

Venture Capital: legal (and not only) aspects of innovation finance

Abstract: The course aims to provide the student with a legal overview of venture capital transactions.

The macro-structure of the course path will be as follows:

- 1) The main features of an investment operation (March 28 and April 11): In this session we will address the genesis and structuring of an investment operation in an innovative company, familiarizing with the main terminology of the Venture Capital world
- 2) Analysis of the main clauses characterizing a venture capital transaction (11 and 12 April): In this session we will analyze the main clauses (anti-dilution, liquidation preference, pay to play, reps & warranties and indemnity provisions) that characterize a venture capital transaction with respect to a private equity transaction. This session will also look at concrete examples of the main documents of an investment transaction and how to structure a cap table.
- 3) Founders and key people: the main tools for boosting human capital (18 April):
At this stage, the main tools for protecting, “stabilising” and encouraging the human capital of the startup will be analysed: ESOP plans, specific clauses in employment/collaboration contracts
- 4) Hints on the most used corporate structures: difference between innovative startups, SMEs and innovative SMEs (April 19): in this phase the main characteristics and differences of the most used corporate structures for the establishment of an "innovative company" will be discussed.
- 5) Testimony: the eyes of a venture capitalist (2 May):
A venture capitalist will be invited for an interactive lesson with students on methods of scouting, investing, and negotiating a deal.
- 6) Competitions (May 3):
The last phase of the program includes a sort of competition that can also be structured as a twenty for hours exam, i. e. the assignment to homogeneous teams of a role (the startup and/or the investor) and the simulation (also with a public negotiation phase) of an investment operation inspired by the tools and material offered during the course.