

Q4

vEmpire DDAO
QUARTERLY
FINANCIAL REPORT



vEmpire DDAO

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vEmpire DDAO

FORWARD FROM THE CEO

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Dominic Ryder



I often comment in interviews that I'm not sure whether the Metaverse and GameFi coming into the mainstream has been helpful for vEmpire DDAO or not. We had the foresight to acquire huge amounts of Metaverse assets before the hype started to form, picking up over eighty-five parcels in The Sandbox and over thirty in Decentraland!

These were purchased months in advance of Facebook's rebranding to "Meta", with our first SAND 3x3 Estate purchased for \$50,000 in a prime location. Those Sandbox estates are now worth \$500,000 plus and we're fortunate enough to own five of those, as well as even larger estates which are four times the volume of the [Estate in this video](#).

The floor price of LAND (in the worst and cheapest locations) has risen by 963% on The Sandbox and 665% in Decentraland since we purchased our first estates. So that raises the question, why am I still unsure whether the Metaverse coming to the mainstream has been helpful for vEmpire?

What was an open market has become somewhat crowded. Hype chasers dilute the quality within a sector and investors can be put off. But where there is a crowded market, there is HUGE opportunity.

Although we're a large protocol, we remain fairly undiscovered due to an almost 97% community and team ownership. We raised only \$385,000 before TGE and while this has provided us with control over our protocol, it has meant we've had considerably less funds for marketing.

This is where the opportunity comes in.

How does one measure the value of a Metaverse? Well, my background is in venture capital, but specifically an asset backed VC fund. We invested in care homes, pubs, restaurants, nurseries and any business that had a tangible freehold property that we could take charge of, should the underlying trading become no longer profitable. A real world property vehicle has two measurements of value. First, a price which is denoted just like a token is, by buys and sells of the market, and second, a measurement of Net Asset Value (NAV).

Now a lot of people don't realize that price has absolutely nothing to do with anything, other than how much a buyer will pay a seller for something. This is why when the COVID-19 pandemic arrived, or the Brexit vote was passed here in the U.K. property funds instantly gated and stopped withdrawals. Why? Because the share price fell massively below the Net Asset Value and the withdrawals would of left the property managers fire selling those assets just to keep up with consumer panic. In reality nothing had changed with the assets, they didn't crumble into rubble, they were worth the same on those days as they were the day before, this is where there is opportunity.

In a normal property fund, when the share price drops below the net asset value, that's when you should be buying. But this is the cryptocurrency industry. People in this industry don't understand this concept yet as virtual property, NFTs and the Metaverse are new technologies. But the same principles apply in virtual property just as it does in physical and the same is true with virtual property management.

So back to the question, how do you measure the value of a Metaverse? In the physical world property prices are measured by buys and sells, just like the way a token is measured and priced. The net asset value in the real world measures the actual bricks and mortar value of the assets you own. So metaverse properties are of course the equivalent assets;

So to try and apply the same valuation methodology to the Metaverse you need to divide the number of "Properties available" by the value of the token, which should give you the Net Asset Value (data sources SAND MANA). It is worth noting that all this data is measured by the crypto market and not by us. We are purely breaking it down and relating the data to a real world example. You can see below the significant undervaluation opportunity presented by VEMP.

vEmpire Metaverse Ownership
12th Jan 2022

Metaverse	Current Marketcap	Total Assets	vEmpire Ownership	Asset Valuation*
	\$237,275,056	245	18%	\$42,709,510.08
	\$3,941,800,264	123,840 LANDs	0.068%	\$2,680,424.18
	\$4,474,468,616	43,689 LANDs	0.068%	\$3,042,638.69

Net Asset Value of vEmpire's MANA, SAND & STARL Assets under management **\$48,432,572.95**

vEmpire Marketcap on the same date **\$29,093,004**

*(Token value\number of assets) x vEmpire's number of those assets held

It is worth noting those are just three of our six token staking pools, this data does not include our close to 400 Axie Infinity scholars, 1300+ Axies, almost 1000BNB or the millions of dollars held in our ethereum strategy, as well as \$8M+ in our DDAO. You can see the same figures measured from both protocol and vEmpire's all time highs below.

**vEmpire Metaverse Ownership
Based on All Time High Figures**

Metaverse	All-Time High Marketcap	Total Assets	vEmpire Ownership	Asset Valuation*
	\$853,000,000	245	18%	\$153,540,000
	\$6,800,000,000	123,840 LANDs	0.068%	\$4,624,000
	\$6,800,000,000	43,689 LANDs	0.068%	\$4,624,000

Net Asset Value of vEmpire's MANA, SAND & STARL Assets under management **\$162,788,000**
vEmpire Marketcap at All-Time High **\$113,540,000**

*(Token value\number of assets) x vEmpire's number of those assets held

The crypto market is currently valuing vEmpire's assets at a 66% premium to vEmpire DDAO's current market cap. This could represent a great value opportunity for Metaverse investors seeking to gain exposure to a discounted protocol

DOMINIC RYDER
 Founder & Chief Executive Officer



INTRODUCTION

vEmpire DDAO is the world's largest decentralized Metaverse, NFT and GameFi investment organization. We're the first protocol to enable Metaverse token staking and we're currently the largest decentralized virtual real estate investor, with significant investments across most major Metaverses.

To date, our users have contributed to staking tens of millions worth of Metaverse tokens on our platform, which has enabled us to build a decentralized Metaverse investment portfolio that represents the largest in the industry.

Facilitating the staking of Metaverse cryptocurrencies is one of vEmpire's core business operations and our first mover advantage has enabled us to capture the Metaverse staking market with astonishing proficiency.

As the first protocol of its kind, our revolutionary impact of lowering the barrier to entry for investment in the Metaverse has unlocked pools of capital that would otherwise remain locked. Consequently, our protocol has a trifecta effort, helping investors access investment opportunities that would otherwise be out of reach, helping spur growth and adoption in the Metaverse and contributing to governance to help keep the Metaverse decentralized and in the community's control.

Credited to our ability to recognise the Metaverse's potential before the masses, we were able to acquire the majority of our investments at roughly ninety percent below current market value. This means that organizations that wish to challenge us for our crown as King of decentralized Metaverse investment will have to pay significant premiums, which is theoretically a double edged sword as it would naturally contribute to increasing the value of our assets anyway.

This quarterly report breaks down our decentralized investment portfolio, outlining where vEmpire have been allocating capital, our investment theses, and how we've contributed to lowering the barrier to entry for Metaverse investment. Please note that all market value figures have been taken at floor price at the beginning of January 2022, which represents one of the most bearish periods throughout this market cycle.

Annualised Profits and Total Asset Performance

Below is a table and graph depicting our annualised profits and total asset performance.

In this table you can see the annualized results of our NFT sales, our staking strategy profits (both realized and unrealized), our total profits, our earnings per token and our price-earnings ratio.

Profit Type	Results
vEmpire NFT Sales	\$1,859,068
Strategy Unrealized Profits	\$16,376,517.76
Strategy Realized Profits	\$473,360
Total Profits	\$18,708,945.76
Earnings per token annualised 2021	\$0.10
Price/Earnings annualised 2021	1.44

Project	Project Marketcap	Annualised Protocol Revenue	P/E Ratio
vEmpire DDAO	\$25m	\$18.7m	1.44x
PancakeSwap	\$2.89b	\$250.58m	11.55x
Yearn Finance	\$1.24b	\$97.48m	12.75x
TraderJoe	\$805m	\$59.15m	13.61x
Axie Infinity	\$20.93b	\$323.61m	64.67x

Data as sourced from tokenterminal.com puts vEmpire DDAOs annualised price/earnings ratio as the lowest of the data they currently track.

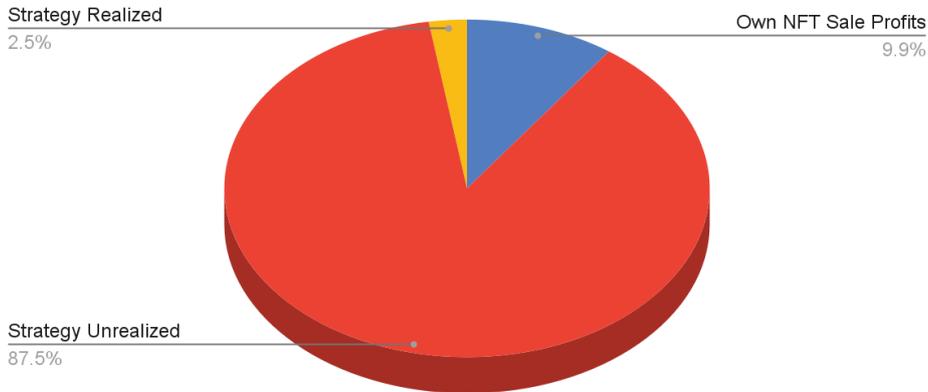
Q4 Profit Breakdown	
Profit Type	Results
vEmpire NFT Sales	\$464,767
Strategy Unrealized Profits	\$4,094,129.44
Strategy Realized Profits	\$118,340
Total Profits	\$4,677,236.44

Q4 2021

Q4 of 2021 was very profitable for us.

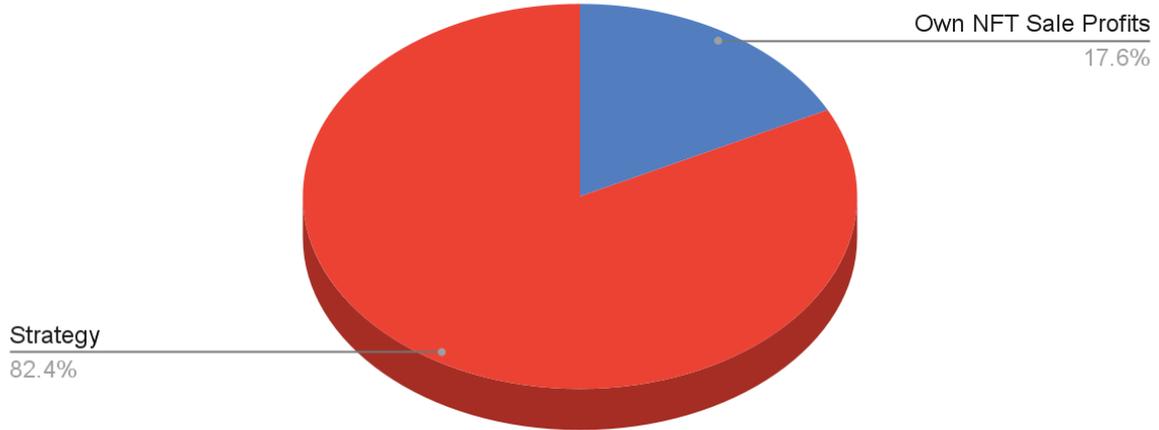
From our NFT sales alone, we managed to raise a total of \$464,767. Our investments funded by our Metaverse token Staking Strategies also profited significantly. We had unrealized profits totalling \$4,094,129 and realized profits totalling \$118,340. These bring vEmpire's total Q4 profits to \$4,677,236.

Q4 Results - USD



2021 Legacy Asset Performance (based on past performance)

*(Q4 data annualised)



Metaverse Strategy Asset Performance				
Strategy	Strategy Deposits	Equivalent Lowest Floor	Performance Since Inception	Performance Annualised
	\$492,108.17	\$639,050	29.86%	184.31%
	\$1,772,500	\$3,004,953.44	69.53%	726.01%
	\$719,145	\$1,196,898	66.43%	667.23%
	\$6,202,090	\$6,497,965	4.77%	20.49%
	\$1,468,990	\$3,177,414	116.30%	2088.90%
Totals	\$18,578,271	\$22,672,400.44	22.04%	121.82%

vEmpire DDAO Asset Performance

Strategy	Strategy Deposits	Lowest Floor Price of Equivalent Assets In The Market
	\$492,108.17	\$639,050
	\$1,772,500	\$3,004,953.44
	\$719,145	\$1,196,898
	\$6,202,090	\$6,497,965
	\$1,468,990	\$3,177,414
vEmpire Owned NFTs		\$4,468,620
Totals	\$18,578,271	\$27,141,020.44

In this table you can see the performance of all of our staking pools, including strategy deposits and lowest floor price of equivalent assets and the floor price of our NFTs that still belong to vEmpire DDAO.

At the time of writing, vEmpire's total market cap is the same price as it's NFT assets lowest equivalent floor price, and these were taken at the depths of the bear market.

Total USD of token staked (as at 10/01/22) and Value by rarest trait floor, equivalent LAND, cash or forward guidance



METaverse STAKING STRATEGIES

Q4

ETHEREUM (ETH) STAKING STRATEGY

By far our largest in USD value and most diverse staking pool, our Ethereum strategy has experienced immense attention and growth since its launch.

For our investors, the value proposition is simple. Earning interest by staking natively on Ethereum 2.0 is not only very complicated but there are significant barriers to entry, with the minimum stake necessary to become a validator 32 ETH (the equivalent of \$156,512 at its all-time high). This means that earning interest on ETH holdings is out of reach for most investors.

However, staking ETH with vEmpire enables investors to earn interest on their holdings passively and without any minimum staking requirements. It also ensures that investors have fractional exposure to Ethereum-based assets, like Bored Apes for example, that are out of reach for many.

To date, our Ethereum strategy's cost of investment has totalled 518.7 ETH (\$1,572,082.73), with \$1,772,500.00 staked & a current market value of 1021.5 ETH (\$3,004,953.44) representing a 69.53% increase since its inception, and a 726.01% annualized return.

The vast majority of our Ethereum strategy's resource pool has been allocated to Non-Fungible Tokens (NFTs), with vEmpire owning over seventy unique projects from this strategy alone. Naturally, as the leading blockchain network for decentralized applications, NFTs and Metaverse protocols, Ethereum has the richest and most diverse ecosystem for vEmpire to invest in.

Our primary focus was of course NFTs and Metaverse projects, but we've also invested heavily into GameFi protocols too as we believe that they will become the first application of smart contract technology to achieve true mass adoption.

Ethereum Strategy Performance	
Ethereum Strategy	Performance
Since Inception	69.53%
Annualised Return	726.01%
Eth Deposits in USD	\$1,772,500
Valuation Measured by ELF*	\$3,004,953.44

*ELF = Equivalent lowest floor of asset in the market

DECENTRALAND (MANA) STAKING STRATEGY

When investors contribute MANA to our Decentraland staking strategy, we pool it together and use it to purchase high-value LAND parcels in high-demand areas that are way out of the price range for the average investor.

Our Decentraland staking strategy has enabled us to raise enough MANA to invest in 5 LAND parcels of varying sizes. We've used this land to build virtual Roman architecture and our developments represent some of the most architecturally advanced and beautiful throughout the industry.

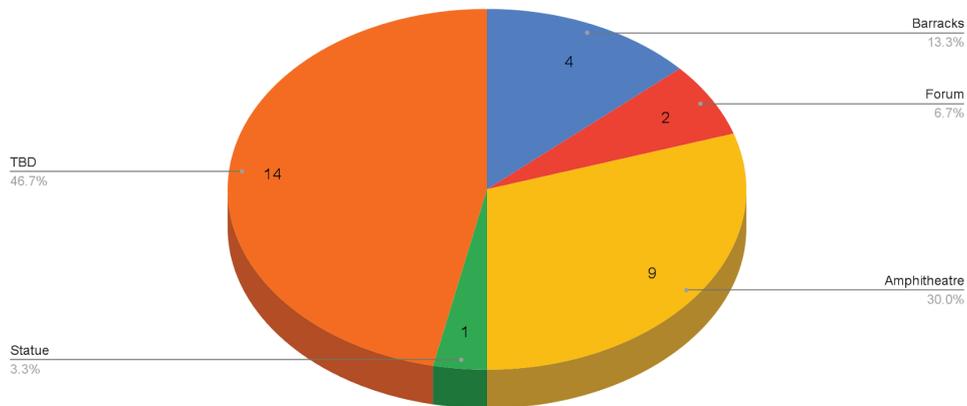
Now, multiple of our virtual real estate developments are prepared for monetization through a combination of play-to-earn minigames, leasing, hosting events and potentially reselling down the line.

The total staked into our Decentraland strategy came to \$719,145.00, with a current market value of \$1,196,898.00, representing an overall increase of 66.43% since inception and a 667.23% annualized return.

When vEmpire begins to monetize this land, a portion of the profits will be reinvested, with the remaining distributed to our MANA and DDAO stakers.

This strategy enables investors to earn passive income on their MANA tokens, accessing fractional exposure to Metaverse and virtual real estate assets that would otherwise be out of reach.

MANA Parcels



MANA Strategy Performance

MANA Strategy	Performance
Since Inception	66.43%
Annualised Return	667.23%
MANA Deposits in USD	\$719,145
Valuation Measured by ELF	\$1,196,898

*ELF = Equivalent lowest floor of asset in the market

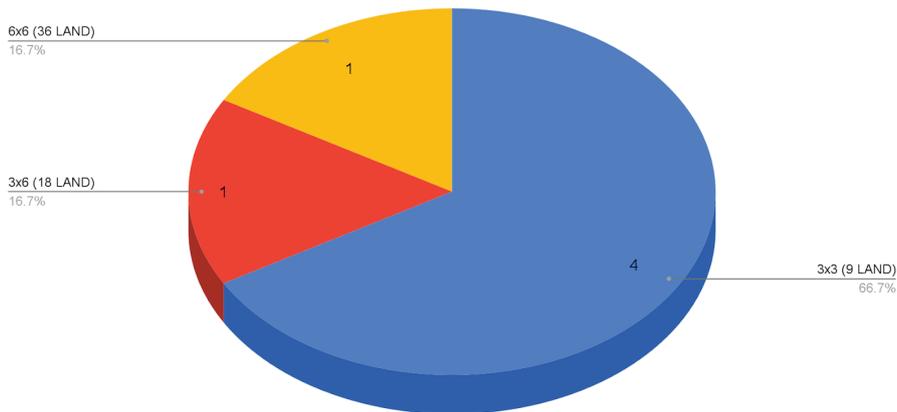
THE SANDBOX (SAND) STAKING STRATEGY

When users stake SAND on our platform, we use it to fund LAND purchases and the development of Roman Architecture in partnership with our developers MyReality. We will be able to monetize these virtual pieces of real estate by integrating play-to-earn games and other activities that possess the potential for monetization, like chariot racing and gladiator fighting. We can also lease land to others in exchange for predictable, passive income.

With the \$1,468,990 staked SAND, we've been able to invest in five separate LAND estates for a total current market value of \$3,177,14, representing a 116.3% increase since inception and a 2088.9% annualized return.

A portion of the profits from monetization are reinvested, with the remaining distributed to SAND and DDAO stakers. This enables investors to earn interest passively on their Sandbox holdings and gain fractional exposure to Metaverse investment opportunities that would otherwise be out of reach.

Sandbox LANDs



SAND Strategy Performance

SAND Strategy	Performance
Since Inception	116.30%
Annualised Return	2088.90%
SAND Deposits in USD	\$1,468,990
Valuation Measured by ELF	\$3,177,414



*ELF = Equivalent lowest floor of asset in the market

AXIE INFINITY (AXS) STAKING STRATEGY

Our Axie Infinity AXS staking pool enables investors to contribute their AXS, which we use to fund the purchase of Axies and our scholarship program.

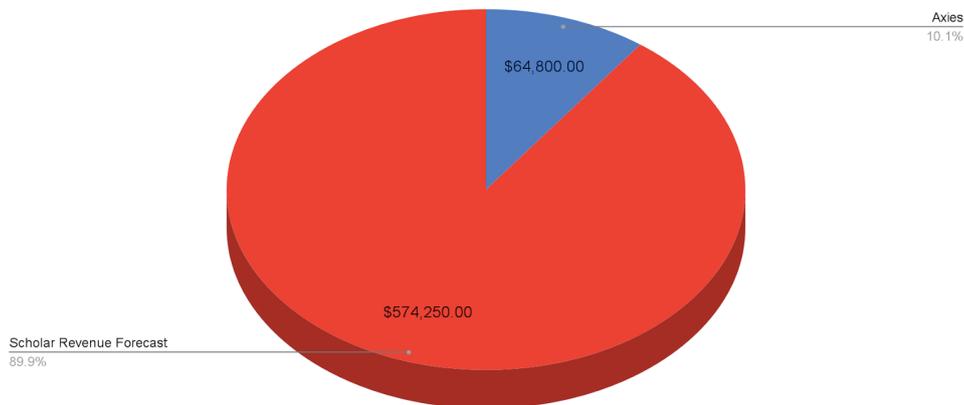
With all of the pooled AXS, we've been able to invest in 1323 Axies for a total cost of \$492,108.17, with a current market value of \$639,050, representing a 29.86% increase since inception and a 184.31% annualized return.

Our scholars play Axie Infinity using our Axies to generate AXS and SLP income that gets redistributed to AXS stakers and our DDAO.

In addition to the primary VEMP yield, AXS stakers are also paid in AXS and SLP, resulting in users earning returns on their holdings in three separate cryptocurrencies.

What makes the Axie Infinity Staking Strategy unique is that once a fundamental core group of scholars has been established, it will be very unlikely that monthly revenue will decrease. In fact over time, monthly revenue should theoretically increase as Axie adoption increases. This is because more people will be looking for opportunities to get paid to play the game, which enables us to earn passive income on our Axies and AXS.

AXS Asset Value



AXS Strategy Performance

AXS Strategy	Performance
Since Inception	29.86%
Annualised Return	184.31%
USD Cost of Assets	\$492,108.17
Valuation Measured by ELF	\$639,050



*ELF = Equivalent lowest floor of asset in the market

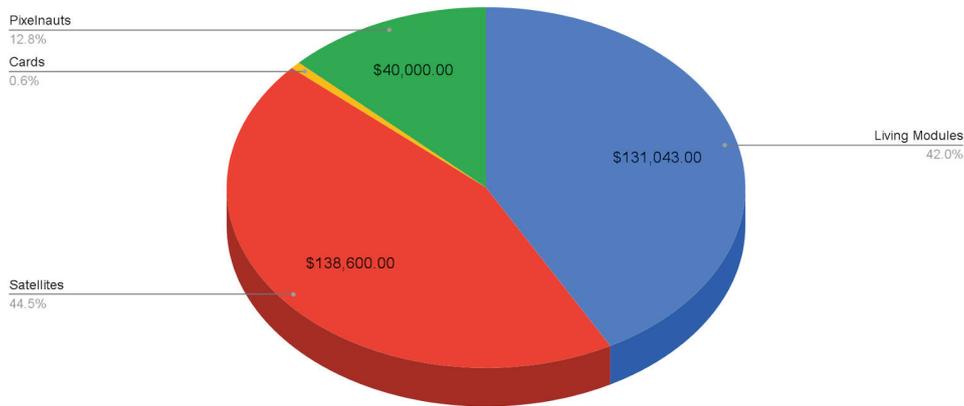
STARL STAKING STRATEGY

Our Starl Staking Strategy is our largest investment pool by amount staked. This pool enables investors to delegate their STARL holdings, which we use to fund the purchase of Starl metaverse assets. We focus on investing in high ticket Starl assets like "Satellites" as they generate significant yields that can be reinvested and distributed to stakers and members of our DDAO.

On top of this, we also invest in "Living Modules" which represent digital real estate in the Starl metaverse. We monetize these assets by leasing them or reselling on secondary markets, once again distributing the profits to STARL stakers and the members of our DDAO.

With the resources that we've pooled, we've invested in five different types of Starl metaverse assets since the pool's inception, including forty-four Living Modules, for a total cost of \$311,643. These assets have a current market value of \$630,328, representing a 102.26% increase in value. However, due to the popularity of the pool, and with 18% of STARLs metaverse assets already owned by vEmpire, we have paused our purchases until the next primary sale. We have had almost 3% of STARLs total supply staked into our pool coming to \$6,202,090.00, with a current market value of \$6,497,965.00, representing a 4.77% increase since inception and a 22.04% annualized return.

STARL Asset Breakdown



STARL Strategy Performance	
STARL Strategy	Performance
Since Inception	4.77%
Annualised Return	20.49%
STARL Deposits in USD	\$6,202,090
Valuation Measured by ELF	\$6,497,965

 *ELF = Equivalent lowest floor of asset in the market

FINAL THOUGHTS

vEmpire DDAO

Q4

Overall we are extremely pleased with the performance and the quality assets we have acquired over the past quarter. As we have said to our community, the first few months were always going to be spent on building a solid portfolio of properties and NFT assets so that we could look towards adding liquidity in the first half of next year. I am pleased to say we are very much on track for this goal and the remainder of our roadmap.

I would like to take this opportunity to thank the whole vEmpire community, the team, our ever supportive Jasmine Li at STK-VEMP Guild & everybody who has contributed to building, growing and maintaining vEmpire DDAO. We are still incredibly early to the Metaverse. The assets that we purchased this past year, I'm certain will be our most profitable long term investments.

So what lies ahead for next quarter? More staking pools, more chains, more partnerships & plenty to come after that.

SAND Estates	Neighbours/location	Cost (USD)	Current Estimated Value	Q4 % increase
3X3 (22, 10)	Central, https://twitter.com/_daLenz_ , next to SAND 12X12	\$50,000.00	\$400,000.00	700.00%
3X3 (121, -20)	Distendedcrown, https://twitter.com/MetaKovan & SAND 6X6	\$50,000.00	\$250,000.00	400.00%
3X3 (-152, -98)	\$DOGGGO, Badger-Bunks & SAND 12X12	\$135,700.00	\$250,000.00	84.23%
6X6 (42, 42)	Next to CryptoKitties 12X12, Metafactory 3X3, SAND 3X3	\$400,000.00	\$1,200,000.00	200.00%
6X3 (2, 39)	Next to Animoca Brands 6X6 & https://twitter.com/stryking_io 6X6	\$400,000.00	\$1,000,000.00	150.00%
DCL Estates	Neighbours/location	Cost (USD)	Current Estimated Value	Q4 % increase
1 Parcel	Sat on Dragon Plaza	\$17,000.00	\$34,000.00	100.00%
1X2	On two roads, one of which facing onto Genesis Plaza	\$36,500.00	\$73,000.00	100.00%
2X2	30 seconds from Atari Casino and next to Vegas City	\$38,000.00	\$250,000.00	557.89%
3X3	Next to a 15X6 un-owned	\$136,500.00	\$273,000.00	100.00%
7X2	Between University & Vegas City	\$271,000.00	\$500,000.00	84.50%
STARL Assets	Neighbours/location	Cost (USD)	Current Estimated Value	Q4 % increase
44 Living Modules	N/A	\$131,043.00	\$356,928.00	172.37%
Crypes - MEO	N/A	\$26,600.00	\$115,700.00	334.96%
Sat 2 - MEO	N/A	\$112,000.00	\$115,700.00	3.30%
Woof, Moe & vEmpire Legend Cards + ticket	N/A	\$2,000.00	\$2,000.00	0.00%
210 Pixelnauts		\$40,000.00	\$40,000.00	0.00%
AXS Assets & Scholars	Neighbours/location	Cost (USD)	Current Estimated Value	Q4 % increase
1323 Axies	Based on floor 64.8K	\$492,108.17		
394 Scholars	Value = Yearly Revenue X3		\$639,050.00	
Totals USD (all strats - ETH)		\$1,846,343.00	\$5,499,378.00	197.85%

Ethereum Strategy Holdings	Cost ETH	ETH Value	Q4 % increase	Notes
8 Bit Universe Penguin	0.75	1	33.33%	1 of 11 in 8.9K C
8 Bit Universe Batman	0.82	4	387.80%	1 of 6 in 8.9K C
Baby Camel	0.25	1	300.00%	1 of 1 New York hat 1.1K C floor 500
BAYC 4 trait	62.5	99.8	59.68%	229/10K 4 trait
MAYC 4 trait	7	24.48	249.71%	1515/17.7K 4 trait
BAKC	3	7.7	156.67%	393/9.6K
1 Capsule House	3	3.69	23.00%	1098/10K 1/80 onis
Crusader Legendary FACA	0.7	5	614.29%	Joint 1st/8 1.8K collection
Kaleo Legendary FACA	1	5	400.00%	Joint 1st/8 1.8K collection
Albino Kong FACA	0.5	0.2	-60.00%	1/14 192/1800
Albino Chimp FACA	0.1	0.1	0.00%	01/09 196/1.8K
Neanderthal FACA	1	0.3	-70.00%	01/08 114/1.8K
21 Gambling Apes	9.15	27.2	197.27%	
1 Mekaverse	2.5	10	300.00%	281/8888 1/18 3rd rarest weapon
Metasaur Gold	1.2	1.1	-8.33%	
Metasaur 2	0.69	0.43	-37.68%	
Metasaur 3	0.35	0.33	-5.71%	
Metasaur 4	0.32	0.5	56.25%	
Metasaurs 5	0.6	0.79	31.67%	4.727
11 Metasaurspunks	0.88	1.05	19.32%	(image, rarest one)
Party Ape Billionaire Club	2.7	0.95	-64.81%	Laser Eyes, Double Diamond
Party Ape Billionaire Club	0.74	0.4	-45.95%	Luxury Bee

Ethereum Strategy Holdings	Cost ETH	ETH Value	Q4 % increase	Notes
13 Shiboshis	1.3	22.13	1602.31%	
6 Sloties	3.12	2.8457	-8.79%	
Spacepunks	1.75	0.8	-54.29%	ape 1/120 in 10K C
Spacepunks	2.9	0.9	-68.97%	Rainbow 186/10K
24 Swampers	15.06	19.177	27.34%	Including 7,19 & 78 Rarity
10 Treeverse	14.328	12	-16.25%	
4 Alcabones	2.06	2.011	-2.38%	
2 War riders	4.293	2.05	-52.25%	war lambo + truck
8 Ape Harbour Yachts	7.72	5.9	-23.58%	23, 37, 38 & 80 + 4 gold
62 Arabian Camels	4.45	4.34	-2.47%	
4 Citadel of the machines	2	0.952	-52.40%	outlier
3 Cryptodads	4.3599	1.994	-54.27%	
1 Cryptomom	0	0.09	0.00%	
6 GENHALL	0.6458	0.3	-53.55%	
21 Influence Asteroids	38.19625	37.8967	-0.78%	44.675
15 Influence Crew	6.479	8.64	33.35%	
5 lil baby ape club	3.15	3.1	-1.59%	
19 Bullish Llamas	7.5235	6.011	-20.10%	
5 Magic Mushroom Clubhouse	4.65	1.122	-75.87%	
25 Metadoge Pass	0.25	25	9900.00%	Floor 1 ETH but only one for sale
1 Metabrands Archmage	6.8	5.3	-22.06%	25/186
5 Mintonians	1.25	2.93	134.40%	One gold + king crown

Ethereum Strategy Holdings	Cost ETH	ETH Value	Q4 % increase	Notes
AAVEgotchi Assets	11.67	22.629	93.91%	12.34* (Gotchis) + 7.049 (Realm) + 3.24 (staked)
Zed Run	1.963	0.164	-91.65%	
Crypto Unicorns	0.34125	0.4888	43.24%	
Highstreet genesis FOMO	3.2	1.2	-62.50%	
MRT	121	46	-61.98%	Live *09/01
MPA	24.574	266	982.44%	At IDO price *09/01
AOG	3	28.76	858.67%	Live *09/01
MCRT	10.847	135.863	1152.54%	Live *09/01

Totals (ETH)	518.6971	1021.487
Totals for ETH pool in USD	\$1,572,082.73	\$3,095,953.44
Totals Assets all pools in USD	\$3,418,425.73	\$8,595,331.44

Q4

Thank You

