

What is SAFE Agreements?

SAFE

SAFE (Simple Agreement for Future Equity) is a contract where investors give money now in exchange for future shares in a startup. It doesn't set a company valuation or issue shares immediately. The investment converts into equity at a later event, like a funding round, without debt or interest.

SAFE Agreement Explained

What is a SAFE Agreement?

It's a Simple Agreement for Future Equity where investors provide funding now for equity later, without immediate shares or valuation.

How does it work?

It converts to equity at a future event.



How Does a SAFE Work?

- Funds convert into shares during next funding round
- Usually triggers at equity financing, acquisition, or IPO
- A Conversion at a discount or valuation cap
- No interest or maturity date unlike convertible notes



“Invest today, own tomorrow.”

Why Use SAFE Agreements?

SAFE agreements make it easy for startups to raise funds quickly without complex paperwork or negotiating a company valuation.

They provide founders with flexibility, help avoid early ownership dilution, and keep the process simple for both startups and investors.

Why use SAFE Agreements?



Why use SAFE agreements?

Fast, simple startup funding. No need for early valuation. Delays dilution until later. No debt or repayment required.



Benefits for Startups

→ Quick capital without legal complexity

→ Maintains founder control longer

→ Flexible and customizable terms

→ Preserves founder control longer

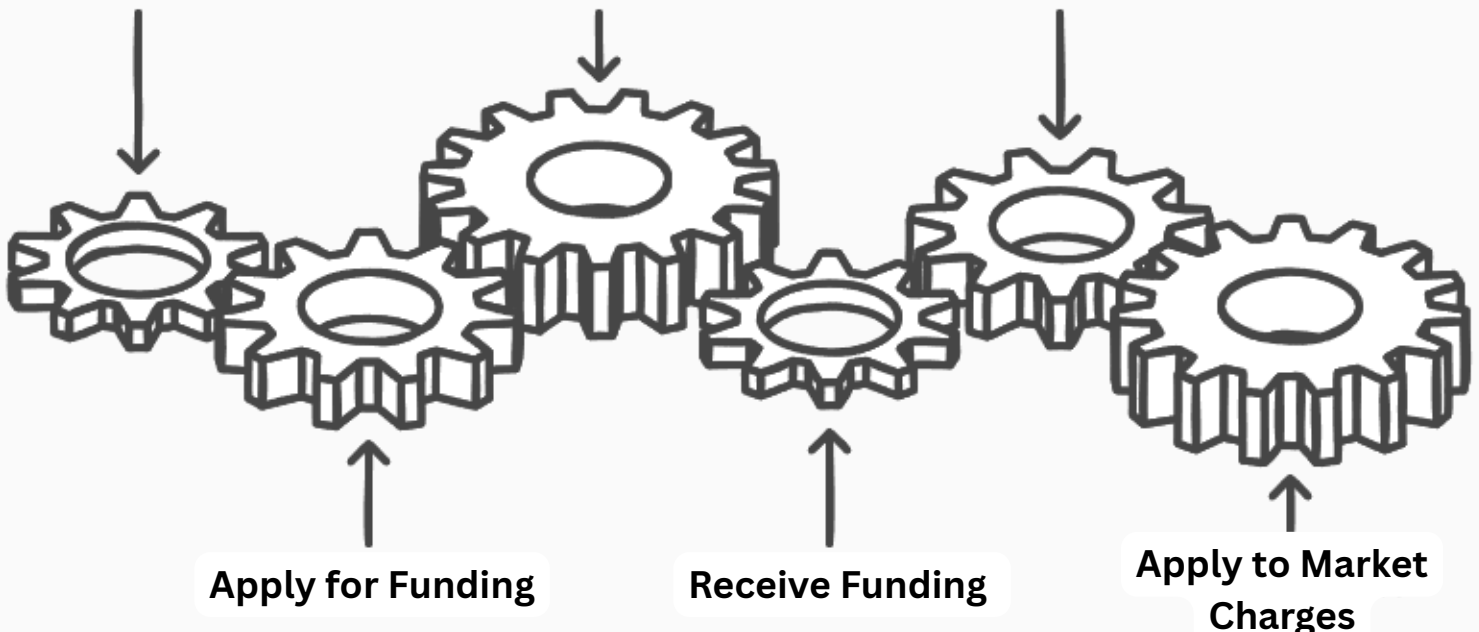
→ Attracts early-stage investors easily

Startup Funding Process

Identify Funding Need

Funding Approval

Focus on Core Operations



Benefits for Investors

7 actionable steps from user identification to iteration

- 1 Potential for equity at favorable terms
 - 2 Protection via valuation caps and discounts
 - 3 Investment aligned with company success
 - 4 Simple conversion structure, no immediate ownership
 - 5 Opportunity to invest early and benefit from future growth
 - 6 Fewer legal hurdles compared to traditional equity deals
 - 7 Investment terms protect investor interests as the company scales
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Key Takeaways

- SAFE is a founder-friendly fundraising tool
- Balances investor incentives and startup needs
- Delays dilution and valuation decisions
- Speeds up early-stage funding rounds
- Ideal for startups seeking simple, flexible capital

“SAFE agreements unlock growth for startups and opportunity for investors.”