

2021

VENTURE
DEALS

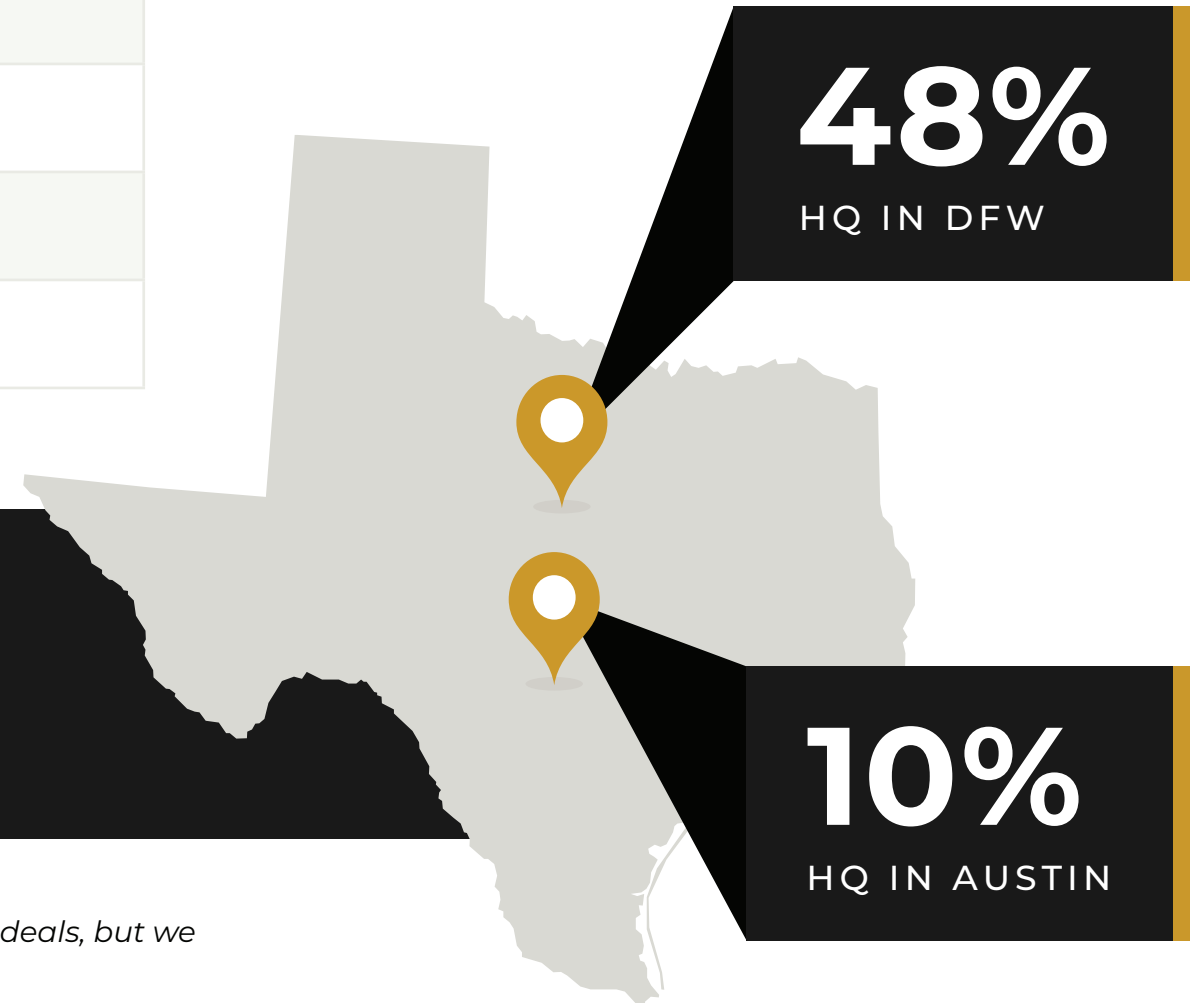


QUALIFYING THE SAMPLE

This study includes 58 deals where VW participated as either company or investor counsel. For the purpose of this study, we only included Series Seed through Series C deals with the following parameters.*

TYPES	SAFEs, Convertible Notes, Preferred Stock
SIZE	\$250K - \$18M
JURISDICTION	United States
YEAR	2021

Nearly half of the deals analyzed came from outside of Texas. This reflects two things -
1) VW's growing national presence
2) Local investors investing outside of Texas



**We facilitated dozens of smaller deals and a handful of larger deals, but we excluded them because they skewed the results.*



\$170.19M

TOTAL RAISED

\$2.93M

AVERAGE RAISE

58

AGGREGATE DEALS
IN STUDY

Convertible Securities Deals

11
Total Convertible Note Deals

Equity Deals

18
Total Series Seed Equity Deals

12
Series A Deals

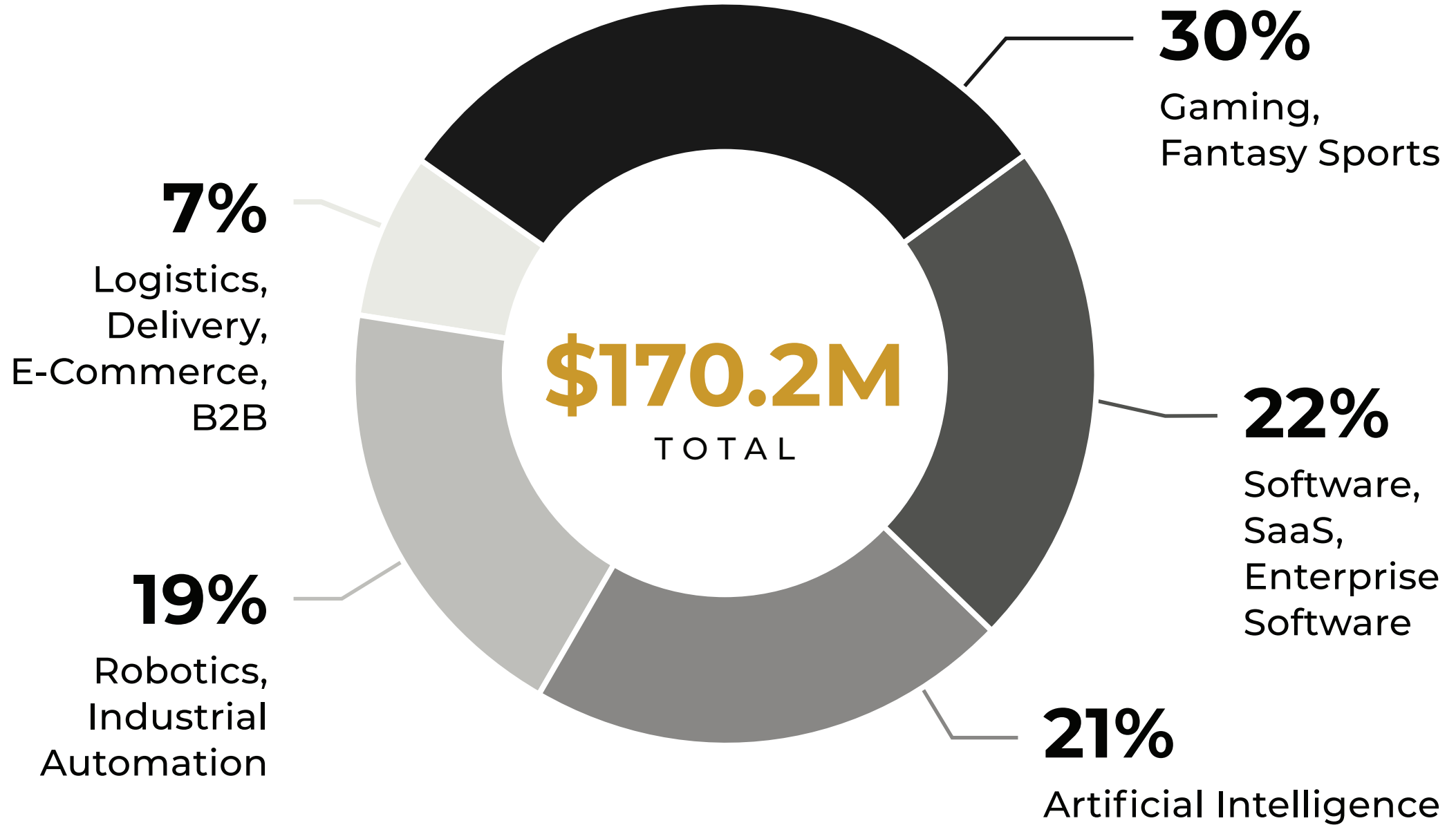
3 Series B Deals

1 Series C Deal

58
DEALS

13
Total Safe Deals

COMPANIES BY INDUSTRY



Equity Financing is the direct investment by investors in exchange for ownership (equity).



18

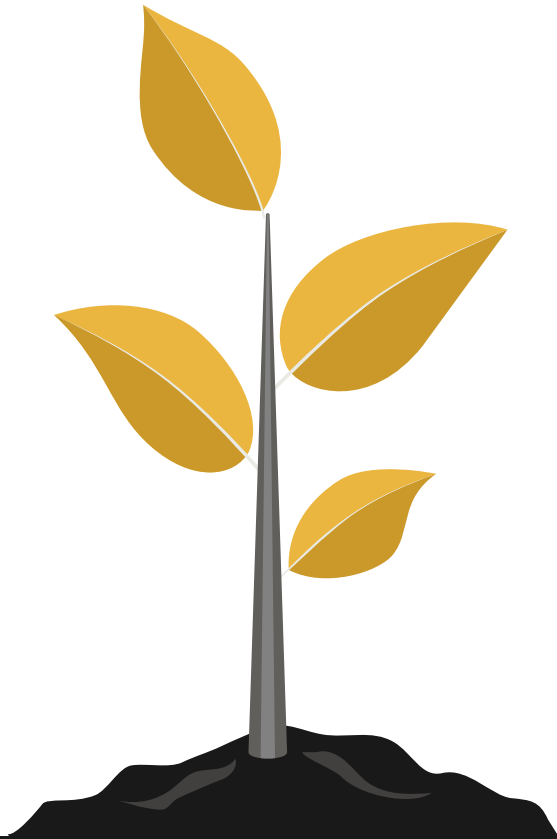
SERIES SEED DEALS

\$38.3M

TOTAL RAISED

\$2.1M

RAISE AVERAGE



12

SERIES A DEALS

\$61.9M

TOTAL RAISED

\$5.2M

RAISE AVERAGE



3

SERIES B DEALS

\$27.2M

TOTAL RAISED

\$9.1M

RAISE AVERAGE

Note the trend in participation from 0% for Seed to 8% for A to 33% for B. This is a typical ask for later stage investors, frequently because the round is flat or distressed. Participating preferred is frequently given by the startup in exchange for a higher valuation.

EQUITY ROUNDS DETAILS

TERMS	EQUITY		
	Series Seed	Series A	Series B
Deal Type	Series Seed	Series A	Series B
Total Raised	\$38.34M	\$61.86M	\$27.20M
Total Deals	18	12	3
Dividends	33%	42%	67%
Participating	0%	8%	33%
Board Seat	61%	92%	100%
Anti-Dillution	83%	100%	100%
Redemption	17%	17%	0%
Average Amount Raised	\$2.13M	\$5.15M	\$9.07M
Average Pre-Money Valuation	\$11.90M	\$18.11M	\$52.53M

CONVERTIBLE NOTE ROUNDS

A Convertible Note is short-term debt that converts into equity at a discount to the next round.



11
TOTAL DEALS

\$12.0M
TOTAL RAISED

\$1.1M
RAISE AVERAGE

The low average demonstrates that convertible notes are typically being used for very early friends & family rounds.

CONVERTIBLE NOTE ROUNDS *MEDIAN TERMS*

25%
DISCOUNT

24
MONTHS
MATURITY

8%
INTEREST RATE

\$5M
MEDIAN
CONV. CAP

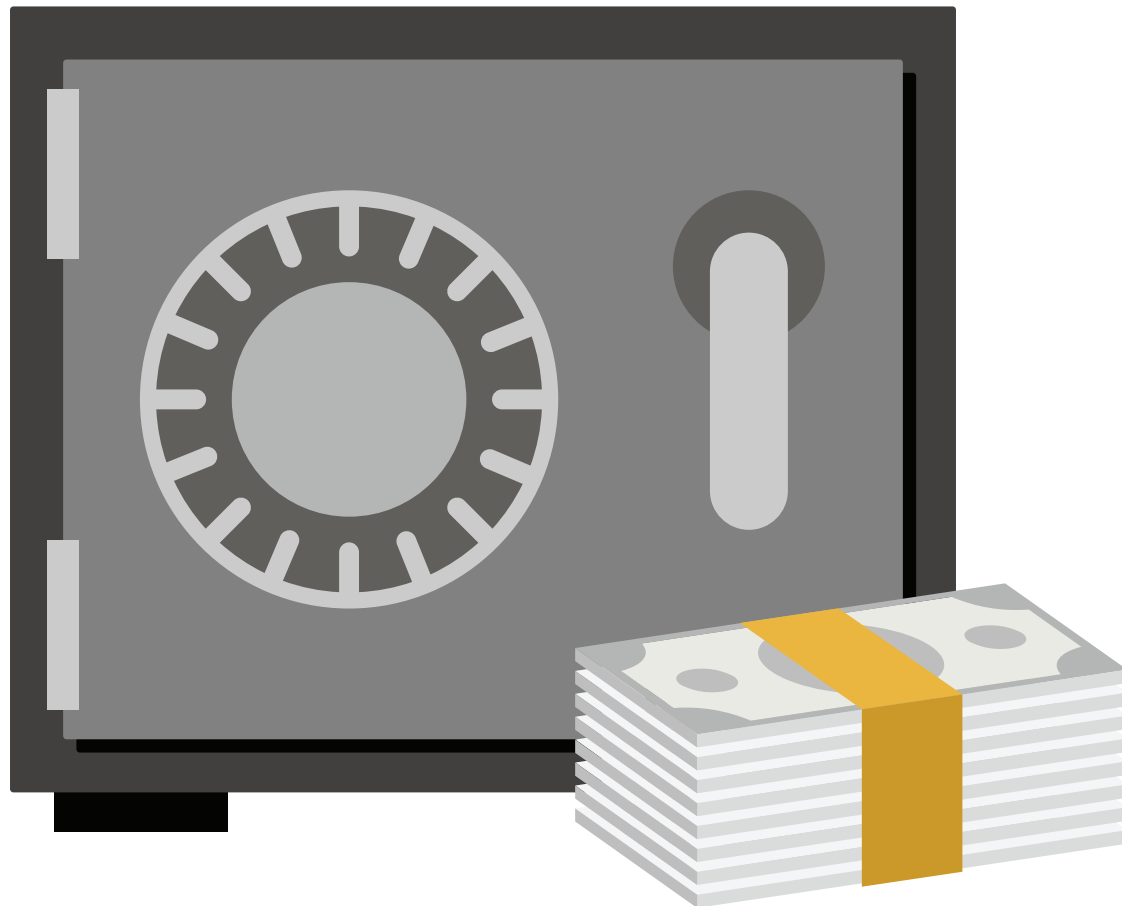
\$9M
AVERAGE
CONV. CAP

\$1M
QF CAP

The disparity between the median and average conversion cap is the result of a few later stage bridge financing rounds. A 25% discount is a bit higher than the 20% we have seen in years past. Higher discounts can be the result of higher caps (i.e. investors give in to higher caps in exchange for a larger discount) or an investor friendly environment.

SAFE ROUNDS

SAFE is an acronym for “simple agreement for future equity,” which is an alternative to convertible debt.



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TOTAL DEALS

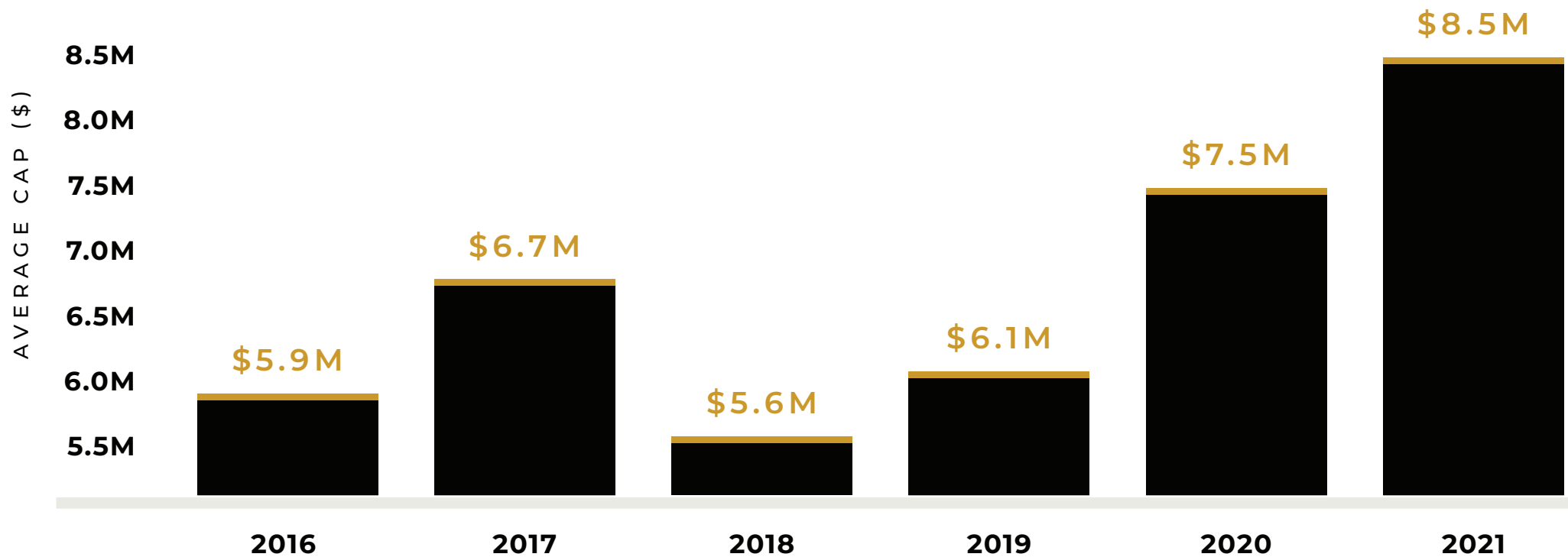
\$12.5M

TOTAL RAISED

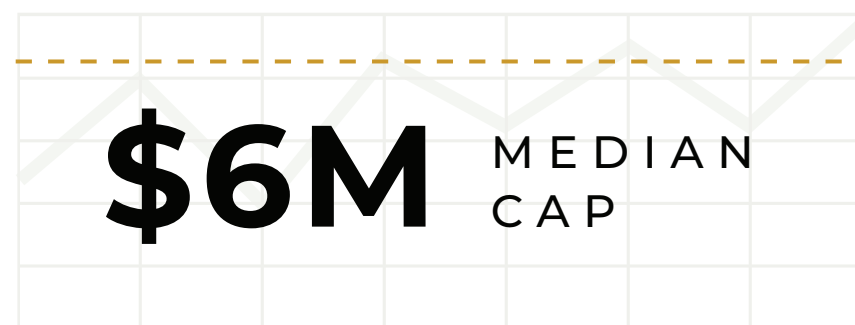
\$960K

RAISE AVERAGE

SAFE ROUNDS



20% MEDIAN DISCOUNT



Safes are replacing Convertible Notes as the primary early stage investment security.

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