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September 2026

Fundraising Webinar

Educational content for founders preparing a fundraise

Equity investment exchanges capital for ownership

Capital without scheduled repayment in return for ownership, influence and a share of future value

INVESTOR



Provides capital

Funds growth and accepts that capital is at risk.

CAPITAL

BUSINESS

Issues shares

The investor becomes a co-owner and joins the cap table.

SHARES + OWNERSHIP

What changes after investment

No scheduled repayment

No fixed repayment or interest schedule.

Dilution

Founders and existing shareholders own a smaller percentage.

Investor return

Value comes from share growth – an exit or liquidity event.

Rights and influence

Terms may include voting, information, consent or board rights.

BEST FIT High-growth businesses that can increase value and are willing to share ownership and decisions.



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Not Every Business Needs Equity

Choose the funding instrument that matches the risk, timing and cash flows. Equity is not the default.

WHEN EQUITY EARNS ITS PLACE

Equity is most useful when the opportunity is large, risky and time-sensitive.

Venture capital can fund a genuinely high-growth trajectory without scheduled repayments BUT founders trade ownership, influence and future upside for it, and it creates pressure on governance and ROI expectations.

YOU MAY NOT NEED EQUITY WHEN...

REVENUE CAN FUND THE PLAN

If margins and cash generation can support a manageable pace of growth, bootstrapping preserves ownership and control.

THE NEED IS DEFINED AND REPAYABLE

Working capital, equipment or contracted revenue may suit debt, asset-backed or revenue-based finance instead.

NON-DILUTIVE SUPPORT FITS

Grants and R&D tax credits can fund eligible innovation without giving up equity.

VENTURE DEBT

Usually layered alongside equity, not a substitute: less dilution, but repayment obligations and covenants.

Sources: ICAEW, Equity vs Debt and Equity Finance: Key Considerations (2025); British Business Bank, Debt Finance for Innovative Businesses (2024).

When equity finance fits

Equity capital can accelerate growth but only when the return potential justifies its cost and obligations

Decision factor	Equity finance may fit when...	It may not fit when...
Growth need	Capital accelerates product, hiring, manufacturing, regulatory milestones or market entry ahead of internal cash.	Modest growth or limited exit potential can make equity unattractive to investors and expensive for founders.
Funding structure	Equity provides patient capital without fixed repayments; private debt can extend runway when cash flow supports it.	Revenue, grants, customer finance or conventional debt may meet the need more cheaply while preserving ownership.
Strategic value and trade-offs	The right investor adds expertise, governance, credibility and networks for execution and future fundraising.	Dilution, investor rights, premature raising or unsupported debt can outweigh the benefit and increase risk.

Six sources of equity capital

01 ANGEL INVESTORS

Own capital • early stage

Hands-on experience and networks; the relationship with the individual matters.

02 VENTURE CAPITAL

Managed fund • high growth

Scale capital, board support and follow-ons; expects rapid growth and an eventual exit.

03 CORPORATE VENTURE CAPITAL

Corporate capital • strategic

Market access, expertise and channels; strategic interests.

04 FAMILY OFFICES

Private family wealth • flexible horizon

Potentially patient, relationship-led capital; mandates and decision processes vary widely.

05 EQUITY CROWDFUNDING

Many investors • online platform

Reach and customer advocacy; requires a strong campaign and ongoing shareholder communication.

06 STOCK EXCHANGE

Public markets • e.g. AIM

Raises equity from public-market investors through a listing, with ongoing disclosure and market scrutiny.

Sources: British Business Bank; UK Business Angels Association

Your investment case must survive stage gates

Each stage asks for stronger evidence

01 INITIAL SCREEN An associate or analyst looks for reasons to pass. Vague market size or unit economics can end the process here.

02 FIRST MEETING Tests whether the founder knows the business better than the investor could.

03 PARTNER MEETING Harder questions and less patience for vagueness.

DESIGN FOR THE HAND-OFF

Your materials must stand on their own when you leave the room.

04 INVESTMENT COMMITTEE

The real decision point. The founder is almost certainly not in the room.

THE REAL TEST

Equip your internal champion to make the case for you.

Investors use pattern recognition to reach a quick 'no'

Common signals in the business case, founder and investment materials

BUSINESS-CASE SIGNALS

- 01 Technical focus without commercial logic** 'The technology works' isn't enough; investors fund businesses, not technology.
- 02 The value proposition is not clear** Technical strength and commercial value are not always the same.
- 03 Top-down market sizing** A £bn macro number with no link to the actual customer.
- 04 "We have no competitors"** Signals missing competitive analysis, not a unique opportunity.

FOUNDER & COMMUNICATION SIGNALS

- 05 Founder dependency** No credible team beyond the founder.
- 06 Key risks left unexplained** Be explicit about where the key risks in the business are.
- 07 Defensive responses to challenge** Signals the founder doesn't know their own business under pressure.
- 08 Speed-pitch materials** Investors read investment materials very quickly; every page must carry the case.

KEY POINT Make the fast 'no' harder to reach: explain the business and its key risks clearly.

Six questions investors use to test risk

The grant may prove the technology; these are the questions that test the business.

01 TECHNICAL

Can it be made repeatedly, reliably and at cost?

02 REGULATORY / QUALIFICATION

How long will the full pathway take and what will it cost?

03 MARKET / COMMERCIAL

Who will buy it, at what price and through which route to market?

04 TEAM

Can this team run a company, hire commercially and scale operations?

THE INVESTOR LENS

**Does this business
have what it takes to
scale?**

05 CAP TABLE & GOVERNANCE

What will university equity, convertibles and inactive founders reveal?

06 FUNDING THE NEXT STAGE

Where will further funding come from as the business scales?

What makes a team investable

Investors look for evidence across three dimensions not a collection of impressive CVs.

01 **RELEVANT EXPERIENCE**

DOMAIN EXPERTISE

Has the team done something adjacent to this problem not just something impressive in general?

MARKET ENGAGEMENT

Evidence that the team has already learned from customers and the market.

PRIOR EXIT

Has someone on the team, or an advisor, exited a business before?

02 **COMPLETE COVERAGE**

COMPLEMENTARY SKILLS

Does the founding team cover technical, commercial and operational capability or is it three engineers?

ADVISORY BOARD

Can specialist advisers fill genuine gaps without the board becoming too heavily weighted towards academia?

03 **RESILIENT EXECUTION**

SELF-AWARENESS

Is the team open about its weaknesses, with a credible hiring and resource plan?

KEY-PERSON RISK

Has the business reduced dependency on any one founder or critical individual?

INVESTOR TEST

Does the team know its strengths, its exposure and how it will close the gaps?

Coachability & Self Awareness

Investors back years of decisions, not one plan



The Investment Narrative: Five Questions

FROM A FELT CUSTOMER PROBLEM TO A SPECIFIC INVESTOR RETURN



KEY POINT

If you cannot answer “why should an investor put capital in, at this time, at this valuation” in 90 seconds without slides, you’re not ready to pitch.

Building a Qualified Investor Target List

A qualified list of 20 deeply researched investors reachable through warm introductions is better than 100 cold names on a spreadsheet.

Portfolio fit	Thesis alignment	Stage and cheque size	Warm introduction path
Have they invested in similar-stage, similar-sector companies before? Do they have the domain expertise to evaluate this business opportunity?	Does their stated or observable thesis align with what's being built, have you read it?	Are they active at this stage and this raise size, not just generally well-known?	Do you have an established network of warm contacts?

Timing the Raise

Start with enough runway to preserve negotiating leverage



TIMING MATTERS

December–January and July–August can be slower. February–June and September–November are the main fundraising periods, when investors tend to be more active.