

**Bubblr Inc.**  
**21 West 46th Street**  
**New York, NY 10036**

**SUPPLEMENTAL INFORMATION**

DATE: September 28, 2021

MATERIAL EVENT: IP Valuation Report (including US Patent No. 10,977,387 and its associated IP assets)

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On the 17th of September, 2021, Bubblr Inc. (the "Bubblr" or "Company") received a valuation report from Valuation Consulting on the IP assets held by Bubblr, including the Patent issued to the Company on April 13 2021, U.S. Pat. No. 10,977,387 an Internet-based search mechanism (the "Patent").

The Company retained Valuation Consulting to provide an independent valuation of intangible assets and intellectual property ("IP"), including the Patent, Patent Applications currently being filed, and its associated Trade Secrets, Technology, Software and IP Assets held by the Company to enable the Company to determine a market-led IP valuation for the purpose of more effectively managing its IP assets and to support and inform strategic decisions and future discussions with potential investors and financiers. This valuation does not constitute tax advice or investment advice, and nothing written in or implied by VC's Valuation Report should be taken as tax advice or investment advice by any party.

The Company instructed Valuation Consulting to value the IP assets on the basis that a global technology company acquires and monetizes the IP assets, which the report calls "market value" or the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The most common methods used by valuation experts can be classified into three broad conceptual categories. These include income-based methods, market-based methods and cost/asset-based methods. Though these methods do not constitute AICPA or GAAP accounting, each of the three valuation approaches (income, market and cost/asset) can be used to value intangible assets.

Valuation Consulting noted in its report that it had financial projections, as prepared by the Company, available to the end of FY2030 for the business opportunity derived from Bubblr's IP assets (associated with the Patent) if acquired by a global technology company. In common with best practices in these circumstances, Valuation Consulting has adopted an income approach using DCF (discounted cash flow) for valuing these IP assets. The cash flows which are considered are the estimated net cash flow income from the IP assets using IP assets using a relief-from-royalties methodology, and which Valuation Consulting has used for its valuation calculations.

The report goes into detail about the valuation process, explains assumptions relied upon, the risks and uncertainties involved, and arrives at an ultimate market value of \$4.7 billion as of the 17th day of September 2021 for the IP assets. Again, this value supposes that the IP assets are acquired and monetized by a global tech company.

Valuation Consulting does not purport to be a guarantor of value. Valuation of all assets, including intangible assets, is an imprecise science, with the value being a question of fact and judgment, and

reasonable persons can differ in their estimates of value. Valuation Consulting has, however, performed conceptually sound and commonly accepted methods of valuation in determining estimates of the value of identified intangible assets included in this evaluation.

The conclusion reached by Valuation Consulting has been qualified by the valuation firm on a number of levels. The firm emphasizes that its valuation is based on a limited scope initial exercise, it includes a number of high-level assumptions, and it is currently derived from potential future revenues. Estimates and forecasts for such future income streams are clearly subject to a great deal of uncertainty and risk, with regard to both consumer factors (level of demand/pricing) as well as technological factors such as potential new developments, obsolescence etc. One should note that there are usually differences between forecast and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. In particular, Valuation Consulting highlighted that its valuation work took place during the Covid-19 pandemic and that this may give rise to a higher amount of uncertainty than usual in setting and assessing future trading assumptions and the financial projections based thereon.

Other qualifications and considerations for the report include the following:

- Valuation Consulting has not performed any work in the nature of an audit on any of the information that has been made available to it.
- Forecasts prepared and/or provided for the Bublrr business opportunity, in the event it is acquired by a global technology company, relate to future events and are based on assumptions. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods.
- Valuation Consulting has assumed for the current valuation that the core team of Bublrr will continue supporting the business opportunity in the event that Bublrr gets acquired by a major technology company.
- In addition to the current team, Valuation Consulting has also assumed that the potential technology company acquirer would invest significantly in terms of key workforce, development, logistical and commercial capabilities in commercializing the opportunity and scaling the business.
- The estimated overall size of the US addressable market for the Bublrr business opportunity is approximately US\$ 600 billion. It has been assumed that Bublrr will start generating revenue in FY2023, where it has estimated it will penetrate 0.084% of the available US market. The estimated US market penetration is then expected to steadily grow to 0.38% (FY2024), 1.20% (FY2025), 2.53% (FY2026), 4.43% (FY2027), 6.95% (FY2028), 9.17% (FY2029), and reaching 10.12% (by FY2030). The valuation has estimated that an initial investment of US\$250m (FY2023) is required to begin scaling its business opportunity operations. The estimated gross margin of 70% and the profit before tax margin in the range of 20%-40% was based on the benchmarking on global technology companies such as Google and Facebook.
- Valuation Consulting has assumed a royalty rate of 20.0% for the digital manifestation of the Patent and associated IP assets
- Valuation Consulting has also taken into account a number of exceptional risks that may prevent a potential acquirer of the Patent and associated IP assets from meeting the projections in what is an ambitious business plan, driven by the impact potential of its products and services.

The forecast revenues, costs, market share and risks would be those associated with a global technology company, but this is purely a concept model to determine the patent valuation if acquired by such a

company. The business plan projections for Bubblr exploiting the IP Assets valuation (including US Patent No. 10,977,387 and its associated IP assets) value would involve profoundly different revenues, costs, market share and risks; consequently, that the Patent and its associated IP assets valuation is not intended to represent the valuation of Bubblr as an entity itself.

Moreover, it must not also be inferred that Bubblr has an explicit intention to sell the Patent to a global technology business but instead intends to pursue a business strategy of provisioning an open-source platform as a service (PaaS) and licensing access to the platform for those licensees that develop apps that can utilize the ad-free marketplace technology that is the digital manifestation of the Patent.

A full version of the report is available by [clicking this link](#). It is expressly acknowledged by Bubblr and Launchpad IR that the report shall be released only on the basis that Valuation Consulting shall have no liability to them or any third party for any information contained within or absent from the report. Recipients are therefore required to sign an indemnity waiver in favor of Valuation Consulting upon issuance of the report.