

Raising Money from Investors

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Tourban

Hi! I'm Lasse Chor

Happy⁴²

{HAPPY VENTURES}



CLEARVIEW TRADE



BREWDOG



THE
NORDIC
WEB

NATURFOLK



FIELDSENSE



IIN List

Northern Angels



Futuristic.vc



AARHUS UNIVERSITY



**I've seen more than
1500 pitches in the
last 8 years...**

...some were good

...some were bad

**...some really
SUCKED!!!**

(big time)

...what annoyed me the most

The worst ones was because of own goals and simple mistakes...



**And that could
easily have
been avoided!**

THE AGENDA

NOW (UNTIL 12.30)

WHEN IS YOUR COMPANY INVESTABLE?
RAISING MONEY FROM INVESTORS
UNDERSTANDING THE FUNDING JOURNEY

AFTER LUNCH (FROM 13.00-15.30)

PITCHING INVESTORS
(RE)BUILD YOUR PITCH DECK

TOMORROW

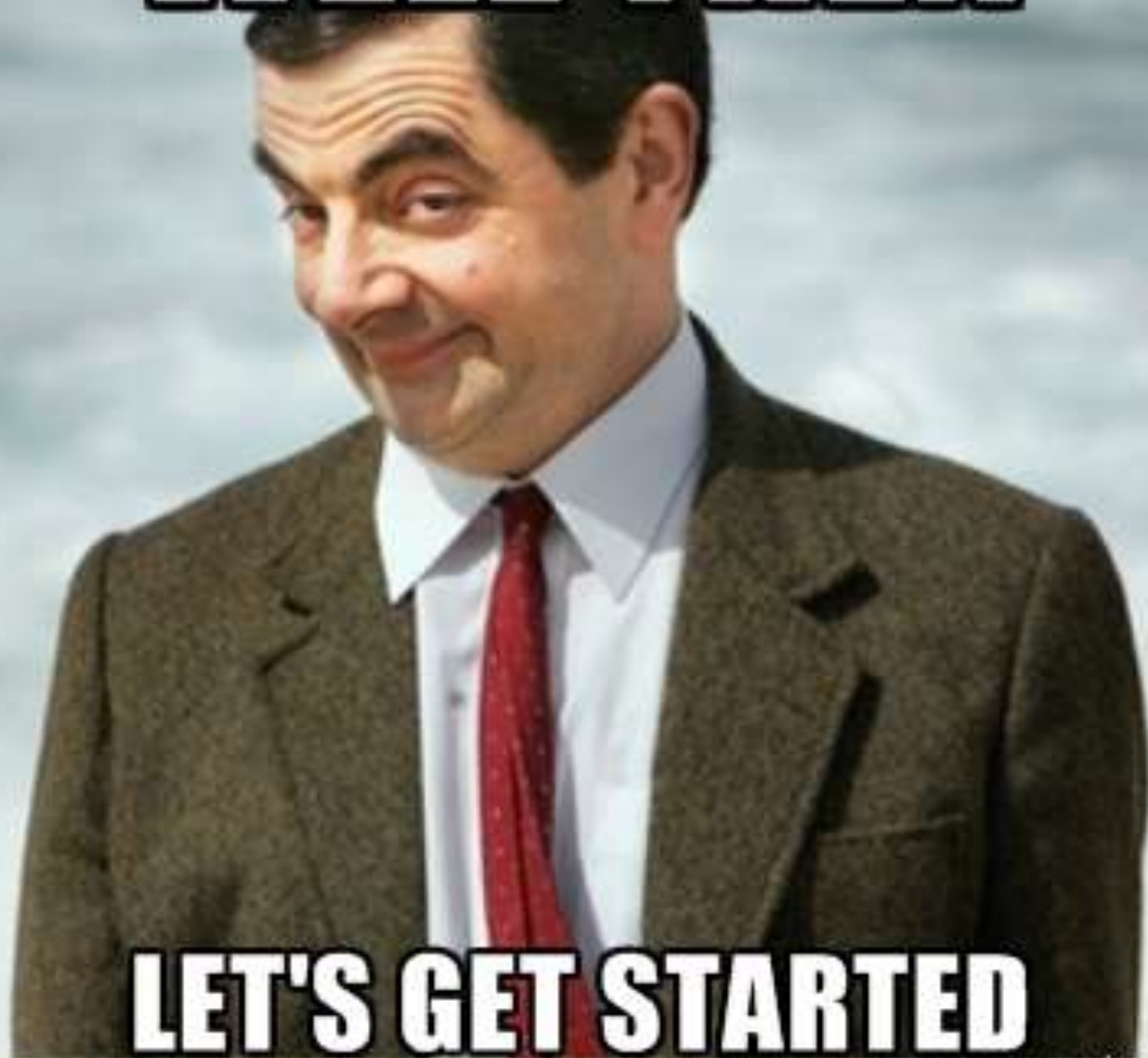
PITCH SESSION

Who are you?

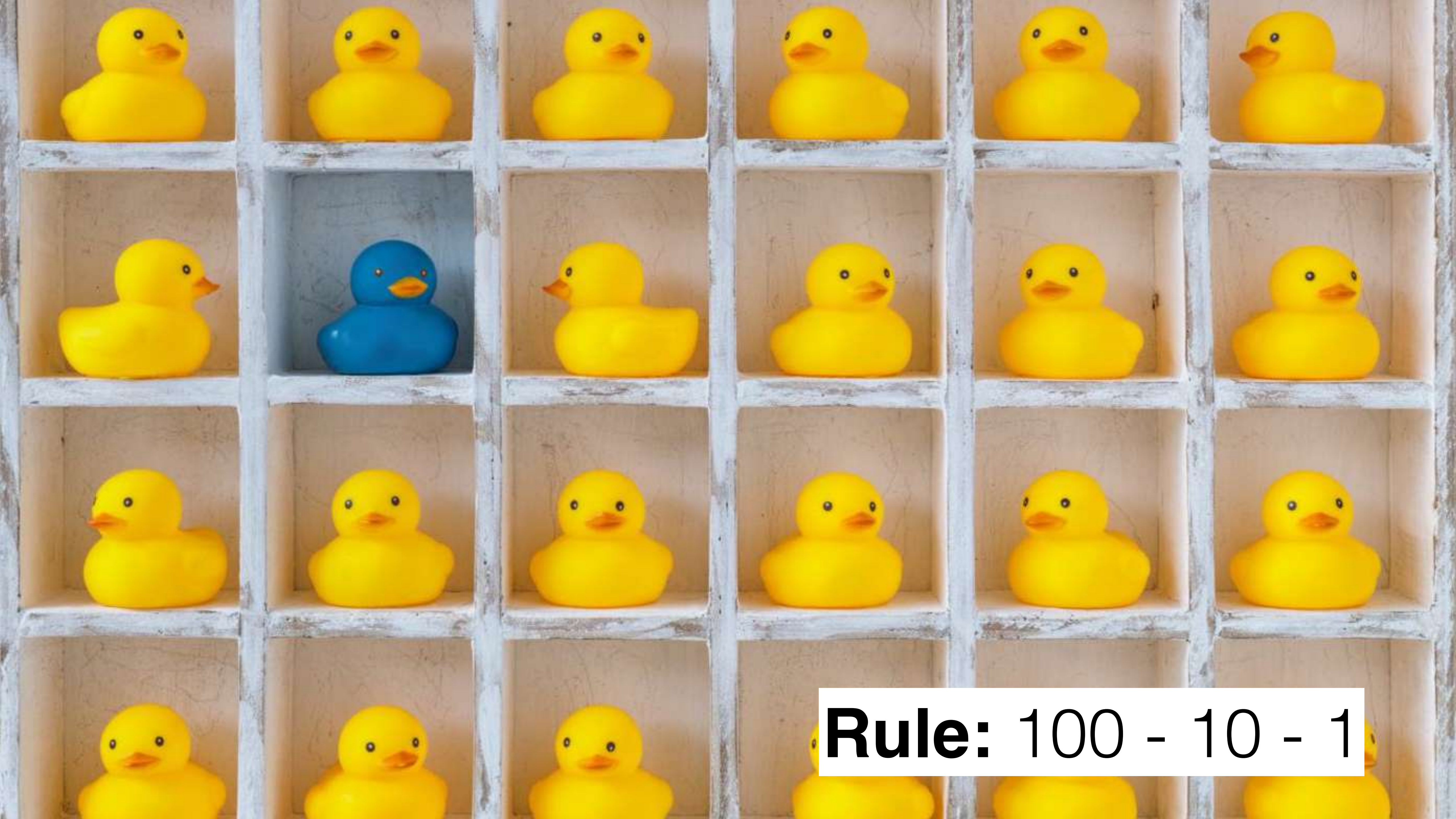
Status/next steps/capital need



WELL THEN



LET'S GET STARTED



Rule: 100 - 10 - 1

A close-up photograph of a lit matchstick. The matchstick is positioned vertically on the right side of the frame, with a bright yellow flame extending from its tip towards the left. The flame is thick and vibrant, contrasting sharply with the clear blue background. The matchstick itself is dark and appears to be made of wood or a similar material. The overall composition is simple and focused on the fire.

What makes a
company **investable**?

6 typical* things investors **are looking for**

Scalability

Team

Market opportunity

Risks

Strategic fit

Exit*

The startup has to be is scalable

This means the company can grow (quickly) in revenue, while expenses are kept down.



Scaling

An excellent management team

Investable companies are led by solid management teams with **experience, knowledge and complementary skills**, along with the ability to build a great culture as the company grows.



A large market and strong go-to-market strategy

How large?! Well...

Don't underestimate the go-to-market strategy

Traction can serve as a proof



Risks

What are the biggest risks?

What can be done to mitigate the risks...

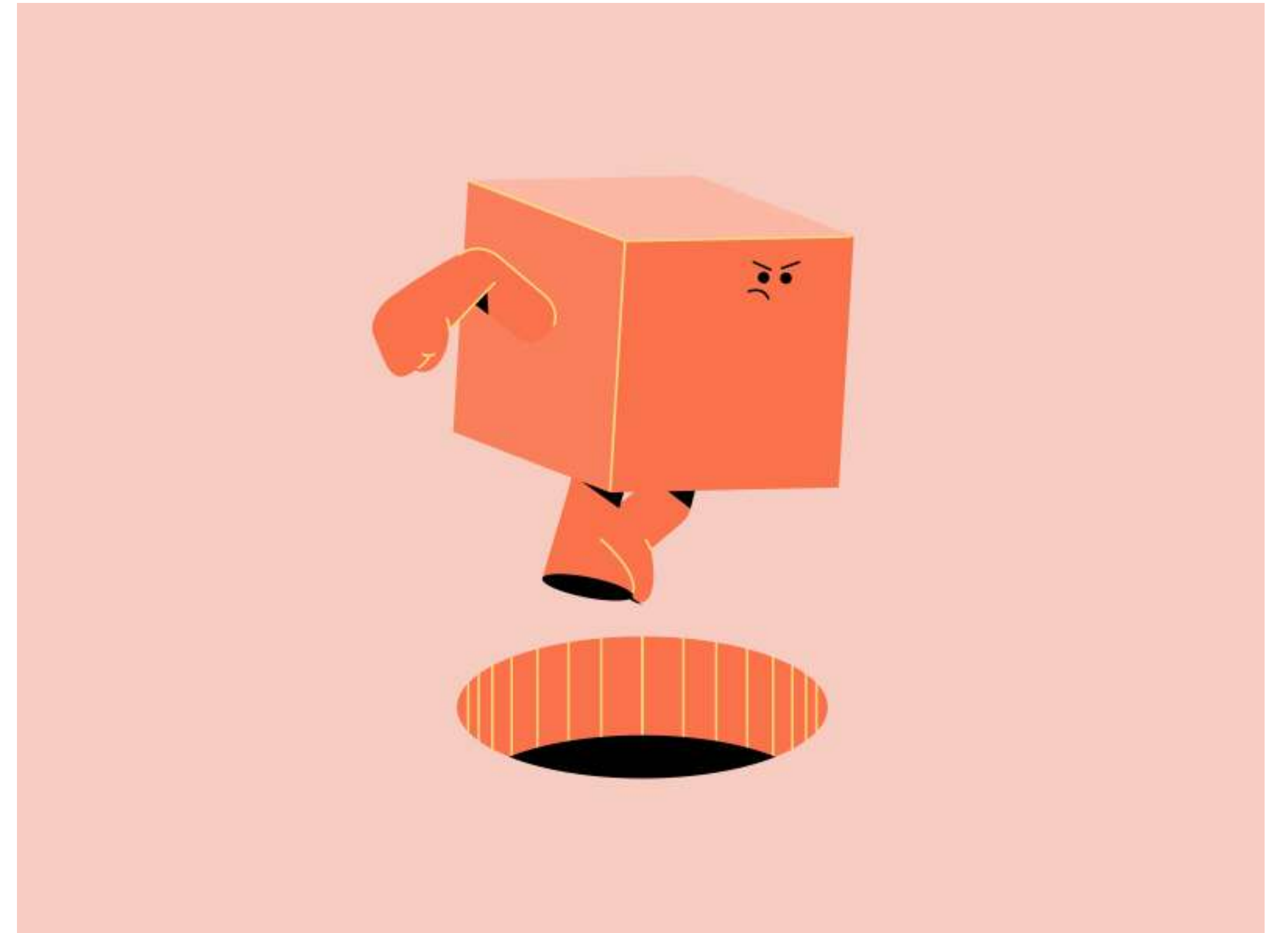
(We'll get back to this one...)



The opportunity fits the investors preferences and strategy

Stage, focus, fund lifecycle, value add, interests

*You can't do anything about this one - so don't try. Do your homework



Exit opportunity

The company is attractive to potential acquirers

The potential exit provides the return you need (10x)

Be careful, how much you talk about exit in the early stages



6 typical* things investors **are looking for**

Scalability

Team

Market opportunity

Risks

Strategic fit

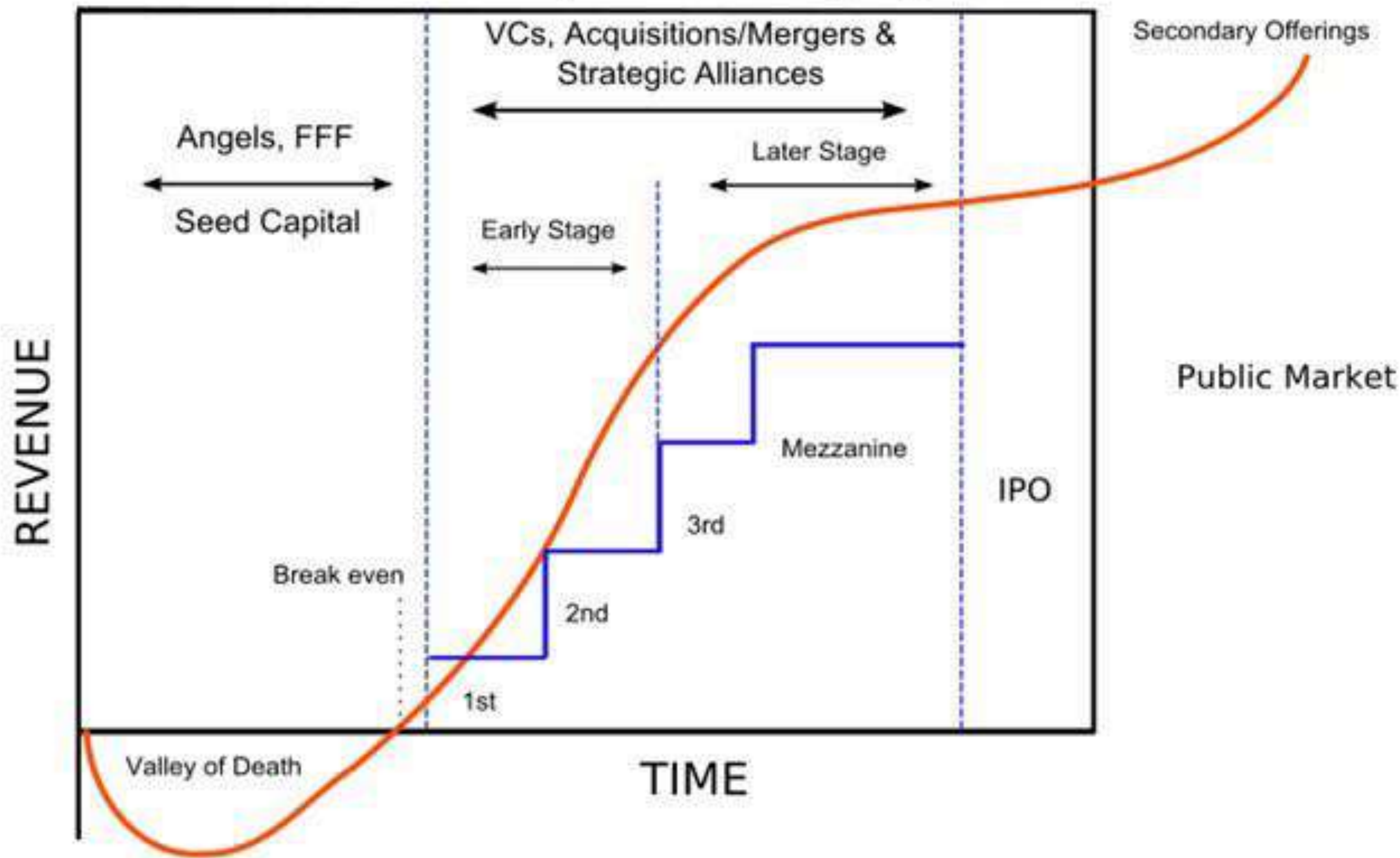
Exit*

+ EVERYTHING ELSE!!! :)



The **funding journey**

Startup Financing Cycle



TOP 15+ VCs

ranked by AuM



TOP 15 PEs

ranked by AuM



TOP 5 INDUSTRY FOCUSES

ranked by popularity among investors



NORWAY

Investors (VC/PE): 25 (14/11)
Newcomers 2021 (VC/PE): 4 (3/1)
Most Active Investor*: Verdane
Key Stage Focus: Early

THE NETHERLANDS

Investors (VC/PE): 70 (47/28)
Newcomers 2021 (VC/PE): 7 (7/-)
Most Active Investors* (TOP 3): Waterland Private Equity, Rockstart, Main Capital Partners
Key Stage Focus: Early

BELGIUM

Investors (VC/PE): 26 (15/14)
Newcomers 2021 (VC/PE): 2 (2/-)
Most Active Investors* (TOP 3): Sofina, Noshag, Gimv
Key Stage Focus: Growth

UNITED KINGDOM

Investors (VC/PE): 350 (231/143)
Newcomers 2021 (VC/PE): 9 (9/-)
Most Active Investors* (TOP 3): Seedcamp, BGF, Entrepreneur First
Key Stage Focuses: Early & Growth

IRELAND

Investors (VC/PE): 25 (14/14)
Newcomers 2021 (VC/PE): - (-/-)
Most Active Investor*: Elkstone Partners
Key Stage Focus: Growth

LUXEMBOURG

Investors (VC/PE): 68 (25/53)
Newcomers 2021 (VC/PE): - (-/-)
Most Active Investors (TOP 3): CVC Capital Partners, Adara Ventures, Ilavska Vuillermoz Capital
Key Stage Focus: PE

FRANCE

Investors (VC/PE): 128 (82/65)
Newcomers 2021 (VC/PE): 6 (4/2)
Most Active Investors* (TOP 3): Ardian, Kima Ventures, Partech
Key Stage Focus: Growth

SPAIN

Investors (VC/PE): 64 (35/32)
Newcomers 2021 (VC/PE): 2 (1/1)
Most Active Investors* (TOP 3): Inveready, Think Bigger Capital, All Iron Ventures
Key Stage Focus: Growth

FINLAND

Investors (VC/PE): 31 (24/11)
Newcomers 2021 (VC/PE): 2 (1/2)
Most Active Investors* (TOP 3): Tesi, Gorilla Capital, Butterfly Ventures
Key Stage Focus: Early

SWEDEN

Investors (VC/PE): 68 (41/30)
Newcomers 2021 (VC/PE): 4 (2/2)
Most Active Investors* (TOP 3): EGT Ventures, Chalmers Ventures, Altor Equity Partners
Key Stage Focus: Early

POLAND

Investors (VC/PE): 29 (15/16)
Newcomers 2021 (VC/PE): 1 (1/-)
Most Active Investor*: Innovation Nest
Key Stage Focus: Early & PE

GERMANY

Investors (VC/PE): 199 (134/69)
Newcomers 2021 (VC/PE): 6 (6/-)
Most Active Investors* (TOP 3): Global Founders Capital, High-Tech Gründerfonds, APX
Key Stage Focus: Early

CZECH REPUBLIC

Investors (VC/PE): 12 (6/6)
Newcomers 2021 (VC/PE): 2 (1/1)
Most Active Investors* (TOP 3): Lighthouse Ventures, KAYA VC, Jet Investment
Key Stage Focus: Early

AUSTRIA

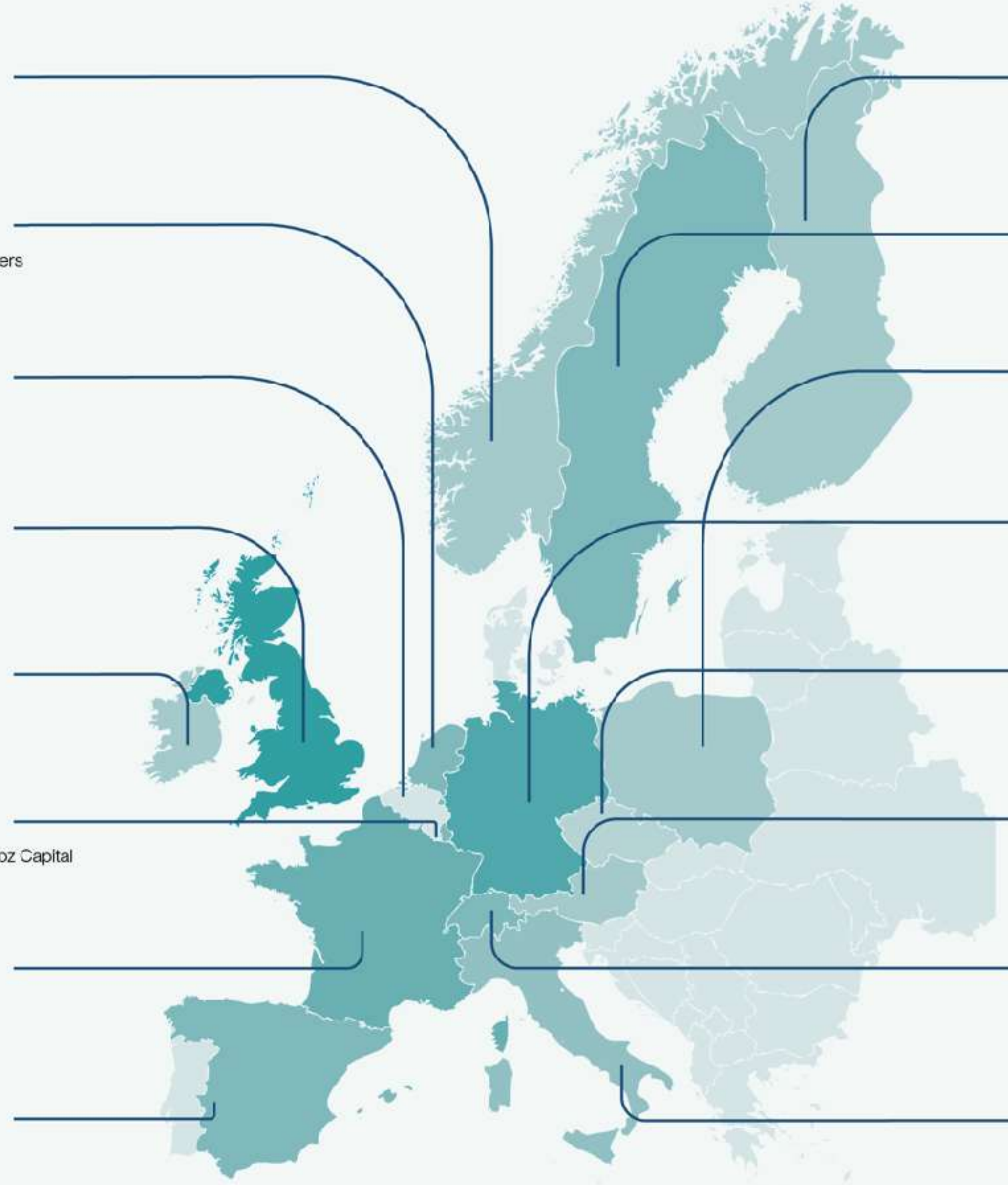
Investors (VC/PE): 28 (21/10)
Newcomers 2021 (VC/PE): 1 (1/1)
Most Active Investors* (TOP 3): Speedinvest, Calm/Storm Ventures, APEX Ventures
Key Stage Focus: Early

SWITZERLAND

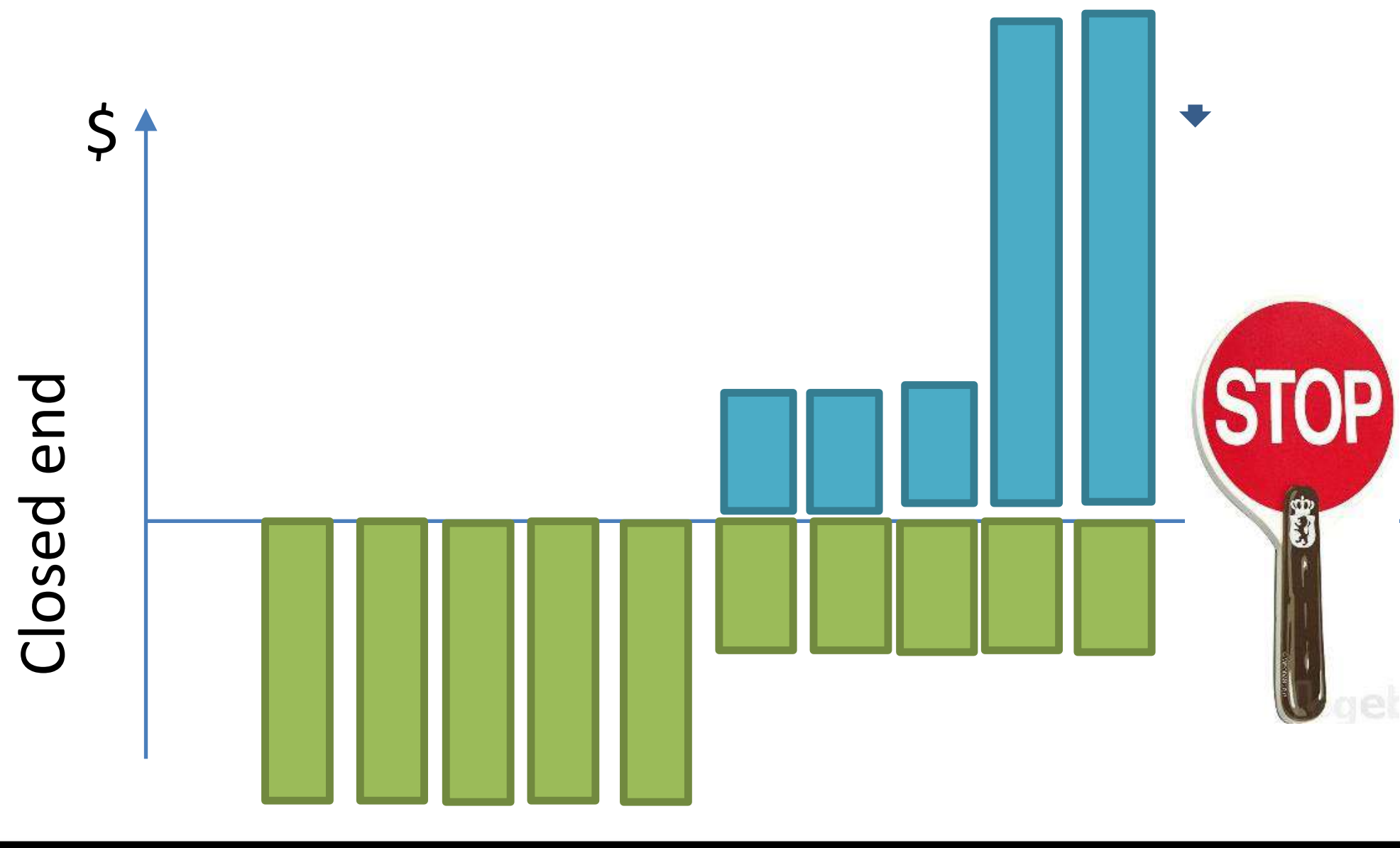
Investors (VC/PE): 62 (42/23)
Newcomers 2021 (VC/PE): 4 (3/1)
Most Active Investors* (TOP 3): Verve Ventures, Partners Group, ACE & Company
Key Stage Focus: Growth

ITALY

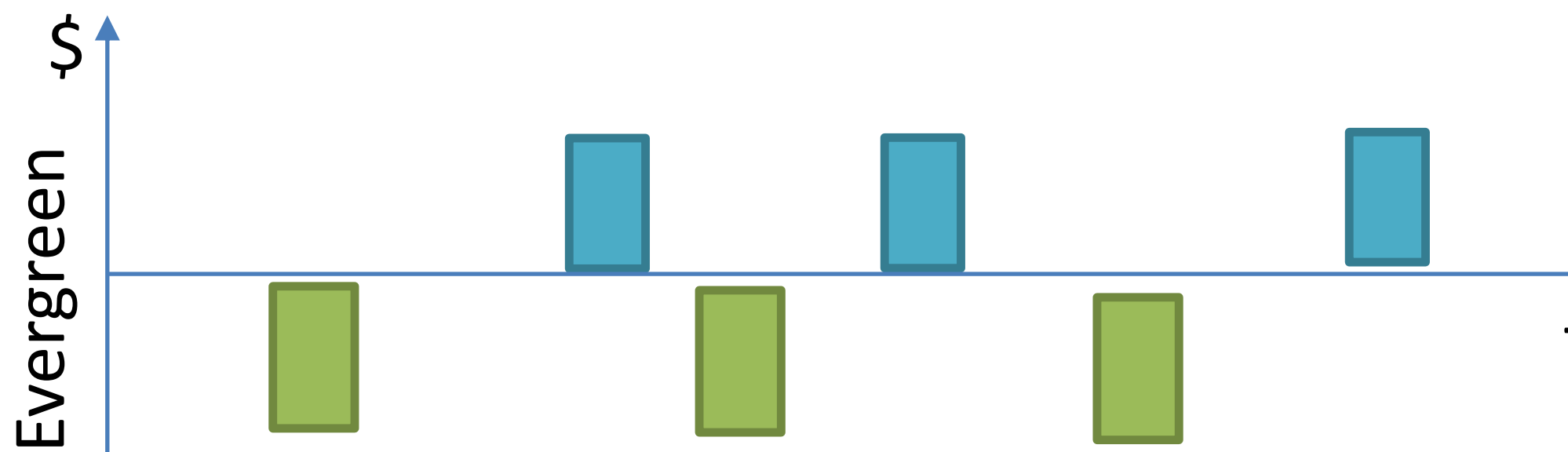
Investors (VC/PE): 49 (23/29)
Newcomers 2021 (VC/PE): 1 (1/-)
Most Active Investors* (TOP 3): Lventure Group, Italian Angels for Growth, United Ventures
Key Stage Focus: Growth & PE



Roughly, **two types of funds**



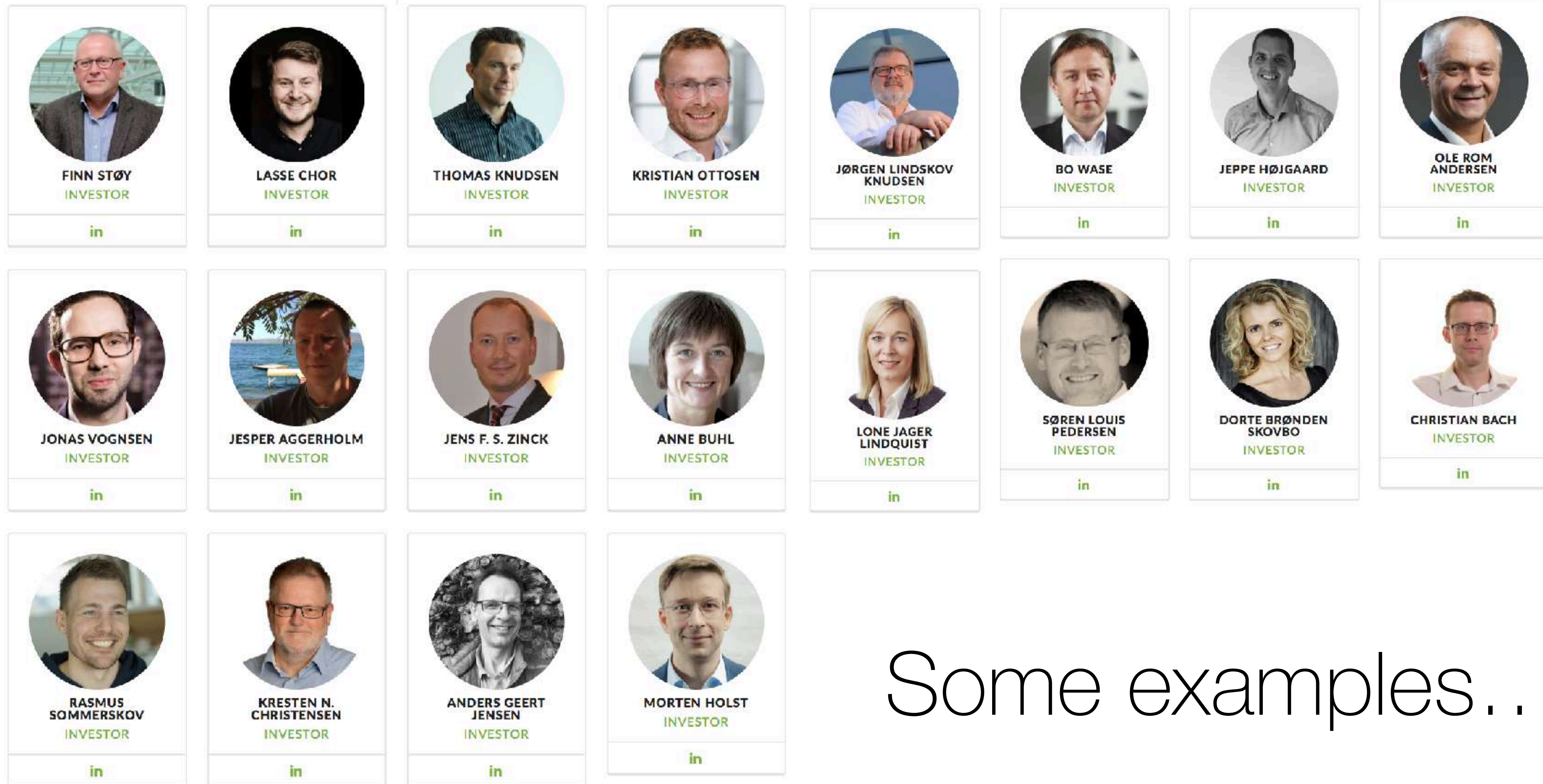
Typical VCs



**Angels, public funds,
corporate funds**

Angel Investors





Some examples...

What is a Business Angel

- Successful entrepreneurs and/or wealthy individuals
- “Entrepreneurial Capital”
- (Maybe) smart money
- Typical ticket size EUR 15k-1mln.
- Patient money
- Operates on their own and/or in syndicates
- People investing their **own** (earned/saved) funds

It's real...

Swipes App

Swipes, to-do app, shuts down

To: Lasse Chor

Junk - Google 13.24

SA

Hi, there is no easy way to say this, but here it is:

We are closing down [Swipes, your to-do and task list app](#), on Sep 30th, 2019

We enjoyed creating this philosophy of managing tasks - focus on what's important now, snooze the rest for later, and **really loved seeing the app make an impact in so many people's lives**. (Over 1.5 million people has used the app over the years). But as a business and company, we did poorly and didn't manage to find sustainability. We are sorry it came down to that!

After Sep 30th, 2019 your account and all data associated with your account will be deleted. Please, copy all data you want to preserve elsewhere. You can multi-select all tasks from the Now/ Later sections and send them to yourself as an email. [See how here](#).

If you are looking for alternatives for you daily tasks, try [Any.do](#) but for a broader choice you can check [this list](#). THANK YOU for being part of this great journey! 🙌 Without your feedback and trust in us, Swipes, would have never grown into being a market leading tool.

Wish you all the best in life!

Yana, Kasper and Stefan

PS. Want to follow [what's next from the founders](#), sign up for our newsletter here.

Subscribe to founders' newsletter

You are receiving this email because you opted in at our [website](#). Your information is private and will not be shared with third-party services. Copyright © 2019 Swipes Incorporated. All rights reserved.

Our mailing address is: 3333 Coyote Hill rd, Palo Alto 94304, California USA
You can [unsubscribe](#) at any time.

Business angel pros/cons

pros

- Fund seed and early stage
- All industry sectors
- Great business experience
- Long investment horizon
- Short investment process
- Have angel friends

cons

- Potential interference
- Little follow-on money

VCS



Europe: Venture Capital Continent

The Most Active Venture Capital Investor In Each Country, 2012-2017 YTD (08/30/17)



* non-local most active investors

VC Pros/Cons

Cons

Large portfolios -> little to no help

Terms

Pros

Follow on Money

Network

Experience

Raising money

Do's and don'ts



Before -> During -> After...



BEFORE...

BLACKSMITH

Start planlægningen tidligt...

you ain't cool unless

you pee your pants



Know your key metrics from the start
CAC/MRR/LTV/Churn/Net burn

<https://a16z.com/2015/08/21/16-metrics/>

What is your **most important**
metrics?

2 minutes...

Get the investor involved **even though** **he/she won't invest (yet)**

Send updates/work with the investor as an advisor

The image shows a screenshot of the Wedbox website's investor page. The page has a clean, minimalist design with a white background and a teal footer. The header is a solid orange bar containing the Wedbox logo on the left and navigation links (FEATURES, FAQ, WPA2017, LOG IN, TRY WEDBOX) on the right. The main content area is titled 'INVESTOR' and contains a persuasive message about the company's scalable business model, team background, and contact information. The footer contains additional navigation links and a copyright notice.

WEDBOX

FEATURES | FAQ | WPA2017 | LOG IN | TRY WEDBOX

INVESTOR

Are you looking for a scalable business for your next investment?
Wedbox is a fast growing wedding photo app with a unique value proposition and business model.

Our team has a background from online marketing and the wedding industry.
We are using our experience to create a super scalable business with the right people and the right focus.

Please contact us, if you want to know more!

Michael Noe and Casper Grønbjerg
+45-30960949
casper@wedbox.com

[SUPPORT](#) | [ABOUT](#) | [AFFILIATE PARTNER](#) | [INVESTOR](#) | [TERMS AND CONDITIONS](#)

Wedbox - Wedding Photo App Copyright © 2017

What question is easier to answer?

Do you want to **invest**?

vs.

Do you want to **follow us**?

(Fieldsense)

Make your company investable...

Best Frigging Startup Ever, Inc.

Capitalization Table

As of 10-Oct-12

| | Class A CS | Class A Op/War | Class B CS | Total CS | Seed | Series A | Total Stock | % Fully Diluted |
|--|--------------|------------------|------------------|------------------|----------------------------------|--------------------------------------|-------------------|-----------------|
| Spencer Tracy (Co-Founder 1) | - | - | 5,000,000 | 5,000,000 | 50,000 | 50,000 | 5,100,000 | 39.14% |
| Milton Berle (Co-Founder 2) | - | 1,200,000 | 1,500,000 | 2,700,000 | - | - | 2,700,000 | 20.72% |
| Ethel Merman** (1st hire - CTO) | - | 544,746 | - | 544,746 | - | - | 544,746 | 4.18% |
| Phil Silvers (2nd hire - Lead Engineer) | - | 85,000 | - | 85,000 | - | - | 85,000 | 0.65% |
| Sid Caesar (3rd hire - Product Marketing guru) | - | 78,675 | - | 78,675 | - | - | 78,675 | 0.60% |
| Jonathan Winters | - | 55,000 | - | 55,000 | - | - | 55,000 | 0.42% |
| Mickey Rooney (Advisor Extraordinaire) | - | 53,675 | - | 53,675 | - | - | 53,675 | 0.41% |
| Buddy Hackett (Advisor2) | - | 53,675 | - | 53,675 | - | - | 53,675 | 0.41% |
| Dick Shawn | - | 50,000 | - | 50,000 | - | - | 50,000 | 0.38% |
| Eddie Adams | - | 30,000 | - | 30,000 | - | - | 30,000 | 0.23% |
| Terry Thomas | - | 25,000 | - | 25,000 | - | - | 25,000 | 0.19% |
| Jim Backus | - | 25,000 | - | 25,000 | - | - | 25,000 | 0.19% |
| William Demarest | - | 25,000 | - | 25,000 | - | - | 25,000 | 0.19% |
| Peter Falk | - | 25,000 | - | 25,000 | - | - | 25,000 | 0.19% |
| Jimmy Durante | - | 20,000 | - | 20,000 | - | - | 20,000 | 0.15% |
| Norman Fell | - | 20,000 | - | 20,000 | - | - | 20,000 | 0.15% |
| Eddie Anderson | - | 10,000 | - | 10,000 | - | - | 10,000 | 0.08% |
| Don Knotts | - | 10,000 | - | 10,000 | - | - | 10,000 | 0.08% |
| Option Pool Available | - | 239,686 | - | 239,686 | - | - | 239,686 | 1.84% |
| Totally Awesome Seed Fund | - | - | - | - | 250,000 | 250,000 | 500,000 | 3.84% |
| Super Fantastic Venture Fund III, L.P. | - | - | - | - | 250,000 | 3,000,000 | 3,250,000 | 24.94% |
| Angel Incorporated LLC | - | - | - | - | 25,000 | 25,000 | 50,000 | 0.38% |
| I.M.N. Angel | - | - | - | - | 25,000 | - | 25,000 | 0.19% |
| Dumb-ass Oldfriend | - | - | - | - | 25,000 | - | 25,000 | 0.19% |
| Venture Debt Bank | - | 30,000 | - | 30,000 | - | - | 30,000 | 0.23% |
| TOTAL | - | 2,580,457 | 6,500,000 | 9,050,457 | 625,000 | 3,325,000 | 13,030,457 | 100.00% |
| Total Option & Warrant Pool | 2,550,457 | | | | 20.00% <i>(class of seed)</i> | 25.52% <i>(class of series a)</i> | | |
| **Consists of 400,000 existing, and 144,746 proposed new grant | | | | | | | | |
| Seed Valuation (Post Money) | \$3,125,000 | | | | | | | |
| Series A Valuation (Post Money) | \$13,031,275 | | | | | | | |

#17316393

*Get rid of passive shareholders in the early days

*Stay in control...

DURING...

Investors perspective

RISK



REWARD



Saving
the
planet



Reward

Bold and compelling vision



Learning something new



Potential reward



Team I will like to work with



RISKS...

Your market

- Competition is too hard
- People not willing to pay for your product service
- Hard to get noticed
- The concept will be copied
- Product/market fit mismatch

Your business model

- No one will buy the product at the suggested price
- There is no interest in the market
- Price /go-to-market strategy/offering is wrong

You and your team

- The founders will abandon the project within the next 6 months and move on
- The founders are not able to lead and manage and organisation
- The team does not have the right skill level (sales, technical, management)
- It is not technically feasible to build the product by the team

Your progress/traction

- There is no feasible plan to move ahead
- The company will run out of money before taking off

AND AND AND AND AND AND



**What are your
biggest risks?**

5 min.

Now, what is your PLAN to mitigate the risks?

The absolute key question for an investor...

...let's hear some risks

Reward

Risk





Valuation!

A huge challenge for both startups and investors



62%: The valuations of the startups are too high

41%: I don't have time at the moment

40%: I haven't found any interesting investment opportunities

32%: The risk is too high

28%: I have to exit existing investments first

25%: Lack of knowledge to invest

25%: Required capital needed is too high

16%: I have bad experiences from investing in this type of companies

16%: I don't have enough capital the coming years

12%: I don't know anyone who I can syndicate with

The money back minimum 10x

Valuation 8 millions -> Expect to create a company worth at least 80 millions

Understand and negotiate the terms (Preferences, syndication, commitment...)

KEY TERM SHEET SECTIONS



Financial Deal Points

These sections of the term sheet outline the financial terms of the investment deal, including the **investment amount**, the **pre-money valuation** of the startup, the **stock price**, and other direct financial elements of the deal.



Preferred Share Rights

These sections or clauses **define the rights attached to the stock shares** the investors will get as a result of the investment. Preferred share rights such as **liquidation preferences**, **anti-dilution rights**, and **participation rights** affect the financial outcome of the investment deal.



Investor Control and Protections

In addition to **financial advantages attached to preferred shares**, many term sheet sections **increase the influence the investor has** over the startup, including **voting rights**, the **right to limit the founders from taking on additional investments**, or **selling the company**.



Investment Prerequisites

These sections **summarize additional conditions** that the startup must meet in order to **close the investment deal**, such as **founder employment agreements** or **invention assignment agreements** signed by founders and all employees.



**KEEP
CALM**

&

**FOLLOW
THE RULES**

**Make clear
rules for the
process**

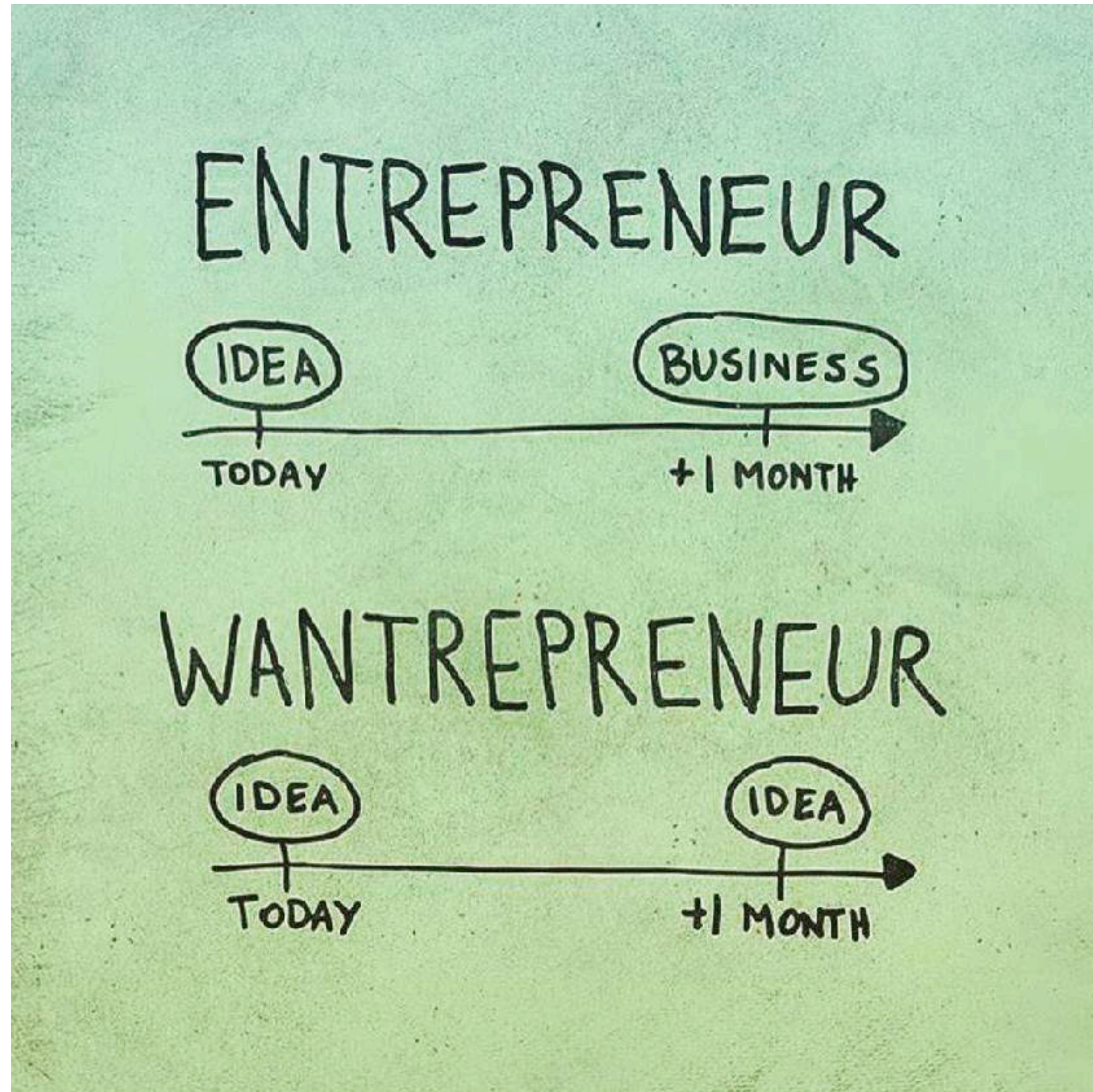
Make urgency
Set deadlines for closing
Insure commitment
Stay in control

Typical time to decide (1-6 months)



Investors...

Make progress in the process...



Syndication! Great but time consuming...



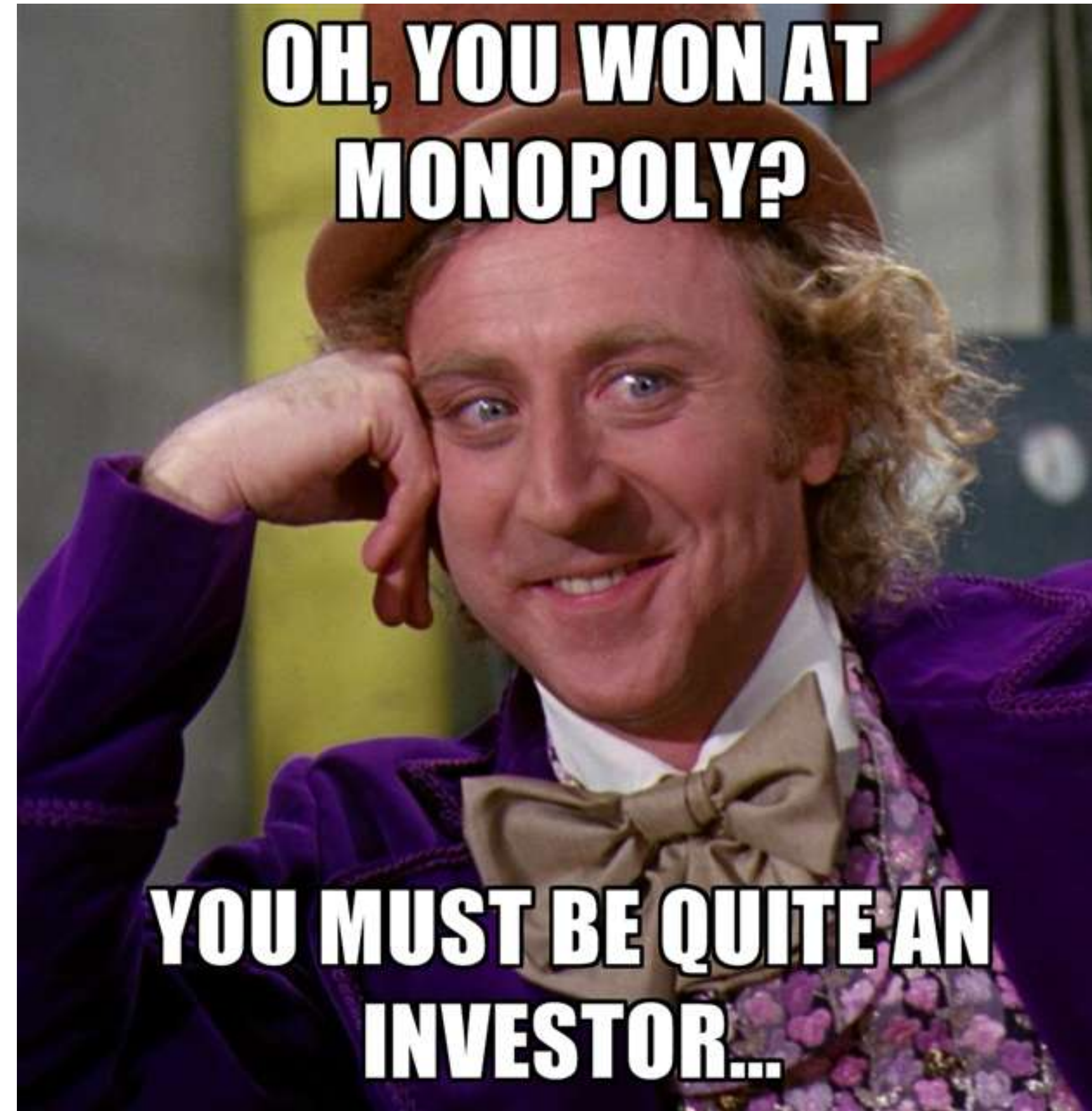
- **Involve the investor - but you are the captain**
- **Keep the investor in the loop with ongoing status updates**
- **If syndicate: Have one person from the syndicate as primary contact person**
- **Use the investor in following funding processes**
- **Start prepping for next round!**

AFTER...

Other insights

**Make an investor
due diligence...**

Entrepreneur is the
new rockstar ->
investor is the
new entrepreneur



Understand your investor
(fund size and risk profile)

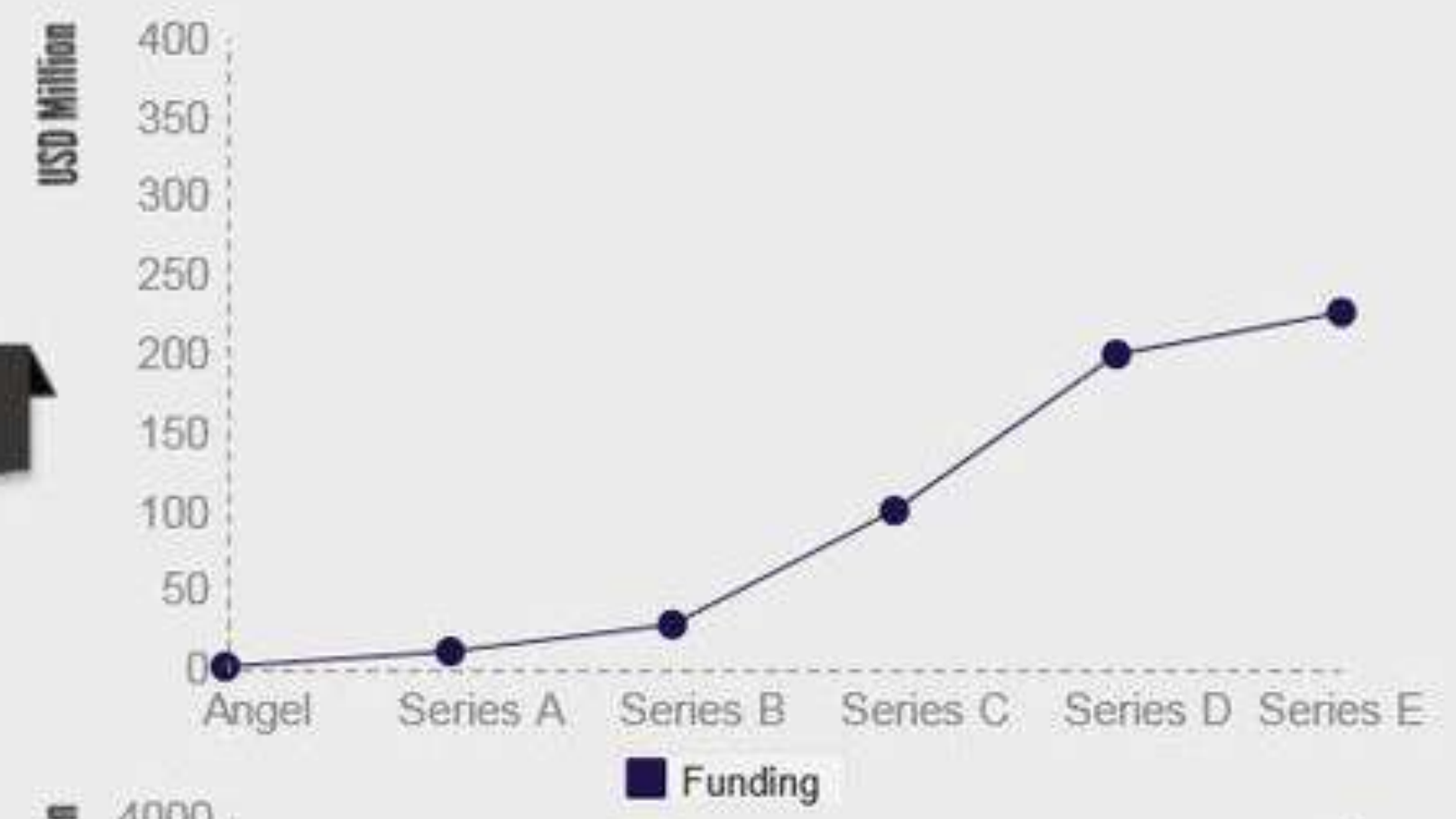


YOUR STORY | INSPIRE
INNOVATE
IGNITE

Pinterest Funding Journey

\$\$\$

Funding



Valuation



Timeline



Understand your funding journey

Have some skin in the game

Investors doesn't **“wantpreneur”!!!**

Avoid getting a
“maybe”!

Honesty

Trust

Respect



Be realistic

Finding the perfect **match**...



Remember it's about **people and chemistry** more than anything else...

Investors are **NOT** there to love you - they are always trying to find the one reason **NOT** to invest



When is the best time to look for
an investor?

When you don't need the money!

Close the round as soon as possible and get back to running/managing your company.

Who is the best investor in the world?

Your clients!



**The current
investor market...**

Raising Money from Investors

Lasse Chor

lassechor@gmail.com

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