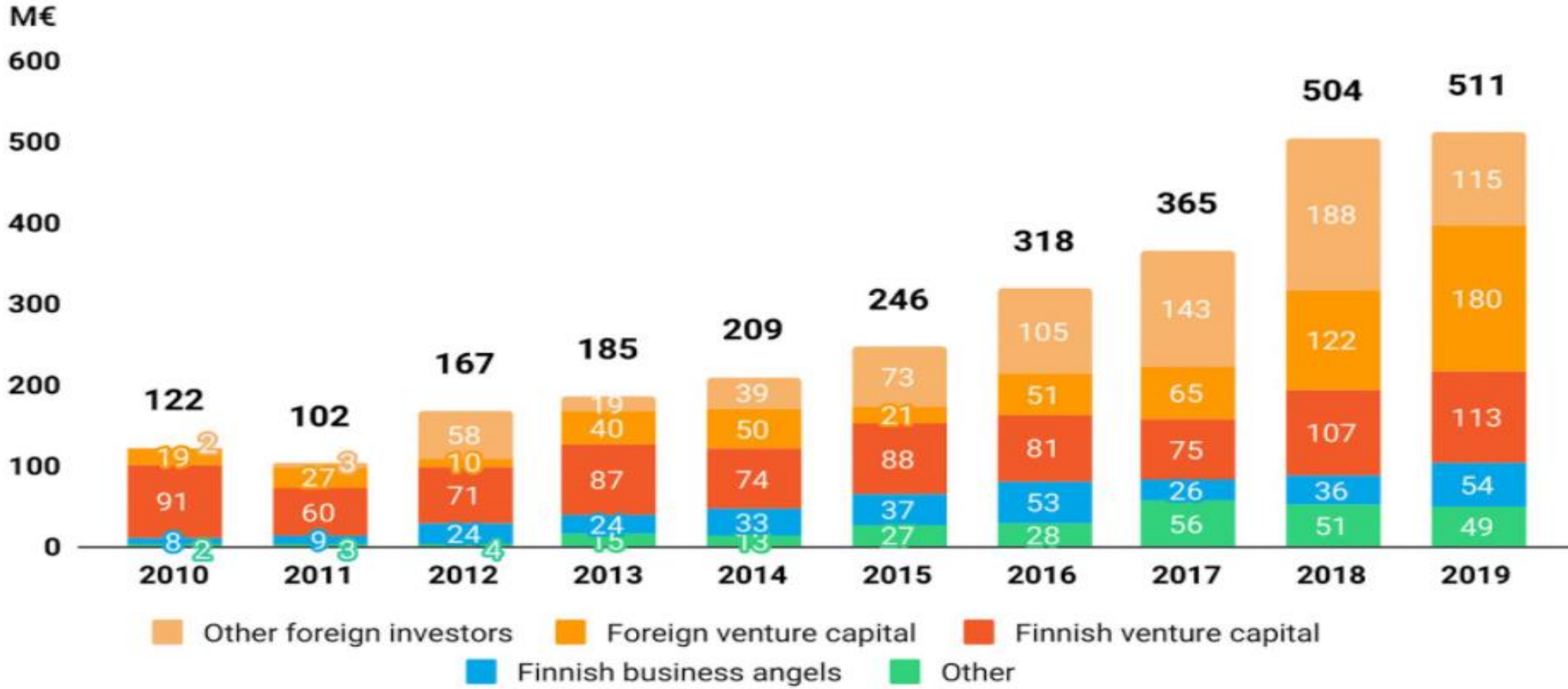


# HOW TO GET YOUR STARTUP FUNDED

Lexia Attorneys  
Growth Academy  
22.9.2020



# FINNISH EARLY-STAGE GROWTH COMPANY FUNDING



Sources: **Finnish business angels:** FiBAN, Finnvera, **Finnish venture capital:** FVCA, EDC, **Other foreign investments:** HBH Investor Services, FVCA, EDC, **Others:** Repo Media, Vigot

# TYPES OF FUNDING

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- Shareholder
  - Loans, share purchase, self-financing (in equity)
- Early stage startup funding
  - FFF, Incubators
- Growth funding
  - Angel investment
  - Convertible debts / Venture Capital / Equity investments / Crowdfunding
- Bank loans (Startup & Growth –loans)
- Bridge financing (incl. Covertibles) & Trade Finance -solutions
- Bonds / Debt Advisory & Syndications / LBO / Investment Banking Advisory (M&As, IPOs...)

# FUNDING OVERVIEW

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- **Seed Funding:**

- Founders, Friends, Family, (Fools), Angels, Early Stage VCs
- Incubators/Accelerators: YC, Idea labs, Citrix Accelerator, 500 Startups, Tandem, Alchemist
  - (Startup Sauna, Spinno, Aalto Startup Center, Newco Factory, no equity deals)

- **Convertible Bonds / Notes**

- Typically between €50k to €1-2M
- Debt that converts into (preferred) equity/shares e.g. in the "next qualified financing"
- Conversion ratio (amount/valuation, discount)
- Interest (yearly, in kind)
- Automatic / company or investor to decide (multiple options)
- Additional rights (if any); management rights, board seat and protective provisions (vs bank loan?)

# FUNDING OVERVIEW

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- **Venture Capital**

- Valuations
- Preferred Stock
- *Veto* rights
- Value-add (active investor)

- **Strategic Transactions**

- Licensing Arrangements
- Revenue Share; Affiliation Agreements; Reseller Agreements
- Mergers and Acquisitions

# EQUITY DEALS

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- **Avoid:** (Over) dilution? > Delaying dilution
- **Know:** What is available at certain stage/phase
- **Consider:** Types and impact of new equity
- **Seek:** “Wise money”
- **Look out for:** Issues that may affect future financing
- **Secure key competence:** How to prove profitable scalability





Have a long-term  
financing plan

Investment plan –  
how will you use it

Takes longer than  
expected

Seek advice and  
assistance





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