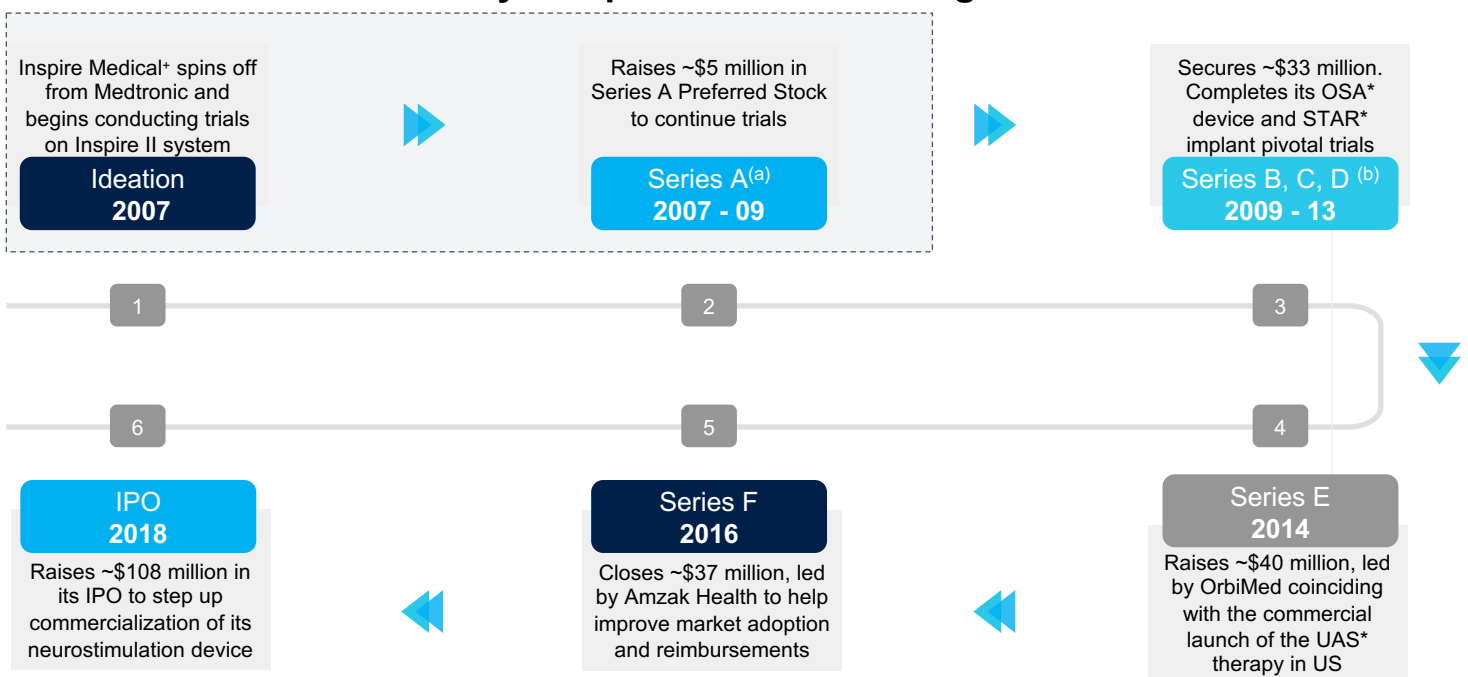


The financing stages of a venture-backed healthcare company

Stage	Description	Participants	Investment
Ideation: Pre-Seed Funding / Angel Round	A company starts off with an idea and needs capital to secure a patent and build a prototype. At this point, the founding team's personal resources and network are the primary source of capital.	Self-Financing, Friends, Family and Business Pitch Events	\$50k - \$250k
Validation: Seed Funding	At this stage, a minimally viable product exists. The founding team conducts a proof of concept to validate product-market fit. This may include conducting studies, securing key collaborators, and seeking regulatory approvals. Seed funding enables this work and allows the company to onboard early team members and vendors.	Incubators, Angel Investors and Crowdfunding Platforms	\$250k – \$5 million
Early Traction: Series A Funding	Next, the company focuses on building out its business and team. Regulatory clearance may be obtained at this stage. New or additional trials may be commenced or completed. Manufacturing, sales and marketing, and reimbursement strategies are determined. The Series A stage marks the beginning of venture capital financing.	Venture Capital	<\$10 million
Scaling: Series B, C, D and Beyond	The company is ready to commercialize, requiring a larger team and incremental funding. R&D efforts and clinical trials may continue. Series B, C, D and further rounds focus on expansion, and improving performance and profitability. Investors begin to evaluate their exit possibilities at this stage.	Venture Capital & Private Equity	\$10 – \$250 million
Further Growth: Private Equity Buyout	When the company has reached a more mature stage, private equity firms may look to acquire or invest, with a plan in place to multiply their investment. This could include restructuring or providing specialized expertise to further increase margins and growth.	Private Equity Players	\$250 million – \$1 billion
Exit Options: Sale / IPO	After successfully scaling, the company may go public. Companies with a proven track record of profitability and growth can have a successful IPO and sell stock to the general public.	Mergers and Acquisitions, IPOs and Share Sales or Buybacks	-

Case Study : Inspire Medical Funding Timeline*



* The foregoing information was collected from publicly-available sources and has not been independently verified. As a result, such information may be inaccurate or incomplete.

* Inspire II's development started in 2001, under Medtronic. Inspire Medical became a separate entity headed by Tim Herbert, ex - Director of Medtronic in 2007

^(a), ^(b) Inspire Medical used its Series A, B, C and D for trials and obtaining FDA approvals.

*OSA : Obstructive Sleep Apnea, STAR : Stimulation Therapy for Apnea Reduction, UAS : Upper Airway Stimulation