STARTUP FINANCE "STAGES"

Seed to Venture to Mezzanine to Balanced

Early Stage Financing for proving business concepts

Extremely High Risk (success = 1/25)

Idea and Market Proof of Concepts

50k-500k

Typical Investors: Founders, Family, Friends, Benefactors, Angels & Angel Groups

AKA - **Seed Round** and/or **Angel Round**

Standard Venture Capital Financing for proven business concepts

High Risk (success = 1/10)

Funding of Actual Product |
 Development and Working

 Capital

500k - 50M

Typical Investors: VC firms, PE firms, Community Business Banks

AKA – **Series A** (500k-5M), **Series B** (1M-10M), **Series C** (5M-50M)

Pre-IPO Growth Capital for a proven business, usually in the form of debt or debt-like instruments

Low Risk (success expected)

Funding Working Capital,
Business Expansion and
Acquisitions

5M-50M

Typical Investors: VC firms, PE firms, Community Business Banks

AKA – Bridge Capital, Mezzanine Capital, Equity Capital, Senior Debt IPO Capital, Buyouts or Acquisition of a proven business

Low Risk

Funding Growth, Working
Capital and Acquisition of
Equity in the Business

50M+

Typical Investors: Public Markets, Major PE Firms, Strategic Acquirers

AKA – *IPO* (Initial Public Offering), *LBO* (Leveraged Buyout), *ESOP* (Employee Stock Ownership Program)

STAGES OF GROWTH/FINANCING FOR A VENTURE – *TERMINOLOGY AND DEFINITIONS*