

# dups<sup>+</sup>

Raising right in Belgium

The founder's guide to  
fundraising for Belgian  
startups

[www.dups.be](http://www.dups.be)

# Glossary

**3Fs (Friends, Family, and Fools):** Informal early-stage investors, typically close personal contacts.

**APE (ARR Per Employee):** Measures how efficiently a company generates recurring revenue per employee.

**ARR (Annual Recurring Revenue):** Predictable yearly revenue from subscriptions or contracts.

**Bootstrapping:** Building a business using personal savings or revenue, without external funding.

**Burn Multiple:** Cash burned divided by net new ARR; a measure of capital efficiency.

**(Business) Angel:** An individual who invests personal capital into early-stage startups, often in exchange for equity.

**CAC (Customer Acquisition Cost):** The cost of acquiring a new customer.

**Cap Table (Capitalization Table):** A breakdown of ownership stakes and equity dilution.

**CLTV (Customer Life Time Value):** The net profit of a customer during the entire relationship

**Convertible Loan:** A short-term loan that converts into equity at a future financing round. A simple contract containing:

- **Amount:** The total sum invested by the lender, which will later convert into shares.
- **Conversion Trigger:** The event that activates the conversion (usually the next qualified equity round).
- **Discount:** A percentage reduction on the share price at which the loan converts, rewarding early investors.
- **Cap:** The maximum company valuation at which the loan will convert, protecting the investor from overvaluation.
- **Floor:** The minimum valuation or terms that safeguard the investor in case of a down round or low valuation.

**CVC (Corporate Venture Capital):** Startup investments made by large corporations.

**Dilution:** Reduction in ownership percentage due to new share issuance.

**Due Diligence:** A deep dive into a startup's financial, legal, and operational health.

**EBITDA:** Earnings before interest, taxes, depreciation, and amortization.

**Equity Financing:** Raising capital by selling shares in the company.

**Exit:** When founders or investors sell their stake, typically via acquisition or IPO.

**FOMO (Fear of Missing Out):** Investor urgency created by perceived momentum or scarcity.

**IPO (Initial Public Offering):** Offering shares of a private company to the public.

**KPI (Key Performance Indicator):** A measurable value tied to business performance.

**Liquidation Preference:** Determines payout order in a sale or liquidation.

**MVP (Minimum Viable Product):** A basic version of a product used to test the market.

**MRR (Monthly Recurring Revenue):** Predictable monthly income from subscriptions.

**Notarized Conversion:** Legal requirement in Belgium for converting convertibles into equity.

**Option Pool:** Shares reserved for future hires, advisors, or board members.

**Post-Money Valuation:** Company value after a funding round.

**Pre-Money Valuation:** Company value before new investment is added.

**Private Equity (PE):** Investment in mature companies, often for buyouts.

**Product-Market Fit:** The point at which a startup's product satisfies strong market demand.

**Rule of 40:** SaaS benchmark: growth rate + profit margin  $\geq 40\%$ .

**Secondary Sale:** Sale of existing shares by founders or early investors.

**Seed / Series A / Series B:** Stages of startup funding, from early to growth.

**Term Sheet:** A non-binding agreement outlining investment terms.

**Traction:** Evidence of market validation, such as revenue or user growth.

**Valuation Cap:** The maximum valuation at which a convertible loan converts.

**Venture Capital (VC):** Equity investment in high-growth startups.

**Venture Debt:** Loans to startups based on revenue, without giving up equity.

**VLAIO:** Flemish agency offering grants and subsidies to startups.

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# 01. Introduction

dups<sup>+</sup>

# 1 Introduction

## 1.1 Built on experience, designed for first timers

At dups, we've built our reputation as Belgium's go-to partner for legal and financial guidance on fundraising and exits. We typically support startups as lawyers, handling negotiations and preparing all required legal documentation. For up to 10 startups each year, selected by our investment committee, we take on the roles of both investment bankers and lawyers. We guide entrepreneurs throughout the entire process, from developing the financial plan and pitch deck to introducing them to our network of hundreds of European and American VCs and finalizing agreements at the notary. These startups typically raise between €1 and €25 million in late seed or Series A funding rounds.

But fundraising isn't just about legal documents and investor introductions. We know that first-time founders face the steepest learning curve. That's why we invest a lot of time giving workshops all over Belgium, publishing articles, and hosting webinars.

To take this commitment even further, we created "Raising right in Belgium", a practical guide designed to make the fundraising process clear, accessible and actionable. We've taken the complex and made it digestible, without losing the nuance. Our dual expertise in law and finance gives us a holistic view of the pitfalls and opportunities, insights we've compressed into this guide.

### 1.1.1 Why this guide matters

Belgium offers a strong foundation for building startups: world-class universities, a central location in Europe and a steadily growing entrepreneurial ecosystem. But when it comes to funding, the road is anything but straightforward. Fundraising is a time-consuming process that requires the right

approach from the outset. The timeline and complexity depend heavily on who's sitting across the table, but regardless of the investor type, the full process (from preparation to signing) typically takes six to twelve months.

As Start.it reports (Start it X, 2025)<sup>1</sup>, 70% of Belgian startups fail between year 2 and year 5. While external factors like product-market fit and timing play a role, internal missteps, especially financial management and weak funding strategies, are among the leading causes. Crucially, funding strategy is one that founders can influence from day one.

A misstep here can be costly: choosing the wrong funding path can lead to excessive dilution, misaligned investor expectations and governance challenges that hinder long-term decision-making. In some cases, it can cost founders millions in future value and control.

That's why we created this guide, to equip founders with the knowledge to build resilient companies from the ground up and raise capital on their own terms, without compromising their vision or future.

### 1.1.2 The reality of fundraising in Belgium

Fundraising in Belgium is about navigating a cautious and relationship-driven ecosystem, where trust builds slowly, legal complexity is the norm and investor expectations are shaped by a uniquely European mix of pragmatism and conservatism.

Compared to the U.S., Belgian rounds take more time, more meetings and more diligence. Investors here want traction, not just vision and financial discipline.

Why so cautious? Partly culture, partly structure. Belgium's investor base is interconnected and word travels fast. One sloppy *cap table* or rushed pitch can close doors instantly. On top of that, the local

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<sup>1</sup> Why Belgian startups fail: Key insights for future entrepreneurs. Start it X. <https://startit-x.com/en/accelerate/blog/why-belgian-startups-fail-key-insights-for-future-entrepreneurs>

legal and tax landscape adds complexity: capital increases require notarization, stock options can trigger tax issues, and other nuances make the process far from straightforward. Yet with the right guidance, fundraising here is absolutely doable.

### 1.1.3 Connecting local realities to the broader landscape

Understanding the nuances of fundraising in Belgium is the first step, but it's only part of the picture. To raise effectively, founders also need to grasp how Belgium fits into the wider European funding landscape. Investor behavior, deal dynamics, and capital availability are all shaped by macro trends that extend beyond national borders. Zooming out helps founders anticipate what's coming, benchmark their strategy, and spot opportunities that might not be visible from a purely local lens. In practice, this often means going beyond Belgium, it's rare for founders to reach out exclusively to Belgian funds just because they're based here.

In Europe the VC market is still recovering from its post-2022 hangover. €29.2 billion was invested in H1 2025, down 5.3% year-on-year and far below the 2021 peak. Deal volumes have fallen faster than deal value as investors become more selective, favoring fewer but larger rounds (Pitchbook, 2025).<sup>2</sup>

Fund-level fundraising activity has reached historic lows, with only €5.2 billion raised by funds in the first half of 2025, a year-over-year decrease of 53%. Additionally, the median fund size has declined to €50 million. That funding squeeze makes investors even more selective.

Belgium mirrors these trends, with its own twists:

Exits are scarce. Across Europe, H1 2025 exit value fell 12.3% YoY; in Belgium, most liquidity comes from acquisitions or *secondaries* rather than *IPOs*. (Notable exception: Energyvision's IPO in July 2025).

<sup>2</sup> PitchBook Q2 2025 European Venture Report

<sup>3</sup> Flanders startup investment rounds. Flanders Dealroom. [https://flanders.dealroom.co/transactions.rounds/f/founding\\_or\\_hq\\_regions/anyof\\_Flanders/growth\\_stages/not\\_matur](https://flanders.dealroom.co/transactions.rounds/f/founding_or_hq_regions/anyof_Flanders/growth_stages/not_matur)

Relationship networks run deep. Co-investing is common, and reputation matters, a misstep can carry long-term consequences.

### 1.1.4 The upside: opportunities for the prepared

Despite the caution, capital is here. Belgium has strong public funding, a growing *venture debt* market and a mix of local *angels*, *VCs*, *corporate funds* and cross-border investors. Furthermore, international attention is growing, in 2024 U.S. VCs closed 15 deals in Flanders, with 10 more in the first half of 2025 (Dealroom, 2025)<sup>3</sup>. The country's technical talent and capital efficiency are increasingly seen as a European advantage.

## 1.2. The different types of funding

Understanding the funding landscape starts with knowing what types of capital are available and the trade-offs each one brings. The instruments you choose will shape your *cap table*, your control over the company and your long-term strategic options.

Belgium offers the same funding categories as other European countries, but their availability depends on broader market trends:

- *Equity* investment remains the dominant form of startup financing, but deal volumes are down.
- *Venture debt* is gaining ground as an alternative to equity, as companies are seeking to extend their runways without dilution.
- *Grants* and public support remain significant, particularly in early-stage innovation, where private capital is more selective.

Before diving into the "how" of fundraising, let's break down the most common sources of funding

[e/rounds/not\\_GRANT\\_SPAC%20PRIVATE%20PLACEMENT/tags/not\\_outside%20tech?showStats=YEAR&statsType=investor-location&chartDataKey=count](https://flanders.dealroom.co/transactions.rounds/f/founding_or_hq_regions/anyof_Flanders/growth_stages/not_matur)

used by Belgian startups and when each makes sense.

### 1.2.1. Equity

When we think about fundraising, we usually think about equity: you issue shares in your company in exchange for money. It's used across all stages of the startup lifecycle.

By issuing new shares, you give up a portion of ownership. This is what we refer to as dilution. Each round reshapes your *cap table* and if you're not careful, you can lose control before you even scale. For more information about managing dilution, read our article [here](#).

### 1.2.2. Loans

Loans are a more traditional form of financing: you borrow money and repay it with interest. Unlike equity, loans are non-dilutive, you keep full ownership of your company. But access is the real challenge. Startups often struggle to secure loans without collateral. Interest rates can be high, but the bigger hurdle is eligibility. In Belgium, the most common form of debt financing for startups tends to be credit lines that cover the working capital requirements (WCR), which offer more flexibility but still require a solid financial base.

### 1.2.3. Convertible Loans

*Convertible loans* are a hybrid between equity and debt. They're a popular instrument for early-stage or bridge financing (i.e. fundraising between two rounds) because they allow founders to raise capital quickly without setting a valuation upfront. Instead, the loan converts into equity during the next liquidity event, typically a funding round, often at a discount and with a valuation cap, giving early investors a better deal later. It's fast, flexible, and well-suited to the uncertainty of early-stage startups.

That said, in Belgium, convertible loans come with legal friction. Each conversion requires a notary, which adds cost and complexity.

In short, *convertible loans* buy you time and flexibility. However, poorly structured convertibles can accumulate and clutter your cap table. For a full breakdown on all the best practices for convertible loans, see our article [here](#).

### 1.2.4. Grants

Grants are free and non-dilutive. They're typically awarded to support innovation, research, or market validation, especially in early stages when traction is limited and risk is high. Unlike equity or loans, grants don't require repayment or ownership transfer.

But they come with their own challenges:

- Application processes can be slow and bureaucratic.
- Reporting requirements are often strict and time-consuming.
- Approval timelines may not align with your startup's urgency.

And while grants offer breathing room to build, test, and iterate without investor pressure, they don't always encourage efficient resource management or market-driven execution. In some cases, they can push founders into a bubble, focused more on deliverables than on selling or validating with real customers.

### 1.2.5. Venture Debt

Venture debt is a form of non-dilutive financing designed specifically for venture-backed startups. Unlike traditional loans, they are tailored to high-growth companies that may not yet be profitable but have raised equity and show strong potential.

However, it's important to understand the cost: interest rates typically range from 10 to 14% and maturities are short, usually 1 to 3 years. These loans are structured to match the fast-paced nature of startups, but they come with strings attached.

When used strategically, venture debt can extend your runway, delay dilution and strengthen your position in future negotiations. But if mismanaged,

it can strain your cash flow, reduce flexibility and amplify risk during market downturns.

## 1.3. The different funding providers

Now that we've covered the main types of funding instruments, it's time to look at who provides them. The investor landscape ecosystem for Belgian startups is diverse, ranging from early-stage *business angels* to VCs and *corporate funds*. Each type of investor brings different expectations, timelines and value beyond capital. In the next section, we'll break down the key investor categories and highlight examples of active players in the Belgian market, so you can better understand who to approach, when and why.

However, it's not black and white. While certain instruments are more common at specific stages, there's plenty of overlap. The key is understanding what fits your company's maturity, needs and investor expectations.

### 1.3.1. Founders + Friends, Family and Fools (FFF)

At the incorporation stage, capital is scarce and risky. Most founders start by *bootstrapping*: using personal savings, early customer revenue, or informal support from friends, family and fools (FFF). It's fast and flexible but limited. You usually keep full control, but you don't always have access to it, or you might not want to involve your family and friends.

### 1.3.2. Business Angels

*Business angels* are often your first real partners beyond the FFF stage. They are individuals (or a group of individuals) that invest their own money into equity of startups. But they bring more than capital. Many angel investors in Belgium are former entrepreneurs themselves: people who've built and exited their own startups and now use both their experience and the proceeds to guide the next generation. Their firsthand understanding of the

founder's journey makes them uniquely empathetic and strategically valuable.

While formal networks like BeAngels or BAN Vlaanderen exist, most *angel investors* in Belgium are found through personal connections, former colleagues, mentors or introductions from other founders. Angels often invest in small groups, with one lead bringing in one or two others to join the round. Typical ticket sizes range from €10k to €200k, depending on the angels' means, the stage and *traction*.

Angels offer mentorship, strategic introductions and early conviction. But they also tend to be hands-on, so choose them wisely. The best *angels investors* act like co-founders: supportive, engaged and aligned.

### 1.3.3. Venture Capital

Once you've outgrown the angel stage and are ready to scale, *venture capital* (VC) becomes a key funding source. Unlike *angel investors*, VC funds invest other people's money, raised from institutional investors (e.g. pension funds, family offices and high-net-worth individuals). We call them Limited Partners (LPs). The fund is managed by General Partners (GPs), who make investment decisions and support portfolio companies. GPs often come from two backgrounds: seasoned professionals with deep sector expertise or successful entrepreneurs turned investors.

VCs typically invest in equity and while they're not involved in daily operations, they often take a board seat and expect structured governance, clear reporting and strategic alignment. Most funds operate on a 8-to-12-year timeline, aiming to exit once the company reaches a significant milestone, around 8 years after investing. While *mergers and acquisitions* (M&A) or *IPOs* (i.e. selling shares on the stock market) remain the most popular exit routes, they've become less common in recent years. However, M&A enables larger companies to acquire technology, talent, market share, or expand into new markets or verticals. Besides, secondary exits like sales to other VC funds or *Continuation Vehicles*

(CVs) are increasingly common alternatives. However,

VC firms differ in when they invest (seed, Series A, growth), what they invest in (deep tech, SaaS, biotech, etc.) and how they support founders. Some are more hands-on, others are more passive.

#### 1.3.3.1. (Pre)-seed funds

These funds invest early, when startups are developing a product or have a product but are still validating the product-market fit. A pre-seed round is before the product-market fit. At this stage, they mostly invest in the team. In a seed round, the company has early revenue and traction, validating product-market fit; while the team remains crucial, market and product factors become increasingly important.

Typical ticket size: €100k-€1M

Active in Belgium: Volta Ventures, imec.istart, ScaleFund, SeederFund, FNX Ventures, Pitchdrive, etc.

#### 1.3.3.2. Series A VCs

At this stage, VCs expect more than projections, you'll need to show solid *KPIs*, at least over €1M ARR, strong gross margins and a low *burn multiple*. A clear growth strategy and sales development plan are essential.

Typical ticket size: €1M-€5M

Active in Belgium: Ninetofive Ventures, Capricorn Partners, Smartfin, Fortino Capital, etc.

#### 1.3.3.3. Corporate VCs (CVCs)

Corporate venture capital funds are investment arms of corporations. Unlike traditional VCs, their primary goal isn't always to maximise short-term financial returns. Instead, they invest in startups developing new technologies that align with the corporation's strategic priorities. While they may still sell their stake if it makes sense, CVCs often aim to deepen their involvement over time, sometimes increasing their shareholding and ultimately acquiring the startup.

For these investors, value creation peaks after acquisition, when they can integrate the startup's technology, team or product into the parent company and scale with their resources. This makes CVCs a unique mix of strategic parent and potential future acquirer.

Typical ticket sizes and which ones are active in Belgium depend entirely on the sector.

### 1.3.4. Family Office

Family offices are private investment vehicles that manage the wealth of high-net-worth families. While they sometimes invest in startups like venture capital funds, taking equity and acting as strategic partners, they differ in key ways. Most importantly, they invest their own capital, not money from external limited partners, which gives them more autonomy and flexibility.

Unlike VC funds, which typically operate within a fixed fund lifecycle, family offices often have an *evergreen structure*, meaning they're not bound by exit timelines. This allows them to take a longer-term view and sometimes make decisions based on legacy goals, personal interests, or emotional ties to certain sectors, especially if the startup aligns with the family's entrepreneurial background.

It's worth noting that family offices usually invest across a wide range of asset classes: real estate, public markets, private equity, and venture capital, so startup investing is just one part of their broader strategy. While they can be more flexible and patient, they're not always lenient: some family offices apply strict investment criteria and governance standards, depending on their internal setup and risk appetite.

In Belgium, well-known family offices include Korys (Colruyt family), Verlinvest (de Spoelberch family) and Alychlo (Marc Coucke). Each has its own style and focus, but all offer a more personal and potentially longer-term approach to investing.

### 1.3.5. Government Support

In Belgium, public funding plays a key role in early-stage innovation, through both grants and equity investments. Each region has its own funding bodies with distinct programs:

- VLAIO (Flanders): mainly grants and subsidies.
- Innoviris (Brussels): R&D grants and co-financing.
- Wallonie Entreprendre (Wallonia): grants and equity.
- PMV (Flanders): hybrid instruments including equity, loans and *convertible loans*.
- Finance&Invest.brussels (Brussels): loan & equity.
- LRM (Limburg): loan & equity.
- Invest BW (Brabant wallon): loan & equity
- Noshaq (Liège): equity.
- Etc.

At the European level, initiatives like the European Innovation Council (EIC) and Horizon Europe support startups in deep tech, sustainability, and innovation. For later-stage companies, the European Investment Bank (EIB) provides *venture debt*.

Public funding rarely moves fast. It will never lead a round and won't provide more than 50% of the capital. But when combined with private investors, it can meaningfully de-risk your startup financing and give you more room to build.

### 1.3.6. Banks

Belgian banks such as Belfius, BNP Paribas Fortis, ING, and KBC can become important partners once your startup is past the very early stage. While they remain cautious with high-risk ventures, they play a significant role for companies that already have underlying collateral.

Their main value lies in providing credit lines and working capital financing, supporting needs like inventory, receivables, or short-term operations. In practice, access often depends on guarantees,

where public funds such as PMV (Flanders), finance&invest.brussels or Wallonie Entreprendre can step in to unlock opportunities. Conditions and eligibility vary by bank, so it's worth negotiating early and comparing offers.

### 1.3.7. Private Equity

*Private Equity firms (PE)* typically enter the picture once a company reaches a more mature stage, often post Series B, when there's proven traction, stable cash flows and clear growth potential. Unlike *venture capital*, which usually takes minority stakes and supports scaling, PE firms often acquire a majority or controlling stake, signalling a shift from founder led-growth to investor-driven optimization. Their goal is to unlock value through operational improvements, margin expansion and efficient scaling, frequently using *leverage buyouts (LBOs)* to amplify returns.

For founders, PE involvement is usually a clear signal of an exit or transition. These firms often reshape leadership, restructure teams and introduce new governance models to prepare the company for its next phase.

PE firms aim for value realization, not indefinite ownership. Their exit strategies vary IPOs, strategic acquisitions, secondary sales to other PE firms or holding the asset while extracting dividends and growth. Partnering with PE means trading autonomy for liquidity. It's often the final chapter in the startup journey, one that can unlock significant value, but also shift control and culture.

Notable examples of PE firms active in this space include Gimv, Sofina, Cobepa, Vendis Capital, M80 Partners, Sofindev, etc. all of which have a strong presence in supporting growth-stage and mature companies across various sectors.

### 1.3.8. Stock market

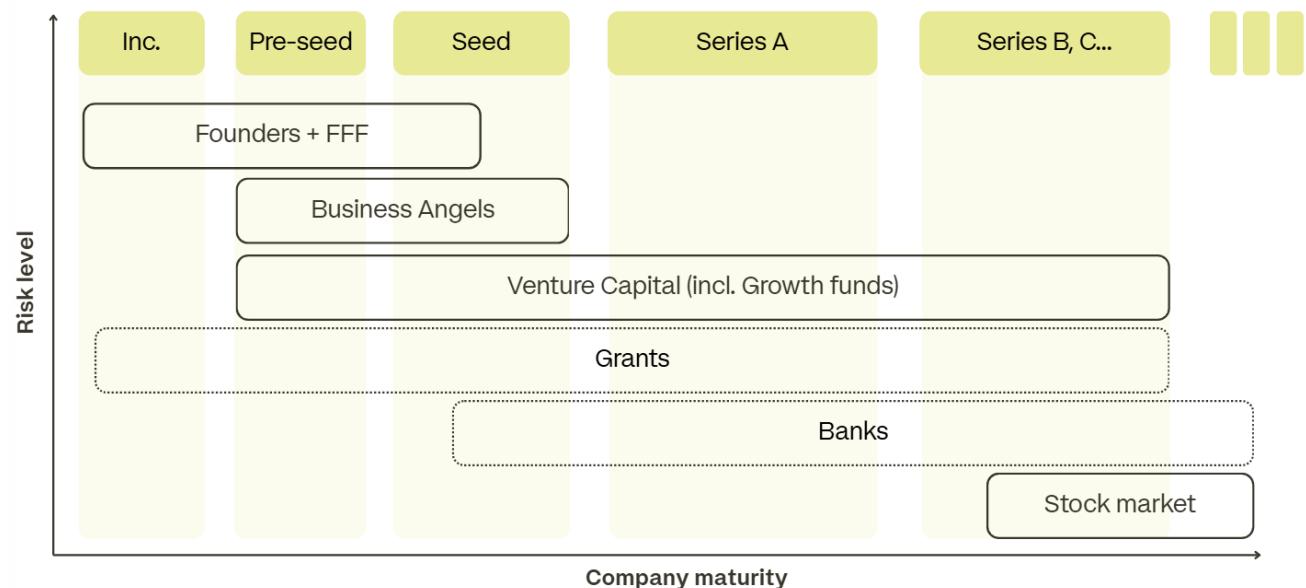
Another way of (partially) exiting your company is through an IPO. A recent example is EnergyVision, which went public on Euronext Brussels in July 2025. The company was backed by founders and family offices, showing that a strong growth story

and profitability can be enough to convince the market.

That said, IPOs remain rare exits for Belgian startups. Unlike in the US, where companies like Amazon, Uber, Tesla, etc. went public while still loss-making, Belgian firms typically need to demonstrate profitability before listing. This makes the IPO path more selective and timing sensitive.

Importantly, Belgian startups aren't limited to local exchanges. Some choose to list abroad, where investor appetite and sector alignment may be stronger. A good example is Nyxoah, a MedTech company treating sleep apnea. It was listed on Euronext Brussels in 2020, raising around €85M and later dual-listed on NASDAQ in 2021 to tap into international capital markets and gain more visibility.

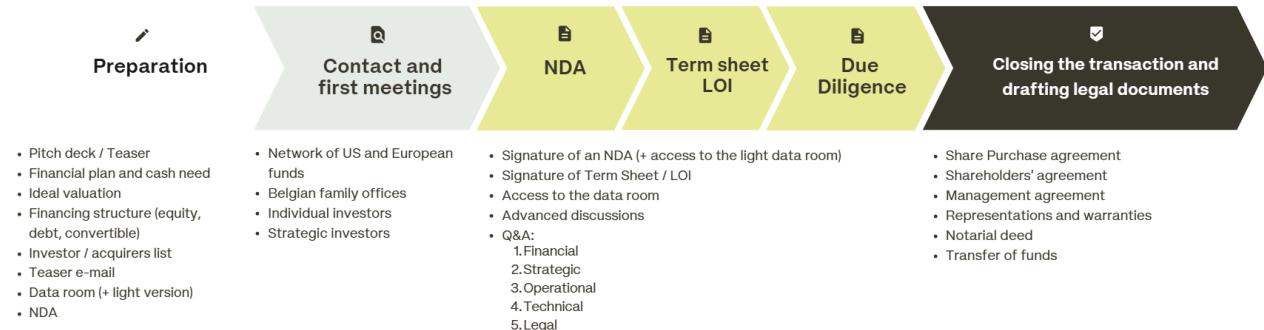
Now that we've mapped out the funding landscape and the different players involved, the next chapter dives into the fundraising process itself, from preparation and investor targeting to negotiation, closing and beyond. This way, you'll know not only how to get "investor ready", but also how to navigate each stop of the journey with confidence.



02.

# Fundraising process

## Where negotiations are prepared



## 2. Fundraising process

Now that we've mapped out the key investor types, from *angels* and *VCs* to *family offices*, *PE firms*, banks and public funding, it's time to dive into the core of this guide: the fundraising process itself. Specifically, we'll focus on equity fundraising, including *convertible loans* and straight equity investments.

First thing first, fundraising is not a one-size-fits-all journey. The timeline and complexity depend heavily on who's sitting across the table. Regardless of the investor type, the full process, from preparation to signing typically takes 6 to 12 months.

We'll follow the structure outlined in the illustration below, breaking the process into two major phases:

- Preparation phase: this includes everything from building your financial plan and refining your pitch to identifying and approaching potential investors. It's where you lay the groundwork for successful negotiations.
- Negotiation & closing phase: Once interest is secured, the process shifts to formal steps: signing NDAs, conducting due diligence, negotiating terms and drafting legal documents. This is where deals are shaped and finalized.

This guide walks you through each step, what to expect, how to prepare and how to navigate the nuances, so you can raise capital with confidence and clarity.

## Where negotiations happen

### 2.1. Preparation

In Belgium, showing up unprepared isn't just a bad look it's a dealbreaker. Here's what needs to be in place before you send your first email.

#### 2.1.1. Financial plan

It's where your strategy becomes measurable and where investors look to validate your assumptions. Here's what your financial model should include:

- Revenue projections: how you expect growth to unfold.
- Cost structure and *burn rate*: what it takes to operate and how long your cash lasts.
- Unit economics (CAC, CLTV, gross margin): proof that your model can scale sustainably.

But numbers alone aren't enough. Investors expect your financial model to be presented in a clear, structured Excel file, with:

- Sensitivity analysis: build different scenarios playing on the main hypothesis. It is essential to avoid hard-coded numbers as much as possible, so that assumptions can be adjusted dynamically and the impact of changes properly assessed.
- Relevant key metrics: base your model on key metrics that are linked to your business (e.g. CAC, LTV, churn, etc.).
- Structure and clarity: it does not have to be design, but it needs to be straightforward and easy to read and use.
- Ambition balanced with realism: you want to show high growth and a bright future but

don't overdo it. Growth projections should be supported by a corresponding increase in costs (e.g. sustained revenue expansion typically requires higher marketing expenditure, which needs to be reflected in the model)

- False precision: avoid building a powerhouse if you are at early stage, stick to what you can justify and get in enough detail but not too much.
- Cash need: Build a monthly cashflow statement, which will show your cash need and how you will spend the amount you raise.

Every figure should connect directly to your business strategy. If the numbers don't support the story, the plan falls apart. Need help getting started? Check out our financial plan template [here](#).

#### DUPS' TIP

*"Avoid hard-coded numbers as much as possible, an excel file should be as dynamics as possible"*

## 2.1.2. Cash need

Your financial plan should include a detailed cash flow forecast, showing your cumulative cash position over time. This helps identify the lowest point in your cash curve, often sitting at the bottom of the infamous *J-curve*. That point marks your critical funding threshold: the minimum amount you need to raise to execute your strategy and avoid running out of cash.

But plans rarely go perfectly. Market conditions shift, timelines slip, and costs can rise unexpectedly. That's why it's essential to add a buffer, investors expect it, and it shows you're realistic. A well-built financial model doesn't just show how much you need, but when you need it, and how sensitive your runway is to changes in revenue or cost assumptions.

## 2.1.3. Financing structure

Once you've defined your cash need, the next step is figuring out how you'll raise the money. Equity? Convertible loans? Grants? Credit Lines? Or a mix? Each option comes with its own pros and cons, but they all require careful planning and alignment with your overall strategy.

That said, financing isn't always a matter of choice, it's often a matter of access. For example, if you're eligible for grants, there's usually no reason not to apply. They're non-dilutive and can significantly de-risk early-stage development. On the other hand, debt financing (like credit lines or loans) tends to be more of a strategic decision, depending on your cash flow, collateral, and appetite for repayment obligations.

The structure you choose should support your growth, protect your cap table, and keep future rounds in mind. A clean, founder-friendly setup today makes it easier to raise tomorrow, without unnecessary complexity or surprises.

## 2.1.4. Ideal valuation

Once you've mapped out your financing structure, the next step is to put a number on your company. Valuation is central to any equity deal, as it determines how much ownership you give up in exchange for capital.

Especially in early-stage fundraising, valuation is more of an art than a science. The earlier you are, the less precise it becomes, which is why founders and investors often fall back on accepted dilution ranges (typically 15-25%) rather than hard financial models. In venture capital, valuation is shaped as much by sentiment, positioning, and *FOMO* as by numbers on a spreadsheet.

A 2024 survey<sup>4</sup> of Belgian VCs highlights this variety in approach:

- 88% used recent transaction multiples, especially for growth- and later-stage companies.
- 75% applied the VC method, most common for early stage. It estimates future exit value, then works backward based on target returns and desired ownership.
- 56% relied on quoted market multiples.
- Discounted Cash Flow (DCF) was the least used, given its dependence on precise long-term forecasts, sometimes rarely realistic for startups.

When it comes to multiples, the most common across stages is Enterprise Value (EV) / Sales:

- 78% of early-stage VCs use EV/Sales, reflecting their focus on validating product-market fit through revenue.
- 59% of growth-stage VCs and 35% of later-stage VCs also apply EV/sales, though EV/EBITDA<sup>5</sup> becomes more relevant as companies mature (used by 26% in growth and 31% in later stage).
- Other ratios like EV/EBIT<sup>6</sup> and EV/operating cash flow are used less frequently.

Most investors apply multiples to the current year (N), though a growing share now looks 1-2 years forward, and some even stretch 3-5 years ahead. For discount rates, most prefer flat rates of 25-33%.

As a founder, start by asking yourself how much ownership you're prepared to give up, then pick a valuation method that fits your stage and sector. Whether you rely on comparables, investor benchmarks, or strategic positioning, the key is to ground it in logic and back it with data. Above all, be ready to defend it, valuation is always a negotiation.

But be careful:

- Too high, and you risk a *down round* later, which can hurt investor confidence and your cap table.
- Too low, and you give away more equity than necessary, limiting flexibility in future rounds and potentially undervaluing your business.

## 2.1.5. Cap table

A clear and up-to-date cap table isn't just a nice-to-have, it's essential. Investors want to see who's already on board, how much equity the founding team still holds, and what portion has been allocated to employees through the *option pool*. It's a snapshot of ownership, alignment, and future flexibility.

At its core, a cap table is a simple spreadsheet listing shareholders, their ownership percentages, and the types of equity they hold. But things can get more complex quickly, especially when *convertible loans* are involved. These can create conditional ownership that only materializes upon conversion, and if not clearly modeled, they can obscure the real dilution impact and confuse future investors.

A well-structured cap table helps investors assess risk, understand potential dilution, and evaluate how much room is left for future rounds.

## 2.1.6. Data room

A data room is a secure (usually virtual) space where you store and share sensitive documents with authorized parties during key business transactions, especially fundraising. It becomes the central hub investors will request access to once discussions get serious.

But timing matters. Before a term sheet is signed, you can prepare a light data room, a curated selection of non-confidential that gives investors enough visibility to issue a non-binding offer (a term sheet). This might include your pitch deck, a version

<sup>4</sup> An overview of Belgian VC investment practices in 2024 (PWC, Private Capital Belgium, 2024)

An overview of venture capital investment practices in Belgium

<sup>5</sup> Earnings Before Interest Tax Depreciation and Amortization

<sup>6</sup> Earnings Before Interest and Tax

of your financial plan without client names, cap table, etc. It's just enough to build trust and momentum, without exposing sensitive details too early.

Once you move toward due diligence, your full data room should be ready. This includes everything from legal, commercial, financial and IP documents. Setting it up takes time, organizing files, ensuring consistency, and presenting everything clearly is a heavy lift. If your data room isn't ready when investors ask for it, you risk losing momentum, and in fundraising, momentum is everything.

But remember, never share your full data room without a signed NDA. Protecting your company's confidential information is non-negotiable.

Your data room should include all the materials mentioned earlier, plus additional documents investors expect to see. To make sure you haven't missed anything, you can use our ultimate *data room checklist* [here](#).

### 2.1.7. Investor list

Finding the right investors starts with a clear understanding of your funding needs and a strong sense of what you're looking for in a long-term partner. Remember: It goes both ways. You're not just asking for money, you're choosing who you'll work with for years. The best relationships are balanced partnerships where both sides bring value, and this mindset helps create more confident and constructive conversations.

The goal is to reach out to investors who actually have a chance of investing in your company. This saves time, avoids burning bridges, and increases your chances of being seriously considered. By understanding their investment criteria and portfolio you can tailor your outreach and make your pitch more relevant. At the same time, it helps you assess whether the investor is a good fit for you.

Here are key criteria to consider when building your target list:

- **Geography:** Investors typically focus on specific regions. Make sure your company falls within their geographic scope.
- **Sector focus and expertise:** Investors often specialize and only invest in certain specific industries. If your startup aligns their focus, you can benefit from sector-specific insights and strategic guidance.
- **Stage alignment:** Most investors target specific stages, contacting a private equity fund for a €1 million fundraising round makes little sense.
- **Lead vs. followers:** At the beginning of the process, it is important to prioritize conversations with lead investors to build momentum towards a term sheet.
- **Usual ticket sizes:** Ensure the amount you're raising fits within their typical investment range.
- **Dry powder availability:** Check whether the investor/fund is still actively investing or if they are in their disinvestment phase.
- **Follow-on capacity:** Investors with the ability to reinvest in future rounds can support your long-term growth and reduce fundraising pressure later.
- **Track record:** A strong history of successful investments signals experience and reliability. It also gives you insight into how they support portfolio companies.
- **Network:** A well-connected investor can open doors to customers, talent, and future investors. Their network can be a strategic asset.
- **Cultural and values alignment:** Make sure that investors share the same values since you will work together for a long time.

By mapping the market and identifying investors who meet these criteria, you'll build a targeted list that's both strategic and realistic. It's a major advantage if you're already on their radar before you start fundraising. Early contact builds familiarity and interest, so when you're ready to raise, they will know your story already.

## 2.1.8. Pitch deck

Investors review thousands of pitch decks a year and often spend only a few minutes on each. If your deck isn't clear or doesn't immediately resonate, they'll move on. That's why your presentation needs to be sharp, concise, and easy to navigate.

Think of your pitch deck as a direct, compelling summary of your business and financial strategy. The goal isn't to close the round, it's to spark enough interest to secure a meeting. Keep in mind that investors haven't signed an *NDA* at this stage, so avoid including sensitive or confidential information.

To maximize impact, make sure your deck answers the key questions investors care about. Here's what they're looking for:

- Clearly define the problem and the market size: Show that it's a real, painful issue people are willing to pay to solve.
- How your solution is better at solving the problem than the competition: Highlight what makes your approach better, faster, or more scalable.
- Your business model: explain how you make money, and why it's sustainable and scalable.
- Evidence of traction or progress to date: Show users, revenue, partnerships, or product milestones.
- The team and why it's the right fit: This is one of the most important elements, especially at early stage, investors bet on people.
- The amount of funding you are seeking and how it will be used: Be specific.

If you're unsure how to begin your deck, [our pitch deck guide](#) is a great starting point and remember : clarity wins.

## 2.1.9. Non-Disclosure Agreement (NDA)

As mentioned earlier, investors receive a high volume of pitch decks and investment

opportunities. Expecting them to sign an *NDA* before reviewing your pitch deck is unrealistic, they typically won't. At this early stage, your pitch deck should be compelling yet non-confidential.

That said, you should have an *NDA* ready. While it's not needed for initial outreach or sharing your pitch

### DUPS' TIP

*"Never share your full data room without an NDA"*

deck, it becomes essential when discussions progress and you're asked to share access to your *data room*, and it should never be shared without a signed *NDA* in place.

To add some nuance, some investors will refuse to sign an *NDA* until they are really convinced that they want to invest. This does not mean they have a plan to steal your confidential information. Investors look at such a high volume of deals that they try to avoid unnecessary legal burden. To fix that, provide them with enough non-confidential data to convince them to sign a term sheet. We do that through a light data room.

Now that your documents are prepared and your investor list is finalized, it's time to begin outreach. With all the essentials in place, you're ready to start building momentum.

## 2.2. Contacting your potential investors

### 2.2.1. Where deal flow comes from

Understanding where deal flow originates is key to building meaningful investor relationships.

According to a 2024 survey<sup>7</sup> of Belgian VCs, deal flow is sourced from:

- Network (27%)
- Events (23%)
- Incubators & accelerators (20%)
- Scouting (20%)
- Incoming emails (10%)

## 2.2.2. Network and scouting

Nearly half of all deal flow for Belgian VCs comes through network and scouting, a clear sign of the power of FOMO (Fear Of Missing Out), and warm introductions from your network.

In the best-case scenario, investors reach out to you first, already intrigued by your progress and eager to know if you're raising. This kind of inbound interest, fueled by FOMO (Fear Of Missing Out), can create strong momentum in negotiations. But it's the exception, not the rule. Most of the time, it's up to you to make the first move.

So, why does FOMO matter? It's the investor's fear of missing the next big thing, a powerful driver, when you manage it well. FOMO isn't built overnight. It grows gradually through consistent updates, visible milestones, and smart storytelling. Share your wins with authenticity and restraint.

When it comes to outreach, leverage your network, warm introductions carry real weight. An introduction from a trusted source signals that you're worth their time and significantly boosts your credibility. Still, a warm intro doesn't replace the process. You'll need to send a teaser email and pitch deck just like with cold outreach, but investors will be more inclined to engage.

## 2.2.3. Events

Attending startup and investor events, such as pitch sessions and networking meetups, organized by players like: Tectonic (Slush'd Ghent), Belgium Startup Awards, Supernova etc. in Belgium, can be a way to connect with potential investors. However,

it's important to approach these opportunities strategically. These events often require a significant time investment, and industry-specific events are often more relevant.

Another key consideration is exclusivity. Being seen at every event can dilute your perceived value and make your startup appear less selective. Instead, choose events that align with your goals and audience and participate in a way that reinforces your positioning.

## 2.2.4. Incubators & accelerators

A significant part of startups finds investors through their incubator or accelerator program. Well-known incubators & accelerators include Start it @KBC, imec.istart, BEyond etc.

## 2.2.5. Incoming emails

Surprisingly, cold inbound emails only account for about 10% of deal flow among Belgian VCs. Still reaching out directly, via LinkedIn or email, remains one of the most straightforward ways to initiate contact with investors.

When sending a cold message in the form of a teaser email accompanied by your pitch deck. It's essential to make it stand out. Since it arrives unsolicited, it must capture attention quickly and effectively.

Here are the essentials for crafting a compelling outreach message:

- Personalize your approach: Avoid generic, copy-paste templates. Investors can spot them instantly and often ignore them.
- Showcase the opportunity: Clearly articulate why your startup is a strong investment case.
- Be clear about your intent: Let the investor know why you're reaching out and what you're hoping to achieve.

The goal isn't to overwhelm, it's to spark curiosity. Your objective is simple: get the investor to open

<sup>7</sup> An overview of Belgian VC investment practices in 2024 (PWC, Private Capital Belgium, 2024)

your pitch deck and take the next step in the conversation.

## 2.2.6. Process the refusals

Rejection is the norm in fundraising. Expect it, accept it, and use it to your advantage. If you reach out to one hundred funds, almost all will decline. Only a few will show interest, and in the end, you need just one credible lead investor to unlock your round.

The important thing is not to dwell on the refusals, but to extract value from every single one. Record the reasons behind each rejection. Look for patterns: are investors concerned about valuation, market fit, go-to-market, traction, or team composition? If you see recurring themes, investigate and adapt your approach. Sometimes, feedback will be vague or generic. Do not waste energy on noise. For more on this, see our article [The Honest Truth About VC Feedback](#).

Above all, do not take rejections personally. Fundraising is a numbers game, not a judgement on your worth as a founder. Process every no with discipline. Learn from the constructive feedback, ignore what is irrelevant, and keep moving forward. The right investor is out there. Your job is to stay sharp, iterate, and maintain momentum.

## 2.3. Negotiating the deal

In this section, we'll walk through the typical steps involved in a negotiating a fundraising deal. While every negotiation is unique and may include variations, the following outline provides a general overview of the different steps in the process:

- First contact
- Preliminary due diligence
- Non-binding agreement phase
- Comprehensive due diligence
- Legal documentation & negotiation
- Closing & fund transfer

### 2.3.1. First contact

Once an investor expresses interest, the next step is typically a formal introduction call. These calls last

between 30 minutes to an hour, depending on the complexity of your business and the depth of the investor's questions.

It's crucial to communicate your business clearly and concisely. While investors may have expertise in your sector, they haven't lived your journey, so avoid jargon and focus on clarity. If your value proposition isn't understood during this initial conversation, it's unlikely the investor will move forward.

The main objectives of the call include:

- Reviewing your pitch deck in greater detail
- Diving deeper into your business model
- Getting to know your team
- Discussing traction and long-term vision
- Answering any preliminary questions

At this stage, investors are collecting enough information to present your opportunity to their internal investment committee. Importantly, this should be a two-way exchange: take the time to ask questions about the investor's strategy, portfolio, and way of working. This shows that the process is not just about being chosen, but also about choosing the right investor for your business.

### 2.3.2. Preliminary due diligence

If the introduction call with an investor goes well, they will typically request access to your light data room. As previously mentioned, this space should contain only non-sensitive materials, such as a financial plan with anonymized client list, pipeline, cap table, and other general documents.

It's crucial to reiterate that no confidential information should be shared at this stage, as the investor has not yet signed an NDA. The content should be informative yet carefully selected, ensuring that sensitive business data remains protected until formal confidentiality terms are in place.

In practice, some founders choose to speed up the process by requesting an NDA before sharing their light data room. This approach depends on the type

of information requested and your own comfort level.

Investors will usually take time to review your pipeline and financial plan. They may also create their own version of your financial plan to test assumptions, validate hypotheses, and define their own Key Performance Indicators (KPIs). Following their analysis, investors often request additional calls to clarify details and challenge their hypotheses. These discussions continue until they gain confidence in the robustness and credibility of your plans.

### 2.3.3. Non-binding agreement phase

The term sheet usually appears once both sides have expressed serious intent and want to set the stage for a potential deal. It is a non-binding document that captures the parties' intention to move forward, summarizing the broad contours of the agreement. The key financial and governance elements are laid out: valuation, investment size, liquidation preferences, board composition, and other rights that will eventually shape the shareholders' agreement.

Lawyers usually step in at this stage to ensure the term sheet accurately reflects what was agreed in principle, that potential risks are addressed, and that the document complies with the relevant legal standards. Importantly, negotiations are generally easier at the term sheet level than during the draft of the final shareholders' agreement, making this a critical phase for aligning expectations and resolving potential issues early.

If an NDA has not yet been signed, this is typically the moment when it comes into play, either in parallel with the term sheet or directly integrated into it. This ensures that the next discussions can move into more detailed, sensitive information with appropriate confidentiality protections in place.

### 2.3.4. Comprehensive due diligence

Once a potential investor has signed an NDA and expressed genuine interest through a term sheet, you can confidently grant access to your full data

room. Unlike the light version, the full data room contains comprehensive documentation that investors may need to conduct thorough due diligence.

This includes materials such as your complete sales pipeline, intellectual property filings, previous shareholder agreements, financial statements, legal contracts, and any other relevant records. Sharing this level of detail ensures that investors have everything they need to evaluate the opportunity.

During the due diligence phase, investors will thoroughly examine all the documents provided. They'll analyse the information across multiple dimensions, including financial, strategy, operations, and legal matters. Based on their findings, they may revise their Key Performance Indicators (KPIs) and update their financial models.

If anything appears unclear or inconsistent, they will raise questions. Therefore, it's essential to be fully prepared to explain and justify every document and data point you've shared. Transparency and readiness at this stage are crucial to maintaining credibility and moving the process forward smoothly.

Ultimately, this is the stage where investors decide whether to proceed with the investment.

### 2.3.5. Closing & fund transfer

The shareholders' agreement is where the deal becomes binding. It takes the framework set out in the term sheet and develops it into a full legal contract, spelling out the details in depth.

This agreement defines how shareholders relate to each other and how the company is governed from day to day. It covers rights and obligations, decision-making rules, share transfers, exit options, and mechanisms for resolving disputes. Importantly, it also contains the representations and warranties. These are formal statements that certain facts about the business, such as its financial health, legal compliance, and owners

hip of assets, are true at the time of investment. If any of these statements turn out to be false or misleading, the company (or sometimes the founders) may be required to compensate for the investors.

The management agreement defines the working relationship between the company and the active founder (or their management company), or a manager (or their management company). It outlines key elements such as the scope of responsibilities, compensation structure, and other essential terms governing the management arrangement.

### 2.3.6. Notarial deed and transfer of funds

Once all terms have been agreed upon and the necessary documents, such as the shareholders' agreement and management agreement, have been signed, the final steps in case of a capital increase involve a visit to the notary. The notary formalizes the capital increase through a notarial deed, making it legally binding.

Following this, and only after the entire fundraising process has been completed, the transfer of funds from the investors to the company takes place. This marks the official closing of the investment round.

# 03. Common mistakes

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### 3. Common mistakes: What kill investor interest early

While success stories are inspiring, it's equally important to learn from common pitfalls. Here are the most frequent and avoidable fundraising mistakes Belgian founders make:

#### 3.1. Starting the round and FOMO too late

FOMO isn't something you build when you're already raising, it's something you cultivate from day one. Belgian investors don't chase hype, but they do respond to momentum. Reaching out only when you're fundraising puts you at a disadvantage compared to founders who nurture relationships over time. The best founders build relationships early, share progress consistently and create a sense of inevitability around their success. By the time you open your round, investors should already be watching.

FOMO is also best built with lead investors. You need one to create the momentum so prioritize them at the beginning of the process.

#### 3.2. Over-dilution

Giving away too much equity too early is the most common and most damaging mistake. While a big round might feel like a win, it can leave founders with too little ownership to stay motivated or in control. Aim for 15–20% dilution per round, with early seed sometimes reaching 25%. By Series A, founders should collectively retain at least 50–60%. However, sometimes you don't have the choice. If you get heavily diluted, try to add a clause for reversion in the future that reward good performance. Anything less raises red flags for future investors for more details you can click [here](#).

#### 3.3. Messy cap tables

Belgian investors scrutinize cap tables. If yours is cluttered with stacked convertibles, unclear option pools, or founders with minimal equity, it signals risk. Keep it clean. Avoid over-complicating your structure (e.g. If you have many angel investors, you can syndicate them in one entity, which simplifies the cap table). And always model the impact of each round before you sign.

#### 3.4. Mismatched investors

Not every investor is a fit. Taking money from someone who doesn't understand your sector, stage, or vision can lead to misalignment and friction. Do your homework. Target investors that fit your needs, that are caring, and with whom you have a good personal fit. As mentioned before, they'll become your partners.

#### 3.5. Poorly structured convertibles

Convertible loans can be useful but only if handled carefully. Watch for:

**Valuation cap mismatches**, where an overly low cap means early investors convert at a steep discount, leaving new investors effectively paying a much higher price for the same equity.

**Over-stacking**, which leads to a cap table no one wants to touch.

In Belgium, convertibles also come with tax and legal friction: 30% withholding tax on interest (even for individuals), notarized conversions, and balance sheet complexity. Use them sparingly and structure them right.

#### 3.6. Ignoring legal thresholds

Belgian corporate law has hard rules:

95% ownership = squeeze-out rights, letting a shareholder forcefully buy out the remaining minority.

75% = strategic qualified majority, needed for mergers, capital changes or amendments to articles

50% + 1 = simple majority, giving control overboard appointments, budgets and daily governance.

25% +1 = blocking minority, allowing veto on key structural decisions.

Drop below these without realizing it, and you may lose control of your own company. Read our full governance guide [here](#).

### 3.7. Aggressive liquidation preferences

A 1x non-participating liquidation preference is often seen as "standard" but it's not universal. In fact, whether to include any liquidation preference at all is still debated. What is clear, however, is that multiples (1x, 2x) or participating preferred without a cap should never be accepted : it is not normal to profit when the company struggles or even fails. The clause is meant to protect, not to enrich.

The final goal should always be balanced: ensuring investors recoup their initial investment, while also guaranteeing founders and other shareholders retain a fair minimum at exit.

### 3.8. Underestimating transaction costs

Lawyers, notaries, advisors all add up. Expect 4–6% of your raise to go toward closing costs. Budget for it.

04.

# Conclusion

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## 4. Conclusion

Fundraising in Belgium is not something you can approach lightly. This guide has given you a structured overview of the process, but it's important to remember that fundraising is as much about negotiation and persuasion as it is about planning. It's not an exact science; it's a dynamic conversation where you'll need to convince investors to believe in your vision and your business.

Real-world negotiations are rarely as straightforward as they appear on paper. That's why it's essential to surround yourself with experienced advisors who understand the legal, financial, and strategic nuances of fundraising. Done right, fundraising can be a powerful growth catalyst. Done wrong, it can create lasting challenges.

If you're looking for a sparring partner who can guide you through every step of the journey, dups is here to help.