

The Five Phases of the Equity Financing Process

Company Evaluation	Marketing Preparation	Marketing and Solicitation of Investors	Evaluation of Initial Deal Proposal	Execution and Closing
<ul style="list-style-type: none"> ➤ Review Company's objectives 	<ul style="list-style-type: none"> ➤ Determine positioning and key selling points 	<ul style="list-style-type: none"> ➤ Contact prospective investors 	<ul style="list-style-type: none"> ➤ Evaluate summary of term proposals, including price and covenants 	<ul style="list-style-type: none"> ➤ Negotiate final terms
<ul style="list-style-type: none"> ➤ Perform due diligence 	<ul style="list-style-type: none"> ➤ Access and approve prospective investors list 	<ul style="list-style-type: none"> ➤ Distribute finished materials: Information Memorandum, Confidentiality and Business Plan 	<ul style="list-style-type: none"> ➤ Determine strategy to maximize the probability of a closing at the highest value 	<ul style="list-style-type: none"> ➤ Evaluate proposed financial structures
<ul style="list-style-type: none"> ➤ Identify roles and responsibilities 	<ul style="list-style-type: none"> ➤ Finalize Business Plan and financial operating projections 	<ul style="list-style-type: none"> ➤ Coordinate meetings with investors and due diligence 	<ul style="list-style-type: none"> ➤ Select final prospective investors 	<ul style="list-style-type: none"> ➤ Select final investors
<ul style="list-style-type: none"> ➤ Propose structure, valuation and range of deal considerations 	<ul style="list-style-type: none"> ➤ Prepare Management presentation, visuals, etc. 	<ul style="list-style-type: none"> ➤ Prepare proposed valuations 		<ul style="list-style-type: none"> ➤ Sign definitive purchase and sale agreement
<ul style="list-style-type: none"> ➤ Develop a detailed capital needs analysis to determine the amount of capital to be raised 	<ul style="list-style-type: none"> ➤ Determine positioning with each prospective institutional investor 	<ul style="list-style-type: none"> ➤ Create competition and/or syndicate participation 		<ul style="list-style-type: none"> ➤ Closing