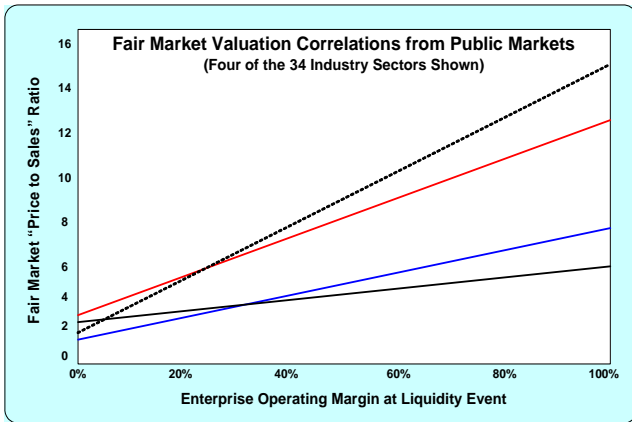


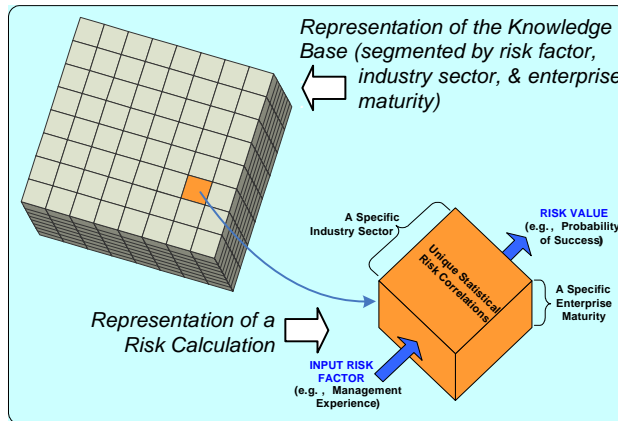
Enterprise EA Analyzer Characteristics & Performance Attributes

Enterprise Analyzer™ (EA) is a statistical analytic system that for the first time allows entrepreneurs and investors to perform advanced risk and return analysis of emerging, private enterprises. For any enterprise with a mature business plan, EA can be used for screening-level analysis of enterprises seeking equity investment or debt financing. EA provides automatic comparisons of an enterprise to peer enterprises for a variety of standardized metrics of risk and return.



- EA estimates the **Fair Market Value** of a private enterprise using competitive peer discounting and fair-market valuation correlations from over 3,000 public companies for valuation at liquidity event.
- EA calculates the investment internal rate of return (IRR) and predicts the risk of business failure.
- EA uses a proprietary statistical Knowledge Base drawn from over 500,000 actual cases of enterprise failure and success.
- EA compares a business to competing investment deals (peers).
- EA allows investors to customize the calculation of business failure and to supplement the input process with their own unique questions for investment prospects.
- EA has an efficient input process so business plans can typically be submitted by entrepreneurs in less than 2 hours.
- EA produces analytical results in a fraction of the time and costs conventionally required.
- EA evolved from five years of research and development involving many domain experts and incorporating industry best practices, including principals of the "VC Method" of valuation.

The **EquityNet Knowledge Base** is a proprietary database of empirical correlations that relate internal and external enterprise risk factors with the probability of enterprise success. Based on combined research that includes over 500,000 cases of enterprise success and failure, the Knowledge Base contains individual statistical risk correlations for each risk factor that are segmented by and are specific for each industry sector and level of enterprise maturity.



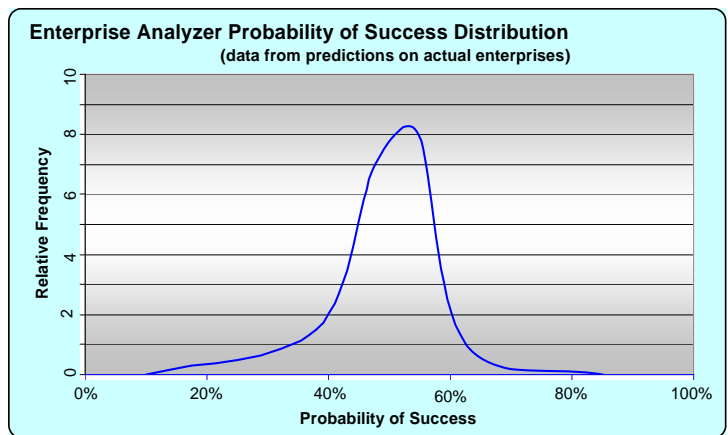
The **Risk Quantification System (RQS)** utilizes an array of statistical operations and the EquityNet Knowledge Base to compute the probability of success for each unique enterprise. The RQS considers 30 or more internal and external enterprise risk factors in computing the probability of success. These enterprise factors are compared to empirical risk correlations in the Knowledge Base that correspond to the industry sector type and maturity of the enterprise.

Enterprise Analyzer uses an advanced **Enterprise Classification Taxonomy** that features 309 industry segments. This segmentation enables EA to analyze and compare each enterprise on an "apples-to-apples" basis that is essential for computing standardized metrics of risk, valuation, and peer comparisons.

Enterprise Analyzer produces a dynamic output reflecting economic conditions and public and private market pricing by utilizing current information from the following sources:

- Indicators of Economic Conditions
- Enterprise Asking Valuations in Private Markets
- Enterprise Fair-Market Valuations in Public Markets

The Risk Quantification System produces values for the probability of enterprise success ranging from 10 to 85%. Data collected from recent usage of Enterprise Analyzer yield the statistical distribution shown here – a distribution that is entirely consistent with extensive independent 3rd party research.



What independent experts are saying about EquityNet and Enterprise Analyzer:

"EquityNet's Enterprise Analyzer (EA) is a first-rate tool that will appeal to first-time and experienced investors, as well as entrepreneurs. Surprisingly sophisticated and precise, the EA Knowledge Base and Risk Quantification System imitates how investors take a "first look" at an emerging enterprise. A definite plus is the capability to screen for both equity investment and debt financing. EquityNet gets high marks for a design with both the investor and entrepreneur in mind." Dan Loague, Executive Director, Capital Formation Institute.