

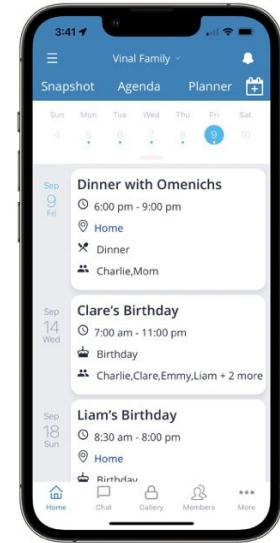
ModQuired

Batool Chaudhry, Natalie Clarke, Donato Di
Bari, Giovanni Gutierrez, and Sidney San



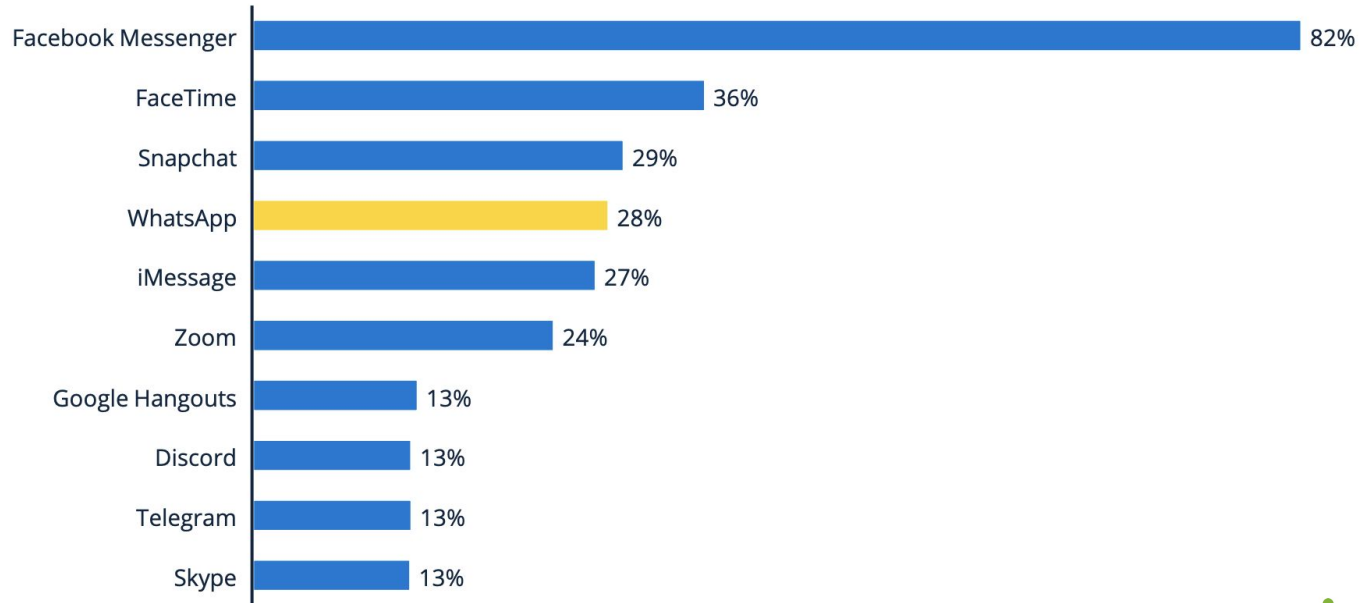
ModPod Background & Concerns

- ModPod offers a combination of user-friendly tools and interface for younger and older generations to chat, collaborate, and connect
- **Challenges**
 - Competes with several well-established apps such as WhatsApp and is struggling to increase/ retain number of customers
 - Does not have a strong, strategic revenue model
- **ModPod seeks to increase revenue and profitability within the next 3-5 years**



Competitive Industry

Top 10 most used messenger services in the U.S.



ModPod Acquisition Incentive

Meta Acquisition of Whatsapp in 2014

∞ Meta Facebook purchased WhatsApp at \$21.8 billion surpassing the starting bid of \$16 billion

Placed monetization efforts on hold

Prioritized reaching billions

What value did Whatsapp provide?



Over 2 billion users worldwide

Does not use wireless networks

Has helped Facebook expand in developing markets where WhatsApp was alternative to internet connection

What can ModPod currently offer Meta?

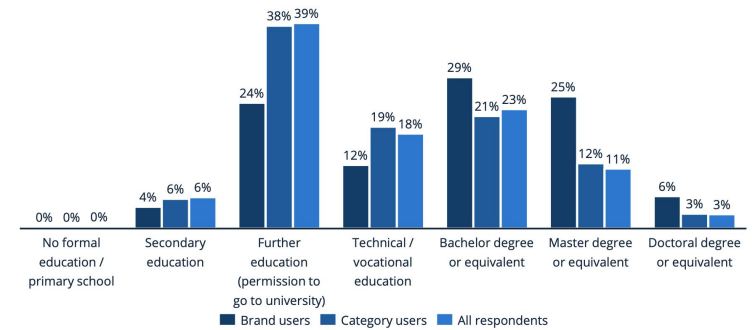
User-friendly features and integrated tools into “pods”

Lack of unique acquisition incentive

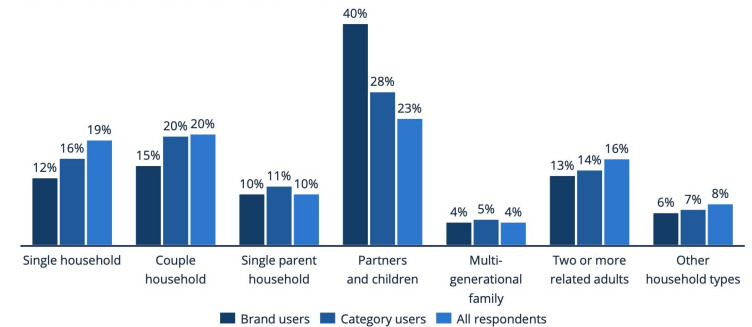
Target Audience

- ModPod should align their target audience with that of similar messaging companies
 - Whatsapp
 - Users tend to have a college degree and be part of a nuclear family
 - **24%** of WhatsApp users are early adopters of new services
 - Success and career development is important to their users

Consumer's level of education in the U.S.



Type of households in which consumers in the U.S. live



ModQuired - Improved Features

- “Calendar first, with chat, and other features directed at helping small groups”
- Added features to gain competitive traction:
 - Upgrade user-interface
 - Task Tracker
 - Live calendar to-do list shared with pod
 - ModPomodoro
 - Call-in option
 - Local VOIP server

ModQuired - Task Tracker

- Shared List → Task Tracker Function
 - Gamified goal setting
 - Viewed and edited by all pod members
 - Ability to assign or delegate tasks
 - Syncs with all devices



Survey of 437 Participants, Conducted in December 2020

Task Management & To-Do Lists

- **96%** of people feel having a to-do makes them productive.
- **80%** of non-users believe that it would be easier to work with a to-do list.

Communication with To-Do Lists

- **94%** of people feel knowing their teammates assignments improves efficiency.
- **< 42%** of people find it easy to understand what team members are working on.

(“Project Management Statistics 2021”, n.d.)

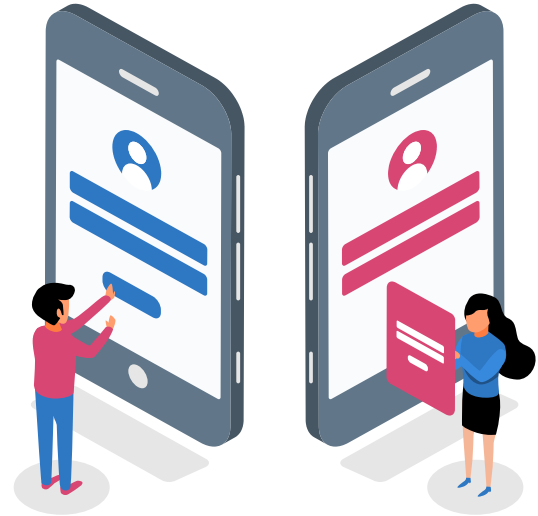
ModPomodoro

- ModPod auto generates pomodoro intervals
 - Customized for each to-do list
 - Uninterrupted focus and brain breaks
- 2 M Users of Pomodoro (Cirillo, n.d.)
- 82% of people don't have a time management system (Richardson, 2022)
 - 60% of Pomodoro users feel their work is under control in 4-5 days in a week



ModQuired - Call-In Add-On

- Utilize VOIP technology
- Fast, easy and efficient
- No need for third party applications
 - ex.) Discord, Zoom, or even call directly
- 85% of Americans own a Smartphone (Researchgate, 2021)
- 28% of Americans between the age of 18-29 do not own broadband at home (Researchgate, 2021)



Fareed
College Student

Demographics

- Age 20
- Male
- Sophomore
- Cybersecurity
- Lives with parents



Exploring a Unique Market

- ModPod should explore a market of family members living with disabilities/ learning disorders
 - Strategies for Coping with Time-Related and Productivity Challenges of Young People with Learning Disabilities and Attention-Deficit/Hyperactivity Disorder (ADHD)
 - Emerging adults with LD/ADHD are challenged in managing daily life and the time and tasks related to accomplishing daily goals
 - **Participants used reminder systems which enabled many to carry out planned tasks and activities in a timely manner**

Fareed and ModPod

Task Tracker

Call-in Add-On



ModPomodoro

Interactive Calendar



MGMT 458 (Fung)



User Traffic?

11:14 AM



Customer Retention?

11:25 AM



Customer Diversification?

11:27 AM



ROI?

12:56 PM



Evaluation Criteria



Financial Forecasting

- **Discounted Cash Flow Model** as well as a **Precedent Transaction Model**
 - Calculated various terminal values that ModPod can be acquired at
 - Assumptions regarding revenue growth based on competitors in the industry



Discounted Cash Flow Model

- Using a terminal EBITDA multiple approach, we calculated an implied enterprise value of **\$301,742,787 in 5 years**
- Instead, using a terminal FCF growth rate perpetuity approach, we calculated an implied enterprise value of **\$836,770,483 in 5 years**
- We believe ModPod can reach these valuations for an acquisition in **five years** if the company begins to grow rapidly as others in the industry have done

Precedent Transaction model

- Using other US-based team centered communication apps, we modeled other acquisitions
 - WhatsApp (Meta), Slack (Salesforce), Discord (Sony)
 - Includes a partial acquisition
- In Year 5, predicted revenue is \$14.5 million

| | Transaction Enterprise Value | LTM Revenue | LTM EBITDA | TEV / LTM Revenue | TEV / LTM EBITDA |
|-----------------|------------------------------|------------------|-----------------|-------------------|------------------|
| Maximum | \$ 27,700.0 | \$ 10,740,000.0 | \$ 2,060,000.0 | 6.1 x | 33.8 x |
| 75th Percentile | 24,750.0 | 5,428,305.0 | 1,051,120.0 | 5.4 x | 24.1 x |
| Median | 21,800.0 | 116,610.0 | 42,240.0 | 4.6 x | 14.4 x |
| 25th Percentile | 10,950.0 | 73,980.0 | 23,840.0 | 2.3 x | 7.2 x |
| Minimum | 100.0 | 31,350.0 | 5,440.0 | 0.0 x | 0.1 x |

Risks

- Venture Capital
 - By staying closed off to all VC funding, ModPod limits its own potential
 - Comparable companies received anywhere from \$250 thousand to \$60 million in funding before they turned a profit
 - Insider rounds
- Overleveraging
 - If ModPod seeks out no VC, they risk overleveraging themselves
 - To achieve the target revenue of \$2.5 million by year 2, ModPod will need to take on some amount of debt
 - Not realistic to expect millions in profits with no seed funding

Alternative Solutions

- Explore B2B opportunities to supplement B2C model
 - Create direct partnerships with startups and medium sized firms as their main communication channels
 - **Adjusted features for individual firms to better suit their business needs**





Thank you!

Please view our appendices in the next slides at your convenience

WhatsApp: The Best Meta Purchase Ever?

By ALISON L. DEUTSCH Updated March 29, 2022

Reviewed by MICHAEL J BOYLE

Fact checked by VIKKI VELASQUEZ

With so much cash thrown around in [Silicon Valley](#), it's not easy for an acquisition to cause a stir. Facebook's ([META](#)) (now Meta) acquisition of WhatsApp in 2014 did just that—surpassing Google's \$3.2 billion purchase of Nest Labs and Apple's \$3 billion Beats Electronics procurement—to become one of the largest tech buys of all time. ^[1] ^[2]

WhatsApp Users in the US

Demographic profile

WhatsApp has a higher share of 30 - 39 year old users than other messenger services.

Compared to other messenger services, WhatsApp has a relatively high share of male users.

WhatsApp has a larger share of users with a high income than other messenger services.

WhatsApp users are more likely to live in cities and urban areas than messenger users in general.

Consumer lifestyle

Success and career advancement are relatively important to WhatsApp users.

Health and fitness are relatively prevalent interests of WhatsApp users.

Tech and computers are relatively popular hobbies among WhatsApp users.

Consumer attitudes

It stands out that 37% of WhatsApp users bought products because celebrities or influencers advertised them.

24% of WhatsApp users are innovators or early adopters of new products.

A relatively high share of WhatsApp users think that climate change is an issue that needs to be addressed.

Marketing touchpoints

WhatsApp users access the internet via a desktop PC more often than the average messenger user.

On social media, WhatsApp users interact with companies more often than other messenger users.

WhatsApp users relatively frequently consume traditional types of media, like TV and movies in the cinema.

User Interface Touch-Ups

Option Polls



In-app Booking

QR Code Systems

Interactive Weather

ModPod

COMPANY SWOT ANALYSIS



| | | | | |
|----------|---------------|---|------------|--|
| INTERNAL | STRENGTHS | <ul style="list-style-type: none">• Unique combination of offerings: messaging chats, to-do lists, calendar, etc... all for one group• Extremely user-friendly interface that can apply to younger and older generations• Broad offerings that apply to virtually anyone or any group• Users of the app can market it to other potential consumers | WEAKNESSES | <ul style="list-style-type: none">• So many offerings could be too broad to find a target market• Many of ModPod's services are already offered by established competitors |
| EXTERNAL | OPPORTUNITIES | <ul style="list-style-type: none">• Can tap into an extremely large market: virtually everyone uses applications like ModPod• Can take significant market share from competitors if users prefer ModPod to alternatives• Can take advantage of the very lucrative industry through advertising | THREATS | <ul style="list-style-type: none">• Several well-established competitors can create a significant barrier to entry into the industry• Increased regulation in the industry is possible, given the past congressional hearings involving Facebook and others• Profits may be hard to come by if a strong revenue model is not established |

Porter's Five Forces:

| | | |
|---|---|--|
| Threat of New Entrants (Low) <ul style="list-style-type: none">It is not incredibly difficult to build an app for this industry, but it is quite difficult to become established and obtain market share | | Threat of Substitute Products (High) <ul style="list-style-type: none">There are innumerable existing alternatives to ModPod that are well-established and profitable |
| | Industry Competition (High) <ul style="list-style-type: none">This is an incredibly competitive industry; There are many big players and there isn't much room to grow for new entrants such as ModPod | |
| Supplier Bargaining (Low) <ul style="list-style-type: none">Suppliers do not have much power in the industry due to the high amount of alternatives for consumers | | Buyer Bargaining (Medium) <ul style="list-style-type: none">Consumers can somewhat dictate what they want from ModPod due to the high quantity of alternatives |

VRIO Framework:

| Criteria | Reasoning |
|----------------------------|---|
| Valuable | ModPod is not currently financially valuable but does provide use and value to consumers. |
| Rare | While there are several competitors in the industry, none seem to provide the combination of offerings that ModPod has. |
| Imitation costly | Applications such as ModPod are not costly to build. |
| Organized to capture value | ModPod has a strong idea for building revenue and is poised to capture value. |

Table 2

Participant ratings of disability-related symptoms and challenges.

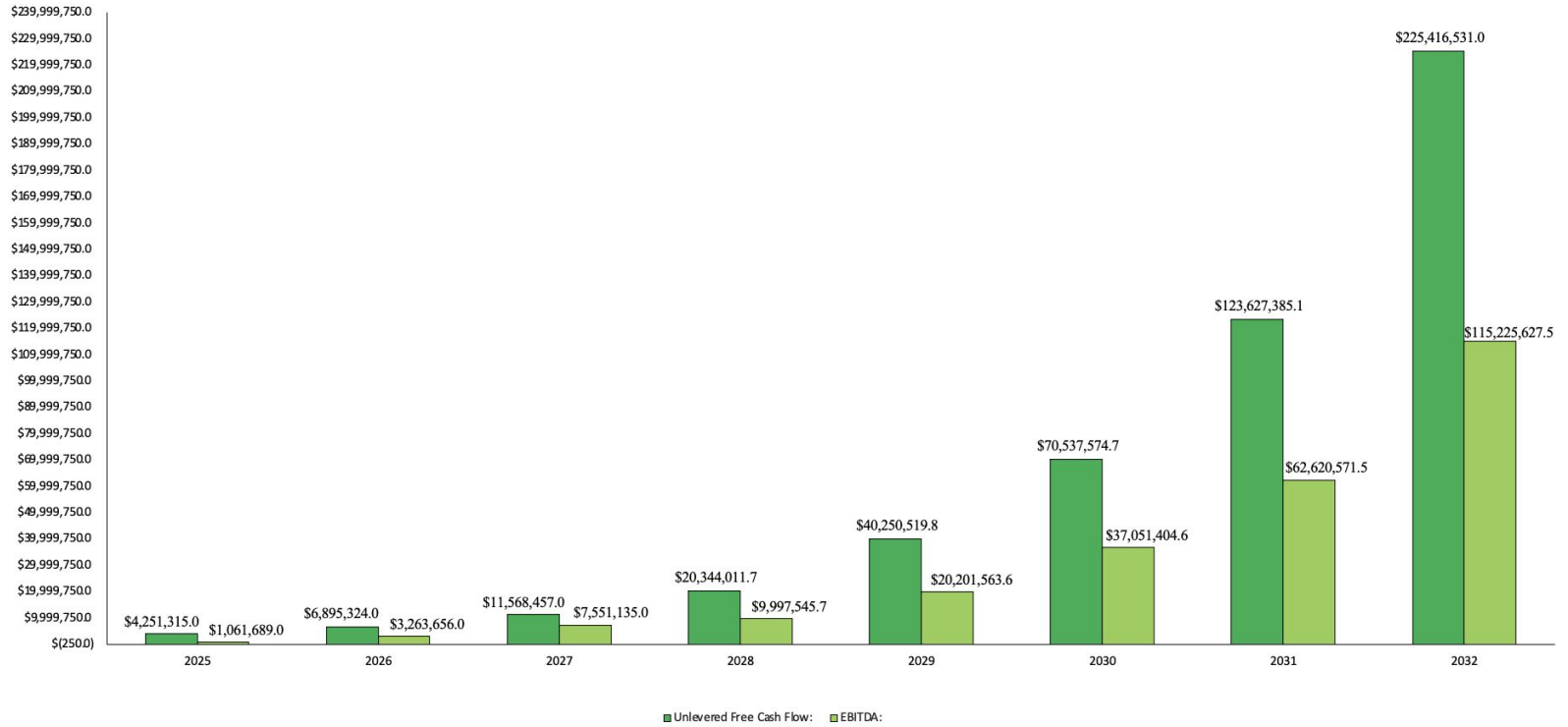
| Symptom/Challenge * | Median ratings (<i>IQR</i>)[∞] |
|---|--|
| Staying focused | 75 (62, 94) |
| Managing time | 65 (50, 81) |
| Extensive writing assignments | 65 (31, 85) |
| Reading comprehension of textbooks or academic publications | 64 (50, 81) |
| Organization | 62 (47, 79) |
| Completing homework | 56 (21, 73) |
| Memorizing and retrieving information from memory | 57 (23, 85) |
| Following multistep directions ^β | 56 (34, 70) |
| Expressing thoughts or opinions clearly | 53 (22, 71) |
| Following others when they speak in conversation | 50 (21, 73) |
| Applying different approaches to one problem | 38 (18, 56) |
| Initiating activities, tasks, or independent ideas | 34 (18, 63) |

SEVEN TO-DO LIST APPS

| App | Platforms | Cost | Pros/cons |
|--|-------------------------------------|---|---|
| Tick Tick https://ticktick.com/ | Web, Windows, Mac, iOS, and Android | Free basic version. Premium version: \$3/month or \$28/year | <ul style="list-style-type: none"> • Simple and structured project organization • Integrates with calendar • Can edit tasks on a daily or weekly schedule • Can organize tasks using lists, tags, and due dates • Built-in pomodoro timer to enable you to start a 25-minute work session for any task |
| Things 3 https://culturedcode.com/things/ | Mac, iOS | \$10/year | <ul style="list-style-type: none"> • Only available on Apple devices • Integrates with calendar • Simple but well designed |
| Todoist https://todoist.com/ | Web, Windows, Mac, iOS, and Android | Free basic version. Premium version: \$4/month or \$36/year | <ul style="list-style-type: none"> • Lacks high-level calendar integration • Can add deadlines and color code different tasks • Balances power with simplicity • Adding tasks is easy |
| Any.do https://www.any.do/ | Web, Windows, Mac, iOS, and Android | Free basic version. Premium version: \$6/month or \$36/year | <ul style="list-style-type: none"> • Well designed • Drag and swipe option to mark tasks as complete • Sends push notifications in the morning to highlight tasks for the day • Integrates with Google and Outlook calendars |

| | | | |
|--|-------------------------------------|--|--|
| Microsoft To-do https://todo.microsoft.com/tasks/ | Web, Windows, Mac, iOS, and Android | Free | <ul style="list-style-type: none"> • Evolved from Wunderlist • Smooth and efficient task scheduling • Can accommodate recurring due dates • Deep integration with other Microsoft products • Able to sync Outlook tasks to mobile devices |
| Google Tasks https://support.google.com/a/users/answer/9991367 | Web, Windows, Mac, iOS, and Android | Free | <ul style="list-style-type: none"> • Integrated with all Google products • Can add tasks while in Gmail without having to open another window • Not a lot of organizational options |
| Remember the Milk https://www.rememberthemilk.com/ | Web, Windows, Mac, iOS, and Android | Free basic version. Premium version: \$40/year | <ul style="list-style-type: none"> • Calendar integration • Automated task prioritization • Streamlined keyboard shortcuts • Seamlessly integrate with team members |

Unlevered FCF vs EBITDA



| Terminal EBITDA Multiple: | | | | | | | | | | |
|---------------------------|---------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 3017.4% | 4.0x | 4.5x | 7.5x | 8.0x | 8.5x | 9.0x | 9.5x | 10.0x | 10.5x |
| Discount Rate (WACC): | 14.0% | \$ 526,077,886.20 | \$ 556,000,176.33 | \$ 735,533,917.13 | \$ 765,456,207.26 | \$ 795,378,497.39 | \$ 825,300,787.53 | \$ 855,223,077.66 | \$ 885,145,367.79 | \$ 915,067,657.93 |
| | 14.5% | \$ 516,123,714.25 | \$ 545,398,360.31 | \$ 721,046,236.64 | \$ 750,320,882.69 | \$ 779,595,528.75 | \$ 808,870,174.80 | \$ 838,144,820.86 | \$ 867,419,466.91 | \$ 896,694,112.97 |
| | 15.0% | \$ 506,411,439.87 | \$ 535,055,190.53 | \$ 706,917,694.47 | \$ 735,561,445.13 | \$ 764,205,195.79 | \$ 792,848,946.45 | \$ 821,492,697.10 | \$ 850,136,447.76 | \$ 878,780,198.42 |
| | 15.5% | \$ 496,934,060.00 | \$ 524,963,160.79 | \$ 693,137,765.50 | \$ 721,166,866.29 | \$ 749,195,967.07 | \$ 777,225,067.86 | \$ 805,254,168.64 | \$ 833,283,269.43 | \$ 861,312,370.21 |
| | 16.0% | \$ 487,684,805.14 | \$ 515,115,015.63 | \$ 679,696,278.54 | \$ 707,126,489.03 | \$ 734,556,699.52 | \$ 761,986,910.00 | \$ 789,417,120.49 | \$ 816,847,330.98 | \$ 844,277,541.46 |
| | 16.5% | \$ 478,657,130.54 | \$ 505,503,740.89 | \$ 666,583,402.99 | \$ 693,430,013.34 | \$ 720,276,623.69 | \$ 747,123,234.04 | \$ 773,969,844.38 | \$ 800,816,454.73 | \$ 827,663,065.08 |
| | 17.0% | \$ 469,844,707.83 | \$ 496,122,554.71 | \$ 653,789,635.95 | \$ 680,067,482.82 | \$ 706,345,329.70 | \$ 732,623,176.57 | \$ 758,901,023.45 | \$ 785,178,870.32 | \$ 811,456,717.19 |
| | 17.5% | \$ 461,241,416.90 | \$ 486,964,898.76 | \$ 641,305,789.97 | \$ 667,029,271.84 | \$ 692,752,753.71 | \$ 718,476,235.58 | \$ 744,199,717.45 | \$ 769,923,199.32 | \$ 795,646,681.18 |
| | 18.0% | \$ 452,841,338.18 | \$ 478,024,430.04 | \$ 629,122,981.25 | \$ 654,306,073.12 | \$ 679,489,164.99 | \$ 704,672,256.86 | \$ 729,855,348.72 | \$ 755,038,440.59 | \$ 780,221,532.46 |
| Terminal FCF Growth Rate: | | | | | | | | | | |
| | 8367.7% | (1.0%) | - | 1.0% | 2.0% | 3.0% | 4.0% | 5.0% | 6.0% | 7.0% |
| Discount Rate (WACC): | 16% | \$ 893,246,102.68 | \$ 939,016,523.04 | \$ 990,889,666.11 | \$ 1,050,173,258.19 | \$ 1,118,577,402.90 | \$ 1,198,382,238.40 | \$ 1,292,697,043.98 | \$ 1,405,874,810.69 | \$ 1,544,203,192.21 |
| | 16.5% | \$ 858,112,479.23 | \$ 900,492,392.89 | \$ 948,340,682.51 | \$ 1,002,788,736.22 | \$ 1,065,303,168.25 | \$ 1,137,819,909.40 | \$ 1,222,948,257.72 | \$ 1,324,291,529.52 | \$ 1,446,970,226.96 |
| | 17.0% | \$ 825,104,398.18 | \$ 864,416,013.42 | \$ 908,641,580.56 | \$ 958,763,889.99 | \$ 1,016,046,529.34 | \$ 1,082,141,882.43 | \$ 1,159,253,127.70 | \$ 1,250,384,599.39 | \$ 1,359,742,365.41 |
| | 17.5% | \$ 794,045,557.99 | \$ 830,573,442.29 | \$ 871,528,948.92 | \$ 917,769,037.05 | \$ 970,387,068.37 | \$ 1,030,800,363.59 | \$ 1,100,879,786.04 | \$ 1,183,146,934.14 | \$ 1,281,084,015.22 |
| | 18.0% | \$ 764,778,322.96 | \$ 798,774,620.90 | \$ 836,770,483.30 | \$ 879,515,828.50 | \$ 927,960,553.07 | \$ 983,325,952.57 | \$ 1,047,209,105.84 | \$ 1,121,739,451.32 | \$ 1,209,820,768.71 |
| | 18.5% | \$ 737,161,326.74 | \$ 768,850,143.32 | \$ 804,160,538.95 | \$ 843,750,982.52 | \$ 888,449,870.43 | \$ 939,314,122.19 | \$ 997,713,818.66 | \$ 1,065,457,466.56 | \$ 1,144,982,618.44 |
| | 19.0% | \$ 711,067,435.52 | \$ 740,648,335.53 | \$ 773,516,424.43 | \$ 810,251,123.80 | \$ 851,577,660.58 | \$ 898,414,402.26 | \$ 951,942,107.05 | \$ 1,013,704,843.34 | \$ 1,085,761,369.01 |
| | 19.5% | \$ 686,382,009.34 | \$ 714,033,953.32 | \$ 744,675,296.65 | \$ 778,818,507.80 | \$ 817,100,289.98 | \$ 860,321,656.97 | \$ 909,504,591.82 | \$ 965,973,887.38 | \$ 1,031,478,270.24 |
| | 20.0% | \$ 663,001,411.92 | \$ 688,884,225.68 | \$ 717,491,546.15 | \$ 749,277,457.79 | \$ 784,802,888.44 | \$ 824,768,997.92 | \$ 870,063,922.00 | \$ 921,829,549.52 | \$ 981,559,119.74 |

| ModPod - FCF Projections: | Historical | | | Historical | | | Projected | | | | | |
|--|--------------|----------------|-----|-------------|----------------|-----------------|-----------------|-----------------|------|----------------|------------------|------------------|
| | 2023 | 2024 | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | |
| Revenue: | \$ 194,648.0 | \$ 2,562,570.0 | \$ | 4,590,090.0 | \$ 8,105,130.0 | \$ 14,595,210.0 | \$ 26,065,740.8 | \$ 46,505,077.3 | \$ | 83,256,390.1 | \$ 148,760,319.3 | \$ 265,843,801.6 |
| Revenue Growth Rate: | n/a | 1216.5% | | 79.1% | 76.6% | 80.1% | 78.6% | 78.4% | | 79.0% | 78.7% | 78.7% |
| Operating Income (EBIT): | (616,329.0) | 150,470.0 | | 1,059,438.0 | 3,261,297.0 | 7,548,536.0 | 9,995,142.7 | 20,199,110.0 | | 37,048,919.3 | 62,618,124.2 | 115,223,165.5 |
| Operating Margin: | (316.6%) | 5.9% | | 23.1% | 40.2% | 51.7% | 38.3% | 43.4% | | 44.5% | 42.1% | 43.3% |
| Growth Rate: | n/a | 14002.2% | | 99191.3% | 207.8% | 131.5% | 32.4% | 102.1% | | 83.4% | 69.0% | 84.0% |
| Less: Taxes, Excluding Effect of Interest: | 172,572.1 | (42,131.6) | | (296,642.6) | (913,163.2) | (2,113,590.1) | (2,798,639.9) | (5,655,750.8) | | (10,373,697.4) | (17,533,074.8) | (32,262,486.3) |
| Net Operating Profit After Tax (NOPAT): | (616,329.0) | 150,469.0 | | 720,663.0 | 2,051,491.0 | 4,521,783.0 | 7,196,502.7 | 14,543,359.2 | | 26,675,221.9 | 45,085,049.4 | 82,960,679.1 |
| Adjustments for Non-Cash Charges: | | | | | | | | | | | | |
| Depreciation & Amortization: | - | 2,046.0 | | 2,251.0 | 2,359.0 | 2,599.0 | 2,403.0 | 2,453.7 | | 2,485.2 | 2,447.3 | 2,462.1 |
| % Revenue: | n/a | 0.1% | | 0.0% | 0.0% | 0.0% | 9.219E-05 | 0.0% | | 0.0% | 0.0% | 0.0% |
| Deferred Income Taxes: | | | | | | | 783,619.18 | 1,583,610.2 | | 2,904,635.3 | 4,909,260.9 | 9,033,496.2 |
| % Book Tax on Income Statement: | 28.00% | 28.00% | | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% | | 28.00% | 28.00% | 28.00% |
| Total Non-Cash Adjustments: | - | 2,046.0 | | 2,251.0 | 2,359.0 | 2,599.0 | 786,022.2 | 1,586,063.9 | | 2,907,120.5 | 4,911,708.2 | 9,035,958.2 |
| Changes in Working Capital: | | | | | | | #DIV/0! | #DIV/0! | | #DIV/0! | #DIV/0! | #DIV/0! |
| Decrease / (Increase) in Accounts Receivable: | - | - | | - | - | - | - | - | | - | - | - |
| Decrease / (Increase) in Prepaid Expenses: | - | - | | - | - | - | - | - | | - | - | - |
| Decrease / (Increase) in Other Assets: | - | - | | - | - | - | - | - | | - | - | - |
| Increase / (Decrease) in Accounts Payable: | - | - | | - | - | - | - | - | | - | - | - |
| Increase / (Decrease) in Accrued Expenses: | 810,977.0 | 2,410,054.0 | | 3,528,401.0 | 4,841,474.0 | 7,044,075.0 | 3,726,996 | 4,310,200 | | 4,690,229 | 4,922,595 | 4,938,819 |
| Increase / (Decrease) in Income Tax Payable: | - | - | | - | - | - | - | - | | - | - | - |
| Increase / (Decrease) in Income Other Liabilities: | - | - | | - | - | - | - | - | | - | - | - |
| Net Change in Working Capital: | 810,977.0 | 2,410,054.0 | | 3,528,401.0 | 4,841,474.0 | 7,044,075.0 | 12,361,486.8 | 24,121,096.8 | | 40,955,232.3 | 73,630,627.5 | 133,419,893.6 |
| % Change in Revenue: | n/a | 94.4% | | 77.0% | 137.7% | 108.5% | 47.4% | 51.9% | | 111.4% | 112.4% | 114.0% |
| % Revenue: | 416.6% | 94.0% | | 76.9% | 59.7% | 48.3% | 47.4% | 51.9% | | 49.2% | 49.5% | 50.2% |
| Less: Capital Expenditures: | | | | | | | - | - | | - | - | - |
| % Revenue: | 0.0% | 0.0% | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 0.0% | 0.0% | 0.0% |
| Unlevered Free Cash Flow: | \$ 194,648.0 | \$ 2,562,569.0 | \$ | 4,251,315.0 | \$ 6,895,324.0 | \$ 11,568,457.0 | \$ 20,344,011.7 | \$ 40,250,519.8 | \$ | 70,537,574.7 | \$ 123,627,385.1 | \$ 225,416,531.0 |
| Growth Rate: | N/A | N/A | N/A | 62.2% | 67.8% | 75.9% | 97.8% | | | 75.2% | 75.3% | 82.3% |
| EBITDA: | (616,329.0) | 152,516.0 | \$ | 1,061,689.0 | \$ 3,263,656.0 | \$ 7,551,135.0 | \$ 9,997,545.7 | \$ 20,201,563.6 | \$ | 37,051,404.6 | \$ 62,620,571.5 | \$ 115,225,627.5 |
| Growth Rate: | N/A | N/A | N/A | 207.4% | 131.4% | 32.4% | 102.1% | | | 83.4% | 69.0% | 84.0% |

Precedent Transactions - U.S.-Based Team Centered Communication Apps with Transaction Enterprise Values Above \$100 Million USD

Announced Between February 1st, 2014, and July 31st, 2021

(\$ USD in Millions Except Per Share Amounts in USD as Stated)

| Steel Dynamics Inc. - Comparable M&A Transactions: | | | | | Valuation Multiples | | | | |
|--|-------------|-------------------|---------------------|------------------------------|---------------------|-------------|-------------------|------------------|--|
| Acquirer Name | Target Name | Announcement Date | Percentage Acquired | Transaction Enterprise Value | LTM Revenue | LTM EBITDA | TEV / LTM Revenue | TEV / LTM EBITDA | |
| Meta | WhatsApp | 2014-02-01 | 100.0% | 21,800.0 | 116,610 | 42,240.0 | 4.6 x | 14.4 x | |
| Salesforce | Slack | 2021-07-21 | 100.0% | 27,700.0 | 31,350.0 | 5,440.0 | 6.1 x | 33.8 x | |
| Sony | Discord | 2021-05-03 | 39.0% | 100.0 | 10,740,000.0 | 2,060,000.0 | 0.01 x | 0.06 x | |

| | | | | | | | | |
|-----------------|----|-----------------|----|------------------|----|-----------------|--------------|---------------|
| Maximum | \$ | 27,700.0 | \$ | 10,740,000.0 | \$ | 2,060,000.0 | 6.1 x | 33.8 x |
| 75th Percentile | | 24,750.0 | | 5,428,305.0 | | 1,051,120.0 | 5.4 x | 24.1 x |
| Median | | 21,800.0 | | 116,610.0 | | 42,240.0 | 4.6 x | 14.4 x |
| 25th Percentile | | 10,950.0 | | 73,980.0 | | 23,840.0 | 2.3 x | 7.2 x |
| Minimum | | 100.0 | | 31,350.0 | | 5,440.0 | 0.0 x | 0.1 x |

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