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SUMMARY OF ALVAREZ & MARSAL'S ("A&M") VALUATION ANALYSIS OF GTV MEDIA
GROUP AS OF JUNE 28, 2020 – DATED DECEMBER 15, 2020

- There are three general approaches used to value the equity of a privately-held company: (1) asset approach; (2) income approach; and (3) market approach.
 - Income approach
 - Under the **income approach, A&M estimates the value of GTV to be between \$1.4 billion** (based upon discount rate of 45 percent and long-term growth rate of 3.0 percent) **and \$2.2 billion** (based upon discount rate of 35% and long-term growth rate of 5.0 percent).
 - This income-based valuation assumes a starting input of 1.3 million monthly users and an estimated per monthly contribution range per user of negative \$2.76 to positive \$42.42 from 2021 to 2024.¹ The discount rates used are consistent with applicable discount rates in early-stage companies. The long-term growth rates used are based on expected inflation, macro-economic growth and industry-specific growth.
 - Market approach
 - Under the **market approach, A&M estimates the value of GTV to be \$1.4 billion to \$2.6 billion.**
 - This market-based valuation is a function of the number of estimated monthly average users and a multiplying factor based on a comparison of comparable publicly-traded companies. Here, A&M used the following companies, which are either based in the U.S. or China and focus on social media, content distribution, communication and entertainment services: Twitter, Inc.; Facebook, Inc.; Tencent Holdings, Ltd.; Pinterest, Inc.; Snap, Inc.; Momo Inc.; JOYY, Inc.; SINA Corp.; Weibo Corp.; Baidu Inc.; Sohu.com Ltd.; and Fang Holdings, Ltd.
 - A&M notes that the primary revenue model for these companies consists of advertising revenue supplemented by licensing, subscription and merchandise and that there is a generally “long horizon” to profitability.
 - Here, A&M used a multiplying factor of 85.8x over the forecast period of four years to estimate GTV’s value under the market approach.
 - Asset approach – not used here because “the income and market approaches provide a better indication of intangible value.”

¹ The forecast and valuation for GTV are based on the same assumptions for user growth and operating margins used for the GNews draft valuation model prepared by Zero B LLC in approximately July 2020.

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SUMMARY OF JONATHAN MACEY'S ("MACEY") EVALUATION OF GTV'S REGULATION D OFFERING AND SALES OF SECURITIES BETWEEN APRIL 2020 AND JUNE 2020 – DATED DECEMBER 16, 2020

- PLEASE NOTE THE FOLLOWING FROM BRAD BONDI REGARDING THE MACEY REPORT:
- After reviewing background materials, including but not limited to the Confidential Information Memorandum, the subscription agreement, and an April 20, 2020 YouTube video, Macey prepared this evaluation to address the Challenges.
- Macey noted that these Challenges need to be understood in the circumstances in which they were made, i.e., the rapidly evolving nature of the nature and purpose of a corporation and the role the internet plays in that evolution.
 - As disclosed in the Confidential Information Memorandum, GTV is dedicated to social and political issues as well as profit-making and sought investors aligned with these purposes. In this context, the securities offering may be viewed as part of a larger social and political movement, which differentiates itself from the typical Regulation D offering which “narrowly seek[s] investment dollars.”
 - The communications Macey reviewed generally appeared to be ones from people who learned of the proposed offering via the internet.
 - The fact that unsolicited checks were sent does not necessarily mean that there was a general solicitation of investors, as it is not always possible to prevent this from happening.
 - Regarding the April 20, 2020 video, Macey noted that, in addition to instructing potential investors, who are described as “friends” and “brothers-in-arms”, the video also pointed out that there are “basic procedures and documents” that must be followed and completed before investing in GTV. Mr. Guo also notes that the video is not meant to be used as a reference for investment, and indicates that the video is addressed to “all the friends and people ... (who) have discussed with me about your interest in GTV,” and readers were advised to “read all the documents carefully before investing.” Mr. Guo advises viewers that the video is being sent to them “one by one” and that viewers “can neither publish it externally or disclose it.”
 - Macey notes that Regulation D (which permits private offerings) was enacted before the internet. In the internet age, it “sometimes will not be possible to keep the news that a company is contemplating or engaging in a private placement of its securities confidential.” This is especially true when a key person in the offering is one as “prominent and controversial” as Mr. Guo and the company’s central missions are social and political as well as economic.
 - “In this context, rampant discussion of the offering on social media and other internet platforms may well have been inevitable.