

TRANSACTION PATHWAY

Start-Up Initial Business to Funding Pathway

SEPTEMBER 2022



This Pathway sets out all of the steps to building a business and getting it ready for funding. From building a business plan, to creating growth metrics and getting investor due diligence ready, this Pathway will guide you on the various activities you need to complete.

STAGE	TASKS	TASK FORMS	TASK DOCUMENTS
Company Information	<ul style="list-style-type: none"> ➤ Review onboarding summary and application form ➤ Introduction to the KIDD ➤ Basic Company Information ➤ Company Marketing information ➤ Company Appointments ➤ Authorised Signatures Cygnetise Link ➤ Management Team information ➤ Company Stage ➤ Seeking Support? ➤ Employees ➤ Consultants ➤ Authorised signatories confirmed 	<ul style="list-style-type: none"> ➤ Venture Application ➤ KIDD Template ➤ Basic Company Information ➤ Company Marketing Information ➤ Company appointments form ➤ Authorised Signatures Cygnetise Link ➤ Description of Management and Abilities form ➤ Company Stage form ➤ Business Support Required form ➤ Employees ➤ Consultants ➤ Authorised Signatures Template Document 	<ul style="list-style-type: none"> ➤ KIDD Template ➤ Authorised Signatures Template Document
Venture Development	<ul style="list-style-type: none"> ➤ Phrase that Pays ➤ Business Summary ➤ Assess and build metrics around Product Market Fit ➤ Start Business plan ➤ Intellectual Property Review ➤ Management Team ➤ Introduction to the KIDD ➤ Regulation by any professional body? 	<ul style="list-style-type: none"> ➤ Develop your one-line elevator pitch ➤ 500-word description of your business ➤ The description on business plan ➤ Is all IP owned by business ➤ Key Resources in the team form ➤ Build KIDD documentation 	<ul style="list-style-type: none"> •

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Governance	<ul style="list-style-type: none"> ➤ Corporate Governance ➤ Financial Governance ➤ Advisors – legal, accounting /tax/business ➤ Introduction to the KIDD 	<ul style="list-style-type: none"> ➤ Corporate Governance- form ➤ Financial Governance- form ➤ Advisors – legal, accounting /tax/business- form ➤ Build KIDD documentation 	
Financial Highlights	<ul style="list-style-type: none"> ➤ Financial Highlights ➤ Revenue Model ➤ Currency and Jurisdiction ➤ Revenue in the preceding 12 month period ➤ Current actual revenue ➤ Financial Analysis ➤ Pre-money valuation 	<ul style="list-style-type: none"> ➤ Financial Highlights ➤ Revenue Model ➤ Currency and Jurisdiction ➤ Revenue in the preceding 12 month period ➤ Current actual revenue ➤ Most recent financial year end ➤ Has this been validated by an external party? 	
Legal & Regulatory	<ul style="list-style-type: none"> ➤ Contractual Status of Management Team ➤ Status of any supplier or customer contracts ➤ Key person insurance ➤ Corporate insurance ➤ Any company disputes? ➤ Company filings ➤ Regulation by any professional Body? ➤ Introduction to the KIDD ➤ OneNDA ➤ OneNDA Word V2 	<ul style="list-style-type: none"> ➤ Contractual Status of the Management Team – form ➤ Status of any supplier or customer contracts – form ➤ Key person insurance – form ➤ Corporate insurance – form ➤ Any company disputes? – form ➤ Company filings ➤ Build KIDD documentation ➤ OneNDA ➤ OneNDA 	<ul style="list-style-type: none"> ➤ OneNDA Fillable V2 ➤ OneNDA Word V2
Investment Analysis	<ul style="list-style-type: none"> ➤ Dollar raise ➤ Use of Funds 	<ul style="list-style-type: none"> ➤ Dollar raise ➤ Use of Funds 	

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	<ul style="list-style-type: none"> ➤ Investment structure ➤ Equity-preference or ordinary shares ➤ Debt-convertible loan/business loan ➤ Share option issues/share option plans ➤ Grants ➤ Pre-money valuation ➤ If raising funds in UK – SEIS/EIS qualification? ➤ Have you raised funds under EIS/SEIS ➤ Current Funding Status ➤ Have you closed any investment in the current fundraising round? ➤ Any pledges of investment in this current round? ➤ Funding ask, use of funds, cash flow & exit strategy 	<ul style="list-style-type: none"> ➤ Investment structure ➤ Equity-preference or ordinary shares ➤ Debt-convertible loan/business loan ➤ Share option issues/share option plans ➤ Grants ➤ Has this been validated by an external party? ➤ If raising funds in UK – SEIS/EIS qualification? ➤ Have you raised funds under EIS/SEIS ➤ Current Funding Status ➤ Have you closed any investment in the current fundraising round? ➤ Any pledges of investment in this current round? ➤ Funding ask, use of funds, cash flow & exit strategy 	
Financials	<ul style="list-style-type: none"> ➤ Suitably qualified FD? ➤ Director Loans ➤ The Balance sheet reflects all intangible assets or investments ➤ Create 5-year revenue projection ➤ Complete relevant sections of KIDD as applicable ➤ Current cap table including shares and 	<ul style="list-style-type: none"> ➤ Suitably qualified FD? ➤ Director Loans ➤ The Balance sheet reflects all intangible assets or investments ➤ Create 5-year revenue projection ➤ Complete relevant sections of KIDD as applicable ➤ Current cap table including shares 	

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	<ul style="list-style-type: none"> share options already granted ➤ Cap Table Example ➤ Indicative cap table post-exercise of share options and any conversions to equity ➤ Shareholder Rights ➤ Introduction to the KIDD 	<ul style="list-style-type: none"> and share options already granted ➤ Cap Table Example ➤ Indicative cap table post-exercise of share options and any conversions to equity ➤ Shareholder rights ➤ Build KIDD documentation 	<ul style="list-style-type: none"> ➤ Cap Table Example
KPI's/Metrics/Growth Factors	<ul style="list-style-type: none"> ➤ Develop and build table ➤ TAM/SAM ➤ Product Market Fit ➤ Customer acquisition ➤ Revenue Generation ➤ Complete Business Plan ➤ Update due diligence room with documents for investors ➤ Introduction to the KIDD 	<ul style="list-style-type: none"> ➤ Develop and build table ➤ TAM/SAM ➤ Product Market Fit ➤ Customer acquisition ➤ Revenue Generation ➤ Complete Business Plan ➤ Update due diligence room with documents for investors ➤ Build KIDD documentation 	
Funding/Closing	<ul style="list-style-type: none"> ➤ Term Sheet ➤ Shareholders Agreement ➤ Share Subscription Agreement ➤ Legal documents and contracts review ➤ Appoint Lawyers ➤ Authorised signatories confirmed ➤ Authorised Signatures – Cygnetise Link ➤ Legal Document Review ➤ Legal documents signed 	<ul style="list-style-type: none"> ➤ Term Sheet ➤ Shareholders Agreement ➤ Share Subscription Agreement ➤ Legal documents and contracts review ➤ Authorised Signatures Template Document ➤ Authorised Signatures Cygnetise Link ➤ Legal Opinion Review 	<ul style="list-style-type: none"> ➤ Authorised Signatures Template Document

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	<ul style="list-style-type: none"> ➤ Funding Advanced ➤ Funding Activities 		