

White Sport Ventures recognizes the immense potential for investment in the growing soccer industry in the USA. Over the next 5 to 10 years, strategic investments can yield significant value due to the increasing popularity of soccer in the country. Major League Soccer (MLS) and other soccer leagues are expected to continue on a growth trajectory, driven by advancements in sports media and fan engagement, the expansion of leagues with new teams, and the integration of global talent to enhance the quality of the leagues. Moreover, the cultural shift towards embracing soccer in the U.S. is likely to attract a larger fan base and make the sport an appealing mid to long-term investment opportunity.

OVERVIEW

WSV Advantages:

WSV has a significant informational and relationship advantage that enables the entity to identify, access and capture value as the soccer environment grows in value.

MLS Overview:

Lead by Major League Soccer, the soccer landscape in the USA has reached a level of stability never seen before. The investments in the professional game have surpassed the tipping point, ensuring the league's secure existence. Valuations of professional and semi-professional teams are experiencing tremendous growth. While this growth rate may resemble a bubble, it is actually well-founded. Comparing the values of MLS teams to those of NHL, MLB, NBA, and NFL teams, it is evident that MLS professional teams still have a substantial amount of untapped value to be realized.

MLS NEXT Pro:

MLS NEXT Pro, a new talent development league, offers indirect competition to USL and its properties. Currently, USL (United Soccer League) holds certain advantages over MLS NEXT Pro. However, MLS has acknowledged these advantages and plans to bridge the gap by including non-MLS pro team affiliates with more favorable ownership, rights, and monetization terms. This move will create competition for talent, raising the overall standards of lower tier soccer clubs. Over time, the strength and value of MLS NEXT Pro teams will greatly increase, establishing it as a valuable talent incubator and value amplifier alongside USL.

MLS NEXT:

As the top tier of youth soccer in the USA, MLS NEXT has taken over the responsibility of facilitating high-level academy soccer from the formerly run US Soccer Developmental Academy (DA). MLS Next serves over 11,000 of our nation's top youth soccer players. Under MLS, our domestic youth soccer system has flourished. MLS Academy players enjoy free soccer, while teams in the league not connected with an MLS pro team operate on a pay-to-play basis. The level of performance, play, and talent pool in the youth game has flourished and shows no signs of slowing down.

WPSL:

The WPSL holds the distinction of being the longest-running women's professional league in the world. Both team and league-level sponsorships are accelerating. A four-year media rights deal is in place, and new ownership groups with ample capital have joined the league. The WPSL is poised for significant growth.

AREAS OF OPPORTUNITY

WSV has investments in 5 categories, but we see the primary value in the following areas.

1. Media
2. Mental Support
3. Club Ownership
4. Player Development
5. Technology

This document will focus on three areas of opportunity.

1. Media
2. Mental Support
3. Team Ownership

Media

The tremendous increase in investment in US and Canadian youth soccer has given the top tier of North American youth talent the top standards of coaching and infrastructure in the world. The US youth soccer system now has a tremendous amount of talent, but still suffers from being lightly scouted. While the gap between talent development and scouting remains large, social media companies have the opportunity to showcase American and Canadian talent to scouts around the world.

WSV Media Companies and Investments

Footy Access, a news-focused youth soccer media platform has grown to become the number 1 platform in US youth soccer news with 60 million views on content across all platforms in 2023, averaging a 400% engagement rate. Additionally, we launched a long form content YouTube series called “behind the player”. Our first video gained 63,000 views in one month. Our newsletter currently has over 1,700 paid subscribers. Footy Access is currently in negotiation with several large brands and governing bodies for sponsorship and partnership agreements.

Comparisons:

1. Event: Generation Adidas Cup | April 1-9, 2023

MLS Next | Followers 336,000 | Views 6,770,600 | Likes 361,850 | Comments 1,044

Footy Access | Followers 97,100 | Views 8,689,00 | Likes 1,038,847 | Comments 6,607

2. Event: MLS Next Cup | June 17-25, 2023

MLS Next | Followers 336,000 | Views 1,900,087 | Likes 399,299 | Comments 1,183

Footy Access | Followers 124,100 | Views 2,152, 589 | Likes 424,502 | Comments 1,450

3. Event: CONCACAF u15 Championship | August 6-13, 2023

Concacaf | Followers 2,579,900 | Views 682,026 | Likes 153,851 | Comments 412

Footy Access | Followers 144,962 | Views 4,022,000 | Likes 642,652 | Comments 5,412

4. Event: MLS Next Fest | December 5-10, 2023

MLS Next | Followers 414,400 | Views 1,582,000 | Likes 235,611 | Comment 433

Footy Access | Followers 160,000 | Views 2,500,000 | Likes 404, 285 | Comments 2,402

Drip FC has 27 million views across all platforms with projections to reach 32 million views by the end of 2023. The platform is one of the five most popular soccer style and culture platforms in the US. Drip FC has launched a new content strategy that has resulted in a 30% increase in engagement. The brand has launched a new website, clothing line, grip socks and wrist tape.

Looking Forward:

White Sport Ventures intends to complete its media and distribution strategy by developing or purchasing a girls soccer-focused media platform and a platform or series of platforms that cover low to mid-level soccer competition. Womens soccer represents 35-40% of the total soccer market and mid to lower level soccer represents 90-95% of all youth soccer players in the US male and female. A female focused platform represents an opportunity to capture an audience with outsized demand and a preferred customer base.

Mental Support

Mental strength is an important marker in todays learning environments, sports included. Leagues are beginning to recognize the importance of supporting the emotional and psychological well-being of its players, especially with the improved play and increasing demands placed on athletes.

To address this, I have invested in Mental Giant, a mental strength assessment and development platform. Mental Giant helps athletes reach peak performance in their respective sports by identifying their mental strengths and areas for development. Our assessment platform provides comprehensive reporting solutions to measure and develop the most important aspect of the game, the mind. Mental Giant's vision is to help athletes grow and perform at peak levels, while their mission is to consistently excel in sports by developing behaviors inherent in top-performing athletes. The Mental Giant Behavioral Sports Assessment tests athletes on the most important behavioral facets and provides a clear definition of mental strength and development areas, along with suggested exercises.

Looking Forward:

Mental Giant has secured several NIL deals with college athletes. The company has partnered with a hand full of professional athletes, including a PGA golfer. The company is in the midst of several negotiations to use the behavioral sports assessment at scale for sports leagues.

Team Ownership

Major League Soccer is growing at a tremendous rate. It is the fastest growing league in the USA. Investment is at an all time high, the apple tv deal is unprecedented. The current world cup MVP, Champion and golden ball winner is playing in Major League Soccer. This means, that the current best player in the world is playing in Major League Soccer. Team valuations are growing significantly and the world cup and South American Copa America will be played in the USA. I believe now is an ideal and unprecedented time to invest in a Major League soccer team that offers the following investment assets.

1. MLS first team ownership
2. MLS NEXT Pro ownership
3. WPSL Ownership
4. MLS NEXT Academy ownership

Looking ahead to the next 5-10 years, the financial outlook for MLS teams appears promising. Key growth drivers include increased media rights revenue, with a 10-year global media rights partnership with Apple TV set to generate a minimum of \$2.5 billion from 2023 to 2032. The arrival of high-profile players like Lionel Messi is also expected to boost the league's popularity and revenue potential.

The NWSL is also set to experience a substantial increase in media rights revenue, with a new deal anticipated to represent a significant step-up in annual value compared to the prior deal.

The MLS has been successful in selling expansion franchises for record fees, indicating high demand for soccer assets and expectations of continued growth in franchise values.

Key insights:

1. Rapid Valuation Growth in Top Teams: The significant increase in valuations of top teams like LAFC (110.5%), LA Galaxy (92.7%), and D.C. United (112.1%) indicates a robust and growing market for soccer in the United States. This suggests a promising investment landscape for investors looking to capitalize on sports franchises with high growth potential.
2. Revenue Streams: High revenues reported by teams like LAFC (\$116 million) and LA Galaxy (\$98 million) demonstrate the strong commercial potential of MLS teams. Revenue generation from ticket sales, merchandise, sponsorships, and broadcast rights is a critical factor for investors considering the profitability and financial health of these clubs.
3. Operating Income Variances: The operating income figures, ranging from profits (e.g., LAFC's \$8 million) to losses (e.g., New York City FC's loss of \$12 million), indicate differing financial management strategies among teams. While some teams are currently profitable, others are investing heavily, likely in infrastructure and squad development, which could lead to future gains. Investors should consider the long-term growth potential alongside current profitability.

4. Potential in Mid-Tier Teams: The mid-tier teams like Toronto FC, Austin FC, and Charlotte FC show significant growth and investment potential. Their valuations, though lower than the top-tier teams, demonstrate a steady increase and robust revenue generation. These teams might offer more affordable entry points for investment with substantial upside potential.

5. Market Expansion and New Entrants: The impressive valuations of newer entrants like Austin FC (\$0.68 billion) and Charlotte FC (\$0.625 billion) highlight the expanding market and the potential of strategic investments in emerging teams. These clubs represent growth opportunities in new markets and can be attractive for investors looking to enter the MLS space.

6. Diverse Investment Opportunities: The range of valuation growth, revenue, and operating income across different teams suggests diverse investment profiles within the league. Investors can choose between stable, high-value teams with consistent revenues or emerging teams with high growth potential.

7. Regional Market Strengths: The varying success of teams based on their geographical location (e.g., LAFC and LA Galaxy in California, Atlanta United in the South) indicates the importance of regional market dynamics in the MLS. Investors should consider regional fan base, market size, and regional economic factors when evaluating investment opportunities.

Comparisons:
Comparing the values of Major League Soccer (MLS) franchises to those of Major League Baseball (MLB), the National Hockey League (NHL), the National Basketball Association (NBA), and the National Football League (NFL) provides insight into the relative financial standing of these major North American sports leagues. As of my last update in April 2023, here's a general comparison:

League (as of 2023)	Average Team Valuation	10-Year Valuation Growth Rate	Average Annual Revenue	Average Operating Income
Major League Soccer (MLS)	\$500 million	100%	\$55 million	\$5 million
National Football League (NFL)	\$3 billion	150%	\$500 million	\$100 million
National Basketball Association (NBA)	\$2.1 billion	200%	\$300 million	\$70 million
Major League Baseball (MLB)	\$1.6 billion	120%	\$340 million	\$50 million
National Hockey League (NHL)	\$800 million	110% 	\$150 million	\$25 million

MLS Franchise Valuations

- Range: MLS team valuations have been on the rise, with the most valuable teams reaching around or slightly over \$1 billion.
- Average Valuation: On average, MLS teams are valued lower than teams in the MLB, NHL, NBA, and NFL.
- Growth Rate: The growth rate of MLS team valuations is notable, often outpacing the growth rates in more established leagues due to the emerging market and expansion opportunities.

MLB Franchise Valuations

- Range: MLB teams tend to have a wide range of valuations, with top teams valued at several billion dollars.
- Average Valuation: The average valuation is significantly higher than that of MLS teams, reflecting MLB's established history, widespread fanbase, and substantial media rights deals.

NHL Franchise Valuations

- Range: NHL team valuations also vary, but the top teams are generally valued in the low billions.
- Average Valuation: While higher than MLS, NHL valuations are generally lower than those in the NBA and NFL. The average NHL team valuation is closer to MLS than to the higher leagues, though still notably higher.

NBA Franchise Valuations

- Range: NBA teams, particularly in major markets, have seen significant increases in valuations, with top teams valued at several billion dollars.
- Average Valuation: The average NBA team valuation far exceeds that of MLS and is higher than most NHL and many MLB teams, driven by global popularity, lucrative media deals, and high-profile player brands.

NFL Franchise Valuations

- Range and Average: NFL teams are the most valuable in American sports, with even the lower-valued teams surpassing the most valuable teams in other leagues. Valuations often reach several billion dollars.
- Factors: The NFL's massive TV contracts, widespread popularity in the U.S., and limited number of games (which boosts demand for tickets and broadcasts) contribute to its high team valuations.