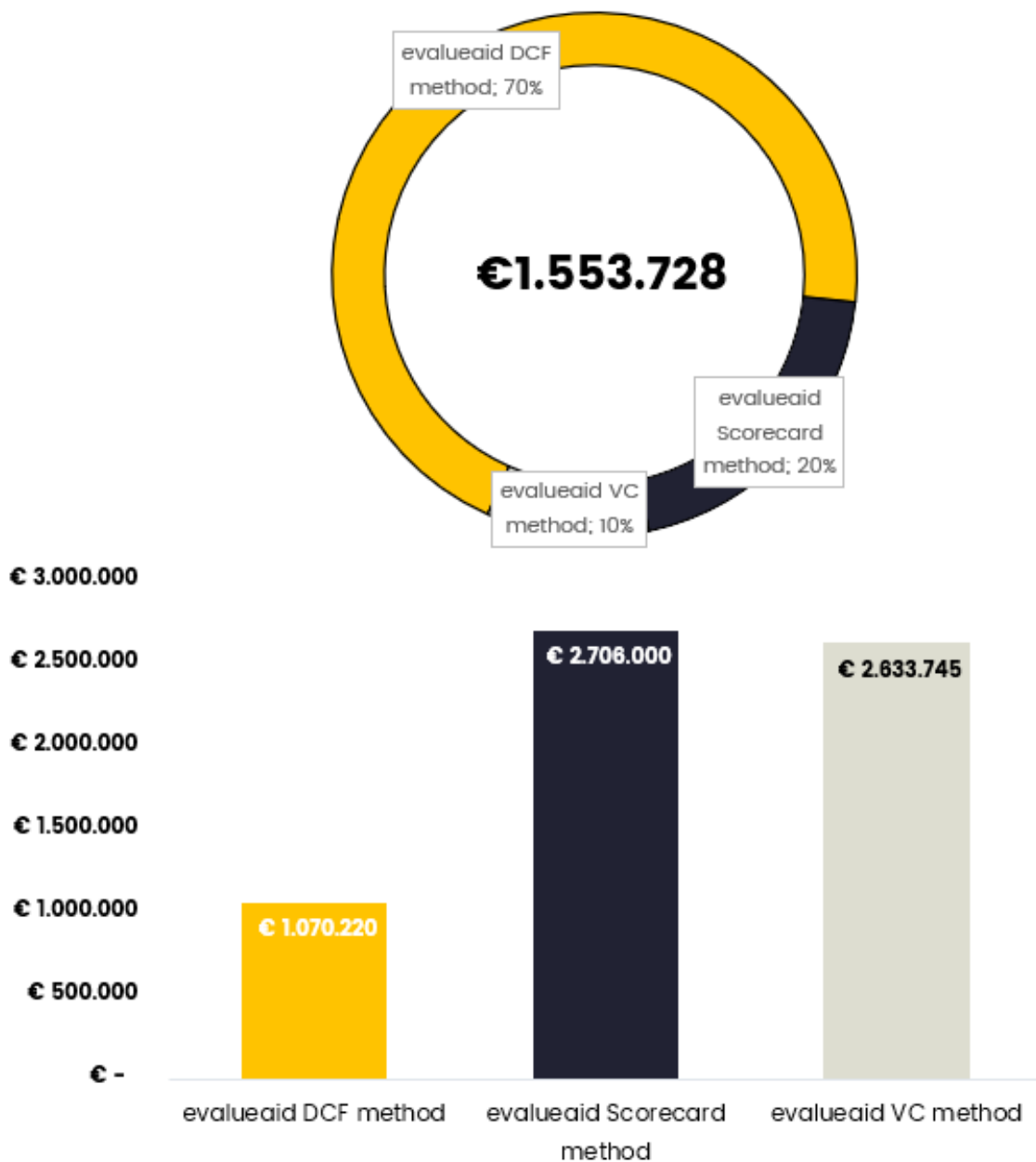


Valuation 'Champion's IceSkates' (2020)

Disclaimer: This valuation report was created in evaluateaid and uses a variety of different valuation methods created by evaluateaid. These methods depend solely on the assumptions that an entrepreneur makes about his or her own company, therefore the valuation is as good as the entrepreneur's assumptions. Evaluateaid empowers organisations to value their business and substantiate their valuation. Evaluateaid does not take any responsibility for the valuation nor does it provide any investment advice.

1. Valuation summary/conclusion



Source: evaluateaid valuation model

Based on the weighted average valuations of the three distinctive valuation methods the enterprise value of Champion's IceSkates as of 2020 is **€1.553.728,-**. This value takes into account: a traditional financial performance valuation (evaluated DCF method), a qualitative valuation (evaluated Scorecard method) and a valuation from a venture capitalist point of view (evaluated VC method). Based on its importance a weight was added to each of this valuations:

Method	Weight	Value
evaluated DCF method	70%	€1.070.220,-
evaluated Scorecard method	20%	€2.706.000,-
evaluated VC method	10%	€2.633.745,-
Total	100%	Weighted average €1.553.728,-

Source: evaluated valuation model

Most of the weight (70%) is in the evaluated DCF method because the operations of Champion's IceSkates are cash flow driven and sales are its main value driver. Therefore the valuation method which focusses primarily on future financial performance is the most important. The other substantial part of the weight is in the evaluated Scorecard method (20%) because Champion's IceSkates has unique resources and qualitative advantages over other firms which can't be expressed in numbers but add substantial value to the enterprise. For details about the valuations see sections 3-5.

2. Profit- and loss forecast

FORECAST PROFIT- AND LOSS ACCOUNT

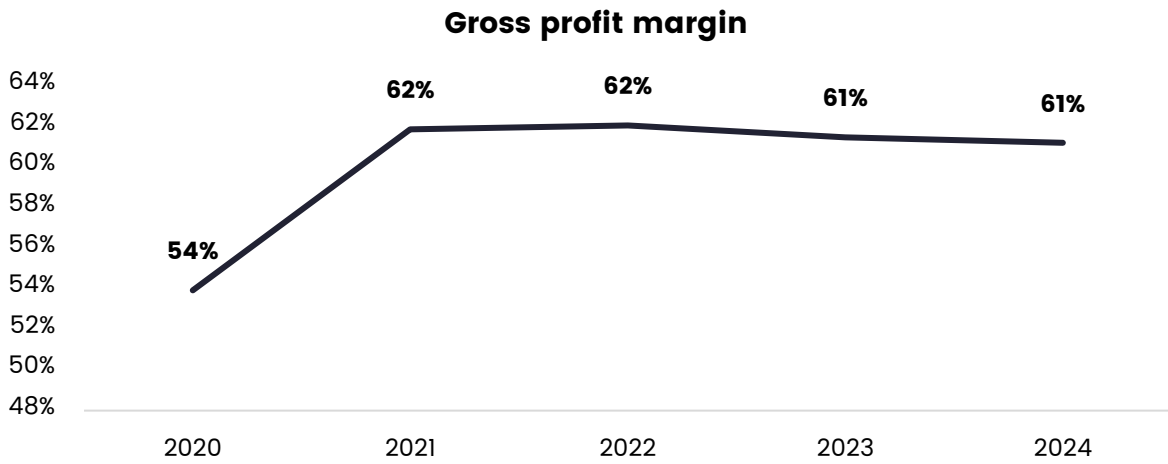
Year	2020	2021	2022	2023	2024
Sales	€105.265	€196.000	€295.000	€415.000	€510.000
Cost of goods sold	€48.507	€74.800	€112.000	€160.000	€198.000
Gross profit	€56.758	€121.200	€75.000	€100.000	€137.500
Sales costs	€3.600	€4.800	€14.400	€14.400	€14.400
Depreciation	€9.600	€9.600	€9.600	€9.600	€9.600
Salaries not included in COGS	€11.820	€17.820	€29.820	€29.820	€35.820
Office rent	€11.300	€6.800	€24.800	€24.800	€24.800
Office costs	€4.200	€4.200	€4.200	€4.200	€4.200
Lease	€5.680	€5.680	€5.680	€5.680	€5.680
Interest payments	€32.500	€28.500	€28.500	€28.500	€28.500
Other costs	€19.656	€30.195	€42.195	€42.195	€48.195
Net operating profit	€-41.637	€13.605	€23.805	€95.805	€140.805
Tax	€-	€-	€-	€-	€7.366
Net operating profit after tax	€-41.637	€13.605	€23.805	€95.805	€133.439

Source: Champion's IceSkates financial forecast

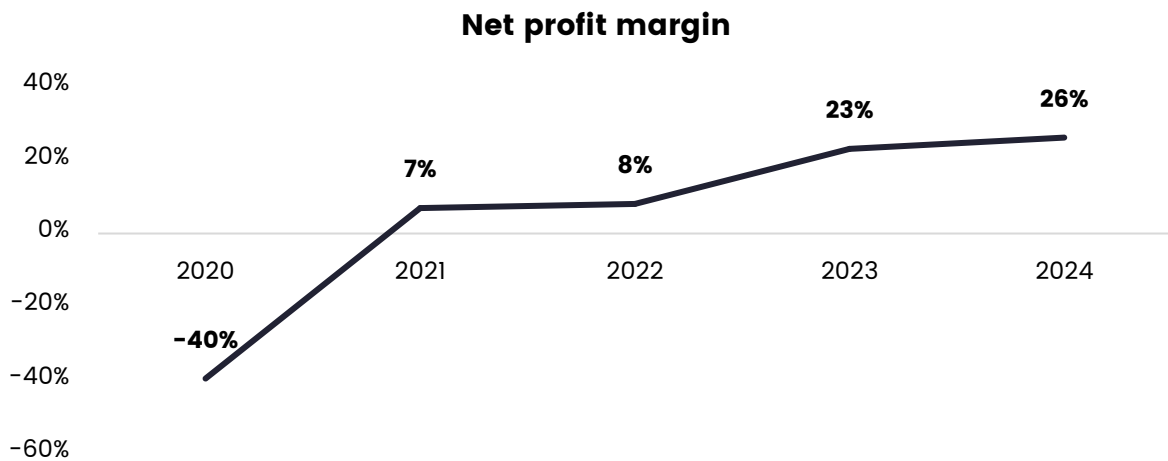
RATIOS

These graphs depict the growth or decline of relevant financial ratio's behind the expected future prognoses of the profit- and loss account. The financial ratios depicted in this report are:

- Gross profit margin (= gross profit/sales)
- Net profit margin (= net profit/sales)



Source: evaluateaid valuation model



Source: evaluateaid valuation model

3. evaluateid DCF method

Explanation: The evaluateid DCF method resembles a traditional DCF method valuation where the value of the firm is calculated by accumulating discounted future cash flows. However, the evaluateid DCF method gives the entrepreneur the empowerment to choose and substantiate a required rate of return as well as a long term growth rate fit for their own company.

EVALUEAID DCF METHOD CALCULATION

Year	2020	2021	2022	2023	2024
T	0	1	2	3	4
Net profit after tax (NOPAT)	€-41.637	€13.605	€23.805	€95.805	€133.439
Depreciation & amortization	€9.600	€9.600	€9.600	€9.600	€9.600
ΔNWC		€5.000	€5.000	€5.000	€5.000
Capital expenditures		€-	€-	€-	€-
Free Cash Flow		€18.205	€28.405	€100.405	€138.039
Required rate of return	12,04%				
Long term growth rate	2,00%				
evaluateid DCF Value	€1.070.220				

Source: evaluateid valuation model

Required rate of return: 12,04%

Why: The required rate of return was calculated with an external calculator provided by evaluateid and eyevestor. With data from industry-standard databases, market data and company specific data, the calculator calculates the required rate of return to compensate for the risk of the company.

REQUIRED RATE OF RETURN CALCULATION

Industry	None
Market beta without debt	0,62
Market beta with debt	1,12
Cost of equity	7,14%
Cost of debt	7%
Weighted average cost of capital	7,04%
Certainty of future cash flows	95%
Required rate of return	12,04%

Source: evaluateid RRR-CalculAid

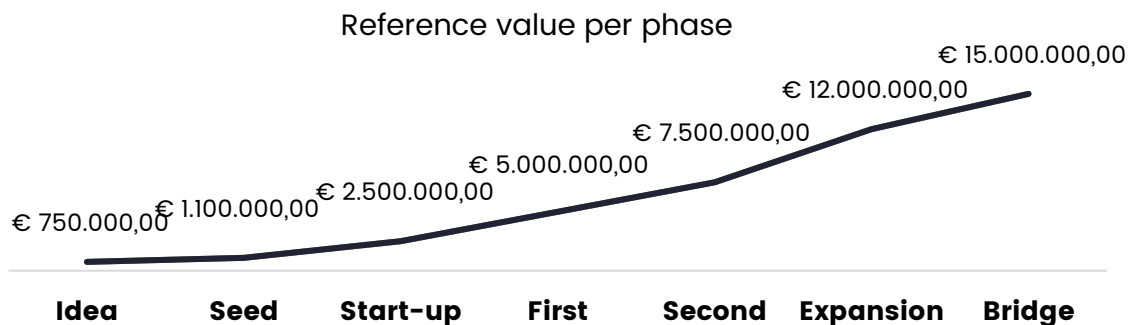
A cash flow certainty of 95% is reasonable because future cash flow projections are already adjusted for the COVID-19 crisis.

Long term growth rate: 2,00%

Why: Champion's IceSkates is operates mostly on the European continent. Therefore we assume that the growth op operations and cash flows in perpetuity will be the same as the average economic growth of the European continent, which is 2%.

4. evaluateaid Scorecard method

Explanation: The evaluateaid Scorecard method quantifies the qualitative aspects of the company. Based on an editable and therefore unique questionnaire a qualitative aspect (or category) receives a score. This score represents the value of the qualitative resource with respect to the average valuation. The average is 100%, so scores <100% are below average and scores >100% are above average. The entrepreneurs is empowered to change the category's weight and to add or remove categories. The weighted average score is multiplied with a reference value. This value represents the average value of companies in the same venture-phase. Graphical illustration:



Source: evaluateaid valuation model

EVALUEAID SCORECARD METHOD CALCULATION

Category	Score	Assigned weight
Team	130%	20%
Product	137%	15%
Scalability	133%	15%
Financials	110%	10%
Other	133%	5%
Custom: Unique certificates	156%	20%
Custom: Influential customers	133%	15%
Weighted average score	135%	
Reference value	€2.000.000,-	
evaluateaid Scorecard Value	€2.706.000,-	

Source: evaluateaid valuation model

Custom: Unique certificate

Why: Champion's IceSkates has safety certificates that all competitors, except for one, do not have. This means that Champion's IceSkates is a top-tier product in the safety category. The requirement of these certificates is hard and costly and therefore have substantial value for the firm.

Custom: Influential customers

Why: The most leading field hockey clubs from all over Europe are testing Champion's IceSkatesproducts for their youth players and are willing to by Champion's IceSkatesproducts for their

senior teams as well when they are done testing. These leading clubs are an example for other smaller clubs.

Reference value: €2.000.000,-

Why: Despite Champion's IceSkates being in the "first" venture stage, the market in which it operates is a niche market. Therefore, there is a maximum value that the company can reach which is substantially lower than market averages. Due to this fact the reference value of similar firms is chosen to be €2.000.000,-

5. evalueaid VC method

Explanation: The evalueaid VC method tries to capture a company's value driver and the potential value of that value driver in a distant future. That value is discounted back to today against a desired annual return. This method is based on the Venter Capital-method. However, the empowerment lies with the entrepreneurs which can identify the companies value driver and its potential him/her self. This graph advises the entrepreneur which desired annual return to choose:

Phase	Desired annual return
Idea	> 100%
Seed	100%
Start-up	75%
First	50%
Second	30%
Expansion	25%
Bridge	< 25%

Source: evalueaid valuation model

EVALUEAID VC METHOD CALCULATION

Desired annual return	50%
Value driver	Sales
Year	5
Sales in year 5	€1.000.000,-
EV/sales-multiple	20
evalueaid VC value	€2.633.745,-

Source: evalueaid valuation model

Why: Because Champion's IceSkates is believed to have €1.000.000,- in sales 5 years from now and the EV/sales-multiple is 20. This means the potential value of Champion's IceSkates in 5 years from now is €20.000.000,-. This is discounted back against a year-on-year desired return is 50% because Champion's IceSkates is in the venture phase "first". This results in the value of Champion's IceSkates in 2020 according to the evalueaid VC method.