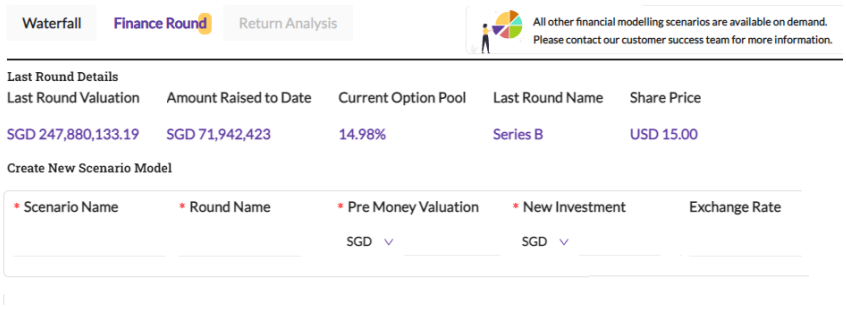
Creating a New Finance Round Scenario

Modified on: Fri, 10 Jun, 2022 at 12:11 PM

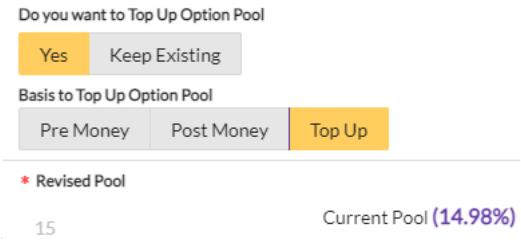
To create a new finance round scenario:

1. Click **Scenarios** in the menu on the left.
2. Click **Perform New analysis**.
3. Select **Finance Round**.



3. Under Create New Scenario Model, type the **Scenario Name**.
4. Enter **Round Name**.
5. Enter **Pre Money Valuation**.
6. Enter the amount of **New Investment** expected.
7. Enter the **Exchange Rate**, if applicable.
8. **Do you want to Top Up Option Pool** option allows you to include a percentage of fully diluted shares that will be available post-closing for employees. This means that the option pool will get topped to equal the percentage of the fully diluted shares specified.

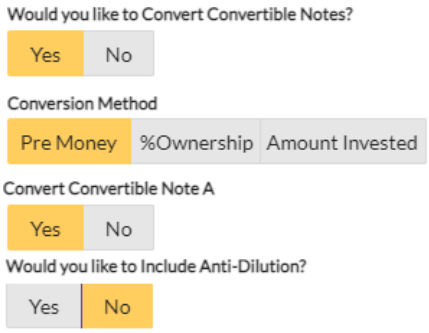
- Select **Yes** in **Do you want to Top Up Option Pool** to add a new top up percentage.



i. Next, you are able to specify the logic to calculate the size of the Option Pool following the funding round. This can be done on**:**
   1. **Pre Money** basis for the option pool to be calculated based on pre-money valuation specified. Option pool is calculated first, before the calculations are applied for the incoming investors. This will result in the pool being diluted by the incoming investments.
   2. **Post Money** basis for the option pool to be calculated based on post-money valuation specified. Post-money valuation includes additional investment amount specified on top of the pre-money valuation stated. Only once allocated to the new investors, only then the calculations for the pool are done, ensuring it matches the specified percentage.
   3. **Top Up** to a specific amount will calculate the amount to be allocated to the pool concurrently with the incoming investors, resulting in their immediately dilution when compared to the post money approach.

- Select **Keep Existing** in **Do you want to Top Up Option Pool** if you want to retain the current option pool with no top ups to it.

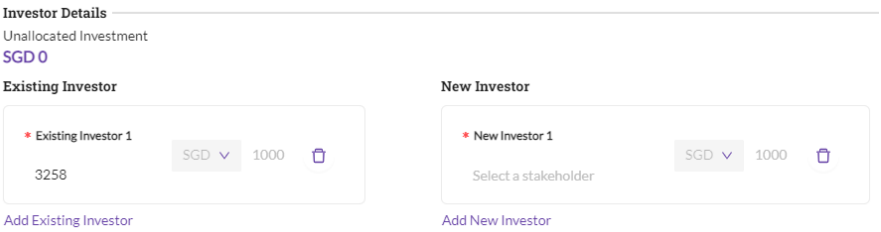
9. If you select Yes in **Convert Convertible Notes?**



- Select the appropriate **Conversion Method**. It can be Pre Money, %Ownership, or Amount Invested.
- Select **Yes** in **Convert Convertible Note A**, or the relevant applicable class of Convertible Notes to have them included in the modelled conversion.

10. Select **Yes** in **Would you like to Include Anti-Dilution?** if you want to model the impact of Anti-Dilution clauses set in an event of a down round. This will enable the model to apply the clauses attached to the relevant security classes to offset the impact of dilutive effects for your scenario.

11. Under Investor Details, the number of Unallocated Investment is displayed.
12. You can add either existing investor(s) or New Investor(s), if known to calculate the required allocation to them in the new round



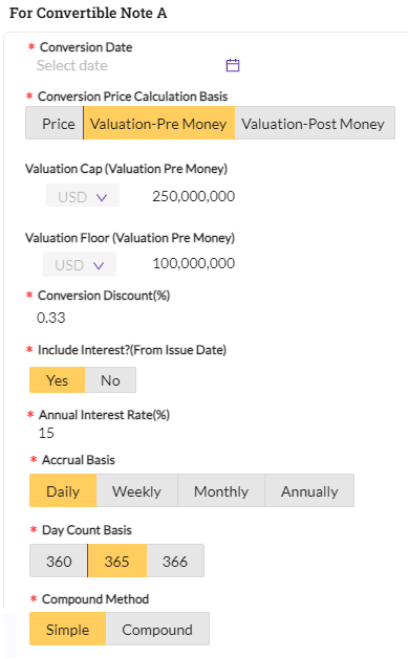
- Click **Add Existing Investor**
  - i. Select the **Existing Investor 1**.
  - ii. Enter the amount of investment allocated to this investor.
- Click **New Investor**
  - i. Select the **New Investor 1**.
  - ii. Enter the amount of investment allocated to this investor.

13. Under Total Amount Invested, the following are displayed:

- Investment by Existing Investor
- Investment by New Investor
- Unallocated Investment

If you have clicked yes in **Convert Convertible Note A**, or the other relevant Convertible Notes class, you will be asked to set the parameters for the conversion

14. Click **Next**.



15. Select the **Conversion Date**.
16. Set the **Conversion Price Calculation Basis**. This can be Price Valuation-Pre, Money Valuation-Post Money, or Valuation Cap (Valuation Pre Money).
17. Enter the **Valuation Floor** (Valuation Pre Money).
18. Enter the **Conversion Discount (%)**.
19. Select Yes or No to **Include Interest? (From Issue Date)**.
20. Enter the **Annual Interest Rate (%)**.
21. Set the **Accrual Basis** periodicity. It can be Daily, Weekly, Monthly, or Annual.
22. Set the number of **Day Count Basis**. This can be 360, 365, or 366. This depends on how it is called. A 360-day convention is common in money markets/short term maturity.
23. Select the **Compound Method** for the interest rate.
24. Click **Save Scenario**.