

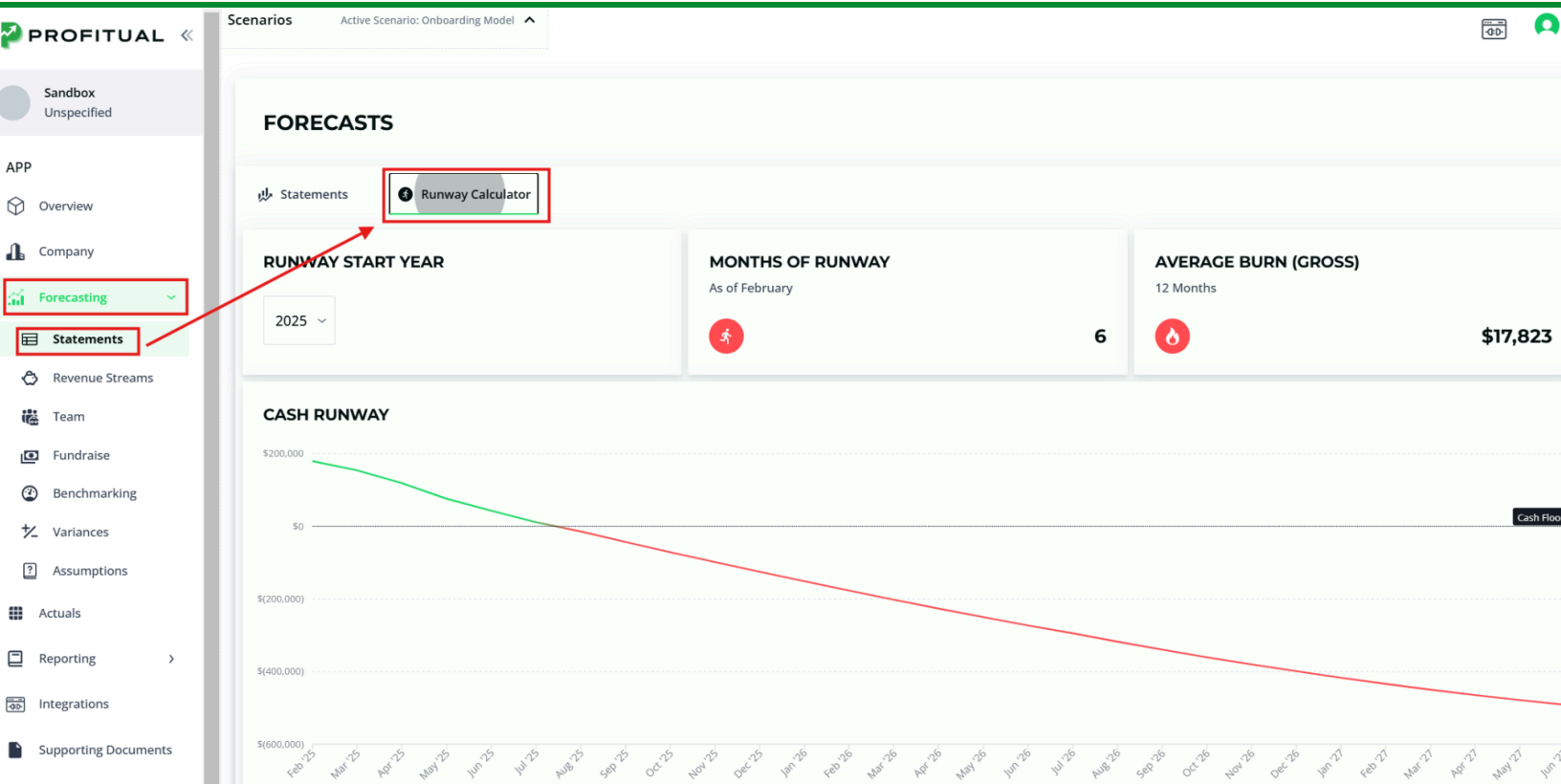
## Fundraise Building Block

The guide below gives a detailed step-by-step walkthrough of the Profitful Fundraise Building Block.

### Fundraise Need Assessment:

- 1) In Step 3 of Onboarding “[Build your Expense Forecast](#)” we completed our forecast, and input our balance sheet starting amounts including Cash. Now we can check our Runway based on this starting cash balance and our forecasted burn rate.
- 2) Navigate to **Runway Calculator**:

**Forecasting > Statements > Runway Calculator**



- 3) Here we see a graphic representation of our Cash over time.
  - a) We start with the \$200K in January 2025 we input in Step 3 “[Build your Expense Forecast](#)”
  - b) Based on our spend in the forecast this cash amount will last us 6 months [February - July] where the trend line turns red and drops below \$0
  - c) NOTE: Average burn = Operating Expenses for the Year / 12
    - i) As a result may not align with runway as burn is not likely linear over the year

- 4) Now we must plan for how to fund the business beyond 6 months
- 5) First we will consider Non-Dilutive funding options. These are input into the Income Statement table **Other Income** as they are income amounts not related to core business functions [i.e. revenue]

### Forecasting > Statements > Income Statements

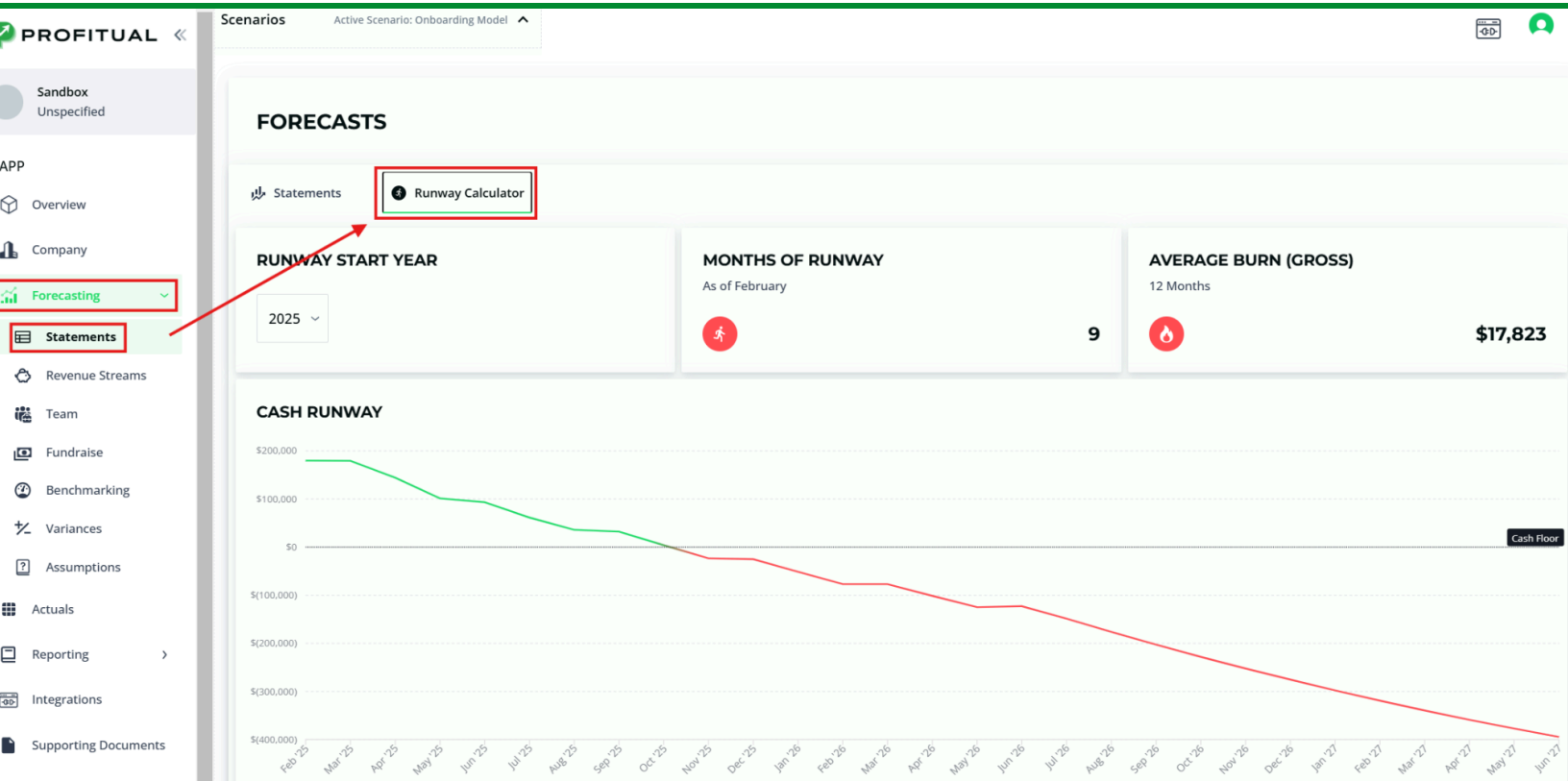
#### OTHER INCOME

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
IRAP	0	0	0	0	0	0	0	0	25,000	0	0	25,000	50,000
Grants & Subsidies	0	0	0	0	0	0	0	0	0	0	0	0	0
R&D Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Other Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>50,000</b>

#### EBITDA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>Earnings</b>	(2,700)	(2,174)	(5,998)	(5,998)	(5,296)	(5,294)	(15,359)	(19,553)	(5,775)	(43,061)	(28,007)	(12,586)	(151,800)
Interest - Convertible D...	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Profit (Loss)</b>	<b>(2,700)</b>	<b>(2,174)</b>	<b>(5,998)</b>	<b>(5,998)</b>	<b>(5,296)</b>	<b>(5,294)</b>	<b>(15,359)</b>	<b>(19,553)</b>	<b>(5,775)</b>	<b>(43,061)</b>	<b>(28,007)</b>	<b>(12,586)</b>	<b>(151,800)</b>

- 6) Use the **[Statement Builder]** tool accessed with the Blue Settings icon in the bottom right corner to add/edit lines in Other Revenue table to align with the non-dilutive sources we plan to leverage.
  - a) For guide on **[Statement Builder]** use refer to: Step 3 [“Build your Expense Forecast”](#)
- 7) For our example we will plan to obtain \$100K annually from IRAP, see input below. Timing of receipt of instalments should be considered when inputting to the Forecast
  - a) Here we assume a quarterly receipt beginning in March 2025
- 8) Now consider the impacts this has with our **Runway Calculator** tool
  - a) Runway has extended to 9 months - we still likely want some additional liquidity in our forecast. Let's jump into Phase 2 of our [Fundraise Planning](#)



## Fundraise Planning:

1) Navigate to the Fundraise Building Block in our Platform using the below path:

**Forecasting > Fundraise**

**PROFITUAL** << Scenarios Active Scenario: Onboarding Model ^

Sandbox Unspecified

APP

- Overview
- Company
- Forecasting
- Statements
- Revenue Streams
- Team
- Fundraise**
- Benchmarking
- Variances
- Assumptions
- Actuals
- Reporting
- Integrations
- Supporting Documents

## FUNDRAISING

Configure your fundraising rounds for the current scenario

**FUNDRAISING ROUNDS**

+ ADD NEW ROUND

Add a new Fundraising Round or select one from the list to see its details and how they affect your Cash Balance, Debt, and Shareholders' Equity

2025

**ASSETS**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cash	(1,200)	(3,924)	(6,122)	(12,120)	(18,166)	(23,510)	(42,869)	(63,091)	(88,466)	(123,527)	(166,684)	(199,570)

**LIABILITIES**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

**EBITDA**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Interest - Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

**SHAREHOLDERS' EQUITY**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preferred Shares	0	0	0	0	0	0	0	0	0	0	0	0
Common Shares	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Retained Profit (Loss)	(2,700)	(4,874)	(10,872)	(16,870)	(22,166)	(27,460)	(42,819)	(62,371)	(93,146)	(136,207)	(164,214)	(201,800)
<b>Total Equity</b>	(2,700)	(4,874)	(10,872)	(16,870)	(22,166)	(27,460)	(42,819)	(62,371)	(93,146)	(136,207)	(164,214)	(201,800)

2) Select [ **+ADD NEW Round** ] button

### ADD FUNDRAISING ROUND

Name

Angel Round

Raise Type

Common Shares

Preferred Shares

Convertible Debt

Closing Date

02/27/2025

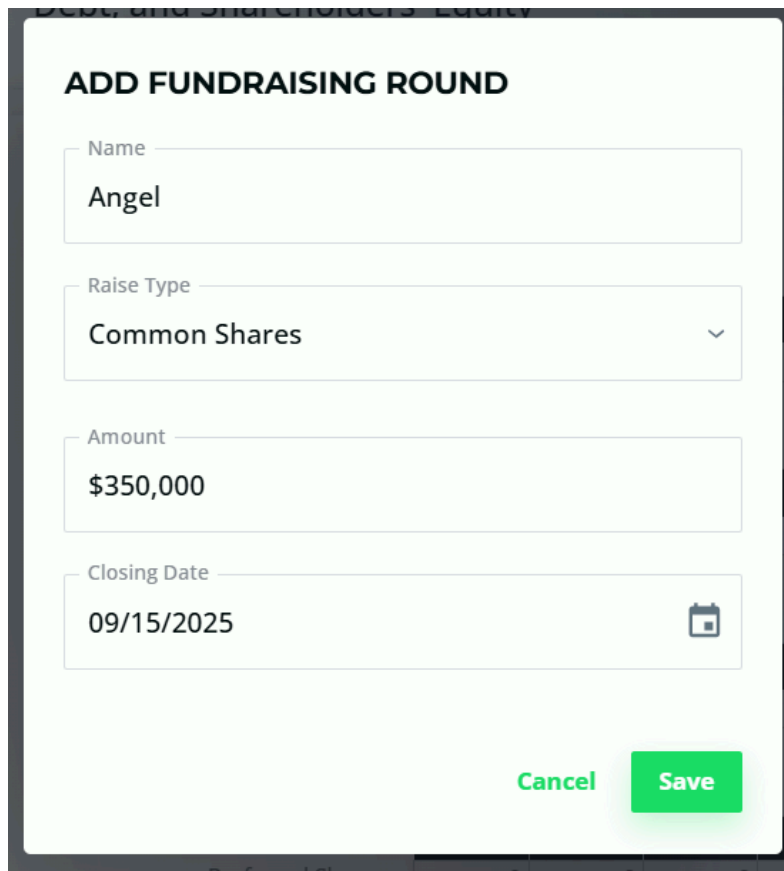
Cancel Save

3) Allocate a **Name** to the Fundraising Round

- a) Typical order could be: Angel, Pre-seed, Seed, Series A, etc.. but whatever is clear to you as a user and keeps you organized
- 4) Next select the Raise Type
  - a) **Common Shares** - If the funds raised are in exchange for an ownership stake in your business the raise will be classified as Common or Preferred shares
  - b) **Preferred Shares** - No impact difference from a forecasting perspective to Common Shares. The difference is in the terms of shares.
  - c) **Convertible Debt** - Investment beginning as debt and converting to equity in the future. Can also be used for SAFE Agreements.
- 5) Depending on the **Raise Type** selection made continue to the next section of this guide:
  - a) [Common & Preferred Shares:](#)
  - b) [Convertible Debt:](#)

## Common & Preferred Shares:

Common & Preferred shares will operate functionally the same for our forecasting purposes. The difference is in the terms of the shares received, typically liquidation preferences given for Preferred shares. For this example we will use Common Shares:



The screenshot shows a form titled "ADD FUNDRAISING ROUND" with the following fields and values:

- Name:** Angel
- Raise Type:** Common Shares (with a dropdown arrow)
- Amount:** \$350,000
- Closing Date:** 09/15/2025 (with a calendar icon)

At the bottom right of the form are two buttons: "Cancel" and "Save".

- 1) Complete the following inputs in the [ **+ADD NEW Round** ] window
  - a) Select **Raise Type** of Common or Preferred Shares
  - b) **Amount** input for how much you intend to raise
  - c) **Closing Date** is when you expect the cash to hit your bank account
    - i) Note - fundraise typically takes approximately ~6 months to close. In our example it is February 2025 so we will plan for September 2025, which corresponds with our current runway expectations
  - d) Select **Save**

## FUNDRAISING

Configure your fundraising rounds for the current scenario

### FUNDRAISING ROUNDS

**+ ADD NEW ROUND**

**Angel**  
 Sep '25    \$350,000

✕

### DETAILS FOR ANGEL:

Name

Raise Type

Amount

Closing Date

◀ 2026 ▶

#### ASSETS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cash	61,439	36,069	382,173	354,036	326,660	325,044	298,765	273,103	273,029	248,714	225,160	227,222

#### LIABILITIES

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

#### EBITDA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Interest - Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

#### SHAREHOLDERS' EQUITY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preferred Shares	0	0	0	0	0	0	0	0	0	0	0	0
Common Shares	0	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Retained Earnings	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069
Retained Profit (Loss)	(25,330)	(49,900)	(52,996)	(80,333)	(106,909)	(107,725)	(133,203)	(158,065)	(157,340)	(180,854)	(203,609)	(204,247)
<b>Total Equity</b>	65,739	41,169	388,073	360,736	334,160	333,344	307,865	283,003	283,729	260,214	237,460	236,822

- 2) Upon saving we will be brought to the above view. Notice the following information:
  - a) **Highlighted in Green** are the key impact areas of the round added
    - i) EX// **Cash** injection in September 2025 added to our forecasted cash balance
    - ii) Equity increase in **Common Shares**
    - iii) At the top of the screen under "Details for Angel" we have the inputs from our [ **+ADD NEW Round** ] window, this can be adjusted at anytime

- (1) Allows for live evaluation of changes to Amount, and close timing if you are working on determining how much and when you need to raise funds.
- b) We can also assess our new runway right in the Fundraise Building block.
  - i) Use the Year select to navigate to future years, looking for a negative Cash balance to see how long your new fundraise will take you:
  - ii) Below we see the fundraise gives us an extra 18 months of runway to April 2027:

## FUNDRAISING

Configure your fundraising rounds for the current scenario

### FUNDRAISING ROUNDS

+ ADD NEW ROUND

Sep '25

Angel

\$350,000

### DETAILS FOR ANGEL:

Name
Angel

Raise Type
Common Shares

Amount
\$350,000

Closing Date
09/15/2025

2027

### ASSETS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cash	201,395	173,769	147,282	121,936	97,729	74,662	52,301	30,932	10,525	(8,875)	(27,134)	(44,401)

### LIABILITIES

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

### EBITDA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Interest - Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

### SHAREHOLDERS' EQUITY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preferred Shares	0	0	0	0	0	0	0	0	0	0	0	0
Common Shares	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Retained Earnings	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)
Retained Profit (Loss)	(27,567)	(53,993)	(79,280)	(103,426)	(126,433)	(148,300)	(169,461)	(189,630)	(208,837)	(227,036)	(244,096)	(260,163)
<b>Total Equity</b>	<b>209,255</b>	<b>182,829</b>	<b>157,542</b>	<b>133,396</b>	<b>110,389</b>	<b>88,522</b>	<b>67,361</b>	<b>47,192</b>	<b>27,985</b>	<b>9,785</b>	<b>(7,274)</b>	<b>(23,341)</b>

- 3) This runway is of course dependent on us hitting our revenue goals, and any sources of Other Income expected
  - a) To plan for alternate scenarios, perhaps a conservative or worst case scenario, will be covered in a future step: [6\) Review & Refine your Forecast](#)

## Convertible Debt:

Due to the nature of Convertible debt agreements there are additional inputs and forecast implications of this type of fundraise that will be discussed below. Otherwise, this step mirrors the above step [Common & Preferred Shares](#) in both utility and functionality.


- 1) Inputs in the [ **+ADD NEW Round** ] window will mirror that of the above [Common & Preferred Share](#) step with the addition of those listed below shown in the **Terms** section:

The screenshot shows a web form titled "ADD FUNDRAISING ROUND". It contains several input fields: "Name" (Angel), "Raise Type" (Convertible Debt), "Amount" (\$350,000), and "Closing Date" (09/15/2025). Below these is a section titled "TERMS:" which is highlighted with a red border. This section includes a checkbox "Do you have a known Conversion Date?" (checked), an "Annual Interest Rate (%)" field (5), a "Conversion Date" field (09/15/2026), and a "Conversion Type" dropdown menu (Preferred Shares). At the bottom of the form are "Cancel" and "Save" buttons.

- a) **Do you have a known Conversion Date?** This is a yes or no check box.
  - i) No - Only input required will be **Annual Interest Rate** and the forecast will not convert debt to equity. When the conversion date becomes known we can return to this Building block and input the conversion date.
  - ii) Yes - **Conversion Date** and **Conversion type** will be requested as well to complete the forecast impacts
- b) **Annual Interest Rate** this will be decided during the term agreement on convertible debt, prior to these discussions recommend using a standard borrowing rate as a proxy

- c) **Conversion Date** is when the debt will be converted into Equity
    - i) Note the conversion will happen at the original investment Amount plus the interest that has accumulated
  - d) **Conversion Type** will dictate whether the Equity is recognized as Common or Preferred Shares. No forecast impact.
  - e) Select **Save**
- 2) In the new view we can adjust any of the inputs from [ **+ADD NEW Round** ] window above.
- a) We can evaluate the impacts of the round in the view below
  - b) Notice that with convertible debt cash impact is the same, however we see the amount added to **Convertible Debt in Liabilities** rather than the Equity Section
  - c) Interest is calculated based on the **Amount x Annual interest rate / 12** and impacts our Income statement
  - d) **Convertible debt** increases monthly based on the Interest amount

+ ADD NEW ROUND

  
 Sep '25

**Angel**  
 \$350,000

✖

Name  
Angel

Closing Date  
09/15/2025

Raise Type  
Convertible Debt

Conversion Date  
09/15/2026

Amount  
\$350,000

Conversion Type  
Preferred Shares

**TERMS:**  
 Do you have a known Conversion Date? ☒

Annual Interest Rate (%)  
5

Conversion Date  
09/15/2026

Conversion Type  
Preferred Shares

◀ 2026 ▶

### ASSETS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cash	61,439	36,069	382,173	354,036	326,660	325,044	298,765	273,103	273,029	248,714	225,160	227,222

### LIABILITIES

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Convertible Debt	0	0	350,729	352,188	353,646	355,104	356,562	358,021	359,479	360,937	362,396	363,854

### EBITDA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Interest - Convertible Debt	0	0	(729)	(1,458)	(1,458)	(1,458)	(1,458)	(1,458)	(1,458)	(1,458)	(1,458)	(1,458)

### SHAREHOLDERS' EQUITY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preferred Shares	0	0	0	0	0	0	0	0	0	0	0	0
Common Shares	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069	91,069
Retained Profit (Loss)	(25,330)	(49,900)	(53,725)	(82,520)	(110,555)	(112,829)	(139,766)	(166,086)	(166,819)	(191,792)	(216,005)	(218,101)
<b>Total Equity</b>	<b>65,739</b>	<b>41,169</b>	<b>37,344</b>	<b>8,549</b>	<b>(19,486)</b>	<b>(21,760)</b>	<b>(48,697)</b>	<b>(75,017)</b>	<b>(75,750)</b>	<b>(100,723)</b>	<b>(124,936)</b>	<b>(127,032)</b>

- 3) Use the Year select to move to the following year. Here we will notice the impacts of **Conversion Date** selected, in our example September 15, 2026
  - a) In September 2026 the Convertible Debt amount is reallocated to the Equity line selected as **Conversion Type**
- 4) We also notice that our runway lasts until April 2027 [18 months additional from [Fundraise Need Assessment](#) step above]

## FUNDRAISING

Configure your fundraising rounds for the current scenario

### FUNDRAISING ROUNDS

+ ADD NEW ROUND

**Angel**

Sep '25

\$350,000

### DETAILS FOR ANGEL:

Name

Angel

Raise Type

Common Shares

Amount

\$350,000

Closing Date

09/15/2025

2027

### ASSETS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cash	201,395	173,769	147,282	121,936	97,729	74,662	52,301	30,932	10,525	(8,875)	(27,134)	(44,401)

### LIABILITIES

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

### EBITDA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Interest - Convertible Debt	0	0	0	0	0	0	0	0	0	0	0	0

### SHAREHOLDERS' EQUITY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preferred Shares	0	0	0	0	0	0	0	0	0	0	0	0
Common Shares	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Retained Earnings	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)	(113,178)
Retained Profit (Loss)	(27,567)	(53,993)	(79,280)	(103,426)	(126,433)	(148,300)	(169,461)	(189,630)	(208,837)	(227,036)	(244,096)	(260,163)
<b>Total Equity</b>	<b>209,255</b>	<b>182,829</b>	<b>157,542</b>	<b>133,396</b>	<b>110,389</b>	<b>88,522</b>	<b>67,361</b>	<b>47,192</b>	<b>27,985</b>	<b>9,785</b>	<b>(7,274)</b>	<b>(23,341)</b>

- 5) This runway is of course dependent on us hitting our revenue goals, and any sources of Other Income expected
  - a) To plan for alternate scenarios, perhaps a conservative or worst case scenario, will be covered in a future step: [6\) Review & Refine your Forecast](#)