

Ayaris 9 Valuation Services Overview

Version 2014/07/18

Ayaris 9

Integrity. Precision. Fairness.

Ayaris 9

Introduction

Ayaris 9 provides management teams and investors the following corporate finance advisory services: enterprise valuation, M&A synergy valuation, management strategy recommendation, corporate fundraising planning, investment planning, financial strategy advisory and investment target search.

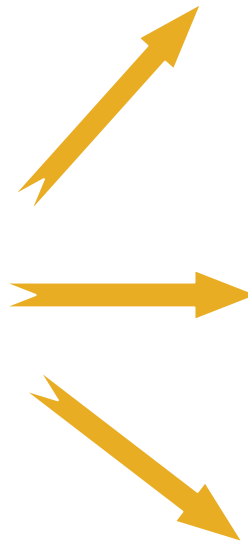


The firm's 15 team members serve our clients from our Taipei, Shanghai and New York offices. Team members are made up of seasoned executives and academically-excelled graduates from Harvard, Stanford, Berkeley and National Taiwan University.

In Asia, Ayaris 9 is a member of The *Chinese Association of Business and Intangible Assets Valuation*, bringing the firm's vision of **Integrity, Precision** and **Fairness** to practice.

Service Overview

Ayaris 9 is a corporate finance advisory firm providing **companies**, **investors** and transaction **intermediaries** a distinct valuation advisory service suitable for those seeking business success.



Looking for a fairness opinion and deep understanding of the business.

Seeking high quality valuation of intangible assets.

In need of valuation for a particular business interest.

Service Overview

Our team can assist your business wherever a question of valuation arises, including the following examples:



Expert opinions

- Fairness opinions for public & private takeovers; and Independent expert opinions in disputes.

Restructurings

- Determination of potential over indebtedness.

Transactions (Mergers & Acquisitions)

- Valuations of companies/shares, assets or IP for the purpose of defining transaction prices; and other transaction support as a financial advisor.

Review of Business Plans and financial forecast:

- Assistance in financial documentation for the purpose of getting financing; and review of business plans and underlying assumptions.

Valuation Models

☐ The standard models include:

- ☐ Discounted Cash Flow
- ☐ Capital Cash Flow
- ☐ Adjusted Present Value
- ☐ Discounted Abnormal Earnings
- ☐ Venture Capital Pricing Model
- ☐ Options Pricing Model
- ☐ Multiples

☐ The industry-specific valuation models include:

- ☐ Subscriber-Valuation
- ☐ Intellectual Property
- ☐ Project Financing
- ☐ Brand Valuation

Methods

Income-Based Valuation Method: The income approach uses business valuation techniques to convert **future benefits** to a single, discounted amount of **present value**. The measurement is based on the value indicated by current market expectations about those future amounts. **Valuation techniques** include but are not limited to single and multi-period capitalization of cash flow models, commonly based on variations of Discounted Cash Flow (DCF), Capital Cash Flow (CCF), Adjusted Present Value (APV), Discounted Abnormal Earnings (DAE) and Venture Capital Pricing Model (VCPM).

**Income-Based
Valuation Method**

**Cost-Based
Valuation
Method**

**Market-Based
Valuation
Method**

Methods

Market-Based Valuation Method: The market approach uses prices and other relevant **information generated by market transactions** involving identical or comparable assets or liabilities. In the case of enterprise valuation, the valuation analyst utilizes stock prices of public companies similar to the subject company, and transaction prices of similar companies. The valuation analyst typically develops a “benchmark multiple” between the enterprise value of the guideline companies to their revenue, earnings or other industry-specific indicators. Subsequently, the valuation analyst uses the “**benchmark multiple**”, commonly referred to as **valuation multiples**, to value the company. We multiply the subject company’s revenue, earnings, or other industry-specific indicators by the valuation multiples to obtain an indication of the business enterprise value.

**Market-Based
Valuation Method**

**Income-Based
Valuation
Method**

**Cost-Based
Valuation
Method**

Methods

Cost-Based Valuation Method: The cost approach is based on the principle of **substitution**, and hypothesizes that a knowledgeable buyer would pay no more for an asset than the cost to replace the **service capacity** of that asset. The cost approach is most useful when applied to the business valuation of holding companies, real estate companies, manufacturing businesses and businesses with limited growth and limited intellectual properties.

**Cost-Based
Valuation Method**

**Income-Based
Valuation
Method**

**Market-
Based
Valuation
Method**

Tools

P&L Forecast	2014 Projections				2015 Projections				2016 Projections			
(All values in 000s)	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16
MEMBERSHIPS												
New Free Trial Members	0	0	0	0	0	0	6.62	8.81	11.73	15.61	18.32	20.28
New Paid Subscribers	0	0	0	0	0	0	0.20	0.73	0.97	1.29	1.68	1.90
Subscribers Churned	0	0	0	0	0.00	0.00	0.00	0.01	0.04	0.07	0.11	0.16
Net Subscribers Increase	0	0	0	0	0	0	0.20	0.72	0.93	1.22	1.57	1.74
Total Active Trial Members	0	0	0	0	0	0	4.62	6.15	8.18	10.89	12.42	13.75
Total Paid Subscribers	0	0	0	0	0	0	0.20	0.92	1.85	3.07	4.64	6.38
Total Active Trial + Paid Members	0	0	0	0	0	0	4.82	7.06	10.03	13.97	17.06	20.13
REVENUES												
Total Revenues	0	0	0	0	0	0	180	1790	4101	7126	11068	15640
EXPENSES												
Internet Operation Expenses	0	0	3	3	3	3	464	693	1170	1796	2582	3462
Operating Expenses	356	356	1802	3482	4205	3725	3245	3725	4215	3735	3255	3735
Depreciation Expenses	0	0	27	63	63	63	63	63	63	63	63	63
Total Expenses	356	356	1831	3548	4271	3791	3772	4480	5449	5595	5900	7261
Total Operating Income (EBIT)	(356)	(356)	(1831)	(3548)	(4271)	(3791)	(3592)	(2690)	(1347)	1531	5168	8380
Total Use of Cash									(21374)			

Breakdown of 14.93% Internal Rate of Return (\$000)

Allison Green		IRR: 14.93%							
Year	Cash Flow Before Tax		Income Tax		Futures		Total		Percent
	Actual	Discounted	Actual	Discounted	Actual	Discounted	Actual	Discounted	
1	434.31	377.89	(91.87)	(79.93)	\$0.00	0.00	342.44	297.96	
2	460.42	348.56	(102.60)	(77.67)	\$0.00	0.00	357.82	270.89	
3	487.31	321.00	(113.70)	(74.89)	\$0.00	0.00	373.61	246.10	
4	515.00	295.17	(125.18)	(71.75)	\$0.00	0.00	389.82	223.42	
5	543.53	271.05	(137.06)	(68.35)	\$0.00	0.00	406.46	202.70	
6	572.91	248.59	(149.36)	(64.81)	\$0.00	0.00	423.55	183.78	
7	603.17	227.72	(162.08)	(61.19)	\$0.00	0.00	441.09	166.53	
8	634.35	208.38	(175.26)	(57.57)	\$0.00	0.00	459.09	150.81	
9	666.45	190.49	(188.89)	(53.99)	\$0.00	0.00	477.56	136.50	
10	699.52	173.97	(203.00)	(50.49)	\$6,420.97	1596.86	6,917.49	1720.34	
Total	\$5,616.97	2,662.83	(1,448.99)	(660.65)	\$6,420.97	1596.86	10,588.95	3599.04	
Percent		74%		-18%		44%		100%	



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With Ayaris 9's **core competencies**, advisors are able to commit to quality business valuations for industry-specific parties to a transaction, meeting client's objectives of capturing the real value of the business.

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Ayaris 9 understands the challenges of managing a successful business; therefore, working closely with board of directors, financial advisors, attorneys, along with its resources, is able to provide precise valuations that mitigate the financial risks and secure **growth.**



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About the Founder & the President

David S. Pan leads the firm's effort in serving clients across energy, healthcare, hospitality and TMT verticals, and manage related institutional investor relationships. Prior to Ayaris 9, David has 15 years of industry experience serving private and publicly listed companies in the Telecom, Media, Electronics Manufacturing, Semiconductor, Software and IT sectors.

Besides finance-related experience, David has significant operational experience in software programming, digital security, managing product development, marketing forecasts, manufacturing production, building end-to-end supply chain ecosystems, international business development in 25 countries, as well as owning P&L responsibilities for half of his career. David graduated from Harvard with a Masters of Finance, Golden Gate with Masters in Enterprise Systems, and UC Berkeley with BA in Architecture.



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Any Questions?

Contact us at <http://Valuation.Ayaris9.com/>