

Accessed by  
from 3.236.114.49:46278



## Valuation Report of digieBot Technologies, Inc.

As of 2021-01-01

Accessed by  
from 3.236.114.49:46278

Report generated on 17 Dec, 2020

**Contacts:**  
Vincent Petrescu  
✉ [vp@trucrowd.com](mailto:vp@trucrowd.com)

# Table of Contents

Company summary	3
Forecasts summary	4
Current ownership	5
Valuation	6
Qualitative methods	
Scorecard Method	7
Checklist Method	8
Qualitative traits summary	9
VC method	10
DCF Methods	
DCF with LTG	11
DCF with Multiples	12
Financial Projections	13
Conclusion	17
Appendix	18

Accessed by  
from 3.236.114.49:46278

Accessed by  
from 3.236.114.49:46278

# Company summary

## digieBot Technologies, Inc.

🌐 United States

Industry: **Online Services**

Business Activity: **Other Online Services**

Founders: **4**  
 Employees: **28**  
 Started in: **2020**  
 Incorporated: **Yes**  
 Year of incorporation: **2020**  
 Founders' committed capital:  
**\$1733800**



### Opportunity

Business model: **B2C**

Scalable Product: **Yes**

Exit strategy: **Some exit opportunities**



### Current Operations

Stage of development: **Startup stage**

Employees (excluding founders, interns and freelancers): **28**

Profitability: **Not breakeven yet**



### Latest operating performance

01/2020 - 12/2020

Revenues **43,834**

EBITDA **2,809**

Ebitda margin **6 %**

EBIT **2,809**

Ebit margin **6 %**

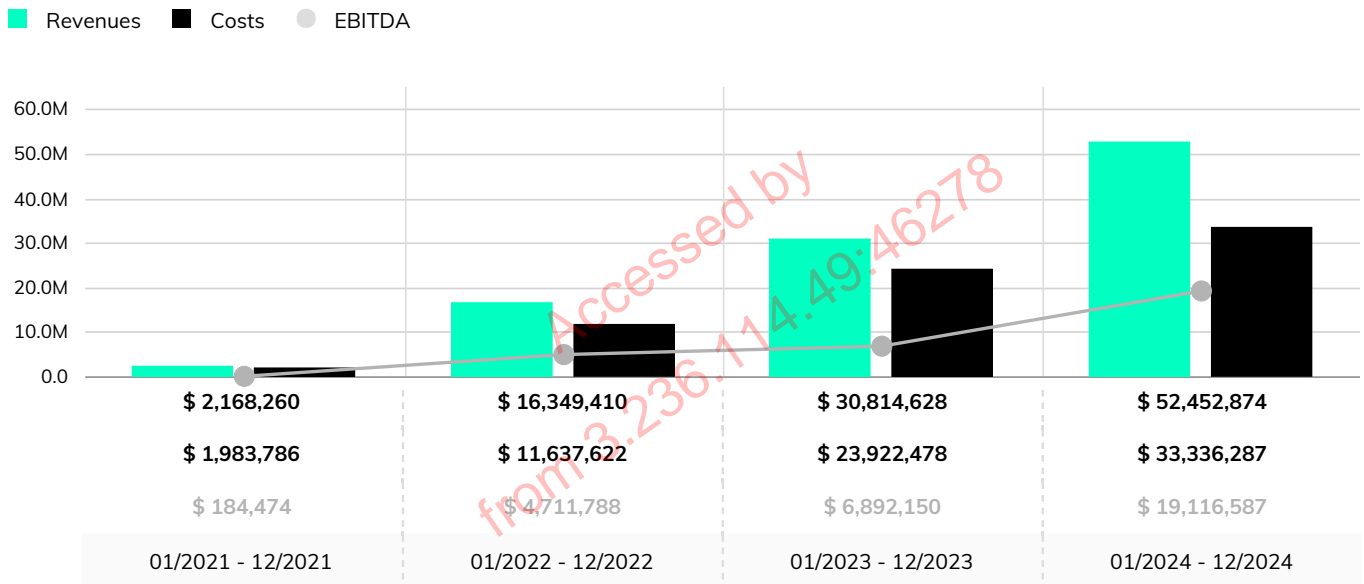
Cash in hand **-**

All numbers in \$

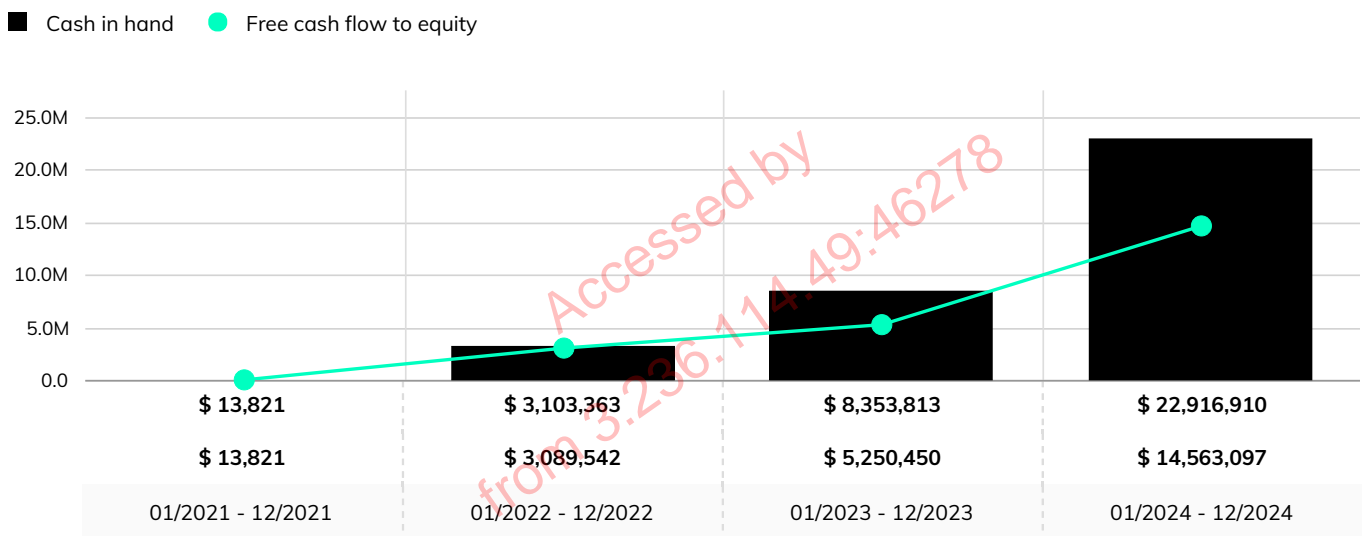
/// More information on the history, milestones, team, etc., (e.g. pitchdeck) can be requested to the company.

# Forecasts summary

## Future profitability



## Cash forecast



/// Full profit and loss and cash flow forecast at page 14.

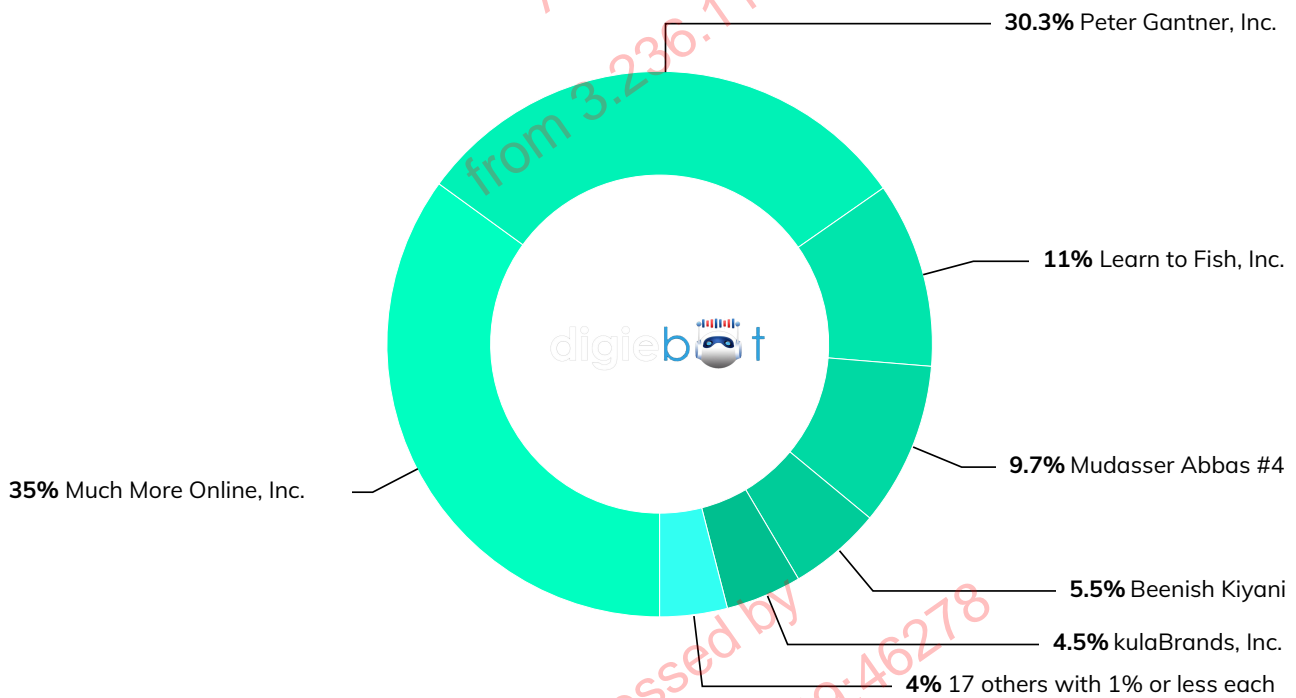
# Past funding rounds

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

No funding rounds to date

# 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.

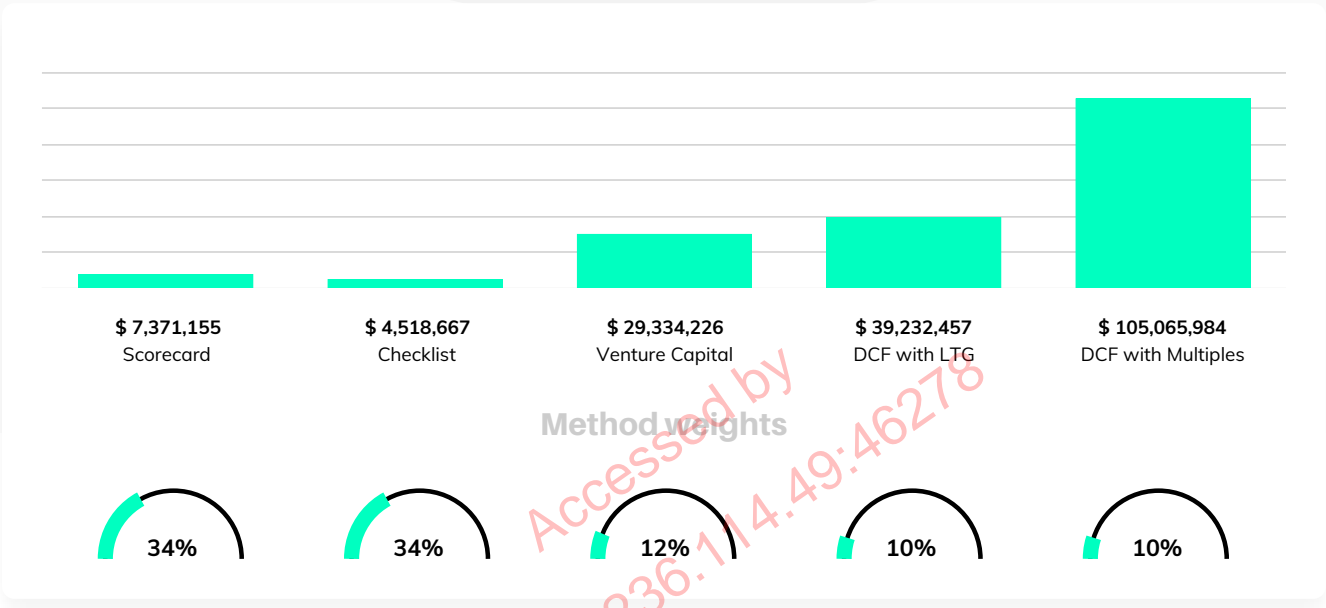


# Valuation

The pre-money 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.



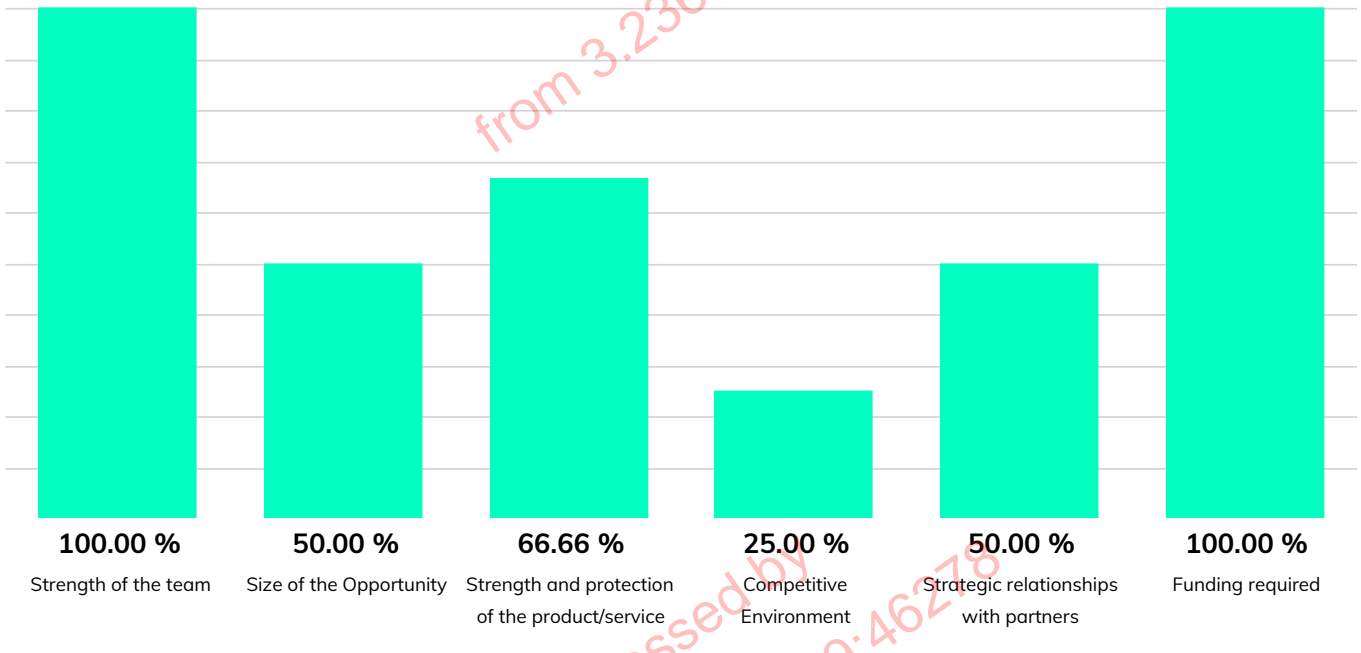
# Qualitative methods

## Scorecard Method: \$ 7,371,155

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 pre-money valuation.

### Normalized scores of the company for each criteria



#### Parameters

Average valuation (United States): \$ 3,918,222

#### 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%

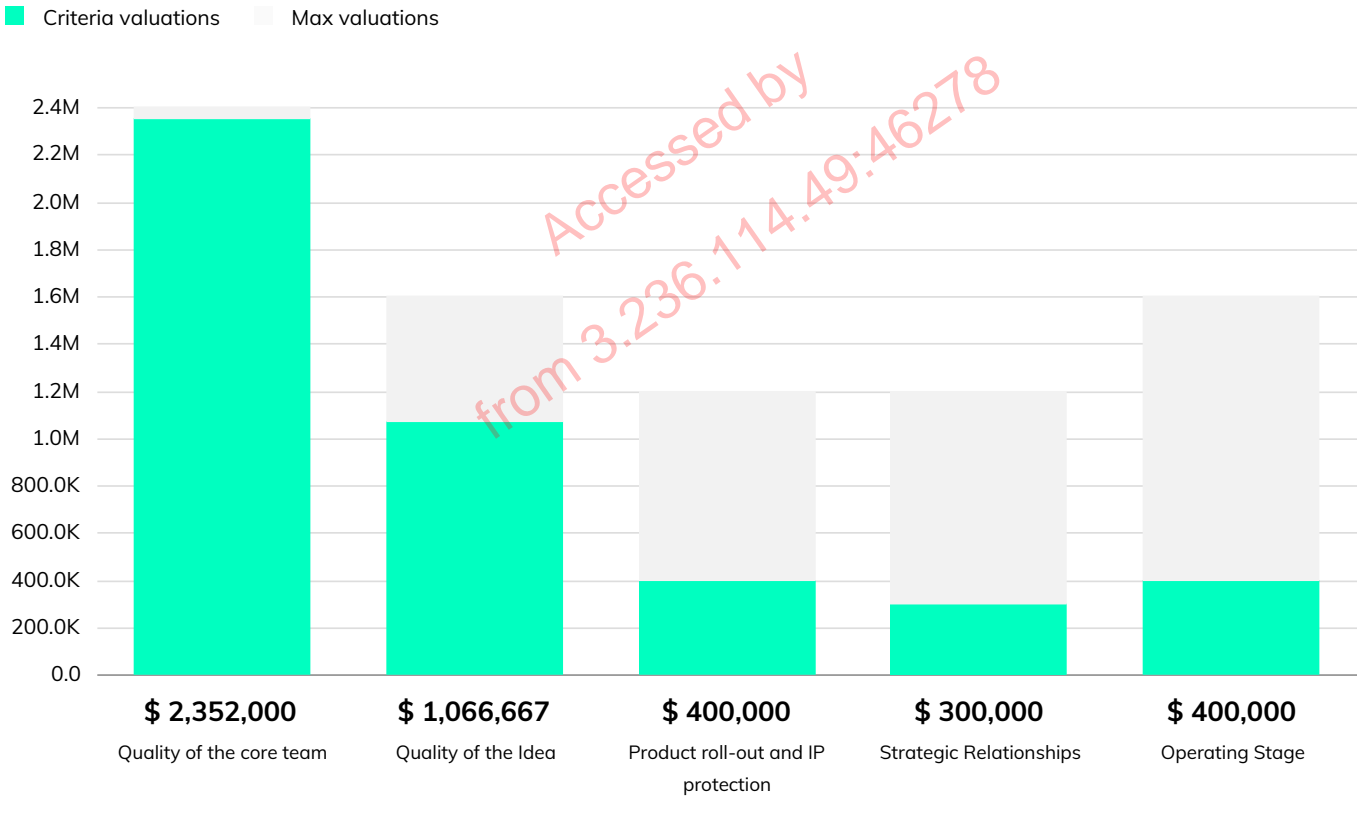
Funding required: 10%

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

# Checklist Method: \$ 4,518,667

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 pre-money valuation.

The maximum pre-money 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 pre-money valuation.



## Parameters

Maximum valuation (United States): \$ 8,000,000

### Criteria maximum valuations

Quality of the core team: \$ 2,400,000 (30%)

Strategic Relationships: \$ 1,200,000 (15%)

Quality of the Idea: \$ 1,600,000 (20%)

Operating Stage: \$ 1,600,000 (20%)

Product roll-out and IP protection: \$ 1,200,000 (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: **Full time**

Average age: **More than 45**

Founded other companies before: **Yes, with successful exit(s)**

### Core team skills and expertise

Working together for: **More than 5 years**

Years of experience in the industry: **100**

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

Technical skills: **All technical skills inhouse**



## Network

Board of advisors: **Yes**

Legal consultants: **Yes**



## Market

Total Addressable Market (TAM): **\$ 1,000,000,000,000**

Annual growth rate of the market: **100.00 %**

Demand validated: **Yes**

Internationalization: **Active globally**



## Product

Product roll-out: **Already to Market**

Feedback received: **Mainly negative**

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

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



## Competition

Level of competition: **Some small players**

Competitive products are: **On the same level**

Differentiation from current solutions: **We innovate in terms of execution**

International competition: **Established**



## Protection

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

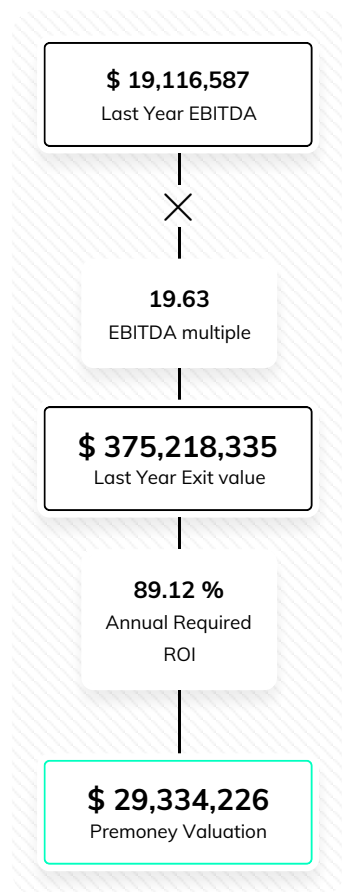
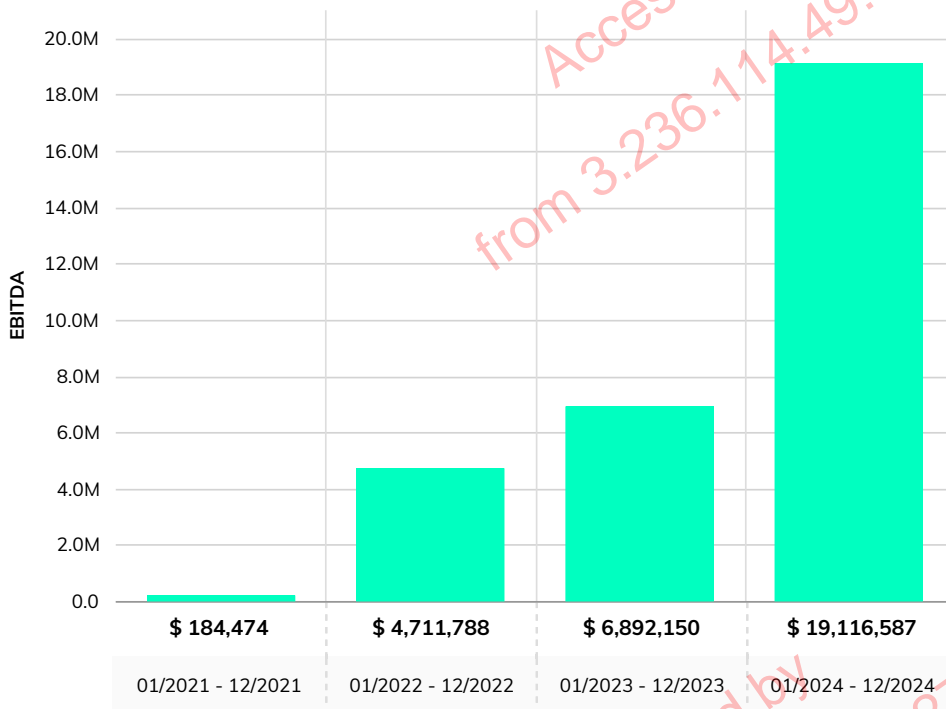
Applicable IP: **Trademark and/or domain names**

# VC Method

## Premoney Valuation: \$ 29,334,226

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: **19.63**

Annual Required ROI: **89.12 %**

/// Please see appendix for data sources and defaults

# DCF Methods

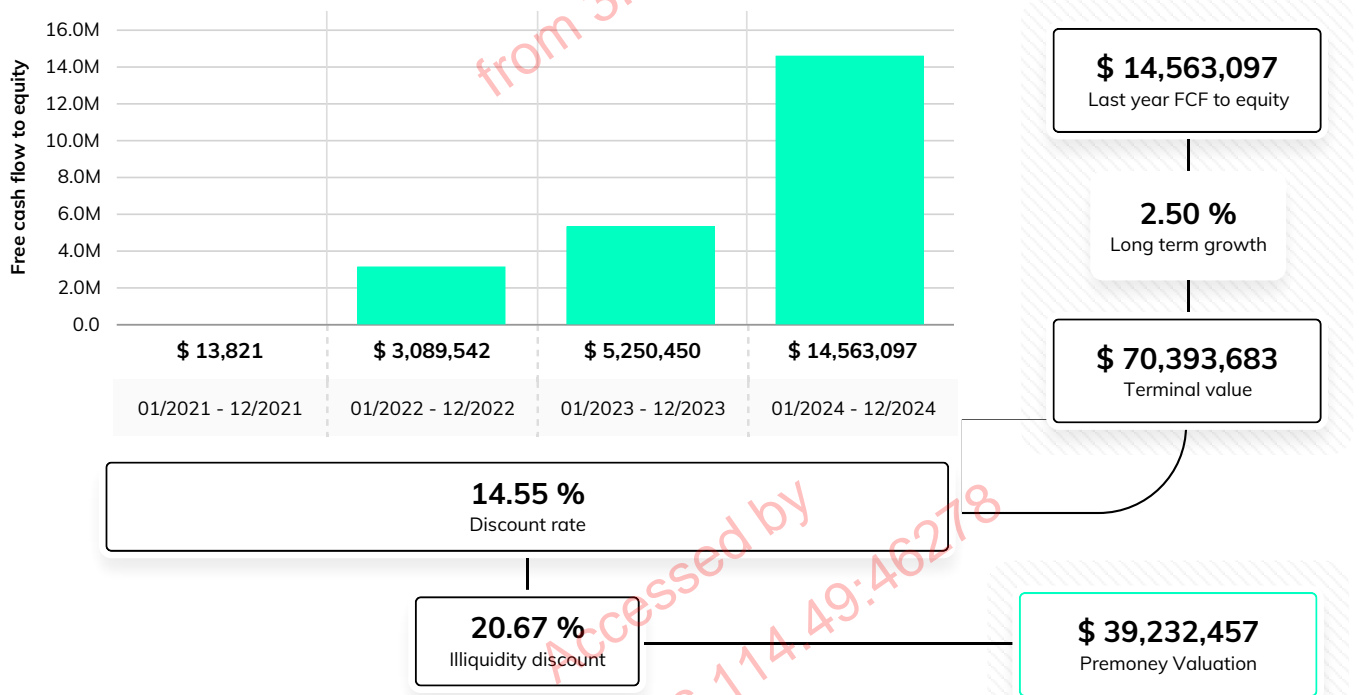
The DCF (Discounted Cash Flow) methods represent the most renowned approach to company valuation, recommended by academics and a daily tool for financial analysts. The valuation is the present value of all the free cash flows to equity the startup is going to generate in the future, discounted by its 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: \$ 39,232,457

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.



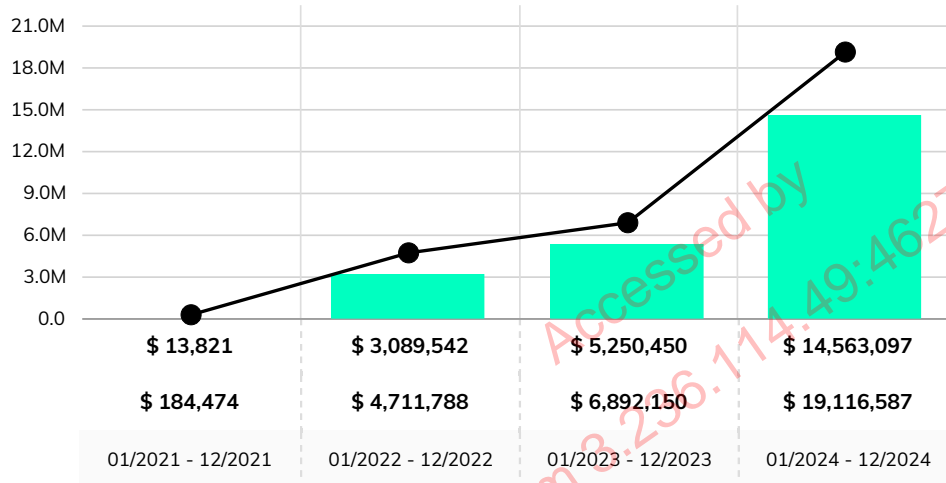
Parameters		Discount rate	Survival rates
Long term growth:	2.50 %	Risk free rate:	1.82 %
Illiquidity discount:	20.67 %	Beta:	2.45
		Market Risk Premium:	5.20 %
		Year 4:	56.85 %
		Year 1:	79.60 %
		Year 2:	68.80 %
		Year 3:	61.30 %

/// Please see appendix for data sources and defaults

# DCF with Multiples: \$ 105,065,984

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



**\$ 19,116,587**  
Last Year EBITDA

×

**19.63**  
EBITDA multiple

**\$ 213,304,451**  
Terminal value

**14.55 %**  
Discount rate

**20.67 %**  
Illiquidity discount

**\$ 105,065,984**  
Premoney Valuation

**Parameters**

EBITDA multiple: **19.63**  
Illiquidity discount: **20.67 %**

**Discount rate**  
Risk free rate: **1.82 %**  
Beta: **2.45**  
Market Risk Premium: **5.20 %**

**Survival rates**  
Year 1: **79.60 %**  
Year 2: **68.80 %**  
Year 3: **61.30 %**  
Year 4: **56.85 %**

/// Please see appendix for data sources and defaults

# Financial Projections

## Profit & Loss

The profit & loss projections are displayed below. Data about revenues 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.

	01-2020 - 12-2020	01-2021 - 12-2021	01-2022 - 12-2022	01-2023 - 12-2023
Revenues	43,834	2,168,260 +49X	16,349,410 +8X	30,814,628 +88%
Cost of Goods Sold	41,025	1,983,786 +48X	11,637,622 +6X	23,922,478 +2X
Salaries	-	-	-	-
Operating Expenses	-	-	-	-
<b>EBITDA</b>	<b>2,809</b>	<b>184,474 +66X</b>	<b>4,711,788 +26X</b>	<b>6,892,150 +46%</b>
Ebitda margin	6 %	8 %	28 %	22 %
D&A	-	353,821	2,667,927 +8X	5,028,388 +88%
<b>EBIT</b>	<b>2,809</b>	<b>-169,347 -</b>	<b>2,043,861 -</b>	<b>1,863,762 -9%</b>
Ebit margin	6 %	-	12 %	6 %
Interest	-	-	-	-
<b>EBT</b>	<b>-</b>	<b>-169,347</b>	<b>2,043,861 -</b>	<b>1,863,762 -9%</b>
Taxes	-	-	506,119	503,216 -1%
Nominal tax rate	-	27 %	27 %	27 %
Effective tax payable	-	-45,724	551,842	503,216
Deferred tax assets	-	45,724	-	-
<b>Net profit</b>	<b>2,809</b>	<b>-169,347 -</b>	<b>1,537,742 -</b>	<b>1,360,546 -12%</b>
Net profit margin	6 %	-	9 %	4 %

All numbers in \$

# Profit & Loss

01-2024 - 12-2024

Revenues		52,452,874	+70%
Cost of Goods Sold		33,336,287	+39%
Salaries		-	
Operating Expenses		-	
<hr/>			
<b>EBITDA</b>		<b>19,116,587</b>	<b>+3X</b>
Ebitda margin		36 %	
D&A		8,559,357	+70%
<hr/>			
<b>EBIT</b>		<b>10,557,230</b>	<b>+6X</b>
Ebit margin		20 %	
Interest		-	
<hr/>			
<b>EBT</b>		<b>10,557,230</b>	<b>+6X</b>
Taxes		2,850,452	+6X
Nominal tax rate		27 %	
Effective tax payable		2,850,452	
Deferred tax assets		-	
<hr/>			
<b>Net profit</b>		<b>7,706,777</b>	<b>+6X</b>
Net profit margin		14 %	

All numbers in \$

Accessed by  
from 3.236.114.49:46278

# 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 revenues for public companies in the company's industry.

	01/2020 - 12/2020	01/2021 - 12/2021	01/2022 - 12/2022	01/2023 - 12/2023
Net profit	2,809	-169,347	1,537,742	1,360,546 -12%
Change in Working Capital	-	170,653	1,116,127	1,138,485
Working capital	-	170,653	1,286,780 +8X	2,425,265 +88%
Account Payables	-	170,663	1,286,860	2,425,416
Account Receivables	-	257,774	1,943,708	3,663,412
Inventory	-	83,541	629,932	1,187,268
D&A	-	353,821	2,667,927 +8X	5,028,388 +88%
Capital expenditures	-	-	-	-
Change in outstanding debt	-	-	-	-
Debt at the end of the year	-	-	-	-
Free cash flow to equity	-	13,821	3,089,542 >100	5,250,450 +70%
Equity fundraising	-	-	-	-
Free cash flow	-	13,821	3,089,542 >100	5,250,450 +70%
Beginning of the year cash	-	-	13,821	3,103,363 >100
End of the year cash	-	13,821	3,103,363	8,353,813

All numbers in \$

# Cash Flow

01/2024 - 12/2024

<b>Net profit</b>		7,706,777	+6X
<b>Change in Working Capital</b>		1,703,038	
Working capital		4,128,302	+70%
Account Payables		4,128,560	
Account Receivables		6,235,887	
Inventory		2,020,976	
<b>D&amp;A</b>		8,559,357	+70%
Capital expenditures		-	
Change in outstanding debt		-	
Debt at the end of the year		-	
<hr style="border-top: 1px dashed #ccc;"/>			
<b>Free cash flow to equity</b>		14,563,097	+3X
Equity fundraising		-	
<b>Free cash flow</b>		14,563,097	+3X
<b>Beginning of the year cash</b>		8,353,813	+3X
<hr style="border-top: 1px dashed #ccc;"/>			
<b>End of the year cash</b>		22,916,910	

All numbers in \$

Accessed by  
 from 3.236.114.49:46278



# Conclusion

## Legal Notes

Equidam Valuation SL does not represent or endorse the accuracy or reliability of any advice, opinion, statement or any other information displayed or distributed through this report or its website. The estimates and the data contained herein are made using the information provided by the user, publicly available information and data for different industries. Equidam Valuation SL has not audited or attempted to confirm this information for accuracy or completeness.

Under no circumstances the present report is to be used or considered as an offer, solicitation, or recommendation to sell, or a solicitation of any offer to buy any security. Equidam Valuation SL excludes any warranties and responsibilities concerning the results to be obtained from the present report nor their use and shall not be liable for any claims, losses or damages arising from or occasioned by any inaccuracy, error, delay, or omission, or from use of the report or actions taken in reliance on the information contained in it. The use of this report and the information provided herein is subject to Equidam Valuation SL online **Terms of Use** [<https://www.equidam.com/term-of-use/> [<https://www.equidam.com/term-of-use/>]] and **Privacy Policy** [<https://www.equidam.com/privacy-policy/> [<https://www.equidam.com/privacy-policy/>]].

Accessed by  
from 3.236.114.49:46278

# 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%

digieBot... stage of development: **Startup 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

Accessed by  
from 3.236.114.49:46278

# Qualitative methods

## Default average and maximum valuations data sources

**Dataset:** Pre-money 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) pre-money valuations in given geographic areas for the qualitative methods (Scorecard and Checklist respectively)

**Update:** Biannual

Average valuation (Scorecard Method) in United States: **\$ 3,918,222**

Maximum valuation (Checklist Method) in United States: **\$ 8,000,000**

# Scorecard Method

## Default weights of the criteria and breakdown in their traits

<p><b>Strength of the team</b> <span style="float: right;">30%</span></p> <ul style="list-style-type: none"> <li>Time commitment of the founders</li> <li>Number of employees</li> <li>Team spirit and comradeship</li> <li>Years of industry experience of the core team</li> <li>Business and managerial background of the core team</li> </ul>	<p><b>Size of the Opportunity</b> <span style="float: right;">25%</span></p> <ul style="list-style-type: none"> <li>Estimated revenues in the third year according to the stage of the development</li> <li>Estimated size of the market in three years</li> <li>Geographical scope of the business</li> </ul>
<p><b>Competitive Environment</b> <span style="float: right;">10%</span></p> <ul style="list-style-type: none"> <li>Stage of the product/service roll-out</li> <li>Degree of loyalty of customers</li> <li>Type of IP protection applicable</li> <li>IP protection in place (if any)</li> </ul>	<p><b>Strength and protection of the product/service</b> <span style="float: right;">15%</span></p> <ul style="list-style-type: none"> <li>Level of competition in the market</li> <li>Quality of competitive products/services</li> <li>Competitive advantage over other products/services</li> <li>Barriers to entry of the market</li> <li>Threat of international competition</li> </ul>
<p><b>Strategic relationships with partners</b> <span style="float: right;">10%</span></p> <ul style="list-style-type: none"> <li>Strength of the relationships with key strategic partners</li> </ul>	<p><b>Funding required</b> <span style="float: right;">10%</span></p> <ul style="list-style-type: none"> <li>Capital required according to the stage of development</li> </ul>

# Checklist Method

## Default weights of the criteria and breakdown in their traits

<p><b>Quality of the core team analyzes:</b></p> <ul style="list-style-type: none"> <li>Average age of the founders</li> <li>Presence in the team of serial, successful entrepreneurs</li> <li>Time commitment of the founders</li> <li>Team spirit and comradeship</li> <li>Years of industry experience of the core team</li> <li>Business and managerial background of the core team</li> <li>Technical skills of the core team</li> </ul>	<p><b>30%</b></p>
<p><b>Quality of the idea analyzes:</b></p> <ul style="list-style-type: none"> <li>Validation of the demand for the product/service</li> <li>Feedback received by early adopters/industry experts</li> <li>Level of competition in the market</li> <li>Competitive advantage over other products/services</li> <li>Geographical scope of the business</li> <li>Threat of international competition</li> <li>Degree of loyalty of customers</li> </ul>	<p><b>20%</b></p>
<p><b>Product roll-out and IP protection analyzes:</b></p> <ul style="list-style-type: none"> <li>Stage of the product/service roll-out</li> <li>Type of IP protection applicable</li> <li>IP protection in place (if any)</li> </ul>	<p><b>15%</b></p>
<p><b>Strategic relationships analyzes:</b></p> <ul style="list-style-type: none"> <li>Presence of an advisory board and number of advisors</li> <li>Presence and type of current shareholders</li> <li>Relationship with legal counselors</li> <li>Strength of the relationships with key strategic partners</li> </ul>	<p><b>15%</b></p>
<p><b>Operating stage</b></p> <ul style="list-style-type: none"> <li>Stage of development</li> <li>Current profitability</li> </ul>	<p><b>20%</b></p>

Accessed by  
 from 3.236.114.49:46278

# 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.

digieBot... industry: **Other Online Services**

Other Online Services EBITDA multiple: **19.63**

## 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.

digieBot... stage of development: **Startup stage**

# 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

digieBot... country: **United States**

United States risk free rate: **1.82%**

### 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

digieBot... industry: **Other Online Services**

Other Online Services default beta: **2.45**

### 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

digieBot... country: **United States**

United States default market risk premium: **5.20%**

## 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

digieBot... year of incorporation: **2020**

Default survival rate Year 1: **79.60%**

Default survival rate Year 2: **68.80%**

Default survival rate Year 3: **61.30%**

Default survival rate Year 4: **56.85%**

Default survival rate Year 5: **53.16%**

Default survival rate Year 6: **50.14%**

Default survival rate Year 7: **47.59%**

Default survival rate Year 8: **45.38%**

Default survival rate Year 9: **43.43%**

Default survival rate Year 10: **41.69%**

## Illiquidity discount

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

digieBot... illiquidity discount: **20.67%**

Accessed by  
from 3.236.114.49:46278

# 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

digieBot... industry: **Other Online Services**

Other Online Services default long term growth: **0.03**

# 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.

digieBot... industry: **Other Online Services**

Other Online Services default EBITDA multiple: **19.63**

Accessed by  
from 3.236.114.49:46278





# Last Available Balance Sheet

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

	01/2020 - 12/2020
Cash and equivalents	-
Tangible assets	-
Intangible assets	-
Financial assets	-
Deferred tax assets	-
<hr style="border-top: 1px dashed #ccc;"/>	
<b>Total Assets</b>	-
Debts due within one year time	-
Debt due beyond one year time	-
Equity	-
<hr style="border-top: 1px dashed #ccc;"/>	
<b>Total Liabilities and Shareholder's Equity</b>	-

All numbers in \$

Accessed by  
from 3.236.114.49:46278

Accessed by  
from 3.236.114.49:46278