



FALCON

Valuation Report of Falcon Group of Companies

As of 2023-03-06

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Contacts:

Max S

✉ amvons@protonmail.com

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Company summary

Falcon Group of Companies

🏠 International

🇮🇪 Hungary

Industry: **Diversified Investment Services**

Business Activity: **Diversified Investment Services**

Crypto. Simplified.

🌐 <https://www.falcoin.io/>

Founders: **3**

Employees: **41**

Started in: **2022**

Incorporated: **Yes**

Year of incorporation: **2022**

Founders' committed capital:
\$550000



Opportunity

Business model: **B2C**

Scalable Product: **Yes**

Exit strategy: **Multiple exit opportunities**



Current Operations

Stage of development: **Growth stage**

Employees (excluding founders, interns and freelancers): **41**

Profitability: **Yes**



Competitors

Falcon Group of | <https://www.falcoin.io/>



Latest operating performance

03/2022 - 02/2023

Revenue 121,879,198

EBITDA 4,901,298

Ebitda margin -

EBIT 4,894,198

Ebit margin -

Cash in hand 44,500

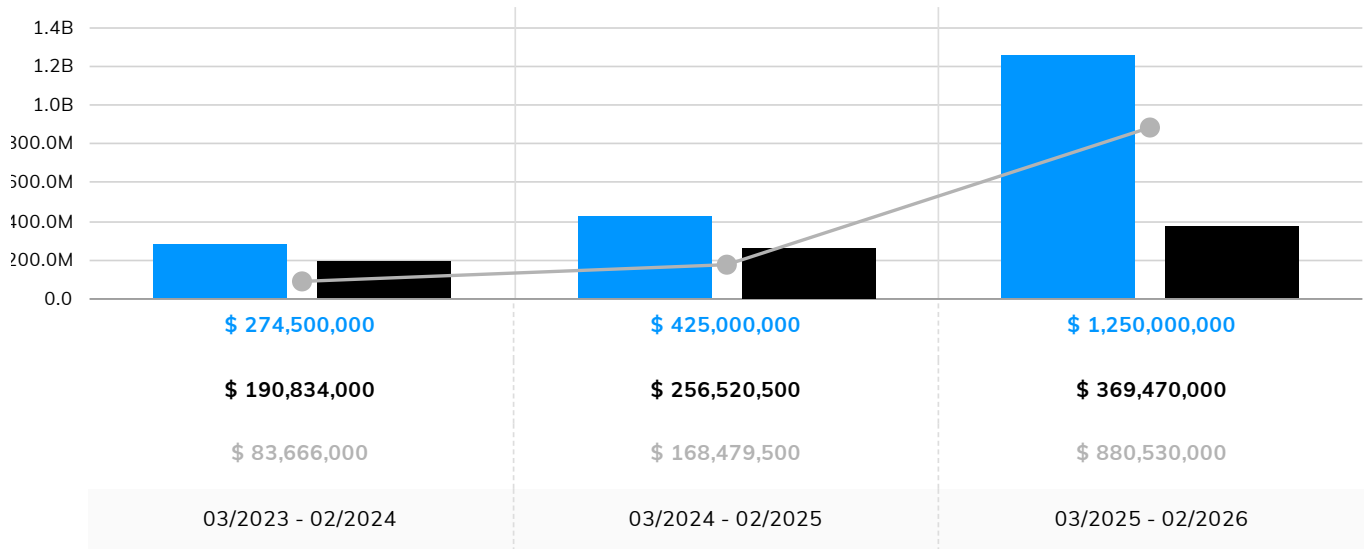
All numbers in USD

/// More information on the history, milestones, team, etc., (e.g. pitchdeck) can be requested by the company

Forecasts summary

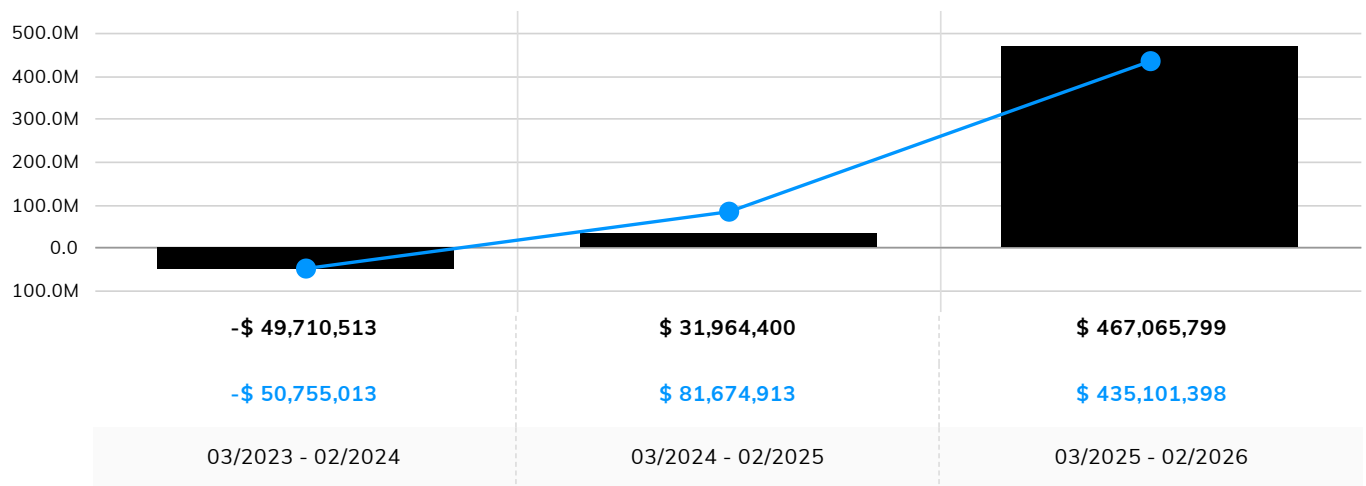
Future profitability

■ Revenues ■ Costs ● EBITDA



Cash forecast

■ Cash in hand ● Free cash flow to equity



/// Full profit and loss and cash flow forecast at page 14.

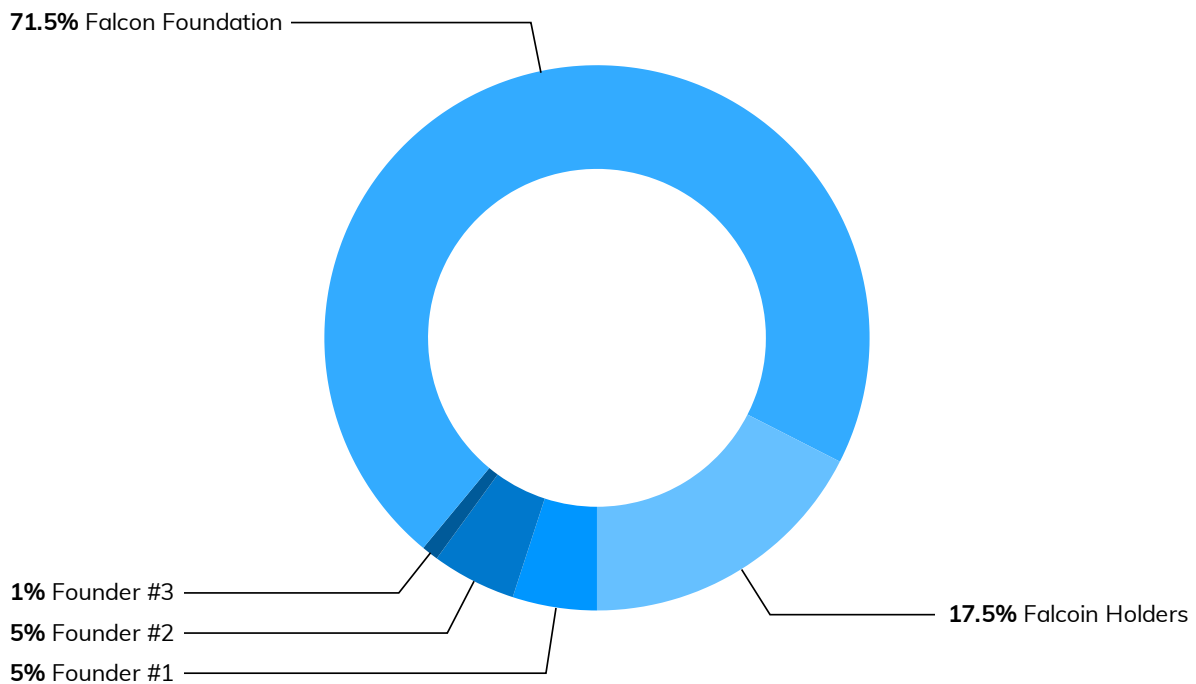
Past funding rounds

Here is an overview of the past funding rounds and valuations of the company.

Type	Date	Post-Money/Valuation Cap	Investment	Equity %
Equity round	02-28-2023	\$ 110,000,000	\$ 33,540,000	5.00%
Equity round	12-01-2022	\$ 31,000,000	\$ 6,000,000	10.00%
Equity round	02-01-2022	\$ 500,000	\$ 500,000	10.00%

Current ownership

Here is an overview of the current shareholders in the company. More information on type of shares, unassigned shares, and in general a detailed cap table can be requested to the company in question.

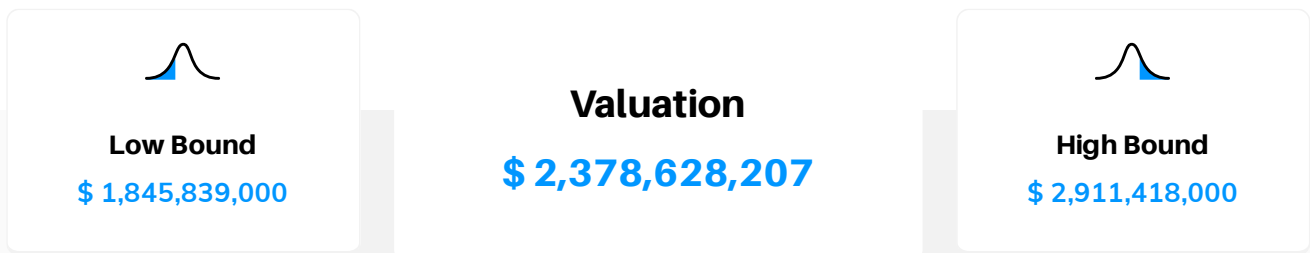


Valuation

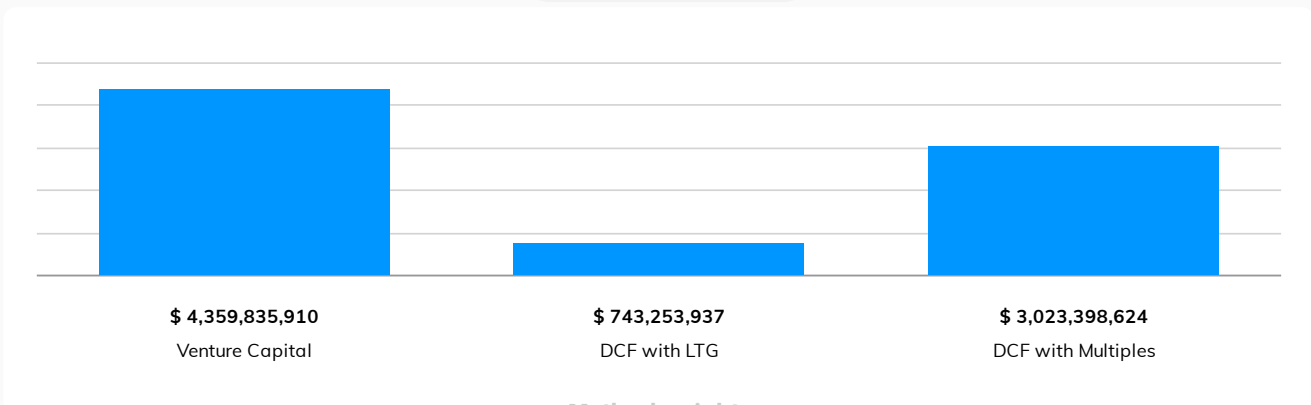
The valuation displayed below is the result of the weighted average of different methods. The use of several methods is a best practice in company valuation, as looking at the business from different perspectives results in a more comprehensive and reliable view.

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.

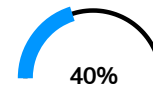
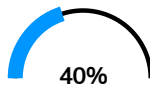
More information on the weights can be found in the Appendix.



3 Valuation Methods



Method weights



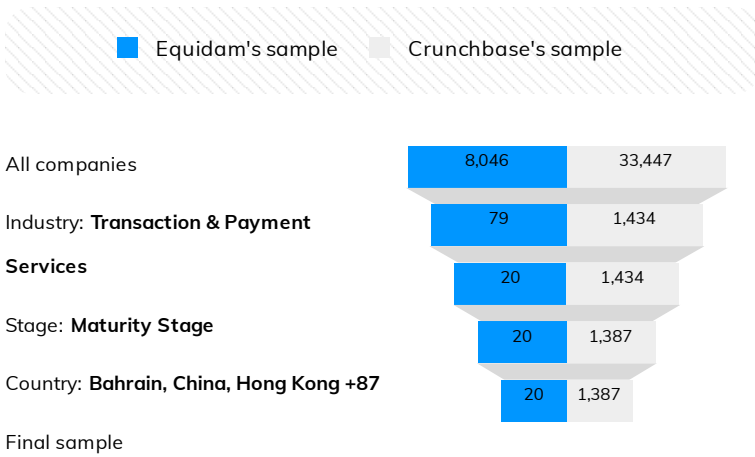
Valuation Delta™ Analysis

Data about similar companies is key in understanding the reliability of the valuation analysis. In the following pages, the key attributes and determinants of valuation for the company under analysis are compared with benchmarks from several sources. It is normal and encouraged for each company to have some standout attributes. These should, however, be based on structural differences, and not just merely on different inputs.

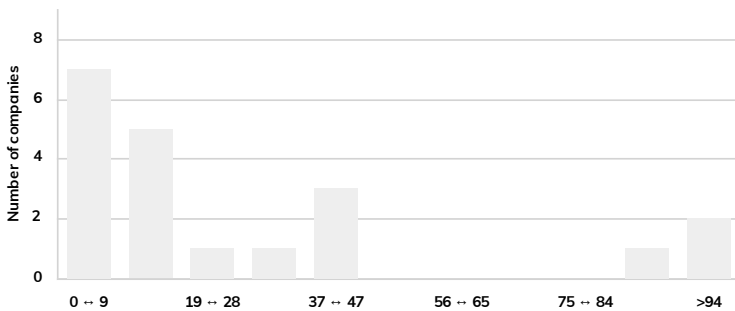
Application of Filters

The following filters are applied to the full sample in order to compare startup with only the most similar companies.

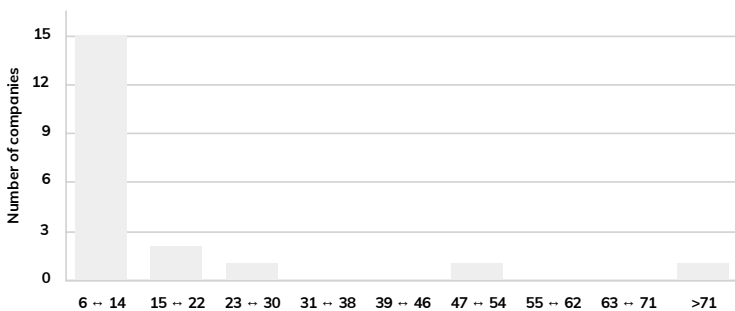
The filters are selected by the user and can be adjusted on the platform.



Sample by number of employees



Sample by company age



Data Sources

For the analysis in the following pages, the following data sources have been used.



Equidam
Data collected as part of valuation activity for startups worldwide

Sample collection: From Jan 3 2019 to Oct 02 2023

Latest Update: Mon Oct 02 2023

Founded: 2012



Crunchbase
The leading database of private company data

Sample collection: From Apr 8 1991 to Oct 02 2023

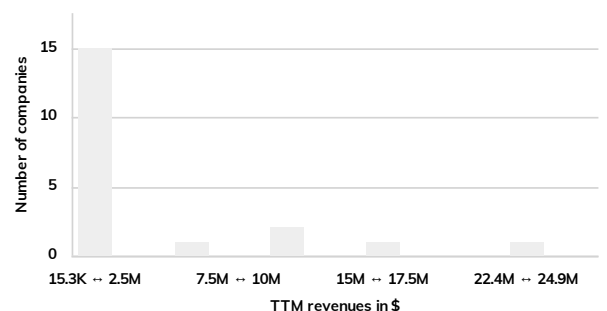
Latest Update: Mon Oct 02 2023

Founded: 2007

Equidam's Data Policy

All Equidam benchmarking data is aggregated and completely anonymous. As per our [Privacy Policy](#), we never disclose company specific information.

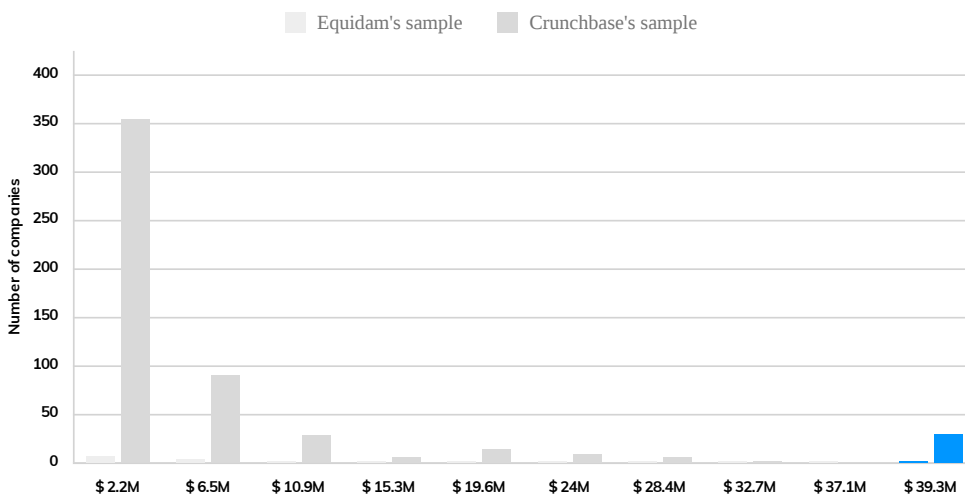
Sample by TTM revenue



Valuation Benchmark

Valuation delta analysis or benchmarking refers to the process of selecting valuation attributes and comparing them against similar businesses. Of course, every business is different, and 'one fit for all' cannot be applied to each business, however, benchmarking is based on the theory that similar nature businesses have similar valuations.

Below you can compare the company's valuation with the valuation sample from Equidam's data. The valuations vary due to the different risks and returns of the companies. The purpose of this chart is to give an indication on the valuation of the company compared to its environment.

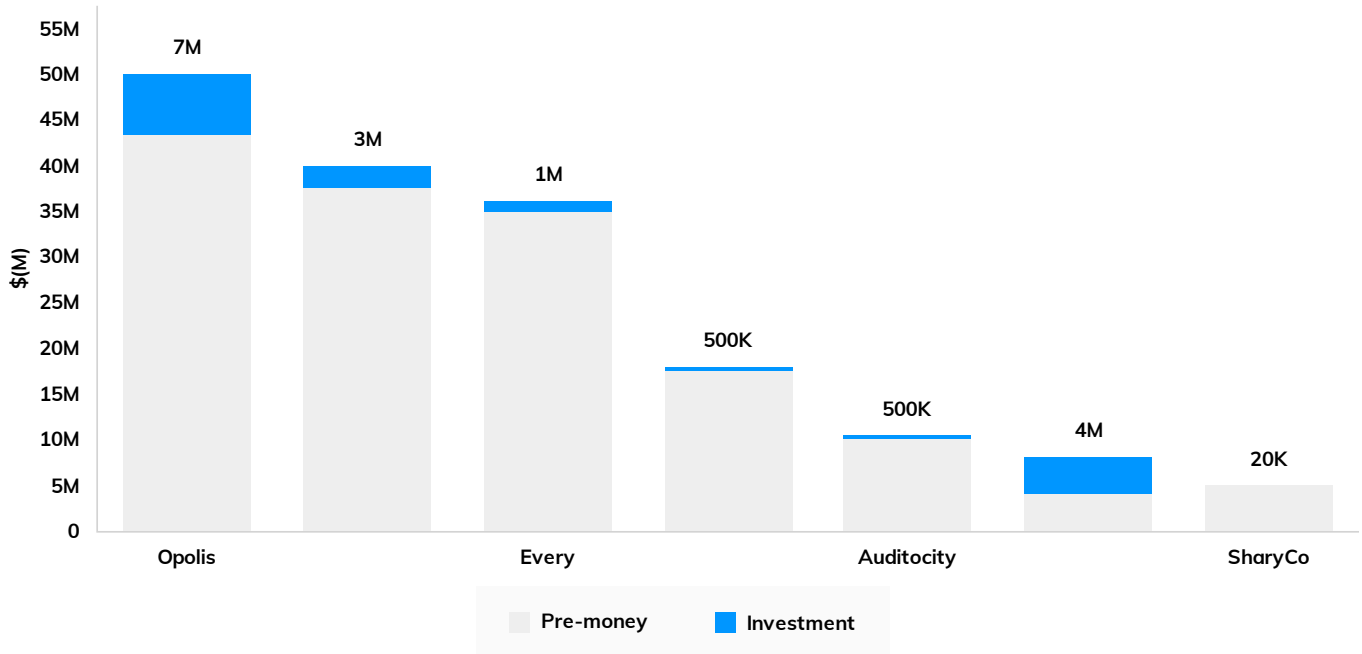







Falcon Group of Companies valuation is higher than **\$2.4B**

Falcon Group of Companies valuation is higher than **100%** of the companies in the sample

Recent Similar Rounds

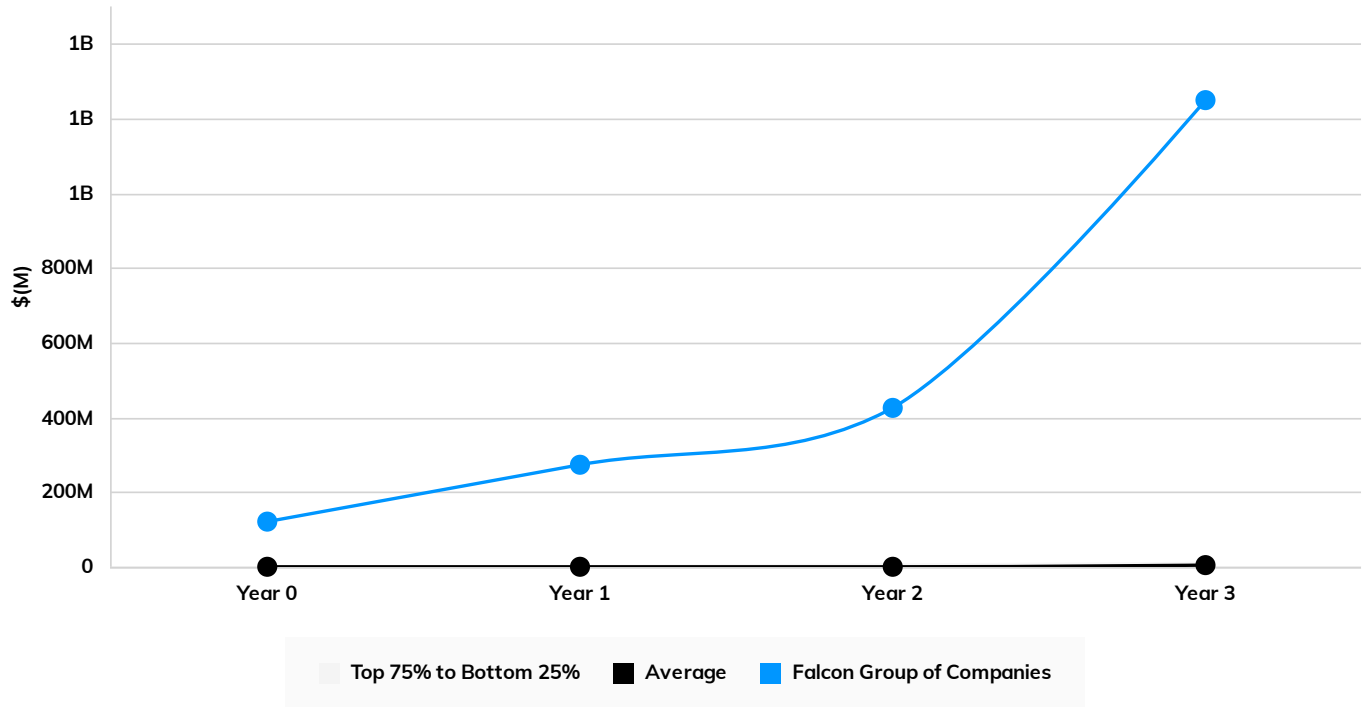
The data below displays the most recent equity fundraising rounds from the Crunchbase database restricted by the selected filters. Please keep in mind that not all funding rounds are reported, furthermore, the data could be incomplete or incorrect.



	Round Date	Pre-Money	Investment	Post-Money
 Opolis	Jul 13 2023	\$43,400,000	\$6,600,000	\$50,000,000
 Neu Ocean Technologies	Aug 01 2023	\$37,500,000	\$2,500,000	\$40,000,000
 Every	Aug 28 2023	\$35,000,000	\$1,000,000	\$36,000,000
 inspace	Sep 05 2023	\$17,500,000	\$500,000	\$18,000,000
 Auditocity	Jul 25 2023	\$10,000,000	\$500,000	\$10,500,000
 CRC	Jul 05 2023	\$4,005,273	\$4,005,273	\$8,010,546
 SharyCo	Jul 15 2023	\$5,000,000	\$20,000	\$5,020,000

Revenue Growth

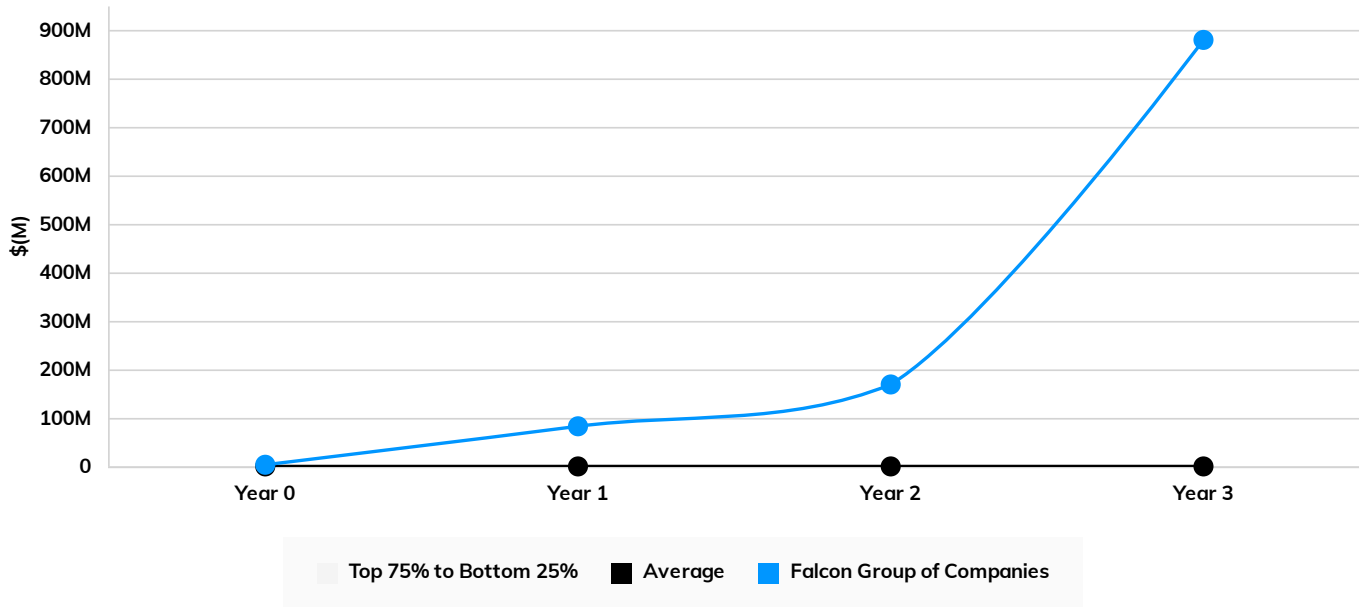
Revenue growth and EBITDA (see next page) are the two variables with the most impact on the company's valuation. This chart compares the company against the median of the sample of Equidam's data, as well as against the 25th and 75th percentile. This means that 50% of the sample is within the grey area.



	Start value	Year 1	Year 2	Year 3
Top 75%	\$ 2,093,632	108% ↑	86% ↑	46% ↑
Falcon Group of Companies	\$ 121,879,198	125% ↑ \$ 274,500,000	55% ↑ \$ 425,000,000	194% ↑ \$ 1,250,000,000
Average	\$ 641,582	82% ↑	82% ↑	101% ↑
Bottom 25%	\$ 328,362	66% ↑	184% ↑	6% ↑

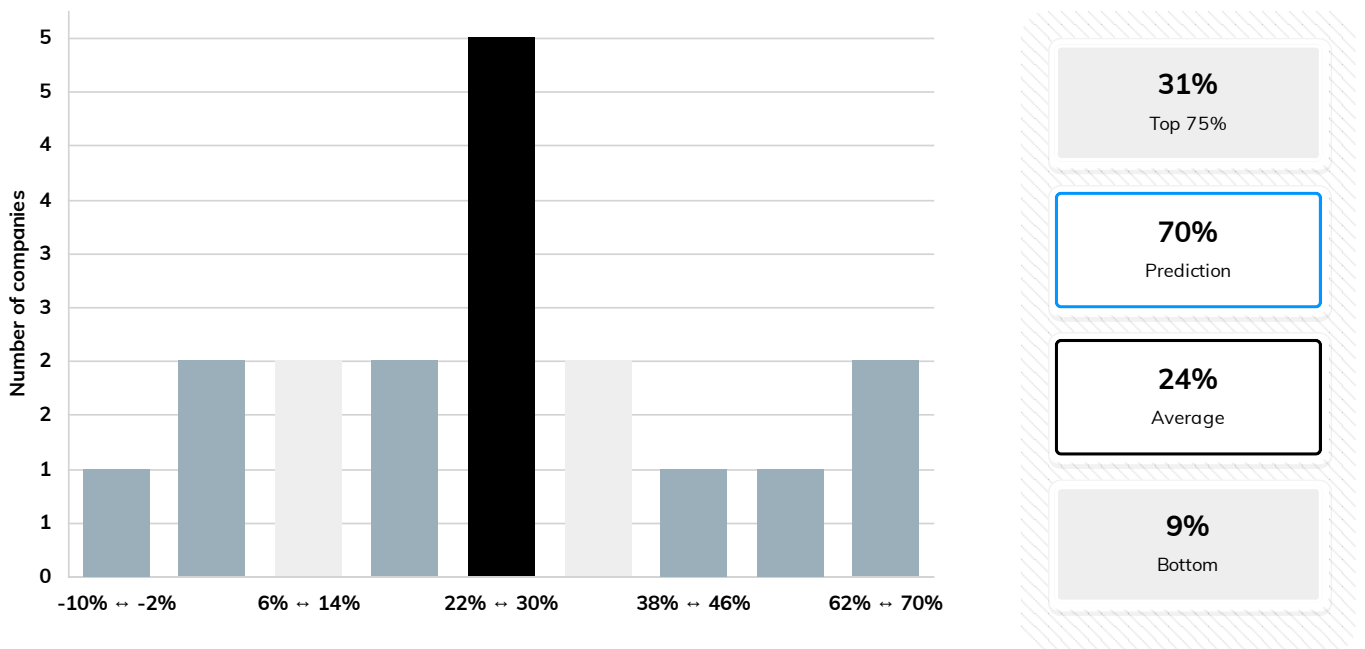
EBITDA

The EBITDA measures a company's profitability from operations. Given its significant impact in determining cash flow, it deserves special attention. The chart below displays the company's forecasted EBITDA for the upcoming three years. And it compares it to the median and 25th and 75th percentile.



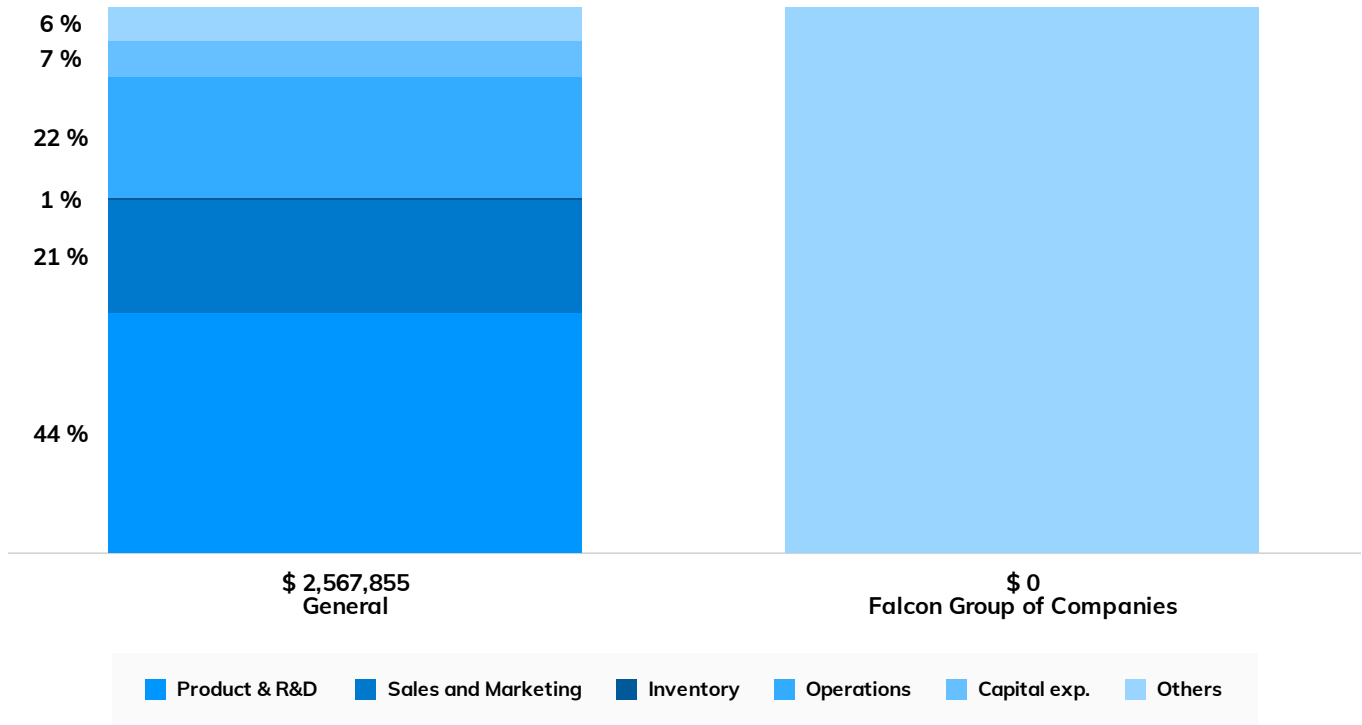
Year 3 EBITDA margin

The following graph illustrates the distribution of EBITDA Margin forecasted for three years from now, sourced from the Equidam's sample. A high EBITDA might indicate an abnormally large gross profitability, which should be attributed to business differences.



Funding Budgets Benchmark

A funding budget is a simple breakdown of how the startup plans to use the raised capital to cover expected business costs. The company is then compared to its peers to analyze similarities and differences.



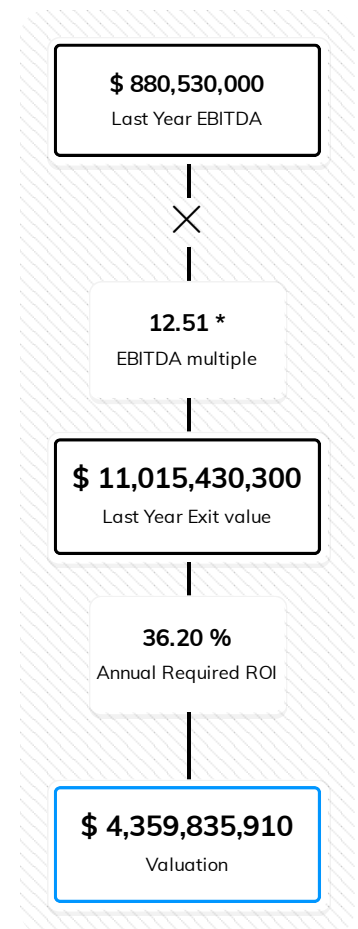
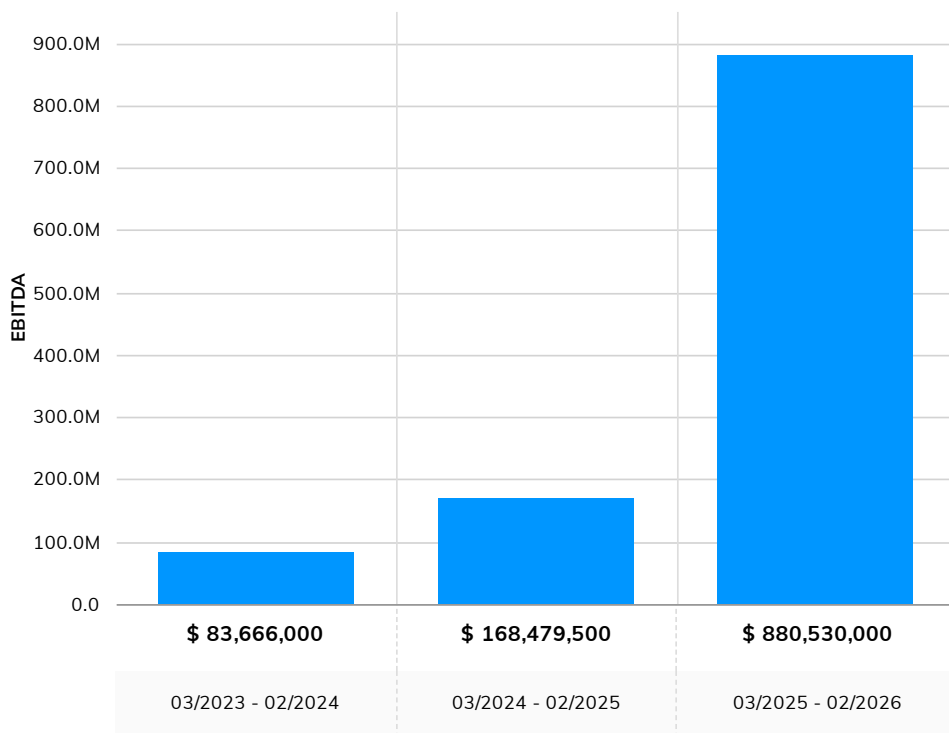
	Total Money Raised	Product & R&D	Sales & Marketing	Inventory	Operations	Capital exp.	Others
General	\$ 2,567,855	44% \$1,124,881	21% \$533,434	1% \$15,033	22% \$560,473	7% \$174,686	6% \$159,348
Falcon Group of Companies	\$ 0	NaN% \$0	NaN% \$0	NaN% \$0	NaN% \$0	NaN% \$0	NaN% \$0

VC Method

Valuation: \$ 4,359,835,910

The VC (Venture Capital) method is one of most common approaches among financial practitioners in the private company market. The startup is given the valuation that will grant investors a predetermined return at the exit.

The potential exit value of the company is computed with an industry-based EBITDA multiple. The valuation is equal to this value discounted by a required ROI (Return On Investment). This depends on the startup's stage of development, higher for early stage riskier companies, lower for more mature ones. It is the minimum rate that will allow investors to have positive returns from portfolios where most companies fail and gains come from a selected few.



Parameters

Industry Multiple: 12.51 *

Annual Required ROI: 36.20 %

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found in the appendix page 26.

DCF Methods

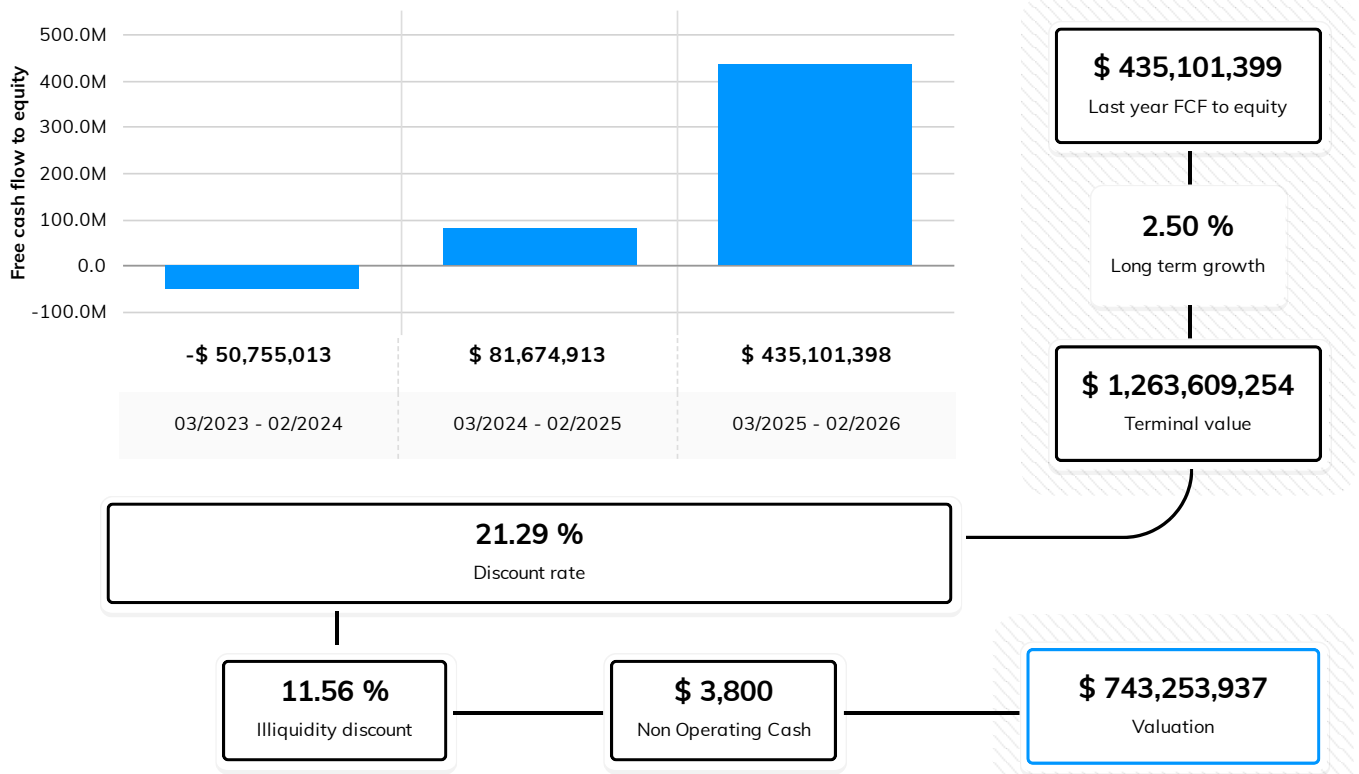
The DCF (Discounted Cash Flow) methods represent the most renowned approach to company valuation, recommended by academics and a daily tool for financial analysts. The valuation is the present value of all the free cash flows to equity the startup is going to generate in the future, discounted by its risk.

These methods weight the projected free cash flow to equity by the probability the startup will survive. Then, the flows are discounted to present by a rate that represents risks related to industry, size, development stage and profitability. Lastly, an illiquidity discount is applied to the sum of the discounted cash flows to compute the valuation.

The value of cash flows beyond the projected ones is represented by the TV (Terminal Value) and the way it is calculated is the difference between the following two methods.

DCF with LTG: \$ 743,253,937

The DCF with LTG (Long Term Growth) assumes the cash flows beyond the projected ones will grow forever at a constant rate based on the industry and computes the TV accordingly.



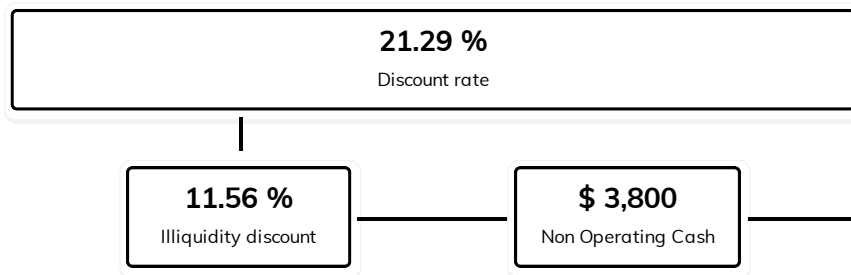
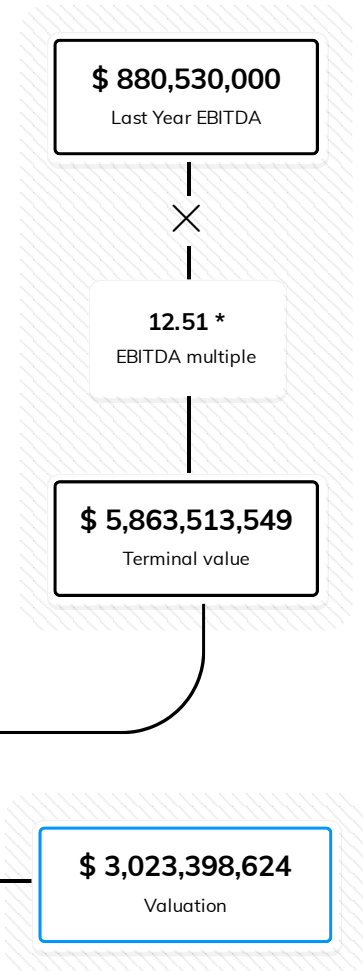
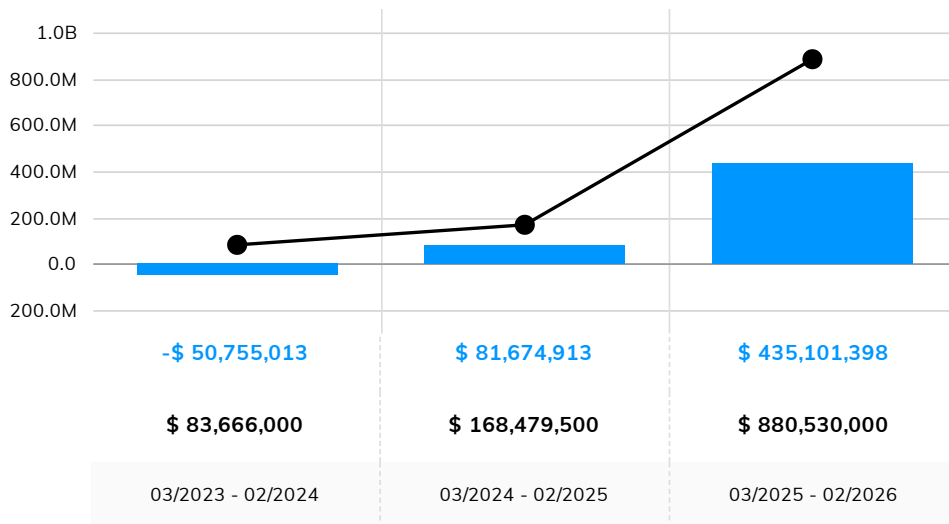
Parameters	Discount rate	Survival rates
Long term growth: 2.50 %	Risk free rate: 8.67 %	Year 1: 78.97 %
Illiquidity discount: 11.56 %	Beta: 1.37	Year 2: 63.76 %
	Market Risk Premium: 9.23 %	Year 3: 53.23 %

/// Please see appendix for data sources and defaults

DCF with Multiples: \$ 3,023,398,624

The DCF with Multiple assumes the TV (Terminal Value) is equal to the exit value of the company computed with an industry-based EBITDA multiple.

■ Free cash flow to equity ● EBITDA



Parameters

EBITDA multiple: **12.51 ***
 Illiquidity discount: **11.56 %**

Discount rate
 Risk free rate: **8.67 %**
 Beta: **1.37**
 Market Risk Premium: **9.23 %**

Survival rates
 Year 1: **78.97 %**
 Year 2: **63.76 %**
 Year 3: **53.23 %**

/// Please see appendix for data sources and defaults

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found in the appendix page 26.

Advanced Multiples

The valuation of a company depends on a crucial variable called the multiple. This multiple is calculated based on certain chosen companies, which are used as a basis. Users have the option to select comparable companies themselves or use Equidam's verified multiples from reputable online services. If users decide to add their own multiples, the "Gathered By" column will display the name of the company. If they choose to use Equidam's sources, the "Gathered By" column will simply state "Equidam".

Company Name	Ebitda Multiple	Latest Update	Data Source	Gathered By
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Average EBITDA Multiple

Financial Projections

Profit & Loss

The profit & loss projections are displayed below. Data about revenue and operating costs are provided by the company. Depreciation and amortization, interest, and taxes are either provided by the company or estimated by Equidam. Please consult our methodology document for more details.

	03-2022 - 02-2023	03-2023 - 02-2024	03-2024 - 02-2025	03-2025 - 02-2026
Revenue	121,879,198	274,500,000 +2X	425,000,000 +55%	1,250,000,000 +3X
Cost of Goods Sold	115,040,000	188,450,000 +64%	249,560,000 +32%	347,200,000 +39%
Salaries	197,400	410,000 +2X	1,740,000 +4X	4,970,000 +3X
Operating Expenses	1,740,500	1,974,000 +13%	5,220,500 +3X	17,300,000 +3X
<hr/>				
EBITDA	4,901,298	83,666,000 +17X	168,479,500 +2X	880,530,000 +5X
Ebitda margin	4 %	30 %	39 %	70 %
D&A	7,100	17,852,501 >100X	27,640,485 +55%	81,295,544 +3X
<hr/>				
EBIT	4,894,198	65,813,499 +13X	140,839,015 +2X	799,234,456 +6X
Ebit margin	4 %	23 %	33 %	63 %
Interest	2,500	152,921 +61X	3,976,841 +26X	-
<hr/>				
EBT	-	65,660,578	136,862,173 +2X	799,234,456 +6X
Taxes	-	5,909,452 +22X	12,317,595 +2X	71,931,101 +6X
Nominal tax rate	-	-	-	-
Effective tax payable	-	5,909,452	12,317,595	71,931,101
Deferred tax assets	-	-	-	-
<hr/>				
Net profit	4,619,698	59,751,125 +13X	124,544,578 +2X	727,303,354 +6X
Net profit margin	3 %	21 %	28 %	57 %

All numbers in USD

Cash Flow

The cash flow projections are displayed below. Capital expenditure, debt at the end of the year, and equity fundraising are provided by the company. Account payables, account receivables, inventory and D&A are either provided by the company or estimated by Equidam based on the average percentage of revenue for public companies in the company's industry.

	03/2022 - 02/2023	03/2023 - 02/2024	03/2024 - 02/2025	03/2025 - 02/2026
Net profit	4,619,698	59,751,125 +13X	124,544,578 +2X	727,303,354 +6X
Change in Working Capital	-	123,546,850	67,770,150	371,497,500
Working capital	-	123,607,350	191,377,500 +55%	562,875,000 +3X
Account Payables	-	19,215,000	29,750,000	87,500,000
Account Receivables	42,000	126,270,000	195,500,000	575,000,000
Inventory	18,500	16,552,350	25,627,500	75,375,000
D&A	7,100	17,852,501 >100X	27,640,485 +55%	81,295,544 +3X
Capital expenditures	-	1,000,000	2,000,000 +2X	2,000,000 0%
Change in outstanding debt	-	-3,811,790	-	-
Debt at the end of the year	4,551,790	740,000 -84%	-	-
.....				
Free cash flow to equity	-	-50,755,013	81,674,913	435,101,398 +5X
Equity fundraising	-	1,000,000	-	-
Free cash flow	-	-49,755,013	81,674,913	435,101,398 +5X
.....				
Beginning of the year cash	-	44,500	-49,710,513	31,964,400
.....				
End of the year cash	-	-49,710,513	31,964,400	467,065,799

All numbers in USD

Legal Notes

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Appendix

Weights of the methods

The default weight of each method is determined by Equidam based on the stage of development, and they are shown below. They can be manually adjusted by the company.

Default weights of the 5 methods

Stage of development	Checklist Method	Scorecard Method	VC Method	DCF with LTG	DCF with Multiples
Idea stage	38%	38%	16%	4%	4%
Development stage	30%	30%	16%	12%	12%
Startup stage	15%	15%	16%	27%	27%
Expansion stage	6%	6%	16%	36%	36%
▶ Growth stage	0%	0%	20%	40%*	40%
Maturity stage	0%	0%	0%	50%	50%

Falcon Group of... stage of development: **Growth stage**

These are determined according to the following principles:

- Qualitative information is more important in early stage companies, where performance uncertainty is extremely high, so qualitative methods are weighted in more
- The investors' view is equally important across all stages, so the weight of the VC method does not change
- Quantitative information is more reliable in later stages, when a company already has a proven financial track record. Therefore, it is possible to use the DCF methods more extensively as projected results get founded in past performance

VC method

Below the sources of the valuation parameters used in the VC Method: EBITDA Multiple and Annual Required ROI, and their default values provided by Equidam

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 Business

Update: Annual

Notes: We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, i.e. the ultimate determinant of value.

Falcon Group of... industry: **Diversified Investment Services**

Diversified Investment Services EBITDA multiple: **12.51***

Annual Required ROI

The default annual required ROI rates are determined by Equidam based on the returns investors require for companies at different stage of development, and are shown below. They can be manually adjusted by the company.

Stage of development	Discount/Required ROI
Idea stage	135.93%
Development stage	111.47%
Startup stage	89.12%
Expansion stage	48.60%
▶ Growth stage	36.20%
Maturity stage	26.10%

Falcon Group of... stage of development: **Growth stage**

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found in the appendix page 26.

DCF Methods

Below the sources of the valuation parameters used in the DCF Methods: Discount Rate, Survival Rates and Illiquidity Discounts, and their default values provided by Equidam.

Discount rate

Risk Free Rate

Description: 10Y government rates

Datasource: Trading Economics (tradingeconomics.com), various public databases

Update: Bi-annual (but more frequent if macroeconomic conditions are more volatile)

Notes: For the Eurozone we apply the German 10Y Bond rate

Falcon Group of... country: **Hungary**

Hungary risk free rate: **8.67%**

Industry betas

Description: Industry beta computed over industry specific portfolios of global, public listed companies (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Falcon Group of... industry: **Diversified Investment Services**

Diversified Investment Services default beta: **1.37%**

Market Risk Premium

Description: Country based total equity risk premium as implied in the previous 12 trailing months.

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Biannual

Falcon Group of... country: **Hungary**

Hungary default market risk premium: **9.23%**

Survival Rate

Dataset: Country-level survival probabilities of the latest cohort of companies with three years of data available.

Datasource: European Office of Statistics (<http://ec.europa.eu/eurostat>), U.S. Bureau of Labor Statistics (<https://www.bls.gov/>), specific academic research and public offices of statistics for different countries.

Update: Annual

Falcon Group of... year of incorporation:	2022
Default survival rate Year 1:	78.97%
Default survival rate Year 2:	63.76%
Default survival rate Year 3:	53.23%
Default survival rate Year 4:	46.96%
Default survival rate Year 5:	41.77%
Default survival rate Year 6:	37.52%
Default survival rate Year 7:	33.94%
Default survival rate Year 8:	30.83%
Default survival rate Year 9:	28.09%
Default survival rate Year 10:	25.64%

Illiquidity discount

The default illiquidity discount is assigned based on current profitability and projected revenue, according to the approach suggested by William L. Silber.

Falcon Group of... illiquidity discount:	11.56%
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DCF with LTG

Long term growth

Dataset: Global, publicly listed companies organized by industry (same as in EBITDA multiple)

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: The value is winsorized over a 0% - 2.5% range. We do not want the long term growth to be above world GDP growth expectations, as it would mean the company is going to overgrow world economy at some point in time

Falcon Group of... industry: **Diversified Investment Services**

Diversified Investment Services default long term growth: **2.50**

DCF with Multiples

EBITDA multiple

Dataset: Global, publicly listed companies organized by industry

Datasource: Prof. A. Damodaran, NYU Stern School of Business

Update: Annual

Notes: We favor the use of EBITDA multiple, as we believe revenue multiples fail to capture the ability of startups to generate cash flow, the ultimate determinant of value.

Falcon Group of... industry: **Diversified Investment Services**

Diversified Investment Services default EBITDA multiple: **0.00***

*The Equidam defaults have been changed by the company. A full list of these new assumptions can be found in the appendix page 26.

Last Available Balance Sheet

Below the simplified, last available balance sheet of the company.

	03/2022 - 02/2023
Cash and equivalents	44,500
Cash and equivalents	3,800
Tangible assets	11,000
Intangible assets	3,750,000
Financial assets	840,000
Deferred tax assets	-
<hr style="border-top: 1px dashed #ccc;"/>	
Total Assets	4,645,500
Debts due within one year time	-
Debt due beyond one year time	4,551,790
Equity	-
<hr style="border-top: 1px dashed #ccc;"/>	
Total Liabilities and Shareholder's Equity	4,551,790

All numbers in USD

Updated Default Values

The changes made to the default values of Equidam are documented in this section.

DCF with Multiple

Weights of the criteria	Default Weights	Updated Weights
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VC Method

Weights of the criteria	Default Weights	Updated Weights
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*Instead of using the default EBITDA multiple provided by Equidam, the user has opted for a customized multiple. For more information check page 16.

