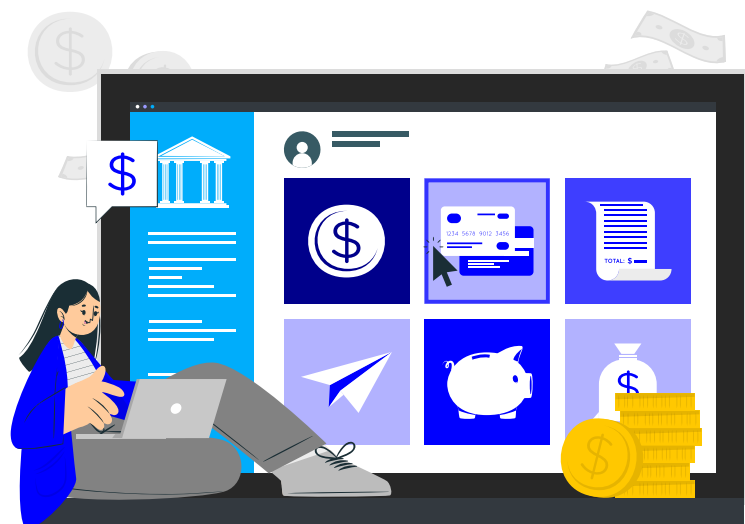


Post-Money Valuation







Post-money valuation is the worth of a startup after an investment round wherein funding is received by an angel investor, a venture capitalist, or any other investor. It is the value of the pre-money valuation plus the additional amount invested by new investors.

$$\text{Post-Money Valuation} = \text{Pre-Money Valuation} + \text{Funding Amount}$$

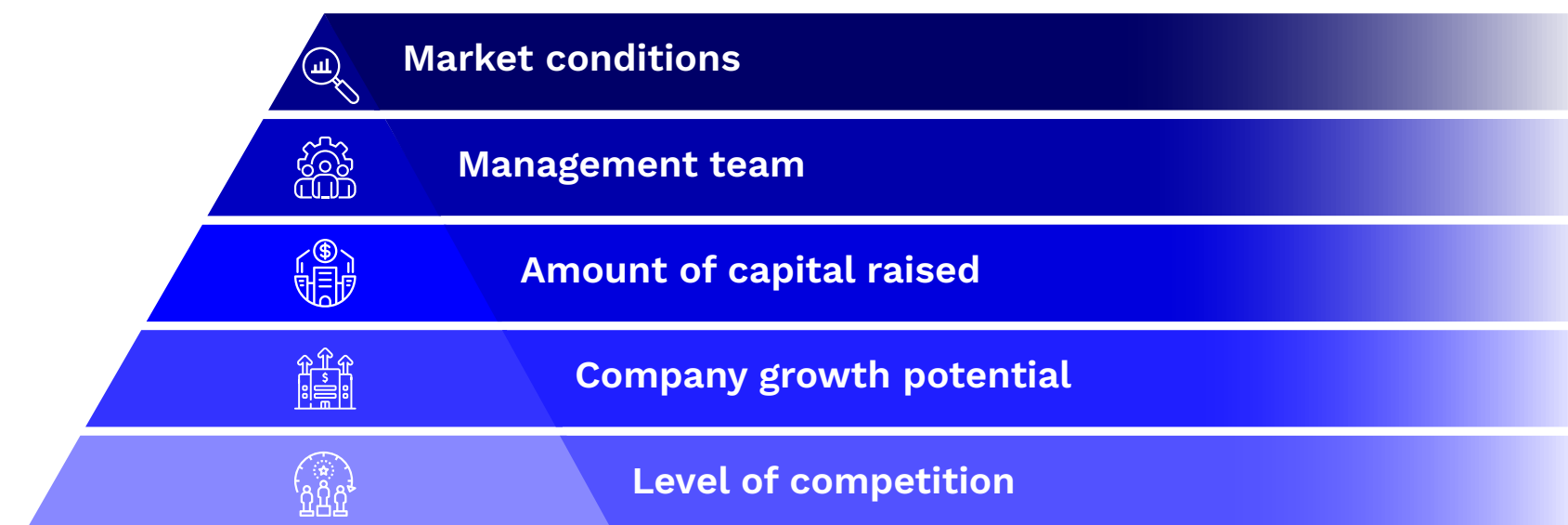
Pre-Money Vs. Post-Money Valuation

Aspect	Pre-Money Valuation	Post-Money Valuation
Definition	Company valuation before funding	Company valuation after funding
Calculation	Calculated by assessing its assets, revenue, and market potential	Pre-money valuation + Total Funds
Ownership Impact	Higher pre-money valuations result in lower ownership percentages for investors	It determines the ownership percentage after investing, directly impacting dilution
Importance	Used for initial investment terms	Used to assess overall company value

Why is post-money valuation important for an organization?

Equity Allocation	Prospect Highlight	Employee Stock Options	Shareholder Safeguard
Determines investor ownership percentages	Standard metric for current and future comparisons	Calculates number and value post funding	Indicates and tracks company performance
			

Factors Influencing Post-Money Valuation

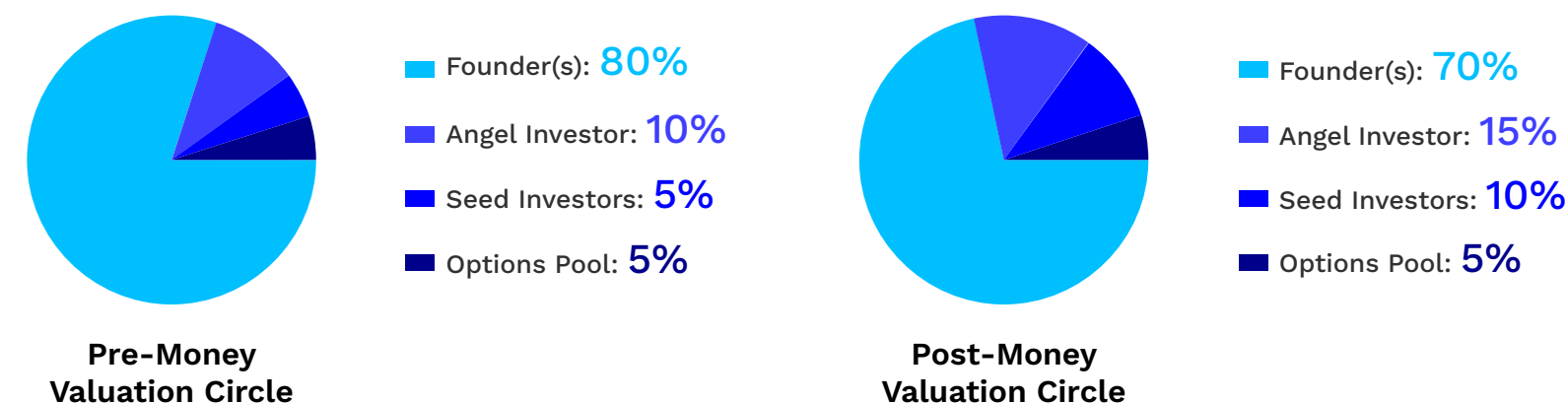


Risk Mitigation Strategies for Post-Money Valuation



Impact of Post-Money Valuation on Investor Equity

Let's understand how post-money valuation affects investor equity with an example.



After external investment is secured, ownership percentages are recalculated. The founders' stake is diluted from 80% to 70%. The 15% increase in angel investors' stake & the 10% increase in seed investors' stake indicates the proportion of the company they now own after the additional investment. The options pool remains constant at 5%, ensuring that there is still room for employee stock options as the company continues to grow.

About Vega Equity

Vega Equity is a cloud-based digital equity management solution that helps organizations manage their complex ESOPs and Cap table with ease. Offering a contemporary, user-friendly, and paperless approach to equity management, the platform streamlines operations for companies aiming for efficiency. With a host of features such as ESOP Pool, Granted Options, Vested & Unvested Options, Lapsed or Forfeiture Options, our platform acts as a single source of truth for all your ESOP-related data.