



TINCOIN

INVESTMENT PROPOSALS

• TRAVEL INDUSTRY NETWORK COIN •

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TINCOIN VALUATION

Valuation of TINCOIN is prepared by the first start-up investment advisory company "INVESTO". Valuation is constructed based on 7 quantitative and qualitative valuation methods, which are used by top venture capital funds, private equity firms and angel investors. The valuation of TINCOIN equals 12.24 million USD.

VALUATION METHODS	POST MONEY VALUATION	WEIGHTS %	WEIGHTED POST MONEY VALUATION
COMPARABLE ANALYSYS METHOD	6.500.000	15.0%	975.000
BERKUS METHOD	5.298.700	15.0%	794.805
SCORECARD METHOD	7.071.200	15.0%	1.060.680
RISK FACTOR SUMMATION METHOD	6.798.700	15.0%	1.019.805
DCF MULTIPLE METHOD	27.872.899	12.0%	3.344.748
DCF PERPETUAL GROWTH METHOD	16.171.206	12.0%	1.940.545
VENTURE CAPITAL METHOD	19.420.409	16.0%	3.107.265

POST MONEY VALUATION

12,242,848



TINCOIN VALUATION

We determined the valuation of TINCOIN by following 7 start-up valuation methods, which will be described in detail below.

Afterwards, we assigned a percentage to each method to determine a weighted average valuation.



Using Silicon Valley and European start-ups valuation percentage distribution expertise on the valuation methodology, we assigned 40% on quantitative valuation methods result – DCF & Venture capital methods, respectively. We assigned 15 % on the comparable analysis method, which determines valuation using trading peers. 15% was assigned to qualitative valuation methods – Berkus method, Scorecard Method, and Risk factor summation methods, respectively.



COMPARABLE COMPANY ANALYSIS METHOD VALUATION

COMPANY NAME	PRE MONEY VALUE	INVESTMENTS	POST MONEY VALUE
TRAVEL COIN	105.000.000	35.000.000	140.000.000
TURISMO AI	9.500.000	500.000	10.000.000
MIN			10.000.000
AVERAGE			75.000.000
MEDIAN			75.000.000
MAX			140.000.000
ILLIQUIDITY DISCOUNT			35%
VALUATION			6.500.000

We selected following start-ups as comparable peers and determined

- Pre-money value
- Seed & Series A investment
- Post money value

Afterwards, we determined:

- The minimum value of comparable valuation results
- The average value of comparable valuation results
- The median value of comparable valuation results
- The maximum value of comparable valuation results

We chose median results of comparable company's valuation and adjusted with country illiquidity discounts which equals 35 %. and we determined that, based on a comparable valuation method, the valuation of TINCOIN equals 6.5 million USD.



CHECKLIST • BERKUS VALUATION METHOD

VALUE DRIVER	ADD TO PRE-MONEY VALUATION	ASSIGNED VALUE
SOUND IDEA	0 - 1.500.000	1.200.000
PROTOTYPE	0 - 1.500.000	900.000
QUALITY MANAGEMENT TEAM	0 - 1.500.000	900.000
STRATEGIC RELATIONSHIPS	0 - 1.500.000	900.000
PRODUCT ROLLOUT OR SALES	0 - 1.500.000	600.000
VALUATION		4.500.000



BERKUS VALUATION METHOD

Pre Money Valuation	4,500,000
Seed Stage Investments	798,700
Post Money Valuation	5,298,700

As one of the most active angel investors in the US, Dave Berkus developed this method from his experience in participating in over 180 technology investments.

Instead of valuing projected financial success, Dave Berkus' method equally values the "elements of progress by the entrepreneur or team that reduces risk of success".

Berkus Method is Qualitative method of valuation, where the assigned value is based on:

- **Sound Idea (basic value, product risk) Prototype condition**
- **Prototype (reduces technology risk) Product and sales condition**
- **Quality Management Team (reduces execution**

Based on Berkus's valuation method valuation of TINCOIN equals 5.29 million USD.



SCORECARD VALUATION METHOD

COMPARABLE COMPANIES VALUATION

VALUE DRIVER	WEIGHTS %	VENTURE SCORE	FACTOR
STRENGTH OF MANAGEMENT TEAM	30%	80%	0.24
SIZE OF OPORTUNITY	25%	113%	0.28
PRODUCT & TECHNOLOGY	15%	88%	0.13
COMPETITIVE ENVIRONMENT	10%	75%	0.08
MARKETING & SALES CHANNELS • PARTNERSHIPS	10%	125%	0.13
NEED FOR ADDITIONAL INVESTMENTS	5%	113%	0.06
OTHER	5%	113%	0.06

WEIGHTED AVERAGE PERCENT % **0.97**

VALUATION **6.272.500**

Pre Money Valuation	6,272,500
Seed Stage Investments	798,700
Post Money Valuation	7,071,200

Developed by a prominent angel investor, Bill Payne, the Scorecard Method deduces the valuation of the target company by comparing it to =funded startups at the same stage of development – in this case, pre-revenue.
The scorecard valuation method is a combination of comparable analysis Method and Berkus method.



RISK SUMMATION METHOD

The higher the overall risk of investment, the larger the expected return should be, and this will push a valuation down. Developed by The Ohio Tech Angels, the Risk-Factor Summation method forces investors to evaluate different kind of risk types that a startup will face achieving a lucrative exit and assigns a scorewith a monetary value to each.

We determined the valuation by adjusting comparable companies' valuation results with risk values

- In case of low risk, we add 250,000 USD to comparable companies' valuation results.**
- In case of high risk, we subtract 250,000 USD to comparable companies' valuation results.**
- In case of very high risk, we subtract 500,000 USD to comparable companies' valuation results.**

RISK SUMMATION METHOD

Comparable Companies Valuation

6,500,000

Risk Criteria	Risk Condition	Risk Value	Commulative Value
Management Risk	Low	250,000	250,000
Stage of The Business	Low	250,000	500,000
Legislation/political Risk	High	-250,000	250,000
Manufacturing Risk	Neutral	0	250,000
Sales Risk	High	-250,000	0
Fundraising/ Capital Risks	High	-250,000	-250,000
Competition	High	-250,000	-500,000
Technology Risk	Low	250,000	-250,000
Litigation Risk	High	-250,000	-500,000
International Risk	Neutral	0	-500,000
Reputation Risk	Low	250,000	-250,000
Potential Lucrative Exit	High	-250,000	-500,000
Weighted Average Percent			(500,000)

Pre Valuation - 6,000,000

Seed Stage Investments - 798,700

Post Money Valuation - 6,798,700



DISCOUNTED CASH FLOW METHOD

Company Name:

TINCOIN

Terminal Value – Multiples Method:

Terminal Value – Perpetuity Growth Method:

Baseline Terminal Revenue Multiple: 10.0 x

Baseline Terminal FCF Growth Rate: 35.0%

Baseline Terminal Value: 203,637,746

Baseline Terminal Value: 80,936,602

Implied Terminal FCF Growth Rate: 49.0%

Implied Terminal EBITDA Multiple: 4.6 x

(+) PV of Terminal Value: 19,420,409

(+) PV of Terminal Value: 7,718,176

(+) Sum of PV of Free Cash Flows: 8,452,490

(+) Sum of PV of Free Cash Flows: 8,452,490

Implied Enterprise Value: 27,872,899

Implied Enterprise Value: 16,171,206

Implied EV from Terminal Value: 69.7%

Implied EV from Terminal Value: 47.7%

Effective Tax Rate: 15%

Discount Rate (WACC): 60%



DCF ASSUMPTION & OUTPUT

We determined TINCOIN's valuation based on the following method:

- Based on the Multiple Method, the valuation of TINCOIN equals 27.87 million USD. Terminal value using multiple methods is calculated as:

Exit Year EBITDA multiplied by baseline terminal EBITDA multiple. We determined the following assumption on our DCF method:

Baseline terminal EBITDA Multiple is calculated based on adjusting peer's results which determines that Enterprise Value / EBITDA multiple in the 5th year will equal 10 X multiple.

After determining the Baseline terminal EBITDA Multiple, we determined baseline terminal value, which is calculated as:

Terminal year EBITDA (EBITDA on 5 th year) X terminal EBITDA multiple.

DCF ASSUMPTION & OUTPUT

- Based on Perpetuity Growth Rate Method valuation of TINCOIN equals 16.17 million USD. Terminal value using the perpetuity growth rate method is calculated as:

EXIT year FCFF (FCFF on 5 th year) X (1+ growth rate) / (WACC - growth rate).

We determined the following assumption on DCF method:

We determined the long-term growth rate, which is derived from the historical long term growth rate of the industry and determined that the 5th year period long-term growth rate will be equal to 35 %.

We determined the required IRR/weighted average cost of capital based on the start-up's stage and investor's requirement of 65 %, which implies a minimum of 10.5 X return on investment.

DCF ASSUMPTION & OUTPUT

After determining the Baseline terminal EBITDA Multiple, we determined the baseline terminal value, which is calculated as:

Terminal year FCFF X $(1 + \text{Growth Rate}) / (\text{WACC} - \text{Growth Rate})$. To determine the enterprise value, we:

- discounted terminal value by required WACC
- calculated Free cash flow to a firm – FCFF next 5 years.
- Discount free cash flow to firm values each year by required WACC

Finally, we calculated the DCF valuation by adding up the discounted terminal value and discounted free cash flows.

As we mentioned, required IRR / WACC – the weighted average cost of capital of TINCOIN equals 60 %.



VENTURE CAPITAL VALUATION METHOD

Terminal Year Revenue	20,363,775
Revenue Multiple	10.0x
Exit Value	203,637,746
Time to Exit	5
IRR	60.0%
Investment Amount	798,700
Number of Existing Shares	100,000
Post-Money	19,420,409
Pre-Money	18,621,709
Ownership Fraction of Investors	4.1%
Ownership Fraction of Entrepreneurs	95.9%
Number of Shares	4,289
Price per Share	186

We constructed a venture capital method based on estimation using in discounted cash flow method valuation, which calculated post-money & pre-money value.

INVESTOR RETURN ANALYSIS

projected

Returns Calculation

	Units	2023E	2023E	2024E	2025E	2026E	2027E
Revenue Exit Multiple	x						10.0x
Revenue	\$						20,363,775
Exit Enterprise Value	\$						203,367,746
Less Net Debt	\$						-
Equity Value on Exit	\$						203,637,746
Investor Equity	\$						203,637,746
Returns to Investors							
Sponsor Common Equity							
Initial Investment	\$	(798,700)					
Dividends	\$		262,160	179,388	456,380	739,438	977,805
Investor Equity	\$						8,240,270
Total Cash Flows	\$	(798,700)	262,160	179,388	456,380	739,438	9,218,076
Money-on-Money (MoM) Multiple	x	13.6					
Internal Rate of Return (IRR):	%	82.3%					

Following two investment matrixes are most important to make investment decisions:

- Internal Rate of Return – IRR
- Return on Investment - ROI

