

TSIS 1

Reverse-Engineering the Deal: Valuation & Cap Table Analysis

23B151046-Pyurko Yekaterina

1. Selection & News Reconnaissance

- ★ **Target:** Higgsfield AI (Founded by Alex Mashrabov & Yerzat Dulat)
- ★ **Trigger Event:** Series A Extension Round
- ★ **Date:** January 15, 2026
- ★ **Source:** [TechFundingNews: Higgsfield raises \\$80M extension at \\$1.3B Valuation](#)
- ★ **Core Data:**
 - Investment Amount (I): \$80,000,000
 - Post-Money Valuation (V_{post}): \$1,300,000,000
 - Key Growth Metric: Hit a \$200M Annual Recurring Revenue (ARR) run rate.

2. Financial Reconstruction

Using the "Reverse-Engineering" method, we solve for the pre-money value and the exact entry stake.

A. Pre-Money Valuation (V_{pre}) The value before the \$80M check was signed:

$$V_{\text{pre}} = V_{\text{post}} - I$$

$$V_{\text{pre}} = \$1,300,000,000 - \$80,000,000 = \$1,220,000,000$$

B. Investor Stake % The equity percentage acquired by the new syndicate (Accel, Menlo Ventures, GFT):

$$\text{Investor Stake} = I / V_{\text{post}}$$

Investor Stake = $80,000,000 / 1,300,000,000 \approx 6.15\%$

C. Dilution Factor Existing shareholders (Founders/Seed) were diluted by:

Dilution = $1 - (V_{\text{pre}} / V_{\text{post}}) = 6.15\%$

3. Cap Table Modeling (Higgsfield AI)

Following your requested format, here is the reconstruction of the share distribution.

Pre-money:

6.15% → 61,538 | 100% → 1,000,000

Post-money:

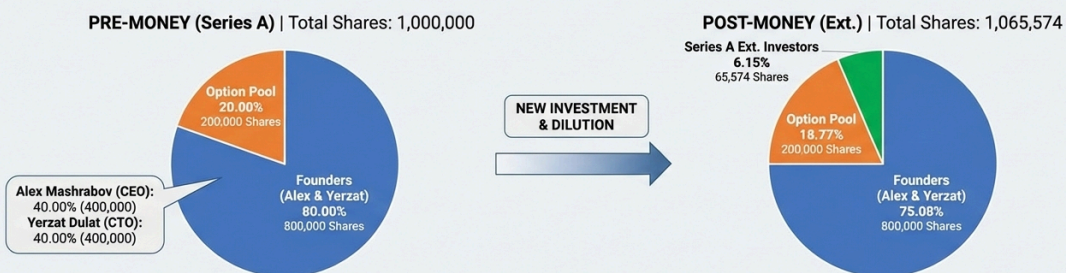
6.15% → 65,574 | 100% → 1,065,574

Shareholder	Pre-Money (idea)	Post-Money (pre-seed)	Shares (Post)
Founders	80.00%	75.08%	800,000
Alex Mashrabov (CEO)	40.00%	37.54%	400,000
Yerzat Dulat (CTO)	40.00%	37.54%	400,000

Option Pool	20.00%	18.77%	200,000
Series A Ext. Investors	-	6.15%	65,574
<i>Accel (Lead)</i>	-	<i>3.50%</i>	<i>37,295</i>
<i>Menlo Ventures</i>	-	<i>1.50%</i>	<i>15,984</i>
<i>GFT Ventures</i>	-	<i>1.15%</i>	<i>12,295</i>
TOTAL	100% (1,000,000)	100% (1,065,574)	1,065,574

CAP TABLE EVOLUTION: SERIES A EXTENSION

PRE-MONEY (Series A) vs. POST-MONEY (Ext.) OWNERSHIP & SHARE DISTRIBUTION



POST-MONEY SHAREHOLDER BREAKDOWN

SHAREHOLDER	POST-MONEY OWNERSHIP %	SHARES (POST)
Founders (Alex & Yertzat)	75.08%	800,000
Alex Mashrabov (CEO)	37.54%	400,000
Yerzat Dulat (CTO)	37.54%	400,000
Option Pool	18.77%	200,000
Series A Ext. Investors	6.15%	65,574
Accel (Lead)	3.50%	37,295
Menlo Ventures	1.50%	15,984
GFT Ventures	1.15%	12,295
TOTAL	100%	1,065,574

4. Contextual Analysis (The "Why")

The "AI Multiplier" vs. Regional Premium Higgsfield's valuation is a masterclass in the **"AI Infrastructure Premium."** While regional giants like Uzum command a premium for dominating a specific market (Uzbekistan's 35M+ population), Higgsfield's \$1.3B tag is globally benchmarked. At a \$200M ARR, they are trading at a **6.5× revenue multiple**. This is remarkably efficient compared to the "AI Hype" of 2024, where multiples reached 50×, suggesting that Higgsfield is being valued as a "Production Utility" rather than a speculative play.

Jurisdiction: AIFC vs. Delaware The founders utilize a **Delaware C-Corp** structure for the parent company to facilitate investment from Tier-1 US VCs like Accel. However, their presence in the Central Asian ecosystem is a strong signal for **AIFC (English Law)**. For Kazakhstani founders, the AIFC acts as a "testing ground" for English Law principles, allowing them to speak the same legal language as Silicon Valley investors.

Investor Confidence The confidence stems from the company's pivot to **Enterprise B2B**. By focusing on social media marketers rather than general consumers, they transitioned from "Viral Tool" to "Daily Workflow," which significantly lowers churn and justifies the \$80M injection during a period of tighter VC liquidity in early 2026.