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## Corporate Investor Pitch



**PROPOSED 'SAFE'  
EQUITY/FUNDING TERMS**

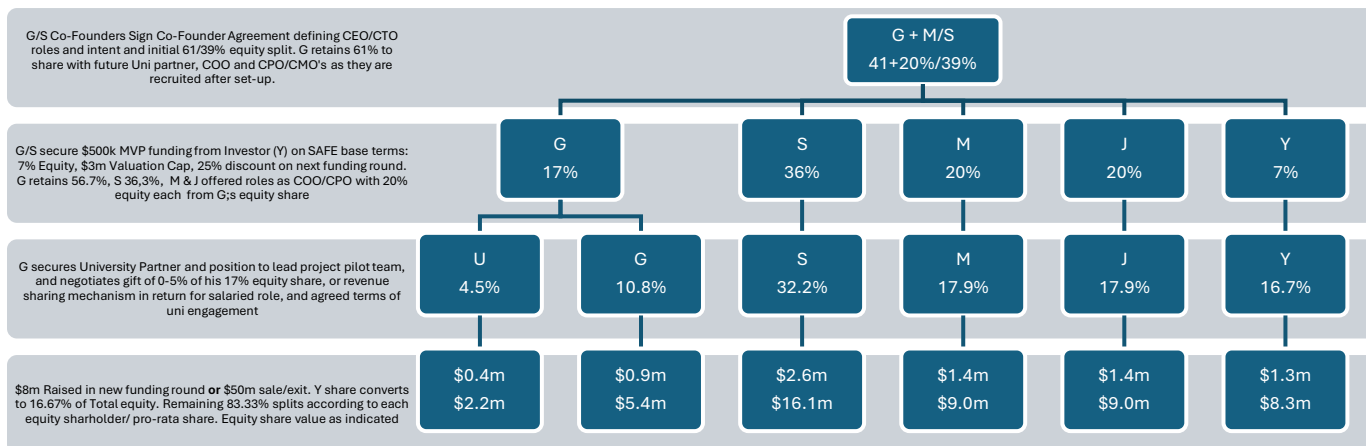
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# DESTINY-GRAM PROPOSED EQUITY/FUNDING STRUCTURE/FLOW CHART & VALUE ESTIMATES



## SEED SAFE FINANCE:

The Deal is structured to maximize the investor's (Y) return while giving downside protection in event of an early exit (eg. sale to corporate partner), while keeping investment attractive for future rounds. The attached 'SAFE Term Sheet', together with (G/S) 'Co-Founder Agreement', and 'Letter of Intent' (LOI) with (M) COO - will offer investor both confidence in founder strength and a strong financial upside, ensuring the project can attract the best accelerator/funding available and enhance attractiveness for future funding rounds or corporate partnership/sale.

## VALUE RANGE:

### Liquidation (Sale/Acquisition)

If company sells for \$8m, the investor (Y) owns 16.67% of equity (over double initial 7%!). Their stake would be worth \$1.33m. If company sells for \$50m (NPV cash/royalties), then their stake worth \$8.3m

### Pro Rata Rights (Second Round Funding)

If company raises \$8m in second round funding, and any subsequent funding rounds, Investor (Y) receives full pro-rata rights, allowing them to maintain ownership percentage if they participate

## STAGES:

1. G/S Co-Founders Sign Co-Founder Agreement defining CEO/CTO roles and intent and initial 61/39% equity split. CEO to provide vision, strategy, search for investors, and business development leadership. CTO to review technical architecture and coding and readiness for core platform development. And profile creation optimization.
2. G (with S support) identifies and selects potential University partner(s) and Investor(s) and creates Investor Pitches/ makes Funding Applications. Once investor (Y) \$500k seed funding commitment secured (assumed 7% equity share), COO (M) and CPO/CMO (J) recruited and offered 20% each (from G 56.7% residual share). COO to lead all technical and operational leadership, and strategic relationship management. CPO/CMO to oversee overall user experience and feature prioritization, privacy-first implementation design, and user acquisition planning. COO to be engaged immediately once seed funding secured, CPO/CMO to be engaged once pilot validation/verification complete and multi-universities scaling commenced, or when available from existing commitments.
3. G, in parallel, fully engages preferred University partner to establish academic "Centre of Excellence" in AI-assisted personal development and educational technology – to take responsibility for developing and validating the more advanced chatbot mentoring systems through student pilot test, and effectiveness measurement and refinement. G to agree partnership terms, technology platform, implementation strategy, and mutual benefits. G to join Uni-team (on 6-month secondment) including a negotiated 0-5% Equity share for the university or Revenue sharing mechanism from commercialization.
4. Post validation completion and initial scaling to multiple universities, CEO/COO initiate global Corporate Partnership/Sale negotiations, and in parallel Stage A funding options explored for global scaling and commercialization.

# DRAFT SAFE TERM SHEET

## Investor-Friendly SAFE Term Sheet (BASE CASE)

This version of the SAFE maximizes the investor's upside while balancing terms to make the deal attractive to them, thus increasing chances of securing the option for investment with a leading accelerator which offers access to mentoring and secondary investors. It's favourable to the investor but still structured to allow co-founders to maintain reasonable control and flexibility for the startup's growth.

### **PARTIES:**

- Company: [Destiny-Gram] ("Company")
- Investor: [Investor Name] ("Investor")

### **1. Investment Amount:**

- Investor commits: \$500,000 (plus \$30,000 establishment costs/exclusivity agreement/coding put into escrow)

### **2. Valuation Cap:**

- The SAFE converts into equity at a \$3M valuation cap (Investor-friendly, ensuring they get a large equity stake).

### **3. Discount:**

- The SAFE will convert into equity at the lower of the \$3M cap or 25% discount on the next priced funding round (25% discount makes the deal even more attractive for the investor).

### **4. Liquidity Event Treatment (Sale, Acquisition, or IPO):**

- In the event of a sale, acquisition, or IPO before a qualified financing, the Investor will receive:
- The greater of:
  1. 2x payout (i.e., \$1M for the \$500K investment), or
  2. Conversion to equity at the \$3M cap, then cash-out based on the sale price.
- Example: If the company sells for \$8M, the investor owns 16.67% of the company. At an \$8M sale, their stake would be worth \$1.33M, which is greater than the 2x payout, so they get \$1.33M.

### **5. Pro Rata Rights:**

- The Investor will receive full pro rata rights in any future funding rounds, allowing them to maintain their ownership percentage if they choose to participate in future rounds.

### **6. Expiration Date (Time-Limited SAFE):**

- If no qualified financing round occurs within 4 years, the SAFE will automatically convert into equity at the \$3M cap or at fair market value (whichever is higher at that time). This gives the investor adequate time for the investment to convert.

### **7. No Interest or Maturity Date:**

- This SAFE does not accrue interest and has no maturity date.

### **8. No Voting Rights Until Conversion:**

- The Investor will not receive voting rights until their SAFE converts into equity, which occurs at a qualifying financing event or liquidity event.

### **9. Governing Law:**

- This SAFE will be governed by the laws of [the state where Destiny-Gram is established] (typically Delaware for ease of future funding and scalability).

## **EXPLANATION**

### **Why This Deal is Investor-Friendly (making it attractive to investors)**

#### **1. \$3M Valuation Cap:**

- The lower cap gives the investor 16.67% of the company at conversion, which is very favourable, especially in the early stages.

#### **2. 25% Discount on Future Round:**

- The investor is guaranteed to convert at 25% below the price of the next round, meaning they get more equity for the same amount of investment.

#### **3. 2x Exit Return:**

- A 2x payout on a liquidity event (sale, acquisition, IPO) provides the investor with a clear, safe exit if an early sale happens. This gives them \$1M for their \$500K investment in an exit scenario, which is extremely attractive.

#### **4. Full Pro Rata Rights:**

- The investor has the ability to maintain their ownership percentage by participating in future funding rounds. This means they will have the opportunity to continue backing the company as it grows, without risk of dilution.

#### **5. 5-Year Expiration:**

- The investor has a 5-year window for the SAFE to convert, which reduces the risk of the investment and gives enough time for a potential exit or raise.

#### **6. No Interest or Maturity Date:**

- This means the investor won't accrue interest over time, but they are rewarded with favourable conversion terms, ensuring they aren't waiting forever.

### **Example of Investor Outcome:**

#### **1. Scenario 1: Sale of the Company for \$8M**

- SAFE Cap Conversion: The investor owns 16.67% of the company (at the \$3M cap).

- In an \$8M sale, their stake is worth:

$$16.67\% \times 8M = 1.33M$$

- The investor receives \$1.33M (which is greater than the 2x payout of \$1M).

## 2. Scenario 2: Raising \$8M in New Funding

- The new valuation is \$8M, and the investor's 16.67% stake at the \$3M cap is worth:

$$16.67\% \times 8M = 1.33M$$

- The investor holds \$1.33M worth of shares in the company post-funding.

### Next Steps:

- This deal is structured to maximize the investor's return while giving them downside protection in the case of an early exit, all while keeping the investment attractive for future rounds.
- Can be sent (with agreement between co-founders) to the investor with the confidence that they will see strong upside, which should help secure the funding needed for growth, especially in view of the considerable first-to-market growth potential without direct competition.

AI Chatbot	Active Users
Meta AI	500 million
ChatGPT (OpenAI)	300 million
Google Gemini	275 million
Microsoft Copilot (Bing)	100 million
Claude (Anthropic)	20 million
Perplexity	15 million
Pi	6 million
Poe	4 million
Grok	1.3 million
Hugging-Chat	1.2 million

(Meta AI and x-XAI competitors merge their AI-chatbots with their social media platforms and enable access to users' public info and social media content as well as contextual data from all past conversations – resulting in data harvesting, and AI chatbot interface based on quantity of (and potentially irrelevant) personal data, not quality of consented, and user controlled, personal profile data.

This USP remains compelling and defensible against competitors. The Global Chatbot Market is forecast to grow to \$29BN by 2029, if Destiny-Gram were to capture 1% of this market, offering hyper-personalised AI-mentoring, it represents revenues of c \$300M per annum.

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**Malaga, Spain 17/04/2025**

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## **SAFE vs traditional ANGEL EQUITY deals Analysis/ Choice Criteria**

<b>SAFE (Simple Agreement for Future Equity)</b>	
<b>Benefit</b>	<b>Explanation</b>
Fast & Simple	Standardized legal docs (especially Y Combinator SAFE) = less negotiation, quicker closings.
Lower Legal Costs	No need to define valuation now or issue shares immediately.
Delays Dilution	Dilution only occurs during priced equity round (e.g., Series A).
Investor-Friendly Terms (with caps)	Investors still get upside protection via valuation caps or discounts.
Founder Control	No immediate board seats or voting rights typically granted.
<b>Drawback</b>	<b>Explanation</b>
Unclear Cap Table (for now)	Dilution is deferred, so the exact ownership structure is uncertain.
Stacking SAFEs	Multiple rounds of SAFEs can create a complex conversion mess later.
Investors May Hesitate	Some traditional angels prefer actual shares and governance rights.
No Immediate Governance	If you want active investor guidance or oversight, SAFEs don't offer that.
<b>TRADITIONAL ANGEL EQUITY(Priced Round)</b>	
<b>Benefit</b>	<b>Explanation</b>
Clear Ownership	Everyone knows exactly how much equity they own.
Investor Confidence	More attractive to investors who want defined equity and governance rights.
Easier Future Rounds	Clean cap table from the start can make Series A due diligence smoother.
Strong Angel Involvement	Angels are more likely to commit time, mentoring, and network if they're actual shareholders.
<b>Drawback</b>	<b>Explanation</b>
Higher Legal Costs	Requires a lawyer to draft/shareholder agreements, stock purchase agreements, etc.
Takes More Time	More negotiation around valuation, terms, control, etc.
Dilution Happens Immediately	Founders give up equity up front.
Board Seats or Control Rights May Be Demanded	Especially if large amounts are raised or investors are experienced operators.
<b>WHICH TO CHOOSE</b>	
<b>Scenario</b>	<b>Best Option</b>
You want to move fast and close early capital with minimal friction	SAFE✓
You have access to traditional angels who want real equity and mentorship	Equity Round
You're planning to raise a Series A from institutional VCs in 12–18 months	SAFE (with a reasonable cap)✓
You want a clean cap table from day one	Equity Round
You want optionality and control as a founder	SAFE✓