

Introduction to Scenarios in QapMap

Modified on: Wed, 18 May, 2022 at 4:11 PM

As a founder or an investor, you may be concerned about the dilution impact of future funding rounds, or are keen to understand the impact of liquidation preferences on payouts in a hypothetical exist scenario.

QapMap allows you model various scenarios that help you obtain a clear picture of impact of future events on your company and investment. Our scenario analysis tool uses mathematical and statistical principles that allow you to consider a range of assumptions to fully understand impacts of exit events and funding rounds.

Using scenarios, you can:

- Analyse payout implication for each investor or by share classes in an exit scenario
- Examine an unfavourable event or a theoretical worst-case scenario to be fully prepared for your future
- Conduct "what if" or sensitivity analysis. A sensitivity analysis allows you to evaluate how different values of one variable can affect
- Examine the impact a funding round can have on existing shareholders, as well prepare price and quantity calculations required for allocation of new equity to incoming investors

There are two types of Scenario analysis:

- Waterfall analysis takes into account liquidation preferences in an exit event. This includes investment returns or capital gains among participants of a group or pooled investment.
- The distribution waterfall defines the pecking order in which distributions are allocated to each individual or entity on the Cap Table.

To access Scenarios, click **Scenarios** in the menu on the left. By default, some scenarios (by stakeholders) are displayed.

The screenshot displays the 'Scenario Analysis' section of the QapMap interface. At the top right, there is a purple button labeled 'Perform New Analysis'. Below this, five scenario cards are arranged in two rows. Each card has a title, an investment or exit value, and a scenario date. The first row contains three cards: 'Finance Round - A' (Investment Value: SGD 100,000, Scenario Date: May 31, 2021), 'Finance Round - A' (Investment Value: SGD 100,000, Scenario Date: May 29, 2021), and 'Finance Round - Test A' (Investment Value: SGD 20,000,000, Scenario Date: May 10, 2021). The second row contains two cards: 'Waterfall - Waterfall - 2021-01-13' (Exit Value: SGD 100,000,000, Exit Date: Jan 13, 2021) and 'Waterfall - Waterfall - 2021-01-06' (Exit Value: SGD 100,000, Exit Date: Jan 6, 2021). Each card also features a small trash icon in the top right corner.

Scenario Name	Value	Date
Finance Round - A	Investment Value: SGD 100,000	Scenario Date: May 31, 2021
Finance Round - A	Investment Value: SGD 100,000	Scenario Date: May 29, 2021
Finance Round - Test A	Investment Value: SGD 20,000,000	Scenario Date: May 10, 2021
Waterfall - Waterfall - 2021-01-13	Exit Value: SGD 100,000,000	Exit Date: Jan 13, 2021
Waterfall - Waterfall - 2021-01-06	Exit Value: SGD 100,000	Exit Date: Jan 6, 2021