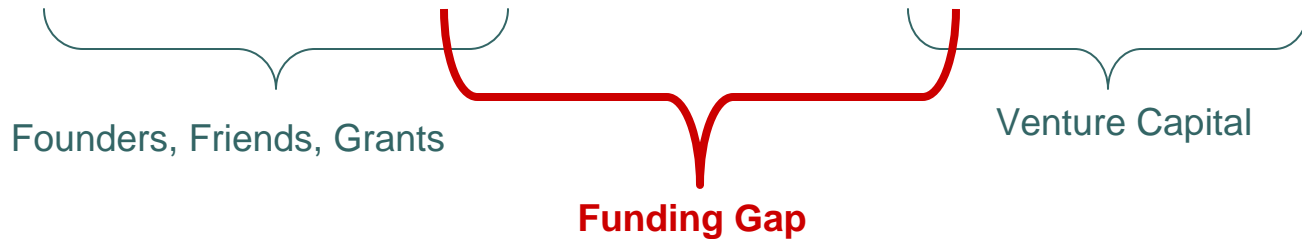




Stages of Company Development

Company Stage	Concept	Pre-Seed	Seed	Early Stage <i>A-Round, B-Round, C-Round</i>	Later Stage
Milestones	Idea	Develop idea into working prototype	Develop beta products; trial customers	Launch product sales to paying customers	Expansion through \$XXM revenue targets
Typical Pre-Money Valuations	--	< \$1M	\$2 - \$3M	\$3M - \$10M	\$10 - \$20M
Typical Funding Amounts	--	<\$100K	\$250K - \$1M	\$1M - \$5M	> \$5M



Equity Financing Rounds over the Early Life of a Company

Financing Round	Definition	Typical Amounts	Who Typically Pays
Seed	Prove a concept/quality for start-up capital	\$25,000– 500,000	Individual Angels Angel Groups Early-stage Venture Capitalists
Start-up	Complete product development and initial marketing	\$500,000– 3,000,000	Select Individual Angels Angel Groups Early-stage Venture Capitalists
First	Initiate full-scale manufacturing and sales	\$1,500,000– 5,000,000	Venture Capitalists
Second	Working capital for initial business expansion	\$3,000,000– 10,000,000	Venture Capitalists Private Placement Firms
Third	Expansion capital to achieve break-even	\$5,000,000– 30,000,000	Venture Capitalists Private Placement Firms
Bridge	Financing to allow company to go public in 6-12 months	\$3,000,000– 20,000,000	Mezzanine Financing Firms Private Placement Firms Investment Bankers

Source: Interviews; definitions taken from Pratt's Venture Capital Guide