



Conversion of a Leapfunder Round

- You have raised funding through a Leapfunder Note. A Qualifying Event has triggered conversion. What will happen now?
- One of the following Qualifying Events has occurred:
 - An investor invests > €100k in cash in new shares
 - The startup is acquired or there is some other change of control
 - The final conversion date is reached. The date can be found in the information memorandum
- At the Qualifying Event:
 - When a Qualifying Event occurs the Leapfunder Note will be turned into shares in a Special Purpose Vehicle. Unless the investor and the startup both prefer cash repayment, which is possible but is rare
 - Start-up CEO should notify investors about the conversion in the Leapfunder CEO Update or in a separate email as soon as possible
- The mechanics of conversion:
 - CEO calculates the conversion equivalents of the Leapfunder Notes
 - Leapfunder can provide Excel templates for this
 - We have a network of trained independent professionals who can perform the calculation for a small professional fee
 - The notary assigned to the round during the original transaction handles the creation of the Special Purpose Vehicle in your jurisdiction (you can see who this is in your signed agreement with Leapfunder.)
 - After creation the Special Purpose Vehicle will issue the required SPV Shares to the Leapfunder investors
 - CEO notifies investors that the SPV Shares have been issued and sends a copy as proof
 - In some jurisdictions investors may need to visit their own notary for identification, to enjoy the full rights attaching to the SPV Shares