

SERVICE PROGRAM

Financial Modeling & Valuation

Financial Modeling and Valuation Program

BEIREK LLC - THE PROJECT MANAGEMENT COMPANY

A program that connects commercial and operating drivers to the three financial statements, cash and funding needs, valuation, and ownership effects through one controlled decision model.

The model creates value by making every material result traceable to its source, assumption owner, calculation relationship, control, and decision use, rather than by presenting one forecast or valuation answer.

PROGRAM FRAMEWORK

I. Defining the decision use determines model scope and control depth

I.1 The model serves specified management and transaction decisions

A financial model connects budget, cash, investment, financing, ownership, and valuation decisions through a shared cause-and-effect structure. Management sees the result, the assumptions that created it, the events that would change it, and the decision it should trigger. The engagement therefore starts by defining the decisions and time horizon; the workbook and calculation architecture follow from that use.

The use case determines the model's level of detail and control standard. An internal management plan, capital investment decision, funding requirement, debt covenant, capital raise, ownership scenario, and company or project valuation require different outputs and evidence. One controlled core may support several uses, but regulated opinions, investor disclosures, and credit agreements can require additional specialists and approvals. A temporary assumption that is appropriate for internal planning may not be sufficient for a transaction or formal external disclosure.

BEIREK develops the decision inventory, designs the architecture and data dictionary, links drivers to sources, builds the calculation and control chain, applies scenarios and valuation methods consistently, and manages the quality of handover. The client owns the source data, approves business assumptions, and has authority over business decisions. Legal counsel, tax advisors, auditors, investment banks, and other specialists remain responsible for opinions within their professional scope.

The engagement does not guarantee a particular company value, financing outcome, investment return, or transaction close. An independent valuation opinion, fairness opinion, investment recommendation, audit, or tax opinion is outside scope unless separately authorized. Acceptance is based on whether the model is traceable, balanced, controlled, and operable by the client for the approved use—not on whether a forecasted result is achieved.

PROGRAM FRAMEWORK

I. Defining the decision use determines model scope and control depth

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1.2 Suitability, data access, and responsibility boundaries are explicit from the outset

The program is suited to companies that need to connect a financial plan to operating decisions, identify cash and funding needs, compare investments, assess ownership and dilution, or establish a valuation context supported by evidence. A management sponsor must define the decisions the model will serve; finance and business teams must provide source information; and assumption owners must be able to explain and approve their inputs. An assignment intended only to justify a predetermined value or present unsupported figures in a professional-looking format is not suitable.

Data access, confidentiality, and authority to use information are documented at the outset. Financial statements, subledgers, sales and customer information, contracts, pricing, cost and production records, workforce data, receivables, inventory, debt, CAPEX, financing, tax inputs, and the cap table are requested only to the extent needed. Personal data and sensitive transaction information are restricted in accordance with the client's policies. When a source cannot be accessed, the related item remains an explicit assumption or limitation rather than being hidden as if it were verified data.

Responsibility is separated across three layers. Client functions are responsible for source accuracy and operating assumptions. Authorized specialists are responsible for tax, legal, audit, and other regulated opinions. BEIREK is responsible for the agreed model design, calculation links, versioning, controls, and analysis. The client's management remains accountable for using the model and for the consequences of its decisions. When specialist input is incomplete, the affected output is marked provisional or pending.

PROGRAM FRAMEWORK

I. Defining the decision use determines model scope and control depth

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The scope does not expand automatically to include every calculation that could be added to a workbook. Detail with no material effect on the approved decisions is excluded. A new request is assessed for its effect on outputs, data, specialist input, controls, timing, and existing uses, and the sponsor approves any scope change. This prevents the model from becoming large but unreadable, difficult to operate, and impossible to control.

1.3 A driver-based architecture makes each result traceable to its source

The architecture separates source data, assumptions, calculation modules, the three financial statements, scenarios, controls, and decision outputs while preserving their links. Inputs and formulas are not mixed in the same area, and hard-coded values are not concealed within calculation chains. Period, currency, unit, and sign conventions are applied consistently. A model map identifies the purpose, inputs, outputs, and control points of every material module.

The cause-and-effect chain runs from the financial result back to a manageable driver. Revenue connects to price, volume, customer, product, channel, or contract behavior. Contribution margin connects to realized price, direct cost, mix, and service load. Cash connects to receivables, inventory, payables, investment, and financing timing. If an output is based only on an extension of historical trends, the model explains why that method is sufficient for the decision. Adding complex formulas does not make an area reliable when driver evidence is absent.

PROGRAM FRAMEWORK

I. Defining the decision use determines model scope and control depth

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The same model produces views appropriate to different management levels. Finance sees calculation and reconciliation detail; business owners see the drivers and responsibilities they control; management sees scenarios and decision consequences; and the board sees material outcomes and risks. These views may contain different levels of detail, but they come from the same approved source version and preserve the same material meaning. A single-model principle means controlled connections and one source of authority, not necessarily one oversized file.

PROGRAM FRAMEWORK

2. Common data and model governance makes outputs reproducible

2.1 Common data definitions prevent the same concept from being calculated differently

The data dictionary defines the business meaning, unit, period, source system, owner, transformation rule, and use limitation of every material field. Terms such as revenue, active customer, order, capacity, employee, or CAPEX can carry different scopes across teams. Data collected under one column can appear numerically clean while remaining unsuitable for decisions if the underlying definitions have not been reconciled.

Source authority is established explicitly. Differences among the accounting record, management report, CRM, ERP, production system, contract, and manual register are resolved through a documented reconciliation. Every manual adjustment has an owner, rationale, and rule for reuse. Where information is copied manually across files, the error and version risk is visible. Automation begins only after the source and decision definition are stable.

Data quality is classified by completeness, accuracy, timeliness, consistency, and material effect. Not every missing field stops the model. Management may approve a reasonable proxy or range for a low-impact item, provided its source, assumption status, and limitation remain visible. If a critical valuation or financing input has low confidence, the result is presented as a range with sensitivity. Remediation is tracked by owner, due date, and affected output.

BEIREK prioritizes requests according to the decisions being supported and builds the dictionary and reconciliation log. The client approves source data; audit or specialist assurance is obtained separately when needed. Acceptance requires every material input to be traceable to its source, period, owner, and transformation, with any data limitation visible next to the output it affects.

PROGRAM FRAMEWORK

2. Common data and model governance makes outputs reproducible

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2.2 Version and change control identify which output is authorized for a decision

Model governance means more than placing “final” in a file name. It determines which version is approved for each use, who may change inputs, who reviews and approves changes, how those changes are recorded, and when each output was produced. Development, review, approved-use, and archive versions are distinguished. Copies stored in email or on personal devices are not authoritative.

Every material change records the requester, rationale, affected module and output, required control, scenario impact, and need for reapproval. Formula corrections, data refreshes, assumption changes, and scope changes are not treated as the same event. If an error correction affects historical outputs, the team identifies which decisions may need to be reconsidered. An approved version is never changed silently.

Access control is scaled to the model's use. Input changes, formulas, scenario selection, and report production may require different permissions. Sensitive compensation, financing, or transaction information receives restricted access. Protected cells or passwords are not sufficient controls by themselves; authorization, a change record, and independent review work together. Copying and exporting behavior must also comply with the client's information policies.

The governance cycle aligns with the monthly close, planning cycle, or transaction timetable. The data cutoff, assumption freeze, control run, business-owner review, and publication date are agreed in advance. A late change that affects outputs requires recalculation and reapproval. The model owner approves technical integrity; the finance lead approves reconciliations; business owners approve their assumptions; and the executive sponsor approves decision use. Even in a small team, evidence of preparation and review is retained.

PROGRAM FRAMEWORK

2. Common data and model governance makes outputs reproducible

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BEIREK establishes the control plan and version register; the client appoints permanent owners and grants access. Acceptance requires an approved version to be reproducible with its sources, changes, controls, and output identity, while older versions remain archived with their original decision context.

2.3 Historical normalization establishes an evidence-based starting point

Historical results are assessed before they are extended into the future. Nonrecurring income or expense, founder-specific transactions, unusual pricing, restructuring, discontinued operations, accounting classification, capacity interruptions, and temporary contract terms can distort the continuing economics of the business. Normalization is not a discretionary exercise designed to reach a preferred outcome. Each adjustment must explain, with evidence, why an item is not representative.

The register for each adjustment includes its source, period, amount, financial-statement effect, tax or operating consequence, and likelihood of recurrence. Management adjustments remain distinct from audited financial statements. When EBITDA or another intermediate measure is used, its formula and scope are defined and adjustments are not counted twice. A transaction or financing use may require input from the auditor or another qualified specialist.

Normalization is also distinct from a forward assumption. Removing a one-time historical expense does not establish that the underlying risk cannot recur. A new cost structure, price, or capacity plan is modeled through separate drivers and evidence. Management can see reported performance, the normalization bridge, and the starting point for projections as three connected but distinct views.

PROGRAM FRAMEWORK

2. Common data and model governance makes outputs reproducible

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Structural breaks such as an acquisition, disposal, new facility, product closure, or accounting-policy change are treated separately when comparable periods are created. A pro forma view states the assumed transaction date and identifies included synergies or separation costs. The bridge from reported results to adjusted performance and then to the forecast opening point is fully closed; no material difference is left inside an unexplained "other" category.

BEIREK builds the adjustment register and reconciliation and defines how each item is used in decisions. It does not provide an independent audit or tax opinion. Acceptance requires every adjustment to reconcile to a source, have a separately approved rationale, and show which historical and forecast periods it affects.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

3.1 Revenue movement is separated into price, volume, mix, and customer behavior

The revenue model does not simply extend historical growth. Depending on the business, it separates price, volume, product and customer mix, new and lost customers, renewal, utilization, channel, contract duration, discounts, returns, and revenue-recognition conditions. It distinguishes drivers management can control from behavior that depends on customers or the market. An order, an opportunity in the sales pipeline, and recognized revenue are not the same event.

Price-volume-mix analysis bridges gross sales to realized net price. List price, discount, promotion, free service, returns, currency effects, and product mix remain distinct. The revenue effect of a price increase is modeled together with attrition, volume, and contract timing. A pricing assumption needs support from contracts, customer behavior, and implementation capacity, a management target alone.

Sales opportunities are classified by stage definition, customer evidence, expected decision date, historical conversion, and capacity constraints. Arbitrary probabilities are not attached to every opportunity. Contracted, high-visibility, renewal-dependent, and unverified revenue can be handled in separate scenario packages. Customer concentration, collections, and service capacity remain connected to the revenue outcome.

BEIREK brings commercial assumptions into the model with source, owner, and decision threshold. It does not guarantee sales performance or customer behavior. Acceptance requires revenue movement to be explainable through price, volume, mix, and customer behavior, with the commercial and finance teams approving the same definitions.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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3.2 Margin movement separates commercial decisions from operating performance

Cost behavior is modeled according to economics, not just account names. Materials, labor, logistics, energy, commissions, service, quality, warranty, cloud, or production costs may respond differently to volume, product, customer, channel, and capacity. Semi-variable, step, and capacity-related costs are identified separately. A ledger classification does not by itself explain the operating driver.

Contribution and gross margin use the same product, customer, and period scope as revenue. Any allocation of shared costs identifies the allocation basis and its uncertainty. An arbitrary allocation can hide the reason for weak contribution. The model links service effort, customization, returns, quality losses, and delivery costs at the most reliable material level available. A cost-reduction assumption is assessed together with its workforce, quality, supply, and customer consequences.

Operating drivers may use achievable good output, cycle time, yield, mix, changeover, rework, maintenance, and bottlenecks rather than nominal capacity. OEE is used only where its definition and source are reliable. The model does not contain more apparent precision than the operating data can support, and no illustrative yield or scrap rate is presented as an actual company result.

BEIREK reconciles finance and operating definitions and builds driver-to-cost links and controls. Acceptance requires margin movement to be explainable through price, mix, volume, direct cost, capacity, and quality, with each material assumption approved by the relevant business owner.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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3.3 Workforce and capacity reflect demand and time-to-productivity

The workforce model does not grow headcount as a fixed percentage of revenue. It connects workload, role, productivity, shifts, hiring lead time, skills, and management capacity. Existing employees, vacancies, contractors, overtime, attrition, and compensation assumptions remain separate. Personnel cost includes benefits, taxes, incentives, recruiting, training, and transition effects in addition to base pay. Access to sensitive employee information is restricted by role.

Capacity requirements are derived from demand scenarios. Workforce, equipment, facility, technology, and critical-specialist constraints are considered together. Adding a shift or employee may not increase output until another bottleneck is resolved. The model recognizes the lag between starting recruitment and reaching full productivity, and between ordering an asset and completing installation, testing, and commissioning. The fixed-cost and cash effects of excess capacity also remain visible.

Productivity is not treated as a free target. It is supported by a baseline, method, process change, training, technology, and quality effect. If the plan assumes simultaneous productivity improvement, better quality, and lower cost, the links and implementation capacity are tested. An improvement rate absent from the sources is not invented. Scenarios can examine hiring delays, high attrition, lower demand, and capacity shortfalls separately.

BEIREK links workforce and capacity drivers to financial outcomes. It does not make employment-law decisions or certify technical capacity. Acceptance requires the workforce and capacity plan to reconcile with demand, timing, cost, and utilization assumptions and to identify an owner and decision threshold for each critical gap.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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3.4 The cash effect of growth is modeled with working-capital behavior

The working-capital model connects receivables, inventory, supplier payables, customer and supplier advances, taxes, and other short-term items to business behavior. Days-based methods can be useful, but a single average may be misleading when customer, product, country, or contract mix changes. Collection profiles, overdue receivables, inventory type, purchase batches, production lead time, and payment terms are modeled at the level of detail material to the decision.

Revenue growth and cash receipts may not occur in the same period. Long terms for new customers, export logistics, safety stock, or advance payments to suppliers can increase the funding required for growth. The model shows revenue, margin, and cash effects in the same scenario. A working-capital improvement is not just a days target; it explains which customer, inventory, or supplier behavior will change and what commercial consequences may follow.

Seasonality and period-end movements are assessed separately. Low inventory or strong collections at one closing date are not assumed to represent continuing performance. A monthly or more detailed time structure is used when necessary to show when the cash gap occurs. Collection, inventory, and payment assumptions are supported by historical distributions, contracts, and owner approval.

BEIREK builds the cash-conversion chain and scenarios. It does not guarantee credit approval or collections. Acceptance requires working-capital movement to reconcile to source transactions, align with the growth case, and connect any breach of the liquidity threshold to a defined management decision.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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3.5 CAPEX is evaluated with capacity, timing, and cash requirements

The CAPEX model is more than a list of investments spread across dates. Each investment records its strategic or regulatory rationale, capacity or cost effect, total acquisition cost, payment schedule, commissioning date, useful life, maintenance and operating expense, tax input, dependencies, and decision gates. Total cost can include design, installation, logistics, testing, transition, and working-capital effects in addition to purchase price.

Depreciation comes from the approved asset class and accounting policy; book and tax depreciation are separated when required. Qualified accounting and tax specialists provide the relevant inputs. The difference between payment date and commissioning date flows through the three financial statements. A delayed or incomplete investment does not continue to generate benefits automatically in the model.

Capital budgeting can compare mandatory, maintenance, capacity, productivity, growth, and strategic-option investments. Cash flow, risk, reversibility, dependencies, and management capacity are considered together. If NPV, IRR, or payback is used, the formula, discount rate, terminal assumptions, and cash-flow scope are explicit. A single metric does not replace the investment decision.

The portfolio is considered as a whole so that individually attractive projects do not exceed the company's combined funding and execution capacity. Mandatory and maintenance investments are separated first; growth options are prioritized against available capital, people, and implementation bandwidth. Approval, purchase order, actual spending, commissioning, and benefit realization remain linked by one investment identity. Delayed benefits or cost overruns update cash and value effects and can reopen a decision gate.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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BEIREK builds the investment card and financial connections. It does not provide engineering acceptance or an investment recommendation. Acceptance requires the investment to appear consistently across payment, commissioning, depreciation, financing, benefits, decision gates, and the three financial statements.

3.6 Debt structure connects cash flow to covenant thresholds

The debt model tracks each instrument separately by principal, currency, rate type, margin, payment schedule, fees, security, covenants, and maturity. Drawdown, principal repayment, interest accrual, and cash payment may fall in different periods. Variable-rate and currency effects are tested in scenarios. Refinancing is not modeled as an automatic event without contractual or market evidence.

Covenants use the definitions, periods, permitted adjustments, and test dates in the governing agreement. A management metric may not equal the credit-agreement metric. Headroom, early-warning thresholds, and breach scenarios are shown separately. Legal or financing consequences of a breach depend on the lender and qualified advisors; the model makes the quantitative effect and decision point visible.

The capital structure can compare debt, equity, customer advances, supplier finance, and other instruments through their effects on cash, cost, control, security, and flexibility. No option is described as available until supported by evidence. Interest expense and debt balances operate in a closed loop with the three financial statements. If the model reaches a cash deficit, it applies only an approved financing rule or presents an explicit funding need.

Financing decisions are assessed against downside performance as well as the base plan. The model shows debt-service capacity, covenant distance, refinancing concentration, currency mismatch, and the point at which management needs to act. It avoids circular assumptions in which funding is considered available merely because the model requires it.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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BEIREK builds and controls the financing module. It does not act as a credit intermediary, provide investment advice, or guarantee financing. Acceptance requires debt balances to reconcile to agreements and bank records, interest and repayments to be traceable, and covenant thresholds to connect to the management decision process.

3.7 Tax inputs remain traceable assumptions subject to specialist approval

Tax modeling may require more than applying a general rate to pretax income. Temporary and permanent differences, tax losses, incentives, withholding, indirect taxes, jurisdictional structure, and transaction-specific matters can affect the result. The detail required depends on the model's intended use and the company's legal and operating structure. Material inputs come from the authorized client team or a qualified tax advisor.

The model does not replace specialist judgment. Each rate, tax base, loss-utilization period, deferred-tax treatment, or transaction assumption records its source, date, and scope. If an opinion is pending, a provisional assumption is presented with an explicit status and sensitivity, not merely distinguished by color. Where tax is material to the decision, an approved external output is not produced without the required specialist input.

Tax expense and cash payment may arise at different times. Their links to the three financial statements, working capital, and valuation cash flows remain consistent. Any difference between the tax approach used in DCF and the accounting tax charge is explained. Scenario tax effects reflect structural assumptions as well as changes in profitability.

PROGRAM FRAMEWORK

3. Operating drivers connect financial outcomes to manageable causes

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The specialist-dependency register identifies the issue, the question to be answered, the responsible advisor, the target date, and the limited provisional treatment to be used if the answer remains outstanding. Material effects on cash, value, or covenants are shown through sensitivity. A change in law or structure triggers reassessment. This prevents tax uncertainty from being concealed inside one apparently precise rate.

BEIREK connects specialist inputs to model structure and the change log but does not provide a tax opinion. The client confirms that each opinion is current and authorized for the intended use. Acceptance requires every material tax assumption to have an approved source, affected modules, and a defined reassessment trigger.

PROGRAM FRAMEWORK

4. Integrated statements, scenarios, and the funding plan use one economic logic

4.1 The three financial statements and cash movement reconcile through one calculation chain

The income statement, balance sheet, and cash flow statement are not built as separate forecasts. Revenue and cost feed retained earnings; depreciation connects to asset movements; working capital connects balance-sheet accounts to cash flow; debt links financing and interest; and CAPEX links assets and cash. Closing cash reconciles both to the balance sheet and to the next period's opening balance. The model is not approved while the balance-sheet control is unresolved.

Cash flow may be presented using the direct or indirect method, but the method and reconciliation are explicit. Cash equivalents, restricted cash, available facilities, and unmet financing needs are separately defined. The statutory cash-flow statement and management liquidity view may differ in presentation, but a bridge connects them. Negative cash is not automatically eliminated through financing unless a credible and approved funding rule exists.

Controls cover the balance sheet, historical reconciliation, cash roll-forward, debt and interest, fixed assets and depreciation, retained earnings, tax, ownership, and scenario integrity. A control result is more than a green indicator: it has a tolerance, explanation, and affected output. A temporary override needs authorization and a remediation date.

The time structure reflects the decision need. If an annual statement hides a monthly liquidity gap, the cash and debt modules run at a more frequent interval and are aggregated for reporting. Opening balances at the transition from historical to forecast periods receive a separate control. A new scenario must update the income statement, balance-sheet roll-forward, financing requirement, and closing cash consistently; otherwise, the formula link or economic assumption is investigated.

PROGRAM FRAMEWORK

4. Integrated statements, scenarios, and the funding plan use one economic logic

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4.2 Unit, customer, and project economics explain the source of the total result

Unit economics measures repeatable economic performance using the decision-relevant unit. The unit may be a product, order, user, customer, contract, project, facility, or another economic object. Revenue, direct cost, service and support effort, selling cost, returns, quality, collections, and capital use are connected within the same scope. A single average margin can be misleading until the appropriate analytical unit is established.

Customer economics includes acquisition, retention, expansion, price, service load, collections, customization, and risk. When customer acquisition cost or lifetime value is used, the cohort, period, churn definition, gross contribution, and discounting assumptions are stated. If the underlying data does not support the metric, the model presents the data limitation rather than creating a sophisticated but unsupported ratio.

Project economics connects contract value, scope, cost, resource requirements, change orders, risk, payment milestones, and acceptance timing. Percentage of completion remains distinct from cash collection. Shared-cost allocations and personnel capacity are visible. A loss-making project is not allowed to disappear inside total company margin; the cause and corrective option are assigned to an owner.

Economic analysis extends beyond a retrospective profitability ranking. Future capacity use, cross-selling, strategic learning, contract risk, and exit cost may also be considered as explicit assumptions. These factors do not automatically justify weak contribution without evidence. Management compares pricing, scope reduction, service standardization, capacity allocation, and controlled exit options within one contribution, cash, and risk view.

PROGRAM FRAMEWORK

4. Integrated statements, scenarios, and the funding plan use one economic logic

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BEIREK designs the analytical unit, cost attribution, and decision use. Acceptance requires aggregate financial results to reconcile with unit, customer, or project views; uncertain allocations to be disclosed; and the analysis to support a price, service, capacity, or portfolio decision.

4.3 Scenarios test uncertainty through coherent assumption packages

A scenario shows how the company operates under a coherent set of assumptions. It is not enough to mark a few cells as optimistic or pessimistic. Demand, price, capacity, cost, working capital, investment, and financing must tell one economically consistent story. Every scenario has a purpose, owner, trigger, and decision use. The base case is management's approved working view, not a claim that one outcome is certain or most likely.

Sensitivity analysis isolates the effect of changing an input. Its limitation is stated when related variables are moved independently. Two-variable tables, break-even analysis, operating leverage, and valuation sensitivities can be used. Monte Carlo analysis is applied only when input distributions, correlations, and evidence can be defined; technical complexity is not used to conceal uncertainty.

Stress testing examines liquidity, covenants, capacity, and management options under severe but material conditions. Its purpose is not to dramatize an extreme result, but to identify which threshold opens which decision and how much response time remains. Results may be presented as ranges, probability-informed regions, or decision zones rather than one point estimate.

PROGRAM FRAMEWORK

4. Integrated statements, scenarios, and the funding plan use one economic logic

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Each scenario also includes the management response. Spending deferral, capacity adjustment, price or mix changes, collection initiatives, staged investment, and financing options are modeled with their implementation time and side effects. Unrealistic immediate savings or certain financing are excluded. Scenario triggers connect to management indicators so the analysis can be refreshed as actual performance approaches a threshold.

4.4 Funding needs and the use-of-proceeds plan connect to decision gates

The funding requirement is derived from the integrated model, not from a round number or a single year's loss. It considers operating cash generation, working capital, CAPEX, debt service, transaction costs, taxes, minimum liquidity, and the timing of management actions. Monthly or more detailed peaks are used where annual summaries hide the actual deficit. The requirement is separated into structural capital, temporary liquidity, contingency, and optional investment so that management can choose an appropriate response.

The size of financing is not determined only by closing the base-case gap. Downside resilience, funding lead time, transaction costs, minimum cash, debt capacity, potential dilution, and the likely need for a later round are assessed together. The discipline required for excess capital and the execution risk created by inadequate capital are both visible. The model does not assume that a financing instrument closes merely because the plan needs it.

The use-of-proceeds plan connects each use to a milestone, owner, timing, approval gate, and measurable output. Payroll, working capital, debt repayment, investment, market expansion, product work, contingency, and transaction costs remain separate where material. Funds are released according to approved decision gates rather than being treated as unrestricted spending. A delayed milestone updates both the cash plan and the timing of expected benefits.

PROGRAM FRAMEWORK

4. Integrated statements, scenarios, and the funding plan use one economic logic

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Options can include reducing the requirement, changing the timing, staging investment, altering working-capital actions, or comparing debt and equity structures. Each option shows operating consequences and constraints. BEIREK builds the funding and use linkage but does not raise capital, intermediate financing, or guarantee a close. Acceptance requires the amount and timing to reconcile with model sources, uses to connect to decision gates, and management to understand its options under downside conditions.

PROGRAM FRAMEWORK

5. Valuation and ownership outcomes are produced from the same approved model

5.1 The decision use and evidence quality determine the valuation method

A valuation method is selected according to company stage, business model, data quality, cash-flow visibility, capital structure, sector evidence, and the decision being supported. DCF, comparable public companies, precedent transactions, venture capital, leveraged buyout (LBO), and sum-of-the-parts (SOTP) approaches are not applied with equal weight to every company. Several methods may answer different questions and provide useful cross-checks.

The method-selection record explains why each approach is suitable, what data it uses, its main assumptions, its limitations, and which conclusion it does not support directly. A complex method does not create reliability from weak evidence. A DCF for an early-stage company without visible cash flows can be dominated by assumptions; a market multiple for a distinct business with no credible peers can create a false comparison.

Valuation date, measurement unit, enterprise value versus equity value, debt-like items, cash, noncontrolling interests, required investment, and currency remain consistent. Results are reconciled as ranges informed by evidence quality, not reduced to a simple average. Management can see which assumption expands the range and why.

Method selection also defines the work plan. Each approach has required sources, specialist inputs, time horizon, and controls. When evidence is incomplete, a result is classified as provisional, low confidence, or not suitable for use rather than presented as certain. A change in date, market, or capital structure prompts reassessment so that an old multiple or discount rate is not carried into a new decision without review.

PROGRAM FRAMEWORK

5. Valuation and ownership outcomes are produced from the same approved model

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5.2 Discounted cash flow reconciles cash generation with risk assumptions

Discounted cash flow (DCF) brings forecast free cash flow to present value using risk and the time value of money. The cash-flow definition must match the discount rate. Unlevered free cash flow is used in an enterprise-value context, while equity cash flow is used for an equity-value context. The explicit forecast period, normalization point, and capital needs reflect the business's economic cycle rather than a generic template.

WACC can incorporate a risk-free rate, market risk premium, beta or sector risk, cost of debt, tax, and target capital structure. Each input records its source, date, currency, maturity context, and jurisdiction. The method is documented to prevent small-company, concentration, liquidity, or country risks from being counted twice. The current contractual cost of debt may differ from a long-term market assumption.

Terminal value can represent a material share of DCF. A perpetual-growth or exit-multiple method must be consistent with the mature economics of the business. Terminal margin, reinvestment, growth, and return assumptions support one another. Long-run growth cannot be disconnected from the economy or sector, and the CAPEX and working capital required to sustain terminal performance remain in the cash flow.

BEIREK builds the DCF, source register, sensitivities, and controls. It does not provide an independent valuation opinion or guarantee a result. Acceptance requires cash flows to reconcile to the three statements, discount-rate and terminal inputs to be sourced, and material value drivers to be explained through sensitivity.

PROGRAM FRAMEWORK

5. Valuation and ownership outcomes are produced from the same approved model

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5.3 Market and transaction multiples require evidence of comparability

Comparable-company analysis is not a list of businesses sharing the same industry label. Economic similarity is assessed across business model, customer, product, geography, growth, margin, capital intensity, revenue quality, scale, and risk. Public-company information is aligned by date, currency, fiscal period, enterprise-value bridge, and normalization. Outliers are not included or excluded without understanding their cause.

The chosen multiple must fit the value driver. A revenue multiple may be insufficient when margins and cash generation differ materially. An EBITDA multiple can obscure CAPEX, working-capital, and accounting differences. If sector-specific operating measures are used, their definition and economic relationship are explicit. Forecast and historical denominators are compared according to evidence quality.

Precedent-transaction analysis does not treat an announced purchase price as a directly comparable observation. Transaction date, control premium, synergies, asset perimeter, capital structure, market conditions, and the quality of disclosed financial information are considered. Missing disclosure or a different transaction structure is recorded as a limitation. A transaction multiple is evidence from specific circumstances, not a management promise.

The selection-and-exclusion log prevents a result from being built only from favorable references. It preserves the initial universe, screening criteria, excluded companies or transactions, and the rationale for every decision. Financial metrics are normalized to consistent definitions and periods. Differences in growth, margin, scale, concentration, and liquidity are shown in an evidence bridge; no mechanical premium or discount is applied without support.

BEIREK records the selection criteria, sources, normalization, and result range. It does not guarantee a market price or transaction outcome. Acceptance requires each comparable to have a documented inclusion rationale, material differences, and a traceable multiple bridge.

PROGRAM FRAMEWORK

5. Valuation and ownership outcomes are produced from the same approved model

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5.4 Venture capital, LBO, and sum-of-the-parts approaches test different economic questions

The venture capital approach can work backward from a possible exit value, investor return requirement, funding need, and dilution for an early-stage or highly uncertain company. Exit timing, revenue or profitability milestones, applicable multiples, future rounds, and failure risk remain explicit assumptions. The method does not produce a single correct value; it shows how financing terms and return requirements influence present investment capacity.

An LBO analysis tests cash generation, debt capacity, repayment, required investment, and potential exit value under a defined capital structure. Leverage must be consistent with market conditions, covenants, transaction costs, and the operating plan. Debt repayment is linked to operating cash and necessary CAPEX. The analysis is neither a financing offer nor an investment recommendation.

SOTP is used when business units, geographies, assets, or investments have distinct economics and require different valuation methods. Shared costs, central debt, tax, noncontrolling interests, cross-holdings, and intercompany activity are reconciled without double counting. The model does not automatically assume each unit can be sold separately; separation costs and operating dependencies are visible.

BEIREK applies and compares approaches according to the decision use. It does not guarantee a venture exit, debt capacity, or asset sale. Acceptance requires assumptions to be sourced, reconciled with the three statements and ownership effects, and presented together with method limitations.

PROGRAM FRAMEWORK

5. Valuation and ownership outcomes are produced from the same approved model

CONTINUED · 05

5.5 The cap table makes dilution and distribution effects visible before a decision

A cap table is more than a list of shareholders. It tracks share classes, counts, nominal or economic rights, options, convertible instruments, vesting, financing rounds, and potential issuances in a controlled structure. Legal registers and authorized counsel remain the source of authority; the model presents the economic scenario. Share count, ownership percentage, and the fully diluted view reconcile.

Dilution includes more than a reduction in a founder's percentage. New capital, an employee option pool, convertibles, and differences in price or rights can affect economics and control. Pre-money and post-money definitions, primary capital, secondary sales, fees, and debt conversion remain separate. Each financing round connects to the funding requirement and the milestone it is intended to reach.

Investor returns depend on entry value, follow-on investment, distributions, dilution, preference rights, time, and the exit scenario. IRR and money multiple may be used, with sensitivity to timing and terminal value explained. Liquidation preference or waterfall calculations rely on the approved economic interpretation of legal documents. BEIREK does not interpret legal rights.

The model does not reduce the economics of different share classes to one ownership percentage. Conversion, participation, liquidation priority, dividends, option vesting, and future rounds are modeled only to the extent supported by documents. For every financing step, cash received by the company, secondary proceeds, transaction costs, and fully diluted share count reconcile. Management can then compare the funding requirement with founder, employee, and investor dilution through one decision bridge.

PROGRAM FRAMEWORK

6. Downside tests and independent controls make decision risk visible

6.1 Stress and reverse-stress tests identify when management must change course

Downside analysis prevents the model from working only when the target plan is achieved. Material events can include demand loss, pricing pressure, cost escalation, slower collections, inventory buildup, delayed CAPEX, interest-rate or currency movements, failed financing, and operating interruptions. Interdependent events run together. The purpose is not to manufacture the worst imaginable result, but to identify liquidity, covenant, and decision thresholds and prepare credible options.

Controls are both technical and economic. Technical controls test the balance sheet, cash, formulas, signs, periods, links, scenarios, and version integrity. Economic controls assess whether margin, capacity, growth, reinvestment, tax, terminal value, and financing relationships behave plausibly. When a result does not change or moves in an unexpected direction, the team investigates either an error or a modeling assumption.

Independent review is distinct from the model developer's self-check. The reviewer samples the intended use, sources, material formulas, scenarios, outputs, and limitations. High-risk modules may need cell-level review or independent recalculation. The review report states its scope, sampling, materiality approach, and areas not covered; a "reviewed" label does not imply unlimited assurance.

Stress results become early-warning and response plans. Each critical threshold has an indicator, measurement frequency, data owner, required response time, feasible actions, and decision authority. If an action creates revenue, capacity, or value losses elsewhere, those consequences remain in the same scenario. Controls are rerun after the stress case to ensure that extreme inputs have not produced formula or sign errors.

PROGRAM FRAMEWORK

7. Management use, role separation, and deliverables keep the model operational

7.1 The model is refreshed and used through a defined management cadence

Management value is not limited to the finance team operating a workbook. Commercial teams own revenue assumptions; operations owns capacity and cost; human resources owns workforce inputs; finance owns cash and capital structure; and management owns scenarios and decisions. The model owner manages definitions, versions, and the operating cycle, while business owners approve their assumptions. Board and investor views are produced from the approved version.

The operating rhythm includes data close, assumption refresh, model run, controls, business-owner review, management decision, and archive. An urgent scenario request does not silently change the approved base model. After the decision, the related assumption, budget, or resource plan update is recorded. The model produces reports and records management commitments and the next measurement point.

Core deliverables include the decision and use inventory, architecture, data dictionary, historical normalization register, driver-based three-statement model, working-capital, CAPEX, debt, and tax modules, scenarios, funding requirement and use-of-proceeds plan, fit-for-purpose valuation methods, ownership and dilution analysis, control and review log, user guide, and handover package. Every output carries its version, owner, approval, and use limitation.

BEIREK manages model design, calculation, analysis, controls, and handover. The client owns sources, assumptions, decisions, and business outcomes. Specialists remain responsible for their regulated opinions. Acceptance requires the approved model to be updateable by the internal team, controls to operate, limitations to remain visible, and results to be reproducible through the source-assumption-decision chain.

PROGRAM FRAMEWORK

8. A five-phase build closes each stage with evidence and a decision gate

The sequence follows management decisions and the evidence needed to support them, not the order of workbook tabs. Each phase produces the input for the next. When data, specialist input, or a management decision is incomplete, the affected output remains provisional; passage of time does not convert it into an approved result.

Phase	Primary activity	Concrete output	Decision gate
1. Decision and scope	decision use, time horizon, responsibilities, and exclusions	decision inventory and scope document	sponsor approves decisions and use boundaries
2. Data and starting point	source catalog, data dictionary, reconciliation, and normalization	approved data foundation and open quality register	critical gaps close or become approved limitations
3. Integrated model	commercial and operating drivers, three statements, cash, and financing	driver-based base model	statements, cash, and material drivers reconcile
4. Decision analysis	scenarios, stress, funding needs, valuation, and ownership effects	decision comparison set	management approves the conditions for base and alternative decisions
5. Control and handover	independent review, finding closure, user testing, and release record	approved model, control record, and handover package	critical findings close and the client user refreshes the model

Timing depends on data volume, entity count, time granularity, existing systems, specialist dependencies, and intended use. A valuation, financing, or transaction deadline does not replace model controls. Scope changes are submitted to the sponsor with their effects on the decision inventory, data request, control plan, and delivery date.

PROGRAM FRAMEWORK

9. Success is evidenced through traceability, control, and usability before forecast outcomes are known

Success does not depend on achieving a specified valuation, funding outcome, or forecast accuracy. Acceptance requires material inputs to have visible sources and owners, the statements and cash to reconcile, scenarios to run without damaging the approved base, and critical controls to close. The client's designated user completes a source refresh, approved assumption change, downside run, and authorized output test.

Success area	Acceptance evidence	Primary owner
Decision fitness	decision inventory mapped to model outputs	executive sponsor
Data traceability	selected inputs traced from source to output and back	data and finance owners
Financial integrity	balance-sheet, cash, and movement controls closed	finance lead
Scenario use	coherent assumption package runs and reverses correctly	model owner
Control and handover	critical findings closed and user refresh completed	model owner and sponsor

BEIREK is responsible for model architecture, calculation links, analysis, controls, and handover. The client approves source data, business assumptions, decisions, and internal use. Legal, tax, audit, independent valuation, and other regulated financial opinions remain with authorized specialists. The program does not guarantee funding, investment return, value appreciation, or transaction closing.

PROGRAM FRAMEWORK

10. The first step closes the model-use and data-readiness gate

The initial working session confirms which management, investment, financing, or valuation decisions the model will support. The client provides current models and reports, financial statements and material subledgers, key commercial and operating sources, financing documents, ownership records, and known data limitations. The executive sponsor identifies decision owners, use dates, and areas requiring regulated specialist input.

BEIREK produces the decision and use inventory, initial source catalog, data-gap register, proposed model architecture, and exclusions. At the first decision gate, the sponsor approves the decisions, time horizon, data and specialist dependencies, model granularity, and acceptance approach. Detailed model development starts only after this gate closes.

The gate record also defines the temporary treatment of material data gaps, the assumptions requiring management approval, and the authority releasing the next version. The model team therefore does not fill missing sources silently, and management does not treat a provisional calculation as an approved decision model.

Technical Appendix

TECHNICAL MODULE

AI. Model file and tab architecture

The model uses a clear layer structure so users do not have to navigate through unrelated formulas. The first layer states intended use, scope, version, period, currency, scenario, and responsibility. The second accepts source information without altering it: accounting exports, commercial data, operating records, workforce information, debt documents, and specialist inputs remain in separate source areas. The third is the reconciliation and transformation layer. Chart-of-account mappings, period adjustments, unit conversions, currency translations, and quality flags are made visible here. Source information is never silently corrected inside a calculation module.

The fourth layer contains drivers and assumptions. Base, downside, and alternative values carry a source, owner, approval date, validity period, and rationale. The fifth layer is the calculation engine, where revenue, cost, capacity, workforce, working capital, CAPEX, depreciation, debt, interest, and tax modules operate on one time axis. The sixth layer produces the three statements and the cash and balance-sheet reconciliations. The seventh contains valuation, ownership, and investor-return analyses; the eighth contains management outputs and decision indicators. Controls are summarized on a dedicated tab, while local controls remain beside every material module.

TECHNICAL MODULE

AI. Model file and tab architecture

CONTINUED · 02

Layer	Minimum content	Change authority	Acceptance control
Definition and control	intended use, version, period, scenario	model owner	identity and version visible
Sources	unaltered exports and documents	data owner	totals reconcile to source
Transformation	mapping, cleaning, normalization	model developer	every change is traceable
Assumptions	value, owner, rationale, validity	business owner	approval and date recorded
Calculations	modular formulas and driver links	model developer	no concealed hard codes
Statements	income statement, balance sheet, cash flow	automated output	balance sheet and cash close
Analysis	scenarios, valuation, ownership	authorized user	approved base remains intact
Output	management and board views	model owner	produced from approved version

Tab names are short, numbered, and consistent within the language version. Inputs, formulas, links, and controls follow visual conventions, but color is never the only carrier of meaning. Formulas flow consistently from left to right and from historical periods into projections. Hidden tabs or rows, external links, circular calculations, and macros are disclosed with their purpose and control method. A new authorized user must be able to refresh sources and run a scenario from the guide and independently identify the version behind an output.

Architecture testing is performed in both directions. A selected source record is followed forward through transformation, assumption use, calculation, control, and management output. A material decision output is then traced backward to its formulas, assumption owner, and source evidence. The two paths detect results that appear correct but rely on the wrong link, stale data, or an unowned input. The evidence, reviewer, and release version are retained in the acceptance record.

TECHNICAL MODULE

A2. Data dictionary and source-quality register

The data dictionary brings the business meaning and technical origin of every material field into one record. A label alone is insufficient because revenue, active customer, order, capacity, or net debt can be defined differently by different functions. Each field records its definition, unit, currency, gross or net behavior, time basis, source system, report or table, owner, refresh frequency, historical coverage, and target location in the model. Derived fields also state the calculation and underlying source fields.

Source authority distinguishes evidence classes such as accounting records, signed contracts, operating systems, bank documents, and specialist opinions. If several sources contain the same concept, the primary source and reconciliation rule are explicit. Missing periods, duplicate records, sign errors, mixed currencies, late invoices, cancellations, and manual adjustments remain visible in the quality register with their impact and resolution. The model does not present weak data as a certain conclusion.

Field dimension	Required question	Example control	Owner
Business definition	What exactly does the measure include?	do functions use the same definition?	business owner
Technical source	Which system and field produces it?	can the export be reproduced?	data owner
Time basis	Transaction, invoice, delivery, or collection date?	is period cutoff correct?	finance
Unit	Count, hour, ton, currency, or percentage?	is the conversion approved?	operations/finance
Quality	Missing, duplicate, or estimated records?	are exception volume and impact known?	data owner
Model use	Which module and decision does it affect?	does the source-to-target link work?	model owner

TECHNICAL MODULE

A2. Data dictionary and source-quality register

CONTINUED · 02

Data acceptance is not one general completion mark. File integrity, row count, control totals, period coverage, unique keys, currency, sign, and source reconciliation are tested separately. A critical error is corrected before the model runs or elevated as a clear decision limitation. If a temporary treatment is used for a medium issue, its method, impact, owner, and closure date are recorded. Lower-priority items remain in a monitoring log.

The dictionary identifies retention, confidentiality, and access requirements for sensitive fields. Personal data is minimized and reporting views use aggregation where detailed access is unnecessary. A source refresh records the extraction date and preserves the prior approved source. BEIREK designs the dictionary, performs the agreed tests, and makes exceptions visible; the client confirms source-system accuracy, access rights, and business definitions. Acceptance requires selected fields to be reproducible from the source through transformation to the decision output.

When a source definition changes, the register states the effective date and whether historical periods were restated. The model never joins pre-change and post-change records without a bridge. A field used by several modules has one controlled business definition, even if separate technical extracts are required. The owner reviews repeated exceptions to determine whether the correction belongs in the model transformation or in the underlying operating system.

TECHNICAL MODULE

A3. Assumption register and ownership system

The assumption register does more than collect editable values; it assigns decision accountability. Each assumption includes an identifier, description, module, unit, applicable period, base value, alternatives, evidence, owner, approver, update date, and validity window. Source-derived, management-set, contract-based, specialist-dependent, and calculated assumptions are classified separately. A user can therefore distinguish historical evidence from a management decision.

Cause-and-effect relationships are recorded because assumptions rarely operate in isolation. A price increase can affect demand, payment terms, and selling cost. A capacity investment can change commissioning timing, workforce, inventory, and funding. Connected assumptions move as a coherent scenario package. If a user changes one cell in a way that creates an economically inconsistent combination, the model produces a warning or requires approval.

Required field	Purpose	Acceptance criterion
Assumption ID	preserve change and formula trace	unique and persistent
Business description	explain economic meaning	understandable to a nontechnical user
Source or basis	state the evidence level	document, data, or explicit decision exists
Owner and approver	establish accountability	role and person are identified
Period and validity	prevent stale inputs	start, end, or review date exists
Scenario values	manage uncertainty consistently	packages are economically coherent
Affected outputs	trace decision impact	module and decision link are recorded

TECHNICAL MODULE

A3. Assumption register and ownership system

CONTINUED · 02

Materiality is not based only on the absolute value of an input. The register also considers whether the assumption can change a decision, breach a liquidity or covenant threshold, widen a valuation range, or trigger many dependent values. Critical assumptions are refreshed more often and may require a second approval. Lower-risk inputs can follow a lighter process without losing their definition or source trace.

Change follows proposal, impact assessment, business-owner approval, model update, control, and version-note steps. A critical assumption cannot change silently. The record shows the previous approved value, new value, rationale, and affected results. An urgent scenario may be run in a working copy, but it does not enter the base case until approved. Acceptance requires sampled material assumptions to be traceable from source and owner through formula impact to management output. A stale or owner-less critical assumption prevents model acceptance.

TECHNICAL MODULE

A4. Scenario and sensitivity matrix

The scenario matrix creates coherent operating states rather than applying optimistic and pessimistic percentages to a few cells. Each scenario carries an economic relationship among demand, price, customer or product mix, capacity, yield, input cost, workforce, collections, inventory, CAPEX timing, financing access, and specialist inputs. The base scenario represents management's executable plan. The downside combines material risks. An alternative scenario represents a distinct strategic choice. An upside case is used only when commercial access, capacity, and financing can be explained.

Sensitivity and scenario analysis serve different purposes. Sensitivity isolates one or two variables; a scenario changes a related set and includes management response. For example, a price sensitivity can show the direct margin effect, while a price-reduction scenario may also change volume, selling cost, collections, and capacity decisions. A stress test is not a probability estimate; it searches for the point at which liquidity, covenants, or capital needs become unacceptable.

Test type	Variable scope	What remains fixed	Primary decision output
Single-variable sensitivity	one material driver	other base assumptions	direction and threshold
Two-variable matrix	two related drivers	operating-model structure	combined effect
Operating scenario	coherent assumption package	definitions and method	plan and resource decision
Stress test	severe documented shock	control framework	liquidity/covenant resilience
Reverse stress	solve backward from failure point	decision criterion	early-warning threshold

TECHNICAL MODULE

A4. Scenario and sensitivity matrix

CONTINUED · 02

Every test has a purpose, owner, trigger, changed assumptions, management response, and evaluation criterion. Outputs are not limited to profit or value; they also consider minimum cash, debt capacity, funding gap, covenant headroom, capacity shortage or surplus, and return on capital. Scenarios use the same source cutoff and model version. The comparison explains both the result difference and its cause.

The matrix is back-tested against actual results. A forecast variance is separated into volume, price, mix, timing, cost, cash, or model error rather than closed with a generic market explanation. The learning updates assumption ranges and early-warning thresholds. Acceptance requires a scenario to run without changing the approved base, reverse cleanly, move all connected assumptions, and show the threshold at which the management decision changes.

TECHNICAL MODULE

A5. Model control checklist and independent-review protocol

The checklist extends beyond confirming that the balance sheet has no difference. File opening, external links, calculation mode, time axis, currency, sign convention, source totals, transformations, formula continuity, scenario selection, three-statement linkage, cash bridge, debt movement, tax, valuation, and ownership calculations are separate test groups. Every control records its purpose, method, severity, owner, result, and closure evidence. A model is not released with a failed critical control.

Control group	Example test	Failure consequence	Minimum evidence
File integrity	external links and calculation mode	stale or incomplete result	link list and full recalculation
Source reconciliation	revenue, cash, and debt totals	wrong starting point	reconciliation to source report
Formula structure	consistency across rows and periods	concealed calculation error	exception scan
Financial statements	balance sheet and cash roll-forward	loss of model integrity	zero difference and movement bridge
Economic behavior	direction of price, volume, and cost	implausible decision output	direction and threshold tests
Scenario	selector and reversion	approved base is changed	scenario comparison
Valuation	timing, WACC, and terminal links	unreliable range	method bridge and sensitivity
Distribution	version, date, and use limit	wrong decision version	release record

Independent review is risk based. A reviewer other than the developer first maps the intended use and material modules, then samples the chain from sources and assumptions through formulas, controls, and outputs. High-risk modules may receive cell-level inspection, formula comparison, or independent recalculation. Structural and output testing may be sufficient for lower-risk areas. The report states the scope, sample, materiality approach, and exclusions.

TECHNICAL MODULE

A5. Model control checklist and independent-review protocol

CONTINUED · 02

Findings are classified as critical, high, medium, or low. A critical issue can produce a wrong decision or break integrity and closes before release. A high issue can create a material effect and requires remediation or an approved limitation. Medium and low findings remain assigned with an owner and date. "Reviewed" is not equivalent to an audit, independent valuation, or unlimited assurance.

The checklist is rerun after a source refresh, material assumption change, scenario redesign, or formula correction. Closure evidence shows both the correction and the successful retest. Acceptance requires critical and high findings to be closed, remaining items to have owners and dates, and the controls to be repeatable at the next data close by the client's designated user.

Control ownership is designed for continuity. The checklist identifies which tests run automatically, which require professional judgment, and which depend on a source or specialist. It also states the expected frequency and the evidence retained. If a control owner changes, the replacement performs a supervised run before assuming responsibility. A repeated override is treated as a design or process issue rather than accepted as a routine exception.

TECHNICAL MODULE

A6. Valuation bridge and method reconciliation

The valuation bridge does not force different methods into one number. It first explains the economic question and evidence behind each approach. DCF examines the company's own cash-generating capacity; trading and transaction multiples provide observed market context; the venture approach examines stage, dilution, and target-return logic; LBO tests debt capacity and investor returns; and SOTP values economically distinct segments separately. A method that does not fit the company is not used merely because it can produce an output.

The bridge from enterprise value to equity value is explicit. Cash and equivalents, financial debt, debt-like items, working-capital adjustments, noncontrolling interests, investments, nonoperating assets, and other transaction-specific items are assessed separately. Whether an item is included in price or settled through a closing mechanism depends on the transaction documents and specialist advice; the model applies the approved economic definition.

Reconciliation area	Question	Evidence or control
Method suitability	Does the method fit the business and decision?	intended use and data sufficiency
Date and period	Do methods use the same information date?	cutoff control
Financial definition	Are EBITDA, debt, and cash consistent?	normalization and value bridge
Growth and risk	Are expectations aligned with rate or multiple?	cross-method control
Terminal or exit	Is the result dominated by one assumption?	sensitivity and concentration analysis
Value bridge	Is enterprise-to-equity movement clear?	line-by-line reconciliation

TECHNICAL MODULE

A6. Valuation bridge and method reconciliation

CONTINUED · 02

Weighting does not have to be a mechanical average. Evidence quality, method fit, comparability, company stage, and scenario uncertainty influence the range. The decision view shows method results, key assumptions, the enterprise-to-equity bridge, sensitivities, and limitations together. If one assumption secretly determines the answer, the range and confidence are revised.

The reconciliation note treats differences as economic evidence rather than automatic errors. Cash-flow visibility, market date, control premium, capital intensity, and financing structure can explain divergence. Measurable causes are separated from the residual unexplained difference. A material unexplained gap widens the range or reduces reliance on a method. BEIREK prepares method selection, calculations, reconciliation, and the decision view but does not provide a fairness opinion, investment recommendation, transaction-price guarantee, or independent valuation unless separately authorized.

TECHNICAL MODULE

A7. Ownership, dilution, and distribution table

The ownership table does not replace legal share records; it creates an economic model from approved records. For every holder and share class, it records current share count, economic and voting rights, paid or committed capital, vesting status, and links to convertible instruments. Allocated and unallocated option-pool shares remain separate. Issued, current, and fully diluted views reconcile on the same basis. Rounding differences and missing documents are separate controls.

The financing-round bridge separates pre-money value, new capital, secondary sales, fees, debt conversion, option-pool changes, and post-money value. The investment amount is therefore not confused with net cash entering the company. Each scenario connects the round date, price, instrument, and milestone. Convertible discounts, caps, interest, and conversion sequence are modeled only from an approved interpretation of the governing documents.

View	Minimum content	Control
Current ownership	holder, class, count, percentage	reconcile to legal records
Fully diluted	options, convertibles, new issuance	share counts and percentages total correctly
Round bridge	pre-money, primary/secondary cash, fees, post-money	sources and dilution reconcile
Rights layers	preference, participation, conversion, priority	approved legal or specialist input
Exit distribution	enterprise value, debt, equity, allocation	total sources and uses agree
Investor return	investment, distributions, time, ownership	cash-flow and date control

TECHNICAL MODULE

A7. Ownership, dilution, and distribution table

CONTINUED · 02

The distribution table begins with the selected exit or liquidity value, deducts debt and other approved priorities, and allocates residual equity value according to rights and ownership. Money multiple and IRR can be compared across value and timing scenarios. These are not return promises; they depend on model assumptions and document interpretation. Complex waterfall, tax, and legal questions remain with the relevant specialists.

Acceptance requires share counts and ownership percentages to reconcile, each round's use of funds to connect to the funding plan, the fully diluted view to be reproducible, and total allocated value not to exceed available equity value. Every instrument has a source document or explicit management assumption. BEIREK manages economic calculation and scenarios; the client and legal counsel approve share records, rights, and document interpretation.

TECHNICAL MODULE

A8. Acceptance, handover, and version matrix

Acceptance is not achieved merely because the file opens or a presentation output looks persuasive. The matrix defines the use, owner, control, evidence, and approver for each deliverable. Architecture, data dictionary, historical normalization, revenue, cost, workforce, working capital, CAPEX, debt and tax modules, the three statements, scenarios, funding, valuation, ownership, controls, and user guidance are distinct acceptance items. Approval of one item does not close a critical issue in another.

Acceptance area	Required evidence	Accepting role
Scope and use	decision inventory and exclusions	executive sponsor
Data	source reconciliation and quality exceptions	data/finance owner
Assumptions	owner, approval, date, and scenario register	relevant business owner
Calculation engine	module tests and formula controls	model owner
Financial integrity	balance sheet, cash, and movement reconciliation	finance lead
Valuation/ownership	method, bridge, documents, and limitations	authorized decision owner
Usability	refresh test performed by user	designated user
Distribution	version, access, and archive record	model owner/sponsor

Versioning can distinguish major, minor, and working releases. A major version reflects a scope or architecture change; a minor version reflects an approved assumption, source close, or limited module change; a working version is not available for distribution. Every release records the date, preparer, reviewer, approver, data cutoff, scenario, change summary, and link to the prior version. The file name alone is not version control; status and version are visible inside the model.

TECHNICAL MODULE

A8. Acceptance, handover, and version matrix

CONTINUED · 02

Handover covers source refresh, assumption updates, scenario runs, controls, output production, error management, and archiving. A designated client user performs selected procedures from the guide while BEIREK observes and closes gaps. Role-based access is established. Prior approved versions are not deleted or overwritten. Critical changes require a second control, and external distribution uses only an approved release.

The handover package includes the decision inventory, scope and boundaries, source catalog, data dictionary, assumption ownership, architecture, control descriptions, known limitations, open findings, specialist dependencies, and publication calendar. A primary and backup owner are appointed. Software requirements, access, and external connections are documented, together with the impact if a critical source or person becomes unavailable.

Post-handover maintenance is also agreed. A new product, country, entity, instrument, or transaction structure triggers an impact assessment if it falls outside the existing architecture. A routine data refresh is not treated like a structural redesign. Periodic health checks review links, owners, critical assumptions, controls, and decision use. Final acceptance requires critical and high findings to be closed, material assumptions approved, the statements and cash reconciled, the model rerun with a refreshed source, and the internal team to complete the core operating test.

PROGRAM CONCLUSION

CONCLUSION

Financial Modeling & Valuation

Financial Modeling & Valuation brings planning, cash, capital structure, ownership, and valuation work into one controlled decision system. Its quality does not come from the number of formulas. It comes from the ability to trace every material result to a source, assumption owner, calculation method, version, and control. Management can compare the plan, downside, funding requirement, capital structure, and value range through one economic logic. The engagement does not conceal uncertainty or replace audit, legal, tax, or independent valuation opinions. BEIREK designs the architecture, calculations, controls, scenarios, and decision views; the client owns sources, assumptions, and decisions; and specialists approve regulated inputs. Success means the client's team can refresh the approved model, test alternatives consistently, explain why an output changed, and use the resulting evidence within a defined management rhythm.