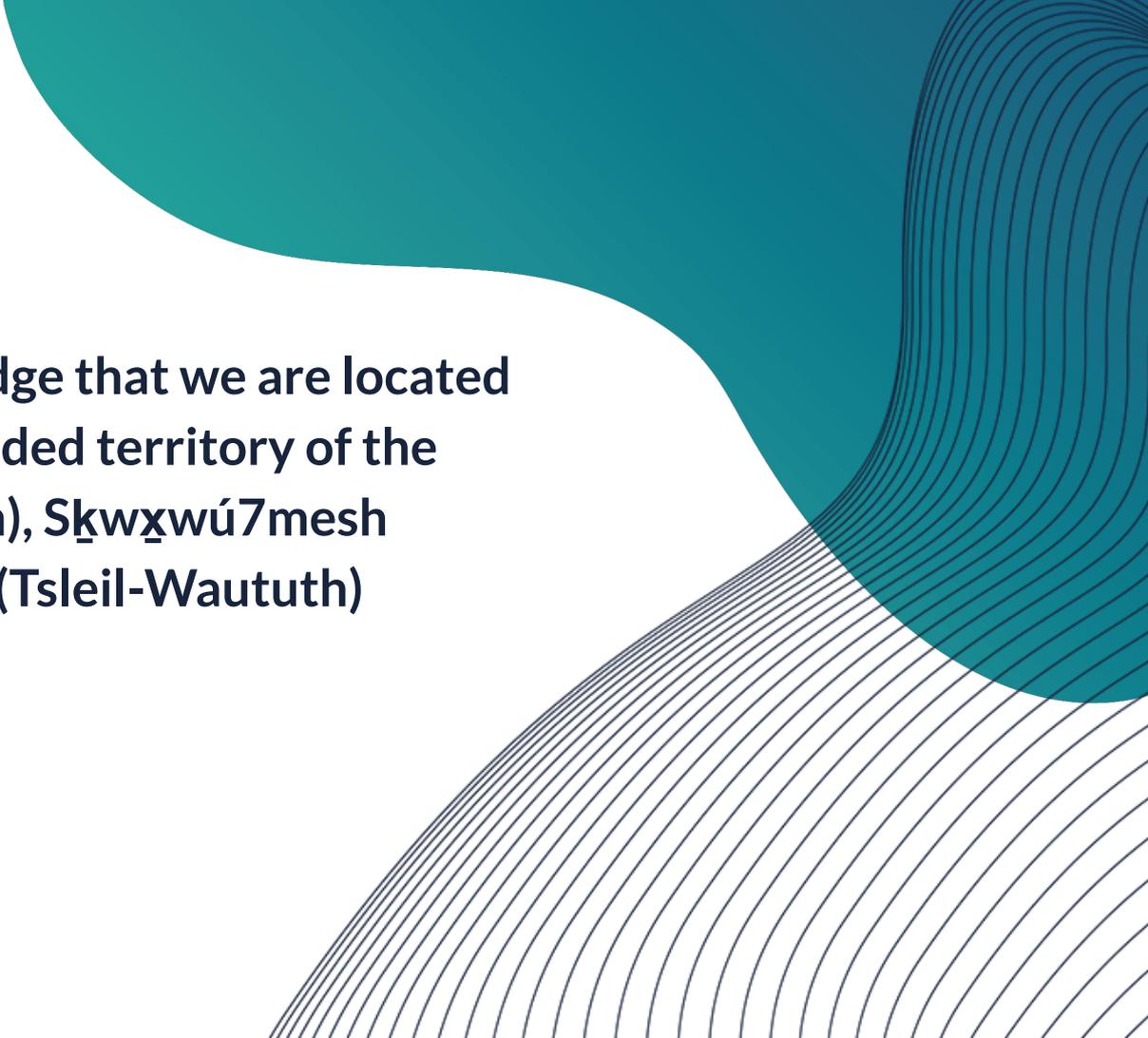




SPRING

Funding Fundamentals

A large teal abstract graphic on the right side of the page, featuring a solid teal shape at the top and a series of thin, curved lines that create a sense of depth and movement, resembling a stylized wave or a topographical map.

We respectfully acknowledge that we are located on the traditional and unceded territory of the x^wməθk^wəy̓əm (Musqueam), Sk̓wx̓wú7mesh (Squamish), and səlilwətał (Tseil-Waututh) Nations.



New Ventures BC



Change the
world through
innovation.



Certified



Corporation

60

50+ Global
Communities

110

100+ Ecosystem
Players Supported

\$40M

\$30+ Million
Raised

2000

1500+ Alumni
Trained

500

500+ Companies
Supported



250

Investors
Trained

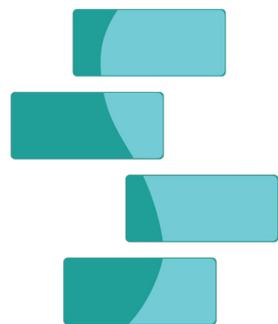
300

300+ Investor
Community

500

500+ Mentors





SPRING
INVESTING
COLLECTIVE

SPRING IMPACT

CAPITAL

Goals for Today

- ❑ Overview of funding cycles
- ❑ Data room structure
- ❑ Starting your investment round
- ❑ Gain familiarity with investment terms

Using our time together wisely

1. You are welcome to engage throughout the session
2. First name and company name the first time to engage please
3. “Dictionary” rule - say dictionary if you hear any word you are unfamiliar with.

I'm Keith

- Husband & father
- 5 startups
- Entrepreneur, Angel Investor



NADA.



SPRING





SPRING

What do you wish you had known before you started your fundraising journey?

Fundraising Fundamentals

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What are you exchanging for capital?

Dilutive Capital



Money in exchange for equity
(ownership)

Examples: Equity or SAFE
investments from angels, VCs,
equity crowdfunding

Non-Dilutive Capital



Money in exchange for something
other than equity

Examples: loans, credit, grants,
sales revenue, crowdfunding,
revenue-backed financing

TIP: Funding Cycles

- Deals move at the speed of relationships
- Build your data room early to speed up due diligence
- Plan for any fundraising efforts to take 2-3x longer than you think



How long does it take to close?

Time (in weeks)

2-6

4-52

4-16

12-26

16-52

You +
Friends & Family

Revenue

Grants & Loans

Crowdfunding &
Equity
Crowdfunding

Equity

Due Diligence Questions

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What is Due Diligence?

Simply put, Due Diligence is the homework an investor does on your company to make an investment decision

An Investor's Perspective

- ❑ Do I like you and your team?
- ❑ Is this product/solution/service exciting to me?
- ❑ Do you know your market and competitors?
- ❑ Is this market big enough?
- ❑ How is the company charting a path of growth?
- ❑ When is the right time for an exit?

Do I trust you and your team with my money

Why Investors do Due Diligence?



- The company business model,
- Market
- Get to know the team
- YOUR process

- Assumptions on ownership, clients, operations, etc
- Team qualifications, reputation

- Decision on fit
- Mitigation of risks
- Terms of the deal



Types of Due Diligence

Business/ Technical
<ul style="list-style-type: none">● Operations● Team● Strategy● Sales & Marketing● etc

Financial
<ul style="list-style-type: none">● Historicals● Budget● Accounting policies● Tax

Legal
<ul style="list-style-type: none">● Ownership● Governance● Share rights● Contracts● Licensing● IP



For early stage investments, 90% of time is spent here

Data Rooms

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Data Rooms unlock capital

- Opportunity to show your prep and organization skills
- Well structured and thorough builds trust with investors
- Avoid sinking with iceberg tasks



Your Data Room Categories

Corporate Information



Customer Information



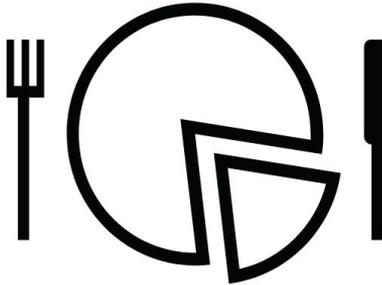
Financials



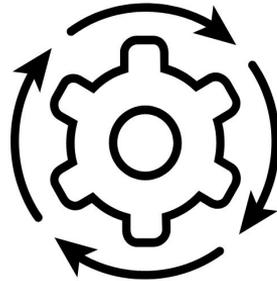
Team



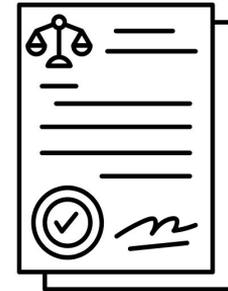
Market Information



Product & Operations



Legal



Best Ways to Share

- Shareable folder
 - Extra security - OrangeDox or Carta (trackable)
- Share the folder early
 - as soon as they express interest
- Q&A document - an FAQ that keeps growing
 - Talking points for other investor interviewees
- NDA
 - keep the process as frictionless simple as possible
- Monthly update emails
 - to complement the information and share progress



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**What do you wish you had started
sooner?**

Tips and Tricks

- Create your co-founder agreements EARLY!
- Put 50% of your cash in
 - Don't use personal credit cards
- Don't use personal email
- Believing you can do everything yourself

Getting Started

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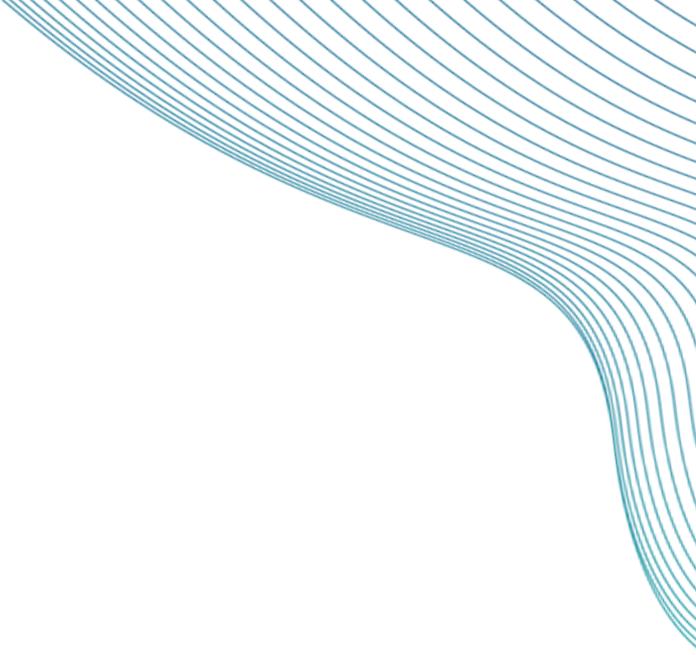
Why do you need capital?

- What would be possible if you had X\$?
 - Who would you hire?
 - What impact would you have?
 - What would success look like?
- Beyond money, what would you need to get you there?
 - What kinds of relationships?
 - What kind of team?
- Where are returns going to come from?
 - Revenue with a strong profit margin?
 - M&A? IPO?

8 steps to get started

1. Set goals for the round
 - Amount, by when, ideal investors
2. Define the ideal investor and identify targets
 - AngelList, CrunchBase, Gust, LinkedIn, Hockeystick
3. Select a lawyer with experience with funding rounds
 - You wouldn't get a painter to fix your car
 - Start with the financing docs, then the term sheet
4. Build your 3-5 year forecast
 - Ideally 3 scenarios: Base, best, and worst



- 
5. Start your Due Diligence folder
 - Dropbox or Google Drive
 6. Build your pitch deck
 - Get it reviewed (at least 3-4 people)
 - Practice 12 times
 7. Identify ways to get warm intros to key investors
 8. Start to reach out!
 - Warm intros & do your homework on them

Managing the Funnel

A decorative teal-colored graphic at the bottom of the slide, consisting of a series of smooth, wavy lines that create a sense of movement and depth.

Managing the Funnel

1. Initial Call / Meeting
- ↓
2. Interested? (10%)
- ↓
3. Follow-up Meeting (25%)
- ↓
4. Due Diligence Commences
- ↓
5. You Verbally Commit (50%)

6. Additional due diligence



7. Reviewing paperwork (60%)



8. Negotiation (70%)



9. Signed paperwork (90%)

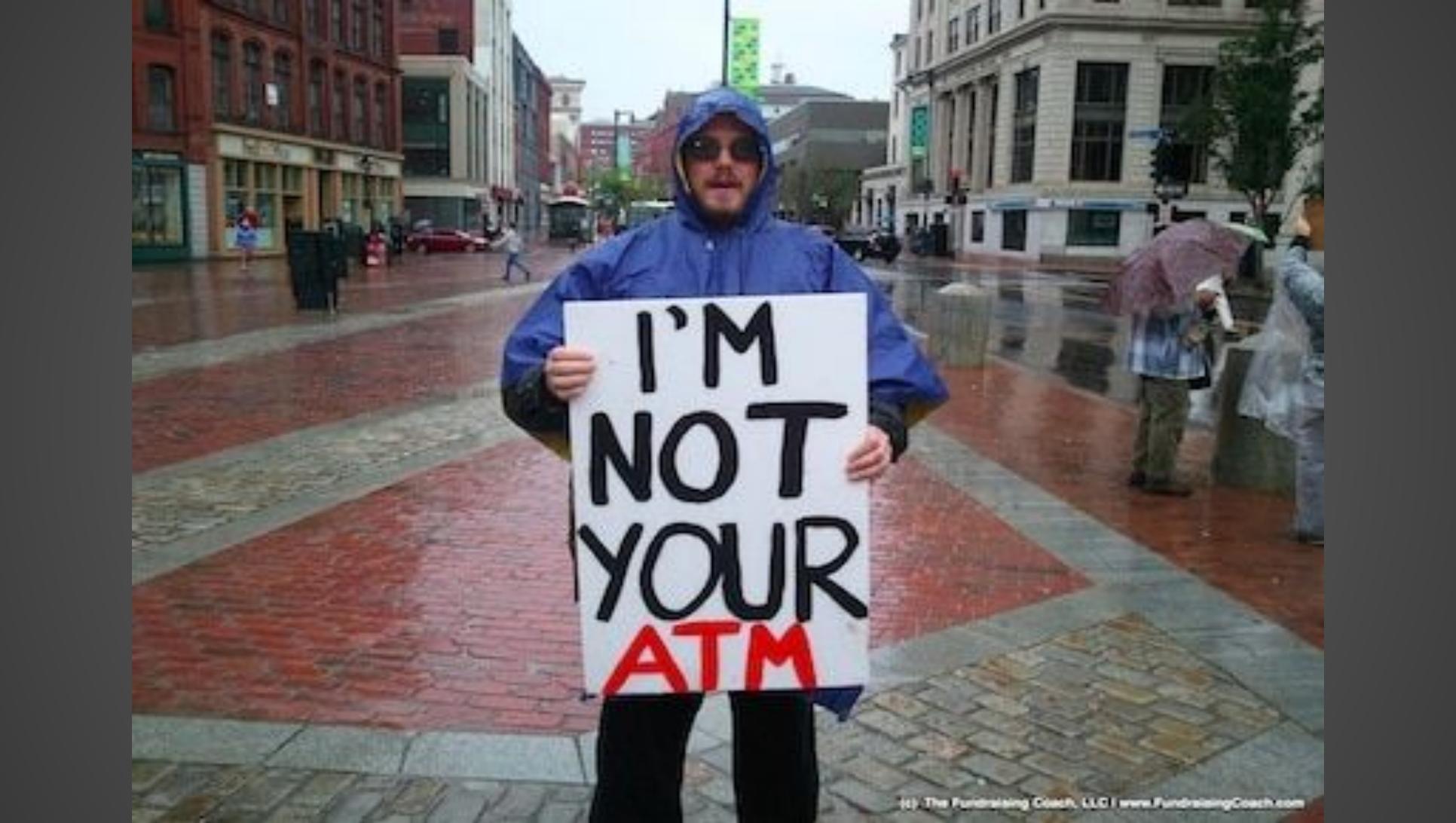


10. Money clears the bank!! (100%)



The background features a large, solid teal shape in the upper right corner. Below it, a series of thin, curved lines in a lighter teal color create a sense of depth and movement, resembling a stylized wave or a series of overlapping planes. The overall aesthetic is clean and modern.

More than Money

A man wearing a blue hooded raincoat and sunglasses stands in the middle of a city street during a rainstorm. He is holding a large white sign with the text "I'M NOT YOUR ATM" written on it. The sign has "I'M", "NOT", and "YOUR" in black, and "ATM" in red. The street is wet and reflects the buildings and sky. In the background, there are multi-story buildings, some with awnings, and other pedestrians with umbrellas. The overall scene is an urban setting during a rainy day.

I'M
NOT
YOUR
ATM



SPRING

Would you get married on the first date? If not, then don't expect an investor to write a check when you've just met.

A healthy relationship with an investor is a long-term partnership. One where you can be vulnerable, ask for support, and celebrate when things go great.

Finding Alignment

1. Do they know and understand your industry?
2. Do they have experience with your business model?
3. Are their values aligned and do they want to create the same impact?
4. Do they have relationships that can be mutually beneficial?
5. Do they get your geographic market?
6. How + when are they going to get their ROI?

The background features a large teal shape in the upper right corner. Below it, a series of thin, curved lines create a sense of depth and movement, transitioning from a light teal to a white background.

Tips and Tricks







**KEEP
CALM
AND
DRIVE
THE BUS**

A close-up, top-down view of a white clock face. The clock has grey hour markers and three hands: a grey hour hand, a grey minute hand, and a red second hand. A yellow sticky note is stuck to the center of the clock face, partially overlapping the hands. The text on the note is written in a black, cursive script.

time
for an
update

WHEN LIFE

HAPPENS

Discussion

The background features a large, solid teal shape in the upper right corner. Below it, a series of thin, curved lines in a lighter teal color create a sense of depth and movement, resembling a stylized wave or a series of overlapping planes. The overall aesthetic is clean and modern.

Connect With Us

 Spring Activator

 Spring Activator

 @spring_is

 @springactivator

 help@spring.is

 spring.is

Common Paperwork

Paperwork	Description & Purpose	Typical Stage	Negotiation terms
Common share Subscription Agreement	Sell basic shares in exchange for cash	Ideation, pre-seed	Share price
Simple Agreement for Future Equity (SAFE)	Investment that will convert into equity at a certain point	Bridge to: pre-seed, Seed	Valuation discount and/or cap
Convertible Loan Agreement	Loan that will convert into equity at a certain point	Bridge to: Seed, Series A	Interest rate, collateral/guarantees, valuation discount and/or cap
Preferred Equity Subscription Agreement + Shareholders Agreement	Special “preferred” shares in exchange for cash	Series A, B, etc	Special Rights