



Setting up a Leapfunder Special Purpose Vehicle for your Leapfunder Note investors

- You have raised funding through a Leapfunder Note. There has been a qualifying event, or you have agreed a conversion in another way. The start-up is responsible for managing the set-up of the SPV. What needs to happen?
 - The start-up is responsible for setting up the SPV, but you cannot do this without the support of a legal professional
 - Leapfunder uses pre-approved legal professionals. Please ask Leapfunder to put you in touch with the relevant legal professional in your jurisdiction
 - A conversion requires a number of calculations to be carried out carefully. The start-up is responsible for the accuracy of these calculations, but:
 - Leapfunder has template spreadsheets which you can use
 - You may wish to have a formal double-check carried out by an accountant or another independent professional. Leapfunder can put you in touch with the relevant independent expert in your jurisdiction
- The steps the start-up needs to go through:
 1. Contact Leapfunder for an introduction to the process
 2. Calculate the conversion equivalents, using a standard model or otherwise
 3. Optional: have your calculation double-checked by an independent professional
 4. Optional: submit your checked calculations to your Leapfunder investors for a review
 5. Instruct the legal professional that you wish to create the SPV, they will guide you through the legal process
- Some practical tips:
 1. Split your shares to a very small denomination to avoid rounding errors on smaller investments. (In some jurisdictions you can split the nominal value down to E 0.001. If that's possible: it's helpful.)
 2. Work with some of your main investors in calculating the conversion equivalents. Because they have a direct interest they usually give you the best challenges & feedback