

Exitval Valuation Report

1 Final Valuation



Pre-Money Valuation

\$170,194,446.13 USD

2 Company Summary

Country

Saudi Arabia

Industry

EdTech

Founders Dication

Founders Work As Full-Time

Founders

2

Employees

More Than 12

Stage

Growth Stage

Business model

B2B_and_B2C

Start year

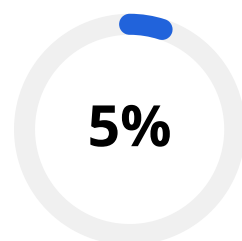
2018

Year of incorporation

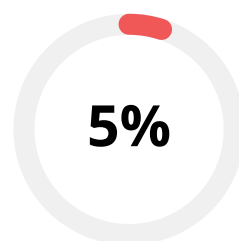
2019

3 6 Valuation Methods

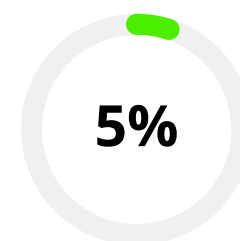
We valuate your company using 6 valuations methods



Scorecard

\$6,810,432.13

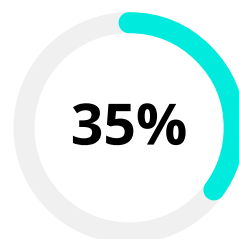
Checklist

\$6,453,131.03

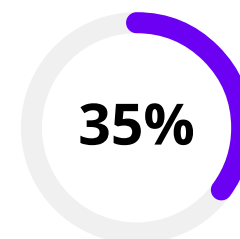
Berkus

\$2,305,952.38

Venture Capital (VC)

\$264,933,876.68

DCF

\$23,847,370.78

Multiples

\$346,655,168.80

4 Weighted Average

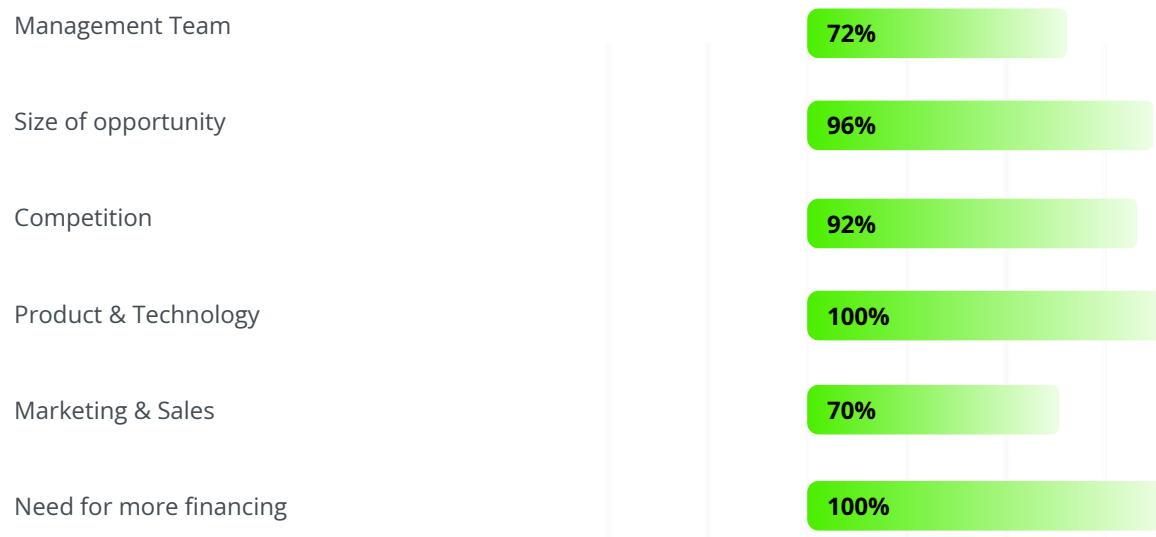
Based on your stage we recommend values of weighted average and you can add your own

	Scorecard	Checklist	Berkus	VC	DCF	DCF - Multiples
Recommended weighted average	5%	5%	5%	15%	35%	35%

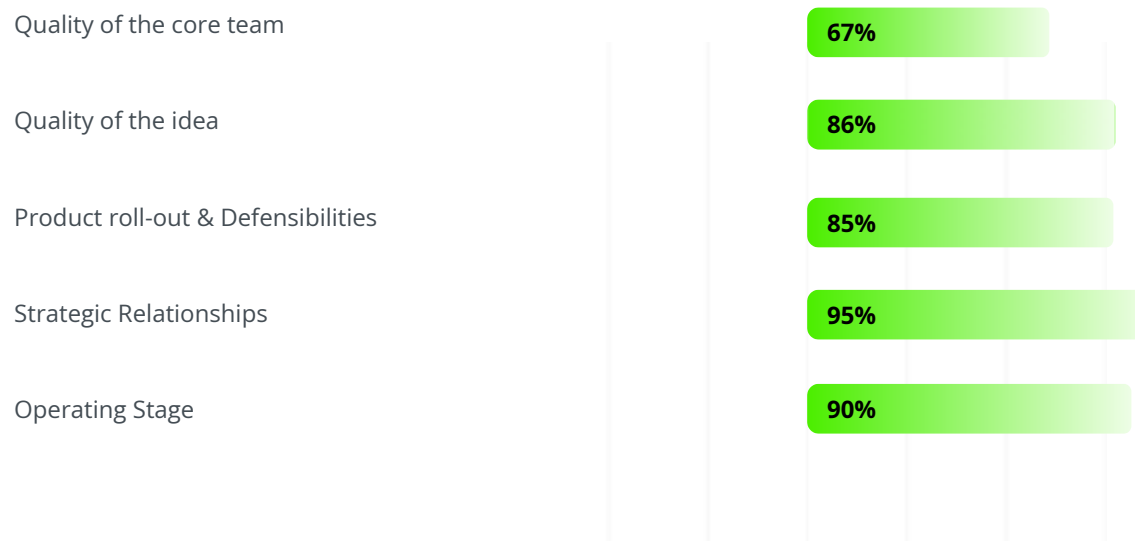
5 Berkus Method: \$115,297.62

Value Driver	Objectives	
Valuable Business Model	Base Value	100%
Available Prototype	Reducing Technology Risks	117%
Abilities of the Founding or Management Team	Reducing Implementation Risks	83%
Reducing Market Risks	Reducing Market Risks	62%
Existing Customers or First Sales	Reducing Production Risks	100%

6 Scorecard Method: \$340,521.61



7 Checklist Method: \$322,656.55



8 VC Method: \$39,740,081.50

Annual Revenue
In Year

5

EBITDA
In Year

5

Annual Revenue

\$27,500,000.00

EBITDA

\$123,750,000.00

Revenue Multiple

3.70

EBITDA Multiple

18.00

Required Rate Of Return

43.10%

Required Rate Of Return

43.10%

9 DCF Method: \$8,346,579.77

Long Term Growth 2.00%	Discount Rate 12.15%	Illiquidity Rate 20%
Risk Free Rate 5%	Beta 1.43	Terminal Value \$41,453,201.97

10 Multiples Method : \$121,329,309.08

EBITDA Multiple 18.00	Discount Rate 12.15%	Illiquidity Rate 20%
Risk Free Rate 5%	Beta 1.43	Terminal Value \$757,350,000.00

11 Survival Rate

12 Financial Inputs

	Year One	Year Two	Year Three	Year Four	Year Five
Revenues	\$12,000,000.00	\$10,000,000.00	\$20,000,000.00	\$25,000,000.00	\$27,500,000.00
EBITDA	\$1,000,000.00	\$30,000,000.00	\$90,000,000.00	\$112,500,000.00	\$123,750,000.00
Free Cash Flow	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,750,000.00	\$4,125,000.00

13 Company Data

IP And Legal

When Was The Company Founded?

2018

Has A Legal Entity Been Incorporated?

Yes

What Kind Of Intellectual Property (IP) Applies To The Product/Service?

Trademark

What Is The Startup's Industry?

EdTech

13 Company Data

Team Questions

Business Name?

Exitval

How Many Founders?

2

What Is The Average Founder's Age?

25-34

Is There A Complimentary Founding Team?

Yes

Is Any Of The Founders A Domain Expert?

Yes With Between 1 And 2 Years Experience

Does Any Of The Founders Have Startup Experience?

Yes, And Secured +1M In Fund

Has Any Of The Founders Built A Startup Before?

Yes, But Did Not Secured Any Fund

Has Any Of The Founders Successfully Sold A Startup Before?

No

How Much Did The Founders Invest In The Startup? USD

Less Than 10000

How Many Current Employees In The Startup?

More Than 12

How Long Have The Founders Worked Together?

Greater Than 5

How Much Is The Collective Industry Experience Of The Core Team?

Greater Than 15

Does Any Of The Core Team Has Business And Managerial Background?

At Least One Has Accomplished Business Studies

Does The Core Team Have All The Needed Technical Skills?

Yes

Does The Startup Have A Board Of Advisors?

Yes

How Many Advisors Does The Startup Have?

Less Than Or Equals 4

Are The Founders Full-Time Committed?

Founders Work As Full-Time

13 Company Data

Business Model

Is The Business Scalable?

Yes

What Is The Main Business Model?

B2B And B2C

What Is The Startup's Current Stage?

Growth Stage

Have It Reached Profitability?

No

Does The Startup Have Family Or Friends As Shareholders?

No

Does The Startup Have And Incubator Or Accelerator As Shareholder?

No

Does The Startup Have Any Angel Investors?

Yes

Does The Startup Have Any Venture Capital Investors?

Yes

Does The Startup Have Any Planned Exit Strategies?

Have Multiple Opportunities

How Many Potential Revenue Streams The Startup Have Or Planning To Have?

2

13 Company Data

Product And Market

Business Location

Saudi Arabia

What Is The Current Product Stage?

Full Version

Has The Startup Tested Need And Demand For Product?

Yes Validated By Ourselves

What Is The Projected Market Size In USD?

Greater Than 1000000000

What Is The Projected 5-Years Revenue In USD?

Less Than Or Equals 60000000

What Is The Projected Annual Growth?

Greater Than 15%

What Are The Barriers Of Entry For Potential Competitors?

High

What Are Your Defined Defensibility Measures?

Have High Volumes Reduces Cost

Define The Level Of Competition In The Target Market?

Many Small Players

What Is The Existing Competition Level?

Weak

What Is Your Position Compared To Current Local Competitors?

Better Performance

Are There Any Comparable Startups In Similar Markets?

Yes, Many Comparables With Funding Rounds

What Is Your Position Compared To Current Regional Competitors?

Competition Abroad Established

Does The Startup Have Regional Expansion Plans?

Already Have Plan For Regional International Expansion

How Do You Define Customers' Degree Of Loyalty?

Average Retention

How Strong Is The Startup's Relations With Key Strategic Partners (Distributors, Suppliers, Etc.)?

Contracts Signed

What Is The Startup's Current Unit Economics (CLV/CAC)?

Between 3X And 10X

14 Scorecard Aspects

Strength of the team

30%

- Time commitment of the founders
- Number of employees
- Team spirit and comradeship
- Years of industry experience of the core team
- Business and managerial background of the core team

Competitive Environment

10%

- Level of competition in the market
- Quality of competitive products/services
- Competitive advantage over other products/services
- Barriers to entry of the market
- Threat of international competition

Size of the Opportunity

25%

- Estimated revenues in the third year according to the stage of the development
- Estimated size of the market in three years
- Geographical scope of the business

Strength and protection of the product/service

15%

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

Strategic relationships with partners

10%

- Strength of the relationships with key strategic partners

Funding required

10%

- Capital required according to the stage of development

15 Checklist Aspects

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

16 Berkus Aspects

The Idea

- The first factor is the idea itself. Is it an innovative concept that solves a real problem? Is it something that people are actually willing to pay for?

The Market

- The third factor is the size and potential of the market. Is there a large enough market for the product or service? Is it a growing market?

The Exit Strategy

- The fifth and final factor is the exit strategy. How does the company plan to make money? When do they plan to sell? What are the potential buyers?

The Team

- The second factor is the team behind the idea. Do they have the skills and experience to make it happen? Are they passionate and committed to the project?

The Competition

- The fourth factor is the competition. Who are the other players in the market? What is their market share? What are their strengths and weaknesses?

17 Venture Capital Equations (VC)

Equation:

$$\text{Value of firm (Revenue)} = \frac{\text{Annual Revenue (Year 5) x Revenue Multiple}}{(1 + \text{Required Rate of Return})^5}$$

$$\text{Value of firm (Earnings)} = \frac{\text{Annual Earnings (Year 5) x EBITDA Multiple}}{(1 + \text{Required Rate of Return})^5}$$

$$\text{VC Valuation} = (\text{Value of firm (Revenue)} \times 30\%) + (\text{Value of firm (Earnings)} \times 70\%)$$

18 Dcf And Multiple Equations

Equations:

$$\text{DCF Terminal Value} = \frac{\text{Free cash flow year 5} \times (1 + \text{Long term growth})}{\text{Discount rate} - \text{Long term growth}}$$

$$\text{Multiples Terminal Value} = \text{EBITDA year 5} \times \text{EBITDA Multiple} \times \text{Survival rate year 5}$$

$$\text{DCF - Multiples final valuations} = \left(\frac{Y_n \times SR}{(1 + DR)^n} + \frac{TV}{(1 + DR)^n} \right) \times (1 - ID)$$

Info:

Y = Free cash flow in five years

SR = Survival rate in five years

DR = Dicount rate

TV = Terminal value

ID = Illiquidity rate

19 Disclaimeration

This report has been issued according to the details and assumptions provided by the client and based on the company's future financial performance and expectations

ExitVal does not take any measures to verify the credibility of that information provided to us by the client, and therefore we do not confirm the complete accuracy and objectivity of that information

All the analyses included in this report were built according to accurate scientific foundations, but we stress the importance of reviewing the inputs provided by the client to ensure the validity and integrity of the report

If you agree with the assumptions entered, you agree to the validity of the assessment

Thank You