

How differs from Venture Capital Firms

<u>ConduIT Corporation</u>	<u>Venture Capital Firms</u>
<input type="checkbox"/> Invests directly in portfolio companies at the earliest ("seed") stage.	<input type="checkbox"/> Invest through a fund in later, at growth phase.
<input type="checkbox"/> Forms companies, developing initial business opportunities as a form of hands-on observation and diligence.	<input type="checkbox"/> Conduct extensive due diligence before committing.
<input type="checkbox"/> Executes small, boot-strapped investments/services to achieve proof of concept, first revenues, and profitability or larger investments.	<input type="checkbox"/> Invest larger sums (\$2-3 Million +).
<input type="checkbox"/> Invests from its own balance sheet.	<input type="checkbox"/> Raise capital into a fund.
<input type="checkbox"/> Recognizing that early stage companies are cash constrained, ConduIT is a net contributor of both cash and services.	<input type="checkbox"/> Take fees for post-formation services.
<input type="checkbox"/> Provides capital/Board oversight plus daily management/infrastructural services/sales/marketing/operations.	<input type="checkbox"/> Provide capital/Board oversight.
<input type="checkbox"/> Actively manages a few businesses to pay overhead.	<input type="checkbox"/> Take management fee from fund.
<input type="checkbox"/> Liquidates investments when it maximizes shareholder return.	<input type="checkbox"/> Liquidate fund after pre-determined number of years.
<input type="checkbox"/> Invests for stock, debt, in-kind services, etc - - i.e. highly flexible deal structures.	<input type="checkbox"/> Invest primarily in preferred stock.

