - Guideline Company Ratios
- Market Approach: Guideline Public Company Method
  - Market Approach: Guideline Public Company Method Analysis
- Total Equity Value Summary

### **Subject Interest Valuation**

- Option Pricing Method
  - Option Pricing Method Analysis
- Secondary Transactions
- Adjustment for Lack of Marketability
- Discount for Lack of Marketability: Put Option Analysis
- Volatility Analyses

### **Appendices**

- Guideline Public Companies
- Studies Regarding Adjustment for Lack of Marketability
- Statement of Limiting Conditions
- Certification
- Appraisers' Qualifications

March 13, 2026

Ms. Amanda Hoppe  
Director of Finance and Administration  
Freedom Games  
2200 Green Rd Ste M  
Ann Arbor, MI 48105

Dear Ms. Hoppe:

We have completed our analysis of the fair market value of the common equity of Freedom Games Holdings, Inc. (“Freedom Games” or the “Company”) on a per share basis (the “Subject Interest”) as of December 31, 2025 (the “Valuation Date”). We understand that our valuation of the Subject Interest, as developed in this report, will be utilized for tax and financial planning and reporting purposes in conjunction with the Section 409A regulations of the Internal Revenue Code (“IRC”) as well as Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718 - *Compensation*<sup>1</sup>. We have not been engaged to make any purchase or sale recommendations associated with the Company and this report should not be utilized for any other purpose.

The procedures, opinions, and conclusions developed constitute an Appraisal Report, in conformance with the Business Valuation Standards of the American Society of Appraisers. In addition, we have prepared and completed our appraisal subject to and in conformity with the Code of Professional Ethics and Standards of Professional Practice set forth by the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (“USPAP”) as adopted by the Appraisal Foundation.

Our valuation is dependent on numerous factors both internal and external to the Company as of the Valuation Date. However, a willing buyer, taking into account its own facts and circumstances, might have a different assessment of value. Thus, we make no representation, nor should it be implied that the Company would be sold at the indicated value. Such price would be dependent on market conditions and negotiations between buyer and seller.

## DEFINITION OF VALUE

For tax reporting purposes and in conjunction with Section 409A of the IRC, the standard of value utilized in our analysis is fair market value, which is defined as follows:

*The price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts.*

This definition of value is supported by pronouncements from the Internal Revenue Service (the “IRS”) and has been further established in numerous court decisions dealing with fair market value issues.

For financial reporting purposes, the standard of value to be utilized in our analysis is fair value as defined in the Glossary of FASB ASC Topic 718 as follows:

*The amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.*

We will also consider recent Financial Accounting Standards Board discussions and activity related to refining this definition and other current staff positions / decisions.

<sup>1</sup> FASB ASC Topic 718 supersedes Statement of Financial Accounting Standards (“SFAS”) No. 123R.

For the purposes of this valuation analysis, it was assumed that no material difference existed between the estimated fair market value and the fair value of the Company's equity on a per share basis. Throughout the course of this report and the related analysis, it can be assumed that the terms "fair market value" and "fair value" are interchangeable.

## SCOPE OF ENGAGEMENT

Where applicable, our valuation of the Subject Interest included an analysis of the Company's historical operating results, distribution history, and capacity; research of comparable publicly traded companies; and a review of the industry in which the Company operates. Consistent with Revenue Ruling 59-60 and standard practice, the following factors have also been analyzed and accorded due weight, where applicable:

- The nature and history of the entity's business;
- The general economic conditions and specific industry outlook;
- The book value of the entity and its financial condition;
- The earning capacity of the entity;
- The entity's distribution history and capacity;
- The existence of goodwill or other intangible value within the business;
- Prior interest sales and the size of the interests being valued; and
- The market price of companies engaged in the same or a similar line of business having their equity securities actively traded in a free and open market, either on an exchange or over-the-counter ("OTC").

Where applicable, we also considered differences between the Company's preferred and common shares with respect to liquidation preferences, conversion rights, voting rights, and other features. We also considered appropriate adjustments to recognize lack of marketability.

Revenue Ruling 59-60<sup>2</sup> is the definitive source outlining the standard of value, approach, methods, and factors to be considered in valuing interests in a closely held entity similar to the Company. Although initially presented for use in estate and gift tax calculations, Revenue Ruling 59-60 is regularly referenced and used in the valuation of closely held businesses for other tax reporting and other purposes, and its principles are applicable in the valuation of most closely held businesses.

In the course of our valuation analysis, we used financial and other information provided by management or obtained from private and public sources. We have accepted the financial data provided to us without verification as accurately reflecting the historical and financial position and operating results of the Company.

We appreciate this opportunity to perform this engagement and would be pleased to discuss our findings and the methodology used in the valuation. A copy of this report is retained in our files, together with the data from which it was prepared. Please do not hesitate to contact us if you have any questions or if we can be of further assistance concerning this engagement.

Very truly yours,

*Andersen Tax LLC*

---

<sup>2</sup> Revenue Ruling 59-60, 1959-1 CB 237, modified by Revenue Ruling 65-193, 1965-2 CB 370, and amplified by Revenue Ruling 77-287, 1977-2 CB 319, Revenue Ruling 80-213, 1980-2 CB 101, and Revenue Ruling 83-120, 1983-2 CB170.

## CONCLUSION

Based on the information provided and the analysis conducted, and subject to the attached Statement of Limiting Conditions, it is our opinion that the Subject Interest as of the Valuation Date should be valued as follows:

---

**CONCLUDED VALUE PER COMMON SHARE**  
**\$0.54 (rounded)**  
**ZERO DOLLARS AND FIFTY-FOUR CENTS**

---

## Company Overview

---

## Company Overview<sup>3</sup>

### OPERATIONS AND PRODUCTS

Founded in 2020 and headquartered in Ann Arbor, Michigan, Freedom Games (rebranded to indie.io) is an early-stage game development and publishing company that seeks to offer smaller independent developers the tools and support to bring their respective games to consumers. The Company primarily publishes PC games, console games, mobile games, and games as a service (“GaaS”).

The Company’s main business model is to acquire intellectual property (“IP”) from independent developers and offer them the tools and support to bring their respective games to consumers. The Company approaches developers to acquire the full rights to their game, and then optimizes the revenue streams for the games over time with the ability to provide additional viewability of these games.

In November 2023, the Company introduced its first mobile games onto the Apple and Android platforms. The Company is currently working towards releasing more mobile games now that distribution plans and workflows have been developed. Additionally, via the mobile platform presence, the Company has optimized how they handle mobile marketing and advertising units on their own platform by creating reporting and tooling that allows the Company to leverage the mobile traffic numbers and direct those users to the Company’s other products.

The Company has also released a community platform, Wiki.gg, that automatically redirects people from competing resources to the “official” resource for the game. The Company has continued to expand its community platform and, as of the Valuation Date, hosted over 300 different communities. Through these communities, the Company has been able to generate traffic to its own games. In November 2025, over 100,000 users visited the Company’s platform a month through this community platform, translating to revenue generation for the Company.

In June 2024, the Company went through a rebrand from Freedom Games to indie.io. Through this rebrand, the Company planned to broaden its services and management capabilities. The rebranded indie.io is a full-service developer support, release management, and marketing platform exclusively designed for independent game developers, offering premier tools and publishing services that accelerate the reception and consumption of indie games for developers. The Company aimed to deliver maximum exposure for games on storefronts and offer hands-on support and strategic guidance at all stages of each project. The Company planned to take part in marketing, promotions, and distribution, allowing indie developers to focus on delivering the best gameplay experience to their customers. The Company helps navigate the complexities of game launch and distribution through deep relationships with more than 60 global partners.

As of November 2025, the Company had approximately nine new IPs join the platform each month. The Company has increased its total IP from 200 in 2024 to 300 in 2025 with 200 of those IPs fully released.

Going forward, the Company plans on improving its platform’s features and tools to better support developers. Additionally, the Company plans on unveiling IndiePass, a monthly subscription service and game launcher client that has 70 to 100 games at launch. The Company is in active discussions with multiple publishers to bring their games into the service. As of the Valuation Date, the Company had 23 employees and established business relationships with 35 customers.

### GUIDELINE PUBLIC COMPANIES

Based on our analysis and discussions with management, the publicly traded companies considered to be most similar to the Company were listed below. Since most of the guideline companies were not directly comparable to the Company with respect to size, products, and markets served, the guideline companies used in our analysis included the best available comparable companies that operate in the general industry and were engaged in similar operations as the Company, as these companies reflect the economic conditions and business risks for the industry in general.

---

<sup>3</sup> Sources: Information provided by management and the Company website.

<b>Guideline Public Companies</b>			
<b><u>Company Name</u></b>	<b><u>Ticker</u></b>	<b><u>Exchange</u></b>	<b><u>1st Pricing Date</u></b>
Devolver Digital, Inc.	DEVO	AIM	11/4/2021
Electronic Arts Inc.	EA	NasdaqGS	9/20/1989
Motorsport Games Inc.	MSGM	NasdaqCM	1/13/2021
PLAYSTUDIOS, Inc.	MYPG	NasdaqGM	12/11/2020
Snail, Inc.	SNAL	NasdaqCM	11/10/2022
Take-Two Interactive Software, Inc.	TTWO	NasdaqGS	4/15/1997
tinyBuild, Inc.	AIM:TBLD	AIM	3/9/2021
NetEase, Inc.	SEHK:9999	SEHK	6/11/2020
NCSOFT Corporation	KOSE:A036570	KOSE	9/14/2000
everplay group plc	EVPL	AIM	5/23/2018

Please see the Guideline Public Companies appendix for further details regarding each of the companies listed above.

# Historical Financings and Capitalization

---

## Historical Financings and Capitalization<sup>5</sup>

### HISTORICAL EQUITY FINANCINGS

Please see below for further details related to the Company’s historical financings.

Preferred Share Class	Issuance Date(s)	Lead Investors
Series A-1 Preferred	October 2022, June 2023, April 2024	Play Ventures Investments VCC, Nashville Capital Network, and GFR Fund

In addition to Series A-1 Preferred shown in the table above, there were two other classes of outstanding preferred shares as of the Valuation Date: Series Seed Preferred and Series A-2 Preferred. In connection with the Series A-1 round of financing, the Series Seed Preferred share class was created and issued to Freedom Family! Limited in recognition of their incremental investments since the inception of the Company. In addition, the Series A-2 Preferred share class was created as a result of the conversion of certain outstanding convertible notes.

There have been no recent offers to purchase the Company.

### CAPITALIZATION

Please see the following page for the Company’s capitalization table, which outlines all shares outstanding as of the Valuation Date. The capitalization table outlines the conversion ratios, liquidation preferences, liquidation rank, dividends (if applicable), and participation features of the preferred shares.

<sup>5</sup> Sources: Information provided by management.

# Freedom Games Holdings, Inc.

## Common Equity Valuation

As of December 31, 2025

### Capitalization Table

US Dollars (USD)

#### ISSUED and OUTSTANDING

<u>Class of Shares</u>	<u>Shares Outstanding</u>	<u>Conversion Ratio</u>	<u>Common Share Equivalents</u>	<u>Liquidation Preference Per Share</u>	<u>Aggregate Liquidation Preference</u>	<u>Pro-Rata Interest Upon Conversion</u>
Series Seed Preferred	5,667,443	1.000	5,667,443	\$2.0178	\$11,435,766	42.2%
Series A-1 Preferred	6,823,767	1.000	6,823,767	2.0178	13,768,997	50.8%
Series A-2 Preferred	214,848	1.000	214,848	1.9169	411,842	1.6%
Total Preferred	12,706,058		12,706,058		\$25,616,606	94.6%
Common	725,796	1.000	725,796	\$0.0000	0	5.4%
Total Common	725,796		725,796		0	5.4%
<b>Total</b>	<b>13,431,854</b>		<b>13,431,854</b>		<b>\$25,616,606</b>	<b>100.0%</b>

#### OPTIONS and WARRANTS

<u>Class of Shares</u>	<u>Options / Warrants [1]</u>	<u>Strike Price</u>	<u>Liquidation Preference Per Share</u>	<u>Aggregate Liquidation Preference</u>	<u>Proceeds From Exercise</u>
<u>Common options</u>					
Common options	7,922,959	\$0.520	\$0.000	\$0	\$4,119,939
Common options	125,000	0.540	0.000	0	67,500
Common warrants	1,721,650	0.010	0.000	0	17,217

#### RIGHTS and PREFERENCES

<u>Ownership Class</u>	<u>Liquidation Rank [2]</u>	<u>Liquidation Preference</u>	<u>Dividends [3]</u>	<u>Participating Equity [4]</u>	<u>Participation Threshold [5]</u>	<u>Participation Threshold Cap [6]</u>
Series Seed Preferred	1	1.00x	na	no participation	na	na
Series A-1 Preferred	1	1.00x	na	no participation	na	na
Series A-2 Preferred	1	1.00x	na	no participation	na	na

#### Notes:

[1] The Company expects to grant certain options following the Valuation Date at a strike price set equal to the concluded value based on this analysis.

[2] Securities receive liquidation preferences in ascending order.

[3] Accrued mandatory dividends as of the Liquidation Date.

[4] Indicates participation rights. Non-participating or participating with common stock after preferred liquidation preference has been met.

[5] Indicates whether or not participation is capped at a certain dollar amount.

[6] Indicates participation cap if applicable.

# Historical Financials Analysis

---

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Historical Financials

	For the Fiscal Year Ended March 31,				4/1/2025 -
	2022	2023	2024	2025	12/31/2025
<b><u>Income Statement</u></b>					
Gross revenue <sup>1</sup>	NA	\$8,784	\$12,578	\$12,541	\$8,962
Less: Platform revenue share	NA	(959)	(2,944)	(2,945)	(2,139)
Net revenue	\$4,894	\$7,825	\$9,634	\$9,596	\$6,823
Cost of sales	\$3,452	\$5,555	\$8,012	\$6,979	\$4,534
Gross profit	\$1,442	\$2,269	\$1,622	\$2,616	\$2,289
Operating expenses					
Research and development	0	0	0	0	0
Selling, general, and administrative (incl. SBC, excl. dep.)	\$2,338	\$4,197	\$3,012	\$3,990	\$3,083
Total operating expenses	\$2,338	\$4,197	\$3,012	\$3,990	\$3,083
<b>EBIT</b>	<b>(\$896)</b>	<b>(\$1,928)</b>	<b>(\$1,390)</b>	<b>(\$1,373)</b>	<b>(\$794)</b>
plus: Amortization	\$177	\$877	\$2,510	\$2,812	\$1,356
less: Interest income	0	(22)	(4)	(16)	(12)
<b>EBITDA</b>	<b>(\$719)</b>	<b>(\$1,073)</b>	<b>\$1,116</b>	<b>\$1,423</b>	<b>\$550</b>
Net losses	(\$899)	(\$1,982)	(\$5,105)	(\$1,916)	(\$899)

	As of March 31,				As of
	2022	2023	2024	2025	12/31/2025
<b><u>Balance Sheet</u></b>					
Current assets					
Cash and equivalents	\$1,210	\$1,473	\$548	\$260	\$545
Accounts receivable	692	1,484	1,337	1,974	870
Other current assets	0	9	48	107	230
Total current assets	\$1,902	\$2,965	\$1,934	\$2,341	\$1,645
Long-term assets					
Fixed assets	\$18	\$62	\$36	\$29	\$27
Intangibles	2,761	6,118	6,438	5,062	4,260
Operating lease asset	0	0	0	0	0
Other long-term assets	0	0	0	0	0
Total long-term-assets	\$2,779	\$6,180	\$6,474	\$5,091	\$4,287
<b>Total assets</b>	<b>\$4,681</b>	<b>\$9,145</b>	<b>\$8,407</b>	<b>\$7,431</b>	<b>\$5,932</b>
Current liabilities					
Short-term debt	\$679	\$0	\$255	\$0	\$0
Accounts payable	573	1,021	977	1,192	717
Notes payable	4,842	711	718	0	0
Deferred revenue	0	1,010	720	100	88
Other current liabilities	73	391	910	349	115
Total current liabilities	\$6,167	\$3,133	\$3,581	\$1,641	\$920
Non-current liabilities					
Long-term debt	\$361	\$0	\$0	\$0	\$0
Operating lease liability, long-term	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0
Total long-term liabilities	\$361	\$0	\$0	\$0	\$0
Total liabilities	\$6,527	\$3,133	\$3,581	\$1,641	\$920
Total equity	(\$1,846)	\$6,012	\$4,826	\$5,791	\$5,012
<b>Total liabilities and shareholders' equity</b>	<b>\$4,681</b>	<b>\$9,145</b>	<b>\$8,407</b>	<b>\$7,431</b>	<b>\$5,932</b>

	For the Fiscal Year Ended March 31,				4/1/2025 -
	2022	2023	2024	2025	12/31/2025
<b><u>Cash Flow Statement</u></b>					
Total depreciation	\$3	\$21	\$26	\$9	\$9
Amortization of IP	177	877	2,510	2,812	1,356
Capital expenditures (incl. purchased intellectual property)	NA	NA	NA	NA	560
Stock compensation	NA	NA	250	26	NA

Management indicated that prior to November 2022, revenue was reported as net of platform fees. For the purposes of this presentation, any incremental platform revenue share for fiscal years following fiscal 2022 was netted against revenue.

## Industry Overview

---



## Industry Overview

### *Video Games in the U.S.*<sup>6</sup>

The video games industry includes the broader operations of all video games industries in the United States. Gaming consoles, games made for those consoles and games produced specifically for personal computers make up the retail segment. The development and manufacturing of games, consoles and accessories also constitute a notable share of the market. Moreover, growing revenue from online gaming subscriptions complements industry products.

### MARKET SIZE

The emergence of free-to-play games and fifth-generation consoles has provided steady revenue within the video game industry. However, since 2020, current-generation consoles have reached the mature life cycle phase, and console sales are down as of 2024. Despite the continued popularity of mobile gaming and AAA (“triple-A”) franchises, many markets within the industry await next-generation releases and have expressed a willingness to hold off on purchasing many industry products in the meantime. Consequently, revenue growth has stalled over the past five years, decreasing at an annualized rate of 2.2% to \$109.4 billion through 2025. However, in 2025, revenue has increased 7.8%, as releases from Nintendo and Rockstar Games have generated more player interest.

Moving forward, gaming developers are projected to invest more of their resources in the development of mobile games and games that leverage the latest artificial intelligence (“AI”), virtual reality (“VR”) and cloud technology. Despite the absence of new console releases from most companies during much of the period, consumer demand will remain high in the short-term, though evolving trade policy could threaten the industry’s ability to meet consumer demand moving forward. Despite these challenges however, future innovation and the eventual release of next-generation consoles will lead to industry revenue increasing at an annualized rate of 7.3% to \$155.4 billion through 2030.

### Industry Data Values

Year	Revenue (\$ Million)	IVA (\$ Million)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$ Million)	Imports (\$ Million)	Wages (\$ Million)
2020	122,382.4	62,301.8	196,600	40,212	255,446	328.7	7,606.1	18,996.0
2021	118,781.3	63,534.3	220,422	41,278	256,658	360.1	11,215.9	18,340.1
2022	103,883.8	54,412.2	243,470	42,095	249,686	353.2	12,329.4	17,110.3
2023	101,330.3	53,250.4	268,619	43,223	251,183	450.1	11,247.4	16,485.3
2024	101,518.0	53,776.2	299,261	43,587	253,764	400.1	6,799.7	16,117.3
2025	109,399.8	57,996.1	331,944	48,024	272,622	413.8	7,294.4	17,326.0
2026	116,988.8	62,043.2	365,037	52,549	290,931	452.3	7,997.4	18,497.0
2027	125,587.2	66,746.7	401,579	57,545	311,496	488.7	8,525.2	19,815.0
2028	134,592.3	71,606.8	438,985	62,676	332,534	527.1	9,073.7	21,169.0
2029	144,590.9	77,005.2	479,275	68,243	356,014	569.8	9,681.9	22,680.0
2030	155,409.2	82,790.6	522,840	74,317	382,197	616.4	10,334.5	24,353.0

<sup>6</sup> Source: IBISWorld “Video Games in the U.S.”, May 2025.

### Annual Change

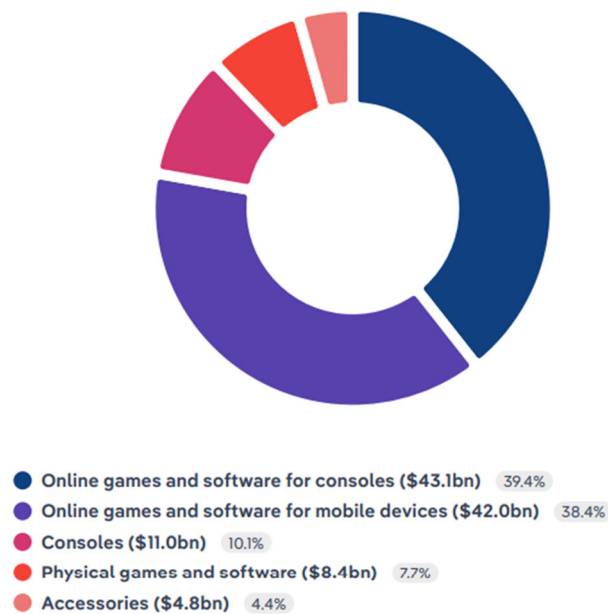
Year	Revenue %	IVA %	Establishments %	Enterprises %	Employment %	Exports %	Imports %	Wages %
2020	24.8	25.4	17.3	7.1	9.5	1.6	56.8	-1.2
2021	-2.9	2.0	12.1	2.7	0.5	9.6	47.5	-3.5
2022	-12.5	-14.4	10.5	2.0	-2.7	-1.9	9.9	-6.7
2023	-2.5	-2.1	10.3	2.7	0.6	27.5	-8.8	-3.7
2024	0.2	1.0	11.4	0.8	1.0	-11.1	-39.5	-2.2
2025	7.8	7.8	10.9	10.2	7.4	3.4	7.3	7.5
2026	6.9	7.0	10.0	9.4	6.7	9.3	9.6	6.8
2027	7.3	7.6	10.0	9.5	7.1	8.0	6.6	7.1
2028	7.2	7.3	9.3	8.9	6.8	7.9	6.4	6.8
2029	7.4	7.5	9.2	8.9	7.1	8.1	6.7	7.1
2030	7.5	7.5	9.1	8.9	7.4	8.2	6.7	7.4

### MARKET SEGMENTS

Products and services supplied by the video games industry are categorized into the following groups: (i) online games and software for consoles; (ii) online games and software for mobile devices; (iii) consoles; (iv) physical games and software; and (v) accessories. Please see the chart below for further details.

### Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



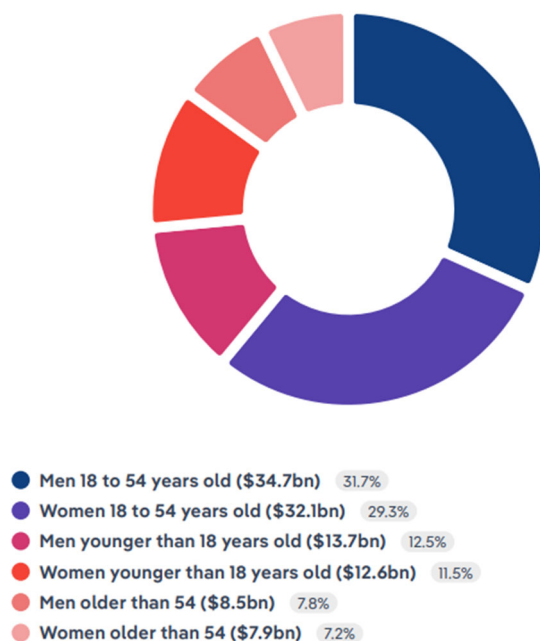
IBISWorld

Source: IBISWorld

The primary markets for the industry include: (i) men aged 18 to 54; (ii) women aged 18 to 54; (iii) men younger than 18 years old; (iv) women younger than 18 years old; (v) men older than 54; and (vi) women older than 54. Please see the chart below for further details.

### Major Markets Segmentation

Industry revenue in 2025 broken down by key markets



Source: IBISWorld

### MARKET CONCENTRATION

The video games industry has a low level of market share concentration. Market share concentration in the video games industry is fragmented leading to highly concentrated specialty segments. Sony, Microsoft and Nintendo dominate the console segment with PlayStation, Xbox and Switch. Each brand targets different demographics and offers unique features, exclusives and services. Competition revolves around hardware performance and innovation, price, game libraries and online services. Their strategies shape market dynamics and drive technological advancements in the gaming industry. According to IBISWorld, key success factors include (i) downstream ownership links; (ii) economies of scale; (iii) establishing brand name; (iv) developing new products; (v) quickly adopting new technology; and (vi) aggressive marketing.

### MARKET PERFORMANCE

Over the past five years, the industry has experienced rapid consolidation. As gamer demand evolves and new technology emerges, Sony and Microsoft have moved to acquire several large publishing companies during the period. Streaming platforms and esports have increased gaming interest. These entertainment offerings serve as live advertising, expanding market reach and boosting sales. Additionally, the shift toward digital game sales has significantly impacted retail revenue in the video game industry in recent years. Despite operational challenges and a high interest rate environment for much of the current period, the gaming industry has benefited from the continuous releases of popular games from leading franchisees. These trends are set to support the industry in the coming period, leading to revenue growing at an annualized rate of 7.3% to \$155.4 billion through 2030.

### ***Video Game Software Publishing in the U.S.<sup>7</sup>***

Companies in the video game software publishing industry primarily develop and publish video game software. These operators produce and distribute games and may provide related services such as design, documentation, installation, and ongoing support. Some companies are vertically integrated across development and publishing, while others focus exclusively on publishing activities. Industry operations also encompass the sale of downloadable content, in-game software add-ons, and monetization through in-game advertising.

#### **MARKET SIZE**

The industry has continued to evolve in response to changing consumer preferences and technological advancements. Developers have introduced new content and gameplay features to sustain player engagement following the expansion of the user base during the COVID-19 pandemic. Industry performance has been supported by console releases from major manufacturers, including Sony and Microsoft, as well as continued growth in mobile game development. Trends such as customization, social connectivity, and digital content sharing have become increasingly prevalent across platforms.

Overall, industry revenue has grown at an annualized growth rate of approximately 2.6% over the five years to 2025, reaching an estimated \$54.2 billion. In recent years, larger technology companies have completed acquisitions of game publishers, contributing to increased market concentration and providing acquired studios with additional financial resources. Companies such as Microsoft have emerged as leading revenue generators within the sector. While console gaming remains significant, the widespread adoption of smartphones has expanded access to mobile gaming and lowered barriers to entry. Adjacent segments, including e-sports and video game streaming, have also contributed to sustained consumer engagement and broader industry demand. Please see the following charts for further details.

### **Industry Data**

#### **Values**

Year	Revenue (\$ Million)	IVA (\$ Million)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Wages (\$ Million)
2020	47,602.3	17,837.8	29,885	22,779	120,615	14,106.4
2021	49,945.6	18,846.6	29,945	22,976	119,208	14,416.5
2022	47,290.2	16,374.1	30,148	23,126	117,198	12,451.3
2023	48,070.6	16,187.1	32,223	24,834	122,673	12,957.1
2024	51,135.4	16,924.8	33,627	25,915	130,004	13,741.9
2025	54,183.7	18,737.4	34,364	26,428	135,961	14,409.7
2026	57,063.5	19,658.6	35,438	27,221	142,152	15,087.8
2027	60,353.9	20,752.0	36,698	28,150	149,070	15,849.2
2028	63,725.1	21,826.2	38,179	29,259	156,197	16,632.5
2029	67,242.3	22,971.9	39,834	30,504	163,962	17,477.6
2030	71,027.9	24,226.7	41,703	31,916	172,651	18,415.3

<sup>7</sup> Source: IBISWorld “Video Game Software Publishing in the U.S.”, July 2025.

### Annual Change

Year	Revenue %	IVA %	Estab. %	Enterprises %	Employment %	Wages %
2020	22.5	33.8	-2.8	-3.4	7.4	28.5
2021	4.9	5.7	0.2	0.9	-1.2	2.2
2022	-5.3	-13.1	0.7	0.7	-1.7	-13.6
2023	1.7	-1.1	6.9	7.4	4.7	4.1
2024	6.4	4.6	4.4	4.4	6.0	6.1
2025	6.0	10.7	2.2	2.0	4.6	4.9
2026	5.3	4.9	3.1	3.0	4.6	4.7
2027	5.8	5.6	3.6	3.4	4.9	5.0
2028	5.6	5.2	4.0	3.9	4.8	4.9
2029	5.5	5.2	4.3	4.3	5.0	5.1
2030	5.6	5.5	4.7	4.6	5.3	5.4

### MARKET SEGMENTS

Products and services supplied by the video game software publishing industry are categorized into the following groups: (i) action, adventure, and strategy video games; (ii) shooter video games; (iii) role-playing video games; (iv) sports video games; (v) fighting video games; (vi) racing video games; (vii) casual video games; (viii) and others. Please see the chart below for further details.

Video Game Software Publishing in the US

#### Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.

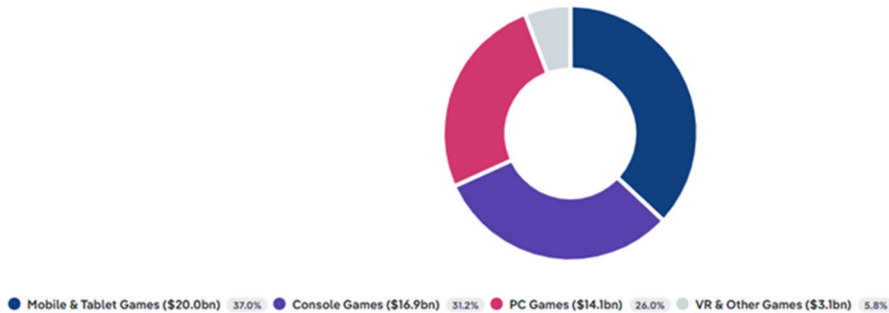


IBISWorld

Source: IBISWorld

The primary markets for the industry include: (i) mobile & tablet games; (ii) console games; (iii) personal computer (“PC”) games; and (iv) VR & other games. Please see the chart below for further details.

Video Game Software Publishing in the US  
**Major Markets Segmentation**  
Industry revenue in 2025 broken down by key markets



IBISWorld

Source: IBISWorld

### MARKET CONCENTRATION

The video game software publishing industry has a moderate level of market share concentration, with the four largest companies estimated to account for a combined 48.2% of industry revenue in 2025. Microsoft’s acquisition of Activision Blizzard has materially increased its market share and positioned it as the leading publisher. Larger publishers generally benefit from vertical integration and significant investment in proprietary engines, cloud infrastructure, and emerging technologies, which require substantial research and development resources and can create competitive advantages relative to smaller developers. Please see the following chart for further details.

Video Game Software Publishing in the US  
**Market Share Concentration**  
Combined market share of the four largest companies in this industry



IBISWorld

Source: IBISWorld

### MARKET PERFORMANCE

Looking ahead, video game software distribution models are expected to continue shifting toward subscription-based services and cloud gaming platforms. Advances in artificial intelligence and machine learning are anticipated to influence game development processes, potentially improving production efficiency and enabling smaller development teams to create increasingly sophisticated content.

In the near term, delays in next-generation console releases may moderate the pace of large-scale new title launches, resulting in continued support for legacy hardware and ongoing emphasis on in-game transactions and downloadable content. Within the mobile segment, the emergence of third-party app stores offering lower commission structures than Apple and Google may affect developer economics and margin profiles.

Overall, due to these technological and distribution trends, revenue is expected to grow at an annualized rate of approximately 5.6% through 2030, reaching an estimated \$71.0 billion.

## Economic Overview

---

## Economic Overview<sup>8</sup>

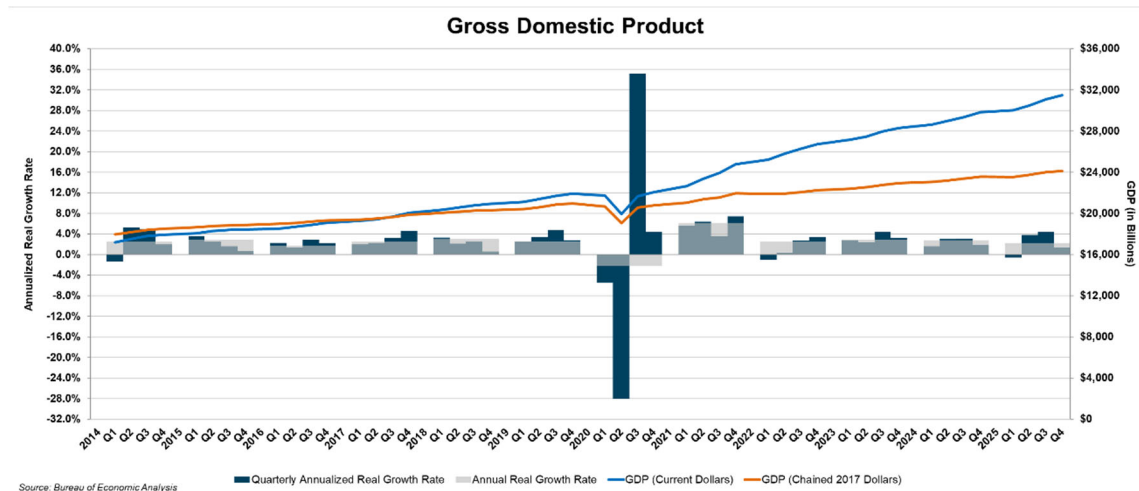
A fundamental consideration in the valuation of any business is the performance of the economy in which that business operates or from which it derives its benefits (i.e., revenues and profits). In the case of the Company, it is important to consider the performance and outlook of the economy in which it operates.

### GENERAL ECONOMIC OVERVIEW

According to the initial estimate released by the Department of Commerce’s Bureau of Economic Analysis (the “BEA”), Real Gross Domestic Product (“GDP”), the output of goods and services produced by labor and property located in the United States, increased at an annualized rate of 1.4% during the fourth quarter of 2025. The increase in annualized GDP growth during the fourth quarter of 2025 follows an increase of 4.4% in the third quarter of 2025, which followed an increase of 3.8% in the second quarter of 2025. The annualized GDP increase of 1.4% during the fourth quarter of 2025 was modestly below economists’ consensus projections for growth of 2.2%, as reflected in the January 2026 *Wall Street Journal Economic Survey*. Overall, Real GDP increased 2.2% in 2025, compared to an increase of 2.8% in 2024.

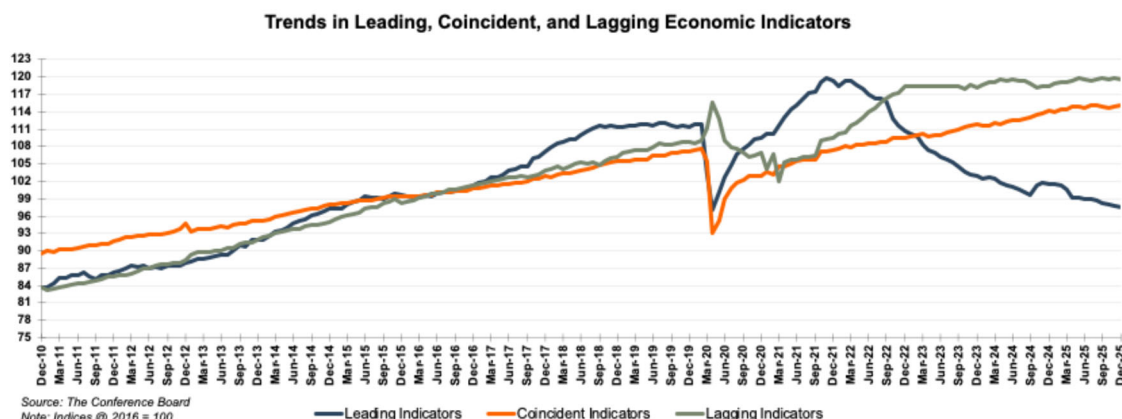
The increase in Real GDP during the fourth quarter was primarily driven by increases in consumer spending and private investment. Personal consumption expenditures contributed 1.58% to overall growth, while gross private domestic investment contributed 0.66%, including a positive contribution from private inventory investment. These gains were partly offset by a decline in government spending, which reduced growth by 0.90%, reflecting a sharp contraction in federal government expenditures during the October-November government shutdown. BEA estimates that the reduction in federal labor services associated with the shutdown subtracted approximately 1.0% from fourth quarter Real GDP growth. Net exports contributed 0.08% to overall growth, as a decline in imports, which are subtracted in the calculation of GDP, more than offset a decrease in exports.

Compared to the third quarter, the deceleration in GDP growth during the fourth quarter reflected downturns in government spending and exports and a moderation in consumer spending, which were partly offset by an acceleration in private investment. Economists expect GDP growth to remain moderate in the coming quarters. A survey of economists conducted by *The Wall Street Journal* reflects Real GDP is projected to increase 2.1% in the first quarter of 2026, and 2.2% for the full-year 2026.



The Conference Board (“TCB”) reported that the Leading Economic Index (“LEI”), the government’s primary forecasting gauge, declined 0.2% in December 2025, following a 0.3% decrease in November and a 0.2% decrease in October. Over the six months ended December 2025, the LEI decreased 1.2%, reflecting a slower pace of decline compared to the 2.8% contraction recorded over the first half of 2025.

<sup>8</sup> Source: National Economic Review – Fourth Quarter 2025.



In response to the December reading, Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board, commented: “The U.S. LEI registered its fifth consecutive monthly decline in December, indicating continued softness in the economy in early 2026. Alongside a rise in building permits, positive contributions to the LEI in December were led by the index’s financial components, with the yield spread notably turning positive in both November and December. However, persistently weak consumer expectations indicators and the ISM® New Orders Index made the largest negative contributions to the LEI in December. Labor market data also weighed on the Index, with an increase in unemployment claims and a decline in average weekly hours in manufacturing. Overall, the LEI signals weaker economic activity at the start of 2026. The Conference Board projects a contraction in growth in the fourth quarter of 2025 and early 2026, with GDP set to grow by 2.1% year-over-year in 2026, from a forecasted 2.2% in 2025.” Four of the LEI’s ten leading economic indicators decreased in December.

## CONSUMER SPENDING AND INFLATION

According to the Bureau of Labor Statistics (“BLS”), the Consumer Price Index (“CPI”) increased 0.3% in December 2025 (on a seasonally adjusted basis). Data for October and November 2025 were not published due to the 2025 lapse in appropriations. The unadjusted CPI stood at 324.054 (CPI-U all urban consumers, 1982-1984 = 100), which is an increase of 2.7% in the twelve months ended December 2025. The food index increased 0.7% in December 2025 and increased 3.1% over the previous twelve months. The energy index was mixed during the month, with gasoline declining 0.5% and natural gas increasing 4.4%. Core CPI, which excludes food and energy prices, increased 0.2% in December 2025 and increased 2.6% on an unadjusted basis over the previous twelve months.

The Producer Price Index (“PPI”) is generally recognized as predictive of near-term consumer inflation. The PPI for total final demand (seasonally adjusted) increased 0.5% in December 2025 after increasing 0.2% in November and 0.1% in October. The PPI for final demand goods was unchanged in December 2025, while the index for final demand services increased 0.7%. The PPI for final demand excluding food, energy, and trade services increased 0.4% in December 2025. On an unadjusted basis, the change in the total final demand PPI for the twelve months ended December 2025 was an increase of 3.0%.

## BUSINESS AND MANUFACTURING PRODUCTIVITY

Productivity data for the fourth quarter of 2025 has been delayed due to the 2025 lapse in federal appropriations. The BLS is scheduled to publish updated nonfarm business, business sector, and manufacturing productivity data in March 2026. As a result, productivity measures for the fourth quarter were not available at the time of the most recent publication.

According to the Federal Reserve, seasonally adjusted industrial production increased 0.4% in December 2025 after increasing 0.4% in November. Overall industrial production during the fourth quarter of 2025 increased at an annualized rate of 0.7%. For reference, industrial production increased 1.8% in the second quarter of 2025 and increased 2.2% in the third quarter of 2025. Manufacturing output increased 0.2% in December 2025 but declined at an annual rate of 0.7% in the fourth quarter. This annualized decline follows increases of 2.5% in the second quarter and 2.8% in the third quarter. Mining fell 0.7% in December 2025

and utilities increased 2.6%. At 102.3 (2017 = 100), total industrial production in December 2025 was 2.0% above its level a year earlier.

Seasonally adjusted capacity utilization was 76.3% in December 2025. Capacity utilization for the fourth quarter of 2025 measured 76.1%, down 0.1% from the third quarter.

## THE FINANCIAL MARKETS

The S&P 500, NASDAQ Composite Index (“NASDAQ”), Dow Jones Industrial Average (“DJIA”), and broad market Wilshire 5000 all posted quarterly gains in the fourth quarter of 2025. The DJIA rose 3.6% from its third quarter close, while the S&P increased 2.4%, the NASDAQ gained 2.6%, and the Wilshire 5000 increased 2.0%. On a year-over-year basis, the DJIA was up 13.0%, the S&P increased 16.4%, the NASDAQ rose 20.4%, and the Wilshire 5000 increased 15.7%.

Equity markets experienced periods of volatility from October to December 2025, though each of the major indices ended the quarter higher than their respective third quarter levels. Equity performance during the fourth quarter reflected continued strength in large-cap stocks, while gains were more moderate than those observed in the second and third quarters. By the end of the fourth quarter, all four indices closed the year at levels above their third quarter closing values.

The following provides a brief summary of each index’s performance in the fourth quarter of 2025:

- The DJIA ended the fourth quarter of 2025 at 48,063. This represents a 3.6% increase for the quarter, which follows a 5.2% increase in the third quarter and a 5.0% increase in the second quarter. On a year-over-year basis, the DJIA was up 13.0%.
- The S&P 500 Index ended the fourth quarter of 2025 at 6,845. This represents a 2.4% increase for the quarter, which follows a 7.8% increase in the third quarter and a 10.6% increase in the second quarter. On a year-over-year basis, the S&P increased 16.45%.
- The NASDAQ ended the fourth quarter of 2025 at 23,242. This represents a 2.6% gain for the quarter, which follows an 11.2% increase in the third quarter and a 17.8% increase in the second quarter. On a year-over-year basis, the NASDAQ rose 20.4%.
- The broad market Wilshire 5000 Index ended the fourth quarter of 2025 at 68,209. This represents a 2.0% increase for the quarter, which follows a 7.9% increase in the third quarter and a 10.7% increase in the second quarter. On a year-over-year basis, the Wilshire 5000 increased 15.7%.

## HOUSING STARTS AND BUILDING PERMITS

Homebuilding has been a proxy for overall economic activity because new home construction stimulates a broad range of industrial, commercial, and consumer spending and investment. According to the U.S. Census Bureau, new privately owned housing starts were at a seasonally adjusted annual rate of 1,404,000 units in December 2025, which is 6.2% above the revised November estimate of 1,322,000 units, but 7.3% below the December 2024 rate. The seasonally adjusted annual rate of privately owned housing units authorized by building permits, which is considered the most reliable indicator of future housing starts, was 1,448,000 units in December 2025, which is 4.3% above the revised November estimate of 1,388,000 units, but 2.2% below the December 2024 rate.

According to the National Association of Realtors (“NAR”), existing home sales (at a seasonally adjusted annual rate) totaled 4.35 million in December 2025, which is up 5.1% from November levels and up 1.4% from existing home sales in December 2024. Housing inventory stood at 1.18 million existing homes, representing 3.3 months of supply at the current sales pace, down 18.1% from November levels. The national median existing single family home price was \$405,400 in December 2025, which is a 0.4% increase from December 2024.

## UNEMPLOYMENT AND PAYROLL

Per the BLS, the unemployment rate (U-3, seasonally adjusted) was 4.4% in December 2025, which was down from 4.5% in November and unchanged from September. Economists surveyed by *The Wall Street Journal* anticipate the unemployment rate will be 4.5% in June and December 2026. The underemployment rate (U-6, seasonally adjusted), which includes workers who are involuntarily working part time positions, was 8.4% in December 2025 after measures of 8.7% in November and 8.1% in September.

## INTEREST RATES

After raising rates to a range of 5.25% to 5.50% in 2023 to combat persistent inflation in the U.S. economy, Fed officials signaled that rate cuts were not imminent following their first policy meeting of 2024, held in late January. The central bank held the benchmark federal-funds rate steady at the January meeting in a range between 5.25% and 5.50%. In its policy statement following the meeting, Fed officials stated that they do not expect to lower rates “until it has gained greater confidence that inflation is moving sustainably toward 2%.” Chairman Powell stated that the Fed could be slower to cut rates if inflation remained persistent. At its March meeting, the Fed again held rates steady, though officials reaffirmed projections that rates would be cut three times in 2024, despite persistent inflation data. Market expectations that the Fed would cut rates by June rose to approximately 75% following the meeting, up from 50% before the meeting, according to CME Group.

During the second quarter of 2024, the Federal Open Market Committee (“FOMC”) met twice. At its first meeting of the quarter, held April 30–May 1, Fed officials held rates steady in a range of 5.25% to 5.50% in response to economic data that revealed underlying inflationary pressures in the first quarter of the year. Following the meeting, Chairman Powell indicated that the threshold to cut rates in 2024 had been raised in response to recent inflationary pressures. He also noted that the FOMC would need to see conclusive evidence that the current interest rate levels were not weakening inflation for further rate hikes to be effected. With the prospect of rate cuts generally lessened, the FOMC met again on June 11 and 12. Following an improved May inflation reading, the FOMC held rates at their current levels and released a new set of projections. These projections revealed the FOMC’s expectation to cut rates in 2024, with committee members split over whether there would be one or two rate cuts in 2024.

The FOMC met in July and September during the third quarter of 2024. At the July meeting, the FOMC again held rates steady, though Chairman Powell set the stage for a rate cut later in 2024. Citing improved inflation readings, Chairman Powell stated that “A reduction in the policy rate could be on the table as soon as the next meeting in September.” Investors priced in an initial reduction of 25 basis points, followed by two more cuts in November and December following Powell’s comments after the July FOMC meeting. The FOMC voted to lower the benchmark rate by 50 basis points at its September meeting, in which eleven of the twelve FOMC members supported the cut. This left the benchmark rate in a range between 4.75% and 5.00%. In projections released following the September meeting, a narrow majority of Fed officials penciled in rate cuts of at least 25 basis points at the November and December meetings.

In the fourth quarter of 2024, the FOMC met in early November and mid-December. At the November meeting, which came just days after the U.S. Presidential election, the FOMC elected to cut rates again, though only by 25 basis points. This move was largely expected by observers and markets. The FOMC met again on December 17, electing to again cut rates by 25 basis points. This cut left the benchmark federal-funds rate in a range between 4.25% and 4.50%. Following the meeting, Chairman Powell casted doubt over how much the FOMC would continue to cut rates into the new year, which came as a surprise to markets and observers. Citing new projections that call for stickier inflation data than previously expected, Powell indicated that FOMC officials expect to make fewer rate reductions, with most penciling in two cuts in 2025, which is down from four in earlier projections.

The FOMC met in January and March 2025 during the first quarter of 2025, holding rates steady in a range of 4.25% to 4.50% at both meetings. Following three consecutive rate cuts that trimmed the benchmark rate by 100 basis points in aggregate, Chairman Powell signaled that the FOMC was entering a “wait and see” phase as it continued to determine how quickly to bring rates down from their twenty-year highs. In his comments following the January meeting, Powell signaled that the central bank would likely hold rates steady at the March meeting as well. The FOMC again neither raised nor cut rates at the March meeting, as it continued to assess evolving economic conditions and policy developments. The FOMC also released a

new set of economic projections following the March meeting in which 11 of the 19 policymakers expected the FOMC to cut rates at least twice in 2025, down from 15 in December.

The FOMC again held rates steady during the second quarter of 2025, meeting in May and June. While the FOMC voted unanimously to hold rates steady at the May meeting, Chairman Powell warned that any proposed tariffs that are enacted could raise the risk of higher inflation and higher unemployment. Fed officials did not cut rates at the June meeting but signaled they could be open to doing so in the second half of 2025. These expectations were reflected in a new set of economic projections released following the June meeting, which showed a smaller number of officials anticipating rate cuts in 2025 relative to earlier projections. Chairman Powell emphasized the uncertainty surrounding the economic outlook in his press conference following the June meeting.

The FOMC met in July and September during the third quarter of 2025. At its July meeting, the Committee voted to hold the benchmark federal funds rate steady in a range of 4.25% to 4.50%. The decision included rare dissents from two Fed governors who favored an immediate 25 basis point rate cut. Chairman Powell declined to signal that a rate cut at the subsequent meeting was imminent, emphasizing the Committee's focus on ensuring that any tariff-related price increases did not lead to more persistent inflation. Following the July meeting, investors assigned a roughly 45% probability to a rate cut at the September meeting.

The FOMC met in November and December during the fourth quarter of 2025. At its November meeting, the Committee voted to lower the benchmark federal funds rate by 25 basis points, reducing the target range from 4.00% to 4.25% down to 3.75% to 4.00%, as policymakers continued to assess incoming data and the evolving balance of risks between inflation and employment. Inflation remained elevated relative to the Fed's 2% longer run goal, while Chairman Powell described overall economic activity as expanding at a moderate pace and noted that conditions in the labor market were gradually cooling.

At its December meeting, the FOMC voted to lower the benchmark federal funds rate by 25 basis points, reducing the target range to 3.50% to 3.75%. The decision reflected what Chairman Powell described as a challenging environment in which risks to inflation remained tilted to the upside while risks to employment had increased in recent months. Powell noted that job gains had slowed and that the unemployment rate had edged higher, reaching 4.4% in the most recent official reading, while inflation, particularly in goods categories affected by tariffs, remained somewhat elevated. The Committee indicated that recent tariff-related price pressures were expected to represent a one-time shift in the price level rather than an ongoing inflationary process, though officials emphasized the importance of preventing such increases from becoming embedded in longer term inflation expectations.

In addition to the rate reduction, the FOMC announced that it would initiate purchases of shorter-term Treasury securities, primarily Treasury bills, for the purpose of maintaining an ample supply of reserves and ensuring effective control of the federal funds rate. These reserve management purchases are separate from the stance of monetary policy and are intended to alleviate recent pressures in money markets and support the smooth functioning of short-term funding markets.

## SUMMARY AND CONCLUSION

Real GDP increased at an annualized rate of 1.4% in the fourth quarter of 2025, slowing from growth of 4.4% in the third quarter and 3.8% in the second quarter. Overall, Real GDP increased 2.2% in 2025, compared to growth of 2.8% in 2024. The fourth quarter expansion was driven primarily by consumer spending and private investment, including a positive contribution from private inventory investment. These gains were partly offset by a sharp contraction in federal government spending during the October-November government shutdown, which the Bureau of Economic Analysis estimated reduced fourth quarter Real GDP growth by approximately 1.0%. Net exports contributed modestly to growth, as a decline in imports more than offset a decrease in exports.

Inflation remained above the Federal Reserve's longer run 2% objective but continued to moderate on a year-over-year basis. According to the BLS, the CPI increased 0.3% in December 2025 and was 2.7% higher over the twelve months ended December 2025. Core CPI, which excludes food and energy prices, increased 0.2% in December and rose 2.6% over the prior twelve months. Producer price data indicated firming upstream pressures late in the quarter, as the PPI for total final demand increased 0.5% in December and 3.0% over the past year.

Equity markets posted additional gains during the fourth quarter of 2025, though performance moderated relative to the strong advances recorded earlier in the year. The DJIA increased 3.6% for the quarter, the S&P 500 rose 2.4%, the NASDAQ gained 2.6%, and the Wilshire 5000 advanced 2.0%. On a year-over-year basis, all four indices posted double digit gains. Treasury yields declined across the short and intermediate portions of the yield curve during the quarter, while longer term yields edged higher. By quarter end, the spread between the 2-year and 10-year Treasury notes widened to approximately 64 basis points, and the yield curve remained upward sloping.

Labor market conditions softened modestly during the fourth quarter of 2025. The unemployment rate measured 4.4% in December 2025, down slightly from 4.5% in November, while the labor force participation rate held steady at 62.4%. Total non-farm payroll employment increased by 50,000 jobs in December, and downward revisions to prior months reflected slower hiring momentum entering the fourth quarter. In response to rising downside risks to employment, the FOMC lowered the federal funds rate by 25 basis points at its December meeting, bringing the target range to 3.50% to 3.75%. Chairman Powell emphasized that recent tariff related price increases are expected to represent a one-time shift in the price level, though officials remain focused on preventing such increases from becoming embedded in longer term inflation expectations. The Committee indicated that future policy adjustments will remain data dependent.

Looking ahead, economists expect economic growth to remain moderate in the near term. A survey of economists conducted by *The Wall Street Journal* projects Real GDP growth of approximately 2.1% in the first quarter of 2026 and 2.2% for full year 2026. While consumer spending has continued to support overall economic activity, softer labor market conditions, lingering inflationary pressures, and uncertainty surrounding fiscal and trade policy are expected to contribute to a slower but still positive pace of expansion into 2026.

# Valuation Methodologies

---



## Valuation Methodologies

### COMPANY VALUATION (STEP 1)

There is no universal formula to determine an appropriate value for an illiquid, non-controlling interest in a closely held company. Determination of value is a matter of judgment, which takes into consideration economic and market conditions, as well as investment opportunities that would be considered as alternatives to the interest being valued. The methods commonly used to value a closely held business include the following:

**Income Approach.** This approach focuses on the income-producing capability of a business. The income approach estimates value based on the expectation of future cash flows that a company will generate – such as cash earnings, cost savings, tax deductions, and the proceeds from disposition. These cash flows are discounted to the present using a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The selected discount rate is generally based on rates of return available from alternative investments of similar type, quality, and risk.

**Market Approach.** This approach measures the value of an asset or business through an analysis of recent sales or offerings of comparable investments or assets. When applied to the valuation of equity interests, consideration is given to the financial condition and operating performance of the entity being appraised relative to those of publicly traded entities operating in the same or similar lines of business, potentially subject to corresponding economic, environmental, and political factors and considered to be reasonable investment alternatives. The market approach can be applied by utilizing one or both of the following methods:

- **Guideline Public Company Method.** This methodology focuses on comparing the subject entity to guideline publicly traded entities. In applying this method, valuation multiples are: (i) derived from historical or forecasted operating data of selected guideline entities; (ii) evaluated and / or adjusted based on the strengths and weaknesses of the subject entity relative to the selected guideline entities; and (iii) applied to the appropriate operating data of the subject entity to arrive at a value indication.
- **Similar Transactions Method.** This methodology utilizes valuation multiples based on actual transactions that have occurred in the subject entity's industry or related industries to arrive at an indication of value. These derived multiples are then adjusted and applied to the appropriate operating data of the subject entity to arrive at an indication of value.

**Cost Approach.** This approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility. When applied to the valuation of equity interests in businesses, value is based on the net aggregate fair market value of the entity's underlying individual assets. The technique entails a restatement of the balance sheet of the enterprise, substituting the fair market value of its individual assets and liabilities for their book values. The resulting approach is reflective of a 100% ownership interest in the business. This approach is frequently used in valuing holding companies or capital-intensive firms. It is not necessarily an appropriate valuation approach for companies having significant intangible value or those with little liquidation value.

### ALLOCATION OF COMPANY VALUE TO EACH OWNERSHIP CLASS (STEP 2)

As outlined in the American Institute of Certified Public Accountants ("AICPA") guidelines pertaining to the allocation of an enterprise's value, the three most commonly used methodologies for determining the value of a single class of equity capital in a privately held company include the following:

**Option Pricing Method ("OPM").** This approach allows for the allocation of a company's equity value (as determined in Step 1) among the various equity capital owners (preferred and common shareholders). The OPM uses the preferred shareholders' liquidation preferences, participation rights, dividend policy, and conversion rights to determine how proceeds from a liquidity event shall be distributed among the various ownership classes at a future date. Per the AICPA guidelines:

*“The option pricing method treats common stock and preferred stock as call options on the enterprise’s value, with exercise prices based on the liquidation preference of the preferred stock. Under this method, the common stock has value only if the funds available for distribution to shareholders exceed the value of the liquidation preference at the time of a liquidity event (for example, merger or sale), assuming the enterprise has funds available to make a liquidation preference meaningful and collectible by the shareholders...Thus, common stock is considered to be a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after the preferred stock is liquidated...the common implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date.”<sup>9</sup>*

**Probability Weighted Expected Return Method (“PWERM”).** This approach involves the estimation of future potential outcomes for the company, as well as values and probabilities associated with each respective potential outcome. The common stock per share value determined using this approach is ultimately based upon probability-weighted per share values resulting from the various future scenarios, which can include an IPO, merger or sale, dissolution, or continued operation as a private company. Per the AICPA guidelines:

*“Under a probability-weighted expected return method, the value of the common stock is estimated based upon an analysis of future values for the enterprise assuming various future outcomes. Share value is based upon the probability-weighted present value of expected future investment returns, considering each of the possible future outcomes available to the enterprise, as well as the rights of each share class.”<sup>10</sup>*

**Current Value Method.** This approach involves allocating the company’s current value (as determined in Step 1) among the various capital owners based on their respective liquidation preferences and conversion, dividend, and other rights under the assumption that all capital owners act in a manner that maximizes their financial return. Unlike the OPM and the PWERM approaches, this methodology is not forward-looking, and therefore fails to consider the possibility that the value of the company and the individual share classes will increase or decrease between the valuation date and a future date when the common shareholders receive a return on their investment (e.g., through a liquidity event such as an IPO or sale/merger). Per the AICPA guidelines:

*“Because the current-value method focuses on the present and is not forward-looking, the task force believes its usefulness is limited primarily to two types of circumstances. The first occurs when a liquidity event in the form of an acquisition or dissolution of the enterprise is imminent, and expectations about the future of the enterprise as a going concern are virtually irrelevant. The second occurs when an enterprise is at such an early stage of its development that (a) no material progress has been made on the enterprise’s business plan, (b) no significant common equity value has been created in the business above the liquidation preference on the preferred shares, and (c) there is no reasonable basis for estimating the amount and timing of any such common equity value above the liquidation preference that might be created in the future.”<sup>11</sup>*

<sup>9</sup> American Institute of Certified Public Accountants 2004, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, p. 61-62.

<sup>10</sup> American Institute of Certified Public Accountants 2004, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, p. 59-60.

<sup>11</sup> American Institute of Certified Public Accountants 2004, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, p. 63.

## SELECTED APPROACHES

### Step 1. Company Valuation

The first step in valuing the Company’s common shares was to determine the value of the Company’s total equity (associated with all preferred and common equity). In arriving at a conclusion of value for the Company’s equity, we considered all of the aforementioned valuation methodologies from Step 1:

#### Step 1 Selected Approaches

Primary Methodology:  
Income Approach – 50%  
Guideline Public Company Method – 50%

#### Step 2 Selected Approaches:

Primary Methodology:  
Option Pricing Model

**Income Approach.** The Company is an operating entity expected to generate future cash flows for its capital owners. Any future sale or transaction is expected to be based on the Company’s future cash flow expectations. Please see the Income Approach and Discounted Cash Flow Analysis exhibits for further details related to our analysis utilizing the Income Approach.

**Guideline Public Company Method of the Market Approach.** Due to the level of comparability between the Company and the guideline companies, this methodology was considered to be applicable in valuing the Company’s equity. In utilizing this approach, multiples of the selected publicly traded guideline companies were adjusted to reflect relative differences in terms of growth, profitability, and business risk. Please see the Market Approach: Guideline Public Company Method exhibits for further details related to our use of the Guideline Public Company Method of the Market Approach in our analysis.

**Similar Transactions Method of the Market Approach.** This methodology was considered but not used due to a lack of available data surrounding recent acquisitions of companies with operations sufficiently similar to the Company.

**Cost Approach.** This methodology was considered but not used, as it does not accurately reflect the going concern value of the Company.

## WEIGHTING APPLIED TO PRIMARY METHODOLOGIES FOR COMPANY VALUATION

For the purposes of our analysis, we had equal confidence in the assumptions utilized in the Income Approach and Guideline Public Company Method, and applied equal weighting to the values derived under each approach in determining the concluded equity value. The values produced by both the Income Approach and Guideline Public Company Method of the Market Approach were similar as well. Therefore, even if we had placed more weight on one methodology versus the other, the overall value conclusion would have been substantially similar.

### Step 2. Allocation of Company Value to Each Ownership Class

The second step in valuing the Company’s common shares was to allocate the Company’s value from Step 1 among the various capital owners. In doing so, we considered the three valuation approaches outlined in Step 2:

- **OPM.** As of the Valuation Date, there was a very wide range of possible future exit events, and forecasting specific probabilities and potential values associated with any future events would be highly speculative and imprecise. As such, we relied primarily upon the OPM in order to allocate the Company’s total equity value among its equity owners. Please see the Option Pricing Method

and Option Pricing Method Analysis exhibits for further details related to this methodology and its application in our analysis.

- **PWERM.** The PWERM was considered but ultimately not used due to the uncertainty surrounding future potential liquidity events. Estimating the Company and common stock values, timing, and probabilities of such future events was considered to be highly speculative.
- **Current Value Method.** The current value method was not utilized in our analysis, as the Company is not expecting an impending liquidity event. Given the lack of an imminent transaction, the current value method would fail to consider the possibility that the value of the company and the individual share classes could increase or decrease between the valuation date and a future liquidity event date.

### DISCOUNT FOR LACK OF MARKETABILITY

Since the Subject Interest is an interest in a closely held entity, we also considered appropriate adjustments to recognize the lack of marketability inherently present in interests of this type. Please see below for the primary methodologies used in supporting our concluded discount for lack of marketability.

- *Restricted Stock Studies.* We relied on major sources of empirical evidence on discounts for lack of marketability, which primarily included studies based on restricted stocks of companies whose unrestricted shares are freely traded. In arriving at the concluded adjustment, consideration was given to the financial performance and nature of the Company and its early-stage nature, sale/transfer restrictions associated with the common stock, the lack of voting rights associated with the common stock and the inability to influence decisions regarding the Company, the Company's dividend policy, and the expected holding period associated with the common stock, among other factors. Please see the Adjustment for Lack of Marketability exhibit for our detailed analysis related to the concluded discount for lack of marketability, as well as the Studies Regarding Adjustment for Lack of Marketability appendix for further details related to restricted stock studies.
- *Put Option Analysis.* The concluded adjustment for lack of marketability was further supported by a put option analysis. Certain quantitative methods have been developed to estimate the discount for lack of marketability for privately held securities, specifically with respect to the time period restriction and volatility of the investment. Please see the Adjustment for Lack of Marketability exhibit for our detailed analysis related to the concluded discount for lack of marketability, as well as the Discount for Lack of Marketability: Put Option Analysis exhibit for further details.

## Income Approach

---

## Income Approach

A discounted cash flow analysis for the Company, presented in the Discounted Cash Flow Analysis exhibit, was developed based on (i) discussions with management, (ii) a forecast prepared by Company management (“Management’s Forecast”), (iii) historical financials for the Company, and (iv) guideline company growth and margin indications (presented in the Guideline Company Ratios exhibit). The forecasted cash flows represent the economics that both a minority and controlling shareholder would be able to realize and, therefore, were assumed to represent both a control and minority premise of value. In addition, the discount rate was developed considering the current and long-term expected capital structure of the Company. Since these were similar, the resulting value indication represents both a control, marketable and minority, marketable premise of value.

The primary assumptions utilized in the discounted cash flow analysis are described below.

Summary of Assumptions	
Long-term revenue growth rate	3.0%
Long-term EBITDA margin	45.0%
Long-term capex levels (as % of revenue)	5.5%
Long-term DFNWC levels (as % of revenue)	-2.5%
Effective tax rate	25.7%
Selected discount rate	27.5%

### REVENUE, EXPENSES, AND PROFITABILITY

Forecasted revenues and expenses were based on consideration of discussions with management, Management’s Forecast, and guideline company indications, and were each forecasted to trend toward long-term sustainable levels based on discussions with management. Overall revenue growth, expenses as a percentage of revenue, and operating profit estimates were determined to not be unreasonable based on guideline company indications and consideration of management’s expectations for the Company. In addition, the risk associated with achieving the forecasted margins has been considered in the selected discount rate.

### INCOME TAXES

Income tax expense was estimated based on the Company’s expected effective tax rate provided by management. Benefits associated with any net operating loss (“NOL”) carryforwards were also considered in our analysis. The NOLs in each year were applied in the order that they were generated. Considering the recent U.S. tax provisions (regarding the use of federal NOLs), NOLs generated prior to 2018 can offset 100% of taxable income and NOLs generated after 2017 are limited to 80% of the Company’s remaining adjusted taxable income calculated after deducting the pre-2018 NOLs. As applicable, our analysis also considered that federal NOLs generated prior to 2018 shall expire in 20 years, whereas federal NOLs generated after 2017 do not have an expiration date. Additionally, we adjusted EBITDA to exclude tax amortization associated with past and future purchases of IP in our estimation of income tax expense.

### CASH FLOW ITEMS

- **Capital expenditures (“capex”).** Capital expenditures (“capex”) is comprised of intellectual property investments, localization, quality assurance, performance marketing, software development, and hardware/equipment expenditures. Capex through fiscal year 2031 were based on Management’s Forecast. Thereafter, capex was forecasted to remain constant at a long-term sustainable level. The analysis reflects the July 2025 tax reform, which allows for 100% expensing of qualified purchases on a permanent basis. According to discussions with management, the Company’s capex items (except hardware/equipment expenses) are amortizable over 15 years. Therefore, the Company will only expense hardware/equipment purchases and capitalize all other purchases.

- Depreciation and amortization.** Depreciation and amortization includes the non-cash charges deducted from net income. As these expenses represents a non-cash charge, it is added back to arrive at expected cash flow levels. Depreciation was estimated based on the Company’s fixed asset balance and anticipated capital expenditures. The opening fixed asset balance was estimated based on the Company’s most recent available balance sheet as of the Valuation Date. The existing fixed assets and capital expenditures depreciable lives were based on information provided by management and the nature of the Company’s underlying assets. Amortization was estimated based on existing capitalized intellectual property balances and anticipated related capital expenditures.
- Debt-free net working capital (“DFNWC”).** As a company’s operations expand, additional working capital is generally needed to fund future growth and, as such, the annual change in requirements represents an additional cash outflow. The DFNWC needs were estimated based on discussions with management and guideline company indications. Opening balance figures were taken from the Company’s most recent available balance sheet as of the Valuation Date.

**DISCOUNT RATE -- VENTURE CAPITAL RATE OF RETURN**

VC Rate of Return	
Methodology	VC Rate
Stage of Development	Second to Third Stage
Selected Discount Rate	27.5%
Rationale	
<p>The Company was considered to be a risky investment at the Valuation Date that required venture capital-type rates of return. Venture capital is typically used during the early stages of a company’s development. At these stages, companies are relatively risky investments that command rates of return commensurate with such risk. The Company was considered to be a risky investment at the Valuation Date that required venture capital-type rates of return for the following reasons:</p> <ul style="list-style-type: none"> <li>- The forecasted economics incorporate significant revenue growth and margin improvement; and</li> <li>- The Company’s revenues are dependent on the continued sourcing, acquisition, and successful commercialization of third-party game titles, resulting in elevated content performance and pipeline risk relative to more diversified software platforms.</li> </ul> <p>Since venture capital rates relate to shorter time frames consistent with venture capital expected holding periods, a rate at the low end of the range was selected to reflect the longer explicit forecast period over which the rate has been applied.</p> <p>At the Valuation Date, the Company had minimal outstanding interest-bearing debt. Therefore, the venture capital discount rate was determined to be reflective of the Company’s capital structure as of the Valuation Date. The selected discount rate is a blended rate that reflects the risks associated with the business both during the forecast period and the terminal period.</p>	

In arriving at the concluded cost of equity, we considered the stage of the Company’s development at the Valuation Date and data from various studies, as detailed below. The rates suggested by these studies are listed in the following table, along with descriptions of each stage of business development.

**VENTURE CAPITAL RATES OF RETURN**

<i>Investment Stage</i>	<i>QED Research, Inc. / Plummer<sup>12</sup></i>	<i>New Venture Creation<sup>13</sup></i>	<i>Scherlis and Sahlmann<sup>14</sup></i>	<i>Sahlmann and Others<sup>15</sup></i>	<i>Everett / Pepperdine<sup>16</sup></i>
Start-up / Pre-Seed / Seed	50% - 70%	50% - 100%	50% - 70%	50% - 100%	1 <sup>st</sup> quartile – 19.3% -34.8% 3 <sup>rd</sup> quartile – 43.0% - 68.3% Median – 25.5% - 51.5%
First Stage / Early Development	40% - 60%	40% - 60%	40% - 60%	40% - 60%	1 <sup>st</sup> quartile – 19.3% 3 <sup>rd</sup> quartile – 43.0% Median – 25.5%
Second Stage / Expansion	35% - 50%	30% - 40%	30% - 50%	30% - 40%	1 <sup>st</sup> quartile – 21.8% 3 <sup>rd</sup> quartile – 25.5% - 29.3% Median – 23.0% -25.5%
Third Stage / Fourth Stage	30% - 50%	20% - 30%	30% - 50%	30% - 40%	1 <sup>st</sup> quartile – 21.8% 3 <sup>rd</sup> quartile – 25.5% Median – 23.0%
Bridge/Mezzanine/IPO	25% - 35%	20% - 30%	20% - 35%	20% - 30%	1 <sup>st</sup> quartile – NA 3 <sup>rd</sup> quartile – NA Median – NA

- Start-up or “Pre-Seed” / “Seed”:** Start-up investments usually involve companies that are less than one year old. Target companies typically use the money for product development, prototype testing, and test marketing. This stage entails further study of market penetration potential, bringing together a management team, and refining the business plan. Sometimes, when the product technology is well established, seed money is raised simply to finance the recruitment of key management and the writing of a basic business plan, both of which are generally necessary for startup funding. In the context of a start-up, companies should be able to demonstrate competitive advantage, including a product in prototype embodying a proprietary technology. Investors in start-up ventures frequently provide assistance to management in recruiting key personnel, establishing sound management practices, and providing access to suppliers, banks, and potential customers.
- First Stage or “Early development”:** Funding only proceeds through the first stage if the prototypes appear viable enough that further technical risk is considered minimal. Likewise, the market studies must appear attractive enough so that management is comfortable with setting up a modest manufacturing process and shipping commercial quantities. Early development stage companies are unlikely to be profitable. First-stage investors attempt to monitor closely a venture’s head count, ensuring that staffing levels correspond to attainable sales levels. They often become more actively involved as problems develop in production or sales, and are prepared to replace key managers as necessary, sometimes filling in key positions themselves while searching for new managers.
- Second Stage or “Expansion”:** A company in the expansion stage has shipped enough product to enough customers so that it has real feedback from the market. The company may or may not know quantitatively what speed of penetration will occur, or what the ultimate limits of penetration will be. Whereas earlier-stage funds were largely dedicated toward proving a venture’s viability, second- and later-stage capital is oriented toward the expansion of a tested contender. Since the capital invested in the later stage is more likely to pay for assets rather than operating expenses, it is more readily recoverable in the event of liquidation, thus lowering the overall risk to the investors. Second-stage investors do not generally expect to become actively involved in problem-solving as often as first-stage investors. They do monitor performance closely, generally by comparison to a business plan.

<sup>12</sup> James L. Plummer, “QED Report on Venture Capital Financial Analysis”, QED Research, Inc., 1987.  
<sup>13</sup> Jeffrey A. Timmons and Stephen Spinelli, “New Venture Creation – Entrepreneurship for the 21<sup>st</sup> Century, Fourth Edition”, 2004.  
<sup>14</sup> Daniel R. Scherlis and William A. Sahlmann, “A Method for Valuing High-Risk, Long Term Investments: The ‘Venture Capital Method’”, Harvard Business School Publishing, 1989.  
<sup>15</sup> William A. Sahlmann and others, “Financing Entrepreneurial Ventures”, Harvard Business School Publishing, 1998.  
<sup>16</sup> Craig R. Everett, “2024 Private Capital Markets Report”, Pepperdine Graziadio Business School, 2024.

- **Third Stage or “Profitable but cash poor”:** For third stage companies, sales growth is likely very rapid, and positive profit margins have eliminated most of the downside investment risk. However, the rapid expansion requires more working capital than can be generated from internal cash flow. New venture capital funding may be used for further expansion of manufacturing facilities, marketing, or product enhancements. At this stage, banks may be willing to supply some credit to the extent that it can be secured by fixed assets, inventories, or receivables.
- **Fourth Stage or “Rapid growth toward liquidity point”:** Companies at the fourth stage of development may still need some outside cash to sustain rapid growth, but are successful enough and stable enough so that the downside risk to outside investors is reduced significantly. The company may prefer to use debt financing in order to limit the degree of equity dilution. Although the cash-out point for the venture capital investor is thought to be within a few years, the form (e.g. initial public offering, acquisition, or leveraged buyout) and timing are still uncertain.
- **“Bridge” or “Mezzanine” Investments:** In bridge or mezzanine investment stages, the company may have some idea which form of exit (initial public offering, acquisition, or leveraged buyout) is most likely, and even know the approximate timing, but in the meantime it still requires more capital to sustain rapid growth. Depending on the trends in the overall financial markets, initial public offering windows can open and close in very unpredictable ways. Likewise, the level of interest rates and the availability of commercial credit can influence the timing and feasibility of acquisitions and leveraged buyouts. A bridge financing may also correspond to a limited cash-out of early investors or management, or a restructuring of positions among venture capital investors.

#### *Cost of Debt / Capital Structure*

For the purposes of our analysis, we considered the Company’s levels of outstanding interest-bearing debt as of the Valuation Date. As a result, the venture capital discount rate was determined to be reflective of the Company’s capital structure as of the Valuation Date. The selected discount rate is a blended rate that reflects the risks associated with the business both during the forecast period and the terminal period.

#### **RESIDUAL VALUE**

A residual value estimates the value of a company’s expected cash flows beyond the explicit forecast period, after a company has reached long-term sustainable growth and profitability levels. The calculation of the residual value is a key component in any appraisal, as it often accounts for a large portion of a company’s total value. The residual value for the Company was calculated utilizing the Gordon Growth Model (“GGM”). In applying the GGM, net cash flow available in the final year of the projection period (“CF<sub>t</sub>”) is calculated, increased by the long-term growth rate (“g”), and then divided by the discount rate (“k”) less the estimated long-term growth rate (g). Arithmetically, GGM is defined as:

$$\text{Terminal year value} = \text{CF}_{t+1} / (k-g)$$

In our analysis, a terminal growth rate was assumed based on historical growth levels, estimated growth for the Company over the forecast period, and industry / economic trends. Specifically, we selected a long-term growth rate that was slightly higher than an inflationary rate and which was determined to not be unreasonable based on historical and forecasted industry growth indications. This rate was subtracted from the appropriate discount rate described above to arrive at an expected terminal year capitalization rate. The present value of the residual is added to the present value of the explicit period cash flows to arrive at the value of the Company at the Valuation Date.

#### **CONCLUSION**

Please see the Discounted Cash Flow Analysis exhibit for our use of these assumptions in the application of the Income Approach in arriving at a value indication for the Company’s invested capital. We deducted the balance of any interest-bearing debt as of the Valuation Date from this value to arrive at the value of the Company’s total equity.



## Discounted Cash Flow Analysis

---

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

	1/1/2026 -	For the Fiscal Year Ending March 31,												
	3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1) Revenue	\$4,222	\$12,800	\$17,820	\$25,220	\$33,090	\$41,020	\$47,173	\$51,890	\$55,782	\$58,571	\$60,328	\$62,138	\$64,002	\$65,922
2) Total expenses	4,199	11,240	13,611	16,681	19,545	22,571	25,957	28,552	30,694	32,228	33,195	34,191	35,217	36,273
3) EBITDA	22	1,560	4,209	8,539	13,546	18,449	21,216	23,338	25,088	26,343	27,133	27,947	28,785	29,649
4) less: Depreciation	(2)	(9)	(9)	(7)	0	0	0	0	0	0	0	0	0	0
7) less: Expensed Capex	0	(40)	(25)	(20)	(20)	(20)	(23)	(25)	(27)	(29)	(29)	(30)	(31)	(32)
6) less: Tax amortization related to intangible assets/goodwill	(205)	(862)	(1,008)	(1,209)	(1,426)	(1,604)	(1,759)	(1,936)	(2,129)	(2,336)	(2,551)	(2,774)	(3,002)	(2,817)
EBIT	(185)	649	3,167	7,303	12,100	16,825	19,434	21,377	22,932	23,979	24,552	25,143	25,752	26,800
6) Income tax expense	0	0	287	1,675	3,114	4,331	5,002	5,502	5,903	6,172	6,320	6,472	6,629	6,898
Net income	(185)	649	2,880	5,628	8,985	12,495	14,432	15,874	17,029	17,807	18,233	18,671	19,123	19,902
7) less: Capitalized capex	(1,181)	(1,950)	(2,900)	(3,400)	(2,800)	(2,250)	(2,588)	(2,846)	(3,060)	(3,213)	(3,309)	(3,408)	(3,511)	(3,616)
4) plus: Depreciation	2	9	9	7	0	0	0	0	0	0	0	0	0	0
6) plus: Tax amortization related to intangible assets/goodwill	205	862	1,008	1,209	1,426	1,604	1,759	1,936	2,129	2,336	2,551	2,774	3,002	2,817
8) less: Change in DFNWC	1,001	44	126	185	197	198	154	118	97	70	44	45	47	48
Cash flows to be discounted	(158)	(386)	1,122	3,629	7,808	12,046	13,757	15,082	16,196	16,999	17,519	18,082	18,662	19,151
Period	0.123	0.747	1.747	2.747	3.747	4.747	5.747	6.747	7.747	8.747	9.747	10.747	11.747	12.747
9) Present value factor	0.970	0.834	0.654	0.513	0.402	0.316	0.248	0.194	0.152	0.119	0.094	0.073	0.058	0.045
Present value of after-tax cash flows	(\$153)	(\$322)	\$734	\$1,862	\$3,142	\$3,802	\$3,406	\$2,928	\$2,466	\$2,030	\$1,641	\$1,329	\$1,075	\$866
Sum of discounted cash flows	\$24,807													
8) plus: Excess cash balance at the Valuation Date	0													
10) plus: Present value of residual	3,639													
11) plus: Net other long-term assets (liabilities)	0													
Indicated value of total invested capital -- marketable basis	\$28,446													
less: Interest-bearing debt balance at the Valuation Date	0													
<b>Indicated value of total equity -- marketable basis (rounded)</b>	<b>\$28,000</b>													

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

Aggregate Business Model	1/1/2026 -	For the Fiscal Year Ending March 31,												
	3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Revenue	\$4,222	\$12,800	\$17,820	\$25,220	\$33,090	\$41,020	\$47,173	\$51,890	\$55,782	\$58,571	\$60,328	\$62,138	\$64,002	\$65,922
Total expenses	4,199	11,240	13,611	16,681	19,545	22,571	25,957	28,552	30,694	32,228	33,195	34,191	35,217	36,273
EBITDA	22	1,560	4,209	8,539	13,546	18,449	21,216	23,338	25,088	26,343	27,133	27,947	28,785	29,649
Depreciation	2	9	9	7	0	0	0	0	0	0	0	0	0	0
Expensed capex	0	40	25	20	20	20	23	25	27	29	29	30	31	32
EBIT	(185)	649	3,167	7,303	12,100	16,825	19,434	21,377	22,932	23,979	24,552	25,143	25,752	26,800
Income tax expense	0	0	287	1,675	3,114	4,331	5,002	5,502	5,903	6,172	6,320	6,472	6,629	6,898
Net income	(\$185)	\$649	\$2,880	\$5,628	\$8,985	\$12,495	\$14,432	\$15,874	\$17,029	\$17,807	\$18,233	\$18,671	\$19,123	\$19,902

Aggregate Business Model (Common Size)	1/1/2026 -	For the Fiscal Year Ending March 31,												
	3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total expenses	99.5%	87.8%	76.4%	66.1%	59.1%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
EBITDA	0.5%	12.2%	23.6%	33.9%	40.9%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Depreciation	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expensed capex	0.0%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	-4.4%	5.1%	17.8%	29.0%	36.6%	41.0%	41.2%	41.2%	41.1%	40.9%	40.7%	40.5%	40.2%	40.7%
Income tax expense	0.0%	0.0%	1.6%	6.6%	9.4%	10.6%	10.6%	10.6%	10.6%	10.5%	10.5%	10.4%	10.4%	10.5%
Net income	-4.4%	5.1%	16.2%	22.3%	27.2%	30.5%	30.6%	30.6%	30.5%	30.4%	30.2%	30.0%	29.9%	30.2%

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

## BACKGROUND

Primary sources of data utilized in developing the Income Approach include the following:

- i) Discussions with management;
- ii) A forecast developed by management ("Management's Forecast");
- iii) Historical financials for the Company; and
- iv) Guideline company growth and margin indications.

## 1) REVENUE

Net revenues through fiscal year 2031 were based on Management's Forecast. Thereafter, annual net revenue growth was expected to trend toward a long-term sustainable level. The long-term net revenue growth rate was estimated to be slightly higher than the long-term inflation rate to reflect the fact that the Company was expected to continue operating within an expanding market segment of the overall industry and economy. As such, we selected a long-term net revenue growth rate that was slightly higher than an inflationary rate and which was determined to not be unreasonable based on historical and forecasted industry growth indications. Overall, long-term net revenue growth estimates were determined to be reasonable based on guideline company indications.

	For the Fiscal Year Ended March 31,				4/1/2025 - 12/31/2025	1/1/2026 - 3/31/2026	For the Fiscal Year Ending March 31,													
	2022	2023	2024	2025			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Gross revenue	NA	\$8,784	\$12,578	\$12,541	\$8,962	\$5,073	\$16,200	\$22,500	\$32,000	\$42,000	\$52,000									
less: Platform revenue share	NA	(959)	(2,944)	(2,945)	(2,139)	(851)	(3,400)	(4,680)	(6,780)	(8,910)	(10,980)									
Net revenue <sup>1</sup>	\$4,894	\$7,825	\$9,634	\$9,596	\$6,823	\$4,222	\$12,800	\$17,820	\$25,220	\$33,090	\$41,020	\$47,173	\$51,890	\$55,782	\$58,571	\$60,328	\$62,138	\$64,002	\$65,922	
y/y growth	--	59.9%	23.1%	-0.4%	--	--	15.9%	39.2%	41.5%	31.2%	24.0%	15.0%	10.0%	7.5%	5.0%	3.0%	3.0%	3.0%	3.0%	
CAGR, 2029 - 2034 (5-year)																				
CAGR, 2029 - 2037 (8-year)																				

### Reasonableness Checks

#### (i) Guideline Company Indications (Revenue CAGRs, 3-year)

Range	0.2%	to	31.3%
Average			11.3%
Median			9.4%

#### (ii) Economic Indications

Source: Philadelphia Fed's Livingston Survey, December 2025

Long-term (10-year) inflation estimate 2.4%

<sup>1</sup> Net revenue for 1/1/2026 - 03/31/2026 were calculated as follows:

	Gross Revenue	Platform Revenue Share
Fiscal year 2026 based on Management's Forecast	\$14,035	(\$2,990)
less: Indication for period 4/1/2025 - 12/31/2025	(8,962)	2,139
Estimated indication for period 1/1/2026 - 3/31/2026	\$5,073	(\$851)

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

## 2) TOTAL EXPENSES

Expenses include cost of sales ("COS"), sales, marketing, and general and administrative ("SG&A") expenses [excluding amortization and interest income], and stock based compensation expenses. COS and SG&A expenses through fiscal year 2031 were based on Management's Forecast. Thereafter, expenses were forecasted to trend toward a long-term sustainable level as a percentage of revenue based on discussions with management and was determined to be reasonable based on guideline company indications. Overall, expenses as a percentage of revenue were determined to be reasonable based on an analysis of EBITDA margins as presented below. Further, please note that due to recent changes under the July 2025 tax reform, all projected R&D expenses were assumed to be immediately expensed, rather than capitalized and amortized.

	For the Fiscal Year Ended March 31,				4/1/2025 - 12/31/2025	1/1/2026 -	For the Fiscal Year Ending March 31,												
	2022	2023	2024	2025		3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Expenses (\$):</i>																			
COS <sup>1</sup>	\$3,452	\$5,555	\$8,012	\$6,979	\$4,534	\$1,449	\$6,503	\$8,350	\$10,780	\$13,120	\$15,280	\$17,572	\$19,329	\$20,779	\$21,818	\$22,472	\$23,147	\$23,841	\$24,556
SG&A expenses (excl. amortization and interest income)	2,161	3,342	506	1,193	1,739	2,540	4,097	4,370	4,640	4,770	5,240	6,026	6,629	7,126	7,482	7,706	7,938	8,176	8,421
SBC expense	NA	NA	250	26	341	211	640	891	1,261	1,655	2,051	2,359	2,789	2,929	3,016	3,107	3,200	3,296	3,296
Total expenses	\$5,614	\$8,897	\$8,767	\$8,199	\$6,615	\$4,199	\$11,240	\$13,611	\$16,681	\$19,545	\$22,571	\$25,957	\$28,552	\$30,694	\$32,228	\$33,195	\$34,191	\$35,217	\$36,273
<i>Expenses (as % of revenue)</i>																			
COS	70.5%	71.0%	83.2%	72.7%	66.5%	34.3%	50.8%	46.9%	42.7%	39.6%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
SG&A expenses (excl. amortization and interest income)	44.2%	42.7%	5.3%	12.4%	25.5%	60.2%	32.0%	24.5%	18.4%	14.4%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
SBC expense	NA	NA	2.6%	0.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total expenses	114.7%	113.7%	91.0%	85.4%	96.9%	99.5%	87.8%	76.4%	66.1%	59.1%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
<i>Expenses (as % of total expenses)</i>																			
COS	61.5%	62.4%	91.4%	85.1%	68.5%	34.5%	57.9%	61.3%	64.6%	67.1%	67.7%	67.7%	67.7%	67.7%	67.7%	67.7%	67.7%	67.7%	67.7%
SG&A expenses (excl. amortization and interest income)	38.5%	37.6%	5.8%	14.6%	26.3%	60.5%	36.5%	32.1%	27.8%	24.4%	23.2%	23.2%	23.2%	23.2%	23.2%	23.2%	23.2%	23.2%	23.2%
SBC expense	NA	NA	2.8%	0.3%	NA	5.0%	5.7%	6.5%	7.6%	8.5%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Total expenses	100.0%	100.0%	100.0%	100.0%	94.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Reasonableness Check – SBC expense as % of revenue				Reasonableness Check – COGS as % of revenue				Reasonableness Check – Operating expenses as % of revenue			
Guideline Company Indications				Guideline Company Indications				Guideline Company Indications			
Range	0.3%	to	35.6%	Range	0.5%	to	90.5%	Range		to	97.6%
Average		5.4%		Average		40.1%		Average		47.7%	
Median		4.4%		Median		41.8%		Median		45.8%	

<sup>1</sup> Cost of services for 1/1/2026 - 03/31/2026 were calculated as follows:

	COS
Fiscal year 2026 based on Management's Forecast	\$5,983
less: Indication for period 4/1/2025 - 12/31/2025	(\$4,534)
Indication for period 1/1/2026 - 3/31/2026	\$1,449

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

## 3) EBITDA

EBITDA through fiscal year 2031 were based on Management's Forecast. Thereafter, EBITDA was calculated based on the forecasted revenues and expenses highlighted above and was determined to be reasonable based on guideline company indications. The risk associated with achieving the forecasted margins has been reflected in the selected discount rate.

	For the Fiscal Year Ended March 31,				4/1/2025 - 12/31/2025	1/1/2026 -		For the Fiscal Year Ending March 31,											
	2022	2023	2024	2025		3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
EBITDA <sup>1</sup>	(\$719)	(\$1,073)	\$867	\$1,397	\$208	\$22	\$1,560	\$4,209	\$8,539	\$13,546	\$18,449	\$21,216	\$23,338	\$25,088	\$26,343	\$27,133	\$27,947	\$28,785	\$29,649
as % of revenue	-14.7%	-13.7%	9.0%	14.6%	3.1%	0.5%	12.2%	23.6%	33.9%	40.9%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%

### Reasonableness Check

#### Guideline Company Indications (GAAP)

Range	0.3%	to	58.7%
Average			22.8%
Median			23.3%

<sup>1</sup> EBITDA for 1/1/2026 - 03/31/2026 were calculated as follows:

Fiscal year 2026 based on Management's Forecast	\$231
less: Indication for period 4/1/2025 - 12/31/2025	(\$208)
Indication for period 1/1/2026 - 3/31/2026	\$22

## 4) DEPRECIATION

Depreciation was estimated based on the Company's most recent available fixed asset balance. It is our understanding that the net book value of the existing fixed assets was understood to not be materially different from the tax basis. The useful life of the existing fixed assets was estimated based on consideration of the composition of the opening fixed asset balance. For analysis purposes, we assumed book depreciation life was not materially different from tax depreciation life and that a straight-line depreciation method results in depreciation expense not materially different from that used for tax purposes for the Company's depreciable assets. Further, please note that due to recent changes under the July 2025 tax reform, all projected capital expenditures were assumed to be immediately expensed, rather than capitalized and amortized.

	For the Fiscal Year Ended March 31,				4/1/2025 - 12/31/2025	1/1/2026 -		For the Fiscal Year Ending March 31,											
	2022	2023	2024	2025		3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Opening balance at the Valuation Date	NA	NA	NA	NA	NA	\$27	\$25	\$16	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$3	\$21	\$26	\$9	\$9	\$2	\$9	\$9	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
as % of revenue	0.1%	0.3%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ending fixed asset balance	NA	NA	NA	NA	NA	\$25	\$16	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
as % of full year revenue	NA	NA	NA	NA	NA	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remaining average lives (in years)																			
Opening balance	3.0																		

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

## 6) INCOME TAX EXPENSE

Income tax expense was estimated based on the expected effective tax rate provided by management. The benefit related to the use of the Company's net operating losses ("NOLs") and R&D tax credits is detailed below. The NOLs in each year were applied in the order that they were generated. Considering the current U.S. tax provisions (regarding the use of federal NOLs), NOLs generated prior to 2018 can offset 100% of taxable income and NOLs generated after 2017 that are used after 2020 are limited to 80% of the Company's remaining adjusted taxable income calculated after deducting the pre-2018 NOLs. As applicable, our analysis also considered that federal NOLs generated prior to 2018 shall expire in 20 years, whereas federal NOLs generated after 2017 do not have an expiration date. For the purposes of our analysis, it was assumed that all state NOLs can offset 100% of taxable income and that all state NOLs are subject to a 20-year expiration date.

<u>Pre-2018 NOLs</u>	
Federal NOL balance as of 12/31/2017	\$0
<u>Post-2017 NOLs</u>	
Federal NOL balance as of 12/31/2024	\$3,005
less: Federal NOL balance as of 12/31/2017	0
plus: Estimated taxable loss (income) for 1/1/2025 - Val. Date	899
Subtotal	<u>\$3,905</u>
<u>R&amp;D Tax Credits</u>	
Federal R&D tax credit balance	\$27

<u>State NOLs</u>		Federal income tax rate	21.0%
State NOL balance as of 12/31/2024	\$0	State income tax rate	6.0%
plus: Estimated loss (income) for 1/1/2025 - Val. Date	899	Effective tax rate	25.7%
Subtotal	<u>\$899</u>		
<u>R&amp;D Tax Credits</u>		Effective tax rate	25.7%
State R&D tax credit balance	\$0	less: Effective state tax rate	-6.0%
		Effective federal tax rate	19.7%

	For the Fiscal Year Ending March 31,													
	1/1/2026 - 3/31/2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
California														
Effective tax rate														
EBITDA	\$22	\$1,560	\$4,209	\$8,539	\$13,546	\$18,449	\$21,216	\$23,338	\$25,088	\$26,343	\$27,133	\$27,947	\$28,785	\$29,649
less: Depreciation	(2)	(9)	(9)	(7)	0	0	0	0	0	0	0	0	0	0
less: Capex Expensed (from footnote below)	0	(40)	(25)	(20)	(20)	(20)	(23)	(25)	(27)	(29)	(29)	(30)	(31)	(32)
less: Tax amortization related to intangible assets/goodwill	(205)	(862)	(1,008)	(1,209)	(1,426)	(1,604)	(1,759)	(1,936)	(2,129)	(2,336)	(2,551)	(2,774)	(3,002)	(2,817)
EBIT	(\$185)	\$649	\$3,167	\$7,303	\$12,100	\$16,825	\$19,434	\$21,377	\$22,932	\$23,979	\$24,552	\$25,143	\$25,752	\$26,800
<b>I. FEDERAL</b>														
<u>Pre-2018 NOLs</u>														
Beginning NOL balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of NOLs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Post-2017 NOLs</u>														
Beginning NOL balance	3,905	4,089	3,570	1,036	0	0	0	0	0	0	0	0	0	0
Additional NOLs	185	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NOLs	4,089	4,089	3,570	1,036	0	0	0	0	0	0	0	0	0	0
Use of NOLs (subject to annual income limitation)	0	519	2,534	1,036	0	0	0	0	0	0	0	0	0	0
Ending NOL balance	4,089	3,570	1,036	0	0	0	0	0	0	0	0	0	0	0
EBIT (above)	(185)	649	3,167	7,303	12,100	16,825	19,434	21,377	22,932	23,979	24,552	25,143	25,752	26,800
less: Pre-2018 NOLs used	0	0	0	0	0	0	0	0	0	0	0	0	0	0
less: Post-2017 NOLs used	0	(519)	(2,534)	(1,036)	0	0	0	0	0	0	0	0	0	0
Pre-tax income after NOL benefit	(185)	130	633	6,267	12,100	16,825	19,434	21,377	22,932	23,979	24,552	25,143	25,752	26,800
Income tax expense after use of NOL benefit ("A")	\$0	\$26	\$125	\$1,237	\$2,388	\$3,321	\$3,836	\$4,220	\$4,527	\$4,733	\$4,847	\$4,963	\$5,083	\$5,290
as % of EBIT	0.0%	3.9%	3.9%	16.9%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%
<u>R&amp;D Tax Credits</u>														
Beginning R&D credit	27	27	2	0	0	0	0	0	0	0	0	0	0	0
R&D credit used ("B")	0	26	2	0	0	0	0	0	0	0	0	0	0	0
R&D credit remaining	27	2	0	0	0	0	0	0	0	0	0	0	0	0
Federal income tax expense (A - B) ("C")	\$0	\$0	\$123	\$1,237	\$2,388	\$3,321	\$3,836	\$4,220	\$4,527	\$4,733	\$4,847	\$4,963	\$5,083	\$5,290
as % of EBIT	0.0%	0.0%	3.9%	16.9%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%



# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

## 8) CHANGE IN DEBT-FREE NET WORKING CAPITAL ("DFNWC")

Debt-free net working capital ("DFNWC") needs were based on guideline company indications and were forecasted to trend toward a long-term sustainable level. Opening balance figures were taken from the Company's most recent available balance sheet as of the Valuation Date.

It should be noted that the Company's historical working capitals have been volatile. As such, in determining the appropriate long-term DFNWC levels going forward, we took into consideration the Company's historical levels, as well as the guideline public company indications. Taking these factors into account, we trended future DFNWC levels to be in line with the guideline comparable company indications

	For the Fiscal Year Ended March 31,				As of Val. Date	For the Fiscal Year Ending March 31,													
	2022	2023	2024	2025		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Cash and equivalents	\$1,210	\$1,473	\$548	\$260	\$545														
plus: Other current assets	692	1,492	1,385	2,080	1,100														
less: Current liabilities (incl. long-term deferred rev.)	(6,167)	(3,133)	(3,581)	(1,641)	(920)														
plus: Short-term interest-bearing debt	679	0	255	0	0														
less: Excess cash <sup>1</sup>	(669)	(637)	(360)	0	0														
Total DFNWC	(\$4,254)	(\$805)	(\$1,752)	\$700	\$725	(\$276)	(\$320)	(\$446)	(\$631)	(\$827)	(\$1,026)	(\$1,179)	(\$1,297)	(\$1,395)	(\$1,464)	(\$1,508)	(\$1,553)	(\$1,600)	(\$1,648)
as % of revenue	-86.9%	-10.3%	-18.2%	7.3%	nmf	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
Change in DFNWC						(\$1,001)	(\$44)	(\$126)	(\$185)	(\$197)	(\$198)	(\$154)	(\$118)	(\$97)	(\$70)	(\$44)	(\$45)	(\$47)	(\$48)

### Reasonableness Check

#### Guideline Company Indications

Range	-56.8%	to	52.7%
Average		-1.6%	
Median		-4.3%	

<sup>1</sup> Excess cash was calculated as follows:

	For the Fiscal Year Ended March 31,				As of Val. Date
	2022	2023	2024	2025	
Total estimated cash operating expenses	\$2,161	\$3,342	\$755	\$1,220	\$2,080
Estimated 3 months operating expenses	540	835	189	305	693
Actual cash balance	\$1,210	\$1,473	\$548	\$260	\$545
less: Normalized cash	(540)	(835)	(189)	(305)	(693)
Calculated excess cash	\$669	\$637	\$360	\$0	\$0

## 9) DISCOUNT RATE

The discount rate applied to the Company's forecasted economics was based on a venture capital ("VC") rate of return. The selected discount rate is a blended rate over the life of the Company, considering both the explicit forecast period and the terminal period.

Concluded discount rate: 27.5%

## Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Income Approach

### 10) RESIDUAL

The residual value was calculated utilizing the Gordon Growth Model (capitalizing cash flow in the final year of the projection period over the sum of the discount rate less expected long-term growth). As previously mentioned, the discount rate represents a blended rate over the life of the Company, considering both the explicit forecast period and the terminal period.

Cash flow in the final year of explicit period		\$19,151
increased by: Long-term growth rate	3.0%	<u>575</u>
Cash flow in the terminal year		\$19,725
divided by: Cap rate		
Discount rate	27.5%	
less: Long-term growth rate	3.0%	<u>24.5%</u>
Residual		\$80,510
Period		12.747
Present value factor		<u>0.045</u>
Present value of residual		\$3,639

### 11) NET OTHER LONG-TERM ASSETS (LIABILITIES)

As of the Valuation Date, the Company held other net long-term assets, as presented below. Please note that we excluded any balances that represented accounting entries with no future cash flow impact.

Other long-term assets		\$0
less: Other long-term liabilities		<u>0</u>
Other net asset (liability) balance as of Val. Date		\$0



## Guideline Company Ratios

---

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$)  
As of December 31, 2025  
Guideline Company Ratios

Ratios	Guideline Companies										Min	Max	
	Devolver Digital, Inc.	Electronic Arts Inc.	Motorsport Games Inc.	PLAYSTUDIOS, Inc.	Snail, Inc.	Take-Two Interactive Software, Inc.	tinyBuild, Inc.	NetEase, Inc.	NCSOFT Corporation	everplay group plc			
	DEVO December 31	EA March 31	MSGM December 31	MYPS December 31	SNAL December 31	TTWO March 31	AIM:TBLD December 31	SEHK:9999 December 31	KOSE:A036570 December 31	EVPL December 31			
Revenue CAGRs, 3-Year													
2021	NA	12.2%	NA	13.7%	NA	9.5%	28.0%	NA	8.0%	30.6%	0.2%	to	31.3%
2022	NA	10.3%	-4.5%	6.6%	-4.8%	20.1%	31.3%	18.0%	11.5%	28.0%			
2023	-24.3%	10.3%	-28.2%	4.8%	-21.3%	16.6%	5.9%	8.9%	-14.8%	21.4%	Average		11.3%
2024	2.2%	2.2%	-16.8%	0.2%	-7.5%	17.1%	-12.7%	1.5%	-18.0%	19.4%	Median		9.4%
2025	-7.0%	2.7%	3.0%	-6.2%	2.0%	6.6%	-17.3%	4.8%	-19.5%	11.0%			
2026	8.9%	3.3%	NA	-9.2%	25.0%	19.2%	-5.3%	6.4%	-40.6%	6.4%			
2027	6.6%	5.3%	NA	-6.8%	NA	18.1%	6.1%	9.9%	9.7%	6.7%			
2028	NA	5.6%	NA	NA	NA	14.5%	NA	9.4%	NA	NA			
COGS as % of revenue													
2018	NA	26.7%	NA	34.2%	NA	56.8%	56.0%	NA	0.5%	54.2%	0.5%	to	90.5%
2019	NA	24.7%	41.3%	33.5%	90.5%	49.9%	48.8%	46.7%	0.5%	52.2%			
2020	56.9%	26.5%	34.6%	33.9%	53.9%	44.4%	40.2%	47.1%	0.5%	52.8%	Average		40.1%
2021	60.0%	26.4%	49.9%	31.9%	59.7%	41.8%	34.7%	46.4%	0.6%	49.7%	Median		41.8%
2022	66.8%	24.0%	48.0%	29.4%	71.4%	47.1%	32.7%	45.3%	0.8%	51.1%			
2023	62.9%	22.4%	52.4%	25.0%	79.3%	45.2%	450.4%	39.1%	0.7%	56.2%			
2024	60.9%	20.7%	37.1%	25.1%	64.2%	41.8%	101.0%	37.5%	0.6%	55.5%			
2025	NA	NA	18.5%	NA	NA	NA	NA	35.7%	NA	NA			
Operating expenses as % of revenue													
2018	NA	52.9%	NA	61.4%	NA	35.3%	27.0%	NA	63.8%	16.8%	6.8%	to	97.6%
2019	NA	49.1%	97.6%	58.8%	27.7%	36.3%	61.0%	30.0%	71.5%	16.9%			
2020	6.8%	54.9%	65.4%	54.8%	21.0%	35.8%	38.7%	33.2%	65.4%	15.5%	Average		47.7%
2021	-12.0%	56.8%	225.2%	68.1%	17.2%	42.7%	32.4%	34.9%	83.3%	16.7%	Median		45.8%
2022	89.8%	56.1%	208.1%	75.8%	30.8%	63.7%	39.6%	34.3%	77.5%	25.0%			
2023	45.8%	55.8%	220.0%	75.6%	37.6%	63.3%	59.5%	34.2%	91.6%	26.0%			
2024	41.0%	58.1%	129.6%	77.3%	31.2%	66.2%	60.8%	34.4%	106.2%	24.5%			
2025	NA	NA	52.7%	NA	NA	NA	NA	32.5%	NA	NA			
EBITDA as % of revenue													
2018	NA	23.3%	NA	6.0%	NA	10.2%	17.1%	NA	37.3%	33.9%	0.3%	to	58.7%
2019	NA	28.9%	-33.5%	9.4%	34.2%	16.0%	-8.7%	27.7%	31.0%	34.3%			
2020	36.6%	21.8%	2.3%	12.6%	36.8%	22.4%	23.4%	24.4%	36.8%	34.3%	Average		22.8%
2021	58.7%	23.1%	-22.2%	9.6%	38.2%	19.1%	36.1%	22.5%	20.2%	37.4%	Median		23.3%
2022	-52.6%	25.7%	-239.8%	7.1%	8.9%	10.4%	34.7%	23.3%	25.9%	29.0%			
2023	-4.2%	26.2%	-211.0%	13.9%	-13.0%	9.7%	-90.0%	29.7%	14.0%	22.8%			
2024	5.5%	26.0%	-53.0%	13.2%	5.0%	8.0%	-51.2%	30.4%	0.0%	24.5%			
2025	8.1%	36.5%	38.7%	15.9%	-21.2%	15.1%	0.3%	33.8%	9.0%	27.9%			
2026	10.3%	36.9%	NA	14.6%	8.6%	21.5%	9.8%	35.2%	19.5%	27.8%			
2027	11.1%	37.1%	NA	15.5%	NA	28.8%	8.9%	36.1%	19.9%	28.0%			
2028	NA	34.9%	NA	NA	NA	26.8%	NA	34.7%	NA	NA			
Capex as % of revenue													
2018	NA	2.4%	NA	1.8%	NA	2.5%	0.2%	NA	1.6%	0.8%	0.01%	to	47.4%
2019	NA	2.5%	0.9%	1.8%	0.3%	1.7%	0.0%	2.0%	3.0%	2.0%			
2020	NA	2.2%	0.7%	0.7%	0.0%	2.0%	0.1%	1.4%	2.7%	0.4%	Average		4.1%
2021	NA	2.7%	5.0%	0.7%	NA	4.5%	NA	1.8%	12.4%	0.6%	Median		1.9%
2022	0.0%	2.8%	2.8%	4.1%	0.0%	3.8%	1.9%	2.2%	9.7%	0.5%			
2023	0.1%	2.6%	0.5%	2.0%	NA	2.6%	0.4%	2.2%	6.6%	0.3%			
2024	0.0%	3.0%	0.3%	1.4%	NA	3.0%	0.1%	1.2%	5.3%	0.2%			
2025	28.4%	2.8%	0.1%	1.1%	NA	2.4%	47.4%	0.9%	7.6%	0.4%			
2026	27.0%	2.7%	NA	1.3%	NA	1.9%	44.8%	2.1%	5.6%	0.4%			
2027	25.1%	2.7%	NA	0.9%	NA	1.8%	NA	2.1%	5.4%	0.4%			
DFNWC w/ normalized cash as % of revenue													
2018	NA	-14.3%	NA	12.7%	NA	-17.8%	19.3%	NA	9.3%	3.3%	-56.8%	to	52.7%
2019	NA	-10.3%	50.7%	15.9%	-21.1%	-8.4%	14.7%	-7.4%	11.7%	2.9%			
2020	0.0%	-23.3%	-28.5%	11.6%	-13.8%	-12.9%	5.9%	-10.0%	9.8%	3.1%	Average		-1.6%
2021	-10.0%	-20.9%	52.7%	14.1%	-6.1%	-11.6%	5.0%	-9.7%	15.9%	-4.8%	Median		-4.3%
2022	21.0%	-14.6%	-49.4%	20.2%	-3.0%	-7.1%	16.5%	-11.4%	9.9%	-6.6%			
2023	0.4%	-14.1%	-56.8%	15.3%	-18.3%	-4.3%	-9.1%	-10.0%	14.8%	5.5%			
2024	3.2%	-13.0%	-25.3%	12.6%	1.7%	-6.2%	-9.8%	-12.9%	21.4%	9.0%			
2025	NA	NA	4.0%	NA	NA	NA	NA	-17.2%	NA	NA			
2026	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			
Stock-based compensation expense as % of revenue													
2018	NA	5.7%	NA	5.6%	NA	9.3%	7.4%	NA	NA	0.8%	0.3%	to	35.6%
2019	NA	6.3%	NA	2.5%	NA	8.3%	35.6%	4.1%	NA	1.5%			
2020	1.3%	7.7%	NA	1.3%	NA	3.3%	15.5%	3.6%	NA	1.0%	Average		5.4%
2021	56.2%	7.6%	64.5%	1.6%	NA	5.2%	4.7%	3.5%	NA	0.7%	Median		4.4%
2022	14.6%	7.4%	6.9%	6.1%	0.3%	5.9%	2.7%	3.3%	NA	0.4%			
2023	6.0%	7.7%	13.9%	6.0%	1.4%	6.3%	0.9%	3.1%	NA	-0.3%			
2024	3.4%	8.6%	1.8%	6.3%	-1.1%	5.8%	0.4%	3.7%	NA	0.6%			
2025	NA	NA	NA	NA	NA	NA	NA	2.6%	NA	NA			

**Notes:**

We excluded CAGR indications that were negative.  
COGS indications that were greater than 100% were excluded.  
Operating expenses indications that were negative and greater than 100% were excluded.  
We excluded negative EBITDA indications, as this is not indicative of future profitability expectations for the Company.  
Stock-based compensation expense as % of revenue indications that were negative or greater than 40% were excluded.



## Market Approach: Guideline Public Company Method

## Market Approach: Guideline Public Company Method

### OVERVIEW

In the Guideline Public Company Method, valuation multiples are calculated based on operating data from publicly traded guideline companies. Multiples derived from guideline companies provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. The accuracy and applicability of the Guideline Public Company Method depends on the comparability between the Company and the guideline companies. It is difficult to identify truly comparable publicly traded companies, as, in general, companies which publicly disclose financial results are diversified companies with different organizational, corporate, and financial strategies and structures.

The selected guideline companies offer a similar range of general activities and participate in the same general field as the Company. Although these companies have a somewhat limited degree of direct comparability, they are influenced by similar industry and market trends and economic conditions.

### SEARCH CRITERIA

The first step in employing the Guideline Public Company Method is to identify potential guideline companies to which to compare the Company. A global list of companies that could be considered similar to the Company was compiled for comparative purposes, utilizing a variety of sources, including Capital IQ and discussions with management.

From an initial list of eligible publicly traded companies within the Company's industry, we selected publicly traded guideline companies based on consideration of:

- Business descriptions;
- Operations and geographic presence;
- Financial size and performance;
- Stock liquidity; and
- Management recommendations regarding most similar companies.

### FACTORS THAT IMPACT SELECTED MULTIPLES

The multiples we selected to apply to the financial indications of the Company reflect differences between the Company and the guideline companies in the following areas:

- *Growth.* The Company is forecasted to grow at a slightly higher rate than some of the guideline companies, but a lower rate than others. As such, certain upward and downward adjustments to the guideline company multiples were warranted, respectively. For guideline companies where the growth rates were higher than the Company, we made downward adjustments in selecting the multiple which to apply to the Company's economics. Similarly, for guideline comparable companies where the growth rates were in line with or lower than the Company, we made either neutral or upward adjustments to the Company's selected multiple, respectively. It should be noted that the growth adjustments for the more forward periods were slightly lower as some of the expected growth was expected to have been realized in the earlier forecast period.
- *Profitability.* Based on information provided by management, the Company was profitable, but was also expected to expand profitability margins in the foreseeable future. Accordingly, we considered the Company's long-term profit margins relative to the guideline companies. As such, certain adjustments to the guideline company multiples were warranted. For guideline companies where profitability was higher than the Company, we made downward adjustments in selecting the multiple which to apply to the Company's economics. Similarly, for guideline companies where the profit margins were in line with or lower than those projected for the Company, we made either neutral or upward adjustments to the selected multiple, respectively.

- *Business Risk.* Differences in business risk between the Company and the guideline companies were measured in terms of differences in size, based on trailing and forward revenues, as well as cost of capital. For guideline companies that were larger than the Company, we made downward adjustments to the selected multiple which to apply to the Company's economics. Similarly, for guideline companies that were similar in size as or smaller than the Company, we made either neutral or upward adjustments to the selected multiple, respectively. Until it successfully undergoes a liquidity event, the Company is a privately held company and inherently faces more risk and a higher cost of capital than the publicly traded guideline companies. The Company's status as a private company had a downward impact on the selected multiples.

## **WEIGHTING APPLIED TO VALUATION MULTIPLES**

For the purposes of our analysis, we equally weighted the value conclusions from all multiples, as we had equal confidence in the estimated Company values produced by the application of these multiples. We did not have substantial evidence to assign a higher weighting to certain multiples versus others, nor did we have a solid method of quantifying how much higher of a weighting should be assigned to certain multiples versus others. Please note that the value indication from each of the multiples fell within close proximity of one another. Therefore, placing a greater weighting on certain multiples versus others would have had an immaterial impact on the concluded value. Please note that the multiples were determined to be reasonable, as the concluded Company value based on this methodology was corroborated by the Company value using the Income Approach.

## **CONCLUSION**

In order to arrive at the Company's equity value at the Valuation Date, the balance of the Company's debt was subtracted from the indicated enterprise value<sup>17</sup>, and the cash and cash equivalents balance was added to arrive at the estimated value of the Company's equity. Please see the Market Approach: Guideline Public Company Method Analysis exhibit for further details.

---

<sup>17</sup> Enterprise value = invested capital value less cash, or the return to both debt and equity holders. By using enterprise value multiples, valuation differences based solely on differences in cash balance are eliminated.



## Market Approach: Guideline Public Company Method Analysis

---

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$000s)

As of December 31, 2025

Market Approach: Guideline Public Company Method

Guideline Companies	Ticker	EV/ TTM Revenue	EV/ Fwd Revenue	EV/ Fwd EBITDA
Devolver Digital, Inc.	DEVO	1.30	1.00	9.7
Electronic Arts Inc.	EA	6.84	6.04	16.4
Motorsport Games Inc.	MSGM	1.05	NA	NA
PLAYSTUDIOS, Inc.	MYPS	NMF	NMF	NMF
Snail, Inc.	SNAL	0.32	NA	NA
Take-Two Interactive Software, Inc.	TTWO	7.32	5.69	28.1
tinyBuild, Inc.	AIM:TBLD	0.92	0.85	8.6
NetEase, Inc.	SEHK:9999	4.08	3.74	10.6
NCSoft Corporation	KOSE:A036570	1.40	1.12	5.7
everplay group plc	EVPL	2.66	2.36	8.5
Max		7.32	6.04	28.1
3rd Quartile		4.08	4.72	13.5
Average		2.88	2.97	12.5
Median		1.40	2.36	9.7
1st Quartile		1.05	1.06	8.5
Min		0.32	0.85	5.7
<b>Selected multiple <sup>1</sup></b>		<b>2.75</b>	<b>2.00</b>	<b>15.0</b>
multiply by: Company indication <sup>2</sup>		9,952	13,865	1,851
Indicated enterprise value -- marketable basis		\$27,368	\$27,731	\$27,759
plus: Cash balance at Valuation Date		\$545	\$545	\$545
less: Interest-bearing debt at the Valuation Date		0	0	0
Indicated value of equity -- marketable basis		\$27,913	\$28,276	\$28,304
<b>Concluded value of equity -- marketable basis (average, rounded)</b>		<b>\$28,200</b>		

EV = Enterprise Value (invested capital less cash); TTM = Trailing Twelve-Month; Fwd = Forward Twelve-Month; EBITDA = Earnings Before Interest Expense, Taxes, Depreciation, and Amortization

<sup>1</sup> The selected multiples incorporate adjustments to reflect differences between the Company and the guideline companies with respect to expected growth, profitability, and business and financial risk.

<sup>2</sup> Company indications were calculated based on information provided by management as follows:

	<b>TTM Revenue</b>
Gross revenue 1/1/2025 - 3/31/2025	\$3,949
less: Platform revenue share	(820)
Net revenue 1/1/2025 - 3/31/2025 ("A")	<u>\$3,129</u>
Gross revenue 4/1/2025 - 12/31/2025	\$8,962
less: Platform revenue share	(2,139)
Net revenue 4/1/2025 - 12/31/2025 ("B")	<u>\$6,823</u>
<b>Company TTM Net Revenue Indication (A + B)</b>	<b>\$9,952</b>
	<b>Fwd Revenue</b>
Estimated gross revenue 4/1/2025 - 3/31/2026	\$14,035
less: Platform revenue share	(2,990)
Net revenue 4/1/2025 - 3/31/2026	<u>\$11,045</u>
less: Net revenue 4/1/2025 - 12/31/2025 ("B")	(6,823)
Net revenue 1/1/2026 - 3/31/2026 ("C")	<u>\$4,222</u>
Estimated gross revenue 4/1/2026 - 3/31/2027	\$16,200
less: Platform revenue share	(3,400)
Net revenue 4/1/2026 - 3/31/2027	<u>\$12,800</u>
multiplied by: Partial period adjustment	x 275/365
Net revenue 4/1/2026 - 12/31/2026 ("D")	<u>\$9,644</u>
<b>Company Fwd Net Revenue Indication (C + D)</b>	<b>\$13,865</b>
	<b>Fwd EBITDA</b>
Estimated EBITDA for 4/1/2025 - 3/31/2026	\$783
multiplied by: Partial period adjustment	x 90/365
EBITDA for 1/1/2026 - 3/31/2026 ("G")	<u>\$193</u>
Estimated EBITDA for 4/1/2026 - 3/31/2027	\$2,200
multiplied by: Partial period adjustment	x 275/365
EBITDA for 4/1/2026 - 12/31/2026 ("H")	<u>\$1,658</u>
<b>Company Fwd EBITDA Indication (G + H)</b>	<b>\$1,851</b>



## Total Equity Value Summary

---

# Freedom Games Holdings, Inc.

---

## Common Equity Valuation (US\$000s)

As of December 31, 2025

### Correlation and Conclusion – Total Company Valuation

---

The Income Approach and the Guideline Public Company Method of the Market Approach were both considered in estimating the Company's equity value at the Valuation Date. We had equal confidence in the values derived from both approaches and, as such, have accorded the value indications equal weight, as detailed below. The Similar Transactions Method of the Market Approach was considered as a reasonableness check in our analysis, but ultimately not relied upon due to a lack of available data surrounding recent acquisitions of companies with operations sufficiently similar to the Company.

<u>Approaches</u>	<u>Indicated Equity Value</u>	<u>Weight</u>	<u>Weighted Value</u>
Income Approach	\$28,000	50.0%	\$14,000
Guideline Public Company Method of the Market Approach	28,200	50.0%	14,100
<b>Concluded value of total equity -- marketable basis (rounded)</b>			<b><u><u>\$28,100</u></u></b>

# Option Pricing Method

---

## Option Pricing Method

In order to value the Company’s common shares, we performed the following series of steps:

Option Pricing Method Overview		
Step	Task	Description
1	Company Equity Value	We determined the value of the Company’s total equity (including preferred and common equity), as summarized in the exhibits above.
2	Calculation of breakpoints of all share classes	Our analysis assumes that as the value of the Company increases, each equity holder benefits from certain value components. We determined the ranges of equity values at which the various Company stakeholders receive value. The maximum values of these ranges, or “break points”, are based on the following, where applicable: full liquidation preference amounts, the points at which option/warrant holders choose to exercise, the points at which the preferred shareholders reach their respective participation caps, and the points at which the preferred shareholders would be indifferent between converting their shares into common and retaining their preferred shares.
3	Black Scholes (see outline of the Black Scholes Model and all assumptions on following pages)	We used the Black-Scholes option pricing model to isolate the value allocated to each “range” (discussed in Step 2 above), calculated as the difference between the option values at each break point. The determination of the various inputs to the Black-Scholes option model (strike price, stock price, term, volatility, and risk-free rate) is described in detail in the sections on the following pages.
4	Calculation of value allocated to each share class at each break point	Based on the Company’s capital structure, we calculated the percentage of each range attributable to each share class. For each range, the value allocable to each share class was then calculated by multiplying the value of each range by each security’s respective ownership percentage of the range.
5	Calculation of total value allocated to each share class	For each security, the value derived from each range was summed in order to determine the aggregate value of each share class.
6	Calculation of value per share	The total value of each share class was divided by the security’s respective fully diluted shares outstanding in order to calculate the per share value for each security on a marketable basis.

## BLACK-SCHOLES MODEL

The Black-Scholes model was used to determine the value of the call options described above. The following outlines the history of the model and its primary inputs.

- In 1973, Fisher Black and Myron Scholes derived what is today the most widely used and best-known theoretical model for the valuation of marketable options.
- The Black-Scholes model calculates the value of an option based on five inputs:
  - The current value of the underlying asset
  - The investment cost or exercise price (also called the strike price)
  - The time to decision date or time to maturity of the option
  - The volatility of the underlying asset
  - The risk-free rate of interest

The model is as follows:

$$\text{Call value} = \underbrace{S_t \times N(d_1)}_{\substack{\text{Expected value of underlying asset} \\ \text{(incorporating consideration of} \\ \text{dividends if applicable) if } > X \text{ at} \\ \text{expiration}}} - \underbrace{X e^{-r(T-t)} \times N(d_2)}_{\substack{\text{Risk neutral} \\ \text{probability of} \\ \text{current value of} \\ \text{underlying asset} \\ \text{(incorp. div. if} \\ \text{applicable) } > X \text{ at} \\ \text{expiration}}}$$

Where:

$S_t$  = Current value of underlying asset

$X$  = Exercise or strike price

$e$  = Base of natural logarithms (2.71828)

$(T-t)$  = Time to maturity, in years

$v$  = Annual standard deviation of return (commonly referred to as volatility)

$N()$  = Value of cumulative normal distribution at the points  $d_1$  and  $d_2$

$d_1$  = Risk factor  $[\ln(S_t/X) + (r + 0.5v^2)(T-t)] / v(T-t)^{1/2}$

$d_2$  = Risk factor  $d_1 - v(T-t)^{1/2}$

$\ln$  = Natural logarithm

$r$  = Risk-free rate with time-to-maturity equal to expected time to liquidation event

## BLACK-SCHOLES MODEL ASSUMPTIONS

The following section details the specific assumptions and inputs used in the Black-Scholes model as it pertains to our valuation of each of the call options described above. All option models utilize the same assumptions with regard to (i) current value of the underlying asset, (ii) volatility, (iii) risk-free interest rate, and (iv) time to maturity. The models, however, use different assumptions with regard to the strike price. Please see below for further details related to the inputs used in the call option models.

### Current Value of the Underlying Asset

- For all call options, the current asset value was determined to be the total equity of the Company. Please see the Market Approach: Guideline Public Company Method Analysis exhibit for further details.

### Strike Price

- As discussed in Step 2 of the Option Pricing Method, we calculated the breakpoints at which various Company stakeholders receive value associated with their ownership interests. The strike prices were calculated based on the following, where applicable: full liquidation preference amounts, the points at which option/warrant holders choose to exercise, the points at which the preferred shareholders reach their respective participation caps, and the points at which the preferred shareholders would be indifferent between converting their shares into common and retaining their preferred shares. Please see the Option Pricing Method Analysis exhibit for further details related to the calculation of the strike prices.

### Volatility of the Underlying Asset

- Generally, the wider the fluctuations in the value of the underlying stock over time, the greater the time value of the option. Fluctuations add to the value of the upside and enhance the value of the option, theoretically infinitely, while downside fluctuations cannot drive the option below zero.
- For all call options, an equity volatility input was developed by analyzing the standard deviation of historical prices, as well as the implied volatilities of publicly traded companies with operations similar to the Company. The guideline company equity volatility indications were adjusted based on each company's capital structure to arrive at an asset volatility. A selected asset volatility for the Company was estimated based on the guideline company indications. The selected asset volatility attempts to incorporate the following factors: (i) matches the term of the option, (ii) the nature of the Company's operations, and (iii) risk compared to the guideline companies. The selected asset volatility was then adjusted based on the Company's capital structure to arrive at the applicable equity volatility for the Company. Please see the Volatility Analyses exhibit for further details.

### Risk-Free Rate of Interest

- Higher levels of interest rates in the economy tend to produce higher values for call options. One reason is that as interest rates increase, required rates of return also increase on all investments, including common stock. Concurrently, stock values decline, so that their expected total rates of return to the investor, including dividends and capital appreciation, will equate rates of return available in the market on other investments of comparable risk. Therefore, to the extent that the values of the underlying common stocks reflect efficient capital markets, the higher the level of interest rates, the higher the expected rate of appreciation in the value of the underlying stock. Moreover, as interest rates increase, so does an investor's carrying cost (or opportunity cost) for direct investment in the underlying stock, thus enhancing the attractiveness of the leverage feature of the stock option.
- For all call options, the risk-free rate was based on the rate of treasury securities with the same term as the options.

### Time-to-Maturity of the Option

- The longer the time to expiration, the greater the stock's opportunity to appreciate in value, thus enhancing the option value.
- The term of all call options was estimated based on management's weighted average expectations for the timing of all possible future liquidity events. There is a certain probability that the Company will fail in the near term and not be able to raise any additional funds to continue its development. Forcing liquidation or a distressed sale would result in no proceeds for the common shareholders. If the Company has success and raises additional capital over time, it would expect to have a liquidity event, either in the form of a strategic sale or IPO at a later date. Therefore, the term to liquidity event includes a weighting on the probability of a liquidation or distressed sale within a shorter time period and a successful exit within a longer time period.<sup>18</sup>

### ALLOCATION OF VALUE TO EACH SHARE CLASS

By using the call options described above, we were able to isolate several components of value attributable to the Company's share classes. After calculating the values of each component, we allocated these values to the appropriate classes (preferred and common) based on their respective ownership proportions. We then summed the values by class in order to determine the aggregate value for each class of shares. Please see Option Pricing Method Analysis exhibit for further details regarding our calculation of the values for each class.

### OPM CONCLUSION

Using the assumptions outlined above, we arrived at the value of all of the Company's common shares. This value represents both a minority and control, marketable basis before giving any consideration to an applicable lack of marketability adjustment. By separately applying an adjustment for lack of marketability to the Subject Interest<sup>19</sup>, we arrived at a value per share of **\$0.54** on a minority, non-marketable basis for the Company's common equity.

---

<sup>18</sup> The term used in the option pricing method differs from the term used in the protective put option models considered for determining the appropriate discount for lack of marketability as discussed later in the report, as the former considers all future exit scenarios, including downside scenarios where common shareholders will not receive any proceeds, while the latter considers only those scenarios where common shareholders are ultimately expected to receive a non-zero value. Please see American Institute of Certified Public Accountants 2013, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, p. 62 and 78 for additional discussion.

<sup>19</sup> The selected adjustment represents an adjustment for lack of marketability applicable to the common shares. Please see the Adjustment for Lack of Marketability and Discount for Lack of Marketability: Put Option Analysis exhibits for further details related to our analysis of the concluded adjustment for lack of marketability applicable to the Subject Interest.



## Option Pricing Method Analysis

---

# Freedom Games Holdings, Inc.

## Common Equity Valuation

As of December 31, 2025

## Option Pricing Method Analysis

US Dollars (USD)

In Thousands (000's)

[1] **S = Value of Equity** **\$28,100**

[2] t = Time to Expiration - 3.00 Years

[3] rf = Risk Free Rate - 3.49%

[4] sd = Equity Volatility - 60.0%

[5] X = Exercise Price (Break Points)	\$0	\$25,617	\$25,624	\$26,872	\$27,079	\$41,531	\$42,611
[6] Call Option Value	\$28,100	\$12,829	\$12,827	\$12,420	\$12,354	\$8,782	\$8,578
[7] Call Delta	\$15,271	\$2	\$407	\$66	\$3,572	\$204	\$8,578

Allocation of Proceeds	\$0 to \$25.6 Million	\$25.6 to \$25.6 Million	\$25.6 to \$26.9 Million	\$26.9 to \$27.1 Million	\$27.1 to \$41.5 Million	\$41.5 to \$42.6 Million	Greater Than \$42.6 Million
Common	0.0%	100.0%	29.7%	7.0%	6.9%	6.8%	3.1%
Series Seed Preferred	44.6%	0.0%	0.0%	0.0%	0.0%	0.0%	24.4%
Series A-1 Preferred	53.8%	0.0%	0.0%	0.0%	0.0%	0.0%	29.4%
Series A-2 Preferred	1.6%	0.0%	0.0%	0.0%	0.0%	2.0%	0.9%
Common Options @ \$0.520	0.0%	0.0%	0.0%	76.4%	75.5%	74.0%	34.1%
Common Options @ \$0.540	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%	0.5%
Common Warrants @ \$0.01	0.0%	0.0%	70.3%	16.6%	16.4%	16.1%	7.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Allocation of Proceeds	\$0 to \$25.6 Million	\$25.6 to \$25.6 Million	\$25.6 to \$26.9 Million	\$26.9 to \$27.1 Million	\$27.1 to \$41.5 Million	\$41.5 to \$42.6 Million	Greater Than \$42.6 Million
Common	\$0	\$2	\$121	\$5	\$247	\$14	\$268
Series Seed Preferred	6,817	0	0	0	0	0	2,095
Series A-1 Preferred	8,208	0	0	0	0	0	2,523
Series A-2 Preferred	246	0	0	0	0	4	79
Common Options @ \$0.520	0	0	0	50	2,696	151	2,929
Common Options @ \$0.540	0	0	0	0	43	2	46
Common Warrants @ \$0.01	0	0	286	11	586	33	637
<b>Total</b>	<b>\$15,271</b>	<b>\$2</b>	<b>\$407</b>	<b>\$66</b>	<b>\$3,572</b>	<b>\$204</b>	<b>\$8,578</b>

# Freedom Games Holdings, Inc.

## Common Equity Valuation

As of December 31, 2025

### Option Pricing Method Analysis

Ownership Class	Total Aggregate Value [8]	Total Shares Outstanding	Original Issue Price	Marketable Value Per Share	Discount for Lack of Marketability	Fair Market Value Per Share
Common	\$656,867	725,796	na	\$0.91	40.0%	<b>\$0.54</b>
Series Seed Preferred	8,912,676	5,667,443	\$2.02	1.57		
Series A-1 Preferred	10,731,123	6,823,767	2.02	1.57		
Series A-2 Preferred	329,045	214,848	1.92	1.53		
Common Options @ \$0.520	5,826,758	7,922,959	na	0.74		
Common Options @ \$0.540	91,136	125,000	na	0.73		
Common Warrants @ \$0.01	1,552,397	1,721,650	na	0.90		
<b>Total</b>	<b>\$28,100,000</b>	<b>23,201,463</b>				

**Notes:** [1] The value of the Company was based on our Income and Market Approach.

[2] The term of the option was estimated to be approximately 3.0 years based on the Company's expectations with regard to an exit strategy such as an IPO or liquidation event.

Based on our discussions with management, the Company lacked clear visibility regarding the timing and form of a liquidity event. As a result, management's best estimates were incorporated. Specifically, we incorporated the weighted average term to all potential liquidity events (i.e., liquidation, remaining private, sale, merger, or IPO). This term to liquidity was considered reasonable given the Company's stage of development.

[3] The risk-free rate was based on the rate of treasury securities with the same term as the option.

[4] The concluded equity volatility was based on guideline company indications.

[5] Point at which each class begins to receive proceeds (breakpoints).

[6] Call Value = Company Value \* Normal Distribution of  $d_1$  - Break Point - Risk Free Rate \* Time to Exit \* Normal Distribution of  $d_2$

$$d_1 = (\ln(\text{Company Value} / \text{Break Point}) + (\text{Risk Free Rate} + .5 * (\text{Volatility})^2) * \text{Time to Exit}) / (\text{Volatility} * \text{Time to Exit}^{1/2})$$

$$d_2 = d_1 - \text{Volatility} * \text{Time to Exit}^{1/2}$$

[7] Value allocated across capital structure at each breakpoint. Represents the difference in call option values between the breakpoints.

[8] Share counts, aggregate values, and per share values not displayed in thousands.

## Secondary Transactions

---

## Secondary Transactions

Based on discussions with management, we understand that there had been no recent secondary transactions involving the Company's common shares. Therefore, we did not consider any secondary transactions in determining the value of the Subject Interest.

## Adjustment for Lack of Marketability

---

## Adjustment for Lack of Marketability

In order to reflect the lack of a recognized market for a closely held interest and the fact that a non-controlling equity interest may not be readily transferable, an adjustment for lack of marketability is required. Hypothetical willing buyers prefer investments that have quick access to a liquid market, as these investments can be both readily and efficiently converted into cash. Investors who hold interests in closely held entities may, in addition to the liability of holding a relatively illiquid investment, incur additional costs in terms of time and money, when trying to locate a willing buyer for such an interest. Therefore, with all other factors being equal, equity interests in closely held entities with marketability limitations sell at a substantial discount when compared to shares that actively trade on established markets.

The applicability of an adjustment for lack of marketability is supported in guidance provided by the U.S. Securities and Exchange Commission (“SEC”). In a December 2005 speech at the AICPA National Conference on Current SEC and Public Company and Accounting Oversight Board (“PCAOB”) Developments, Todd Hardiman, Associate Chief Accountant, noted the following:

*“[Another] issue we address with frequency is ... the magnitude of the discount for...lack of marketability...It’s not enough to simply cite the average marketability discount used by [an] investment banker or to highlight that the amount of the discount used falls within a broad range you noted in an academic study. As a starting point in evaluating these discounts, we try to understand the duration of the restrictions and the volatility of the underlying stock. Generally, the longer the duration and the higher the volatility, the higher the discount... It’s important to note that if you are deriving a marketability discount from what you believe to be comparable companies, you need to ensure that the discount only gives effect to the lack of liquidity of the comparable companies’ stock and not to other factors specific to the comparable companies such as the successful execution of a business plan or the reduction in risk associated with achieving projected results.”*

The framework of our analysis addresses Hardiman’s concerns. The following section describes references to specific studies incorporating comparisons of Company-specific factors (e.g., revenues, earnings, etc.), rather than conclusions based on averages from a “broad range...[from] an academic study.”

Two major sources of empirical evidence on adjustments for lack of marketability exist: (i) studies based on restricted stocks of companies whose unrestricted shares are freely traded and (ii) studies of private transactions prior to initial public offerings (“IPO”).

While both the restricted stock and pre-IPO studies have been used by appraisers to derive adjustments for lack of marketability, we believe that there are a number of problems associated with relying on the pre-IPO studies. There are three common critiques related to using the pre-IPO studies, including the following<sup>20</sup>:

1. The IPO stock prices used in the studies are affected by the hype and marketing efforts associated with bringing a new issue to market, thereby temporarily inflating the stock price following an IPO. There are also significant financial and reporting incentives for most pre-IPO companies to understate the true value of the stock in the pre-IPO transactions. These efforts ultimately exaggerate the magnitude of the calculated adjustment.
2. The transactions prior to the IPO are likely to be different in nature from those that take place at the time of the IPO or following the IPO. Prior to an IPO, buyers of shares are likely to be insiders who provide a service to the firm (e.g., employees). Therefore, a portion of the adjustment indicated from these transactions is likely compensation for these services rather than compensation for lack of marketability. Furthermore, the data used in the pre-IPO studies use older less relevant data.

<sup>20</sup> Based on various articles and court cases, including: (i) John J. Kania, “Evolution of the Discount for Lack of Marketability,” *Business Valuation Review*, March 2001, (ii) Hall, Lance S., “The Search for the Holy Grail, Getting Away from the 15-Minute Discount Determination,” *The Value Examiner*, July/August 2004, (iii) Estate of McCord, 120 T.C. No. 13, May 2003, and (iv) Bajaj, Denis, Ferris, and Sarin, “Firm Value and Marketability Discounts,” 27 J. Corp. Law 89, Fall 2001.

- The transactions identified in the IPO studies suffer from a success bias. Those firms that are successful and have good prospects are usually the ones that complete the IPO process, while companies with poor prospects often elect to bypass the IPO process. Since the IPO studies only consider transactions involving companies that have successfully completed the IPO process, a number of transactions involving companies with worse prospects are ultimately excluded. Therefore, adjustments for lack of marketability indicated by pre-IPO studies tend to naturally select only the highest discount data.

### RESTRICTED STOCK STUDIES

Based on these criticisms of the pre-IPO studies, we have ultimately relied upon the restricted stock studies as a basis from which to determine an appropriate adjustment for lack of marketability. As detailed in the Studies Regarding Adjustment for Lack of Marketability appendix, many of the restricted stock studies are based on data from as far back as 40 years. We believe that the use of such dated studies as a primary basis for determining an adjustment for lack of marketability would result in an indication less reflective of the current market conditions. As a result, we have relied on restricted stock studies that have been published since 1991. These studies include the following:

#### *RESTRICTED STOCK STUDIES PUBLISHED SINCE 1991*<sup>21</sup>

Restricted Stock Study	Years Covered in Study	Holding Period of Restricted Shares	Number of Transactions	Average Discount
William L. Silber	1981 - 1988	2 years	69	33.8%
Management Planning, Inc.	1980 - 1996	2 years	49	27.7%
FMV	1980 - 1997	2 years	253	22.5%
FMV	1997 - 2007	1 year	370	19.1%
Pluris	2001 - 2008	1 year	2,317	23.6%
Hertzel - Smith	1980 - 1987	2 years	106	20.1%
Johnson	1991 - 1995	2 years	72	20.0%

Our methodology for determining an appropriate adjustment for lack of marketability included the following steps:

- Examination and further analysis of transaction detail that was available for the studies above. Detailed data related to the performance of companies covered in the studies and other information for the Management Planning, FMV, and Pluris studies were available, and as a result, we relied on the information from these three studies as a starting point for our analysis. Given the age of the data covered in the Silber study, we have relied on indications from the other three studies for purposes of our analysis.
- For each of the studies, we sorted and analyzed the underlying data to focus on the companies most similar to the Company based on a variety of measures, including, but not limited to, revenues, earnings, market capitalization, and total assets. For each study, we concluded a benchmark Company-specific adjustment for lack of marketability as a starting point. Please see the following several pages for further details.
- The benchmark Company-specific adjustments were further adjusted based on additional factors described in the Selected Marketability Discount Section below.

<sup>21</sup> Under SEC Rule 144, an investor must hold restricted securities for a certain period of time before freely selling them in the marketplace. The required holding period was two years until it was announced on February 20, 1997 that it would be reduced to one year effective April 29, 1997. Announced on November 15, 2007 and effective February 15, 2008, the required holding period was further reduced to six months.

## MANAGEMENT PLANNING, INC. STUDY

The Management Planning, Inc. study analyzed 49 private transactions occurring between 1980 and 1996. Five variables indicated clear tendencies with regard to the level of restricted stock discounts, and the 49 transactions were organized into groupings for each of the five key variables. The five key variables are as follows:

- **Revenues.** Companies with greater revenues, on average, tended to have lower restricted stock discounts than companies with lower revenues because larger companies are generally viewed as less risky than smaller companies.
- **Earnings.** Companies with higher earnings, on average, tended to have lower restricted stock discounts than companies with lower earnings because greater earning power tends to mitigate risk.
- **Market Price / Share.** Companies with higher market prices per share, on average, tended to have lower restricted stock discounts than companies with lower market prices because higher share prices are often associated with less speculative or risky companies.
- **Price Volatility.** Price volatility is measured as the standard deviation of a company’s month-ending stock price over the past 12 months divided by its average stock price over that time period. Companies with more volatile stock prices tended to have higher restricted stock discounts.
- **Earnings Stability.** Companies with greater earnings stability, on average, tended to have lower restricted stock discounts than companies with lower earnings stability because greater earnings stability tends to mitigate risk. The earnings stability measure was based on reported net income for the ten years prior to each transaction and was measured as the “R-squared,” or variance, of the observations related to each transaction.

The Company was then compared to the data from the private transactions with respect to each of the five key variables in arriving at a Company-specific adjustment for lack of marketability based on the Management Planning, Inc. data. Please see the table below for details related to our analysis of the five factors and the resulting selected adjustment for lack of marketability.

### **MANAGEMENT PLANNING, INC. STUDY FACTORS AND SELECTED ADJUSTMENT FOR LACK OF MARKETABILITY**

Factor	Groupings				Subject Entity Data	Indicated Comparable Grouping / Discount
	1	2	3	4		
Average Revenues (\$ millions)	\$114.042	\$35.809	\$18.057	\$5.970	<b>\$9.952</b>	<b>Third</b>
Average Discount	22.7%	22.9%	31.9%	34.7%		
Median Discount	21.8%	18.8%	31.5%	36.6%		
Average Earnings (\$ millions)	\$4.297	\$1.226	\$0.485	\$0.253	<b>(\$0.474)</b>	<b>Fourth</b>
Average Discount	18.0%	30.0%	30.1%	34.1%		
Median Discount	16.1%	30.5%	32.7%	39.4%		
Average Market Price / Share	\$21.02	\$11.38	\$7.98	\$3.99	NA	NA
Average Discount	23.3%	24.5%	27.3%	37.3%		
Median Discount	23.3%	22.2%	29.5%	41.0%		
Average Price Stability	9.44	17.69	25.34	46.46	NA	NA
Average Discount	22.0%	21.0%	33.3%	34.8%		
Median Discount	19.4%	19.2%	31.6%	34.6%		
Average Earnings Stability	0.88	0.63	0.22	0.02	NA	NA
Average Discount	16.4%	28.8%	27.8%	39.7%		
Median Discount	14.1%	26.2%	30.8%	44.8%		
<b>Selected Adjustment</b>						<b>35.0%</b>

## FMV STUDY

The FMV study<sup>22</sup> analyzed 253 private transactions occurring between 1980 and 1997 and identified five variables that indicated clear tendencies with respect to the level of restricted stock discounts. The 253 transactions were organized into groupings for each of the five key variables. The key variables are as follows:

- **Revenues.** Companies with greater revenues, on average, tended to have lower restricted stock discounts than companies with lower revenues because larger companies are generally viewed as less risky than smaller companies.
- **Market Value.** Companies with greater market values, on average, tended to have lower restricted stock discounts than companies with lower market values because larger companies are generally viewed as less risky than smaller companies.
- **Market Price / Share.** Companies with higher market prices per share, on average, tended to have lower restricted stock discounts than companies with lower market prices because higher share prices are often associated with less speculative or risky companies.
- **Market Price Volatility.** Companies with greater volatility tended to have higher restricted stock discounts than companies with lower volatility.
- **Total Assets.** Companies with more assets, on average, tended to have lower restricted stock discounts than companies with fewer assets because larger companies are generally viewed as less risky than smaller companies.

The Company was then compared to the data from the private transactions with respect to each of the key variables in arriving at a Company-specific adjustment for lack of marketability based on the FMV study. Please see the table below for details related to our analysis of the five factors and the resulting selected adjustment for lack of marketability.

### FMV STUDY FACTORS AND SELECTED ADJUSTMENT FOR LACK OF MARKETABILITY

Factor	Groupings					Subject Entity Data	Indicated Comparable Grouping / Discount
	1	2	3	4	5		
Average Revenues (\$ millions)	\$287.250	\$34.472	\$12.448	\$4.541	\$0.549	<b>\$9.952</b>	<b>Third</b>
Average Discount	17.4%	20.4%	21.1%	27.1%	26.6%		
Median Discount	18.4%	15.5%	20.1%	27.3%	24.5%		
Average Market Value (\$ millions)	\$464.360	\$100.752	\$56.466	\$27.090	\$11.077	<b>\$28.100</b>	<b>Fourth</b>
Average Discount	15.3%	19.2%	21.7%	23.7%	32.7%		
Median Discount	12.8%	18.0%	21.1%	23.0%	33.5%		
Average Market Price / Share	\$21.13	\$9.44	\$5.88	\$3.37	\$1.36	NA	NA
Average Discount	13.3%	18.6%	20.3%	24.8%	35.7%		
Median Discount	11.0%	14.8%	20.0%	23.8%	35.7%		
Average Market Price Volatility	37.5%	56.1%	70.9%	85.4%	148.0%	NA	NA
Average Discount	14.1%	16.4%	21.8%	27.3%	32.9%		
Median Discount	13.2%	14.5%	21.1%	26.5%	34.4%		
Average Total Assets (\$ millions)	\$1,105.280	\$43.635	\$17.221	\$8.212	\$3.030	<b>\$5.932</b>	<b>Fourth</b>
Average Discount	14.3%	17.8%	22.9%	26.5%	31.0%		
Median Discount	12.7%	18.0%	20.2%	25.8%	33.5%		
<b>Selected Adjustment</b>							<b>23.0%</b>

## PLURIS DATABASE

<sup>22</sup> The FMV study analyzed a total of 773 transactions with six-month, one-year, and two-year holding periods. For the purposes of our analysis, we have used only the data corresponding to the holding period more similar to the term expected for the Company.

Pluris Valuation Advisors updates its Pluris DLOM Database™ periodically. The Pluris data considered for analysis purposes<sup>23</sup> contains 2,317 private transactions occurring between January 2001 and February 2008 and identifies five variables that indicate clear tendencies with respect to the level of restricted stock discounts. The 2,317 transactions were organized into groupings for each of the key variables, as appropriate. The key variables are as follows:

- **Revenues.** Companies with greater revenues, on average, tended to have lower restricted stock discounts than companies with lower revenues because larger companies are generally viewed as less risky than smaller companies.
- **Market Capitalization.** Companies with greater market values, on average, tended to have lower restricted stock discounts than companies with lower market values because larger companies are generally viewed as less risky than smaller companies.
- **Volatility.** Companies with greater volatility tended to have higher restricted stock discounts than companies with lower volatility.
- **Net Margin.** Companies with higher net margins, on average, tended to have lower restricted stock discounts than companies with lower net margins because greater earning power tends to mitigate risk.
- **Total Assets.** Companies with more assets, on average, tended to have lower restricted stock discounts than companies with fewer assets because larger companies are generally viewed as less risky than smaller companies.

The Company was then compared to the data from the private transactions with respect to each of the key variables in arriving at a Company-specific adjustment for lack of marketability based on the Pluris database. Please see the table on the following page for details related to our analysis of the factors and the resulting selected adjustment for lack of marketability.

---

<sup>23</sup> The Pluris database consisted of a total of 3,169 transactions with six-month and one-year holding periods. For the purposes of our analysis, we have used only the data corresponding to the holding period most similar to the term expected for the Company.

**PLURIS DATABASE FACTORS AND SELECTED ADJUSTMENT FOR LACK OF MARKETABILITY**

Factor	Groupings					Subject Entity Data	Indicated Comparable Grouping/Discount
	1	2	3	4	5		
Average Revenues (\$ millions)	\$758.858	\$35.243	\$11.507	\$2.561	\$0.000	<b>\$9.952</b>	<b>Third</b>
Average Discount	13.5%	17.9%	21.6%	26.4%	31.7%		<b>21.6%</b>
Median Discount	11.2%	16.1%	21.1%	25.6%	31.3%		<b>21.1%</b>
Average Market Cap (\$ millions)	\$605.097	\$113.111	\$65.193	\$36.730	\$15.461	<b>\$28.100</b>	<b>Fourth</b>
Average Discount	17.0%	22.2%	26.1%	25.4%	27.3%		<b>25.4%</b>
Median Discount	12.9%	18.8%	23.9%	25.0%	25.9%		<b>25.0%</b>
Average Volatility	43.6%	70.2%	90.9%	118.5%	222.6%	<b>NA</b>	<b>NA</b>
Average Discount	12.6%	18.4%	23.9%	27.9%	34.8%		
Median Discount	10.2%	18.0%	23.0%	27.6%	35.9%		
Average Net Margin	23.6%	4.6%	-2.9%	-21.6%	-64.3%	<b>-4.8%</b>	<b>Third</b>
Average Discount	14.8%	14.7%	17.7%	19.7%	21.4%		<b>17.7%</b>
Median Discount	11.2%	12.4%	16.4%	18.2%	19.7%		<b>16.4%</b>
Average Total Assets (\$ millions)	\$3,160.296	\$47.996	\$19.568	\$8.098	\$2.072	<b>\$5.932</b>	<b>Fourth</b>
Average Discount	12.3%	17.1%	22.9%	29.6%	36.6%		<b>29.6%</b>
Median Discount	10.5%	14.1%	22.1%	30.0%	36.4%		<b>30.0%</b>
<b>Selected Adjustment</b>							<b>23.0%</b>

**COMPANY-SPECIFIC MARKETABILITY DISCOUNT**

In arriving at a Company-specific adjustment for lack of marketability, we used the underlying data from the Management Planning, FMV, and Pluris restricted stock studies and databases, all of which were published after 1991. Based on our analysis of the underlying data from these three restricted stock studies and databases, we arrived at a *benchmark Company-specific* adjustment for lack of marketability as detailed in the table below.

**SUMMARY OF RESTRICTED STOCK STUDIES**

Study	Overall Study Discount	Company-Specific Adjustment (above)
Management Planning, Inc.	27.7%	35.0%
FMV	22.5%	23.0%
Pluris Valuation Advisors	23.6%	23.0%

Although the above analysis has allowed us to consider and make adjustments for a number of important factors (e.g., earnings, assets, volatility, etc.), additional factors not considered in the above analysis also impact the magnitude of the concluded adjustment for lack of marketability. We have analyzed each of these factors and discussed their impact on the concluded adjustment for lack of marketability on the following page.

Factor	Impact of Factor / Rights for Restricted Stock Interests	Rights for Subject Interest in the Company / Adjustment to Discount	Effect on Marketability Discount
1 <b>Financial Statement Analysis</b>	Larger companies with historically stable earnings and greater profitability warrant lower adjustments.	The effects of these factors have already been captured in our analysis of the transactions in each of the restricted stock studies above.	<b>Neutral</b>
2 <b>Dividend Policy</b>	Reliable distributions make an interest more attractive as economic returns provide a form of liquidity. For the purposes of our analysis, we examined the benchmark transactions in the Management Planning, FMV, and Pluris studies, which involved companies with distribution policies primarily involving no distributions or minimal levels.	Based on information provided by management, the Company has not historically paid dividends and is not expected to pay dividends for the foreseeable future.	<b>Neutral</b>
3 <b>History and Nature of the Company</b>	Companies that maintain a less positive economic outlook warrant a higher adjustment for lack of marketability.	As of the Valuation Date, the Company was considered riskier than the benchmark companies due to risks related to the early-stage nature of the business.	<b>Upward</b>
4 <b>Management</b>	The reputation and experience of the management of the Company are important attributes considered by investors.	For the purposes of our analysis, the management of the Company was considered to be competent and experienced.	<b>Neutral</b>
5 <b>Amount of Control in Subject Interest</b>	Greater levels of control over company activities and/or larger member interests would tend to decrease the adjustment for lack of marketability.	The Subject Interest is a non-controlling interest with respect to the Company's management and operations.	<b>Neutral</b>
6 <b>Transfer or Sale Restrictions</b>	As provided in Revenue Ruling 59-60, restrictive agreements are a factor to be considered with other relevant factors in determining fair market value. Ownership interests that have sale restrictions require higher than average adjustments for lack of marketability.	Based on information provided by management, there are no significant transfer and/or sale restrictions related to the common shares.	<b>Neutral</b>
7 <b>Holding Period</b>	Interests in companies with long or indefinite holding periods require higher than average adjustments for lack of marketability. Analysis prepared by FMV Opinions, Inc. illustrates that large blocks of shares in public companies may require many years to liquidate through public sales (i.e., through an extended dribble-out period) and are so illiquid that they resemble private company stock similar to the Subject Interest. The large-block transactions included in the FMV study exhibited significantly higher marketability discounts than the small-block transactions of similar company size and risk. The holding period for the companies in the benchmark transactions is one year for the companies in the Pluris study, and two years for the companies in the FMV and Management Planning studies.	Based on discussions with management, the Company plans to undergo a liquidity event in a timeframe which is longer than the average holding period for the companies in the benchmark transactions. Please note that this term differs from the expected term used in the OPM analysis since the OPM term reflects all potential exit scenarios and not only successful exit scenarios.	<b>Upward</b>
8 <b>Public Offering Costs</b>	An average to above-average adjustment is warranted if an owner completely bears the cost of registering the purchased stock. The adjustment is lessened to the extent that the owner has the ability to minimize his registration costs.	At the Valuation Date, an IPO for the Company was uncertain and the costs associated with an IPO are assumed to be average.	<b>Neutral</b>
9 <b>Redemption Policy</b>	Interests in companies with a history or policy of redeeming shares warrant a lower adjustment, as this would give the holder of such an interest a potential cash-out option.	Based on information provided by management, the shares underlying the Subject Interest are not redeemable.	<b>Neutral</b>

It is important to emphasize that the adjustments for lack of marketability derived from the studies described above are related to securities in entities that were, or were soon to be, publicly traded. In other words, the prospect of liquidity was known and understood to the buyers and sellers of the interests in the studies. In comparison, the expectation of a market for the Subject Interest was not certain at the Valuation Date. Therefore, it is logical to expect that the adjustment for lack of marketability for a closely held interest would be greater than that which is derived from the most recent restricted stock studies.

## PUT OPTION ANALYSIS

As previously mentioned, the concluded adjustment for lack of marketability was further supported by a put option analysis.<sup>24</sup> The following list contains descriptions of the methods considered in this analysis as described in the AICPA practice aid:

- *European Protective Put.* The protective put method for estimating a discount for lack of marketability was first described by David Chaffe in 1993, and it serves as the foundation for other option-based methods. In this method, the discount is estimated as the value of an at-the-money put with a term equal to the period of the restriction, divided by the marketable stock value. Intuitively, by purchasing an at-the-money put option, the buyer guarantees a price at least equal to today's stock price, thus creating liquidity. However, as Aswath Damodaran points out, "liquidity does not give you the right to sell a stock at today's market price anytime over the next two years. What it does give you is the right to sell at the prevailing market price at any time over the next two years."<sup>25</sup> In practice, since it is not possible to hedge illiquid securities, the protective put method should not be considered to represent an actual transaction, but rather, to represent a reasonable regression-based fit to the discounts observed in restricted stock data. To validate the model, Chaffe evaluated the results by calculating the discounts for volatilities in a range of 60% to 90%.<sup>26</sup> For a holding period of two years and volatilities of 60% to 90%, the protective put method gives discounts comparable to those cited in restricted stock studies. This method is one of the more widely used and widely accepted quantitative models to estimate a discount for lack of marketability.
- *Finnerty Method.* Building on the previous models outlined above, in 2001, John Finnerty proposed a model that assumes the investor does not possess special market timing ability and would be equally likely to exercise the hypothetical liquid security at any given point of time. The value of marketability is modeled as the present value of cash flows, similar to an average-strike put option. The Finnerty method addresses the issue of assuming perfect market timing observed in the Longstaff method and the issue of assuming protection on the downside while still realizing appreciation on the upside in the protective put method. Finnerty also performed a regression analysis to restricted stock studies, adjusting to remove other significant factors such as concentration of ownership and information effects, and found that after isolating the marketability-related factors, the discounts predicted by his method are consistent with the data.
- *Asian Protective Put.*<sup>27</sup> The Asian protective put is a variant of the protective put method that estimates the discount based on the average price over the restriction period rather than based on the final price. This method is conceptually similar to the Finnerty method, but is estimated as an average price Asian put (which measures the difference between the current price and the average price over the holding period), rather than an average strike Asian put (which measures the difference between the average price over the holding period and the final price). The discounts predicted by this method are uniformly lower than those for the protective put, are lower than the Finnerty method for low-volatility stocks, and are higher than the Finnerty method for high-volatility stocks.

Based on these considerations, we have considered certain quantitative models that have been used in determining an appropriate discount for lack of marketability applicable to the Subject Interest. Please see the Discount for Lack of Marketability: Put Option Analysis exhibit for details.

<sup>24</sup> The information in this section is based on information as presented in the *Valuation of Privately Held Company Equity Securities Issued as Compensation Practice Aid* prepared by the American Institute of Certified Public Accountants, Inc. ("AICPA").

<sup>25</sup> Aswath Damodaran, "Marketability and Value: Measuring the Illiquidity Discount," *Stern School of Business* (July 2005): 41.

<sup>26</sup> The majority of companies have volatilities in the 30% to 50% range. Companies with volatilities of 60% to 90% or higher tend to be smaller, less-diversified enterprises, or in riskier industries such as high-tech and biotechnology. Highly levered companies, or the common stock in companies with large liquidation preference amounts, will generally also have high volatilities, often exceeding 100%.

<sup>27</sup> Although several practitioners have adopted this method, the [AICPA] Task Force is not aware of any formal research to explore the relationship between the Asian put and restricted stock studies.

### **CONCLUDED DISCOUNT FOR LACK OF MARKETABILITY**

Based on the restricted stock studies and put option analysis described above, we concluded a discount for lack of marketability of **40.0%**.



## Discount for Lack of Marketability: Put Option Analysis

---

# Freedom Games Holdings, Inc.

## Common Equity Valuation

As of December 31, 2025

### Put Option -- Reasonableness Check for Selected Common Equity Marketability Adjustment

<u>Implied marketability adjustment:</u>	
Implied marketability adjustment based on European Protective Put Option (below)	50.8%
Implied marketability adjustment based on Geometric Mean Asian Protective Put Option (below)	38.5%
Implied marketability adjustment based on Finnerty Put Option (below)	30.2%
<b>Selected marketability adjustment</b>	<b>40.5%</b>
<i>Compares to selected marketability adjustment</i>	<i>40.0%</i>

		<u>European</u>	<u>Asian</u>	<u>Finnerty</u>
<b>Inputs</b>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
	(1) Value of the Company's equity	\$28,100,000	\$28,100,000	\$28,100,000
	(2) Value of the Company's equity	\$28,100,000	\$28,100,000	\$28,100,000
	(3) Time until expiration (years)	5.00	5.00	5.00
	(4) Volatility (standard deviation)	82.4%	82.4%	82.4%
	(5) Risk-free rate	3.66%	3.66%	3.66%
	(6) Dividend yield	0.0%	0.0%	0.0%
<b>Outputs</b>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
	<b>Value of put option</b>	<b>\$14,270,879</b>	<b>\$10,821,232</b>	<b>\$8,484,323</b>
	Value of call option	\$18,972,573	\$6,741,466	--
	Risk factor (see formula above)	1.021	--	--
	Standard normal cumulative distribution of d1	84.6%	--	--
	Risk factor (see formula above)	-0.822	--	--
	Standard normal cumulative distribution of d2	20.6%	--	--
	Factor 1 (see formula above)	--	--	0.602
	Factor 2 (see formula above)	--	--	0.776
	Standard normal cumulative distribution of f2	--	--	78.1%
	W	--	\$28,100,000	--
	M	--	(0.7574)	--
	Σ2	--	1.1317	--
	w1	--	0.3518	--

#### Implied marketability adjustment:

Put option value (above)	\$14,270,879	\$10,821,232	\$8,484,323
divide by: Value of the Company's equity	\$28,100,000	\$28,100,000	\$28,100,000
<b>Implied marketability adjustment</b>	<b>50.8%</b>	<b>38.5%</b>	<b>30.2%</b>

- (1) The value of the Company was based on our Income and Market Approach.
- (2) The strike price is the value of the Company's equity.
- (3) The term of the option was estimated to be approximately 5 year(s) based on the Company's expectations with regard to a successful exit strategy. Please note that this term differs from the expected term used in the OPM analysis since the OPM term reflects all potential exit scenarios and not only successful exit scenarios.
- (4) The class volatility was estimated based on a separate class volatility analysis.
- (5) The risk-free rate was based on the rate of treasury securities with the same term as the option.
- (6) The dividend yield was assumed to be immaterial based on future distribution expectations throughout the expected term.

## Volatility Analyses

---

# Freedom Games Holdings, Inc.

Common Equity Valuation (US\$ millions)

As of December 31, 2025

Volatility Analysis

Guideline Companies	Ticker	Book Value of Total Debt	Market Value of Common Equity	Historical Volatility	Implied Volatility	Equity Volatility	Asset Volatility
Devolver Digital, Inc.	DEVO	\$1	\$154	45.1%	NA	45.1%	44.9%
Electronic Arts Inc.	EA	1,885	50,961	25.1%	6.9%	16.0%	15.5%
Motorsport Games Inc.	MSGM	1	16	156.2%	NA	156.2%	153.2%
PLAYSTUDIOS, Inc.	MYPS	0	82	47.2%	NA	47.2%	47.2%
Snail, Inc.	SNAL	5	34	91.0%	NA	91.0%	82.4%
Take-Two Interactive Software, Inc.	TTWO	3,069	47,309	23.8%	25.7%	24.7%	23.4%
tinyBuild, Inc.	AIM:TBLD	(0)	37	117.0%	NA	117.0%	117.0%
NetEase, Inc.	SEHK:9999	1,600	87,345	40.8%	NA	40.8%	40.1%
NCSOFT Corporation	KOSE:A036570	260	2,707	43.3%	NA	43.3%	39.8%
everplay group plc	EVPL	4	654	61.6%	NA	61.6%	61.3%
						Minimum	15.5%
						1st Quartile	39.9%
						Average	62.5%
						Median	46.0%
						3rd Quartile	77.1%
						Maximum	153.2%
The Company		Book Value of Total Debt	Value of Total Equity			Total Equity Volatility	Selected Asset Volatility
Freedom Games Holdings, Inc. Indication		\$0.000	\$28.100			<b>60.0%</b>	60.0%

# Freedom Games Holdings, Inc.

## Common Equity Valuation

As of December 31, 2025

### Class Volatility Analysis

US Dollars (USD)

	Initial	Call Option #1	Call Option #2	Call Option #3	Call Option #4	Call Option #5
<u>Inputs</u>						
Company equity value	\$28,100,000	\$28,100,000	\$28,100,000	\$28,100,000	\$28,100,000	\$28,100,000
Volatility (standard deviation)	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Time until expiration (years)	5.00	5.00	5.00	5.00	5.00	5.00
Risk-free rate	3.66%	3.66%	3.66%	3.66%	3.66%	3.66%
Exercise price	\$0	\$25,616,606	\$25,623,864	\$26,872,061	\$27,079,469	\$41,530,592

#### Outputs

N(d1)	1.0000	0.8096	0.8095	0.7997	0.7981	0.6971
Incremental N(d1)	0.1904	0.0001	0.0098	0.0016	0.1010	0.0067
d1 (risk factor)	37.6185	0.8763	0.8761	0.8406	0.8349	0.5161
d2 (risk factor)	36.2769	-0.4654	-0.4656	-0.5010	-0.5068	-0.8255

Share Class	Initial	Call Option #1	Call Option #2	Call Option #3	Call Option #4	Call Option #5
Common	0.0%	100.0%	29.7%	7.0%	6.9%	6.8%
Series Seed Preferred	44.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Series A-1 Preferred	53.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Series A-2 Preferred	1.6%	0.0%	0.0%	0.0%	0.0%	2.0%
Common Options @ \$0.520	0.0%	0.0%	0.0%	76.4%	75.5%	74.0%
Common Options @ \$0.540	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%
Common Warrants @ \$0.01	0.0%	0.0%	70.3%	16.6%	16.4%	16.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Share Class	Volatility	Applicable N(d1)	Aggregate Value	Class Volatility
Common	60.0%	0.0321	\$656,867	<b>82.4%</b>
Series Seed Preferred	60.0%	0.2537	8,912,676	48.0%
Series A-1 Preferred	60.0%	0.3054	10,731,123	48.0%
Series A-2 Preferred	60.0%	0.0096	329,045	49.1%
Common Options @ \$0.520	60.0%	0.3182	5,826,758	92.1%
Common Options @ \$0.540	60.0%	0.0050	91,136	92.5%
Common Warrants @ \$0.01	60.0%	0.0760	1,552,397	82.6%
Total		1.0000	\$28,100,000	



## Guideline Public Companies

---

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## DEVOLVER DIGITAL, INC. (AIM:DEVO)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

Devolver Digital, Inc. develops and publishes digital video games for PC, console, and mobile platforms in Europe, North America, the Asia Pacific, Latin America, the United Kingdom, the Middle East, and North Africa. It also offers project and lifecycle management; development and production assistance; publishing; and technical and creative support services. The company was incorporated in 2008 and is based in Wilmington, Delaware.

<b>Stock Exchange</b>	AIM	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	DEVO	<b>Latest Fiscal Quarter</b>	6/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	0			<b>Auditor</b>	Grant Thornton

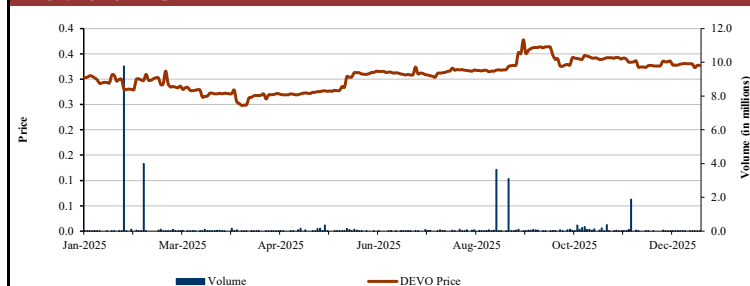
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$0.32
x Total Fully Diluted Shares Outstanding at Val. Date	475.5
= <b>Fully Diluted Market Capitalization</b>	<b>\$153.6</b>
+ Total Debt	1.0
+ Preferred Stock	0.0
+ Minority Interest	(0.3)
= <b>Invested Capital Value</b>	<b>\$154.3</b>
- Cash & Equivalents	(34.7)
= <b>Enterprise Value</b>	<b>\$119.6</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25	2025	2026	Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25	
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$134.6	\$92.4	\$104.8	\$92.0	\$108.1	\$119.3	Total Assets	\$194.8	\$196.8	\$201.2	\$186.6
EBITDA	(70.8)	(3.9)	5.7	4.6	8.8	12.3	Total Liabilities	24.2	38.8	36.0	30.7
Margin (%)	(52.6%)	(4.2%)	5.5%	5.0%	8.1%	10.3%	Total Equity	170.6	158.0	165.2	155.9
EBIT	(76.2)	(8.0)	(1.9)	(0.8)	0.6	5.5	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	(56.6%)	(8.6%)	(1.8%)	(0.9%)	0.5%	4.6%	Total Debt	0.0	1.0	1.1	1.0
Net Income	(91.5)	(12.7)	(6.1)	(12.8)	(1.7)	2.4	Total Cash	79.5	42.2	42.1	34.7
Margin (%)	(68.0%)	(13.8%)	(5.9%)	(13.9%)	(1.5%)	2.0%	Total Net PP&E	0.2	1.2	1.1	1.0
Diluted EPS	(0.26)	(0.03)	(0.01)	(0.03)	0.02	0.02					
<b>Cash Flow Statement</b>											
Cash from Operations	\$29.2	\$11.7	\$22.3	\$25.4							
Cash from Investing	(32.7)	(46.0)	(30.7)	(31.2)							
Cash from Financing	(1.4)	(5.5)	10.2	9.9							
Depreciation & Amort.	5.5	4.1	7.9	5.7							
Capital Expenditures	(0.1)	(0.1)	(0.1)	(0.1)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## ELECTRONIC ARTS INC. (NASDAQ:EA)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

Electronic Arts Inc. develops, markets, publishes, and delivers games, content, and services for game consoles, PCs, and mobile phones worldwide. It develops and publishes games and services across various genres, such as sports, racing, first-person shooter, action, role-playing, and simulation; and live services offerings, including extra content and subscription offerings through its global football and American football franchises, such as EA SPORTS College Football and EA SPORTS Madden NFL, as well as based on its IP comprising The Sims, Apex Legends, and Battlefield. The company markets and sells its games and services through digital distribution and retail channels; and directly to mass market retailers, specialty stores, and distribution arrangements. Electronic Arts Inc. was incorporated in 1982 and is headquartered in Redwood City, California.

<b>Stock Exchange</b>	NasdaqGS	<b>Latest Fiscal Year</b>	3/31/2025	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	EA	<b>Latest Fiscal Quarter</b>	12/31/2025	<b>S&amp;P LT Rating &amp; Date</b>	BBB+ 3/20/2018
<b>Employees at Valuation Date</b>	14,500			<b>Auditor</b>	KPMG LLP - Klynveld Peat Marwick Goerdeler

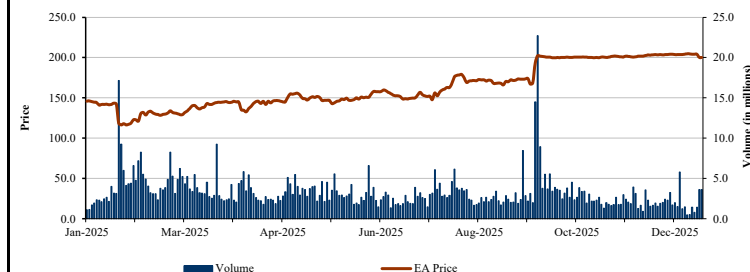
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	<b>\$204.33</b>
x Total Fully Diluted Shares Outstanding at Val. Date	249.4
= <b>Fully Diluted Market Capitalization</b>	<b>\$50,961.3</b>
+ Total Debt	1,885.0
+ Preferred Stock	0.0
+ Minority Interest	0.0
= <b>Invested Capital Value</b>	<b>\$52,846.3</b>
- Cash & Equivalents	(2,899.0)
= <b>Enterprise Value</b>	<b>\$49,947.3</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending			Fiscal Year Ended			LTM (Filing)
	Mar-31-2023	Mar-31-2024	Mar-31-2025	12/31/25	2026	2027		Mar-31-2023	Mar-31-2024	Mar-31-2025	12/31/25
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$7,426.0	\$7,562.0	\$7,463.0	\$7,306.0	\$8,045.3	\$8,341.6	Total Assets	\$13,183.0	\$13,177.0	\$12,131.0	\$13,280.0
EBITDA	1,910.0	1,982.0	1,938.0	1,345.0	2,935.1	3,077.3	Total Liabilities	5,823.0	5,593.0	5,648.0	6,771.0
Margin (%)	25.7%	26.2%	26.0%	18.4%	36.5%	36.9%	Total Equity	7,360.0	7,584.0	6,483.0	6,509.0
EBIT	1,483.0	1,650.0	1,584.0	1,028.0	2,707.5	2,849.6	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	20.0%	21.8%	21.2%	14.1%	33.7%	34.2%	Total Debt	1,669.0	1,882.0	1,884.0	1,885.0
Net Income	802.0	1,273.0	1,121.0	680.0	1,067.9	1,448.4	Total Cash	2,767.0	3,262.0	2,248.0	2,899.0
Margin (%)	10.8%	16.8%	15.0%	9.3%	13.3%	17.4%	Total Net PP&E	549.0	578.0	586.0	600.0
Diluted EPS	2.88	4.68	4.25	2.67	8.61	9.27					
<b>Cash Flow Statement</b>											
Cash from Operations	\$1,550.0	\$2,315.0	\$2,079.0	\$2,522.0							
Cash from Investing	(217.0)	(207.0)	37.0	0.0							
Cash from Financing	(1,600.0)	(1,624.0)	(2,863.0)	(2,544.0)							
Depreciation & Amort.	427.0	332.0	354.0	317.0							
Capital Expenditures	(207.0)	(199.0)	(221.0)	(223.0)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## MOTORSPORT GAMES INC. (NASDAQCM:MSGM)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

Motorsport Games Inc. develops and publishes multi-platform racing video games in the United States. It operates through Gaming and Esports segments. The company offers rFactor 2, a realistic racing simulation game; KartKraft, a kart racing simulator; and Le Mans Ultimate, an official game of the FIA World Endurance Championship and 24 Hours of Le Mans. It also organizes and facilitates esports tournaments, competitions, and events for its licensed racing games, as well as on behalf of third-party racing game developers and publishers. The company offers its products for game consoles, personal computer, and mobile platforms through various retail and digital channels, including full-game and downloadable content. The company was founded in 2018 and is headquartered in Miami, Florida. Motorsport Games Inc. operates as a subsidiary of Driven Lifestyle Group LLC.

<b>Stock Exchange</b>	NasdaqCM	<b>Latest Fiscal Year</b>	12/31/2025	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	MSGM	<b>Latest Fiscal Quarter</b>	12/31/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	0			<b>Auditor</b>	Grant Thornton

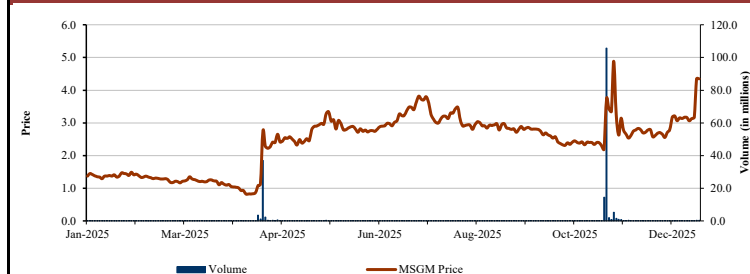
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$3.17
x Total Fully Diluted Shares Outstanding at Val. Date	5.1
<b>= Fully Diluted Market Capitalization</b>	<b>\$16.1</b>
+ Total Debt	0.0
+ Preferred Stock	0.0
+ Minority Interest	0.8
<b>= Invested Capital Value</b>	<b>\$16.9</b>
- Cash & Equivalents	(5.0)
<b>= Enterprise Value</b>	<b>\$11.9</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Dec-31-2023	Dec-31-2024	Dec-31-2025	12/31/25	2026	2027	Dec-31-2023	Dec-31-2024	Dec-31-2025	12/31/25	
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$6.9	\$8.7	\$11.3	\$11.3	NA	NA	Total Assets	\$9.6	\$6.2	\$12.0	\$12.0
EBITDA	(14.6)	(4.7)	4.4	4.4	NA	NA	Total Liabilities	7.5	5.0	4.4	4.4
Margin (%)	(211.9%)	(53.9%)	38.7%	38.7%	NA	NA	Total Equity	2.1	1.2	7.6	7.6
EBIT	(15.4)	(5.8)	3.2	3.2	NA	NA	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	(222.4%)	(66.7%)	28.8%	28.8%	NA	NA	Total Debt	0.1	0.0	0.0	0.0
Net Income	(14.3)	(2.8)	6.9	6.9	NA	NA	Total Cash	1.7	0.9	5.0	5.0
Margin (%)	(207.3%)	(31.7%)	61.3%	61.3%	NA	NA	Total Net PP&E	0.2	0.1	0.1	0.1
Diluted EPS	(5.56)	(0.94)	1.43	1.43	0.00	0.00					
<b>Cash Flow Statement</b>											
Cash from Operations	(\$13.7)	(\$2.8)	\$4.1	\$4.1							
Cash from Investing	4.2	1.2	(1.1)	(1.1)							
Cash from Financing	9.9	0.8	1.1	1.1							
Depreciation & Amort.	0.7	1.1	1.1	1.1							
Capital Expenditures	(0.0)	(0.0)	(0.0)	(0.0)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## PLAYSTUDIOS, INC. (NASDAQGM:MYPS)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

PLAYSTUDIOS, Inc. develops and publishes free-to-play casual games for mobile and social platforms in the United States and internationally. The company operates in two segments, playGAMES and playAWARDS. Its game portfolio includes a diverse range of titles, such as social casino, card, and puzzle games under the myVEGAS Slots, myVEGAS Blackjack, my KONAMI Slots, POP! Slots, myVEGAS Bingo, MGM Slots Live, Tetris, Solitaire, Jumble 2, Spider Solitaire, Sudoku, and Mahjong names. The company also offers loyalty programs for the games industry. PLAYSTUDIOS, Inc. was founded in 2011 and is headquartered in Las Vegas, Nevada.

<b>Stock Exchange</b>	NasdaqGM	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	MYPS	<b>Latest Fiscal Quarter</b>	9/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	556			<b>Auditor</b>	Deloitte & Touche LLP

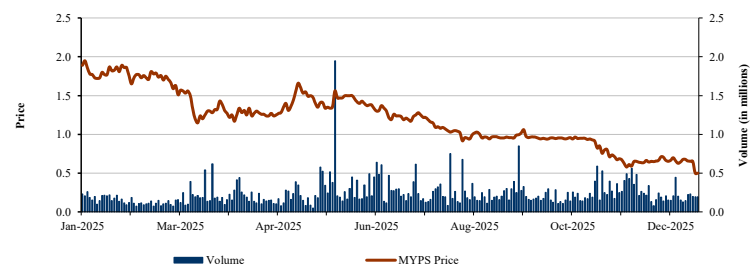
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$0.65
x Total Fully Diluted Shares Outstanding at Val. Date	126.1
<b>= Fully Diluted Market Capitalization</b>	<b>\$82.2</b>
+ Total Debt	0.0
+ Preferred Stock	0.0
+ Minority Interest	0.0
<b>= Invested Capital Value</b>	<b>\$82.2</b>
- Cash & Equivalents	(106.3)
<b>= Enterprise Value</b>	<b>(\$24.2)</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25	2025	2026	Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25	
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$290.3	\$310.9	\$289.4	\$247.5	\$235.8	\$232.9	Total Assets	\$336.4	\$357.0	\$313.3	\$290.8
EBITDA	20.5	43.4	38.3	26.0	37.5	34.0	Total Liabilities	33.5	68.0	68.2	51.6
Margin (%)	7.1%	13.9%	13.2%	10.5%	15.9%	14.6%	Total Equity	303.0	288.9	245.1	239.3
EBIT	(15.1)	(1.9)	(7.2)	(13.4)	(21.0)	(21.2)	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	(5.2%)	(0.6%)	(2.5%)	(5.4%)	(8.9%)	(9.1%)	Total Debt	(7.1)	0.0	0.0	0.0
Net Income	(17.8)	(19.4)	(28.7)	(37.4)	(20.2)	(16.3)	Total Cash	134.0	132.9	109.2	106.3
Margin (%)	(6.1%)	(6.2%)	(9.9%)	(15.1%)	(8.6%)	(7.0%)	Total Net PP&E	17.5	17.5	16.1	14.1
Diluted EPS	(0.14)	(0.15)	(0.22)	(0.30)	(0.16)	(0.13)					
<b>Cash Flow Statement</b>											
Cash from Operations	\$33.4	\$51.7	\$45.7	\$34.2							
Cash from Investing	(102.3)	(32.3)	(26.3)	(16.9)							
Cash from Financing	(9.6)	(20.2)	(41.9)	(17.8)							
Depreciation & Amort.	35.6	45.3	45.4	39.4							
Capital Expenditures	(12.0)	(6.3)	(4.0)	(1.0)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## SNAIL, INC. (NASDAQCM:SNAL)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

Snail, Inc., together with its subsidiaries, researches, develops, markets, publishes, and distributes interactive digital entertainment worldwide. It offers games used on platforms, such as game consoles, personal computers, mobile phones, and tablets. The company was founded in 2009 and is headquartered in Culver City, California. Snail, Inc. is a subsidiary of Olive Wood Global Development Limited.

<b>Stock Exchange</b>	NasdaqCM	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	SNAL	<b>Latest Fiscal Quarter</b>	9/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	149			<b>Auditor</b>	BDO LLP

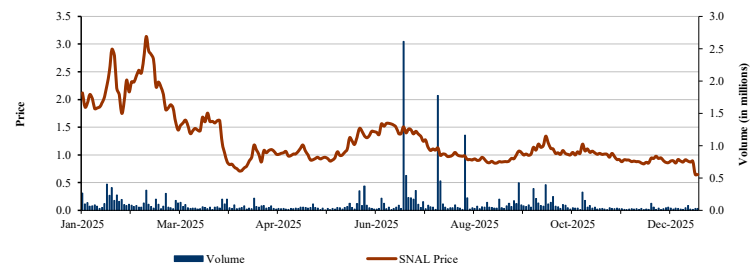
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	<b>\$0.89</b>
x Total Fully Diluted Shares Outstanding at Val. Date	37.8
<b>= Fully Diluted Market Capitalization</b>	<b>\$33.6</b>
+ Total Debt	10.5
+ Preferred Stock	0.0
+ Minority Interest	(5.5)
<b>= Invested Capital Value</b>	<b>\$38.6</b>
- Cash & Equivalents	(12.3)
<b>= Enterprise Value</b>	<b>\$26.3</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)
	Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25	2025	2026	Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25
<b>Income Statement</b>										
Revenue	\$74.4	\$60.9	\$84.5	\$82.3	\$79.1	\$119.0	\$69.2	\$88.4	\$60.9	\$50.7
EBITDA	6.6	(8.5)	4.2	(11.5)	(16.9)	10.3	59.1	85.1	56.5	71.8
Margin (%)	8.9%	(13.9%)	5.0%	(14.0%)	(21.3%)	8.6%	10.1	3.3	4.4	(21.1)
EBIT	(1.6)	(10.3)	3.9	(12.0)	(17.7)	9.3	14.4	9.1	3.0	4.6
Margin (%)	(2.2%)	(16.9%)	4.6%	(14.6%)	(22.4%)	7.8%	16.2	11.9	5.7	10.5
Net Income	0.9	(9.1)	1.8	(25.3)	(28.0)	4.5	12.9	15.2	7.3	12.3
Margin (%)	1.3%	(14.9%)	2.2%	(30.7%)	(35.4%)	3.8%	5.1	4.7	4.4	4.2
Diluted EPS	0.03	(0.25)	0.05	(0.68)	(0.75)	0.12				
<b>Cash Flow Statement</b>										
Cash from Operations	(\$3.4)	\$0.5	(\$1.6)	\$0.6						
Cash from Investing	1.2	0.0	0.0	(4.1)						
Cash from Financing	4.8	(3.4)	(6.5)	5.1						
Depreciation & Amort.	8.2	1.8	0.3	0.5						
Capital Expenditures	(0.0)	0.0	0.0	(0.0)						
<b>Balance Sheet</b>										
Total Assets	\$69.2	\$88.4	\$60.9	\$50.7						
Total Liabilities	59.1	85.1	56.5	71.8						
Total Equity	10.1	3.3	4.4	(21.1)						
Short-Term Debt	14.4	9.1	3.0	4.6						
Total Debt	16.2	11.9	5.7	10.5						
Total Cash	12.9	15.2	7.3	12.3						
Total Net PP&E	5.1	4.7	4.4	4.2						

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## TAKE-TWO INTERACTIVE SOFTWARE, INC. (NASDAQ:TTWO)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

Take-Two Interactive Software, Inc. develops, publishes, and markets interactive entertainment solutions for consumers worldwide. The company develops and publishes action/adventure products under the Grand Theft Auto, LA Noire, Max Payne, Midnight Club, and Red Dead Redemption names, as well as other franchises. It also publishes various entertainment properties across various platforms and a range of genres, such as shooter, action, role-playing, strategy, sports, and family/casual entertainment under the BioShock, Mafia, Sid Meier's Civilization, XCOM series, Borderlands, and Tiny Tina's Wonderlands names. In addition, the company publishes sports simulation titles comprising NBA 2K series, a basketball video game; the WWE 2K professional wrestling series; mobile titles, including WWE SuperCard; and PGA TOUR 2K. Further, it offers Kerbal Space Program; free-to-play mobile games, such as CSR Racing, Dragon City, Empires & Puzzles, FarmVille, Game of Thrones: Legends, Golf Rival, Harry Potter: Puzzles & Spells, Match Factory!, Merge Dragons!, Merge Magic!, Monster Legends, Toon Blast, Top Eleven, Top Troops, Toy Blast, Two Dots, Words With Friends, and Zynga Poker; and hyper-casual mobile titles, including Color Block Jam, Fill the Fridge!, Parking Jam 3D, Power Slap, Pull the Pin, Screw Jam, Twisted Tangle, and Tangled Snakes. The company's products are designed for console gaming systems; and mobiles comprising smartphones, tablets, and personal computers. It provides its products through physical retail, digital download, online platforms, and cloud streaming services. Take-Two Interactive Software, Inc. was incorporated in 1993 and is based in New York, New York.

<b>Stock Exchange</b>	NasdaqGS	<b>Latest Fiscal Year</b>	3/31/2025	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	TTWO	<b>Latest Fiscal Quarter</b>	12/31/2025	<b>S&amp;P LT Rating &amp; Date</b>	BBB 4/5/2022
<b>Employees at Valuation Date</b>	12,928			<b>Auditor</b>	Ernst & Young LLP

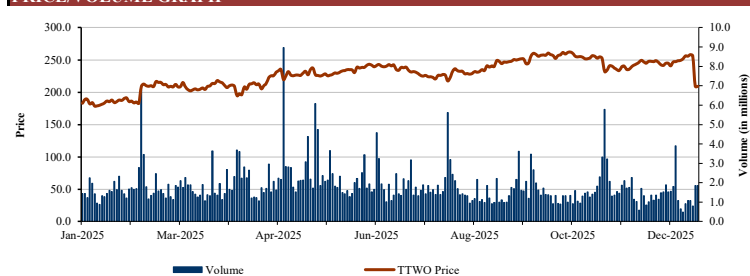
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$256.03
x Total Fully Diluted Shares Outstanding at Val. Date	184.8
= Fully Diluted Market Capitalization	\$47,308.9
+ Total Debt	3,069.2
+ Preferred Stock	0.0
+ Minority Interest	0.0
= Invested Capital Value	\$50,378.1
- Cash & Equivalents	(2,359.0)
= Enterprise Value	\$48,019.1

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Mar-31-2023	Mar-31-2024	Mar-31-2025	12/31/25	2026	2027	Mar-31-2023	Mar-31-2024	Mar-31-2025	12/31/25	
<b>Income Statement</b>											
Revenue	\$5,349.9	\$5,349.6	\$5,633.6	\$6,559.1	\$6,485.4	\$9,070.1	Total Assets	\$15,579.4	\$11,891.2	\$8,854.6	\$10,010.5
EBITDA	555.5	520.4	448.9	826.9	978.2	1,951.1	Total Liabilities	6,412.4	6,097.9	6,598.2	6,072.8
Margin (%)	10.4%	9.7%	8.0%	12.6%	15.1%	21.5%	Total Equity	9,167.0	5,793.3	2,256.4	3,937.7
EBIT	(576.2)	(456.6)	(451.3)	(45.1)	834.6	1,832.8	Short-Term Debt	1,346.8	0.0	0.0	0.0
Margin (%)	(10.8%)	(8.5%)	(8.0%)	(0.7%)	12.9%	20.2%	Total Debt	2,793.0	3,082.9	3,661.1	3,069.2
Net Income	(1,124.7)	(3,744.2)	(4,478.9)	(3,964.9)	(345.4)	735.7	Total Cash	1,014.4	776.0	1,465.5	2,359.0
Margin (%)	(21.0%)	(70.0%)	(79.5%)	(60.4%)	(5.3%)	8.1%	Total Net PP&E	402.8	411.1	443.8	787.2
Diluted EPS	(7.03)	(22.01)	(25.58)	(21.81)	3.31	7.93					
<b>Cash Flow Statement</b>											
Cash from Operations	\$1.1	(\$16.1)	(\$45.2)	\$667.9							
Cash from Investing	(2,876.3)	(28.2)	(151.5)	(421.6)							
Cash from Financing	1,930.3	(91.4)	650.5	666.9							
Depreciation & Amort.	1,131.7	977.0	900.2	872.0							
Capital Expenditures	(204.2)	(141.7)	(169.4)	(183.9)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## TINYBUILD, INC. (AIM:TBLD)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

tinyBuild, Inc. engages in the development and publishing of video games in the United States and internationally. The company offers various games for PC, PlayStation, Xbox, SteamVR, Meta Quest, Nintendo Switch, Android, iOS, mobile, Xbox One, PS4, Mac, Linux, Switch, 3DS, VR, HTC Vive, Oculus Rift, OSVR, and Wii U. It also organizes gaming events. tinyBuild, Inc. was founded in 2011 and is headquartered in Bellevue, Washington.

<b>Stock Exchange</b>	AIM	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	AIM:TBLD	<b>Latest Fiscal Quarter</b>	6/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	300			<b>Auditor</b>	Grant Thornton

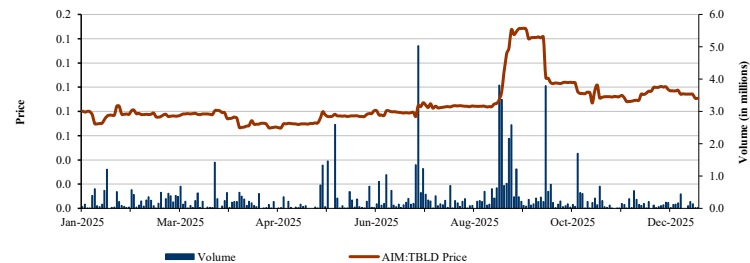
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$0.09
x Total Fully Diluted Shares Outstanding at Val. Date	393.3
<b>= Fully Diluted Market Capitalization</b>	<b>\$37.1</b>
+ Total Debt	0.1
+ Preferred Stock	0.0
+ Minority Interest	(0.4)
<b>= Invested Capital Value</b>	<b>\$36.8</b>
- Cash & Equivalents	(4.6)
<b>= Enterprise Value</b>	<b>\$32.2</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25	2025	2026	Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25	
<b>Income Statement</b>											
Revenue	\$63.3	\$44.7	\$34.7	\$34.9	\$35.8	\$38.0	Total Assets	\$133.8	\$69.1	\$53.9	\$50.1
EBITDA	22.0	(44.2)	(17.8)	(11.7)	0.1	3.7	Total Liabilities	22.2	21.0	15.0	8.3
Margin (%)	34.7%	(99.0%)	(51.3%)	(33.6%)	0.3%	9.8%	Total Equity	111.6	48.1	38.9	41.8
EBIT	17.6	(49.1)	(21.4)	(10.5)	(2.8)	(1.0)	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	27.7%	(110.0%)	(61.8%)	(30.0%)	(7.8%)	(2.5%)	Total Debt	0.5	0.4	0.4	0.1
Net Income	11.5	(62.5)	(20.5)	(11.3)	(1.3)	(0.3)	Total Cash	26.5	2.5	3.1	4.6
Margin (%)	18.2%	(140.0%)	(59.1%)	(32.2%)	(3.6%)	(0.7%)	Total Net PP&E	1.1	1.0	0.7	0.1
Diluted EPS	0.06	(0.31)	(0.05)	(0.03)	(0.01)	(0.00)					
<b>Cash Flow Statement</b>											
Cash from Operations	\$19.3	\$10.9	\$6.3	\$11.1							
Cash from Investing	(41.1)	(33.3)	(16.7)	(15.6)							
Cash from Financing	(0.5)	(1.6)	11.0	(0.2)							
Depreciation & Amort.	4.7	5.3	3.9	(1.0)							
Capital Expenditures	(1.2)	(0.2)	(0.0)	(0.0)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## NETEASE, INC. (SEHK:9999)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

NetEase, Inc. engages in online games, music streaming, online intelligent learning services, and internet content services businesses in China and internationally. The company operates through Games and Related Value-Added Services; Youdao; NetEase Cloud Music; and Innovative Businesses and Others segments. It develops and operates mobile and PC games; and offers games licensed from other developers. The company also provides live streaming service, and other related or ancillary value-added services related to games, such as the sale of game-themed merchandise. In addition, it offers digital content services with interactive learning features, including Youdao Lingshi and Youdao Literature; STEAM courses consisting computer coding courses and other STEAM courses; and adult courses, such as China University massive open online course. Further, the company provides Youdao Dictionary, an online language tool; Confucius, a large language model for the education sector; Hi Echo, an AI-driven virtual English-speaking tutor; Mr. P AI Tutor, a conversation-based tool; Youdao Desktop Translation, a desktop dictionary tool; U-Dictionary, an online dictionary and translation app; iRecord, an audio transcription tool; LectMate, an interpretation software for study-abroad lecture scenarios; iArch, an AI home design software; Baby Genius, an AI baby generator; and One Translate Translator, a translation tool for travelers. It also offers online marketing services consisting of performance-based advertising services, and global marketing and promotion services through banners, text links, videos, logos, buttons, and rich media. Additionally, the company develops and offers smart devices, including Youdao Dictionary Pen, Youdao Listening Pod, and Youdao Smart Learning Pad. The company was formerly known as NetEase.com, Inc. and changed its name to NetEase, Inc. in March 2012. NetEase, Inc. was founded in 1997 and is headquartered in Hangzhou, the People's Republic of China.

<b>Stock Exchange</b>	SEHK	<b>Latest Fiscal Year</b>	12/31/2025	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	SEHK:9999	<b>Latest Fiscal Quarter</b>	12/31/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	0			<b>Auditor</b>	PricewaterhouseCoopers Zhong Tian CPAs Ltd

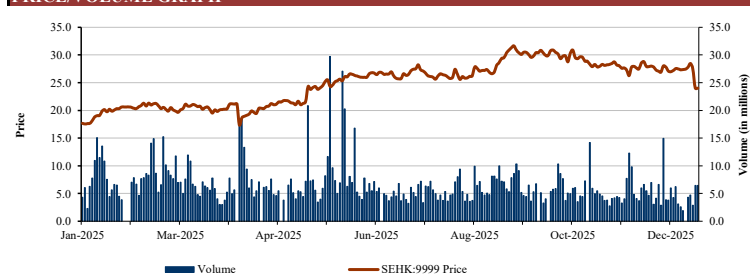
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$27.57
x Total Fully Diluted Shares Outstanding at Val. Date	3,168.0
= <b>Fully Diluted Market Capitalization</b>	<b>\$87,344.9</b>
+ Total Debt	912.8
+ Preferred Stock	0.0
+ Minority Interest	687.4
= <b>Invested Capital Value</b>	<b>\$88,945.1</b>
- Cash & Equivalents	(23,248.7)
= <b>Enterprise Value</b>	<b>\$65,696.4</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending		Fiscal Year Ended			LTM (Filing)	
	Dec-31-2023	Dec-31-2024	Dec-31-2025	12/31/25	2026	2027	Dec-31-2023	Dec-31-2024	Dec-31-2025	12/31/25	
<b>Income Statement</b>						<b>Balance Sheet</b>					
Revenue	\$14,591.7	\$14,425.8	\$16,102.3	\$16,102.3	\$17,578.7	\$19,134.8	Total Assets	\$26,114.6	\$26,777.3	\$31,656.0	\$31,656.0
EBITDA	4,338.6	4,384.4	5,444.7	5,444.7	6,184.7	6,902.8	Total Liabilities	8,042.1	7,249.3	8,050.9	8,050.9
Margin (%)	29.7%	30.4%	33.8%	33.8%	35.2%	36.1%	Total Equity	18,072.5	19,528.1	23,605.2	23,605.2
EBIT	3,907.7	4,053.1	5,123.4	5,123.4	5,726.6	6,420.6	Short-Term Debt	2,713.4	1,617.3	912.8	912.8
Margin (%)	26.8%	28.1%	31.8%	31.8%	32.6%	33.6%	Total Debt	2,731.9	1,676.0	912.8	912.8
Net Income	4,148.5	4,068.7	4,826.7	4,826.7	5,463.0	6,001.5	Total Cash	17,882.5	18,861.6	23,248.7	23,248.7
Margin (%)	28.4%	28.2%	30.0%	30.0%	31.1%	31.4%	Total Net PP&E	1,138.8	1,167.3	1,204.6	1,204.6
Diluted EPS	1.28	1.26	1.50	1.50	1.86	2.08					
<b>Cash Flow Statement</b>											
Cash from Operations	\$4,982.6	\$5,435.9	\$7,254.3	\$7,254.3							
Cash from Investing	(2,403.6)	2,454.6	(4,744.0)	(4,744.0)							
Cash from Financing	(3,027.4)	(3,745.1)	(2,882.3)	(2,882.3)							
Depreciation & Amort.	430.9	331.3	321.3	321.3							
Capital Expenditures	(324.6)	(174.7)	(152.3)	(152.3)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## NCSOFT CORPORATION (KOSE:A036570)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

NCSOFT Corporation, together with its subsidiaries, develops and publishes online games in Korea, Japan, Taiwan, the United States of America, Europe, and Canada. It also engages in software development, call center management, professional baseball team, creation of 3D resources, and mutual fund activities. NCSOFT Corporation was incorporated in 1997 and is headquartered in Seoul, South Korea.

<b>Stock Exchange</b>	KOSE	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	KOSE:A036570	<b>Latest Fiscal Quarter</b>	9/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	0			<b>Auditor</b>	Deloitte Anjin LLC

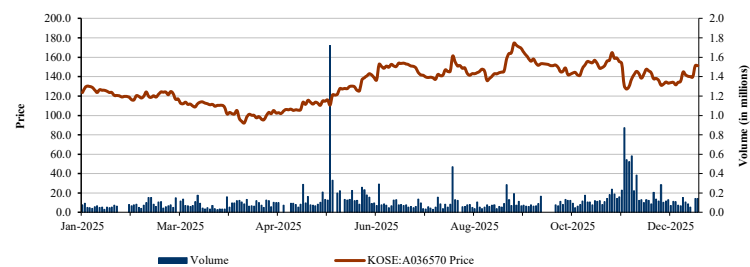
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$139.59
x Total Fully Diluted Shares Outstanding at Val. Date	19.4
<b>= Fully Diluted Market Capitalization</b>	<b>\$2,707.0</b>
+ Total Debt	256.2
+ Preferred Stock	0.0
+ Minority Interest	3.3
<b>= Invested Capital Value</b>	<b>\$2,966.6</b>
- Cash & Equivalents	(1,461.6)
<b>= Enterprise Value</b>	<b>\$1,504.9</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending			Fiscal Year Ended			LTM (Filing)
	Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25	2025	2026		Dec-31-2022	Dec-31-2023	Dec-31-2024	9/30/25
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$2,045.0	\$1,372.5	\$1,068.3	\$1,076.4	\$1,066.2	\$1,349.5	Total Assets	\$3,528.6	\$3,388.3	\$2,676.6	\$3,102.8
EBITDA	528.7	192.1	(0.1)	(18.7)	95.5	263.6	Total Liabilities	985.3	879.7	602.7	663.4
Margin (%)	25.9%	14.0%	(0.0%)	(1.7%)	9.0%	19.5%	Total Equity	2,543.4	2,508.6	2,073.8	2,439.5
EBIT	444.5	105.8	(74.0)	(88.9)	24.1	196.7	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	21.7%	7.7%	(6.9%)	(8.3%)	2.3%	14.6%	Total Debt	381.6	495.3	256.9	256.2
Net Income	346.5	163.6	63.8	243.2	272.1	200.3	Total Cash	1,931.2	1,633.4	1,000.9	1,461.6
Margin (%)	16.9%	11.9%	6.0%	22.6%	25.5%	14.8%	Total Net PP&E	739.7	771.5	675.3	724.7
Diluted EPS	17.06	8.06	3.20	12.54	9.31	10.50					
<b>Cash Flow Statement</b>											
Cash from Operations	\$585.2	\$107.9	\$72.5	\$107.8							
Cash from Investing	(311.9)	87.1	876.0	(435.4)							
Cash from Financing	(241.5)	(136.8)	(354.0)	(58.4)							
Depreciation & Amort.	84.2	86.3	73.9	70.2							
Capital Expenditures	(199.0)	(90.6)	(57.0)	(76.0)							

Source: Capital IQ

# GUIDELINE PUBLIC COMPANY TEARSHEETS

## EVERPLAY GROUP PLC (AIM:EVPL)

### COMPANY INFORMATION AND BUSINESS DESCRIPTION

everplay group plc, together with its subsidiaries, develops and publishes independent video games for digital and physical market in the United Kingdom. The company operates through three segments: Games Label, Simulation, and Edutainment. It also develops and publishes simulation games for the digital and physical market; and educational entertainment apps for children. The company was formerly known as Team17 Group plc and changed its name to everplay group plc in February 2025. everplay group plc was founded in 1990 and is based in Wakefield, the United Kingdom.

<b>Stock Exchange</b>	AIM	<b>Latest Fiscal Year</b>	12/31/2024	<b>Primary Industry</b>	Interactive Home Entertainment
<b>Ticker</b>	EVPL	<b>Latest Fiscal Quarter</b>	6/30/2025	<b>S&amp;P LT Rating &amp; Date</b>	NA NA
<b>Employees at Valuation Date</b>	344			<b>Auditor</b>	PricewaterhouseCoopers LLP

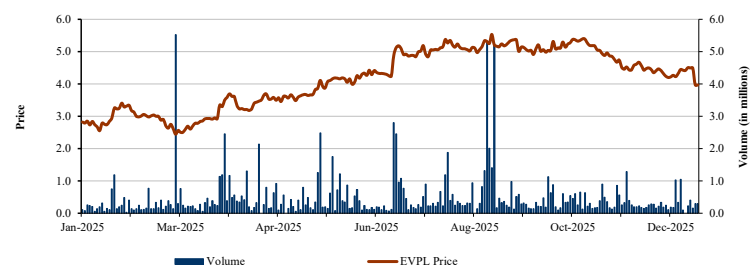
### VALUATION

(in millions, except per share data)

#### Valuation

Current Price (12/31/25)	\$4.50
x Total Fully Diluted Shares Outstanding at Val. Date	145.5
= <b>Fully Diluted Market Capitalization</b>	<b>\$654.1</b>
+ Total Debt	3.6
+ Preferred Stock	0.0
+ Minority Interest	0.0
= <b>Invested Capital Value</b>	<b>\$657.7</b>
- Cash & Equivalents	(81.4)
= <b>Enterprise Value</b>	<b>\$576.2</b>

### PRICE/VOLUME GRAPH



### FINANCIAL SUMMARY

(in millions, except per share data)

	Fiscal Year Ended			LTM (Filing)	Fiscal Year Ending			Fiscal Year Ended			LTM (Filing)
	Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25	2025	2026		Dec-31-2022	Dec-31-2023	Dec-31-2024	6/30/25
<b>Income Statement</b>							<b>Balance Sheet</b>				
Revenue	\$171.4	\$202.7	\$208.6	\$216.9	\$234.4	\$244.0	Total Assets	\$394.9	\$379.1	\$388.9	\$429.3
EBITDA	49.7	46.2	51.1	56.0	65.3	67.9	Total Liabilities	90.7	64.8	60.2	50.2
Margin (%)	29.0%	22.8%	24.5%	25.8%	27.9%	27.8%	Total Equity	304.2	314.3	328.7	379.1
EBIT	41.0	35.9	41.6	45.4	51.6	54.0	Short-Term Debt	0.0	0.0	0.0	0.0
Margin (%)	23.9%	17.7%	20.0%	20.9%	22.0%	22.1%	Total Debt	0.9	4.5	3.7	3.6
Net Income	28.3	(4.8)	25.3	29.9	37.6	39.6	Total Cash	61.2	54.5	78.7	81.4
Margin (%)	16.5%	(2.4%)	12.1%	13.8%	16.0%	16.2%	Total Net PP&E	5.4	5.9	4.5	4.5
Diluted EPS	0.20	(0.03)	0.18	0.21	0.35	0.36					
<b>Cash Flow Statement</b>											
Cash from Operations	\$59.6	\$52.7	\$64.2	\$56.4							
Cash from Investing	(154.2)	(62.9)	(37.7)	(48.8)							
Cash from Financing	88.8	(0.8)	(1.0)	(1.0)							
Depreciation & Amort.	9.3	11.0	10.3	11.5							
Capital Expenditures	(0.9)	(0.6)	(0.4)	(0.5)							

Source: Capital IQ



## Studies Regarding Adjustment for Lack of Marketability

---

## Studies Regarding Adjustment for Lack of Marketability

Two major sources of empirical evidence on adjustments for lack of marketability exist: (i) studies of private transactions prior to public offerings and (ii) studies of restricted stocks. The results of pre-IPO and restricted stock studies are important to the determination of an appropriate adjustment for lack of marketability, since in each study the share price analyzed reflected the buyer's ability to gain access to a public market within a readily foreseeable, defined time period, ranging from a few months to a few years. Minority shareholders in privately held companies do not enjoy as favorable an investment. Their shares have no immediate or predictable access to a public market, and the value of those shares suffers accordingly.

### PRE-IPO STUDIES

In general, pre-IPO studies compare the prices paid in arm's-length transactions for private stocks immediately prior to (i.e., within five months of) a public offering with the prices at which the stocks went public. Generally, the adjustments for lack of marketability for interests in closely held companies with little likelihood of going public in the foreseeable future should be higher than for pre-IPO stocks.

#### *Emory Studies*<sup>28</sup>

*Using data from the investment bank Robert W. Baird & Company, John Emory measured the differences in prices of private and public transactions of companies' stock from 1980 through 2000. The Emory studies compared the prices of stock transactions occurring within five months prior to an IPO to the subsequent IPO price. Emory noted that the discounts found in these studies occur where a high degree of marketability is probable but not certain, and observed that these companies were generally perceived as sound financial investments and likely to go public in the near future; as such, he argued that marketability discounts for the more typical company's stock, with extremely limited marketability and dim prospects for the company being sold or having a near-term IPO would tend to be higher than those indicated in his study. These studies indicated a median discount of 47% and an average discount of 46%. The figure on the following page summarizes all of Emory's studies.*

*A review of the figure on the following page reveals that (i) the most recent data (1997 – 2000) was based on a very large number of qualifying transactions and (ii) this data reflected the highest mean and median marketability discounts ever recorded (with the exception of the original study in 1980 – 1981). The trend of increasing discounts would likely have continued as the investment environment had turned decidedly more conservative after 2000 and risk of all sorts (including lack of marketability) was being penalized at increasing levels in the marketplace.*

---

<sup>28</sup> From John D. Emory Sr., F.R. Dengel III, and John D. Emory Jr., "Expanded Study of the Value of Marketability as Illustrated in Initial Public Offerings of Common Stock; May 1997 through December 2000," *Business Valuation Review*, December 2001, pp. 4-20; and John D. Emory Sr., F.R. Dengel III, and John D. Emory Jr., "The Value of Marketability as Illustrated in Initial Public Offerings of Dot-Com Companies," *Business Valuation Review*, September 2000, pp. 111-121.

**EMORY MARKETABILITY DISCOUNTS**

Study	# of IPO Prospectuses Reviewed	# of Qualifying Transactions	Discount Mean	Discount Median
1980-81	97	12	59%	68%
1985-86	130	19	43%	43%
1987-89	98	21	38%	43%
1989-90	157	17	46%	40%
1990-92	266	30	34%	33%
1992-93	443	49	45%	43%
1994-95	318	45	43%	41%
1995-97	732	84	43%	41%
1997-00	1847	266	50%	52%
All Transactions	4088	543	46%	47%

*Valuation Advisors Study<sup>29</sup>*

Brian Pearson of Valuation Advisors conducted pre-IPO studies in 1999, 2000, and 2001. These studies included a review of more than 500 IPO prospectuses. For the 1999 study, these transactions were screened to exclude transactions with warrants or options. The 2000 and 2001 studies were also updated to reflect discounts associated with convertible preferred stock. In each case, the discounts were computed for different time periods prior to the IPO. The studies indicated that, generally, the discounts were larger as the holding period until the IPO increased, often substantially so. The average one-year discounts from the 1999 through 2001 studies are shown below.

**VALUATION ADVISORS DISCOUNTS**

Year	Average One-Year Discount
1999	52%
2000	47%
2001	22%

Pearson noted that the lower marketability discounts in 2001 reflected favorably on the quality of the companies that went public and did not necessarily mean that marketability discounts were generally lower; riskier companies generally could not complete an IPO in 2001.

**RESTRICTED STOCK STUDIES**

The restricted stock studies, summarized in the figure below, examined the difference in prices paid for restricted stocks and their unrestricted, freely traded counterparts. An owner of restricted stock, also referred to as letter stock or Rule 144 stock, is restricted from selling the stock in the public market until a certain period lapses, at which time the stock becomes fully marketable. In general, the restricted stock studies indicated that restricted stocks trade at a discount from the prices of their freely traded counterparts

<sup>29</sup> From Brian K. Pearson, “The 2001 Marketability Discount Study,” *CPA Expert*, Spring 2002; Pearson, “2000 Marketability Discounts as Reflected in Initial Public Offerings,” *Business Valuation Update*, September 2001; Pearson, “1999 Marketability Discounts as Reflected in Initial Public Offerings,” *CPA Expert*, Spring 2000.

due to their restricted marketability. As shown in the figure below, the average discount for lack of marketability indicated by these studies ranged from 18.6% to 35.6%, with an overall central tendency of 28.4%. Generally, the discounts for lack of marketability for interests in closely held companies should be higher than for restricted stocks, since there is no readily-established market in which the equity interests could be sold within a known period of time. The figure below summarizes the average and median discounts from the restricted stock studies.

**SUMMARY OF RESTRICTED STOCK STUDIES**

<b>Restricted Stock Studies</b>	<b>Average Discount</b>	<b>Median Discount</b>
SEC Studies (non-reporting OTC companies)	32.6%	NA
Gelman Study	33.0%	33.0%
Moroney Study	35.6%	33.0%
Maher Study	35.4%	33.3%
Trout Study	33.5%	NA
Standard Research Consultants Study	NA	45.0%
Silber Study	33.8%	NA
Management Planning, Inc. Study	27.7%	28.9%
FMV Study	18.6%	14.6%
Hertzel - Smith Study	20.1%	13.3%
Johnson Study	20.0%	NA
Pluris Valuation Advisors Database	22.5%	20.8%
<b>Average</b>	<b>28.4%</b>	<b>27.7%</b>

The following is a brief description of each of the restricted stock studies:

- *SEC Institutional Investor Study*<sup>30</sup>. In 1971, the Securities and Exchange Commission (“SEC”) published the Institutional Investor Study. The study provided considerable evidence that substantial value is attributable to the right to sell stock in the usual markets at any time, with the result that restrictions on the flexibility of sale result in additional price discounts. Based on more than 350 private transactions of stock subject to Rule 144 of the Securities Act of 1933, which regulates the public sale of restricted shares by requiring a minimum holding period of two years before such shares can be sold in a public market, the SEC study found that these restricted securities sold at substantial discounts from their unrestricted counterparts. These companies were analyzed based on trading market, class of institution, sales and earnings. The study concluded mean and median discounts of 26.0% and 24.0%, respectively, along with the following observations:
  - There is an exchange effect (New York Stock Exchange and American Stock Exchange listed companies have lower discounts).
  - The higher the sales of the issuer, the lower the discounts.
  - Companies with higher earnings have lower discounts.

This study found that the average marketability discount was 32.6% for non-reporting over-the-counter (“OTC”) companies (OTC companies are more likely to resemble most closely-held companies). The study concluded that companies with stocks listed on national exchanges had lower discounts than companies with stocks traded OTC.

<sup>30</sup> From “Discounts Involved in Purchases of Common Stock (1966-1969),” *Institutional Investor Study Report of the Securities and Exchange Commission*, H.R. Doc. No. 64, Part 5, 92nd Congress, 1st Session, 1971, pp. 2444-2456.

- *Gelman Study*<sup>31</sup>. The Gelman Study reviewed the prices paid by four closed-end investment companies specializing in restricted securities from 1968 to 1970. This study found that the average and median marketability discounts were 33.0% and that nearly 60.0% of the discounts were at or greater than 30.0%.
- *Moroney Study*<sup>32</sup>. In his study, Moroney reviewed the prices paid for restricted stocks by ten registered investment companies. The average and median marketability discounts indicated by his analysis were 35.6% and 33.0%, respectively.
- *Maher Study*<sup>33</sup>. Maher’s study reviewed restricted stock transactions from 1969 to 1973. The mean discount for these years was 35.4% and the median was 33.3%.
- *Trout Study*<sup>34</sup>. In his analysis of letter stocks purchased by mutual funds, Trout developed a multiple regression model that attempted to estimate the appropriate marketability discount for a particular company. His analysis indicated an average marketability discount of 33.5% and corroborated the SEC study’s conclusion that stocks listed on national exchanges had lower discounts than OTC stocks.
- *Standard Research Consultants Study*<sup>35</sup>. In 1983, SRC reviewed 28 private placements of restricted stocks occurring from 1978 to 1982, indicating discounts ranging from 7.0% to 91.0%, with a median of 45.0%. Further, SRC concluded that the earnings pattern of the issuer was an important factor associated with the size of the discounts. Companies that displayed five or more years of successive profits were able to sell their securities at substantially smaller discounts (a median of 34.0%) than companies with one or more years of losses in the five years prior to the sale. Further, companies with the largest revenues had the smallest discounts (a median of 36.0%).
- *Silber Study*<sup>36</sup>. In a 1991 article in the *Financial Analysts Journal*, Silber found an average discount of 33.8% for 69 private placements of common stock of publicly traded companies between 1981 and 1988. He also found a direct relationship between the size of the discount and the size of the block of the private placement relative to total shares outstanding.
- *Management Planning, Inc. Study*<sup>37</sup>. A study conducted by Management Planning, Inc. analyzed restricted stocks of public companies from 1980 through 1996. This extensive study examined several factors including size, revenue growth and stability, trading volume, and many others. After eliminating financial institutions and under-performing entities from the sample, the average restricted stock discount was 27.7%. The study concluded with the following observations:
  - Companies with greater revenues exhibited lower discounts.
  - Companies with higher earnings exhibited lower discounts.
  - Companies with a higher market price per share exhibited lower discounts.
  - Companies with lower price stability exhibited higher discounts.
  - Companies with higher earnings stability exhibited lower discounts.

<sup>31</sup> From Milton Gelman, “An Economist-Financial Analyst’s Approach to Valuing Stock of a Closely Held Company,” *Journal of Taxation*, June 1972, pp. 353-54.

<sup>32</sup> From Robert E. Moroney, “Most Courts Overvalue Closely Held Stocks,” *Taxes*, March 1973, pp. 144-54.

<sup>33</sup> From J. Michael Maher, “Discounts for Lack of Marketability for Closely-Held Business Interests,” *Taxes*, September 1976, p. 562-71.

<sup>34</sup> From Robert R. Trout, “Estimation of the Discounts Associated with the Transfer of Restricted Securities,” *Taxes*, June 1977, pp. 381-5.

<sup>35</sup> From “Revenue Ruling 77-287 Revisited,” *SRC Quarterly Reports*, Spring 1983, pp. 1-3.

<sup>36</sup> From William L. Silber, “Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices,” *Financial Analysts Journal*, July-August 1991, pp. 60-64.

<sup>37</sup> From Robert P. Oliver and Roy H. Meyers, “Discounts Seen in Private Placements of Restricted Stock: The Management Planning, Inc., Long-Term Study (1980-1996)” (Chapter 5) in Robert F. Reilly and Robert P. Schweihs, eds. *The Handbook of Advanced Business Valuation* (New York: McGraw-Hill, 2000).

- *FMV Study*<sup>38</sup>. FMV conducted a study on discounts associated with restricted stocks. The study was based on approximately 773 private placements of restricted common stock from 1980 through 2012, which include transactions with holding periods of six-month, one-year, or two-years. However, as previously mentioned, we have selected only those transactions with a two-year holding period (253 total transactions). The study confirmed the findings of the SEC Institutional Investor Study in that the size of the discount is often related to the amount of earnings, sales, and the presence/nature of a trading exchange. The range of discounts from the study related to the two-year holding period was negative 29.6% (a premium) to 71.0%, with an overall mean and median of 22.5% and 20.8%, respectively.
- *Hertzel – Smith Study*<sup>39</sup>. Hertzel and Smith conducted a study on discounts associated with restricted stocks. The study was based on approximately 106 restricted stock transactions taking place between 1980 and 1987. The overall average discount for the study was 20.1%.
- *Johnson Study*<sup>40</sup>. Johnson conducted a study on discounts associated with restricted stocks. The study was based on approximately 72 restricted stock transactions from 1991 through 1995. The overall average discount for the study was 20.0%.
- *Pluris Database*<sup>41</sup>. Pluris Valuation Advisors updates its Pluris DLOM Database™ periodically. The data considered in our analysis included 3,169 private placements of restricted common stock from 2001 through 2011, which include transactions with holding periods of six-months or one year. However, as previously mentioned, we have selected only those transactions with a one-year holding period (2,317 total transactions). The range of discounts from the study related to the one-year holding period was negative 85.2% (a premium) to 89.5%, with an overall mean and median of 23.6% and 21.0%, respectively.

---

<sup>38</sup> From Shannon Pratt's BVMarketData.com.

<sup>39</sup> From Michael Hertzel and Richard L. Smith, "Market Discounts and Shareholder Gains for Placing Equity Privately," *The Journal of Finance*, June 1993, pp. 459-485.

<sup>40</sup> From Bruce Johnson, "Restricted Stock Discounts, 1991-95," *Shannon Pratt's Business Valuation Update*, March 1999, pp. 1-3.

<sup>41</sup> From [www.pluris.com/pluris-dlom-database](http://www.pluris.com/pluris-dlom-database).



## Statement of Limiting Conditions

---

## Statement of Limiting Conditions

The value conclusions related to the asset(s), propert(ies), business entit(ies), or business interest(s) (the “Subject Asset(s)”) specified in our appraisal report / deliverable (hereafter referred to as the “Analysis”) are governed by the following limiting conditions:

1. No investigation of the legal description or matters, including title or encumbrances, will be made, and the owner’s claim to the Subject Asset(s) is assumed to be valid and marketable. Further, unless otherwise specifically indicated, we have made the following assumptions: (i) the Subject Asset(s) is free and clear of any liens or encumbrances; (ii) the Subject Asset(s) meets full compliance with all applicable federal, state, and local zoning, as well as use, environmental, and similar laws and regulations; and (iii) all licenses, certificates, consents, or other legislative or administrative authority from any local, state, federal government, or private entity have been or can be obtained or renewed for any use on which the value conclusion is based in the Analysis.
2. Andersen Tax LLC (“Andersen”) has relied upon information furnished by others, which is believed to be reliable. We have not independently verified the accuracy or completeness of the information.
3. During the course of our analysis, we were provided certain financial information, including estimates of cash flow, by management. We have not performed an examination, review, or compilation in accordance with standards prescribed by the American Institute of Certified Public Accountants and, therefore, do not express an opinion or offer any form of assurance on the cash flow data or their underlying assumptions.
4. The value conclusions are not intended to represent values for the Subject Asset(s) at any date other than the date of value specified in the Analysis. We assume no responsibility for changes in market conditions or physical factors that could affect the value of the Subject Asset(s) at a later date, or the inability of the owner to sell the Subject Asset(s) at the value specified in the Analysis.
5. The Analysis has been prepared solely for the purpose stated, and should not be used for any other purpose or by any other person / party than to or for whom it is addressed and prepared. Our value conclusions are not intended to represent investment advice, or tax advice, of any kind, and do not constitute a recommendation as to the purchase price or sale of the Subject Asset(s).
6. Neither the Analysis nor any portion thereof (including, without limitations, any conclusions as to value, the identity of the appraiser, or the identity of Andersen) shall be disseminated to the public or third parties through advertising, public relations, news, sales, mail, direct transmittal, Securities and Exchange Commission disclosure documents, or any other media without the prior written consent and approval of Andersen. Possession of the Analysis, or a copy thereof, does not afford the holder the right to publication. The Analysis may not be used without the prior written consent of Andersen.
7. Our engagement team is not required to give further consultation, testimony, or be in attendance in court with reference to the Subject Asset(s) in question or to update any report, recommendation, analysis, conclusion, or other document related to our services, unless additional arrangements are made.
8. Responsible ownership and competent property / asset management are assumed.

## Certification


---

## Certification

I certify, that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Andersen and I have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement of Andersen and myself in this assignment was not contingent upon developing or reporting predetermined results, nor was the compensation received for completing this engagement contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The undersigned have performed services with respect to interests in the Company within the three-year period immediately preceding acceptance of the valuation engagement. Prior services include the valuation of common equity of the Company as of December 31, 2024.
- The procedures, opinions, and conclusions developed constitute an Appraisal Report, in conformance with the Business Valuation Standards of the American Society of Appraisers. In addition, this appraisal is conducted in accordance with the substance and principles of the Uniform Standards of Professional Appraisal Practice (“USPAP”), as developed by the Appraisal Standards Board of the Appraisal Foundation.
- The American Society of Appraisers has a mandatory reaccreditation program for all of its designated members. Any signatories below holding the Accredited Senior Appraiser designation are in compliance with that program.

No persons, other than the appraisers acknowledged below, provided significant business appraisal assistance to the person(s) signing this certification.

  
 Matt Moon, CFA, ASA (BV)  
 Andersen Tax LLC Tax ID Number: 26-1437743

  
 Harry Giang, CFA

Contributing Appraiser: <sup>42</sup>  
 Dylan Pham

<sup>42</sup> The contributing appraiser assisted with all aspects of the engagement, including research, data analysis, and writing of the report.



## Appraisers' Qualifications

---



## Matt Moon

*Managing Director – San Francisco*

**EMAIL:** matt.moon@Andersen.com

**PHONE:** 415.912.3413

### EDUCATION

- University of California Irvine, BS (Information and Computer Science)

### AFFILIATIONS

- CFA Institute
- American Society of Appraisers (ASA – Business Valuation)

**Matt Moon** is a member of the Valuation Services Group at Andersen. He has experience with the valuation of closely-held businesses, business interests, intangible assets, intellectual property, debt instruments, and derivatives (including stock options and option-embedded securities). These engagements were conducted for a variety of purposes, including mergers and acquisitions, financial reporting, litigation support, strategic planning, and tax planning and reporting.

Services provided on recent engagements include:

- Purchase price allocations and impairment analyses related to FASB ASC Topics 805, 350, and 360
- Common stock valuations under Sec. 409A of the Internal Revenue Code and FASB ASC Topic 718
- Valuations performed for estate and gift tax purposes
- Valuations of carried and capital interests related to private equity, venture capital, and hedge fund interests
- Financial analysis to assist with business planning and acquisitions

Matt holds the Chartered Financial Analyst (CFA) designation and is an Accredited Senior Appraiser (ASA) under the American Society of Appraisers.

Matt teaches national valuation training for Andersen and contributes to the firm's publications focused on key valuation topics.

Before joining Andersen, Matt worked for EY.



**EMAIL:** harry.giang@Andersen.com

**PHONE:** 213.335.5951

**EDUCATION**

- California Polytechnic University, BS (Finance)

## Harry Giang

*Director – San Francisco*

Harry Giang is a Director in Andersen’s Valuation team. Harry has over 17 years of experience with the valuation of closely held businesses, business interests, intangible assets, intellectual property, equity and debt investments. These engagements are conducted for a variety of purposes, including mergers and acquisitions, financial reporting, litigation support, strategic planning, and tax planning and reporting.

Services provided on recent engagements include:

- Common stock valuations for tax planning and financial reporting to comply with Section 409A of the Internal Revenue Code and FASB ASC Topic 718 regulations
- Purchase price allocations and impairment analyses related to FASB ASC Topic 805: Business Combinations, FASB ASC Topic 350: Intangibles – Goodwill and Other, and FASB ASC Topic 360: Property, Plant, and Equipment, including preparation of responses related to comments from auditors
- Valuation consulting related to tax planning and compliance, including appraisals performed for estate and gift tax reporting, domestic and international tax planning (including reorganization, restructuring and ownership/control changes), and charitable contributions
- Fair value reporting of portfolio investments, in accordance with FASB ASC Topic 820: Fair Value Measurements and Disclosures
- Financial analysis to assist with business planning and acquisitions
- Valuation of stock options, debt instruments, convertible notes, and other equity investments
- Valuation of closely held businesses for dispute and litigation purposes
- Review of valuation analyses performed by other appraisal firms for financial reporting purposes

Prior to joining Andersen, Harry was a Director for Grant Thornton in the Valuation and Modeling group. Prior to that, Harry worked for EY as a Manager in the Strategy and Transactions group specializing in Valuation.

Harry also holds the Chartered Financial Analyst (CFA) designation.