

Summary Table: Capital Funding Agreement Formats Comparison

Format	Key Features	Parties Involved	Typical Use Case	Repayment Terms	Flexibility
Equity Investment	Ownership stake given, potential for future dividends or appreciation	Investor, Company	Startup funding, growth capital	No fixed repayment	High
Convertible Note	Debt that converts into equity, usually at next funding round	Investor, Company	Early-stage fundraising	Convertible to shares, interest may apply	Medium
Simple Agreement for Future Equity (SAFE)	Agreement to receive equity at future financing event	Investor, Company	Seed funding, accelerators	No repayment; converts to equity	High
Loan Agreement	Traditional debt, interest rate applied, set maturity date	Lender, Company	Project finance, working capital	Principal + interest repaid over term	Low
Grant Agreement	Funds provided with no expectation of repayment or ownership	Grantor, Recipient	Non-profit, research, public sector projects	No repayment	Varies

Important Notes:

- Choosing the appropriate capital funding agreement depends on company stage, project type, and investor appetite.
- Legal review is essential before signing any funding agreement.
- Terms can affect ownership dilution, control, and future fundraising flexibility.
- Each format carries different implications for risk and obligations.
- Carefully consider long-term impacts on company structure and governance.