

# 409A Valuation Checklist

## ☐ Company overview

- ☐ Incorporation date
- ☐ Industry
- ☐ Business description

## ☐ Valuation date

### Don't know how to choose your valuation date?

- If you have recently closed a round of financing, your valuation date should be the closing date of the round.
- If you have not raised capital recently, we recommend choosing a valuation date that is both at the end of an accounting period and captures any recent material events.

We recommend discussing with your company's legal counsel for the final selection.

## ☐ Company details

We ask for company updates since the last 409A valuation or, if this is the first 409A for your company, an update on what the company has accomplished in the last 12 months

- ☐ Major milestones achieved/missed, customer growth, product development, fundraising, key hires, etc.
- ☐ Law firm name
- ☐ Auditor name (if applicable)
- ☐ Optional: Recent board deck and/or pitch deck
- ☐ If applicable: If your company is expecting to IPO in the next 18 months you'll need to provide expectations of timing and exit value
- ☐ If applicable: Formal letter of intent to purchase if received by a potential buyer, even if the sale was not finalized
- ☐ If applicable: If your company has pivoted since the previous valuation, provide context on transition and details of the new business model

(To be continued)

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- ☐ **Get your cap table ready**
  - ☐ **Resolve draft securities:** if you have unissued draft shares, warrants, or convertible notes, make sure to issue or delete them before starting a 409A request
  - ☐ **Outstanding convertible notes:** make sure they're up to date
  - ☐ **Rights and preferences:** make sure they're up to date
  - ☐ *If applicable: If your company is raising a financing round, have the term sheet available*

- ☐ **Historical financials**

We pre-fill the following information if you connect your accounting software (QuickBooks Online, QuickBooks Desktop, FreshBooks, Oracle NetSuite, Sage Accounting, Sage 50, Zoho Book)

  - ☐ **Last 12 months revenue and EBITDA** (eg. for a valuation date of 9/15/2022, last 12 months would be 9/1/2021-8/31/2022)
  - ☐ **Prior 12 months revenue and EBITDA** (eg. for a valuation date of 9/15/2022, prior 12 months would be 9/1/2020-8/31/2021)
  - ☐ **Cash and debt balance** as of the valuation date or the most recent month end
  - ☐ **Financial statements** (depending on your business, we may ask you to upload a copy of your statements)

- ☐ **Financial forecasts**
  - ☐ **Next 12 months revenue and EBITDA** (eg. for a valuation date of 9/15/2022, next 12 months would be 9/1/2022-8/31/2023)
  - ☐ **Expected cash runway**
  - ☐ *Optional: Forecasts model documents*
  - ☐ *Optional: Current and next year calendar years forecasts for revenue and EBITDA*

- ☐ **Comparable companies**
  - ☐ **Names of public comparable companies**
  - ☐ **Names of private comparable companies** (recommend at least 3)