



## Agreeing a conversion price with the start-up at the final conversion date

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- You have a Leapfunder Note investment in a start-up. Time has passed without a qualifying event, and the final conversion date is nearing. On that date the conversion needs to be carried out. How do we determine the conversion price together with the start-up? Or can we simply agree an extension of the Leapfunder Note?
  - The approach below can be used more broadly. If there has been a qualifying event but the implied share price is not clear, for example, then you can also use the steps below to determine the price
- The start-up and the investors have a few options:
  1. Agree an extension of the Leapfunder Note during a formal Leapfunder Note investor meeting
  2. Agree a conversion price with the start-up during a formal Leapfunder Note investor meeting:
    1. If 75% of the investors agree to a proposal then: you're done. The price will be binding for all
    2. If 51% of the investors agree, and subsequently an independent expert says the price is within a reasonable range: you're done. The price will be binding for all. Contact Leapfunder for such an independent expert
  3. If you can't agree a price at all: get an independent expert to carry out a valuation. Contact Leapfunder for such an independent expert
- In practical terms:
  - Asking an independent expert to help you is expensive. Better if you can make an agreement with the start-up that has a 75% majority
  - If you need an independent expert to help you with a valuation: contact Leapfunder first. We will make a binding recommendation on who will do it
  - If you need help organizing a formal Leapfunder Note investor meeting: contact Leapfunder. We have guides to help you through the process. However, normally the start-up CEO takes the lead in organizing everything