



Asset Point Suite methodology for the calculation of value

Overview of the methodology

Asset Point Suite evaluates companies according to a mixed income-based method that also takes into account the company's Undisclosed Intangible Assets.

Data sources

The data used to measure company value come from manual entry by the company's management, from data entered by other companies on the platform and from external sources.

External sources are:

University Ranking: <https://www.webometrics.info/en/world>

Salaries: <https://www.bls.gov/>

Training cost: <https://www.oecd.org/>

Data validity

The company is responsible for the validity of the data it enters on its Company Profile. The data can be verified by attaching certificates to the information or by asking for the testimony of third parties. The company can also request an appraisal of an accountant authorized by Asset Point Suite to validate the recorded data.

Calculation of the value

Formula: Equity + Discounted future cash flows + Intangible

assets Measurement of financial

assets

Equity Equity of the company as per balance sheet.

Discounted future cash flows

Evaluation of discounted cash flows of 5 years. The interest rate is measured on the basis of business risk, calculated with the analysis of 12 business risk factors.

Valuation of Intangible Assets

The Asset Point platform uses different methods for measuring the value of these assets, all approved by the relevant accounting institutions: starting from the guidelines proposed by the International Accounting Standard, each country adopts and imposes its own accounting principles for the valuation financial assets of the intangible assets in its assets.

Generally the cardinal principle behind each method is the prudential estimate of the value generated in the future by the measured asset.

Among the commonly accepted methods, the platform uses:

- **replacement cost:** it is the cost incurred to obtain the same asset
- **market value:** it is the price that other subjects are willing to pay to purchase the asset. this value is included between the replacement cost and future revenues. a method to calculate it is the comparison with other similar assets
- **future benefits:** they are the estimated economic revenues-benefits that the asset will generate in the future (short time span of 5 years)

Each valuation method provides different results, offering more conservative estimates or less prudential.

Each intangible asset is measured on the basis of different data and different methodologies, in order to provide the most accurate estimate possible.

