InvestCEC

Circular Economy Fundraising Guidebook

Venionaire Capital AG

Funded by the European Union

Project information

Project name	InvestCEC
Full project name	Supporting the transition towards circular economy in European cities and regions: Development of a replicable model for local circular economy projects
Grant number	101082131
Project coordinator	Yoram Bar Zeev; Andrea Motola; (Enspire Science Ltd.) ybz@enspire-science.com; andrea.ratkosova@enspire-science.com
Project duration	01/11/2022 – 31/10/2025

Version	Date	Author	Comments
V1	27/12/2024	Paul Stern, Philipp Sakuler, Berthold Baurek-Karlic, Denis Voldman	Version sent to all partners to gather inputs
V2	18/01/2025	Paul Stern, Philipp Sakuler, Berthold Baurek-Karlic, Denis Voldman	

Disclaimer

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Research Executive Agency (REA). Neither the European Union nor the granting authority can be held responsible for them

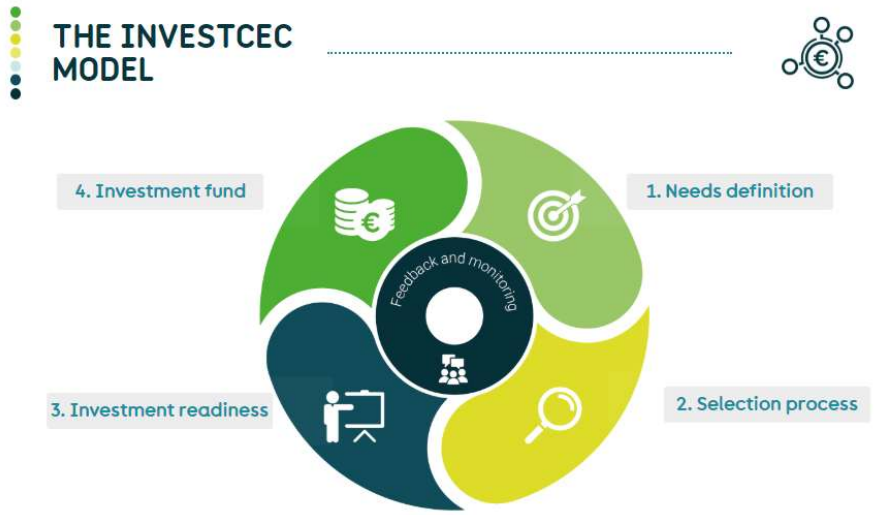
Table of Contents

Funded by the European Union

1. Introduction

The circular economy is a core pillar of the EU's Green Deal, offering a sustainable alternative to traditional "take-make-dispose" systems by promoting resource recovery, waste reduction, and ecosystem regeneration. Circular economy solutions and innovation plays a vital role in driving this transition, addressing global challenges like high energy consumption, greenhouse gas emissions, and waste production in cities. However, advancing these initiatives presents unique funding challenges, as projects are often deemed high-risk due to technical immaturity, complex value chains, and uncertain market conditions.

The Horizon Europe project **InvestCEC** is designed to tackle these obstacles by developing a replicable model for circular economy projects in cities and regions. This guidebook supports that mission, equipping stakeholders—entrepreneurs, investors, policymakers, and public authorities—with practical tools and strategies to initiate and fund circular economy projects effectively. Drawing on over a decade of expertise from Venionaire Capital, including its success in advising European corporates and governments, the guidebook provides insights into navigating the funding landscape, addressing risks, and building scalable solutions.



Organized around the four stages of the InvestCEC model—Defining Needs, Selecting Entrepreneurs, Preparing for Investment, and Establishing Investment Programs—the guidebook addresses that projects are replicable across diverse settings. But it also emphasizes the importance of aligning local and regional factors, such as infrastructure, partnerships, and policy environments, to ensure long-term sustainability and impact.

By leveraging lessons learned from InvestCEC's demonstration project in the Pilot city Klagenfurt in Austria, this guidebook serves as a comprehensive resource to foster collaboration and accelerate the transition to a circular economy across Europe.

Funded by the European Union

2. Fundraising Fundamentals

2.1. What is Fundraising?

Fundraising, for startups, is the process of securing capital from external sources to fuel growth and operations. Investors could range from angel investors and venture capital (VC) firms to private equity and crowdfunding sources. Each source offers distinct benefits and requirements, which can influence funding terms and the degree of control a founder retains. Public funding refers to financial support provided by government entities or publicly funded institutions to businesses, organizations, or individuals. For startups, public funding often comes in the form of grants, subsidies, loans, or tax incentives designed to promote innovation, economic growth, or address specific societal challenges such as sustainability, job creation, or technological advancements.

The European Union offers various funding programs to support circular economy projects, fostering innovation and sustainability. Horizon Europe, a EUR 95.5 billion research and innovation program, funds projects related to recycling technologies, eco-design, and sustainable business models. The European Investment Fund (EIF) provides venture capital and risk finance for SMEs engaged in circular solutions, helping them scale operations and drive sustainable impact. Additionally, for example the KfW Development Bank supports initiatives in waste management, closed-loop manufacturing, and energy-efficient production through low-interest loans and grants, ensuring businesses have the financial backing to transition toward circularity.

While national and EU grants, as well as public loans, play a crucial role in funding circular economy initiatives, this guidebook primarily focuses on private funding sources. Public funding schemes tend to evolve frequently and often require a case-specific approach, making them less suitable for a general guide. However, entrepreneurs and investors should actively explore available national and European funding instruments, such as innovation grants, sustainability incentives, and green transition loans, to complement their financial strategy.

Fundraising in this space also means finding partners who can contribute strategically through their networks and mentorship. Many startups go through multiple fundraising rounds, each linked to milestones like market entry, product development, or scaling operations. For circular economy startups, milestones may also include achieving specific levels of circularity or obtaining sustainability certifications.

2.2. Why is Fundraising Important for Circular Economy Startups?

Circular economy startups operate at the intersection of innovation and sustainability. Fundraising plays a critical role in:

Covering High Upfront Costs: Developing technologies for waste-to-resource systems, sustainable materials, or circular business models often involves significant initial investments.

Scaling Impact: With funding, startups can expand their operations, implement sustainable solutions at scale, and accelerate their environmental impact.

Building Strategic Relationships: Beyond capital, investors bring connections to stakeholders in sustainability-focused networks, including policymakers and green technology providers.

Fundraising is essential for circular economy startups as it enables them to develop innovative solutions, overcome capital-intensive barriers, and create scalable business models that address critical environmental challenges while driving long-term sustainability.

> Fundraising is the art of defining a vision so compelling and well-supported that others want to join you on the journey.
>
> – Denis Voldman, Lead Investment Analyst @ Venionaire Capital

2.3. Stages

In the fundraising journey, you will typically progress through various stages. Each stage—ranging from Pre-Seed to IPO or Exit—represents a new phase in terms of source of capital, ticket size, intended use, etc. Investors assess startups based on different criteria at each stage, such as traction, scalability, and product maturity. Understanding these stages helps you understand, what every stage typically demands from you and in which stage you are currently in. It further helps you identify which investor is best suited at that stage, and how much they typically invest during these phases. Figure 1 below is mostly for orientation purposes. Numbers can vary due to different needs in specific industries as we mentioned before (SaaS, Biotech, MedTech, etc.).

	Early-Stage			Growth-Stage	Exit-Stage
Criteria	**Pre-Seed**	**Seed**	**Series A**	**Series B, C & D***	**IPO/Exit**
Goal	Developing ideas, laying the foundations, problem validation.	Product development and market entry.	Scaling and expansion.	Faster scaling and market leadership.	Opening up to the public market or strategic takeover.
Source of capital	Founders themselves, family, friends, subsidies/grants or first angel investors.	Angel investors, seed venture capital funds, accelerator programs.	Venture capital funds and institutional investors.	Later VC investors, private equity funds.	Stock exchange (IPO) or strategic buyers.
Ticket size	€10,000 - €250,000	€2m - €5m	€5 - €20m	**Series B:** €25m - €100m **Series C:** €80m - €200m **Series D and higher:** €100m and higher	Depends on valuation.
Intended use	Development of a prototype, initial market research, start-up costs.	Expansion of the MVP (Minimum Viable Product), market research, branding and initial market entry activities.	Strengthening the team, establishing sales and marketing structures, improving the product.	Expansion into new markets, product diversification, development of infrastructure.	Liquidity for early investors and founders, further expansion or debt repayment.
Traction	Validated problem and solution approach.	Initial user data, early customers or pilot projects.	Stable product-market fit.	Strong sales growth, scalable business processes, international or vertical expansion.	Sustainable profitability or a clear path to it.
Product Development	Idea and concept phase, often not even a minimum viable product (MVP).	Development of a MVP.	Mature MVP or first full version with continuous further development.	Market-ready version with strong scalability and optimized functions.	Fully developed, stable product or product portfolio.

*Please note that there may also be subsequent financing rounds such as Series E, F, G, etc. This is simply to illustrate that each round typically involves a higher amount of funding with different investors stepping in.

Figure 1: Startup Business Development Stages (Venionaire Capital, 2025; Choi, n.d.)

Funded by the European Union

Pre-Seed

The Pre-Seed stage is the very beginning of a startup's journey, where the idea is conceived. At this stage, the company is often focused on product development, market research, and building the core team. Funding typically comes from the founders, friends, family, or early angel investors. The goal is to turn the idea into a viable product or prototype.

Seed

The Seed stage marks the first formal round of funding, aimed at developing a product and validating the business concept. Startups in this stage often focus on market fit, testing their product, and acquiring early customers. Seed funding usually comes from angel investors, early-stage venture capitalists, or crowdfunding. This stage is crucial for demonstrating the potential for future growth.

Series A

The Series A round is the first significant round of institutional investment. At this stage, the startup has likely achieved product-market fit and is looking to scale. The focus shifts from product development to expanding the customer base, improving operations, and hiring key team members. Series A investors are typically venture capital firms that expect the business to show clear growth potential.

Series B, C, D, etc.

In Series B and higher rounds, startups are looking to scale their operations further, expand into new markets, and enhance their product offerings. Funding is used to accelerate growth, expand the team, and improve customer acquisition strategies. The business should have established a solid customer base and proven its model. Investors often include venture capital firms with a focus on scaling companies.

IPO (Initial Public Offering)

An IPO occurs when a company decides to offer its shares to the public for the first time, transitioning from a privately held company to a publicly traded one. The IPO allows the company to raise substantial capital, which can be used for growth, acquisitions, or paying down debt. This stage often marks a major milestone for the company, as it gains visibility in the market and can attract more investors.

Exit

An Exit is when the startup founders and investors sell their stakes in the company, either through an acquisition (when another company buys the startup) or an IPO (when the company becomes publicly traded). Exits are the ultimate goal for many startups, providing a return on investment for the founders and early backers. An exit can also offer a way for the company to grow or expand under new ownership.

Funded by
the European Union

2.4. Bridge Rounds

During the different stages of business development, startups also rely on so-called „Bridge Rounds“ between the rounds mentioned before. A bridge round is a solution for you to secure short-term funding between larger fundraising rounds whenever you need to cover more operational costs or manage delays while preparing for your next big round. These rounds are smaller, faster to execute, and provide the capital you need immediately.

You can typically turn to your existing investors for this type of funding, as they already understand your potential and want to protect their earlier investments. New investors might also participate, often on favorable terms like discounted equity, convertible notes or warrants. For example, if the company is planning to raise more funds in a later round, investors in the bridge round may get the option to buy shares at a 20% discount to the price set in the next round. A convertible note is a type of debt financing that can be converted into equity (company shares) at a later date, usually during a subsequent funding round. A warrant is a security that gives the holder the right (but not the obligation) to purchase company shares at a predetermined price in the future, often at a discount to the market value.

From a strategic standpoint, a bridge round is needed you require additional capital to cover operational costs or extend your runway while waiting for a larger funding round to close. It's also a good option if your company is preparing for a major milestone—such as achieving product-market fit or launching a key product—that will position you for a stronger next round.

A bridge round can also be useful if you're not yet ready to set a valuation but need to keep the business running and make progress until a larger round is feasible.

Essentially, you need a bridge round when you have a clear, immediate funding gap, but your company’s long-term growth prospects remain strong and you're in a position to raise a larger round soon.

However, relying on bridge rounds too frequently can signal instability and cause concerns about the company's long-term viability. Overusing them may lead to significant dilution for the founders, as bridge rounds often come with favorable terms for investors. This could result in a loss of ownership and control. Lastly, it’s crucial to manage expectations—over-promising on the impact of a bridge round can set up unrealistic goals, harming the company’s reputation and making it harder to secure future funding.

Bridge rounds should be used carefully when there’s a clear, short-term need for capital, but startups should avoid over-relying on them to prevent long-term negative effects on ownership and investor confidence.

In the chapters that follow, we will outline the key steps circular economy startups should take and the critical factors to consider in order to effectively prepare for the fundraising journey.

3. Fundraising Guidelines

3.1. Determining How Much to Raise

Circular economy startups face unique funding challenges due to higher upfront costs, longer paths to profitability, and the need to demonstrate both financial and environmental impact. Determining how much to raise requires a strategic approach that balances operational needs with sustainability goals.

Assessing Expenses

Start by creating a detailed budget that covers 18–24 months, including costs specific to circular startups, such as sustainable material sourcing, certifications, or compliance with environmental regulations. Account for fixed costs (e.g., payroll, rent) and variable costs (e.g., production, scaling infrastructure) while setting aside a contingency buffer for unexpected challenges like regulatory changes.

Defining Milestones

Investors want to see how their capital will advance both business growth and sustainability. Key milestones might include achieving proof of concept, scaling waste-to-resource systems, securing pilot customers, or reducing specific environmental impacts like CO_2 emissions or waste diversion. Align funding requests with measurable goals to build investor confidence.

Planning for Growth

Circular startups often face scaling hurdles like reverse logistics or supply chain complexities. Include these in your funding plans, while also preparing for unexpected opportunities like entering new markets, acquiring a competitor, accelerating a product launch or engaging with or benefiting from programs, funding opportunities, and partnerships.

Balancing Equity and Dilution

Raising capital requires striking a balance between progress, investor trust, and dilution. Dilution refers to the reduction in ownership percentage that occurs when a company issues new shares. It typically happens during fundraising rounds when startups raise capital by selling equity to new investors. As a result, the proportion of ownership held by existing shareholders decreases unless they also purchase new shares. While limiting dilution to 10% during a seed round is ideal, it's common to see up to 20%, and exceeding 25% should be avoided if possible. Your funding request must be grounded in a compelling plan that gives investors confidence in their potential returns. To increase credibility, prepare alternative plans for different funding amounts, showing that the company can succeed whether you secure the full amount or a reduced sum (Ralston, 2020).

Industry Benchmarks

Researching typical funding amounts for companies in your industry and stage provides a useful benchmark. You can look this up in databases like PitchBook, Dealroom or Crunchbase, which can show average amounts raised for similar startups. Industry benchmarks help validate your funding request. It ensures that your ask is competitive and reasonable.

For example:

- *SaaS: Seed rounds typically range between €2 million to €5 million, whereas Series A rounds can be €5 million to €15 million, depending on traction (Jantz & Ola, 2023).*
- *Biotech and MedTech: Higher research and development costs often mean seed rounds can reach €5 million, with Series A sometimes reaching €20 million or more (Labiotech, n.d.).*
- *Hardware-intensive industries: Given the high costs of prototyping and manufacturing, rounds in hardware startups often reach significant amounts, such as the €160 million Series B round secured by The Exploration Company to further develop their reusable spacecraft (EU-Startups, 2024).*

3.2. Startup Valuation

A well-thought-out valuation is critical for circular economy startups to attract the right investors while maintaining control. Overvaluation can deter investors and create challenges in future funding rounds, while undervaluation risks excessive dilution and signals a lack of understanding of your business potential. Saarinen and Aarikka-Stenroos (2023) state that CE business models are often undervalued due to a lack of understanding in the financial sector about circularity-related risks and profitability. This indicates that a realistic valuation is crucial and not only builds investor confidence but also protects your ownership stake.

The Importance of Realistic Valuation

Setting a fair valuation ensures you raise the capital you need while preserving equity for future growth. Overvaluation can lead to credibility issues and high investor expectations, while undervaluation reduces your stake and may hinder future rounds. Circular economy startups must also account for their dual focus on financial returns and environmental impact when determining value. Venionaire Capital's subsidiary company, Venionaire DealMatrix, offers five established methods for early-stage company valuations:

The Berkus Method

Ideal for early-stage, pre-revenue startups. The Berkus valuation method assigns value to the business idea and four key success factors of the company, with each category capped at EUR 500,000. These critical value drivers highlight risk areas that could determine the company's success or failure. Useful for early-stage startups with no relevant revenue (Venionaire DealMatrix, 2024).

Payne Scorecard Method

The Payne Scorecard Method, developed by Bill Payne, provides a structured framework for evaluating early-stage startups by benchmarking them against others at the same stage within their geographic region and industry. This method is particularly useful for pre-seed and early-seed companies, where traditional financial metrics offer limited value due to the evolving nature of business concepts at this stage. By analyzing factors such as the quality of the founding team, market opportunity, product innovation, and timing, investors can assign weighted scores to reflect the strengths and weaknesses of a startup relative to its peers. This score is then applied to the average valuation of comparable startups, resulting in an adjusted valuation that accounts for unique attributes of the business (Venionaire DealMatrix, 2024).

Venionaire Method

The Venionaire Method combines both qualitative and quantitative assessments to provide a holistic view of a startup's valuation, making it particularly effective for startups with strong financial performance and measurable environmental impact. By addressing the limitations of traditional models, this method evaluates key drivers like team quality, market potential, product and business model strength, technology, scalability, and KPIs, ensuring that unique strengths and weaknesses are fully accounted for.

Using a scorecard approach, each factor is scored from 1 to 5 and weighted according to the startup's development stage, resulting in a clear, transparent valuation that aligns with the specific investment strategy. This system produces a rating from VAAA (very strong) to ER (extremely risky), which, when combined with a premium or discount factor, delivers an adjusted entity value (Venionaire DealMatrix, 2024).

VC Method

The VC Method is widely used by venture capitalists to value early-stage, pre-revenue companies, making it a key tool in the startup investment world. This method is considered "moderate" due to its reliance on a few key financial metrics, which, although straightforward, require a basic understanding of financial concepts to apply effectively. It is a popular way to value early-stage startups, especially pre-revenue ones, by focusing on the potential exit value and expected return on investment (RoI). Investors estimate the exit value, often as a revenue multiple, and divide it by their target RoI to calculate the post-money valuation. For example, if a startup is expected to generate €15 million in revenue at exit with a sales multiple of 2, the exit value would be €30 million. With a target RoI (Return on Investment) of 10x, the post-money valuation would be €3 million (Venionaire DealMatrix, 2024).

First Chicago Method

The First Chicago Method is a sophisticated valuation approach designed to assess early-stage companies by considering various future scenarios and their probabilities. It integrates financial metrics like revenues, earnings, and cash flows, making it ideal for dynamic growth startups. This method involves four key steps: (1) outlining scenarios—typically upside, middle, and downside cases—based on detailed financial forecasts, (2) calculating the exit value for each scenario using market multiples, (3) discounting these values and cash flows to account for the required return, and (4) weighting each scenario by its probability to determine a final valuation. Though complex, this approach captures a broad range of outcomes, making it a comprehensive tool for investors seeking to understand potential risks and rewards (Venionaire DealMatrix, 2024).

The practical valuation tool, along with a detailed explanation of every method, can be found on the DealMatrix website: Startseite - DealMatrix | Transactions Made Easy

3.3. What Investors look for

Investors conducting due diligence on startups focus on the business's financial health, market opportunity, scalability, and ability to deliver measurable environmental and social impact. Preparing for this scrutiny is critical to building trust and securing funding.

3.3.1. FINANCIAL HEALTH AND KPIS

Financials are the backbone of due diligence. Investors expect a thorough breakdown of your revenue, expenses, profit margins, and projections. They want to understand your cash flow, current debt obligations, and overall financial management. This analysis gives them insight into the financial sustainability of your business and the potential for returns.

To prepare, ensure your financial documents are organized and up-to-date. Investors typically request access to:

Historical Financial Statements: Profit and loss statements, balance sheets, and cash flow statements for at least the past 2-3 years, or as far back as your startup has records.

Forecasts and Projections: Clear, realistic projections for the next 3-5 years, including revenue forecasts, profit margins, and growth assumptions.

Financial Ratios and KPIs: Investors rely on key metrics and ratios to assess your startup's financial health, efficiency, and scalability. In most cases, these vary based on different sectors and business models. Some of the most critical ones include:

- *Customer Acquisition Cost (CAC): The average cost to acquire one customer. Lower CAC suggests efficient marketing and sales efforts.*
- *Lifetime Value (LTV): The total revenue generated by a customer over their lifetime with your business. A high LTV, when compared to CAC, indicates strong customer retention and profitability.*
- *Burn Rate: How quickly you are spending cash to fund operations. This helps investors assess how long your current funding will last (your "runway").*
- *Churn Rate: The rate at which customers stop using your product or service. A low churn rate demonstrates strong customer satisfaction and loyalty.*
- *Revenue Growth Rate: Year-over-year or month-over-month revenue increases. This provides a snapshot of how quickly your business is scaling.*

3.3.2. TRACTION

For early-stage startups, **product-market fit** is the primary concern for investors, as it demonstrates that there is genuine demand for the product or service. As your startup progresses to growth stages, investors will increasingly care about your ability to scale profitably. To demonstrate traction and scalability to investors, highlight measurable growth in revenue, customer acquisition, and user engagement, supported by clear trends that show consistency and potential for scale. Strong partnerships or pilot successes can further signal credibility and readiness for expansion. Potential metrics are:

Revenue Growth:

- *Monthly Recurring Revenue (MRR) or Annual Recurring Revenue (ARR) trends.*
- *Year-over-Year (YoY) revenue increase.*

Customer Metrics:

- *Customer acquisition growth (e.g., total number of paying customers).*
- *Retention rate or churn rate (low churn shows customer satisfaction).*

Engagement and Market Adoption:

- *Daily Active Users (DAU) vs. Monthly Active Users (MAU) for platforms.*
- *Number of returning customers or repeat orders.*

3.3.3. MARKET OPPORTUNITY AND COMPETITIVE EDGE

Investors need to see that your circular solution addresses a significant and growing market. TAM, SAM, and SOM are frameworks used to define and measure the potential market size for a product or service.

- *TAM (Total Addressable Market) refers to the total demand for a product or service in a specific market, assuming there are no competitors. It represents the largest possible market size.*
- *SAM (Serviceable Available Market) is the segment of the TAM that a company can target with its products or services, considering geographic, regulatory, and other limitations.*
- *SOM (Serviceable Obtainable Market) is the portion of the SAM that a company can realistically capture in the short term, based on competition, resources, and market entry strategy.*

Let's consider a hypothetical company that offers a circular economy solution for clothing and textile recycling in Europe. This solution involves turning old clothing into new textiles or products, reducing waste and promoting sustainability. Here's how TAM, SAM, and SOM would break down based on revenue. Please note that the numbers provided here are made up for illustrative purposes and do not reflect actual market data:

TAM (Total Addressable Market):

This is the total revenue or customer base that could theoretically be captured by the company's clothing recycling solution if there were no competitors or limitations. It includes all the revenue from clothing sales and textile waste in Europe that could be recycled. For example, the TAM could be the total value of the European clothing and textile market, which is estimated at €300 billion annually. This includes all retail sales of clothing and the potential market for textile waste recycling.

SAM (Serviceable Available Market):

This is the portion of the TAM that the company can target with its clothing and textile recycling solution, considering factors such as market needs, geography, and regulations. For instance, the company may focus on fashion retailers and waste management companies in countries like Germany, France, and the UK. If these countries represent 30% of the European clothing and textile market, the SAM would be around €90 billion in annual revenue.

SOM (Serviceable Obtainable Market):

This is the portion of the SAM that the company can realistically capture, based on competition, resources, and its specific capabilities. For example, if the company is just starting and is focusing on partnering with fashion brands in Germany, it might estimate its SOM to be €500 million in annual revenue over the next 3-5 years, based on initial contracts, its technology, and the demand for sustainable recycling solutions.

By breaking down the market opportunity into TAM, SAM, and SOM, the company can focus on a more manageable and realistic goal for its circular economy solution. These metrics help businesses assess their market opportunity and prioritize efforts effectively.

Competitive Differentiation:

Demonstrate how your solution stands out in the marketplace. Highlight any unique technologies, intellectual property, or strategic partnerships that give your offering a competitive edge. For instance, showcase proprietary technologies that improve efficiency or product performance, or illustrate exclusive partnerships with industry leaders, suppliers, or research institutions. Additionally, emphasize how these differentiators position your solution as more sustainable, scalable, or innovative compared to competitors. Strong competitive differentiation can lead to increased customer loyalty, stronger market positioning, and higher barriers to entry for potential competitors.

Risk Mitigation:

Address potential market risks that could impact the adoption or success of your solution. Start by acknowledging market demand fluctuations, which could arise from economic downturns, shifting consumer preferences, or changes in industry trends. Technology adoption is another potential risk, as customers may be hesitant to switch to new, unproven technologies or face challenges in integrating them into existing systems. Also, consider the lack of consumer understanding of circular products, which can slow market acceptance; strategies to educate and raise awareness will be essential. Additionally, regulatory risks must be taken into account, including the risk of regulatory changes, such as new laws or stricter environmental standards, and the implementation risks tied to delays in the enforcement or uncertainty in compliance requirements. Outline clear strategies to mitigate these risks, such as fostering consumer education campaigns, developing strong relationships with regulatory bodies, and diversifying your technology to adapt to market and regulatory changes. By proactively addressing these risks, you can demonstrate your preparedness for potential obstacles and reinforce your commitment to long-term, sustainable growth.

3.3.4. PRODUCT AND TECHNOLOGY VALIDATION

Circular startups must show that their solutions solve real problems and are built for scalability. Share:

Product Roadmap:

Outline key milestones already achieved, such as successful product launches or partnerships, and present clear future development plans. Highlight upcoming product enhancements, expansions into new markets, or efforts to refine the technology, demonstrating the startup's long-term vision for growth and scalability.

Technology Validation:

Offer proof of your proprietary innovations or patents, if applicable. This could include patent filings, third-party validations, or successful technology deployments that demonstrate the uniqueness and effectiveness of your solution. Show how your technology provides a competitive advantage and supports your scalability goals.

3.3.5. LEGAL AND REGULATORY COMPLIANCE

Legal risks can significantly impact the growth and success of circular economy startups. To minimize these risks, it's crucial to ensure that corporate documents, such as incorporation and shareholder agreements, are in order, and that intellectual property (IP) rights, including patents and trademarks, are secured. Beyond these foundational elements, regulatory compliance is a key concern, especially with the sustainability regulations across different regions. Startups must navigate environmental laws related to waste management, recycling, and carbon emissions, as well as comply with product regulations, such as the EU's Ecodesign Directive (European Commission, 2024). Compliance with data privacy laws, such as GDPR, is also essential, particularly for businesses handling customer data. Moreover, ensuring that contractual agreements with supply chain partners are legally sound and that environmental claims are accurately marketed can help avoid legal pitfalls. By addressing these legal aspects, circular economy startups can reduce risks and enhance investor confidence.

3.4. Specific Implications for Circular Economy Startups

Investors evaluating circular economy startups often begin with general Environmental, Social, and Governance (ESG) criteria to assess the sustainability and ethical practices of a business. However, for circular economy startups, it's essential to contextualize ESG considerations based on whether the startup focuses on direct circularity or enabling circularity. Additionally, investors must navigate potential conflicts between ESG criteria and prioritize factors that align most closely with the startup's core circular objectives.

To address the diversity of circular economy startups, it is important to distinguish between "direct circularity" and "enabling circularity" solutions, as ESG criteria apply differently to each. Direct circularity businesses, such as those focused on product reuse or upcycling, require close scrutiny of operational impacts like resource recovery and supply chain sustainability. Enabling circularity startups, on the other hand, should be evaluated based on their systemic contributions, such as fostering circular practices across industries. Clear guidance on navigating ESG conflicts, such as balancing strong environmental contributions with governance gaps, can help ensure alignment with core circular objectives while supporting innovation.

It is important to clarify whether all ESG criteria must be fully met by circular economy startups or if certain conflicts can be balanced against their core contributions. For instance, a startup delivering an outstanding circular solution that significantly reduces waste may face challenges in meeting criteria like gender equality or fair treatment. Such conflicts should not automatically disqualify the startup from investment but instead trigger a case-by-case assessment. Investors should evaluate whether the startup's circular impact outweighs the ESG shortcomings and, where possible, require a commitment to improvement through actionable plans. Providing clear operational guidance on handling such scenarios ensures transparency and balanced decision-making while fostering both sustainability and inclusivity.

3.4.1. GENERAL ESG CRITERIA

A. ENVIRONMENTAL CRITERIA

- ***Carbon Emissions and Climate Change Mitigation****: Measuring and reducing greenhouse gas emissions.*
- ***Energy Efficiency and Renewable Energy Usage****: Adoption of energy-efficient technologies and renewable energy sources like solar or wind power.*
- ***Resource Management and Biodiversity Preservation****: Efficient use of natural resources with minimal environmental disruption.*
- ***Pollution Prevention and Waste Management****: Effective controls for emissions and innovative waste management practices.*
- ***Environmental Certifications****: Policies or certifications (e.g., ISO 14001) demonstrating robust environmental management.*

B. SOCIAL CRITERIA

- ***Labour Practices and Human Rights Policies:*** *Ensuring fair treatment of workers and respect for human rights across the supply chain.*
- ***Diversity, Equity, and Inclusion****: Promoting diversity at all organizational levels.*
- ***Health and Safety Practices****: Providing safe working environments and respecting human rights.*
- ***Community Engagement:*** *Building strong relationships with local communities through engagement and development initiatives.*
- ***Customer Satisfaction****: Delivering high-quality, safe products and ensuring responsible marketing practices.*

C. GOVERNANCE CRITERIA

- ***Board Diversity and Effectiveness****: A diverse and independent board ensuring accountability.*
- ***Transparency and Disclosure****: Comprehensive reporting on financial, operational, and ESG metrics.*
- ***Anti-Corruption Policies****: Strong frameworks to prevent corruption and ensure compliance.*
- ***Shareholder Rights****: Mechanisms to protect and engage shareholders effectively.*

3.4.2. DIRECT CIRCULARITY VS. ENABLING CIRCULARITY

Direct Circularity: These startups implement circular economy principles directly into their business model. Examples include companies offering product-as-a-service solutions, repair and refurbishment services, or upcycling waste materials into new products. For direct circularity businesses, ESG evaluation focuses on operational practices, such as the environmental impact of their supply chain and resource recovery rates.

Enabling Circularity: These startups provide tools, technologies, or infrastructure that help other businesses or industries adopt circular practices. Examples include digital platforms for tracking materials, reverse logistics solutions, or advanced recycling technologies. ESG evaluation here is broader and may emphasize the startup's role in driving systemic change rather than direct operational outcomes.

For both types of startups, the relevance of ESG criteria may vary, and not all criteria may be equally applicable.

3.4.3. NAVIGATING CONFLICTS BETWEEN ESG CRITERIA

A critical challenge for investors is assessing how well a circular economy startup aligns with ESG principles when conflicts arise. For example, a startup may deliver an exceptional circular solution that significantly reduces waste or carbon emissions but faces challenges in areas like labor practices or gender equality. In such cases, it's essential to adopt a balanced, case-by-case approach:

1. **Assessing Core Impact:**
   Investors should first evaluate whether the startup's primary contribution to circularity outweighs its shortcomings in other ESG areas. For example, if a startup's solution prevents millions of tons of waste annually, its overall impact may still justify investment even if other ESG criteria need improvement.
2. **Identifying Non-negotiables:**
   Some ESG factors, such as violations of human rights or unethical practices, may disqualify a company regardless of its circular impact. Clear thresholds must be established to differentiate between areas requiring improvement and outright deal-breakers.
3. **Supporting Improvement Plans:**
   Investors can adopt an operationally supportive role by requiring startups to create and implement action plans for addressing ESG gaps over time. For example, a startup with a strong circular solution but inadequate diversity practices can commit to measurable improvements as part of the investment agreement.

3.4.4. PRACTICAL ESG APPLICATION FOR CIRCULAR STARTUPS

To tailor ESG criteria for circular economy startups, it's helpful to focus on how each dimension applies specifically to circularity goals:

Environmental Criteria (High Relevance):

- **Key Focus:** Resource recovery rates, carbon reduction impact, and sustainable material use.
- **Conflict Example:** A company using upcycled materials may rely on high-energy processes. Evaluate trade-offs between resource conservation and energy efficiency.

Social Criteria (Variable Relevance):

- **Key Focus:** Fair labor practices, supply chain transparency, and community impact.
- **Conflict Example:** An exceptional recycling innovation might face supply chain risks in developing regions. Investors could require improvements in worker conditions while recognizing the environmental benefits.

Governance Criteria (Moderate Relevance):

- **Key Focus:** Transparent reporting of circular performance and alignment with regulatory frameworks.
- **Conflict Example:** A high-performing startup with governance gaps (e.g., lack of board diversity) might need operational guidance to address these issues without jeopardizing its core mission.

To effectively integrate ESG considerations into circular economy startups, it's important to balance expectations, recognizing that not all criteria need to be fulfilled equally. Investors should focus on addressing weaker areas without undermining the startup's core circular mission. By setting actionable goals to close ESG gaps, they can provide a clear roadmap for compliance while enabling continued innovation. This flexible, impact-focused approach ensures that ESG priorities are aligned with the unique dynamics of circular economy startups, supporting both profitability and sustainability objectives.

Funded by
the European Union

3.5. Key Circular Economy Considerations for Investors

In the space of impact investing, investors prioritize aspects that directly align with circular principles. By addressing circular-specific criteria, startups can present a compelling case that aligns with investor priorities for impact, scalability, and profitability.

Over the last decade, circular economy business models have focused on these five main strategies to close the circular gap (Dealroom, 2024):

1. **Incorporating digital technology** to track and optimize resource use, enabling the implementation of circular models.
2. **Prioritizing regenerative resources** like sustainable materials, renewable energy, and water conservation practices.
3. **Stretching the lifetime of resources** through reuse, repair, and take-back systems.
4. **Using waste as a resource** by transforming it into valuable materials, products, or energy.
5. **Rethinking business models** to create greater value while reducing waste, such as adopting leasing or product-as-a-service models.

These strategies rely on the following key considerations, highlighting their importance for both direct and enabling circular solutions:

RESOURCE EFFICIENCY

Resource efficiency is fundamental to circular economy startups, emphasizing the minimization of waste and the optimization of raw material, water, and energy use. Investors assess whether startups have systems to reduce waste at every stage—sourcing, production, distribution, and end-of-life. They also look for energy-efficient operations leveraging renewable energy and technologies to lower consumption, as well as water conservation practices like closed-loop systems or recycling. Sustainable material sourcing, including the use of recycled or renewable inputs, is another critical factor, along with optimized logistics to reduce the environmental impact of transportation. While many solutions directly implement circularity (e.g., closed-loop systems), enabling circular solutions—such as digital tools, sensors, and logistics systems—play a critical role in optimizing resource efficiency. Platforms like Topolytics or Rheaply, for instance, use data analytics and resource tracking to improve material flows, enabling third-party businesses to adopt circular practices.

CIRCULAR DESIGN

The circular design focuses on creating products and services that prioritize durability, repairability, and recyclability, aligning with the principles of a circular economy. Investors evaluate whether startups design products that minimize waste by extending their lifecycle through robust construction, modularity, or ease of repair. Startups are also assessed on their ability to enable material recovery, such as through designs that facilitate disassembly and recycling. Additionally, the use of sustainable materials, non-toxic components, and standardized parts can enhance a product's adaptability and reusability. Examples include startups like Mud

Jeans, which designs durable, repairable clothing, and Re:newcell, which facilitates textile recycling. The circular design showcases a startup's commitment to reducing environmental impact while creating long-term value, making it a crucial factor for investors prioritizing sustainable innovation.

CLOSED-LOOPS

Closed-loops are a defining feature of circular economy startups, focusing on systems that enable the continuous reuse, recycling, or remanufacturing of materials and products. Donat and de Souza (2023) emphasize the need for a transition from linear to circular models in investment decisions, which directly connects with the idea of closed loops in circular economy startups. Investors assess whether startups have integrated processes to recover and reintegrate used materials into the production cycle, minimizing waste and reducing reliance on virgin resources. Key considerations include the implementation of take-back schemes, reverse logistics, or partnerships with recyclers to close material loops. Companies like Terracycle and Recykal provide infrastructure for take-back systems and material reintegration. These solutions not only use waste as a resource but also support innovative business models, such as leasing or sharing platforms, which depend on closed-loop functionality (Kara et al., 2022).

REGENERATIVE PRACTICES

Regenerative practices focus on restoring and enhancing natural systems rather than merely minimizing harm. Investors evaluate whether startups actively contribute to ecosystem health through actions like using biodegradable materials, improving soil quality, restoring biodiversity, or reducing pollution. Startups may engage in regenerative agriculture, reforestation, or the development of products that safely decompose without harming the environment. By aligning business models with nature's cycles, these practices create long-term ecological benefits and demonstrate a commitment to sustainability. Startups with regenerative approaches appeal to investors by combining environmental impact with innovative, future-proof solutions that align with global sustainability goals.

MATERIAL INNOVATION

Material innovation is central to circular economy startups, focusing on the development or adoption of sustainable, renewable, and recyclable materials. Investors assess whether startups are replacing resource-intensive or environmentally harmful inputs with innovative alternatives, such as bio-based, biodegradable, or upcycled materials. Startups that pioneer new materials or processes that reduce dependency on finite resources or lower emissions in production stand out. Additionally, the scalability and adaptability of these materials across industries are critical factors. Material innovation not only drives environmental impact but also offers competitive advantages, making startups in this space highly appealing to forward-looking investors.

WASTE-TO-VALUE SOLUTIONS

Waste-to-value solutions focus on transforming waste streams into usable products, materials, or energy, embodying the essence of circular economy principles. Investors look for startups that can monetize waste through innovations based on resource recovery, energy generation from waste, or industrial symbiosis.

Funded by the European Union

Industrial symbiosis involves collaboration between industries to exchange materials, energy, water, or by-products, transforming waste from one process into valuable inputs for another, thereby reducing waste, optimizing resource use, and minimizing environmental impact. Key factors include the efficiency of these processes, scalability, and their ability to close material loops. Startups with effective waste-to-value solutions not only reduce environmental impact but also create new revenue streams, making them highly attractive to investors seeking profitable, sustainable business models. For instance, AES (Autonome Energiesysteme) not only mitigates waste but also generates economic value by transforming non-recyclable plastics into reusable oil that can be sold to refineries for the creation of new products, demonstrating a profitable waste-to-value model.

POLICY AND COMPLIANCE ALIGNMENT

Alignment with policies and regulations is essential for circular economy startups operating in a highly regulated environment. Investors evaluate whether startups comply with frameworks like the EU Green Deal, Circular Economy Action Plan, Extended Producer Responsibility (EPR), or waste reduction policies such as the EU Waste Framework Directive, end-of-waste criteria and the EU Ecodesign Directive (European Commission, 2024). Beyond compliance, startups that proactively leverage government incentives, grants, or sustainability-driven regulations to scale their impact demonstrate strategic foresight. By aligning with or exceeding policy standards, startups mitigate risk, enhance credibility, and position themselves as leaders in a market increasingly driven by regulatory requirements.

MEASURABLE IMPACT METRICS

Measurable impact metrics are critical for showcasing a startup's environmental and economic contributions. Investors prioritize startups that track and report key indicators like waste diverted from landfills, CO_2 emissions avoided, material reuse rates, and water or energy savings. Furthermore, use specific metrics like the Material Circularity Indicator (MCI) developed by the Ellen MacArthur Foundation, where you can measure the degree to which materials in a product or system are circular, to showcase the impact you are creating (Ellen MacArthur Foundation, 2021). When discussing the importance of tracking and reporting impact, Donat and de Souza's framework utilizes Life Cycle Assessment (LCA) and other metrics to evaluate sustainability contributions. This is a powerful and essential sustainability tool that evaluates the environmental impacts of a product or service across its entire life cycle, from raw material extraction to the end of life (Donat & de Souza, 2023). Metrics tied to clear financial outcomes, such as cost savings or revenue growth from circular solutions, add further appeal. Startups that transparently measure and communicate their impact demonstrate accountability, build investor trust, and strengthen their case as scalable, purpose-driven businesses.

Funded by
the European Union

3.6. Negotiating Terms and Valuation

The negotiation stage is where a startup's valuation turns from an idea into real numbers and terms. For circular economy startups, this process also needs to reflect their sustainability goals while finding the right balance between maintaining control, sharing ownership, and meeting investor expectations. Your valuation is a key part of the discussion, but it's just as important to understand all the terms and how they affect your business to secure a deal that works for everyone.

3.6.1. KEY TERMS TO KNOW IN NEGOTIATIONS

To navigate negotiations effectively, familiarize yourself with these common investment terms:

Equity Stake: The percentage of the company owned by investors after their investment. This is directly tied to your valuation and funding amount, which are defined as pre-money valuation and post-money valuation.

- *Pre-money valuation is the company's value before receiving new investment.*
- *Post-money valuation is the company's value after the investment, calculated as the pre-money valuation plus the amount of the new funding.*

The equity stake investors receive depends on the post-money valuation and the size of their investment. For example, if your pre-money valuation is $10 million and an investor contributes $2 million, the post-money valuation becomes $12 million, and the investor owns approximately 16.7% of the company ($2M ÷ $12M).

Liquidation Preference: Liquidation preference determines the order and amount investors are paid if the company is sold, goes public, or is liquidated. For example, a "1x liquidation preference" means the investor is entitled to get back the full amount of their investment before any other shareholders, such as founders or employees, receive any proceeds. A "2x liquidation preference" would mean they receive twice their original investment under the same terms.

For startups, it's important to negotiate fair terms—typically a "1x liquidation preference"—to ensure investors are rewarded without unfairly disadvantaging founders or early backers. Overly aggressive preferences, like a 2x or higher, can reduce the returns for other stakeholders and discourage collaboration.

Anti-Dilution Provisions: Anti-dilution provisions protect investors' ownership percentage from being significantly reduced during future funding rounds, especially if the company raises capital at a lower valuation (a "down round"). These provisions adjust the price at which investors' shares are converted to reflect the new, lower valuation, effectively increasing the number of shares they own.

There are two main types of anti-dilution provisions:

1: Full-Ratchet Anti-Dilution:

The investor's original share price is adjusted to match the price of the new, lower-priced shares.

For example, if an investor initially bought shares at $5 each and the company raises a down round at $2 per share, the full-ratchet provision allows the investor to convert their original investment as though they had purchased shares at $2.

This is very favorable to investors but can significantly dilute founders and early investors.

2: Weighted-Average Anti-Dilution:

This approach calculates a weighted average based on the total shares outstanding and the new share price. It provides a less extreme adjustment than full-ratchet and spreads dilution more evenly among stakeholders.

For example, if an investor bought shares at $5 and the company raises at $2, the weighted-average provision may adjust the effective price to something between $5 and $2, depending on the size of the down round relative to the total shares outstanding.

Board Seats and Voting Rights:

Investors may request board representation or veto rights on major decisions, such as approving budgets, hiring executives, or selling the company. This gives them a say in the company's strategic direction and ensures their interests are protected. For sustainability-focused startups, it's essential to structure these agreements carefully to maintain control over the company's mission and long-term goals. Clear boundaries should be established to ensure investor input supports rather than compromises the startup's commitment to sustainability.

Exit Conditions:

An exit strategy outlines how and when investors can realize a return on their investment, typically through events like acquisitions, IPOs, or secondary sales of shares. For circular economy startups, it's essential to align these exit terms with the company's long-term goals of creating impact and scalability.

- *Acquisitions: Investors may prefer a sale to a larger company that can scale the startup's circular innovations. Ensure the acquiring company shares or enhances your sustainability vision to maintain the mission's integrity.*

- *IPOs: Public offerings can provide both liquidity for investors and a platform to amplify the startup's circular economy mission. Structuring the IPO to attract impact-focused shareholders can sustain the company's long-term goals.*

By aligning exit strategies with your business model's sustainability objectives, you create opportunities for investor returns while ensuring the mission and impact of your circular economy startup are preserved.

3.6.2. USING VALUATION AS A NEGOTIATION TOOL

Your startup's valuation serves as more than just a financial figure—it's a powerful tool that shapes discussions around ownership, control, and investor terms. Here's how valuation impacts negotiations:

Preserving Founder Control:
A higher valuation reduces the percentage of equity you need to offer for a given investment amount. For example, at a $10 million valuation, raising $1 million means giving away 10% equity. At a $5 million valuation, the same raise requires 20% equity. By achieving a strong valuation, founders can retain more control and decision-making power.

Creating Room for Trade-offs:
Flexible valuations can be used strategically to gain concessions from investors. For instance, a founder might agree to a lower valuation in exchange for investor terms that are more favorable, such as:

- *Reduced liquidation preferences (e.g., "1x" instead of "2x").*
- *Limited veto or oversight rights, giving founders more operational freedom.*
- *Additional support, such as access to networks, expertise, or future funding commitments.*

3.6.3. STRATEGIES FOR FAVORABLE NEGOTIATIONS

Identify Non-Negotiables:

Decide which terms are most important to you, such as keeping majority control over the board or protecting your startup's mission. Be clear about what you won't compromise on, but stay open to negotiating on less critical areas.

Prioritize Long-Term Impact:

Choose terms that support your sustainability goals and future growth. Avoid agreements that might scare off future investors or put your circular mission at risk, like excessive investor control or overly restrictive terms.

Leverage Trade-Offs:

Use negotiation to balance interests. For example, you could offer an investor a board seat instead of giving away more equity or agree to stricter anti-dilution protections in return for lower liquidation preferences.

Consult Experts:

Work with legal and financial advisors who understand the unique needs of circular economy startups. They can help you navigate complex terms and ensure your agreements reflect both financial and impact goals.

This approach helps you secure a deal that supports your growth and preserves your mission while meeting investor expectations.

3.7. Celebrating and Reflecting

Closing a deal is a significant milestone—don't forget to celebrate with your team! But keep these famous words in mind:

> Job's not finished.
>
> – Kobe Bryant

Also, take a moment to reflect on the journey so far. What worked well during fundraising? What didn't? What could be improved for future rounds?

3.7.1. MISTAKES TO AVOID

Fundraising is challenging, especially for circular economy startups balancing profitability with environmental impact. Avoiding common pitfalls ensures smoother investor relations and strengthens your chances of success:

1. ***Overpromising and Underdelivering:*** *Making ambitious claims about impact or growth without a clear plan to achieve them.*
2. ***Poor Pitch Delivery****: Presenting unclear or overloaded information that fails to connect your circular mission with financial viability.*
3. ***Being Defensive About Feedback:*** *Dismissing investor concerns or criticism instead of using them to improve your approach.*
4. ***Ignoring Term Sheet Details:*** *Overlooking key clauses, such as liquidation preferences or voting rights, that could impact control or alignment with sustainability goals.*
5. ***Running Out of Time:*** *Starting fundraising efforts too late, limiting your options and negotiating power.*
6. ***Failing to Quantify Environmental Impact:*** *Not providing measurable metrics, like CO_2 reductions or waste diverted, which investors need to validate your sustainability claims.*
7. ***Ignoring Circular Value Chain Feasibility:*** *Overlooking gaps or challenges in your circular value chain, such as unreliable supply chain partners or untested recycling technologies.*
8. ***Overlooking Regulatory Compliance:*** *Neglecting industry-specific sustainability regulations or certifications that can impact scalability and investor confidence.*
9. ***Underestimating Scalability Challenges****: Failing to address how your circular model will scale profitably while maintaining its environmental benefits.*
10. ***Targeting the Wrong Investors****: Pitching to traditional VCs instead of impact-driven investors aligned with circular economy principles.*

Funded by the European Union

4. About Venionaire Capital AG

Venionaire Capital, alongside its subsidiary, will serve as the fund manager for the InvestCEC Venture Capital Fund Project for an Alternative Investment Fund (AIF) under Austrian law. Known for its expertise in risk capital, Venionaire Capital brings a wealth of experience in managing and structuring investment vehicles to support transformative projects.

The vision for the InvestCEC fund project is to drive a shift toward sustainable and circular economic models. By acting as a cornerstone for innovation, collaboration, and investment, the fund will accelerate the development of circular economy initiatives across European regions, with a specific focus on municipal utilities.

InvestCEC aims to create a replicable framework for launching circular economy projects in cities and regions, fostering enhanced cooperation between entrepreneurs, investors, and policymakers. The project is structured into four phases:

1. ***Needs Definition*** *– Cities or regions define their circular economy objectives.*
2. ***Selection Process*** *– Entrepreneurs capable of delivering the desired solutions are selected.*
3. ***Investment Readiness*** *– Entrepreneurs receive support to prepare their solutions for investment.*
4. ***Investment Fund*** *– A dedicated fund is established, supported by both private and public investors.*

Through its role in InvestCEC, Venionaire Capital will leverage its expertise to ensure effective fund management and the successful realization of circular economy projects that deliver measurable sustainability impacts across Europe.

Sources

Choi, R. (n.d.). Stages of startups. Y Combinator. https://www.ycombinator.com/library/Ek-stages-of-startups

Donat, G. C., & de Souza, J. S. (2023). Circular economy investments: A portfolio selection framework.

Ellen MacArthur Foundation. (2021, July 14). Material Circularity Indicator. https://www.ellenmacarthurfoundation.org/material-circularity-indicator

European Commission. (2024). Ecodesign for Sustainable Products Regulation. https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/ecodesign-sustainable-products-regulation_en

EU-Startups. (2024, November). Munich-based The Exploration Company secures €160 million to further develop their reusable spacecraft. https://www.eu-startups.com/2024/11/munich-based-the-exploration-company-secures-e160-million-to-further-develop-their-reusable-spacecraft/

Jantz, C. & Ola, D. (2023, September 30). SaaS Funding Napkin 2023. https://www.dropbox.com/scl/fi/hr7rclzjh4qiyknds tsjg/SaaSFundingNapkin2023final.png?e=1&ref=producthunt&rlkey=litvej5xhy8wyd10w2tl6c4wz&dl=0

Kara, S., Hauschild, M., Sutherland, J., & McAloone, T. (2022). Closed-loop systems to circular economy: A pathway to environmental sustainability?. CIRP Annals, 71(2), 505-528.

Labiotech.eu. (n.d.). Recent biotech fundings. Retrieved January 8, 2025, from https://www.labiotech.eu/recent-biotech-fundings/

Lehmann, C., Cruz-Jesus, F., Oliveira, T., & Damásio, B. (2022). Leveraging the circular economy: Investment and innovation as drivers. *Journal of cleaner production*, *360*, 132146.

OECD. (n.d.). Circular economy in cities and regions. OECD. https://www.oecd.org/en/topics/circular-economy-in-cities-and-regions.html

Ralston, G. (2020, June 9). A guide to seed fundraising. https://www.ycombinator.com/library/4A-a-guide-to-seed-fundraising#how-much-to-raise.

Saarinen, A., & Aarikka-Stenroos, L. (2023). Financing-related drivers and barriers for circular economy business: Developing a conceptual model from a field study. *Circular Economy and Sustainability*, *3*(3), 1187-1211.

Venionaire Capital. (2025, January 9). European Venture Sentiment Index: Q4 2024 Report. https://www.venionaire.com/wp-content/uploads/2025/01/20241231_EVSI-Report-Q4_2024.pdf

Venionaire DealMatrix. (2024, December 19). *The Berkus Method*. https://dealmatrix.com/the-berkus-method/

Venionaire DealMatrix. (2024, December 19). *The First Chicago Method*. https://dealmatrix.com/the-first-chicago-method/

Venionaire DealMatrix. (2024, December 19). *The Payne Scorecard Method*. https://dealmatrix.com/the-payne-scorecard-method/

Venionaire DealMatrix. (2024, December 19). *The Venionaire Method*. https://dealmatrix.com/the-venionaire-method/

Venionaire DealMatrix. (2024, December 19). *The VC Method*. https://dealmatrix.com/the-vc-method/

List of figures

Funded by
the European Union