

2021

VENTURE  
DEALS

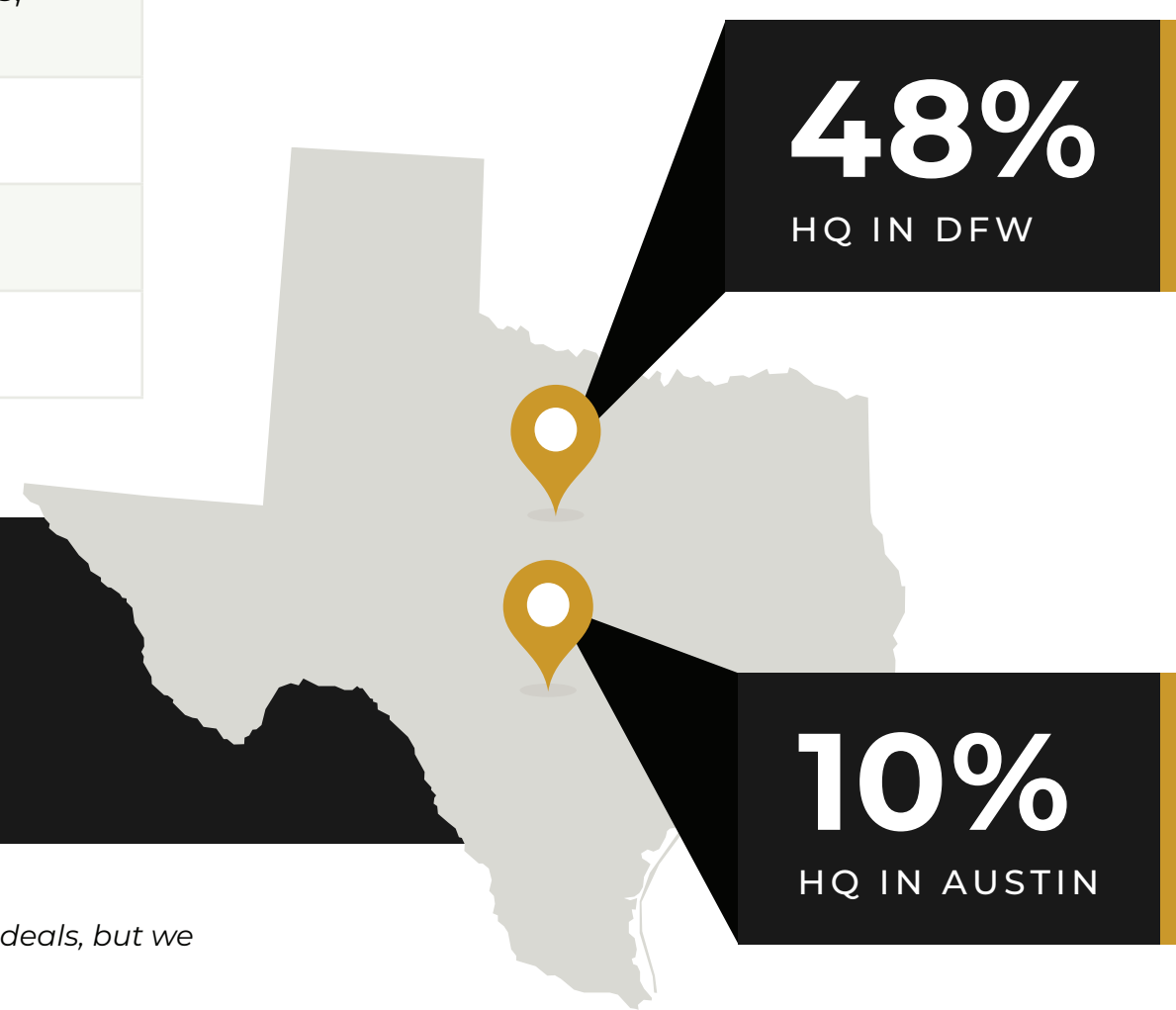


# QUALIFYING THE SAMPLE

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.\*

<b>TYPES</b>	SAFEs, Convertible Notes, Preferred Stock
<b>SIZE</b>	\$250K - \$18M
<b>JURISDICTION</b>	United States
<b>YEAR</b>	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

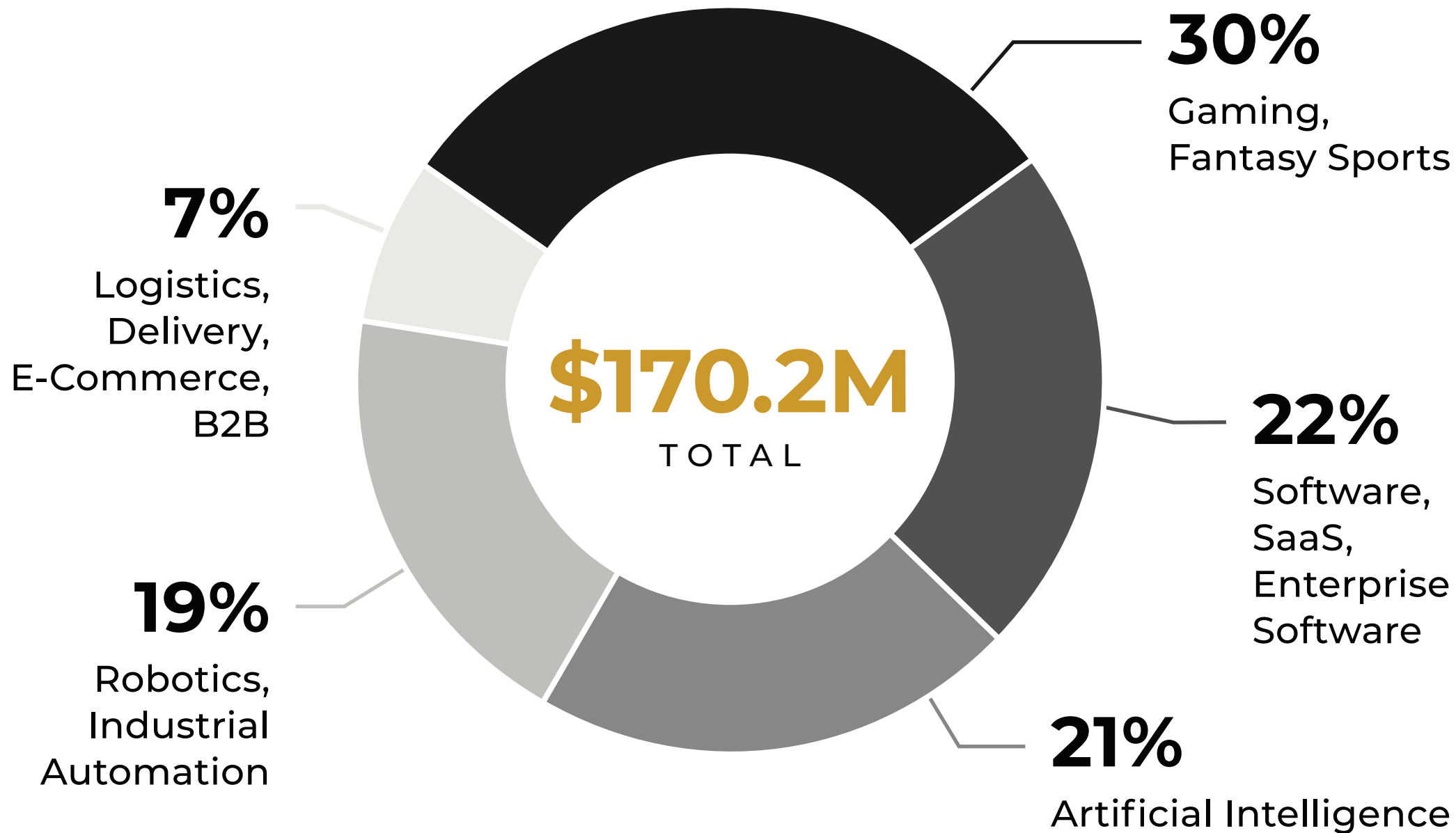
**3** Series B Deals

**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

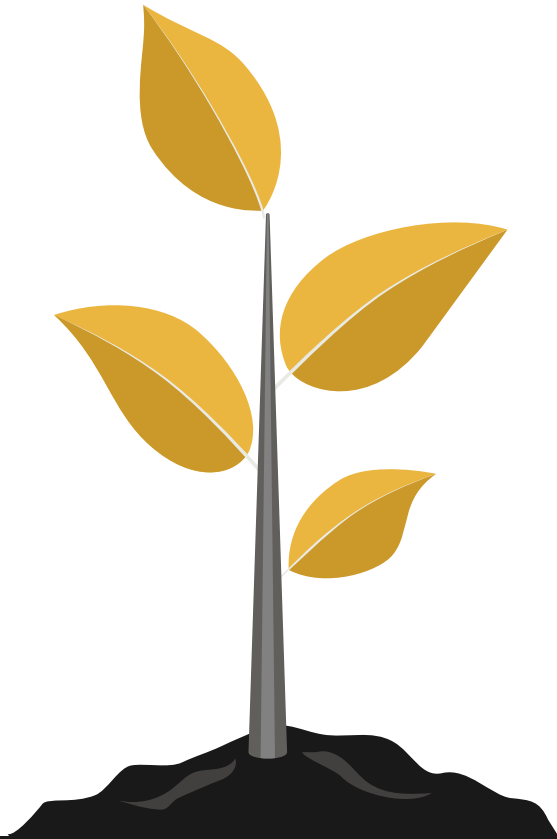
SERIES SEED DEALS

# \$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			
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-Dilution	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

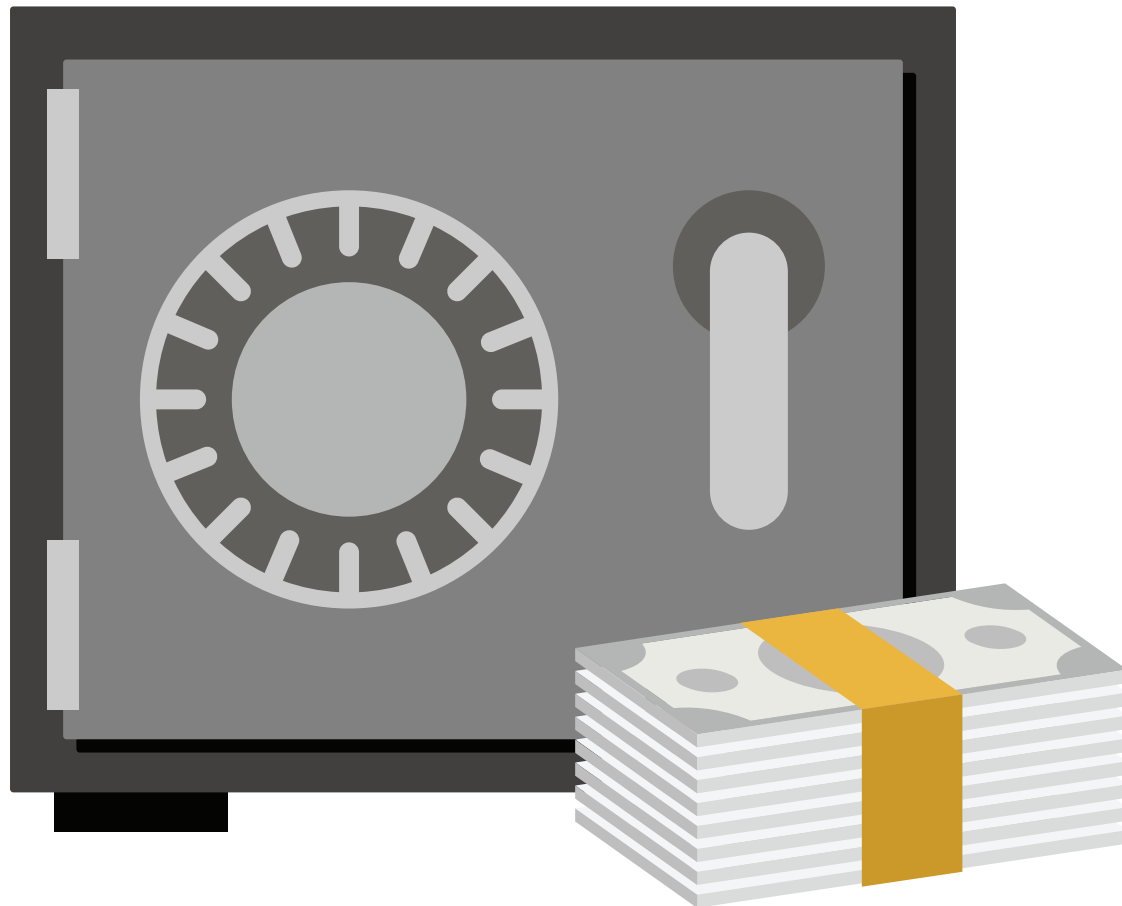
**\$9M**  
AVERAGE  
CONV. CAP

**\$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.



**13**

TOTAL DEALS

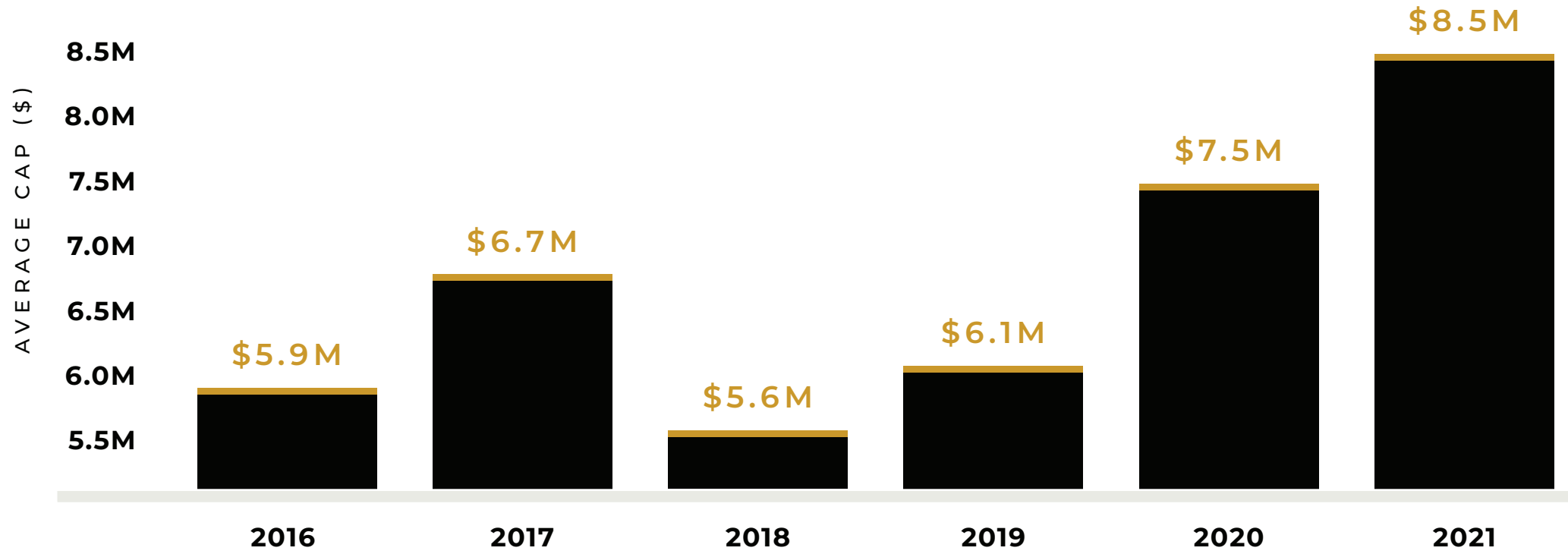
**\$12.5M**

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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