AgentSmith

Valuation Report

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Company Summary

AgentSmith

Kbh 40

Denmark

Industry: **Real Estate (Operations & Services)**

We help you unleash your inner salesperson

https://agentsmith.house/

Founders: **2**
Employees: **0**
Started in: **2023**
Incorporated: **no**
Year of incorporation: **N/A**
Initial capital: **1000$**

Business foundations:

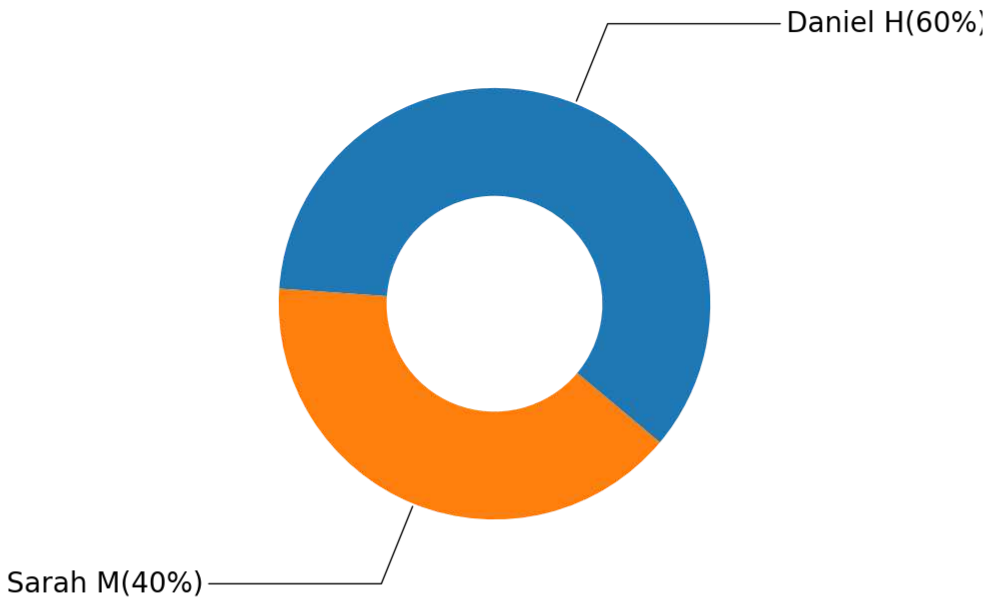
Business type: **B2C**
Business model: **Subscription-based**
Scalable: **Yes**

Operational status:

Stage of development: **Idea**
Employees (excluding founders): **0**
Generating revenue: **No**

Current ownership

Here is an overview of the current shareholders and the history of the funding for the company.



Funding rounds

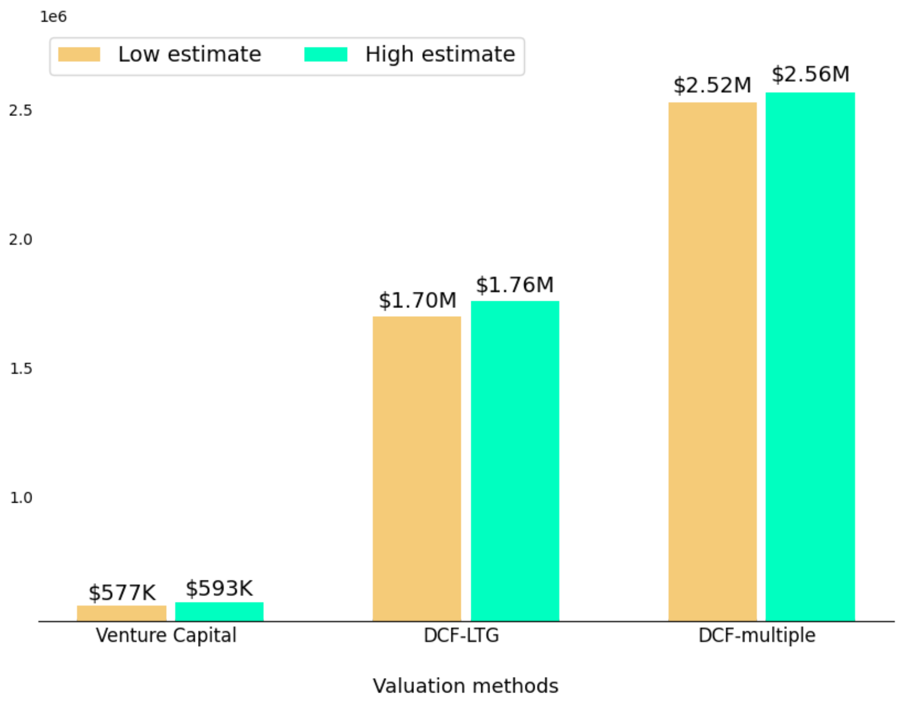
Type	Date	Amount	Equity %
Pre-Seed Funding	2023-07-02	5000	5

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.

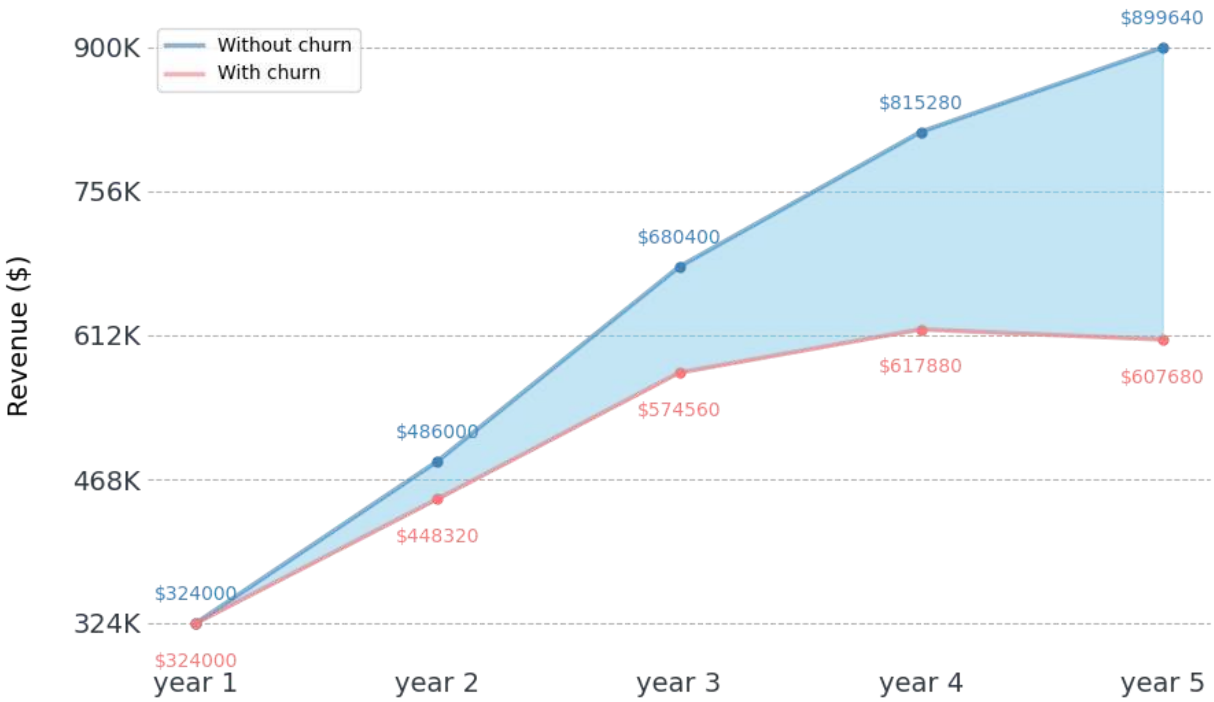
Low band	Pre-money Valuation	High band
$ 1,107,223	**$ 1,120,579**	$ 1,133,936



Revenue Growth

We've based your revenue predictions on the initial assumptions about how your company might perform in terms of sales and growth. The plotted figures you'll see represent two scenarios. This range gives you a clearer picture of where your actual earnings might land.

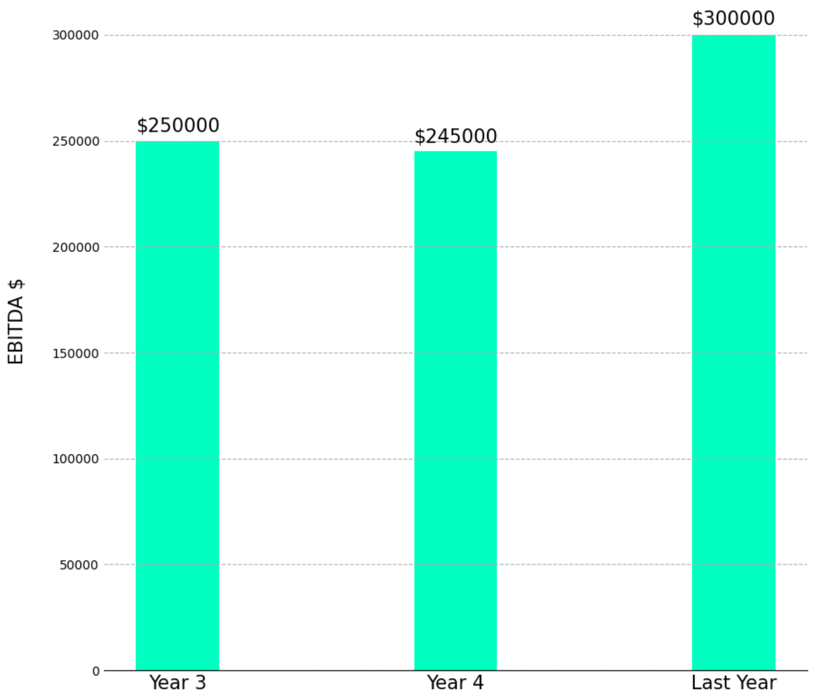
- The **highest** possible revenue you might achieve if everything goes as best as expected.
- The **lowest** possible revenue, factoring in potential challenges like customer churn.



VC Method

Pre-money Valuation: **$ 585,164**

venture capital method estimates the exit value of the company at the end of the forecast horizon and ignores the
intermediate cash flows. The exit value is calculated by taking the EBITDA of the last projected year and applying the EBITDA multiple. This value is then discounted at a high rate to get the present value.



$ 607680
Last Year EBIDTA

X 16.15
VC multiple

$ 9814032
Last Year Exit Value

75 %
annual required roi

$ 597939
Post-money Valuation

$ 5000
Capital Needed

$ 592939
Pre-money Valuation

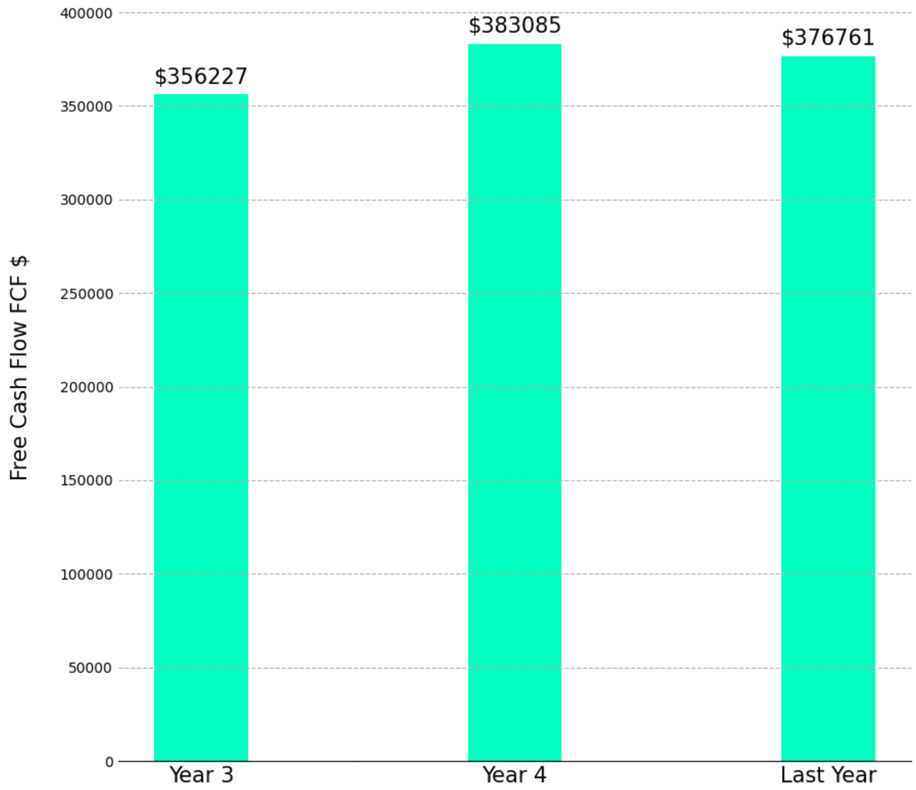
Parameters

Industry Multiple: **16.15**
Annual Required ROI: **75 %**

DCF Method with LTG

Pre-money Valuation: $ 1,727,405

Discounted Cash Flow (DCF) with LTG (Long Term Growth) assumes the cash flows beyond the projected ones will grow forever at a constant rate based.



$ 189366
Last Year FCF

1.5 %
Long Term Growth

$ 1450618
Terminal Value

14.75%
Discount Rate

0%
Illiquidity Discount

$ 5000
Capital Needed

$ 1756328
Pre-money Valuation

Parameters

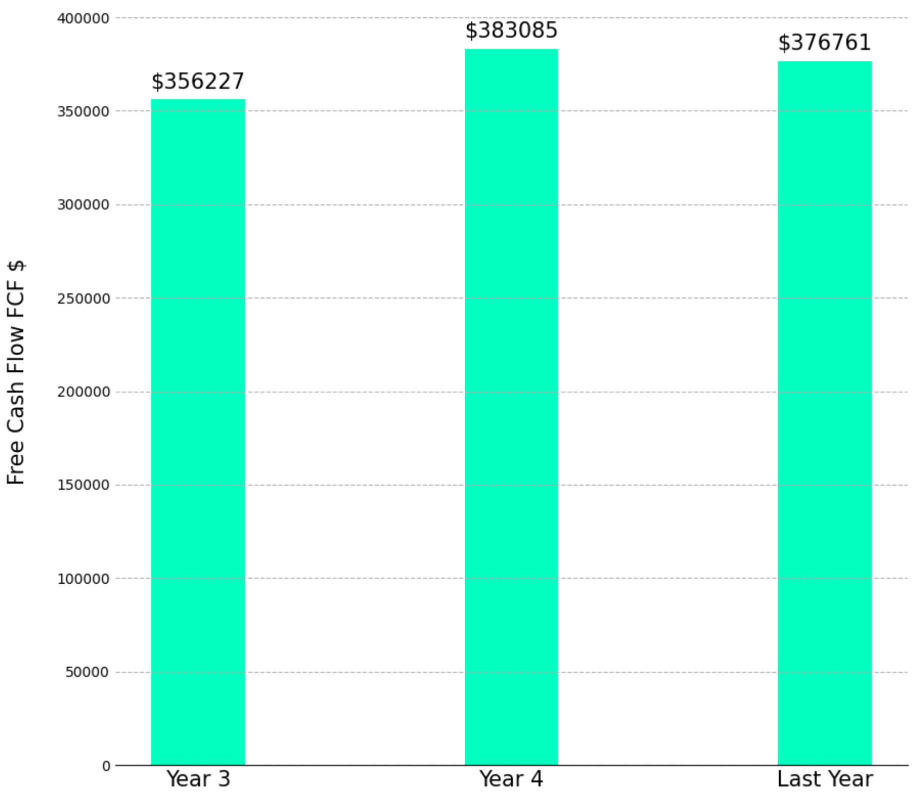
WACC premium: **14.75 %**
Long term growth: **1 %**
Illiquidity discount: **0 %**

Risk free rate: **5.6 %**
Beta: **2.5%**
Market risk premium: **26%**

DCF method with multiples

Pre-money Valuation: **$ 2,544,371**

The DCF using multiple methods presumes that the Terminal Value (TV) is determined by the company's exit value, which is calculated using an EBITDA multiple specific to its industry.



$ 607680
Last Year EBIDTA

1%
EbIDTA multiple

$ 3058269
Terminal Value

14.75%
Discount Rate

0%
Illiquidity Discount

$ 5000
Capital Needed

$ 2564359
Pre-money Valuation

Parameters

WACC premium: **14.75 %**
Industry multiple: **16.15**
Illiquidity discount: **0 %**

Risk free rate: **5.6 %**
Beta: **2.5%**
Market risk premium: **26%**

Financial Projections

Business model: **Subscription-based**
Business stage: **Pre-Revenue**

Pricing Structure:

Charging period: **Monthly**

Tier 1	Tier 2	Tier 3
$30	$70	$500

Annual User Growth and Churn Rates:

Annual user growth rates:

Year 1 to 2: **50%**
Year 2 to 3: **40%**
Year 3 to 4: **20%**
Year 4 to 5: **10%**

Annual user churn rate:

Year 1 to 2: **12%**
Year 2 to 3: **12%**
Year 3 to 4: **12%**
Year 4 to 5: **12%**

Number of customers (first year):

Tier 1: 500
Tier 2: 100
Tier 3: 10

Annual Revenue and Cost Forecast:

Low Band Estimates (Default business tax rate for Denmark: 22.5%):

Annual Revenue:	Annual Costs:	Free Cash Flow:
Year 1: $324000	**Year 1:** $64800	**Year 1:** $200880
Year 2: $448320	**Year 2:** $89664	**Year 2:** $277958
Year 3: $574560	**Year 3:** $114912	**Year 3:** $356227
Year 4: $617880	**Year 4:** $123576	**Year 4:** $383085
Year 5: $607680	**Year 5:** $121536	**Year 5:** $376761

High Band Estimates (Default business tax rate for Denmark: 22.5%):

Annual Revenue:	Annual Costs:	Free Cash Flow:
Year 1: $324000	**Year 1:** $64800	**Year 1:** $200880
Year 2: $486000	**Year 2:** $97200	**Year 2:** $301320
Year 3: $680400	**Year 3:** $136080	**Year 3:** $421848
Year 4: $815280	**Year 4:** $163056	**Year 4:** $505473
Year 5: $899640	**Year 5:** $179928	**Year 5:** $557776

Conclusion

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Appendix

Weights of the valuation methods

Stage	VC Method	DCF with LTG	DCF with Multiples
Idea stage	66%	16%	18%
Development stage	40%	30%	30%
Startup stage	22%	38%	40%
Expansion stage	18%	40%	42%
Growth stage	10%	45%	45%

ValuationGenius.online stage of development: **Idea stage**

- **VC Method Dominance in Early Stages**: In the idea stage, the VC Method takes precedence with a 66% weight. This reflects the high uncertainty associated with early-stage ventures, where venture capitalist insights and sector-specific heuristics play a significant role. As companies move to the development stage, the weight of the VC Method drops to 40%, indicating that while venture insights are still vital, other methods start to gain relevance.
- **Growing Importance of DCF with LTG**: The weight assigned to the DCF with LTG method increases progressively from 16% in the idea stage to 40% by the expansion stage. This suggests that as startups evolve and accumulate more operational data, future cash flows become more predictable, making the DCF with LTG method increasingly applicable and reliable.
- **Steady Rise of DCF with Multiples**: The DCF with Multiples method sees its weight increase steadily from 18% at the idea stage to 42% by the expansion stage. This pattern indicates that as a startup matures, historical financial data becomes more available and reliable, allowing for the method's increased relevance in valuing a venture against comparable companies in its industry.

VC method

Here are the origins of the valuation metrics used in the VC Method (EBITDA Multiple and Annual Required ROI), along with their standard values as given by InnoValue.

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 Busines

> ValuationGenius.online industry: **Real Estate (Operations & Services)**
>
> EBITDA multiple: **16.15**

Required ROI

Investors' projected returns hinge on a trio of determinants:

1. The duration for which they anticipate keeping the equity in their collections before seeking an exit.
2. The relationship between the expected returns at the time of startup exit and the original sum they invested, often referred to as the cash-to-cash ratio.
3. The potential decrease in their starting ownership percentage due to sizable financial contributions in forthcoming investment rounds.

Stage	ROI
Idea stage	75%
Development stage	60%
Startup stage	45%
Expansion stage	30%
Growth stage	22.5%

ValuationGenius.online stage of development: **Idea stage**