



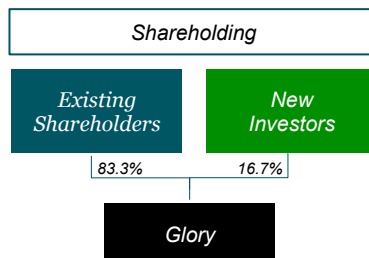
# Project Axe

## Investment Opportunity - Global Kick-boxing Sport Property

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### Activity Description:

- Glory Sports International Pte Limited ("Glory" or the "Company") , headquartered in Singapore, owns and operates one of the world's fastest growing sports and entertainment properties, the Glory World Series, the world's premier professional kickboxing league.
- Glory organizes, promotes and hosts a yearly schedule of kickboxing events in Europe, Asia and the US where the some of the finest kickboxing athletes compete. These highly-produced events are viewed by thousands in the arenas and by millions live on TV in over 170 countries, and on the Web.
- Glory has already produced 17 events and hosted them in major cities around the globe including New York, Los Angeles, Chicago, London, Tokyo, Rome, Milan, Stockholm and Istanbul.
- Built by aggressive acquisitions and led by a blue chip management team (former WWE, UFC and Sport Media PE investors), Glory has become the undisputed market leader in the sport of Kickboxing.



Business Model – Profit Matrix	
✓	Media Rights (TV Licenses)
✓	Pay-per-view and online channel (streaming & / music)
✓	Sponsorships
✓	Ticket Sales
✓	Merchandising

### Company Operations:

- The Company's assets include, distribution in over 150 countries with a potential catchment of c. 1 Billion households, exclusive contracts with the world's top kick-boxing fighters, sports entertainment know-how and a proven track record of producing live events to the highest attainable standards in professional sports.
- Glory has built the most extensive video library of the Kickboxing's history, and secured a portfolio of 32 international TV distribution agreements. The company has a 3-year broadcasting agreement with media giant VIACOM to air on SPIKE TV in the USA that commenced 4th quarter 2013.
- Glory'S business model is built on a schedule of live events which generate different revenues streams like gate revenues, local and international TV rights, multi-platform sponsorship opportunities, alongside merchandising and licensing. As Glory's brand awareness and fan base grow, the Company plans to expand its revenue and profitability by offering some of its premium events exclusively on Pay-Per-View.

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Independent Fights

4- man One Night Tournament

8-man One Night Tournament

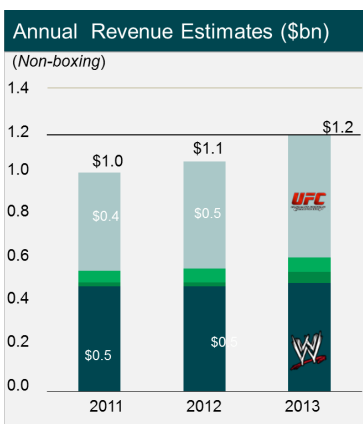
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## The Market:

- Fight sports (excluding boxing) generate over \$1bn in total annual revenues
- Boxing is worth ~\$1bn: 1 big name left (Mayweather), the rest fragmented
- Non-boxing duopoly: 92% of the market with 2 players: WWE and UFC
- $\frac{3}{4}$  of the market is North America
- $\frac{1}{4}$  International: Asia still largely underserved and Brazil in high growth
- Kickboxing has more fans than the UFC, and attracts a slightly older, more international and more gender-balanced audience
- Glory is encompassing a mix of largely practiced martial arts like: Karate, Muay Thai, Boxing, Kung-Fu, Capoeira, Tae Kwan Do.
- Glory generates c.5 Million viewers on average per event with 0,5 Mn only in USA on the Spike Network
- Gender balance: Boxercise and Kickboxing/Body Combat classes very popular in most fitness gyms, especially with women



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	Number of Fans			Gender		Demographic Segments			
	Total (m)	USA/CAN	%	Male	Female	18-24	25-34	35-44	45-54
Boxing	57.0	12.8	22%	59%	41%	31%	30%	17%	10%
Kickboxing	12.4	2.6	21%	62%	38%	29%	32%	18%	9%
UFC	11.6	5.2	45%	77%	23%	36%	34%	18%	5%
Tennis	84.0	10.2	12%	53%	47%	11%	18%	28%	40%
Formula-1	45.8	3.1	7%	78%	22%	40%	27%	13%	8%

Source: Management

## Investment Rationale:

- With significant capital already invested, Glory is one of the most significant and ambitious new sports franchises in the world. Comparable combat sports businesses like the UFC and WWE have achieved valuations about \$1 - 3 billion.
- The Company is the only sizeable and independently owned kick-boxing league doing events globally. Being the industry leader has a unique appeal in combat sports segment, as the market leader becomes the only recognized platform for the sport and in terms of recognition and audience.
- The Company represents an attractive investment opportunity to either a financial or strategic investors who wish to enter kick-boxing, the fastest growing combat sport, acquire a financial healthy company with strong fundamentals to scale globally, utilizing its accumulated know-how in different countries.

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### Business Model:

- Glory operates a league of kick-boxing events that on average is able to attract c. 5,0 Mn Tv viewers worldwide per event with an audience of nearly 500,000 fans only from Spike Network in USA.
- Thanks to its scenography approach, pure athletic performance in martial arts, Glory provides a best of class experience both live and on TV and therefore is well positioned to attract a larger audience than competitors which includes as well ladies with an average age between 18 to 40 years.
- Glory's combined (male & female) audience represent a fantastic demographics opportunity for all those global brands seeking an homogeneity among viewers and therefore is expected to attract wealthy sponsorships from Fortune 500 consumer companies once the league has scaled-up in number of events.
- Each Glory event typically lasts 2 Hours, is organized in 6 weight classes with max 3 rounds of 3 minutes each, and leveraging on the collaboration of experienced local promoter(s), the Company ensures the property is properly advertised locally and prime venues are secured.
- Backed by attendance numbers for past events, local promoters are increasingly requesting Glory to play an active role in event execution and starting from 2015, the Company has been able to pass-on event capital expenditures in exchange for a profit sharing only on local ticket sales.

US\$ ('000s)	2012	2013	2014B	2015F	2016F	2017F
Revenue	1,840	2,461	3,470	7,201	18,557	41,135
COS	-	(753)	(1,132)	(2,395)	(4,743)	(8,007)
Gross Profit	1,840	1,708	2,338	4,806	13,814	33,128
EBITDA	(13,832)	(23,471)	(12,435)	(4,418)	2,878	21,094
Revenue Growth		33.8%	41.0%	107.5%	157.7%	121.7%
GP Margin	100.0%	69.4%	67.4%	66.7%	74.4%	80.5%
EBITDA Margin					15.5%	51.3%

Source: Management

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- The Company is about to achieve break-even at the event level by Q1 2015 while the operating margin will continue to improve, and is expected to be cash positive by Q4 2016
- The investment required to reach full scalability and which will be used primarily as working capital is estimated to range between \$10 million to \$15 million.
- The Company is looking to raise capital in order to organize further events in key international cities where they have a limited exposure but a large fan base (e.g Glory Dubai April 2015)
- Use of proceeds: provide working capital to the live events, invest in marketing and brand development, producing additional content - like a reality TV show - focused on discovering and promoting new athletes from key markets, growing and continuous strengthening of the team on a global basis
- Glory represent a unique investment opportunity for a financial to enter almost at par in the lucrative markets of Professional Fighting Sports, leveraging on solid fundamentals for a capital appreciation that could lead the company within the next 5 years to reach valuations in line with competitors like UFC (estimated at \$3,5 Bn USD as of 2013)

### Next Steps:

- Arkios has been retained as exclusive financial advisor of Glory
- All information requests shall be directed to Arkios' team. An Information Pack will be provided to interested parties after signing an NDA.
- The intention on timing is to close the transaction by the 1Q of 2015.

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