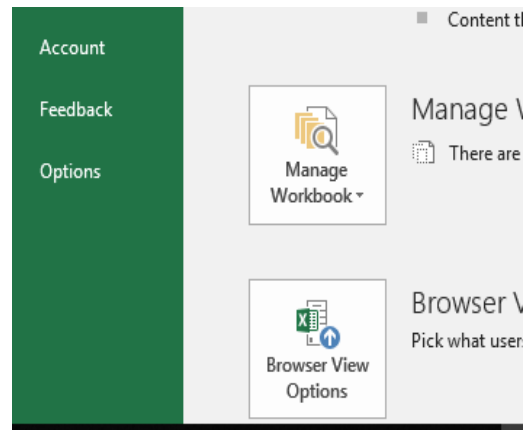
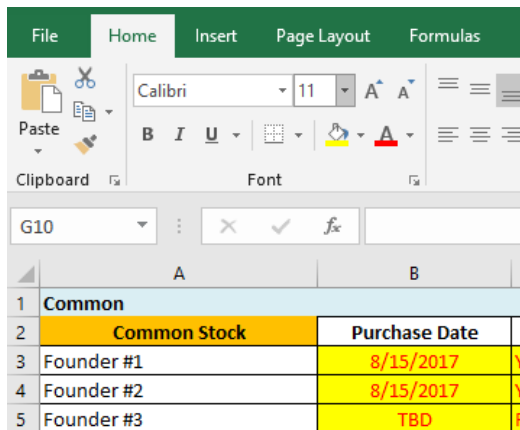


Note to Reader:

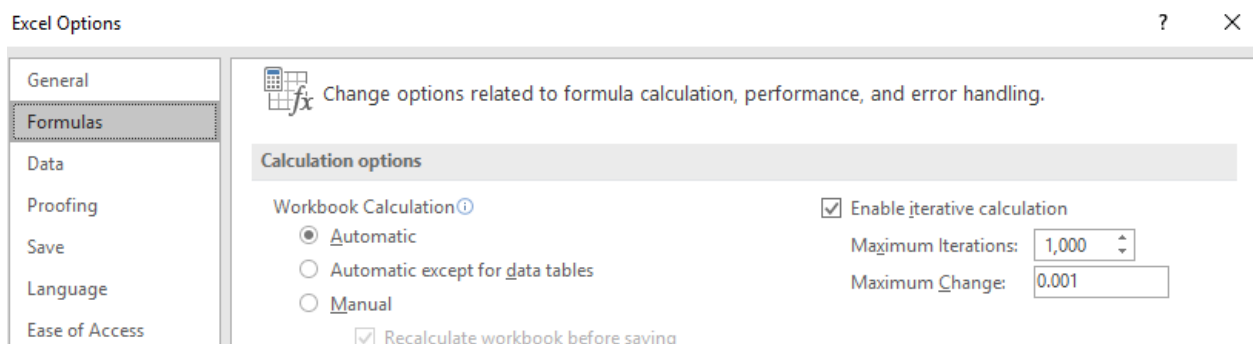
This workbook contains the complete Debt Equity Model. Before we begin, you need to ensure that iterative calculations are on in Excel. If you have already enabled iterative calculations, skip down to “**Instructions.**”

Windows:

- a. To turn on iterative calculations, go to “File” and go into “Options”



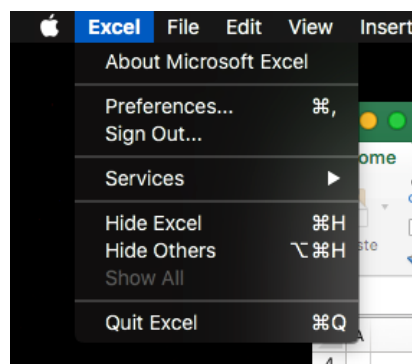
- b. Go to the “Formulas” tab and check the “enable iterative calculations” box.



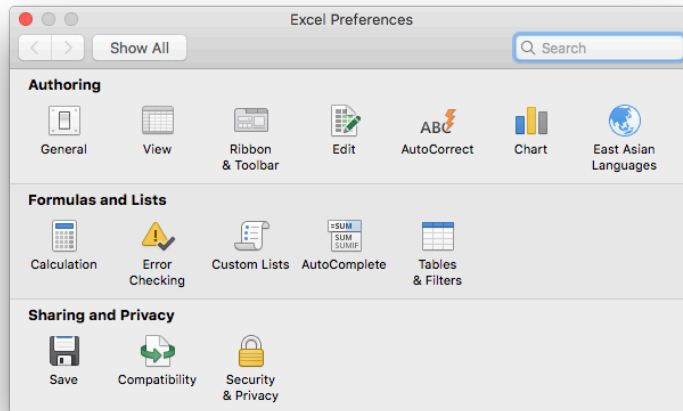
- c. Close the option window and you’re all set!

Mac:

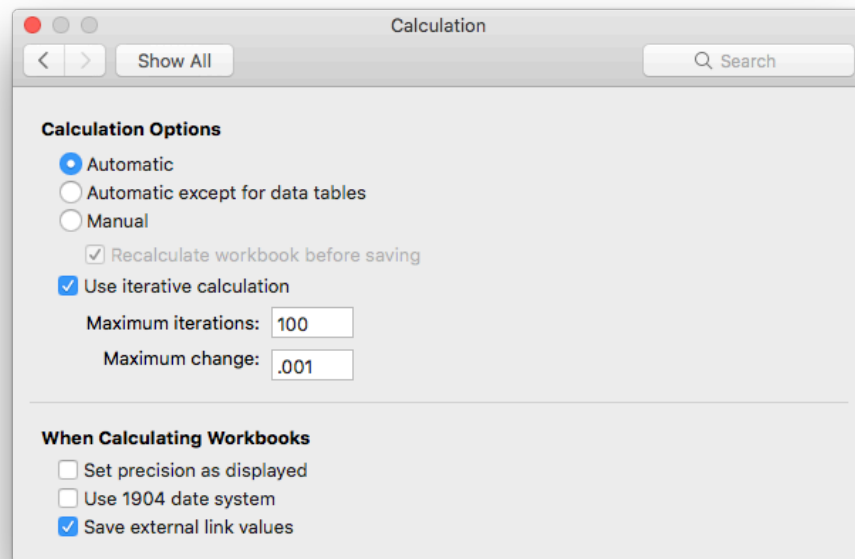
On the menu bar at the top of the screen, click “Excel,” then “Preferences...”



- a. Under “Formulas and Lists,” click “Calculation.”



- b. If it's not already checked, tick the “Use iterative calculation” checkbox



- c. Close the preferences window. You're all set!

Instructions:

These are the instructions to filling out the model. There are 6 key tabs (listed in order as provided in the model):

1. Common
2. SAFEs & Notes
3. Pro Forma – Series A Inputs
4. Post Money Cap Table
5. Waterfall – Single Scenario
6. Waterfall – Three Scenarios

Common	SAFES & Notes	Pro Forma - Series A Inputs	Post Money Cap Table	Waterfall - Single Scenario	Waterfall - Three Scenarios
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Each tab will be discussed individually in the order above. As you become more familiar with the model, you may fill it out in any order you want. For the purposes of these instructions, we will stick with order as listed.

As a general rule, anything that is highlighted in yellow with red text can be changed. These are the model inputs. DO NOT modify the format of the cells (e.g. change something “general” to “text” or “number” to “text”, etc.). This will inevitably result in cascading impacts that can break the model. Leave all cell formats as-is.

Common:

- Cell A1 is the name of your company. Enter the name in this cell

	A	B
1	TBD, Inc.	
2	Common Capitalization Table	
3		

- In the Common Stock section (rows 8:18), you will enter in the following:
 - Name of the person receiving the stock, the purchase date of the stock, the number of shares, and the vest start date.

8	Common Stock	Purchase Date	Name	Shares	%	Price	Vesting Notes	Months Vested	Accrued Shares	Vested	Vest Start
9	1	8/15/2017	Founder #1	4,000,000	40.00%	\$0.00001		10.32	860,274	0	9/15/2017
10	2	8/15/2017	Founder #2	4,000,000	40.00%	\$0.00001		10.32	860,274	0	9/15/2017
11	3	8/15/2017	Founder #3	1,000,000	10.00%	\$0.00001		10.32	215,068	0	9/15/2017
12	4	TBD	Founder #4	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
13	5	TBD	Founder #5	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
14	6	TBD	Founder #6	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
15	7	TBD	Founder #7	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
16	8	TBD	Founder #8	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
17	9	TBD	Founder #9	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
18	10	TBD	Founder #10	-	0.00%	\$0.00001		10.32	-	0	9/15/2017

- In the Stock Options sections (rows 23:44), you will enter the following:
 - Cell D23 is the total Equity Incentive Plan – this is the total pool of stock you have set aside for your employees
 - There is no grant date or vest start date for this number.

- For the rest of the rows you will fill out the employee name, the grant date, the shares (which cannot be more than the Equity Incentive Plan), and the vest start date.
- This is everything you need to input on this tab; nothing else should be touched.

	A	B	C	D	E	F	G	H	I	J	K
22	Stock Options	Grant Date	Name	Shares		Price	Vesting Notes	Months Vested	Accrued Options	Vested	Vest Start
23		n/a	2017 Equity Incentive Plan	1,000,000	10.00%	\$0.00001					
24	1	TBD	Advisor #1	125,000	1.25%	\$0.00001		6.77	17,637	0	1/1/2018
25	2	TBD	Employee #1	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
26	3	TBD	Employee #2	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
27	4	TBD	Employee #3	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
28	5	TBD	Employee #4	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
29	6	TBD	Employee #5	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
30	7	TBD	Employee #6	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
31	8	TBD	Employee #7	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
32	9	TBD	Employee #8	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
33	10	TBD	Employee #9	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
34	11	TBD	Employee #10	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
35	12	TBD	Employee #11	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
36	13	TBD	Employee #12	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
37	14	TBD	Employee #13	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
38	15	TBD	Employee #14	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
39	16	TBD	Employee #15	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
40	17	TBD	Employee #16	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
41	18	TBD	Employee #17	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
42	19	TBD	Employee #18	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
43	20	TBD	Employee #19	-	0.00%	\$0.00001		10.32	-	0	9/15/2017
44	21	TBD	Employee #20	-	0.00%	\$0.00001		10.32	-	0	9/15/2017

SAFEs & Notes

- On this tab you will only input data in rows (5:24).

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Note/SAFE Holder	SAFE/Note	Issue Date	Maturity Date	Principal	Interest Rate	Number of Periods	Accrued Principal and Interest	Discount	Cap	Fully Diluted Shares Without SAFEs or CNs	Cap Price / Share	Discount Price / Share	Number of Shares		
4															10,000,000	95.0%
5	Note Holder #1	SAFE	9/1/2017	8/1/2018	\$ 20,000	5%	0.9041	\$ 20,000.00	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	75,687	0.7%	0.7%
6	Note Holder #2	SAFE	9/1/2017	8/1/2018	\$ 200,000	5%	0.9041	\$ 200,000.00	20%	5,000,000	11,353,033	\$ 0.44	\$ 1.41	454,122	4.3%	4.3%
7	Note Holder #3	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
8	Note Holder #4	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
9	Note Holder #5	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
10	Note Holder #6	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
11	Note Holder #7	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
12	Note Holder #8	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
13	Note Holder #9	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
14	Note Holder #10	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
15	Note Holder #11	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
16	Note Holder #12	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
17	Note Holder #13	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
18	Note Holder #14	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
19	Note Holder #15	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
20	Note Holder #16	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
21	Note Holder #17	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
22	Note Holder #18	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
23	Note Holder #19	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%
24	Note Holder #20	Note	9/1/2017	8/1/2018	\$ -	5%	0.9041	\$ -	20%	3,000,000	11,353,033	\$ 0.26	\$ 1.41	-	0.0%	0.0%

- Enter the note/SAFE holder name, select with a dropdown SAFE or Note, the issue date, the principal, interest rate, discount, and cap.
- This is everything you need to input on this tab; nothing else should be touched.

Pro-Forma – Series A Inputs

	A	B	C	D	E	F	G	H	I	J
1		TBD, Inc.								
2		Pro Forma Cap Table for Series A								
3										
4										
5										
6		Current Capitalization				Series A Preferred Stock (New Money + Conversion of SAFEs)				
7			Shares Issued	Fully-Diluted %		Investment Amount	Shares Issued			Fully-Diluted %
8		Common Stock	9,000,000	79%			9,000,000			9,000,000
9		Options Outstanding	125,000	1%			125,000	125,000		125,000
10		Options Available	875,000	8%			875,000	875,000		875,000
11		Option Refresh	1,353,033	12%			1,353,033	1,353,033		1,353,033
12		Total Options						2,353,033		
13		Converted CNs or SAFEs to Series A-1 Shares				\$ 220,000.00	529,809			529,809
14		New Money Series A Shares				\$ 5,000,000.00	2,970,710			2,970,710
15		Total	11,353,033	100.0%		\$ 5,220,000	14,853,552			14,853,552
16										
17										
18		Pre-Money Valuation				\$ 20,000,000				
19										
20		New Series A Money				\$ 5,000,000				
21										

- On this tab you will only input data into 4 cells:

- F18, the Pre-Money Valuation

18	Pre-Money Valuation				\$ 20,000,000
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- F20, the New Series A Money

20	New Series A Money				\$ 5,000,000
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- F24, the Anticipated Close Date (this is the Maturity Date on the SAFEs & Notes tab)

	A	B	C	D	E	F
22		Post-Money Valuation				\$ 25,000,000
23		SerAPercent				20.00%
24		Anticipated Close Date				8/1/2018

- F30, the % Option Refresh

	A	B	C	D	E	F
29						
30		% Option Refresh				15%

- This is everything you need to input on this tab, nothing else needs to be touched

Post Money Cap Table

- There is nothing to edit on this tab
- This tab shows the outcome from the inputs on the other tabs

	A	B	C	D
1	TBD, Inc.			
2	Series A (Post-Money) Capitalization Table			
3				
4				
5				
6	Pre-Money Capitalization			
7				
8		Series	Shares	Fully-Diluted %
9				
10		Common Stock ("CS")	9,000,000	75.74%
11		Options outstanding ("Options")	125,000	1.05%
12		Shares available under Stock Plan ("Pool")	875,000	7.36%
13		Option Refresh	1,353,033	11.39%
14		Converted CNs or SAFEs to Series A-1 Shares	529,809	4.46%
15				
16		Fully-Diluted Outstanding Shares ("FDPre")	11,882,842	100.00%
17				
18				
19	Assumptions:			
20				

Waterfall – Single Scenario

	A	B	C	D	E	F	G
1		TBD, Inc.					
2		Waterfall Single Scenario					
3							
4							
5							
6			Post-A - FD	Investment - LP	% of Common Shares	% of Investment	
7			Shares Issued				
8		Common Stock	9,000,000		79.27%		
9		Options Outstanding	125,000		1.10%		
10		Options Available	875,000		7.71%		
11		Option Refresh	1,353,033		11.92%		
12		Converted SAFEs to Series A-1 Shares	529,809	\$ 220,000		4.21%	
13		New Money Series A Shares	2,970,710	\$ 5,000,000		95.79%	
14		Total	14,853,552	\$ 5,220,000		100.00%	
15							
16		Exit Value	\$ 50,000,000				
17		Price / Share	\$ 3.37				
18							
19		As Converted					
20		SAFES & Notes	\$ -	\$ 220,000			
21		Series A Money	\$ -	\$ 5,000,000			
22							

- On this tab you will only input data into 1 cell:

- C16, the Exit Value

	A	B	C
1		TBD, Inc.	
2		Waterfall Single Scenario	
3			
4			
5			
6			Post-A - FD
7			Shares Issued
8		Common Stock	9,000,000
9		Options Outstanding	125,000
10		Options Available	875,000
11		Option Refresh	1,353,033
12		Converted SAFEs to Series A-1 Shares	529,809
13		New Money Series A Shares	2,970,710
14		Total	14,853,552
15			
16		Exit Value	\$ 50,000,000

- This allows for a quick evaluation of price/share and gives a quick overview of the exit strategy
- This is everything you need to input on this tab, nothing else needs to be touched

Waterfall – Three Scenarios

	B	C	D	E	F	G
1	TBD, Inc.					
2	Waterfall Three Scenarios					
3						
4						
5						
6		Post-A - FD	Investment - LP	% of Common Shares	% of investment	
7		Shares Issued				
8	Common Stock	9,000,000		79.27%		
9	Options Outstanding	125,000		1.10%		
10	Options Available	875,000		7.71%		
11	Option Refresh	1,353,033		11.92%		
12	Converted SAFEs to Series A-1 Shares	529,809	\$ 220,000			4.21%
13	New Money Series A Shares	2,970,710	\$ 5,000,000			95.79%
14	Total	14,853,552	\$ 5,220,000			100.00%
15						
16	SCENARIO 1					
17						
18	Exit Value	\$ 2,100,000				
19	Price / Share	\$ 0.14				
20						
21	Below Liquid Preference	Exit Results	Check	Notes		
22	SAFES & Notes	\$ 88,506	\$ 220,000	Exit price is less than investment; return is t		

- This tab is like the Waterfall – Single Scenario, but gives a more detailed breakdown of the logic behind the exit strategy
- It allows you to put in three different exit values and will produce the price/share and the logic behind the exit results

[illegible]

- You will only enter data into 3 cells:
 - C18, Exit Value (Scenario 1)

	B	C
16	SCENARIO 1	
17		
18	Exit Value	\$ 2,100,000

- C36, Exit Value (Scenario 2)

	B	C
34	SCENARIO 2	
35		
36	Exit Value	\$ 8,000,000

- C54, Exit Value (Scenario 3)

	B	C
52	SCENARIO 3	
53		
54	Exit Value	\$ 50,000,000

- This is everything you need to input on this tab, nothing else needs to be touched

Final Note: If you do not have an input for a cell that allows for an input, make sure to leave it as-is. DO NOT delete any of the input place holders. You can alter them with a different input (e.g. on the Common tab, change the Equity Incentive plan from 1,000,000 to 0 or 1,000,000 to 500,00, but **DO NOT DELETE** the input.