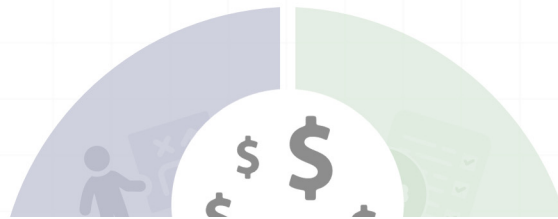


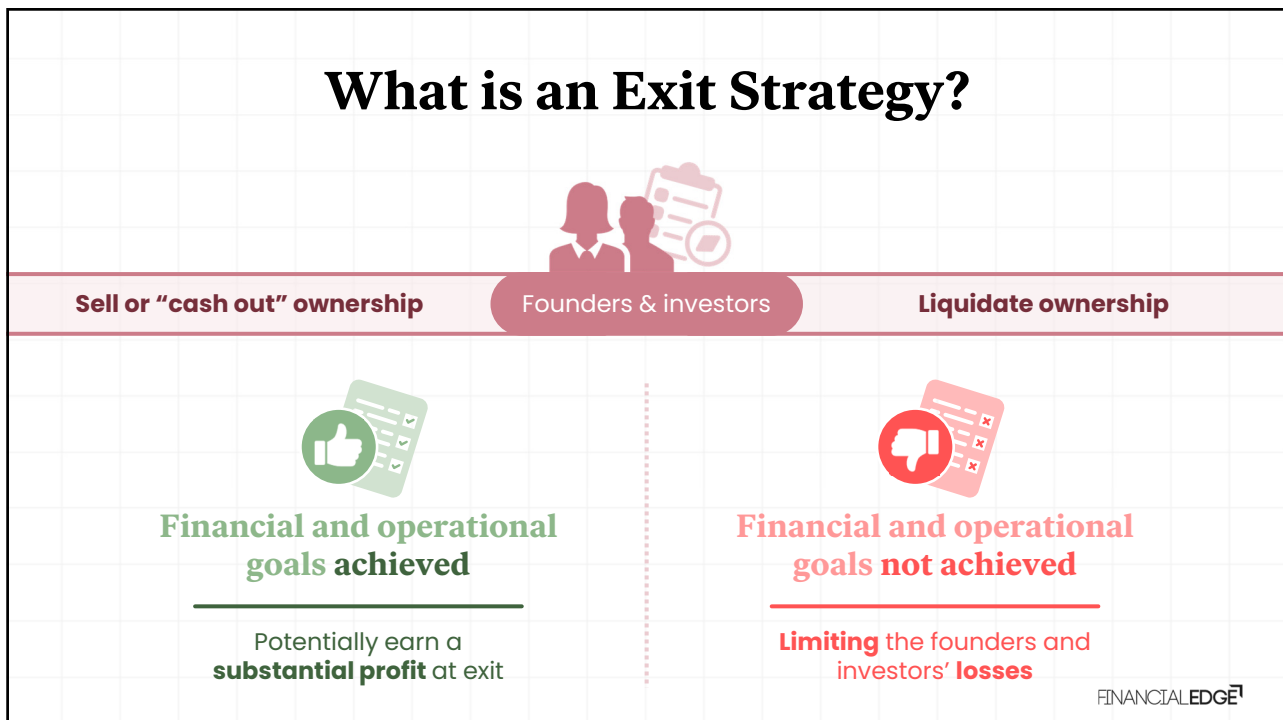
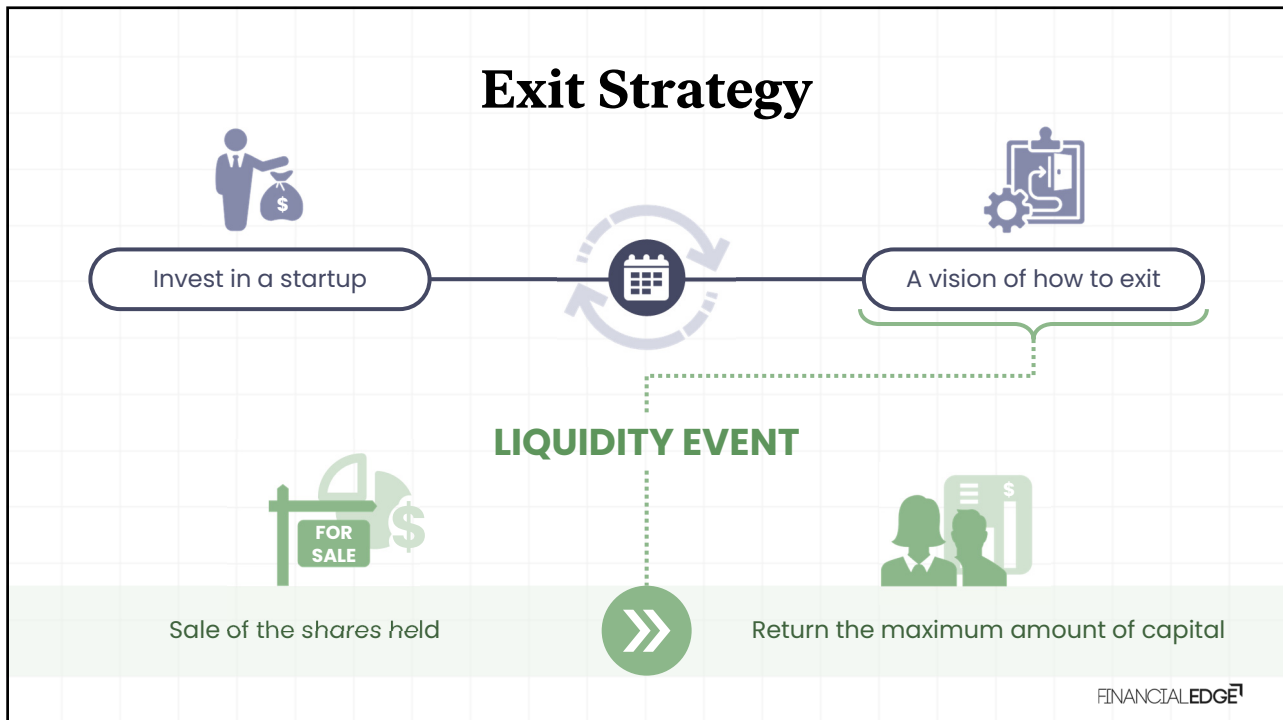


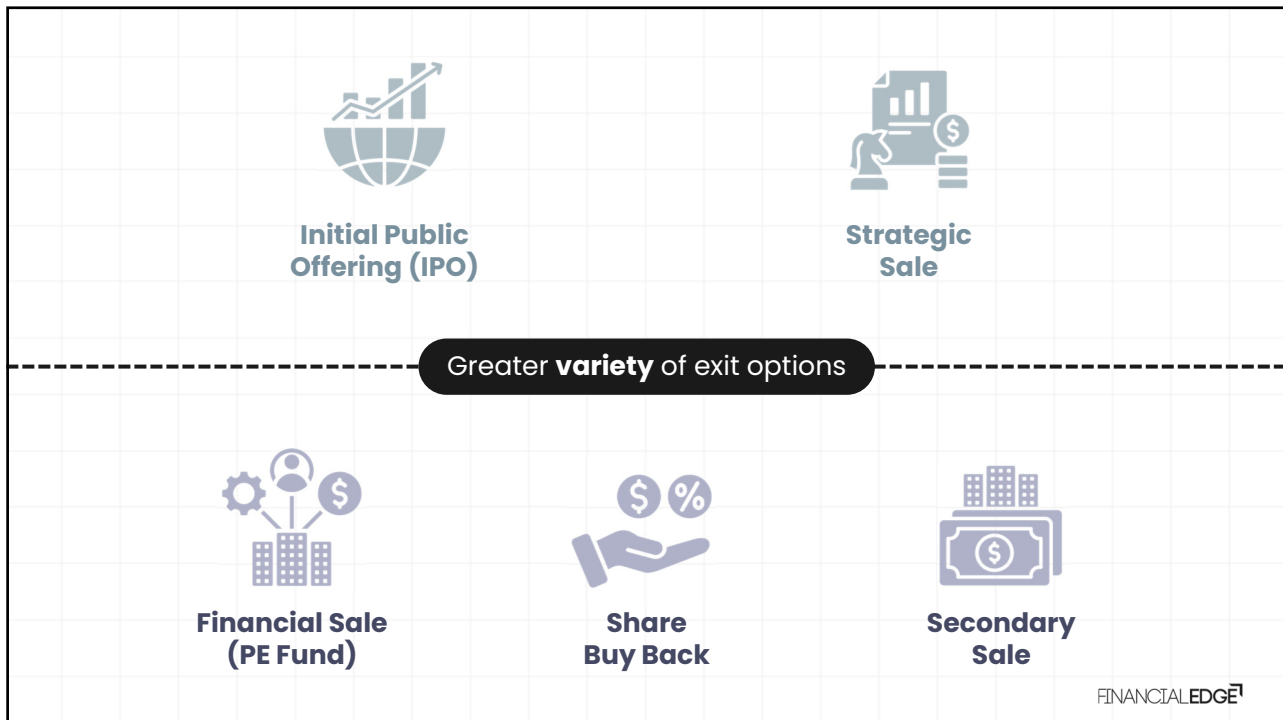
Venture Capital Exit Strategies

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Exit Strategy Overview

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Initial Public Offering (IPO)



Shareholders



Sell shares



Stock exchange



Existing Investors

Sell **some or all the shares** they hold

Proceeds go to the **shareholders**



New Investors

New shares to be sold to **outside investors**

Raising capital for the company

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Lockup Period

Typically, 3 – 6 months

Unable to sell shares



Lockup Passed

Sell shares on open market

Fully exited in 1-2 years



Market Risk

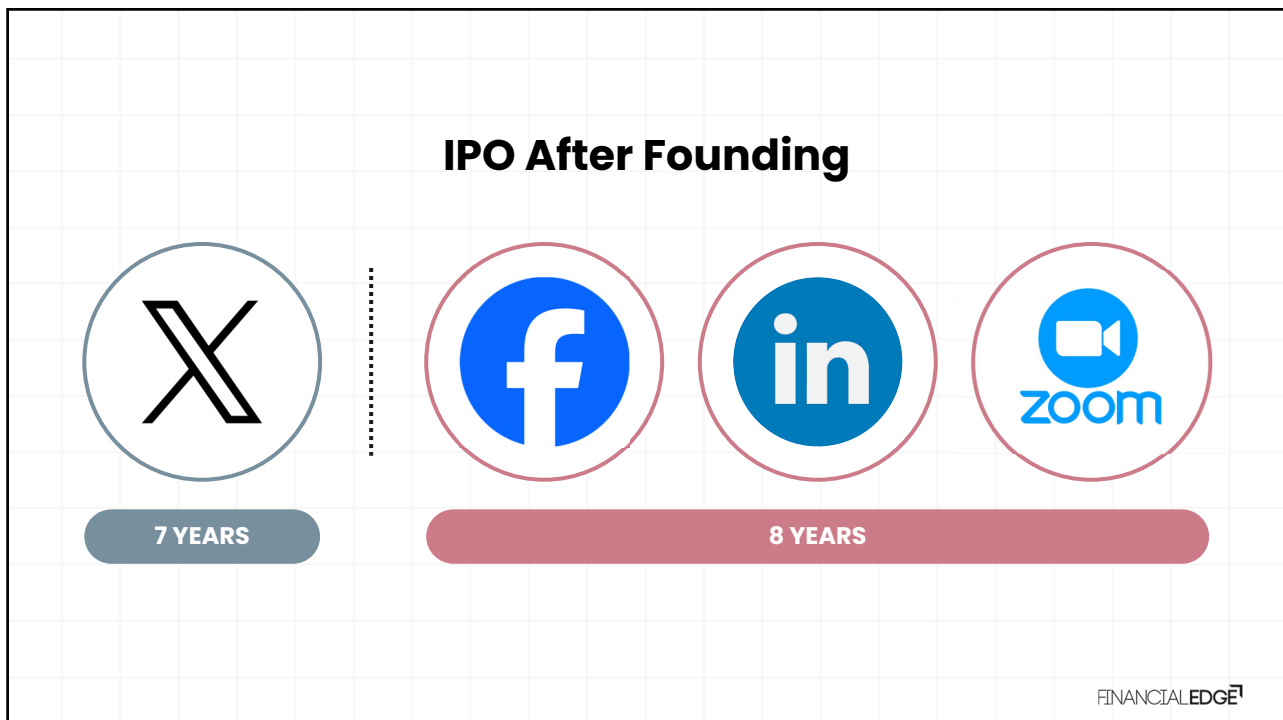
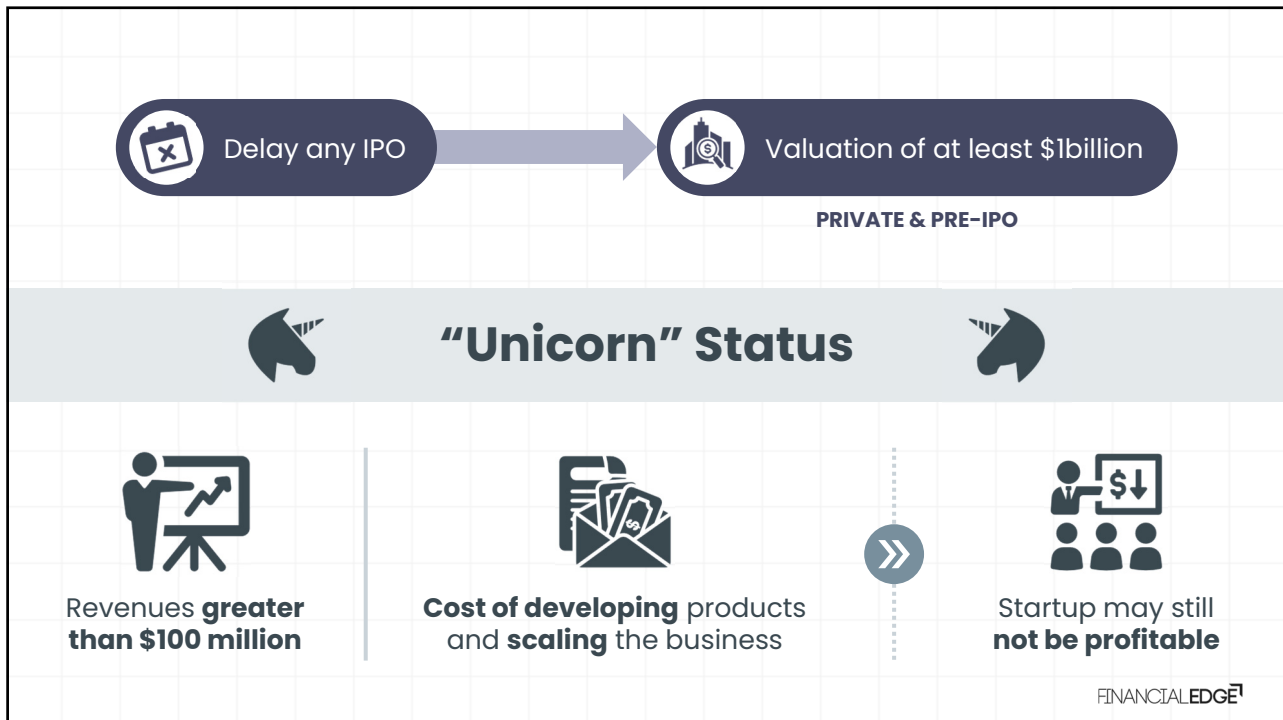
Coming from the shares of the company being **publicly traded**

VC Investors

Deliver Above Estimates

Benefit from the **associated increase** in the company's share price

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Median Age of Tech IPOs

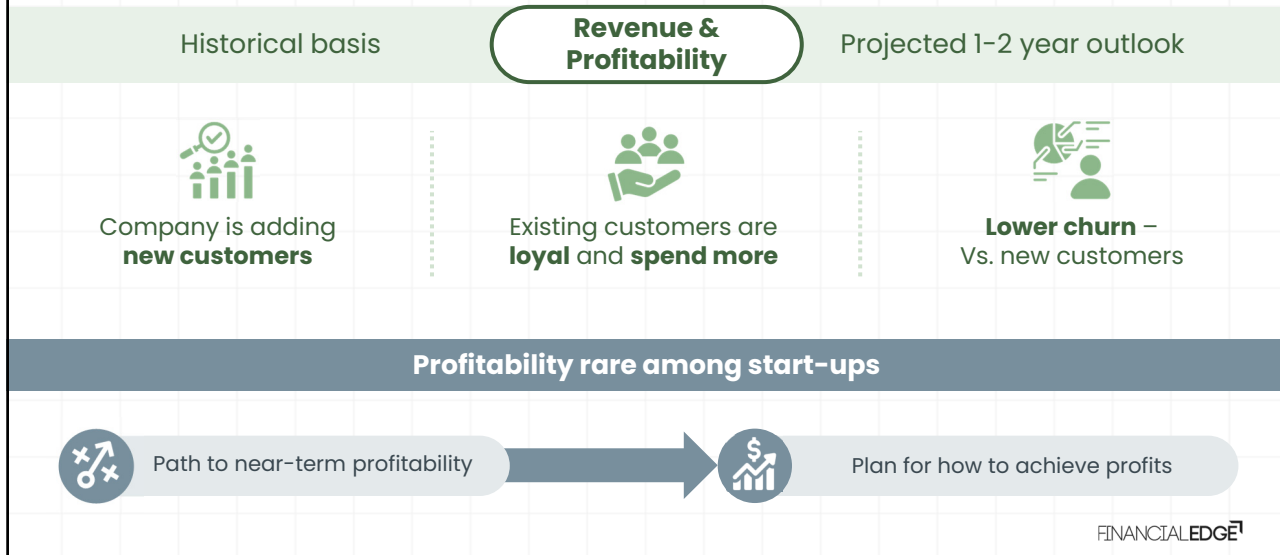
Median time to IPO has shown an increasing trend 2012, reaching a median time to IPO in 2022 of 14 years



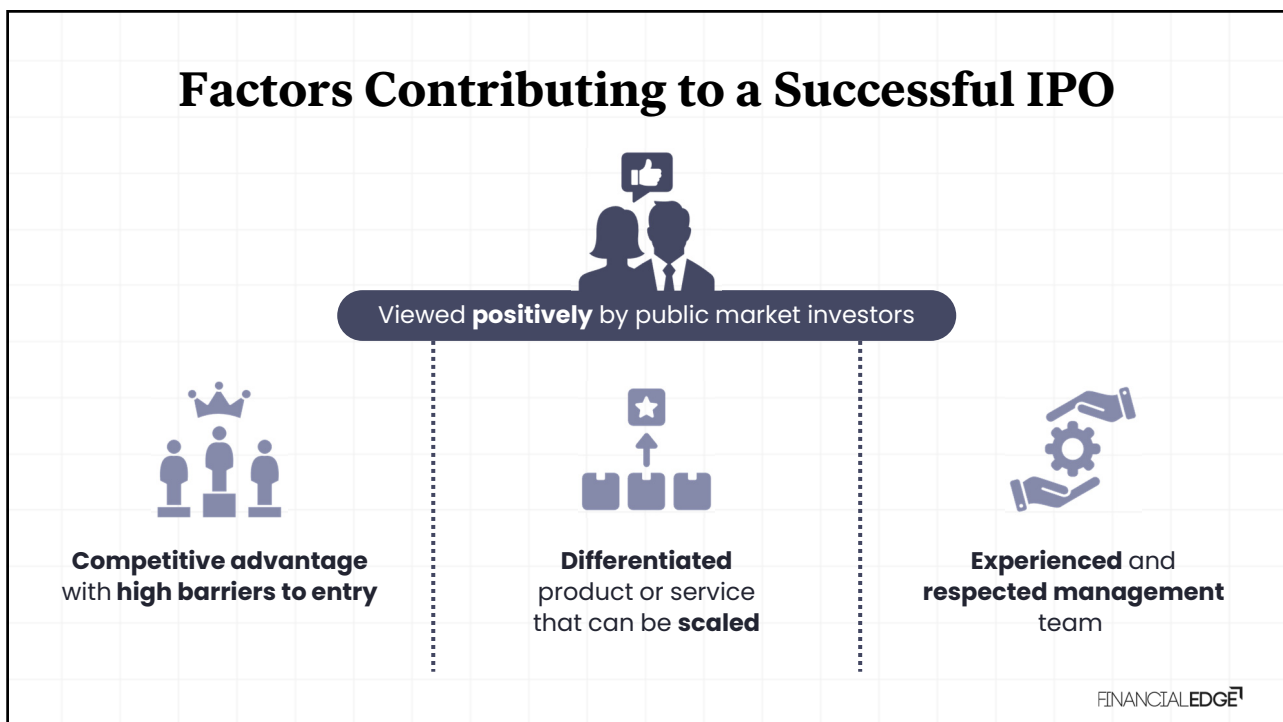
Source: Jay R. Ritter, Initial Public Offerings: Median Age of IPOs Through 2022

Steps to a Successful Initial Public Offering (IPO)

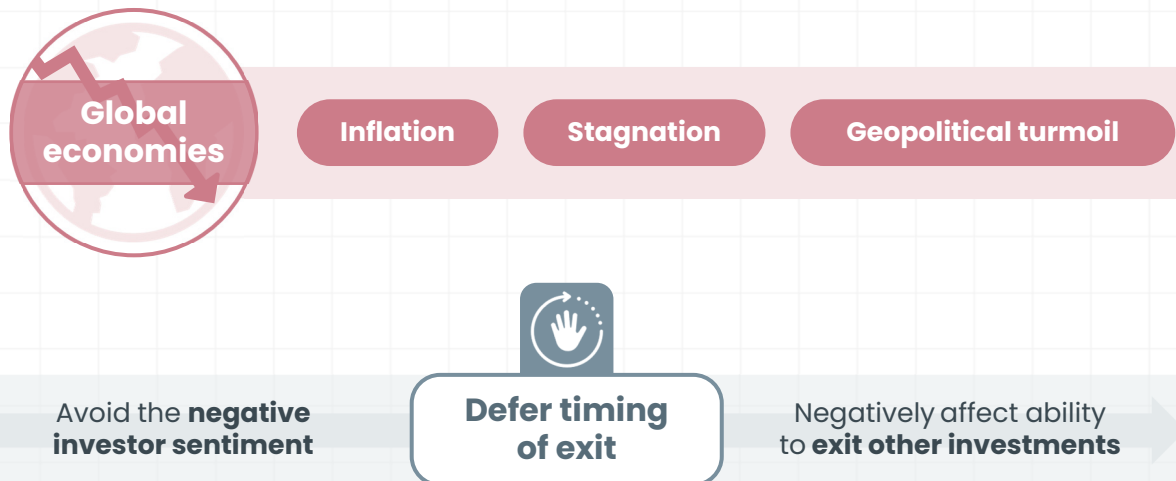
Factors Contributing to a Successful IPO



Factors Contributing to a Successful IPO

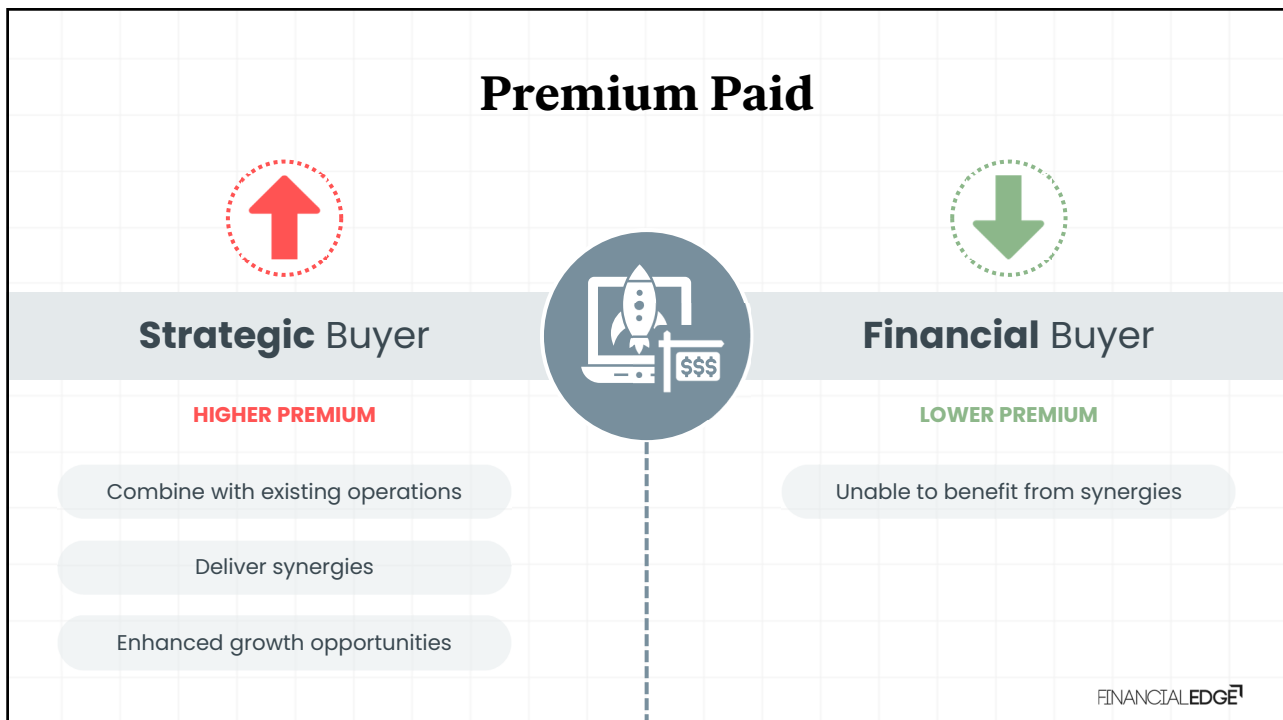
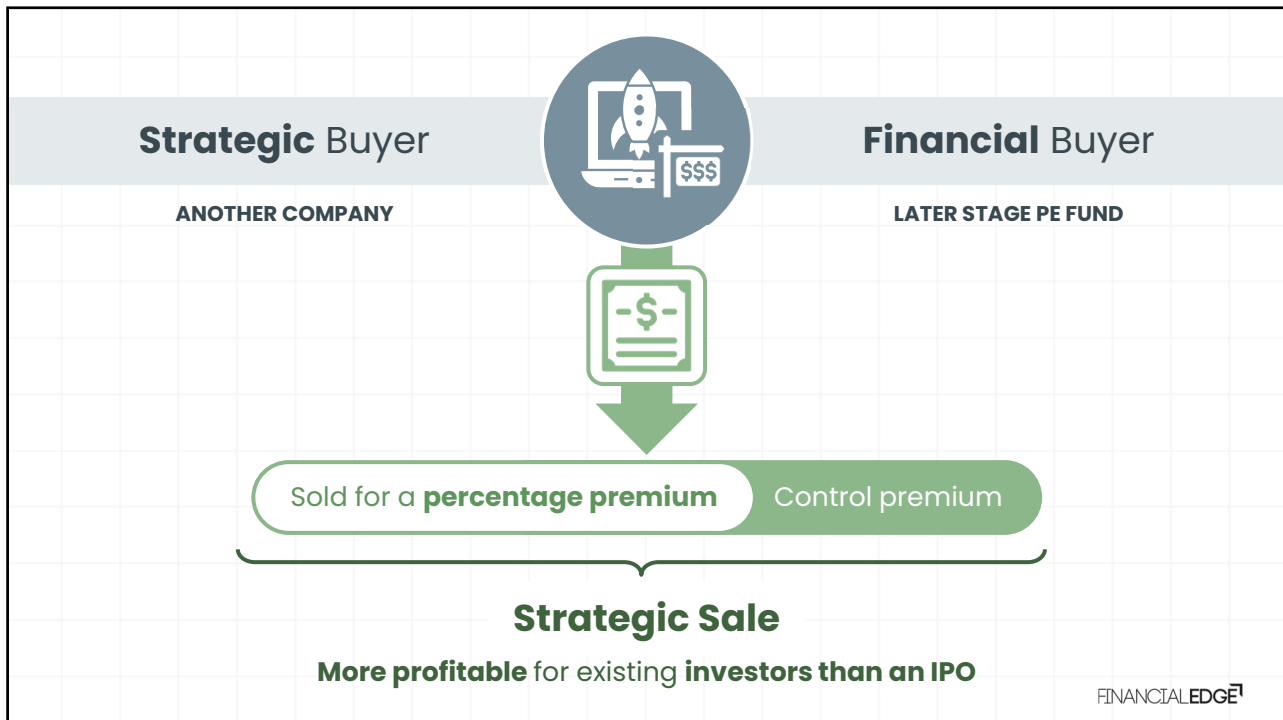


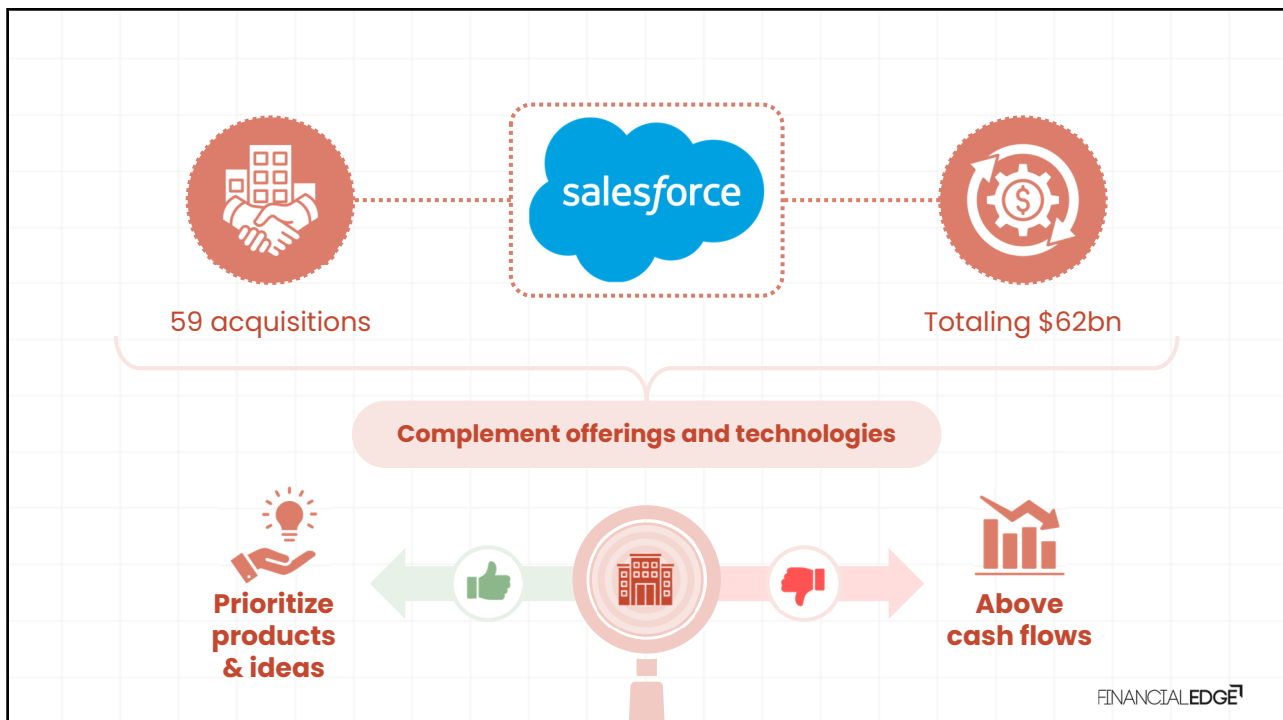
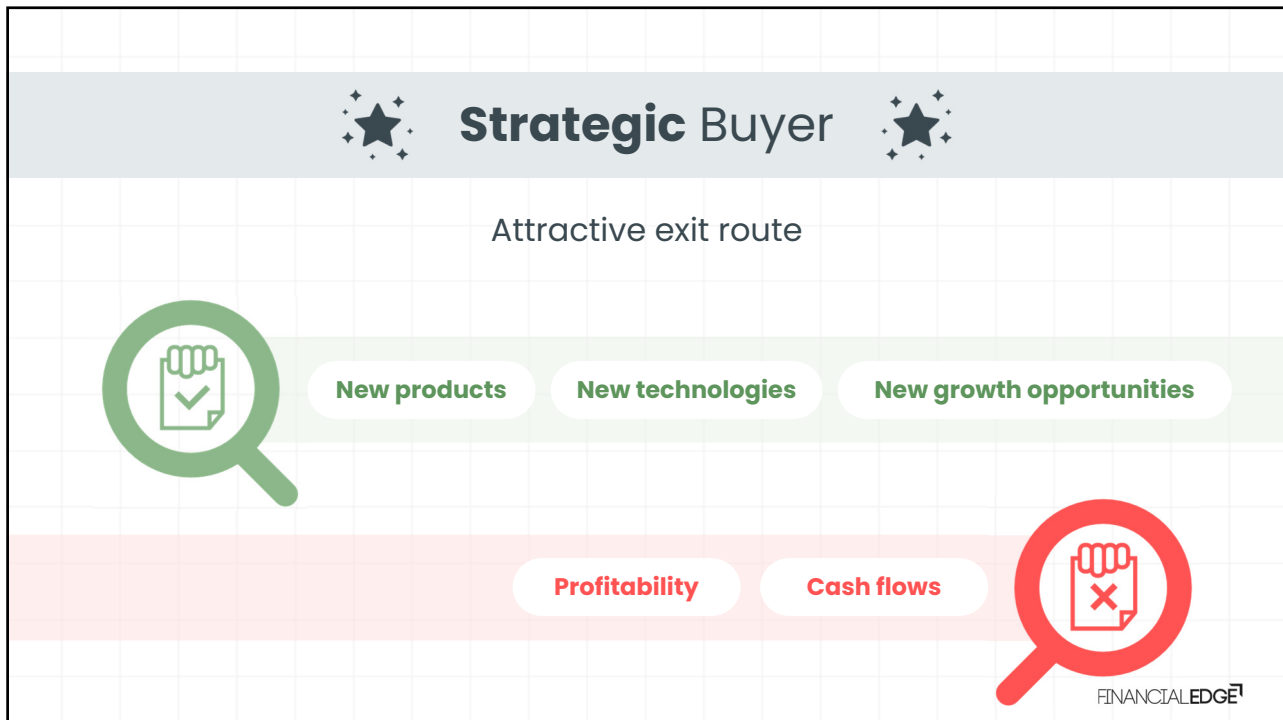
Timing of an IPO

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Sale as an Exit Strategy

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IPO vs Sale Exits

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Strengths & Scalability

Sale Exit



Competitive product offering



Operating in a **niche market**

IPO Exit

Unique & scalable tech product



Phenomenal **growth** (short term)

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Amount of Capital

High-levels of raised capital



Too expensive for a strategic sale

Difficult to find a buyer with **sufficient capital**

Low-levels of raised capital

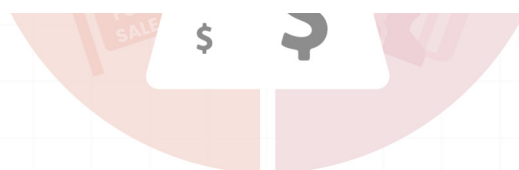


Easier to position for a strategic sale

Higher chance of sale with **multiple buyers**

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Share Buyback, Secondary Sale & Liquidation

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Partial or full ownership stake in a startup company



Share Buyback



Secondary Sale

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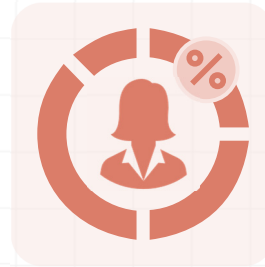
Share Buyback

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Partial or full ownership stake in a startup company



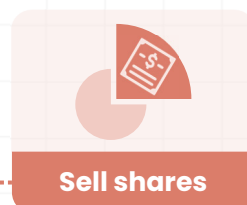
Share Buyback



Secondary Sale



Secondary Sale

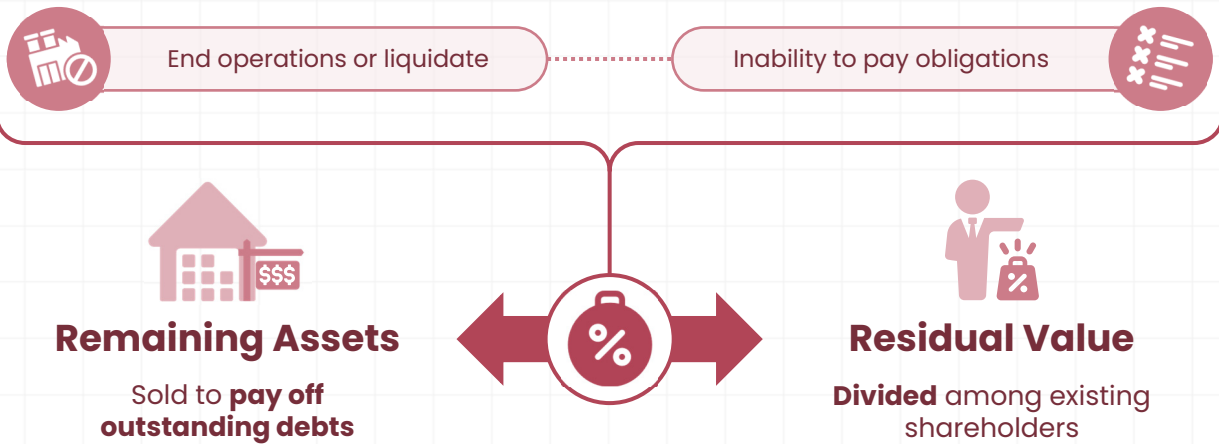


Liquidity event to **return capital**

IPO or sale **not currently viable**

Liquidation (or Bankruptcy)

The **least optimal** exit strategy for founders and VC fund investors

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