

Example: Pre- and Post- Funding Founder Percentages

XYZ, Inc. is valued at \$1M, and an investor writes a check for \$200k. Investor gets 16.67% of the company, because her \$200k gets added to the \$1M as company value when invested, \$200k/\$1.2M=16.67%.

The % ownership decreased for each holder, but the dollar value of their respective portions is the same pre- and post-funding, since each owns a proportionately reduced smaller piece of a bigger (i.e., higher value) pie.

	Common	Options	Total Outstanding	% of Outstanding	Total Fully Diluted	% of Fully Diluted
Founders						
Founder 1	6,800,000		6,800,000	80.00%	6,800,000	68.00%
Founder 2	1,700,000		1,700,000	20.00%	1,700,000	17.00%
Total Founders	8,500,000		8,500,000	100.00%	8,500,000	85.00%
Investors						
N/A						0.00%
Total Investors					0	0.00%
Option Pool						
Employee 1		100,000			100,000	1.00%
Consultant 1		150,000			150,000	1.50%
Total Options Issued		250,000			250,000	2.50%
Options Remaining in Pool		1,250,000			1,250,000	12.50%
Total Options in Pool		1,500,000			1,500,000	15.00%
Total	8,500,000	1,500,000	8,500,000	100.00%	10,000,000	100.00%

68% of \$1M = \$680k value

	Common	Series Seed Preferred	Options	Total Outstanding	% of Outstanding	Total Fully Diluted	% of Fully Diluted
Founders							
Founder 1	6,800,000			6,800,000	64.76%	6,800,000	56.67%
Founder 2	1,700,000			1,700,000	16.19%	1,700,000	14.17%
Total Founders	8,500,000			8,500,000	80.95%	8,500,000	70.83%
Investors							
Investor 1		2,000,000		2,000,000	19.05%	2,000,000	16.67%
N/A							
Total Investors				2,000,000	19.05%	2,000,000	16.67%
Option Pool							
Employee 1			100,000			100,000	0.83%
Consultant 1			150,000			150,000	1.25%
Total Options Issued			250,000			250,000	2.08%
Options Remaining in Pool			1,250,000			1,250,000	10.42%
Total Options in Pool			1,500,000			1,500,000	12.50%
Total	8,500,000	2,000,000	1,500,000	10,500,000	100.00%	12,000,000	100.00%

56.67% of \$1.2M = \$680k value