

Fintech Funding and Valuation Characteristics by Stage of Growth

		Startup Stage of Evolution	Source of Capital	Typical Funding Size	Typical Valuation Range	Funding Basis
1		Idea only	Bootstrap, F&F, Angel/Seed Funds	\$50-100K	\$500K-1.5M	Idea attractiveness and market size
2		+ Strong team	Bootstrap, F&F, Angel/Seed Funds	\$100-250K	\$500K-1.5M	Execution capability of founders
3		+ Demo prototype	Angel/Seed Funds	\$250-500K	\$2-5M	A successful working model of product/service
4		+ Validated product MVP	Angel/Seed Funds, VC	\$1-5M	\$5-20M	Customer adoption and early visibility into cash flows
5		+ Rapid customer adoption	Typical series A Angels, Seed-funds Exit, VCs increase	\$5-20M	>\$50M	Strongly based on growth, market share and revenue growth estimates
6		Growth Capital for viral growth over a long period	Multiple rounds (B, C, D, E..) VCs will start taking partial exits. PE enters in a big way	\$20-100M	>\$250M	Supported by ongoing rapid growth and expected market share leading to revenues/profitability
7	Stable growth	Stable growth	>\$100M	>\$500M	Profitability/Cash flows based	

