

Company Name: TechStartup, Inc.
Investor Name: Imagine Ventures
Pre-money valuation: \$ 4,500,000
Amount to be invested: \$ 3,000,000
Post-money valuation: \$ 7,500,000

Capitalization:	Common Stock	2008 Option Pool	
Stockholder 1	1,000,000	Total Option Pool	3,000,000
Stockholder 2	1,000,000	Options Issued	1,500,000
Stockholder 3	1,000,000	Options Remaining in Pool	1,500,000
	3,000,000		

FORMULAS: *Price per share = Pre-money valuation / Total shares outstanding*
Number of Series A purchased = Amount invested / per share price

Scenario One: Non fully-diluted basis

Pre-money valuation \$ 4,500,000
 Total Shares Outstanding 3,000,000
 Per share price \$ 1.50
 Number of Series A purchased 2,000,000

Scenario Two: Fully-diluted basis

Pre-money valuation \$ 4,500,000
 Total Shares Outstanding (including options issued) 4,500,000
 Per share price \$ 1.00
 Number of Series A purchased 3,000,000

Scenario Three: Fully-diluted plus option pool

Pre-money valuation \$ 4,500,000
 Total Shares Outstanding (including options issued and remaining option pool) 6,000,000
 Per share price \$ 0.75
 Number of Series A purchased 4,000,000

Pro Forma Capitalization

	Scenario One	%	Scenario Two	%	Scenario Three	%
Common Stockholders	3,000,000	37.5%	3,000,000	33.3%	3,000,000	30.0%
Imagine Ventures	2,000,000	25.0%	3,000,000	33.3%	4,000,000	40.0%
2008 Option Pool	3,000,000	37.5%	3,000,000	33.3%	3,000,000	30.0%
TOTAL	8,000,000		9,000,000		10,000,000	