



Valuation Report of Unicorn Inc.

As of 2024-01-01



Prepared by StartupHero

StartupHero is a boutique consultancy specializing in startup fundraising and strategic financial advisory. We empower high-growth startups with tailored valuation insights, investor relations support, and funding strategies to accelerate their path to success.

Report generated on 13 Nov, 2024

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About this report

Prepared by StartupHero

This valuation report has been prepared for Unicorn Inc., a Fintech startup based in the United States, with the specific objective of raising capital. StartupHero, a boutique consultancy specializing in startup fundraising, was engaged by Unicorn Inc. to determine an accurate and strategic valuation to support its upcoming investment round. The report has been tailored to capture the nuances of Unicorn Inc.'s business model, growth trajectory, and strategic positioning in the Fintech sector. We conducted a comprehensive analysis using a blend of market approaches, discounted cash flow models, and comparable company benchmarks to arrive at a fair value. The valuation process took into account Unicorn Inc.'s current financial performance, scalability potential, competitive landscape, and recent developments in the US Fintech market. Our approach emphasizes transparency, ensuring that all methodologies and assumptions are clearly articulated for Unicorn Inc.'s stakeholders. The valuation will not only support fundraising efforts but also provide a foundation for strategic decisions related to future growth initiatives. The inclusion of this report's scope of work ensures all parties understand the specific objectives and considerations driving this analysis.

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About Equidam

Equidam is the platform for Startup Valuation. Our technology enables entrepreneurs to understand what drives their valuation, transparently discuss it, thanks to clear and detailed valuation reports, and close fair deals with investors and buyers. We selected the 5 leading methods used to value startups and combined them with the most reliable data for the valuation parameters, tailored to 90 countries and 136 industries.

Company summary

Unicorn Inc.

🏠 9120 Sand Hill Road, Suite 101, Menlo Park, CA, USA

🌐 United States

💰 Currency: United States dollar \$

Industry: **Financial & Commodity Market Operators & Service Providers**
Business Activity: **Financial Technology & Infrastructure**

Unicorn Inc produces the best quality single horn for horses. Our mission is to transform the world and make it a better place.

🌐 www.unicorninc.com

Founders: **2**
Employees: **8**
Started in: **2020**
Incorporated: **Yes**
Year of incorporation: **2021**
Founders' committed capital: **\$650000**



Opportunity

Business model: **B2B**
Scalable Product: **Yes**
Exit strategy: **Multiple exit opportunities**



Current Operations

Stage of development: **Development stage**
Employees (excluding founders, interns and freelancers): **8**
Profitability: **Yes**



Competitors

Pony Inc | ponyinc.com
Hippo Inc | hippoinc.com



Latest operating performance

01/2023 - 12/2023

Revenue	134,000

EBITDA	-216,850
Ebitda margin	-200 %

EBIT	-217,944
Ebit margin	-200 %

Cash in hand	350,000

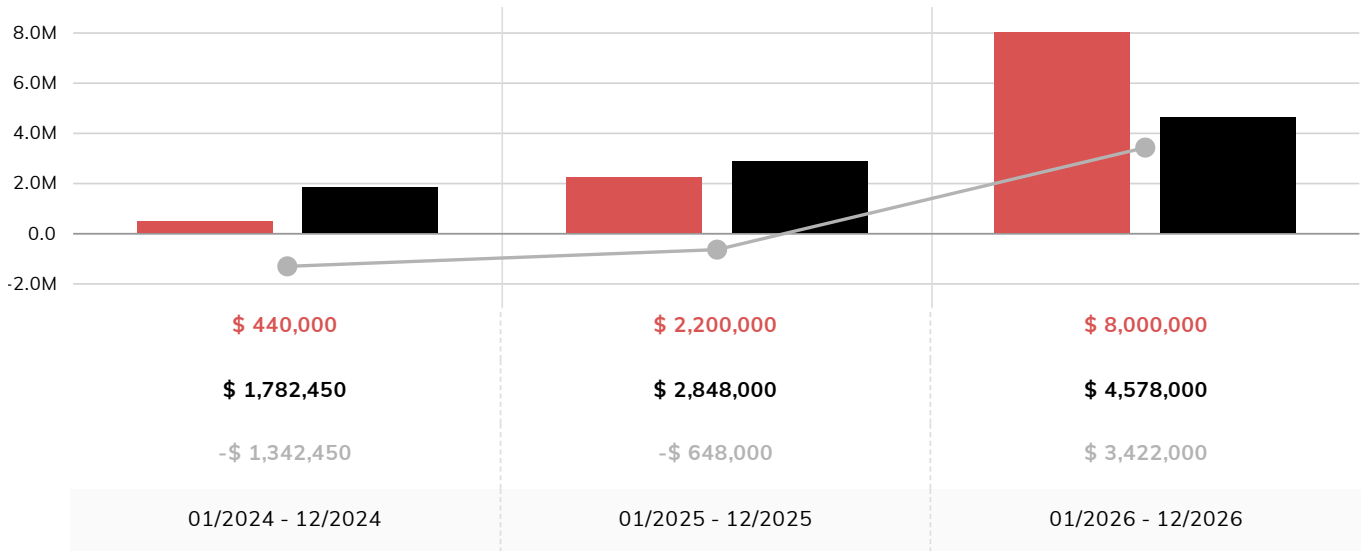
All numbers in USD

/// More information on the history, milestones, team, etc., (e.g. pitchdeck) can be requested by the company

Forecasts summary

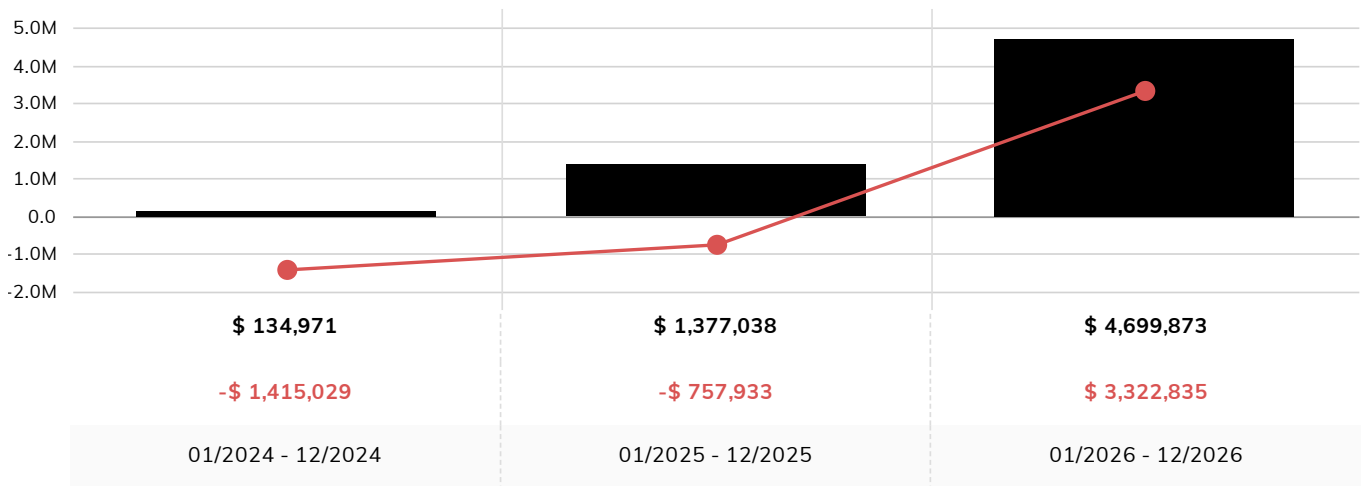
Future profitability

■ Revenues ■ Costs ● EBITDA



Cash forecast

■ Cash in hand ● Free cash flow to equity



/// Full profit and loss and cash flow forecast at page 16.

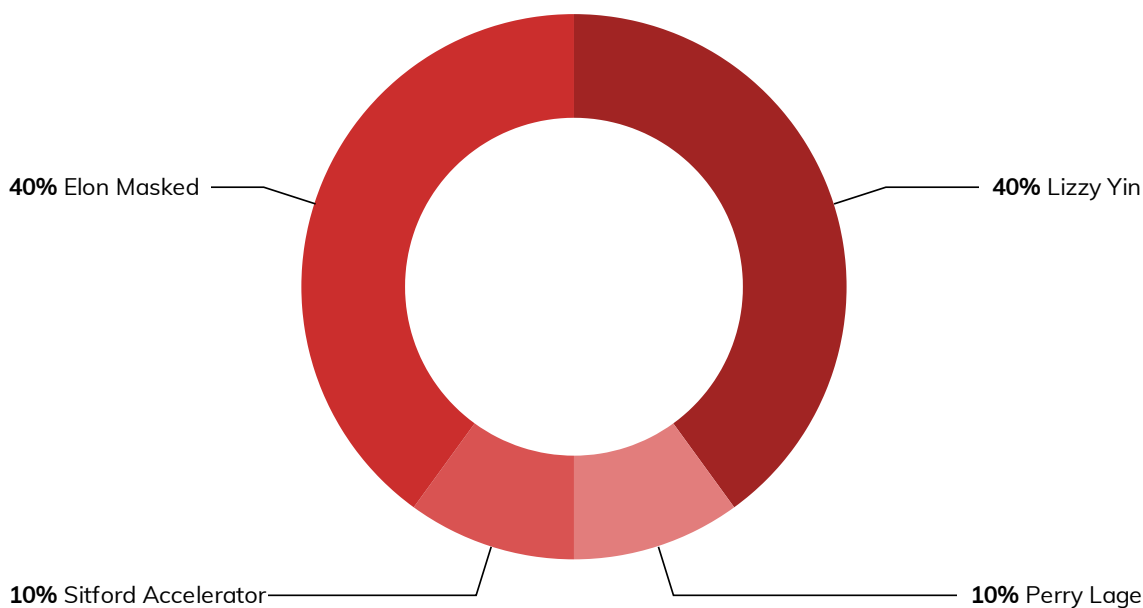
Past funding rounds

Here is an overview of the past funding rounds and valuations of the company.

Type	Date	Post-Money/Valuation Cap	Investment	Equity %
Convertible	10-10-2022	\$ 8,000,000	\$ 250,000	-

Current ownership

Here is an overview of the current shareholders in the company. More information on type of shares, unassigned shares, and in general a detailed cap table can be requested to the company in question.

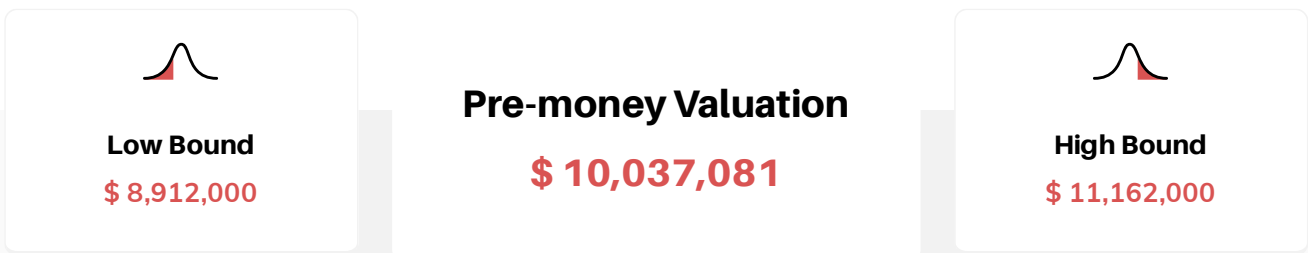


Valuation

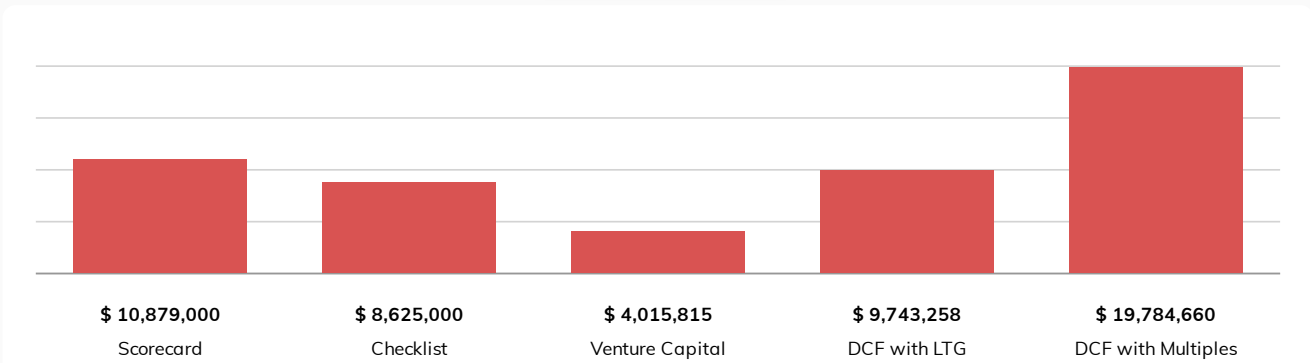
The valuation displayed below is the result of the weighted average of different methods. The use of several methods is a best practice in company valuation, as looking at the business from different perspectives results in a more comprehensive and reliable view.

These methods are compliant with IPEV (International Private Equity Valuation) Guidelines and each of them will be explained in more detail in the following pages of the report.

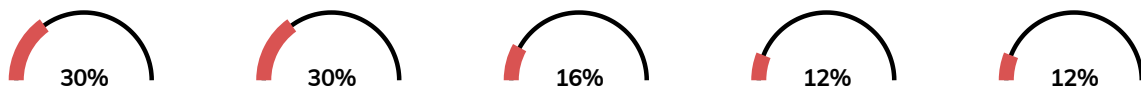
More information on the weights can be found in the Appendix.



5 Valuation Methods

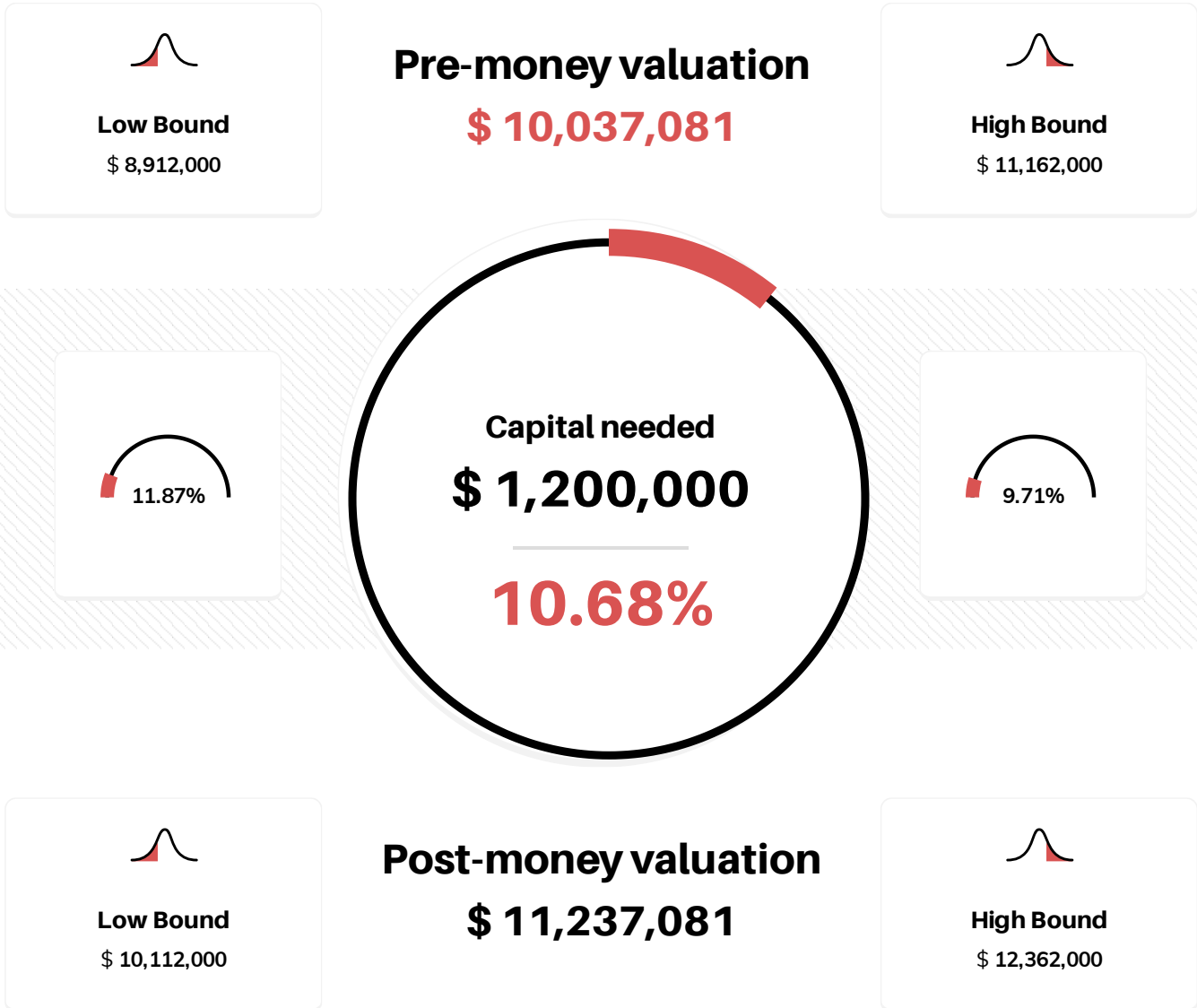


Method weights



Current funding round

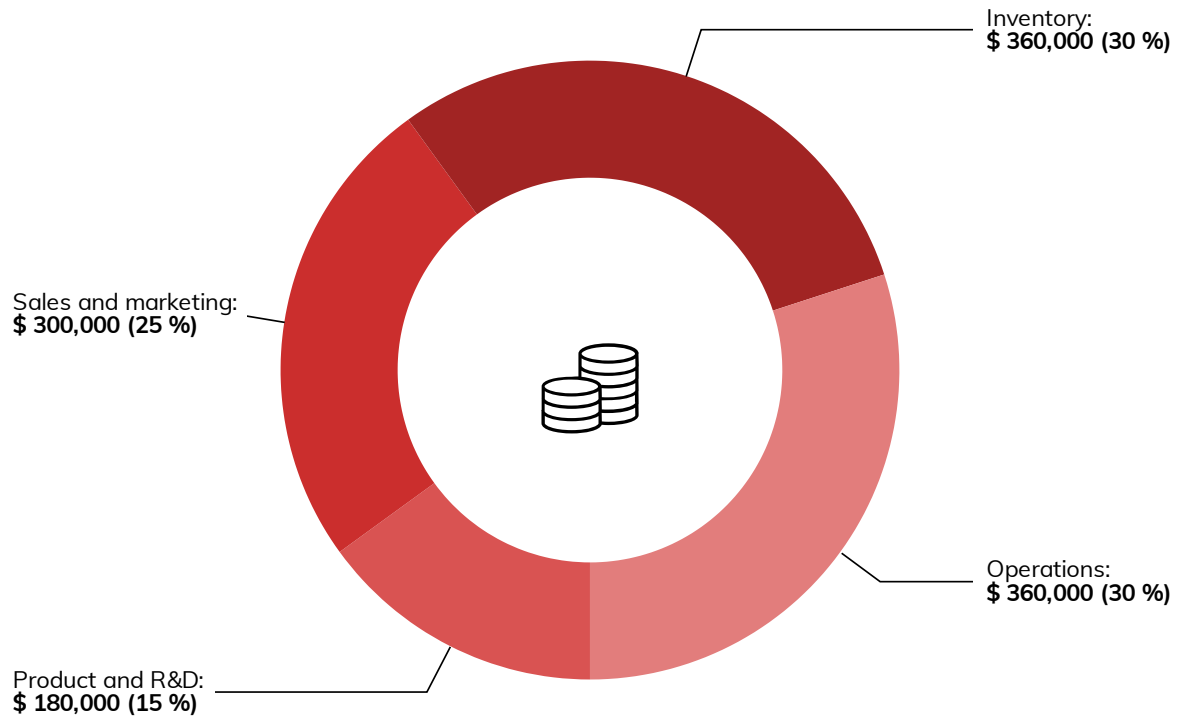
Please find below the amount of capital currently needed and the consequent percentage of equity based on the valuation of previous page as a starting point for the negotiations.



Starting from the post-money valuation of the company, the equity percentage that relates to the investment is calculated as investment/post-money valuation. Keeping the investment amount fixed, the lower the pre-money valuation, the higher the equity stake, and vice versa.

Use of funds

Here is a breakdown on how the company will use the capital raised.



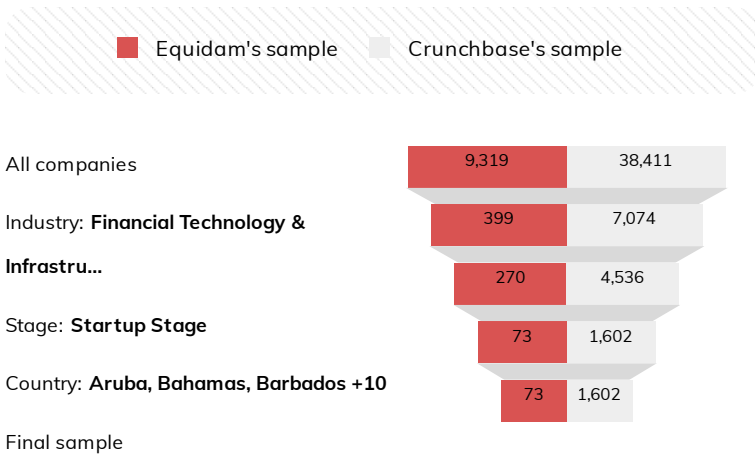
Valuation Delta™ Analysis

Data about similar companies is key in understanding the reliability of the valuation analysis. In the following pages, the key attributes and determinants of valuation for the company under analysis are compared with benchmarks from several sources. It is normal and encouraged for each company to have some standout attributes. These should, however, be based on structural differences, and not just merely on different inputs.

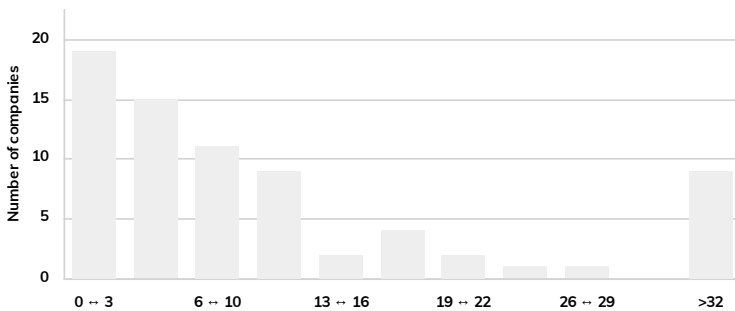
Application of Filters

The following filters are applied to the full sample in order to compare the startup with only the most similar companies.

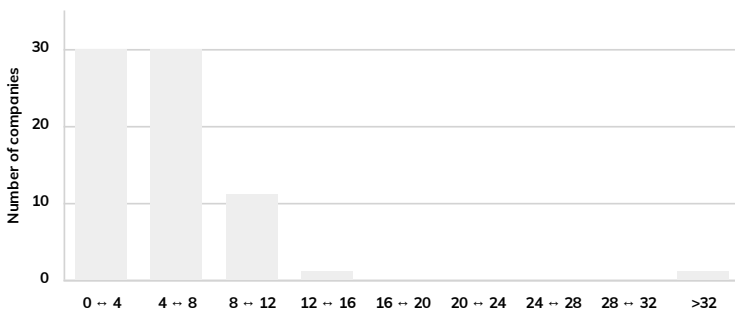
The filters are selected by the user and can be adjusted on the platform.



Sample by number of employees



Sample by company age



Data Sources

For the analysis in the following pages, the following data sources have been used.



Equidam
Data collected as part of valuation activity for startups worldwide

Sample collection: From Jan 3 2019 to Nov 13 2024

Latest Update: Wed Nov 13 2024

Founded: 2012



Crunchbase
The leading database of private company data

Sample collection: From Apr 8 1991 to Nov 13 2024

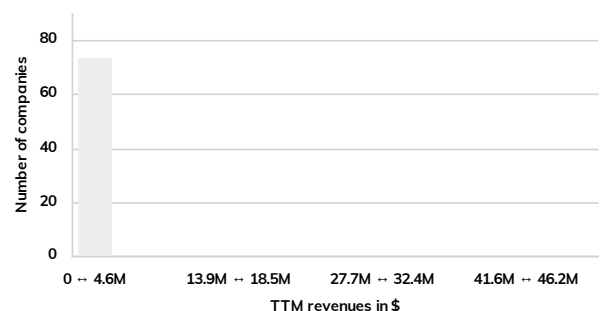
Latest Update: Wed Nov 13 2024

Founded: 2007

Equidam's Data Policy

All Equidam benchmarking data is aggregated and completely anonymous. As per our [Privacy Policy](#), we never disclose company specific information.

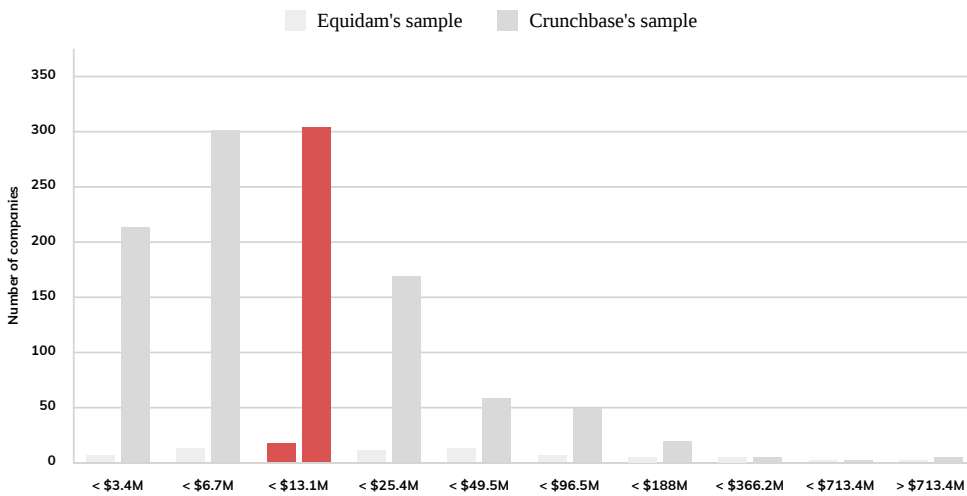
Sample by TTM revenue



Valuation Benchmark

Valuation delta analysis or benchmarking refers to the process of selecting valuation attributes and comparing them against similar businesses. Of course, every business is different, and 'one fit for all' cannot be applied to each business, however, benchmarking is based on the theory that similar nature businesses have similar valuations.

Below you can compare the company's valuation with the valuation sample from Equidam's and Crunchbase's data. The valuations vary due to the different risks and returns of the companies. The purpose of this chart is to give an indication on the valuation of the company compared to its environment.

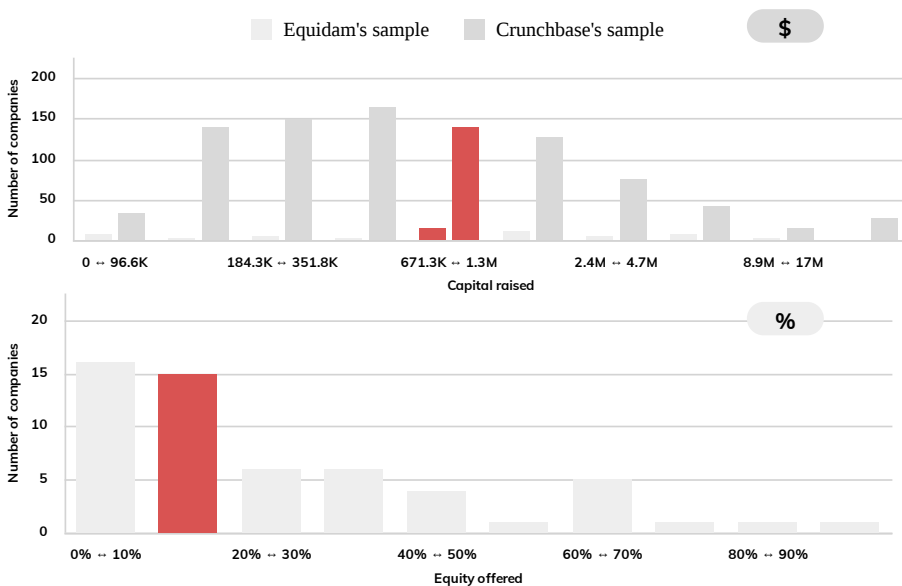


Unicorn Inc. valuation is **\$10M**

Unicorn Inc. valuation is higher than **37%** of the companies in the sample

Funding Round Benchmark

The graph below shows the percentage of shares the company offers and the equity raised compared with the other companies in Equidam's and Crunchbase's sample. A higher than average result could mean that the company is more capital intensive than its peers and vice-versa.

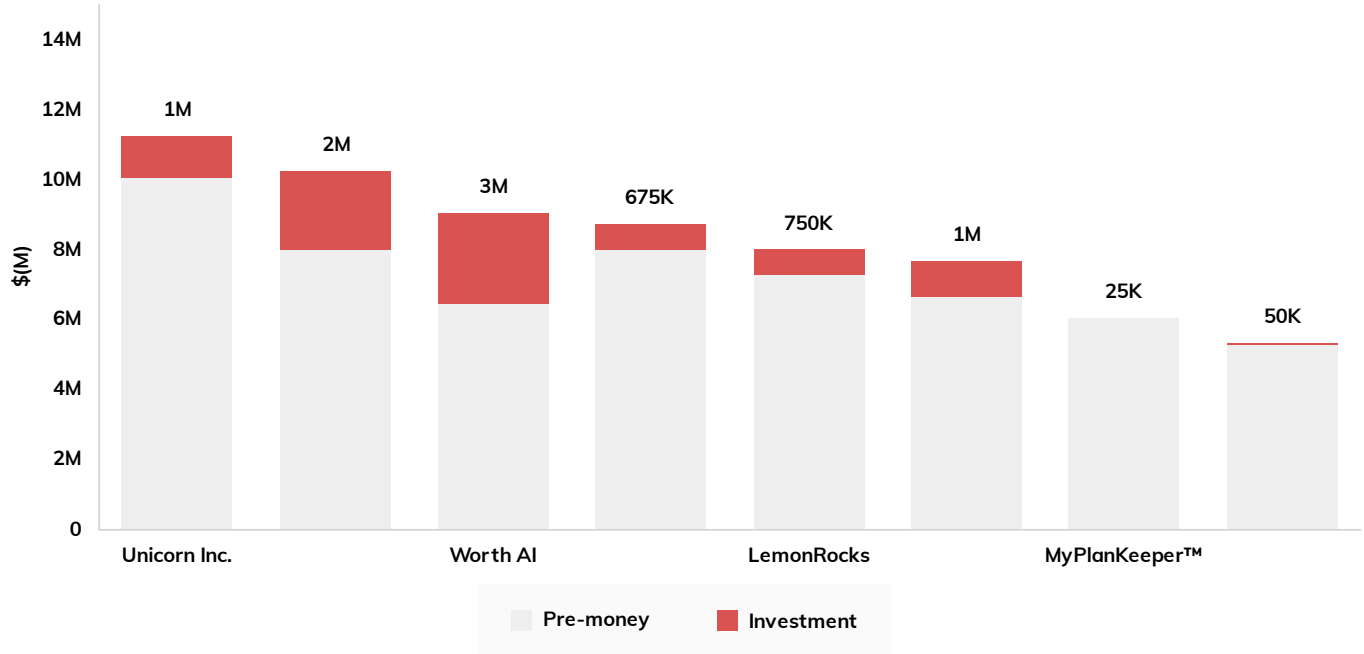










\$1.2M
Avg. Capital raised

10%
Avg. shares offered

Recent Similar Rounds

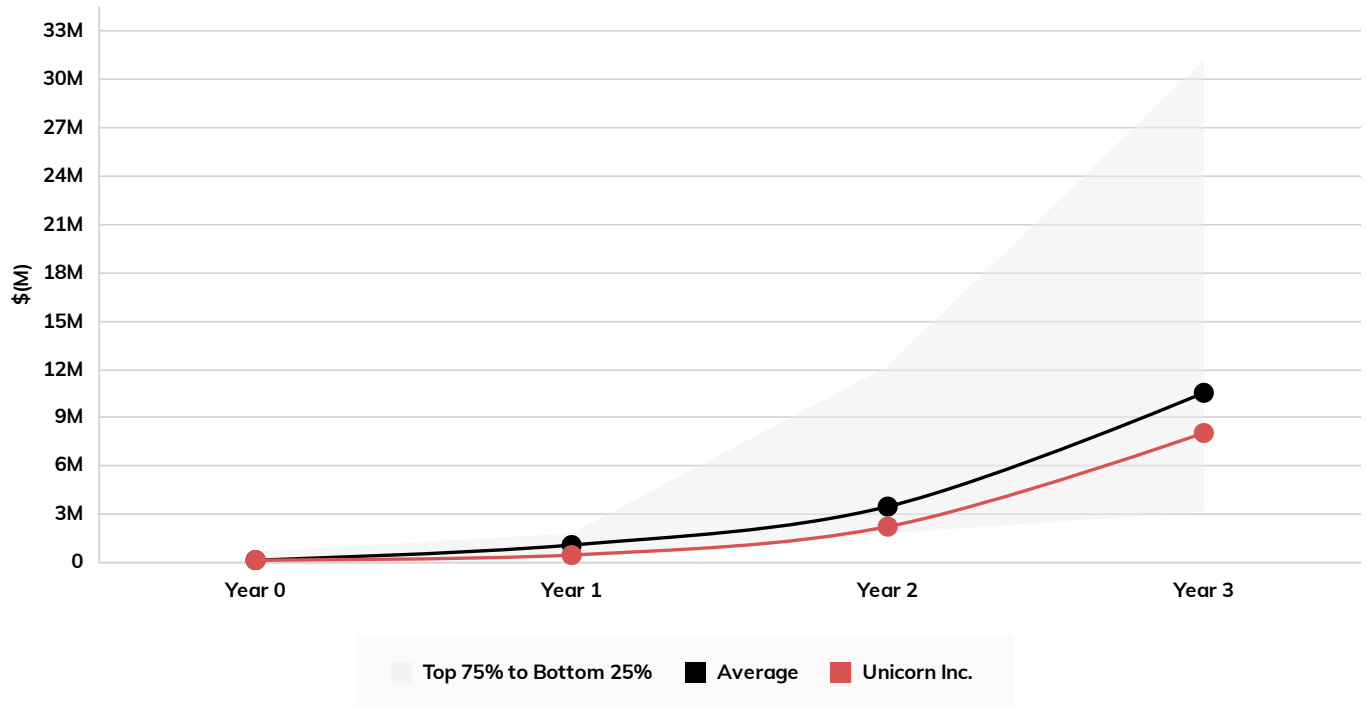
The data below displays the most recent equity fundraising rounds from the Crunchbase database restricted by the selected filters. Please keep in mind that not all funding rounds are reported, furthermore, the data could be incomplete or incorrect.



	Round Date	Pre-Money	Investment	Post-Money
 Unicorn Inc.	Jan 01 2024	\$10,037,080	\$1,200,000	\$11,237,080
 Cyphr AI	Jul 18 2024	\$8,000,000	\$2,200,000	\$10,200,000
 Worth AI	Aug 15 2024	\$6,470,590	\$2,550,000	\$9,020,590
 Blockpay	Jul 03 2024	\$8,000,000	\$675,000	\$8,675,000
 LemonRocks	Jun 11 2024	\$7,250,000	\$750,000	\$8,000,000
 MetaCommerz	Oct 31 2024	\$6,650,000	\$1,000,000	\$7,650,000
 MyPlanKeeper™	Aug 09 2024	\$6,000,000	\$25,000	\$6,025,000
 Hydronos Labs	Sep 01 2024	\$5,250,000	\$50,000	\$5,300,000

Revenue Growth

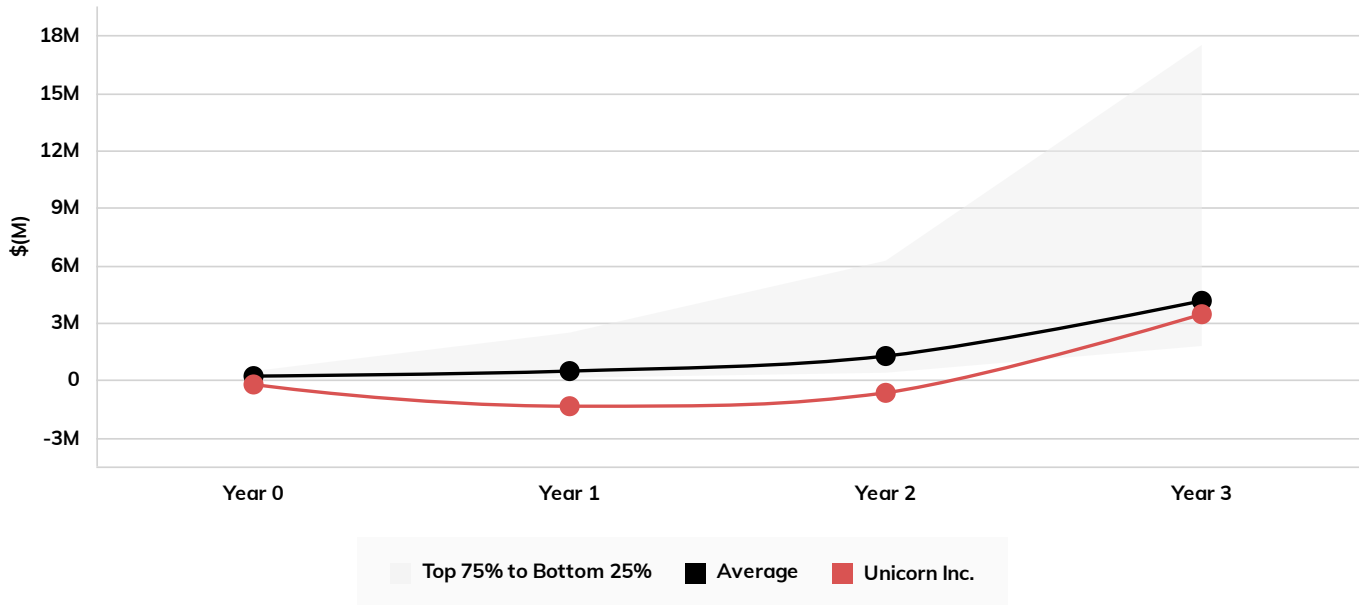
Revenue growth and EBITDA (see next page) are the two variables with the most impact on the company's valuation. This chart compares the company against the median of the sample of Equidam's data, as well as against the 25th and 75th percentile. This means that 50% of the sample is within the grey area.



	Start value	Year 1	Year 2	Year 3
Top 75%	\$ 573,030	209% ↑	588% ↑	156% ↑
Unicorn Inc.	\$ 134,000	228% ↑ \$ 440,000	400% ↑ \$ 2,200,000	264% ↑ \$ 8,000,000
Average	\$ 103,453	867% ↑	240% ↑	209% ↑
Bottom 25%	\$ 14,967	2355% ↑	376% ↑	77% ↑

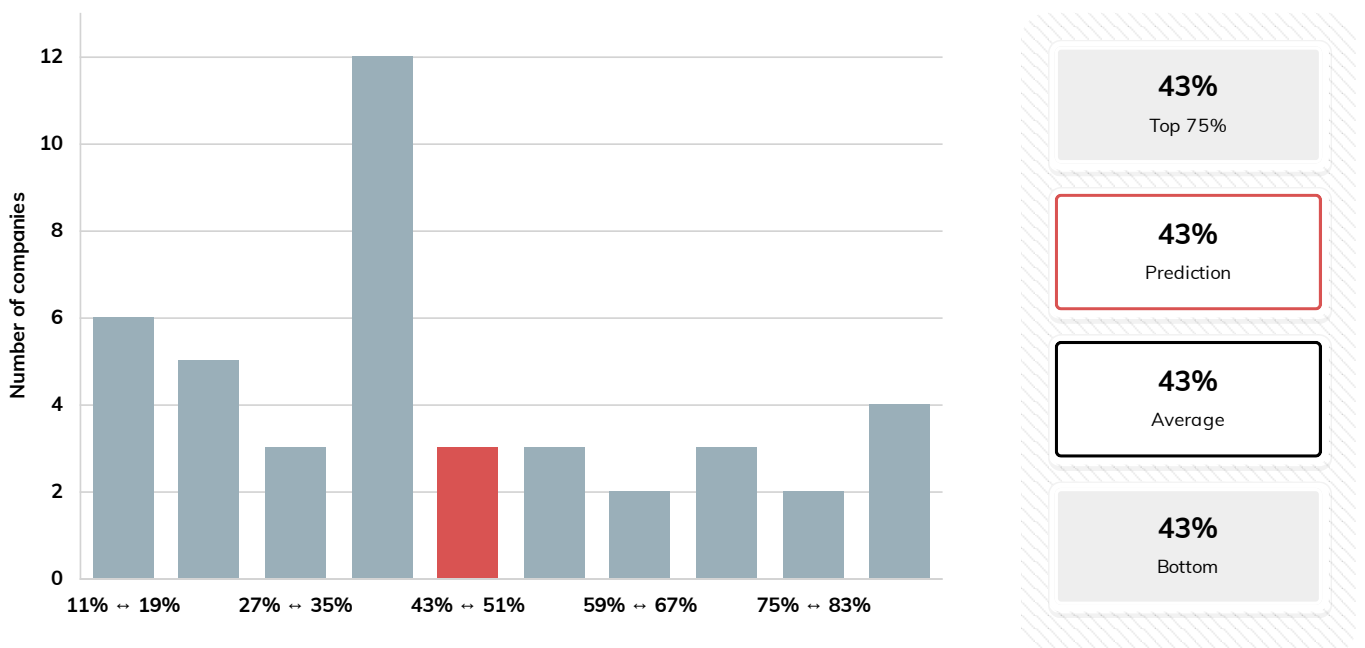
EBITDA

The EBITDA measures a company's profitability from operations. Given its significant impact in determining cash flow, it deserves special attention. The chart below displays the company's forecasted EBITDA for the upcoming three years. And it compares it to the median and 25th and 75th percentile.



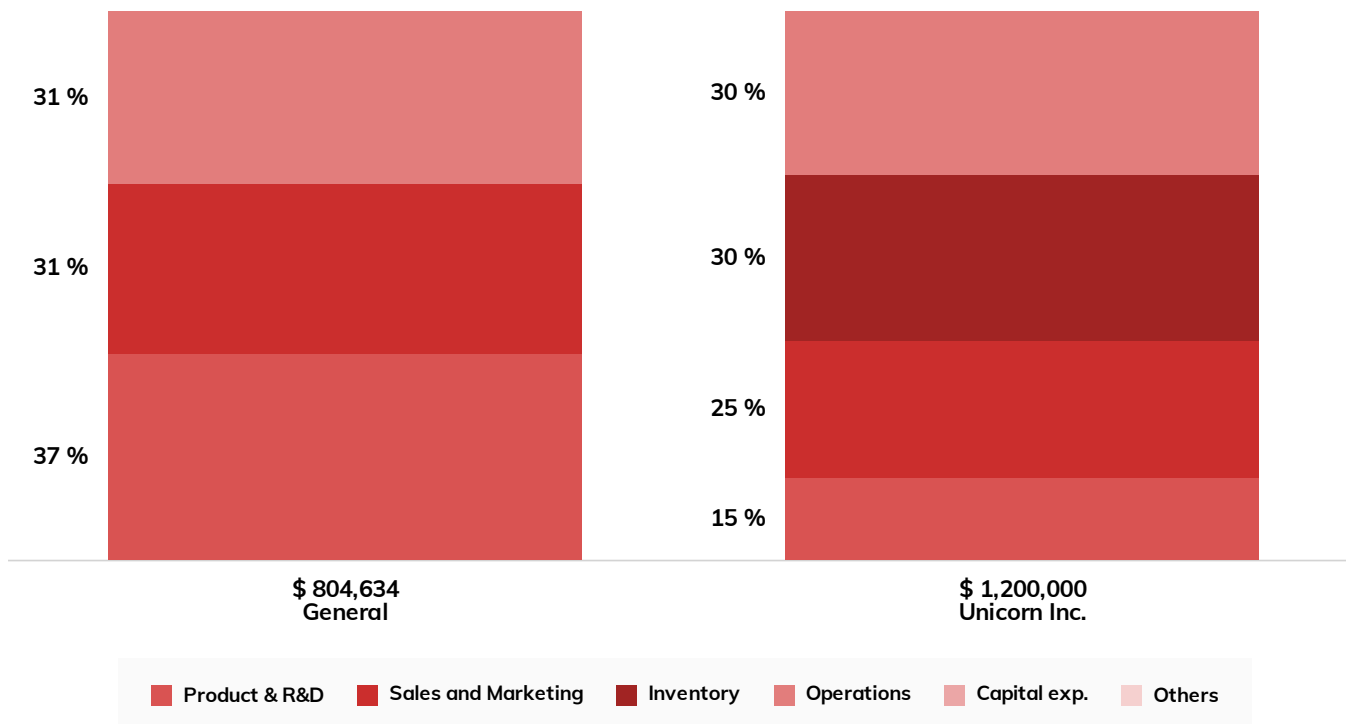
Year 3 EBITDA margin

The following graph illustrates the distribution of EBITDA Margin forecasted for three years from now, sourced from the Equidam's sample. A high EBITDA might indicate an abnormally large gross profitability, which should be attributed to business differences.



Funding Budgets Benchmark

A funding budget is a simple breakdown of how the startup plans to use the raised capital to cover expected business costs. The company is then compared to its peers to analyze similarities and differences.



	Total Money Raised	Product & R&D	Sales & Marketing	Inventory	Operations	Capital exp.	Others
General	\$ 804,634	37% \$301,400	31% \$250,000	0% \$0	31% \$253,234	0% \$0	0% \$0
Unicorn Inc.	\$ 1,200,000	15% \$180,000	25% \$300,000	30% \$360,000	30% \$360,000	0% \$0	0% \$0

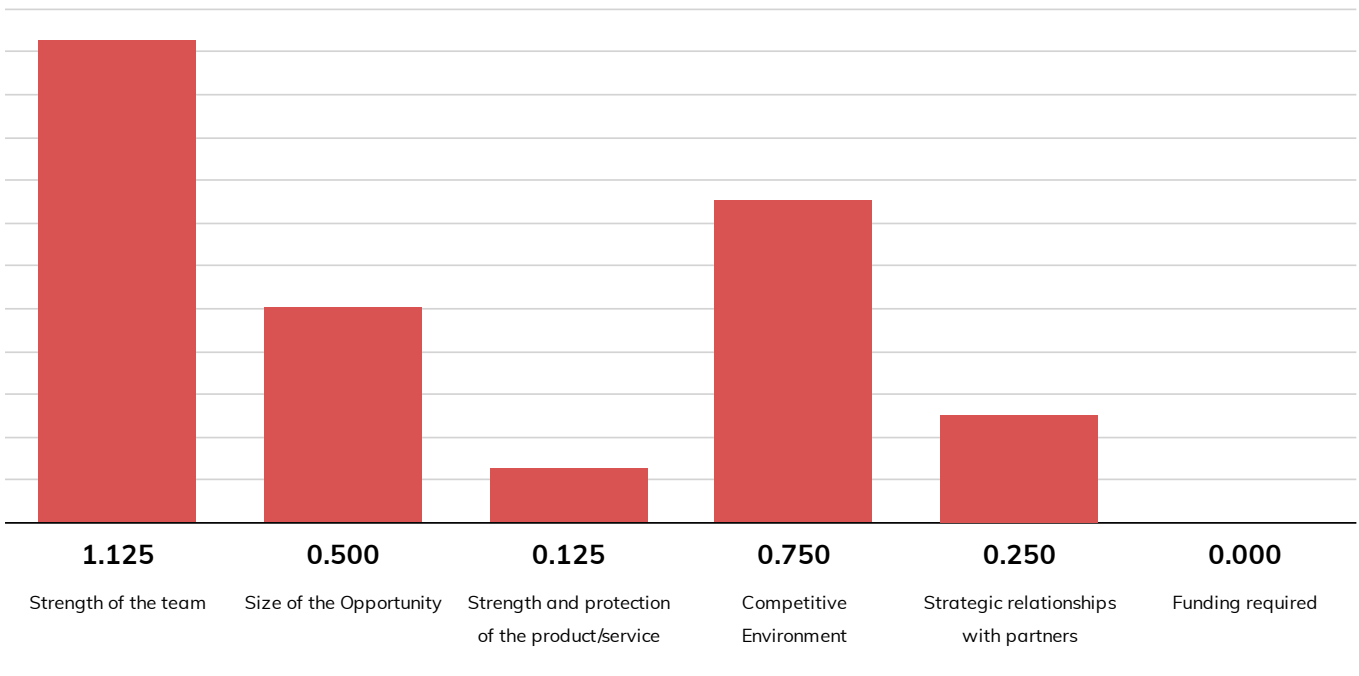
Qualitative methods

Scorecard Method: \$ 10,879,000

This method was conceived by William H. Payne of Ohio TechAngels group and endorsed by the Ewing Marion Kauffman Foundation. The valuation of the startup depends on how different this is from the assumed average of a set of comparable companies from the same region.

Startups' qualitative traits are divided in 6 criteria, compared with the assumed traits of the average company, and given a score according to whether it over- or under-performs the assumed average company. These scores are multiplied by weights that represent the impact of the criteria on the valuation. The sum of these weighted scores multiplied by the average valuation leads to the company's valuation.

Normalized scores of the company for each criteria



Parameters

Average valuation (United States): \$ 6,880,000

Weights of the criteria

Strength of the team: **30%**

Size of the Opportunity: **25%**

Strength and protection of the product/service: **15%**

Competitive Environment: **10%**

Strategic relationships with partners: **10%**

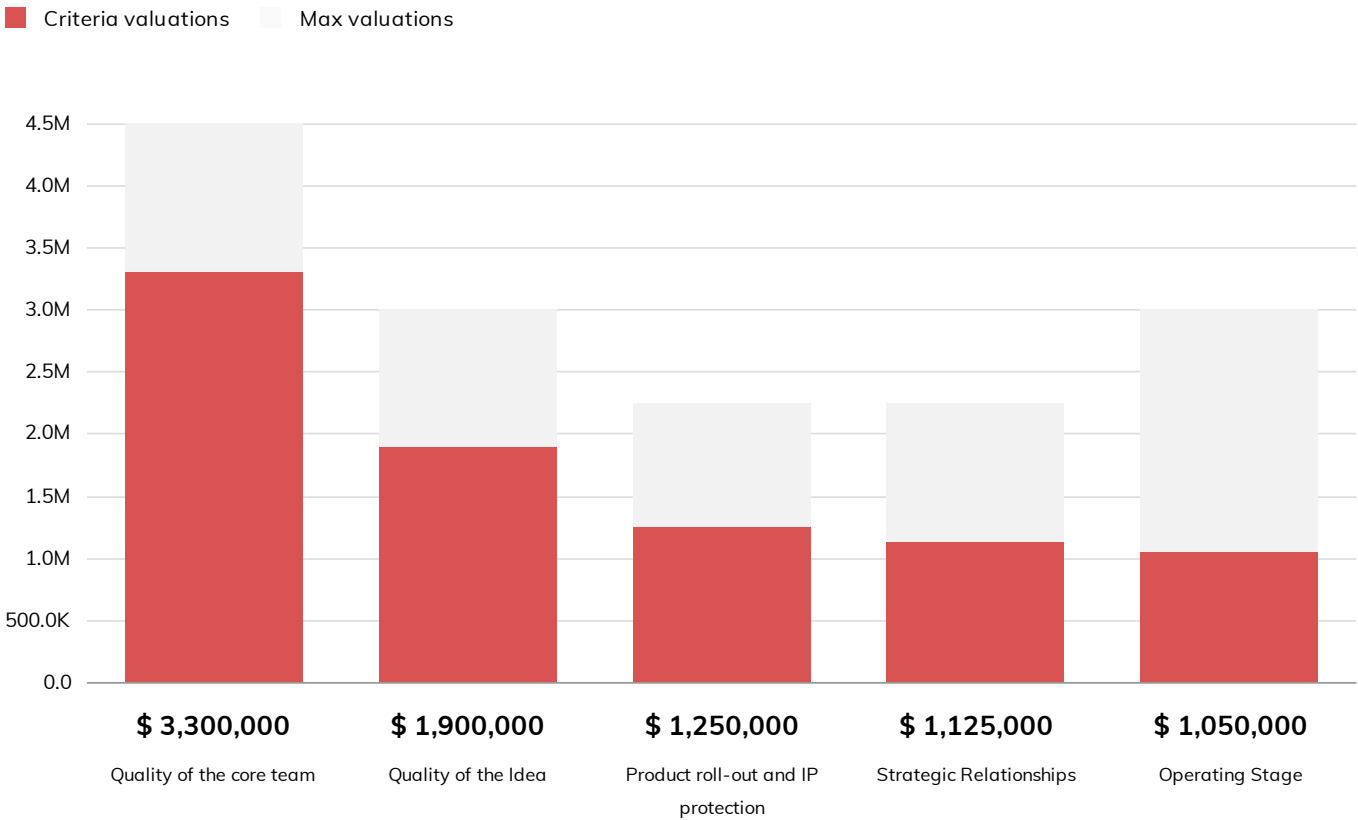
Funding required: **10%**

/// Please see appendix for data sources, defaults, and breakdown of the traits

Checklist Method: \$ 8,625,000

The creator of the method is Dave Berkus, one of the most prominent Californian angel investors. The valuation of the startup consists of intangible building blocks that sum up to the assumed maximum valuation.

The maximum valuation is split in 5 criteria according to their weight. The startup obtains portions of these maximum criteria valuations according to how close its qualitative traits are to the most desirable ones. Their sum is the startup valuation.



Parameters

Maximum valuation (United States): \$ 15,000,000

Criteria maximum valuations

Quality of the core team: \$ 4,500,000 (30%)

Strategic Relationships: \$ 2,250,000 (15%)

Quality of the Idea: \$ 3,000,000 (20%)

Operating Stage: \$ 3,000,000 (20%)

Product roll-out and IP protection: \$ 2,250,000 (15%)

/// Please see appendix for data sources, defaults, and breakdown of the traits

Qualitative traits summary

Below a summary of the traits at the basis of the scores for the two qualitative methods. Please see appendix for detailed breakdown of which trait is used in which method.



Team

Founders

Time commitment: **Planning to commit full time**

Average age: **Between 35 and 45**

Founded other companies before: **Yes**

Core team skills and expertise

Working together for: **3 to 5 years**

Years of experience in the industry: **20**

Business and managerial background: **Top-tier management experience**

Technical skills: **All technical skills inhouse**



Network

Board of advisors: **Yes**

Legal consultants: **Yes**

Current shareholders: **Crowdfunding, Incubator / accelerator**



Market

Total Addressable Market (TAM): **\$2,100,000,000**

Annual growth rate of the market: **5.00 %**

Demand validated: **Demand validated by competitors**

Internationalization: **Local focus now, international expansion planned**



Product

Product roll-out: **Planning**

Feedback received: **All positive**

Loyalty to the product/service: **Average retention**

Partners: **Informal agreements with key strategic partners**



Competition

Level of competition: **Many small players**

Competitive products are: **Weak**

Differentiation from current solutions: **Not comparable solutions**

International competition: **Not yet developed**



Protection

Barriers to entry of the market: **Modest**

Applicable IP: **Patent**

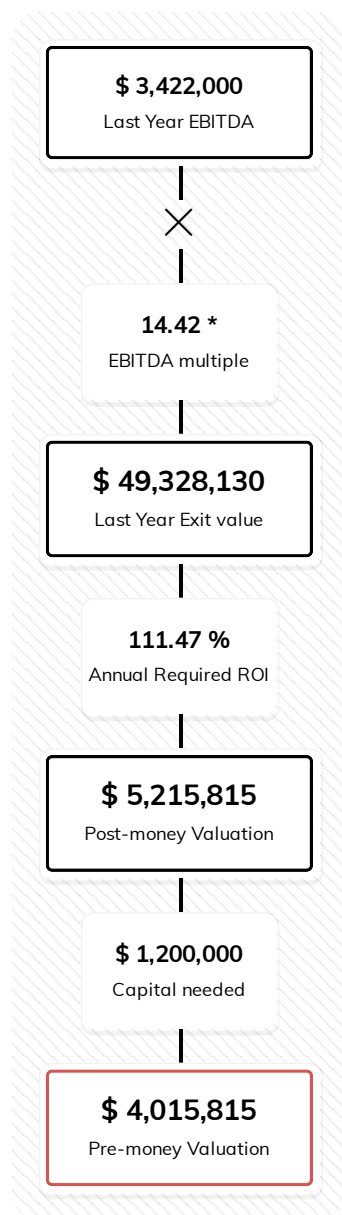
Current IP protection: **IP protection secured at regional level**

VC Method

Pre-money Valuation: \$ 4,015,815

The VC (Venture Capital) method is one of most common approaches among financial practitioners in the private company market. The startup is given the valuation that will grant investors a predetermined return at the exit.

The potential exit value of the company is computed with an industry-based EBITDA multiple. The valuation is equal to this value discounted by a required ROI (Return On Investment). This depends on the startup's stage of development, higher for early stage riskier companies, lower for more mature ones. It is the minimum rate that will allow investors to have positive returns from portfolios where most companies fail and gains come from a selected few.



Parameters
 Industry Multiple: 14.42 *
 Annual Required ROI: 111.47 %

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found on page 23.

DCF Methods

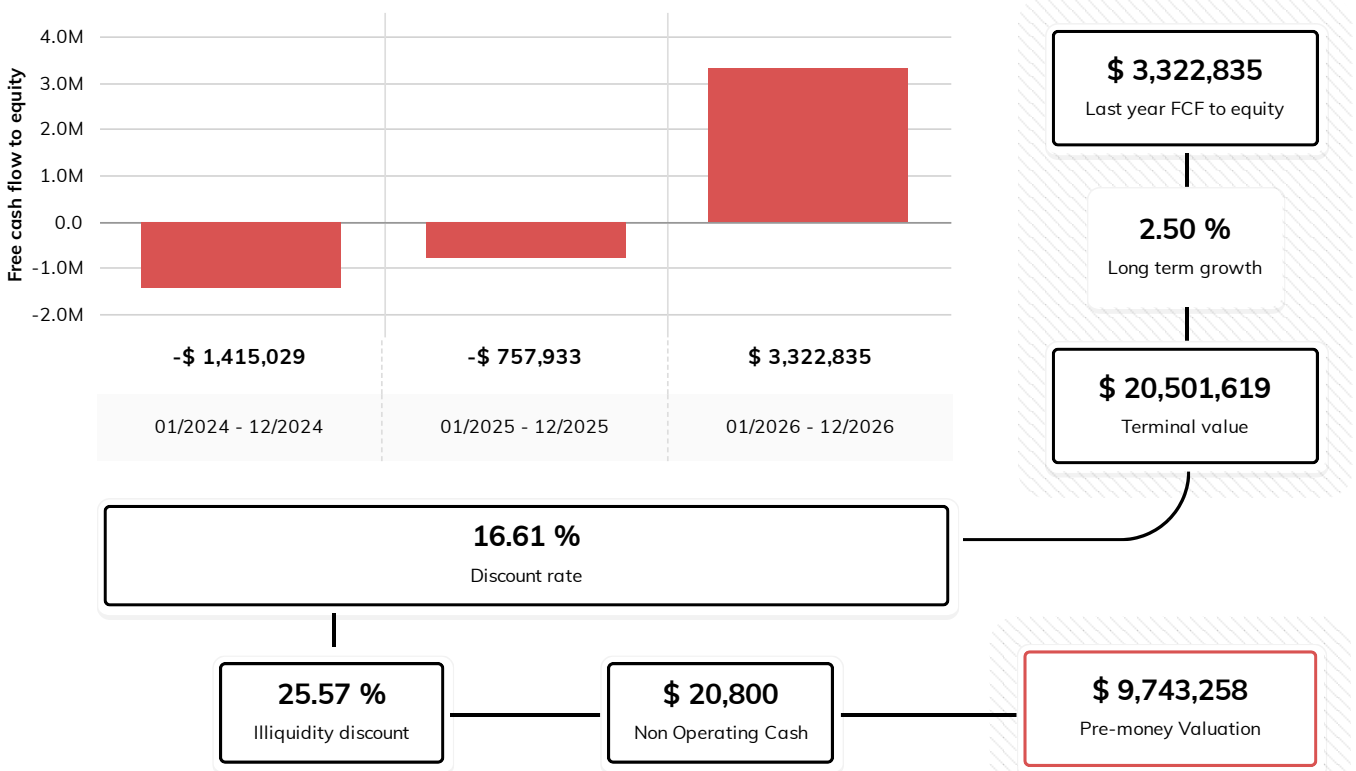
The DCF (Discounted Cash Flow) methods represent the most renowned approach to company valuation, recommended by academics and a daily tool for financial analysts. The valuation is the present value of all the free cash flows to equity the startup is going to generate in the future, discounted by its risk.

These methods weight the projected free cash flow to equity by the probability the startup will survive. Then, the flows are discounted to present by a rate that represents risks related to industry, size, development stage and profitability. Lastly, an illiquidity discount is applied to the sum of the discounted cash flows to compute the valuation.

The value of cash flows beyond the projected ones is represented by the TV (Terminal Value) and the way it is calculated is the difference between the following two methods.

DCF with LTG: \$ 9,743,258

The DCF with LTG (Long Term Growth) assumes the cash flows beyond the projected ones will grow forever at a constant rate based on the industry and computes the TV accordingly.



Parameters

Long term growth: 2.50 %
 Illiquidity discount: 25.57 %

Discount rate
 Risk free rate: 4.24 %
 Beta: 2.47
 Market Risk Premium: 5.00 %

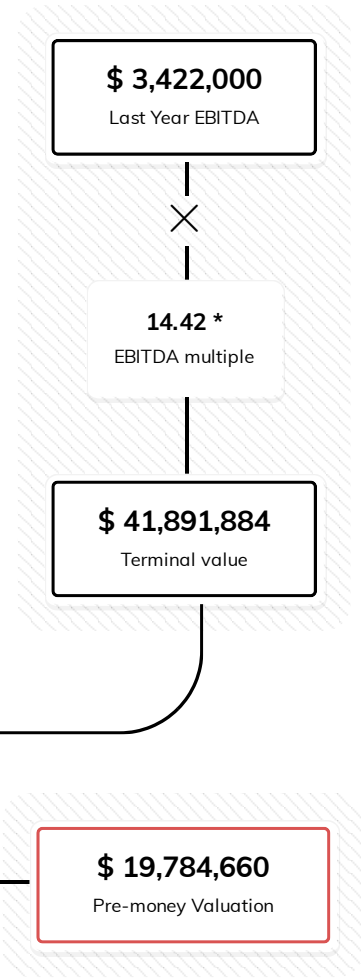
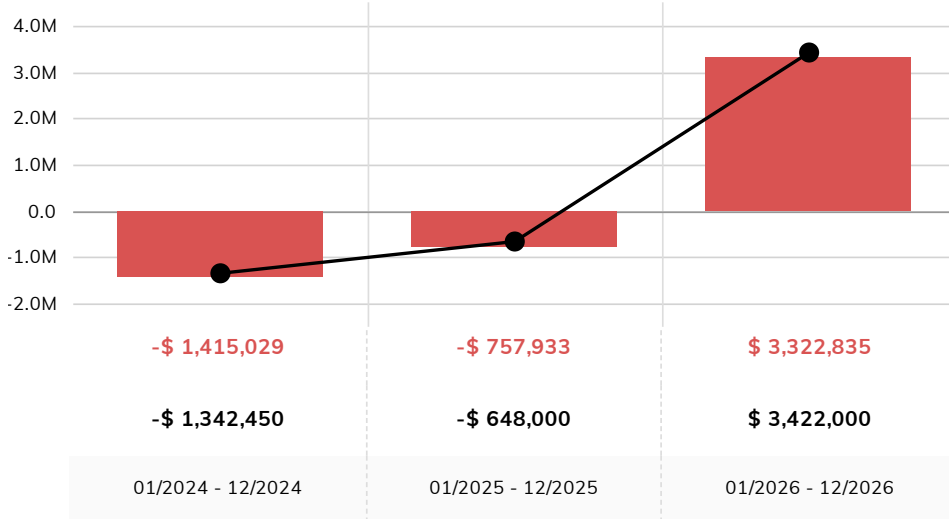
Survival rates
 Year 1: 94.94 %
 Year 2: 88.93 %
 Year 3: 84.92 %

/// Please see appendix for data sources and defaults

DCF with Multiples: \$ 19,784,660

The DCF with Multiple assumes the TV (Terminal Value) is equal to the exit value of the company computed with an industry-based EBITDA multiple.

■ Free cash flow to equity ● EBITDA



16.61 %
Discount rate

25.57 %
Illiquidity discount

\$ 20,800
Non Operating Cash

\$ 19,784,660
Pre-money Valuation



Parameters

EBITDA multiple: **14.42 ***
Illiquidity discount: **25.57 %**

Discount rate
Risk free rate: **4.24 %**
Beta: **2.47**
Market Risk Premium: **5.00 %**




Survival rates
Year 1: **94.94 %**
Year 2: **88.93 %**
Year 3: **84.92 %**

/// Please see appendix for data sources and defaults

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found on page 23.

Advanced Multiples

The valuation of a company depends on a crucial variable called the multiple. This multiple is calculated based on certain chosen companies, which are used as a basis. Users have the option to select comparable companies themselves or use Equidam's verified multiples from reputable online services. If users decide to add their own multiples, the "Gathered By" column will display the name of the company. If they choose to use Equidam's sources, the "Gathered By" column will simply state "Equidam".

Company Name	Ebitda Multiple	Latest Update	Data Source	Gathered By
 Fiserv, Inc.	15.68	Oct 6, 2024	-	Equidam
 PayPal Holdings, Inc.	12.75	Oct 6, 2024	-	Equidam
 Global Payments Inc.	10.04	Oct 6, 2024	-	Equidam
 Visa Inc.	23.16	Oct 6, 2024	-	Equidam
 Mastercard Incorporated	28.85	Oct 6, 2024	-	Equidam
 Wise plc	13.15	Oct 6, 2024	-	Equidam
 Adyen N.V.	23.33	Oct 6, 2024	-	Equidam
 Intel Corporation	8.70	Sep 15, 2024	-	Equidam

14.415

Median EBITDA Multiple

Updated Default Values

User updates to the default values used by Equidam are documented in this section.

DCF With Multiple

Weights of the criteria	Default	Updated
Multiple	28.48 (EBITDA)	14.42 (EBITDA)

VC Method

Weights of the criteria	Default	Updated
Multiple	28.48 (EBITDA)	14.42 (EBITDA)

Advanced Multiple

Advanced Multiple	Calculated
Multiple	14.42 (EBITDA)

*Instead of using the default EBITDA multiple provided by Equidam, the user has opted for a customized multiple. For more information check page 22.

Financial Projections

Profit & Loss

The profit & loss projections are displayed below. Data about revenue and operating costs are provided by the company. Depreciation and amortization, interest, and taxes are either provided by the company or estimated by Equidam. Please consult our methodology document for more details.

	01-2023 - 12-2023	01-2024 - 12-2024	01-2025 - 12-2025	01-2026 - 12-2026
Revenue	134,000	440,000 +3X	2,200,000 +5X	8,000,000 +4X
Cost of Goods Sold	150,200	1,200,020 +8X	1,550,000 +29%	2,230,000 +44%
Salaries	176,650	400,430 +2X	956,000 +2X	1,594,000 +67%
Operating Expenses	24,000	182,000 +8X	342,000 +88%	754,000 +2X
<hr/>				
EBITDA	-216,850	-1,342,450 -519%	-648,000 +52%	3,422,000 -
Ebitda margin	-	-	-	43 %
D&A	1,094	-	-	-
<hr/>				
EBIT	-217,944	-1,342,450 -516%	-648,000 +52%	3,422,000 -
Ebit margin	-	-	-	43 %
Interest	-	-	-	-
<hr/>				
EBT	-	-1,342,450	-648,000 +52%	3,422,000 -
Taxes	-	-	-	-
Nominal tax rate	-	-	-	-
Effective tax payable	-	-362,462	-174,960	923,940
Deferred tax assets	-	411,222	586,182	-337,759
<hr/>				
Net profit	-247,263	-1,342,450 -443%	-648,000 +52%	3,422,000 -
Net profit margin	-	-	-	43 %

All numbers in USD

Cash Flow

The cash flow projections are displayed below. Capital expenditure, debt at the end of the year, and equity fundraising are provided by the company. Account payables, account receivables, inventory and D&A are either provided by the company or estimated by Equidam based on the average percentage of revenue for public companies in the company's industry.

	01/2023 - 12/2023	01/2024 - 12/2024	01/2025 - 12/2025	01/2026 - 12/2026
Net profit	-247,263	-1,342,450 -443%	-648,000 +52%	3,422,000 -
Change in Working Capital	-	-7,406	-	-
Working capital	-	-	-	-
Account Payables	633	-	-	-
Account Receivables	2,087	-	-	-
Inventory	5,952	-	-	-
D&A	1,094	-	-	-
Capital expenditures	110,031	79,985 -27%	109,933 +37%	99,165 -10%
Change in outstanding debt	-	-	-	-
Debt at the end of the year	-	-	-	-
.....				
Free cash flow to equity	-	-1,415,029	-757,933 +46%	3,322,835 -
Equity fundraising	-	-	2,000,000	-
Free cash flow	-	-1,415,029	1,242,067 -	3,322,835 +3X
.....				
Beginning of the year cash	-	1,550,000	134,971 -91%	1,377,038 +10X
.....				
End of the year cash	-	134,971	1,377,038	4,699,873

All numbers in USD

Addendum

Legal Notes

The valuation analysis presented in this report is based on data and assumptions provided by Unicorn Inc. as of the date of this report. It is important to note that the results of this valuation are inherently subject to uncertainties related to market conditions, regulatory changes, and other external factors that could impact the company's performance. This report has been prepared solely for the use of Unicorn Inc. in relation to its current fundraising efforts and should not be used for any other purpose without prior written consent from StartupHero. The valuation methodology applied reflects standard industry practices, including the use of the Discounted Cash Flow (DCF) method and the Market Approach, adapted to the specific context of Unicorn Inc. While we have endeavored to provide a fair and accurate assessment based on the information available, StartupHero disclaims any liability for decisions made based on this report. Any prospective investors or stakeholders using this report should conduct their own due diligence. Additionally, the valuation is not a guarantee of future performance or investment outcomes, and any forward-looking statements made in this report are speculative in nature.

About Equidam

Equidam is the platform for Startup Valuation. Our technology enables entrepreneurs to understand what drives their valuation, transparently discuss it, thanks to clear and detailed valuation reports, and close fair deals with investors and buyers. We selected the 5 leading methods used to value startups and combined them with the most reliable data for the valuation parameters, tailored to 90 countries and 136 industries.

Appendix

Weights of the methods

The default weight of each method is determined by Equidam based on the stage of development, and they are shown below. They can be manually adjusted by the company.

Default weights of the 5 methods

Stage of development	Checklist Method	Scorecard Method	VC Method	DCF with LTG	DCF with Multiples
Idea stage	38%	38%	16%	4%	4%
▶ Development stage	30%	30%	16%	12%*	12%
Startup stage	15%	15%	16%	27%	27%
Expansion stage	6%	6%	16%	36%	36%
Growth stage	0%	0%	20%	40%	40%
Maturity stage	0%	0%	0%	50%	50%

Unicorn Inc. stage of development: **Development stage**

These are determined according to the following principles:

- Qualitative information is more important in early stage companies, where performance uncertainty is extremely high, so qualitative methods are weighted in more
- The investors' view is equally important across all stages, so the weight of the VC method does not change
- Quantitative information is more reliable in later stages, when a company already has a proven financial track record. Therefore, it is possible to use the DCF methods more extensively as projected results get founded in past performance

Qualitative methods

Default average and maximum valuations data sources

Dataset: Market valuations from transactions in the last 30 months of company in all industries, all countries, and at seed funding stage

Datasource: Crunchbase

Usage: Computation of average and maximum (net of outliers) valuations in given geographic areas for the qualitative methods (Scorecard and Checklist respectively)

Update: Biannual

- Average valuation (Scorecard Method) in United States: **\$ 6,880,000**
- Maximum valuation (Checklist Method) in United States: **\$ 15,000,000**

Scorecard Method

Default weights of the criteria and breakdown in their traits

<p>Strength of the team 30%</p> <p>Time commitment of the founders</p> <p>Number of employees</p> <p>Team spirit and comradeship</p> <p>Years of industry experience of the core team</p> <p>Business and managerial background of the core team</p>	<p>Size of the Opportunity 25%</p> <p>Estimated revenue in the third year according to the stage of the development</p> <p>Estimated size of the market in three years</p> <p>Geographical scope of the business</p>
<p>Competitive Environment 10%</p> <p>Level of competition in the market</p> <p>Quality of competitive products/services</p> <p>Competitive advantage over other products/services</p> <p>Barriers to entry of the market</p> <p>Threat of international competition</p>	<p>Strength and protection of the product/service 15%</p> <p>Stage of the product/service roll-out</p> <p>Degree of loyalty of customers</p> <p>Type of IP protection applicable</p> <p>IP protection in place (if any)</p>
<p>Strategic relationships with partners 10%</p> <p>Strength of the relationships with key strategic partners</p>	<p>Funding required 10%</p> <p>Capital required according to the stage of development</p>

Checklist Method

Default weights of the criteria and breakdown in their traits

Quality of the core team analyzes: 30%

Average age of the founders
 Presence in the team of serial, successful entrepreneurs
 Time commitment of the founders
 Team spirit and comradeship
 Years of industry experience of the core team
 Business and managerial background of the core team
 Technical skills of the core team

Quality of the idea analyzes: 20%

Validation of the demand for the product/service
 Feedback received by early adopters/industry experts
 Level of competition in the market
 Competitive advantage over other products/services
 Geographical scope of the business
 Threat of international competition
 Degree of loyalty of customers

Product roll-out and IP protection analyzes: 15%

Stage of the product/service roll-out
 Type of IP protection applicable
 IP protection in place (if any)

Strategic relationships analyzes: 15%

Presence of an advisory board and number of advisors
 Presence and type of current shareholders
 Relationship with legal counselors
 Strength of the relationships with key strategic partners

Operating stage 20%

Stage of development
 Current profitability

VC method

Below the sources of the valuation parameters used in the VC Method: EBITDA Multiple and Annual Required ROI, and their default values provided by Equidam

EBITDA multiple

Description: Enterprise value on EBITDA multiples computed over a dataset of global, publicly listed firms organized by industry

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, i.e. the ultimate determinant of value.

Unicorn Inc. industry: **Financial Technology & Infrastructure**

Financial Technology & Infrastructure EBITDA multiple: **14.42***

Annual Required ROI

The default annual required ROI rates are determined by Equidam based on the returns investors require for companies at different stage of development, and are shown below. They can be manually adjusted by the company.

Stage of development	Discount/Required ROI
Idea stage	135.93%
▶ Development stage	111.47%
Startup stage	89.12%
Expansion stage	48.60%
Growth stage	36.20%
Maturity stage	26.10%

Unicorn Inc. stage of development: **Development stage**

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found on page 23.

DCF Methods

Below the sources of the valuation parameters used in the DCF Methods: Discount Rate, Survival Rates and Illiquidity Discounts, and their default values provided by Equidam.

Discount rate

Risk Free Rate

Description: 10Y government rates

Datasource: Trading Economics (tradingeconomics.com), various public databases

Update: Bi-annual (but more frequent if macroeconomic conditions are more volatile)

Notes: For the Eurozone we apply the German 10Y Bond rate

Unicorn Inc. country: **United States**

United States risk free rate: **4.24%**

Industry betas

Description: Industry beta computed over industry specific portfolios of global, public listed companies (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Unicorn Inc. industry: **Financial Technology & Infrastructure**

Financial Technology & Infrastructure default beta: **2.47%**

Market Risk Premium

Description: Country based total equity risk premium as implied in the previous 12 trailing months.

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Biannual

Unicorn Inc. country: **United States**

United States default market risk premium: **5.00%**

Survival Rate

Dataset: Country-level survival probabilities of the latest cohort of companies with three years of data available.

Datasource: European Office of Statistics (<http://ec.europa.eu/eurostat>), U.S. Bureau of Labor Statistics (<https://www.bls.gov/>), specific academic research and public offices of statistics for different countries.

Update: Annual

Unicorn Inc. year of incorporation:	2021
Default survival rate Year 1:	94.94%
Default survival rate Year 2:	88.93%
Default survival rate Year 3:	84.92%
Default survival rate Year 4:	81.66%
Default survival rate Year 5:	78.89%
Default survival rate Year 6:	76.50%
Default survival rate Year 7:	74.38%
Default survival rate Year 8:	72.50%

Illiquidity discount

The default illiquidity discount is assigned based on current profitability and projected revenue, according to the approach suggested by William L. Silber.

Unicorn Inc. illiquidity discount:	25.57%
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DCF with LTG

Long term growth

Dataset: Global, publicly listed companies organized by industry (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: The value is winsorized over a 0% - 2.5% range. We do not want the long term growth to be above world GDP growth expectations, as it would mean the company is going to overgrow world economy at some point in time

Unicorn Inc. industry: **Financial Technology & Infrastructure**

Financial Technology & Infrastructure default long term growth: **2.50**

DCF with Multiples

EBITDA multiple

Dataset: Global, publicly listed companies organized by industry

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, the ultimate determinant of value.

Unicorn Inc. industry: **Financial Technology & Infrastructure**

Financial Technology & Infrastructure default EBITDA multiple: **14.42***

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found on page 23.

Last Available Balance Sheet

Below the simplified, last available balance sheet of the company.

	01/2023 - 12/2023
Cash and equivalents	350,000
Of Which: Non Operating Cash	20,800
Tangible assets	388,400
Intangible assets	586,500
Financial assets	40,735
Deferred tax assets	48,760
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Total Assets	1,414,395
Debts due within one year time	35,060
Debt due beyond one year time	-
Equity	110,120
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Total Liabilities and Shareholder's Equity	145,180

All numbers in USD

