

The 10 step method to finding investors

- for early stage startups

NICOLAJ HØJER NIELSEN

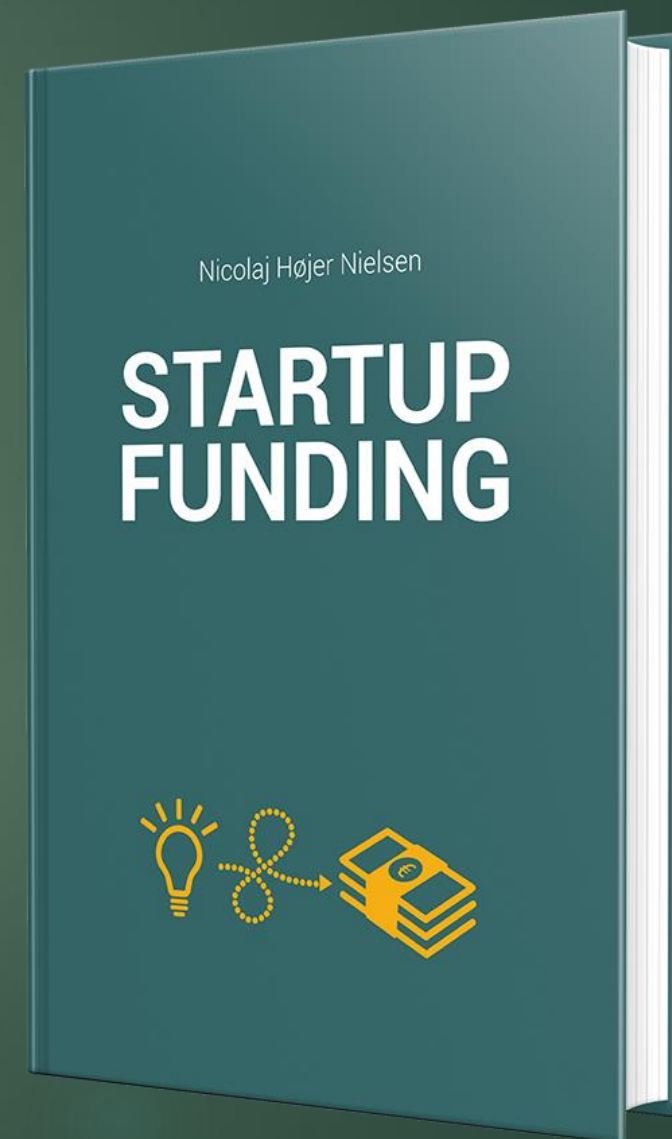
NICOLAJ@STARTUPFUNDINGBOOK.COM

0045 25 46 25 80



Nicolaj Højer Nielsen

- ▶ Serial entrepreneur
- ▶ Investor
- ▶ External lecturer at Copenhagen Business School within entrepreneurship
- ▶ Consultant/advisor for multiple startups (fundraising, commercial strategy)
- ▶ Author of the Startup Funding Book (www.startupfundingbook.com)



Investment portfolio

Sold to Intel (2015)

The logo for Recon Instruments features the word "recon" in a white, lowercase, sans-serif font, with a red swoosh under the "e". Below it, the word "INSTRUMENTS" is written in a smaller, white, uppercase, sans-serif font.

recon
INSTRUMENTS

The logo for Penn30 features the word "PENN30" in a white, bold, sans-serif font, with a small "TM" trademark symbol to the right of the "0".

PENN30™

The logo for MotilityCount features the word "Motility" in a blue, sans-serif font, with a small green leaf-like icon to its left. To the right of "Motility" is the word "Count" in a green, sans-serif font.

MotilityCount

The logo for MeetixVR features the word "Meetix" in a white, sans-serif font, followed by "VR" in a green, sans-serif font.

MeetixVR

The logo for Venyo features the word "Venyo" in a teal, cursive-style font.

Venyo

The logo for plato features the word "plato" in a white, lowercase, sans-serif font, centered on a dark gray background.

plato

The logo for SEPIOR features a blue icon of a folded piece of paper or a book, followed by the word "SEPIOR" in a bold, dark gray, sans-serif font.

SEPIOR

The logo for cluedin features a blue icon of a stylized "C" with a horizontal line through it, followed by the word "cluedin" in a dark blue, sans-serif font.

cluedin

The logo for capdesk features the word "capdesk" in a white, lowercase, sans-serif font, centered on a blue background with a subtle pattern of small white dots.

capdesk

The logo for Copenhagen United features a stylized "W" with an upward-pointing arrow above it. Below this is the text "COPENHAGEN UNITED" in a bold, sans-serif font, and at the bottom is a banner with the text "CphUtd.com".

COPENHAGEN UNITED
CphUtd.com

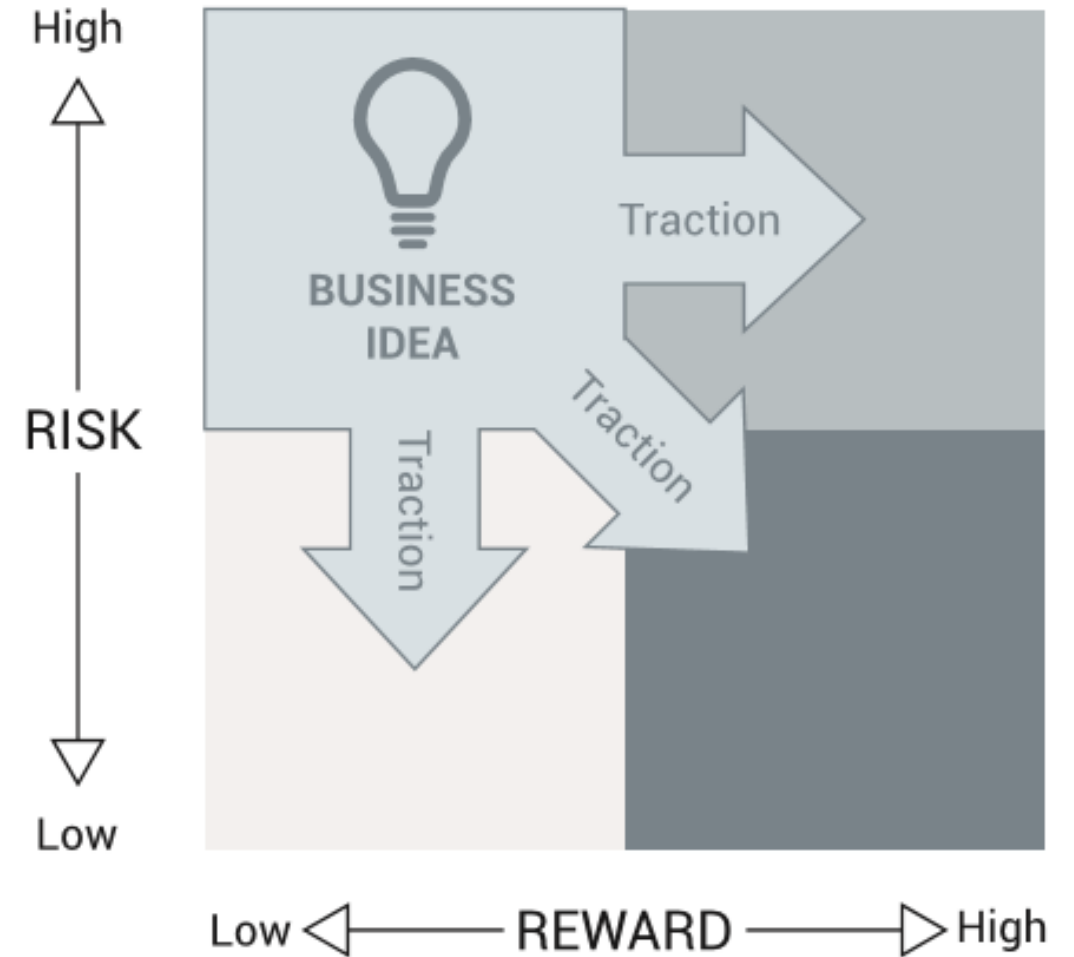
The logo for pento features a blue icon of a person's head and shoulders, followed by the word "pento" in a blue, sans-serif font.

pento

10 steps to success with your fundraising

1. Bootstrapping and team!
2. Investors invest in different phases – in which are you?
3. Which risk/reward are you offering?
4. Do you really have a VC case?
5. Prioritize your investor search (know you/know industry)
6. Get introduced by mutual contacts
7. Understand what is the investor searching for,
8. Don't write a long business plan!
9. Find investors that are not famous!
10. (The secret 10th step)

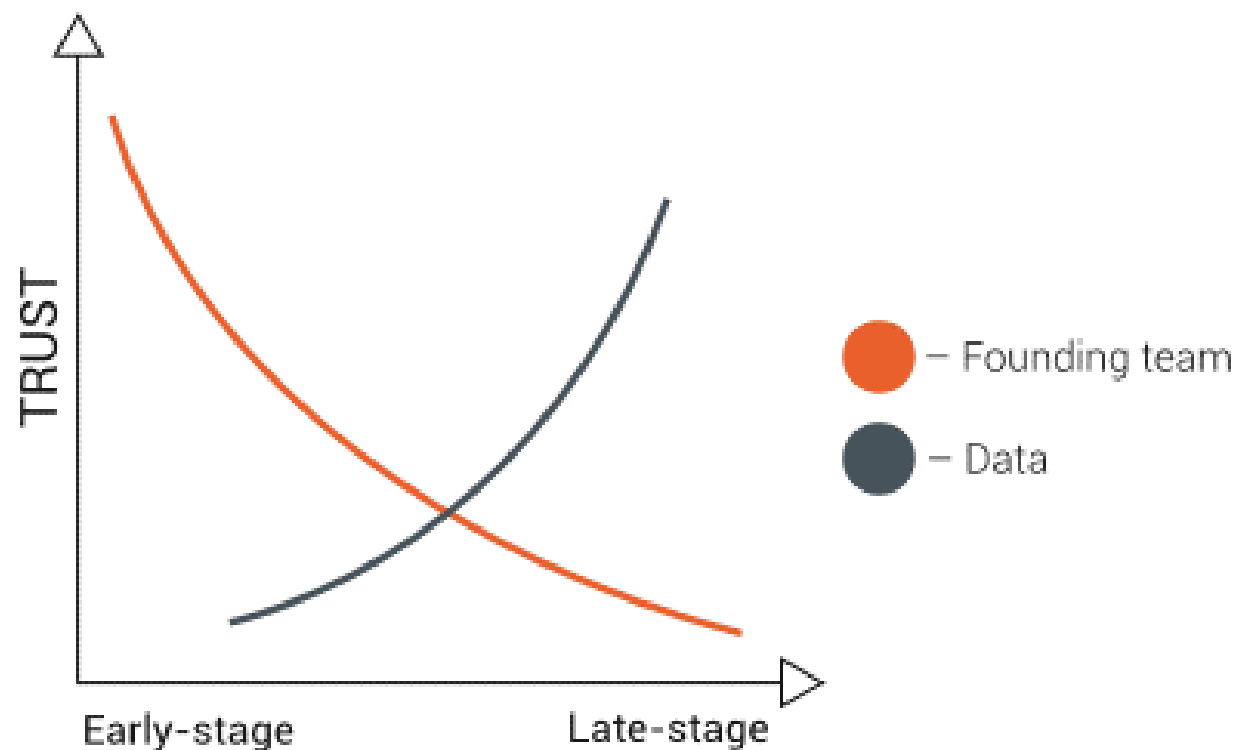
Step 1: No-ones invest in a “business idea” => team and bootstrapping



Source: www.startupfundingbook.com


It's all about trust ...in the beginning trust in you!


*Early-stage is about
trusting you, later-stage
is about trusting
your data*




Source: www.startupfundingbook.com

Case: Supwiz (team and bootstrapping)









Stephen Alstrup • 1st



Big Data, Internet, and Algorithm expert being CEO/Entrepreneur/Professor
Department of Computer Science, University of Copenhagen • Department of Computer Sci...
Copenhagen Area, Capital Region, Denmark • 500+ 

[Message](#) [More...](#)

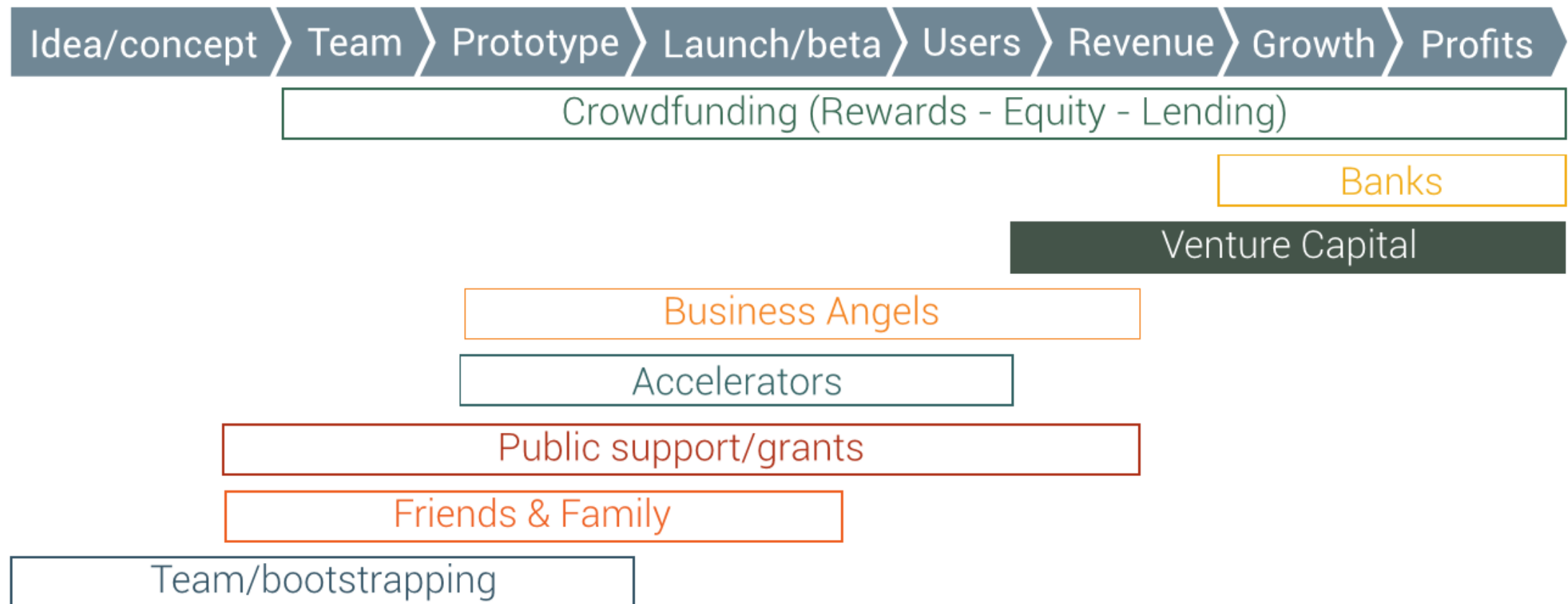
Highlights:
1999: Co-founded with five other persons the IT University of Copenhagen.
2003: Co-founder/CEO of Octoshape, whose software is installed by more than 100 million people.
2012/13: Professor/deputy head, Department of Computer Science, University of Copenhagen (UCPH)

**Morten Stöckel** • 1st
Algorithms Expert and Entrepreneur
Copenhagen Area, Capital Region, Denmark
Current: Co-Founder at SupWiz
 7 shared connections

**Søren Dahlgaard** • 1st
Algorithms and Big Data Expert, Entrepreneur
Copenhagen Area, Capital Region, Denmark
Current: Co-founder at SupWiz
 30 shared connections

**Mathias Bæk Tejs Knudsen** • 1st
Algorithms Expert and Entrepreneur
Copenhagen Area, Capital Region, Denmark
Current: Co-Founder at SupWiz
 8 shared connections

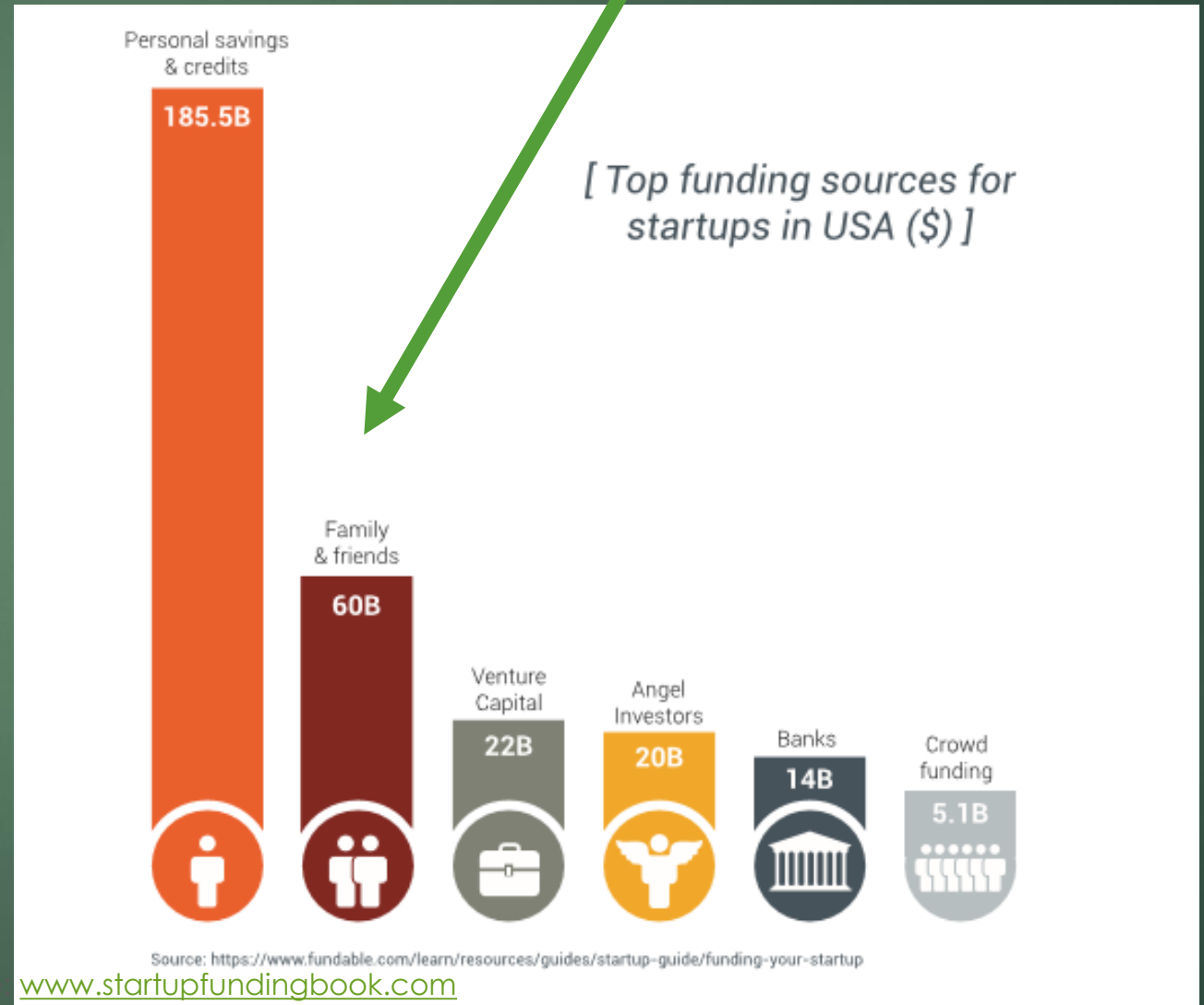
Step 2: Investors invest in different phases - in which are you in ?



Banks – don't blame them!



Friends & Family: The first investors often know you

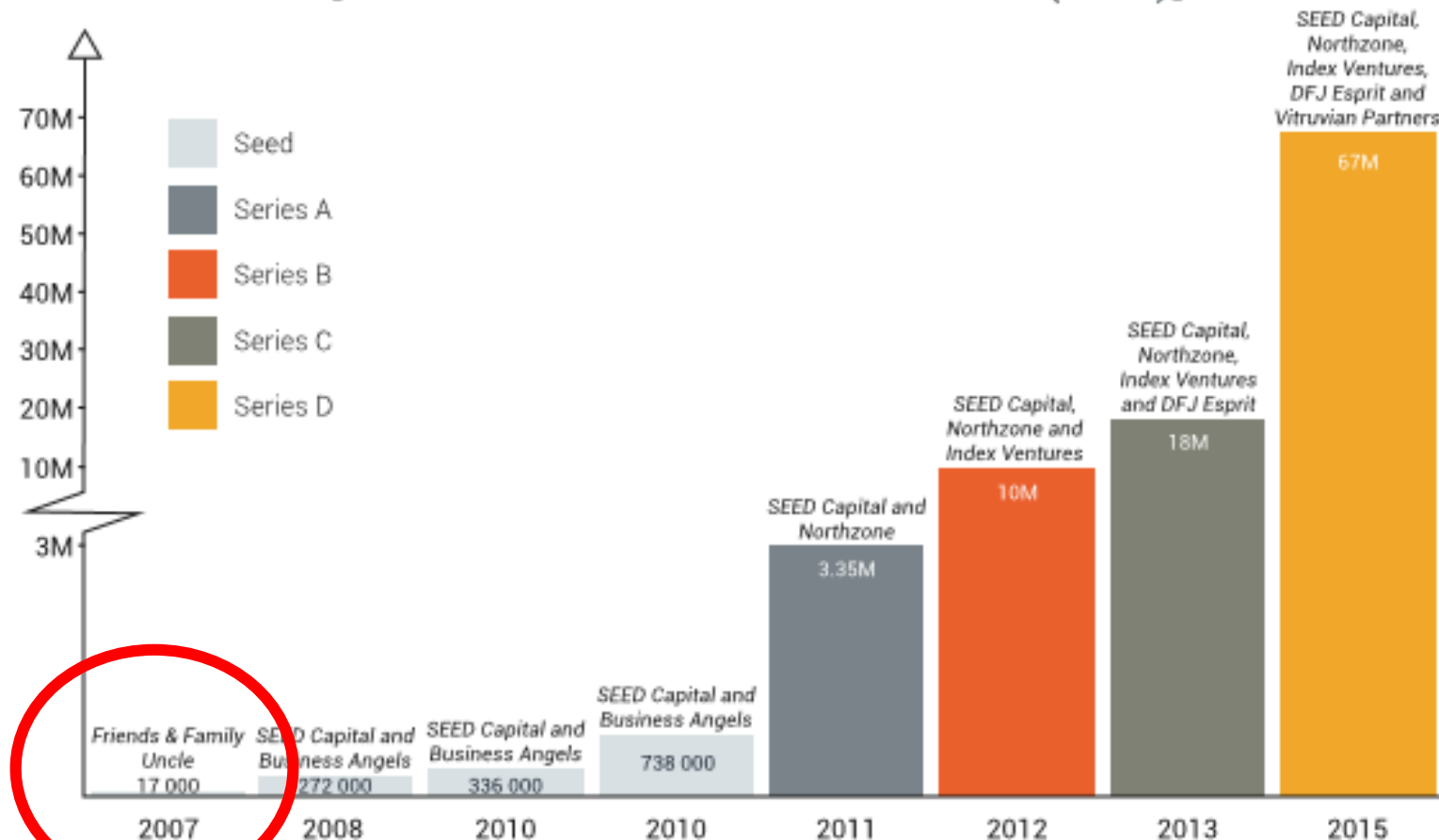


Case: Trustpilot

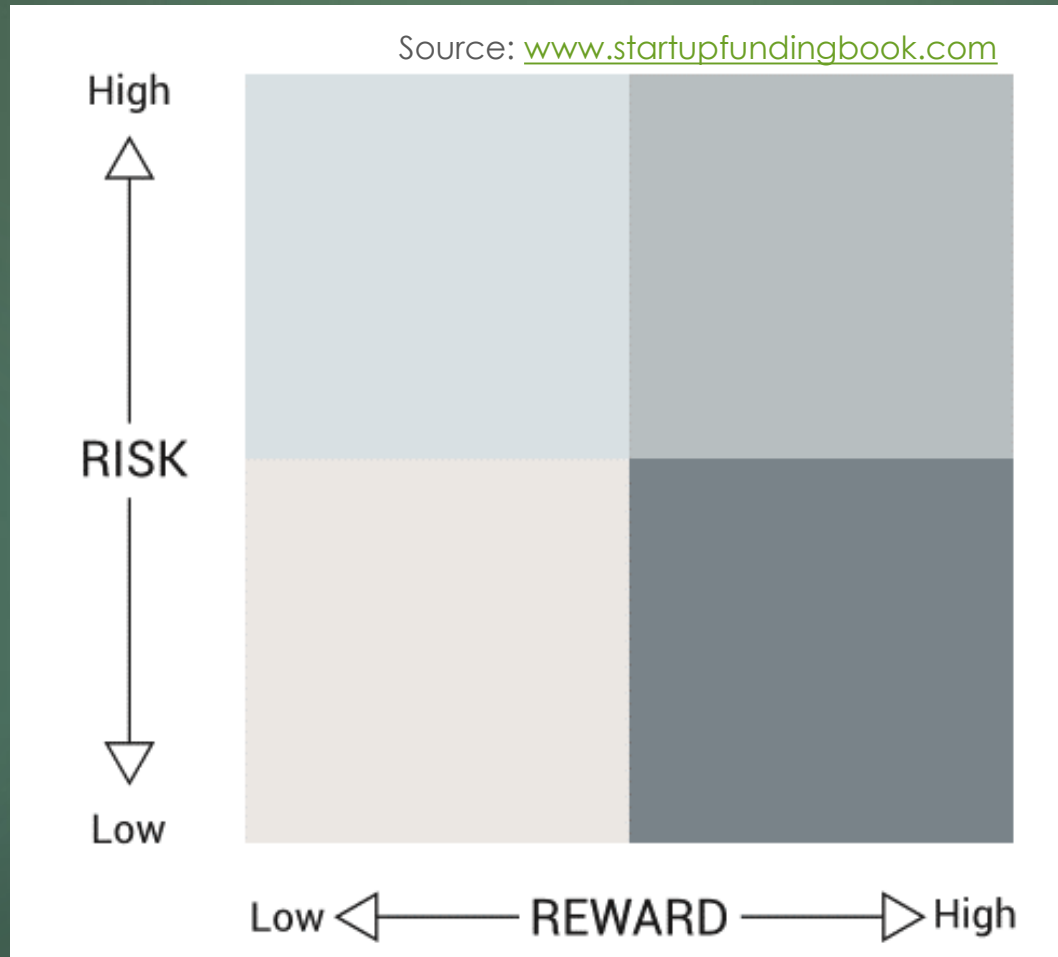


Source: www.startupfundingbook.com

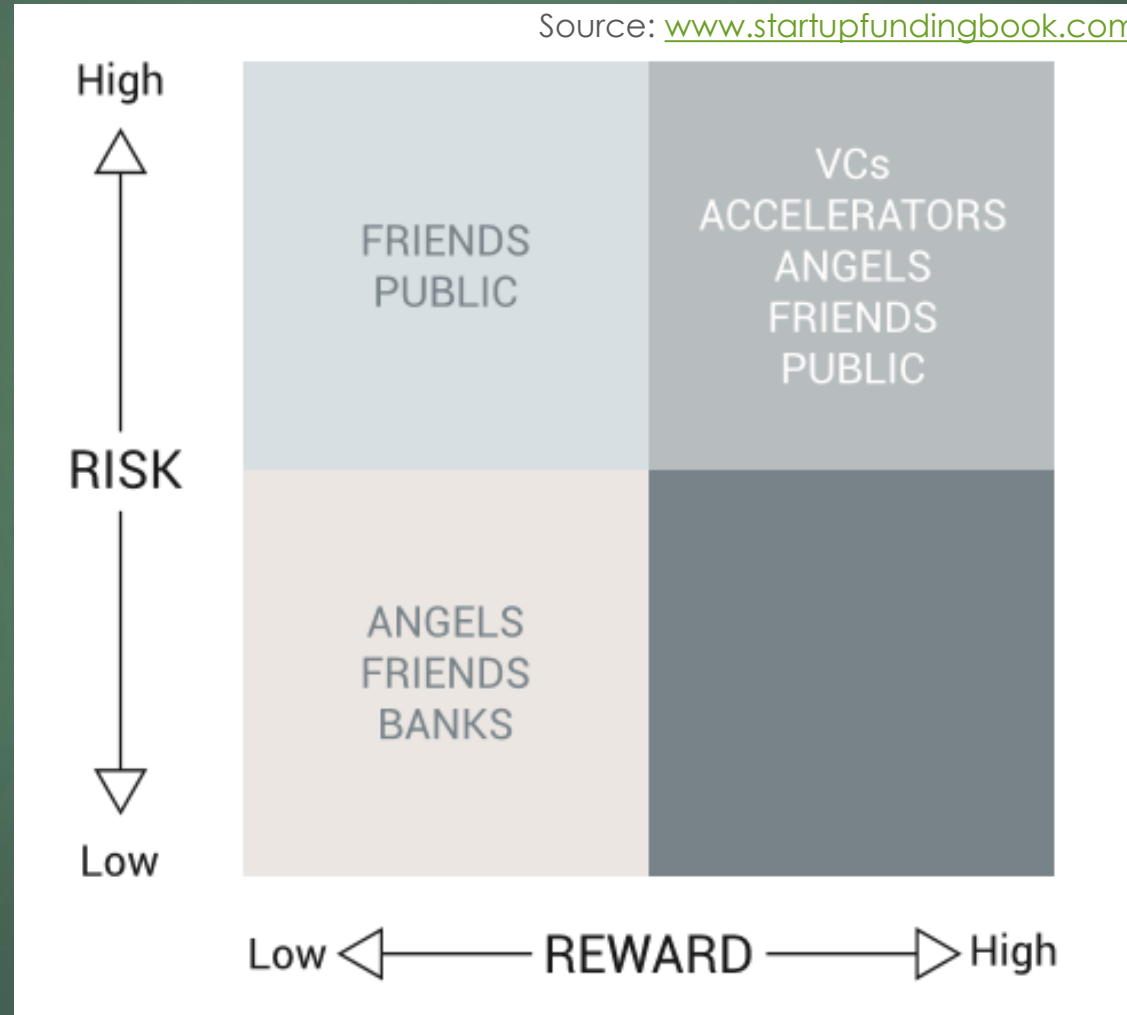
[Investment rounds in TrustPilot (Euro)]



Step 3: What risk/reward are you offering investors?



Different investors have different appetite for risk/reward



What determines the risk/reward profile in a startup

① Your market



② Your business model



③ You, the team



④ Your progress/traction

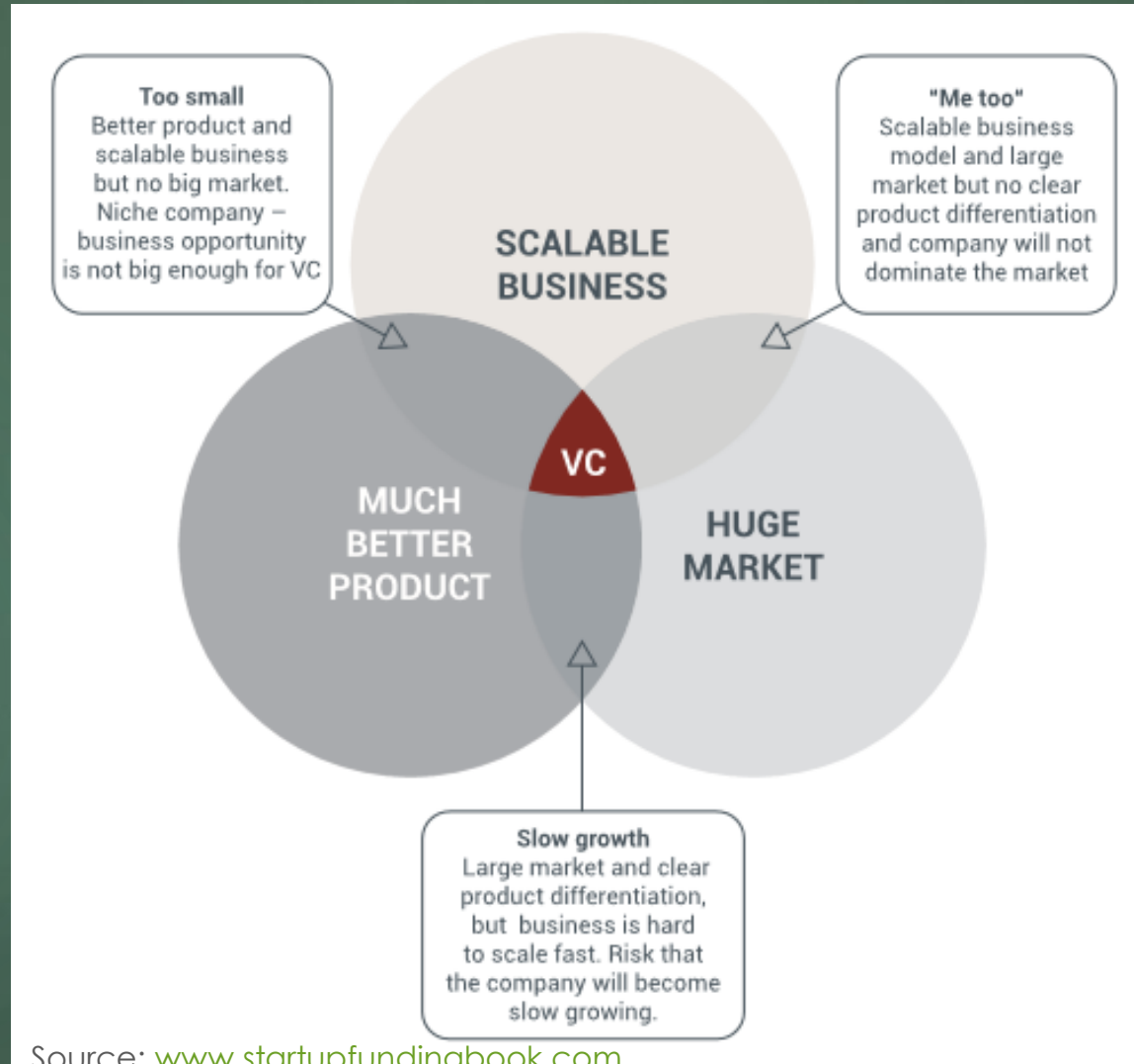


Source: www.startupfundingbook.com

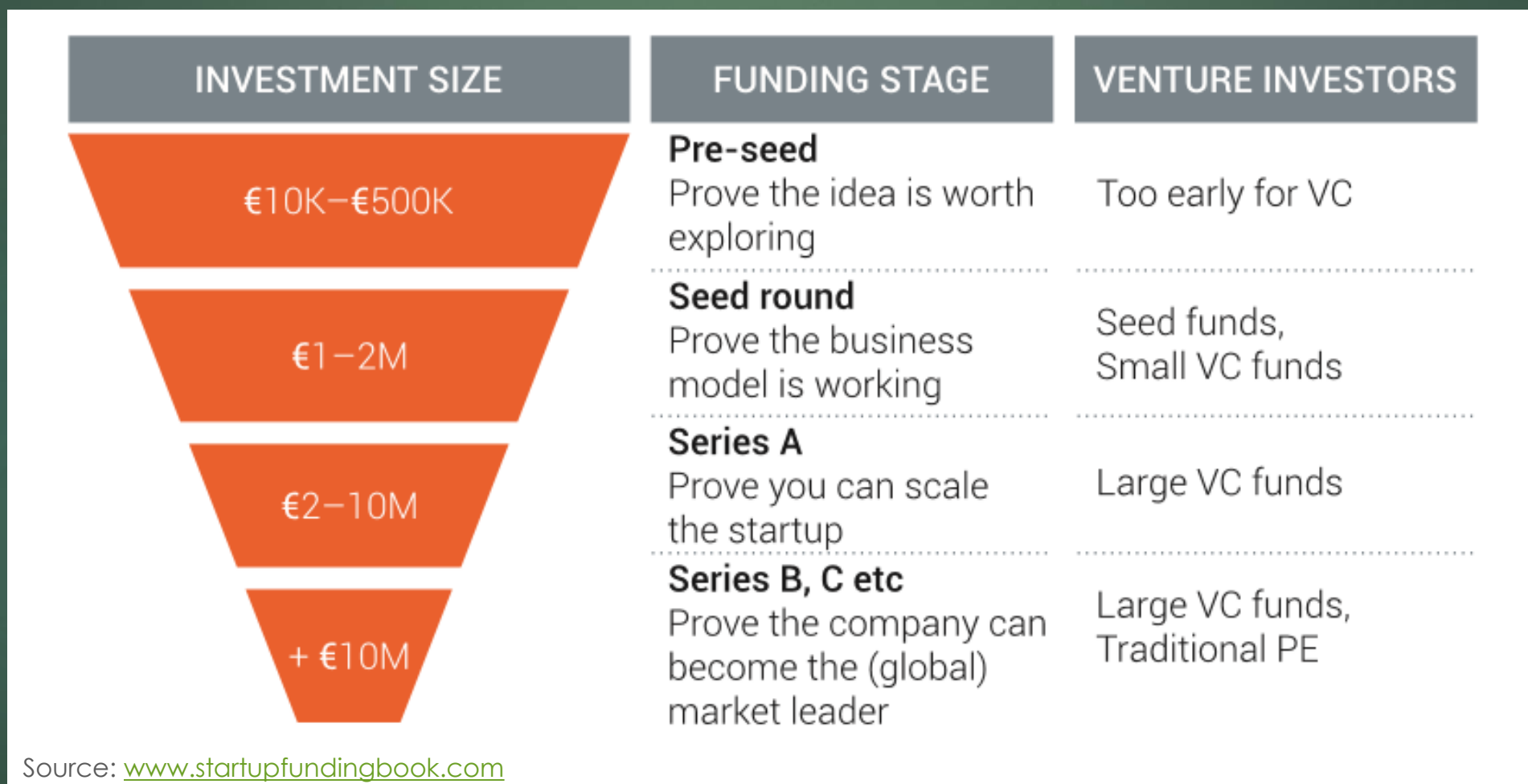
Two examples...same markets but
different risk/reward



Step 4: Venture Capital – do you really have what they are looking for ?



And VC's invest much later than you think



Step 5: Prioritize your investor search: Likelihood of investing depends on..

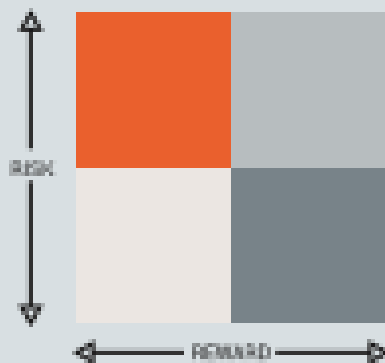
DOES THE BUSINESS ANGEL KNOW YOU?		Business angel doesn't know you at all	You're friend of a friend with a recommendation	The business angel is a friend or relative who trusts you
DOES THE BUSINESS ANGEL KNOW YOUR INDUSTRY?	The business angel has no clue about the industry			
	The business angel has limited industry knowledge			
	The business angel is an industry expert			

Source: www.startupfundingbook.com

Focus on investors that...

You need to find investors who are relevant and who invest in:

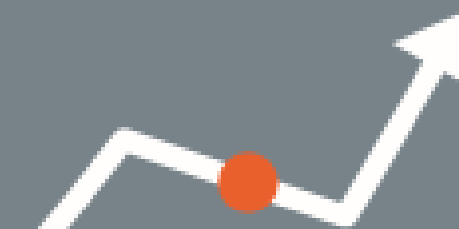
① The same risk/reward matrix you're currently in



② The industry you're in



③ Startups at the same stage as yours



100

9 messages

To: [REDACTED]
Cc: [REDACTED]

With this mail you are introduced to the two founders of Danish/Copenhagen start-up [REDACTED], [REDACTED] and [REDACTED]

They then started the company [REDACTED] while studying and they are now 100% dedicated to the company.

They have built a complete modular HW & SW platform (including control platform), filed patents and they have their first customers but they now want to scale the commercial part of the company.

The guys are in California the rest of this week and most of next week and they have met with [REDACTED] also. So maybe you want to ask [REDACTED] about what he thinks.

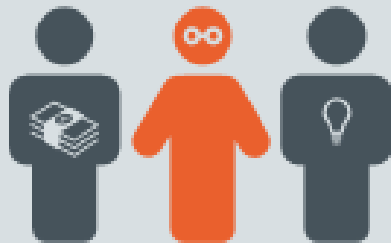
Kind regards

Source: www.startupfundingbook.com

The three important steps when reaching out to potential investors

How to contact potential investors

① Get introduced by mutual contacts



② Do your research and contact the right investors

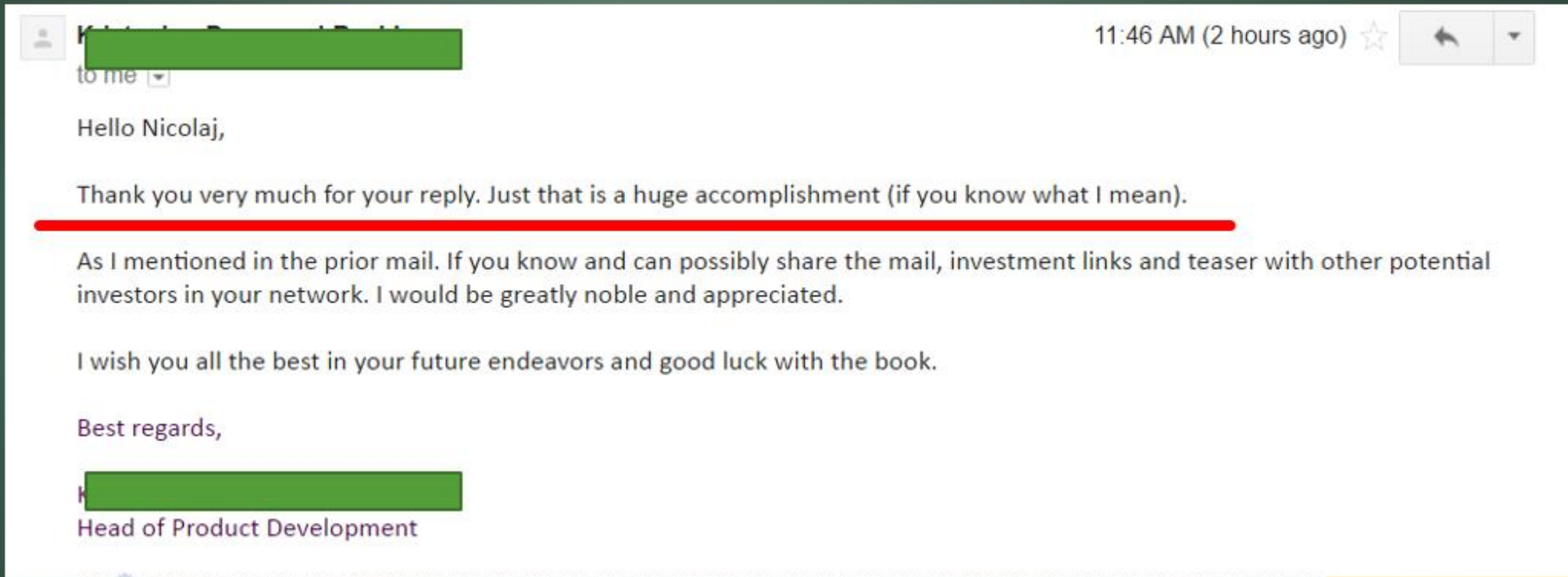


③ Be specific

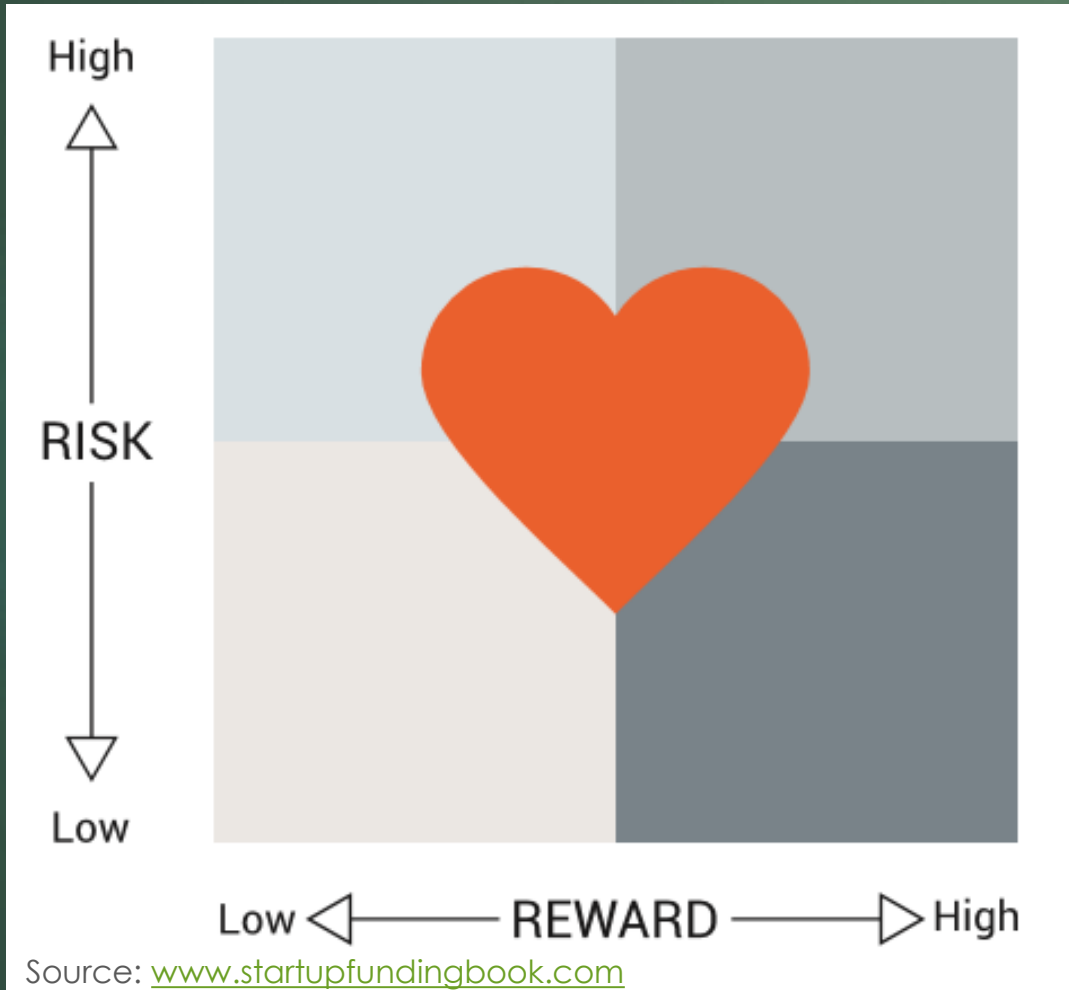


Source: www.startupfundingbook.com

What happens if you just mail people in the “red” area...



Step 7: Many early-stage investors (and angels) are driven by more than money



Source: www.startupfundingbook.com

[Why do business angels invest?]

For your benefit –

they may remember how difficult it was when they started out and want to help you; they want to share their experience or give something back.

For their own benefit –

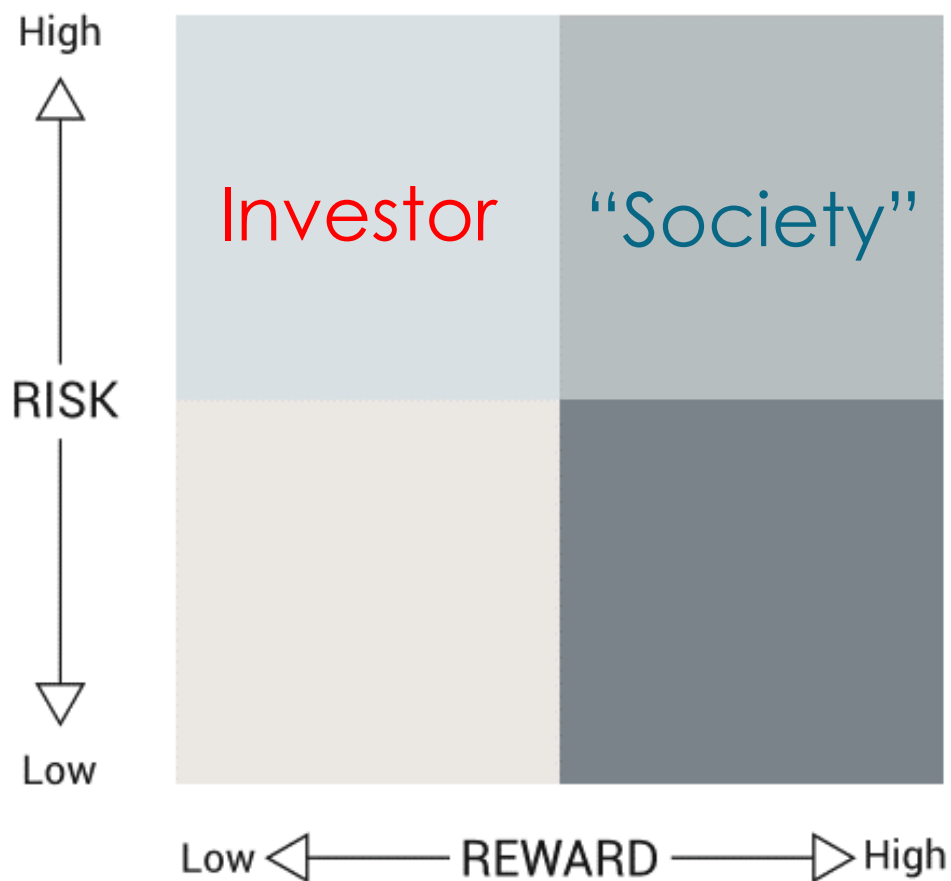
to make money, have fun, avoid boredom after retiring, be involved in something interesting, be entrepreneurial or have something interesting to talk about at parties.

For the benefit of the world –

locally or globally, they want to make a difference that has an impact (for example, in schools, health, or welfare).

Public fund investments: (bad for investor, good for society)

Source: www.startupfundingbook.com



PUBIC FUNDING?

SOLD TO INTEL (2015)

recon
INSTRUMENTS

PENN30TM



MotilityCount

Meetix**VR**

Venyo

plato

 **SEPIOR**

 **cluedin**

capdesk


COPENHAGEN UNITED
cphUtd.com

 **pento**

Step 8: Don't write a long business plan!

- ▶ It's too long (you spend too much time making it)
- ▶ It's full of irrelevant details
- ▶ It's out of date

(investors in some countries/regions still want one)



Material #1 : An executive summary



Reducing online bank fraud without irritating the end-users

Industry: IT-security software

Key IP: Three patents concerning novel obfuscation technologies and validation of web pages using JavaScripts

Product: The world's first invisible Web Session Firewall that does not require any end-user action or client installation

Customers and business model: Financial institutions, recurring software licensing fees

Status: Product launched in Dec 2011. Three banks signed as pilot-customers (total of 20 million users)

Company: Located in Copenhagen, Denmark. 12 FTEs.

Current investors: SEED Capital (DK), business angels and founders (\$2.5 million in total)

The pain. Half of the world's computers are infected with viruses that cyber criminals use to commit online bank fraud. The direct losses are \$3-4 billion per year and growing with +20 % p.a. Banks have no effective measures against the attacks. The current solutions demand the active involvement of the end-users leading to very high implementation and maintenance costs, inconvenience for the end-users and lack of compliance.

CodeSealer's solution. The world's first invisible software based Web Session Firewall that does not require any end-user action or client installation. It enables financial institutions to reduce direct and indirect costs of malware-based mobile- and online bank fraud.

The product is installed on the bank's servers and works by establishing a secure session between the user's browser and the Web Session Firewall. The product continuously monitors the web pages displayed to the end-user to detect unauthorized changes. All communication with the user's browser is encrypted and authenticated using session-specific cryptographic keys. The unique obfuscation and verification technologies are protected by three patents.

CodeSealer's approach is unique. A) We are protecting the bank's entire online bank user-base without annoying them! B) We are not trying to remove the malware, but instead detecting whenever it tries to break into the online bank and C) The solution is browser independent and

Executive summary (2/2)

Current investors: SEED Capital (DK), business angels and founders (\$2.5 million in total)

Investment opportunity: \$5 million in Q4 2012 to accelerate sales and marketing

Key Team Members:

██████████ CEO

Serial entrepreneur, 10 years' experience in commercialization of technology products

██████████ CTO

15 years' experience within cryptography and IT-security consultant to several banks

██████████ VP Sales

Highly experienced in sales of IT-security products to EU banks

Forecast: Cash-flow positive by Q2 2013. By 2015 the company will protect 175 million users, have yearly revenue of \$90 million and EBITDA margins of +60%.

CodeSealer's approach is unique. A) we are protecting the bank's entire online bank user-base without annoying them! B) We are not trying to remove the malware, but instead detecting whenever it tries to break into the online bank and C) The solution is browser independent and works on both PCs, macs, tablets and smartphones.

The market. The addressable market is the approx. \$3 billion banks are spending on two-factor authentication systems, to which CodeSealer's solution is a strong complement. The main geographical market has so far been EU, but the use of two-factor authentication is rapidly spreading to USA (driven by new regulation) and Asia (driven by rapid increase in online banking). The current global 1 billion online bank users will have increased to 2 billion users by 2015.

Traction. The first product has been released and has been launched in EU in November 2011. Three European banks with up to 20 million users have signed as pilot-customers with further ten banks in the pipeline (75 million users).

Partnership with IBM. CodeSealer has furthermore signed a non-exclusive partnership agreement with IBM, who has a very strong presence within the financial services sector. IBM will help market the product by testing the product and present the solution towards their clients.

More information. For additional information or to schedule a presentation detailing the opportunity please contact ██████████ at ██████████ or ██████████

Ps. Don't ask the receiver to sign a
NDA!!!

Confidentiality Agreement Template

Confidentiality Agreement

This **CONFIDENTIALITY AGREEMENT** is made **by** and **between**

_____ (1st Party)

And

_____ (2nd Party)

(each of whom shall be hereinafter referred to as "Disclosing Party" or "Receiving Party", as appropriate) as of _____, 20____.

Project Reference:

Discussions and information related, but not limited to, _____.

The pitch deck (replaces the business plan)

The typical content of a pitch deck

DocSend analysed the content of the pitch decks from 200 different startups. On average there were 19 slides with the content shown below:



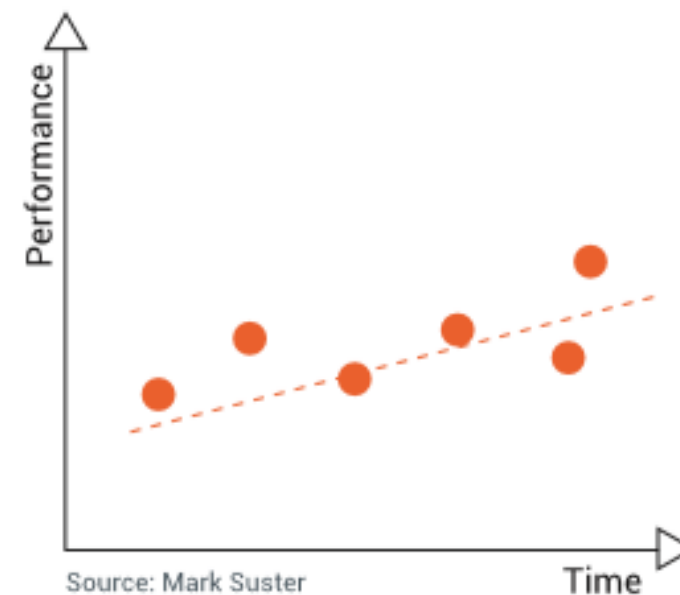
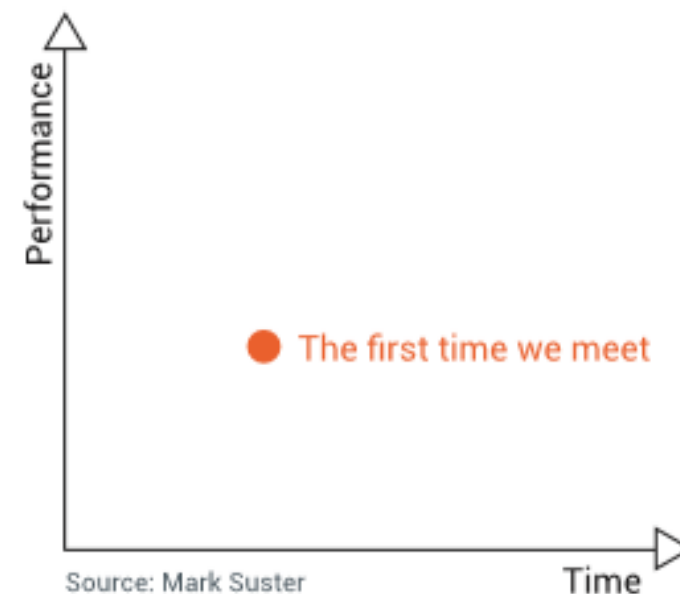
Source: DocSend

Step 9: Find private investors that are not famous!

Source: www.startupfundingbook.com

	NEW ANGELS	BA NETWORKS	SUPER ANGELS
Role	Typically passive but often wants to be involved on an ad-hoc basis; you have the chance to get valuable know how	Varies but one angel often acts as lead and is typically very active while other investors are more passive	Typically actively uses their own network and personal brand to help make the startup a success
Alone or in consortia	Usually invests alone but you can pool them together to reach your funding goal, e.g. use 3-5 different investors	Most prefer to make consortia with other angels from same network: spread risk, more power	Invest alone or with other investors they trust (both private and institutional investors)
Investment size	Typically, less than €50,000 per person per round	Varies, but typical investment round comprises of €100,000-500,000 invested by 2-5 angels together	Varies, up to €1 million per company, but more often €100,000-250,000 per investment round
Industry focus	None, but much harder to convince investors if the technology is so specialised that they don't understand the problem or solution	Varies, but normally at least one person in the consortium has the industry know-how necessary to convince them	Experienced entrepreneurs who typically invest in the same industries as those in which they made their own money
How to find them	Your extended network, i.e. friends of friends; typically don't consider themselves business angels but have equity from successful corporate careers or startups	BA network webpages; you can upload a deck and ask to pitch in front of the angels; better chance of success if you are introduced to one of the angels beforehand	Articles and public information on people who have built successful companies and invested in startups; better to be introduced via mutual contacts

Ps. Trust takes time ...Dragon's Den is fake



A real Linkedin message from TODAY

Chairman & Managing Director, Atlantis Venture Management Pvt. Ltd.

Today



Greetings Nicolaj,

Reaching out to seek your interest in three verticals,

1. our maiden real estate Funds for anchor money-Organised to acquire land banks and exit by development and sale in India- around US\$50 mn ,
2. one of our investee company, an E comm entity is raising expansion capital- around US\$1 mn
3. Challenge Maro League is a unique and unheard of sports platform that needs capital and strategic tie up- need around 0.5 mn US\$

The secret 10th step

Confidential

The secret 10th step

Read my
book 😊



Step 10: A lot of hard work!



Case: Recon Instruments

Recon Instruments (founded 2008)



Prioritized search: INSEAD + Skiing + Business Angel

DOES THE BUSINESS ANGEL KNOW YOUR INDUSTRY?	DOES THE BUSINESS ANGEL KNOW YOU?	Business angel doesn't know you at all	You're friend of a friend with a recommendation	The business angel is a friend or relative who trusts you
	The business angel has no clue about the industry			
	The business angel has limited industry knowledge			
	The business angel is an industry expert			

INSEAD

N=200... Now the real work begin

	A	B	C	E	F	G
1	Fornavn	Efternavn	Mail	Virksomhed		Land
2						
3	M	C	mo	Sp		Danmark
4	Be	Jo	joh	Be		Danmark
5	M	S	sch			Danmark
6	To	V	ton	Be		Danmark
7	N	P	pre	In		Danmark
8						
9	H	B	hel	Fl		Belgium
10	P	C	pie	M		Belgium
11	E	C	etie	Cl		Belgium
12	H	D	han	GS	ty	Belgium
13	O	G	oliv	He		Belgium
14	P	G	ad	Ac		Belgium
15	A	H	inf	Ar		Belgium
16	G	K	gk	Ax		Belgium
17	H	M	hug	Ge		Belgium
18	St	P	Ste	SN		Belgium
19	G	V	gau	M		Belgium
20	Th	V	We tvh	De		Belgium
21	H	d	her	Fa		Belgium
22						
23	R	An	nid	Va		Finland

Klar

Intro e-mail example

Source: www.startupfundingbook.com

██████████,

My name is ██████████, and I'm an INSEAD graduate (MBA'06J).

I am contacting you because I since 2008 have invested my personal funds as seed capital for a start-up called Recon Instruments (www.reconinstruments.com) and because you in the INSEAD Alumni database have indicated an interest in angel investments.

Recon Instruments is the first company in the world to integrate a Head Mounted Display into a pair of ski goggles. Using embedded state-of-the-art sensor and GPS technology we provide easy access to navigation, communication, and performance based-information in real time. We consider ourselves the Intel Inside of the action sports industry, partnering with well known brands and distributors to bring our electronics and optics to consumers and professional athletes alike.

We are currently partnering with a high-end Goggle and Sunglasses brand for an exclusive September 2010 launch in North America and Europe. The Recon Alpine Goggle's feature set includes: speed, altimeter, vertical odometer, stop-watch, temperature, and time. These performance statistics can be viewed in real-time or après-ski. Content can be uploaded via USB to your PC and shared online. Future models include seamless integration to I-Phone/Smartphone, Hands-free interfacing using gesture control, and camera integrated solutions enabling recording and viewing of video content during an activity. I have attached a picture of the first product (ski-goggle).

Founded in 2006, incorporated in 2008, Recon Instruments is a privately-held company with just fewer than twenty employees. With offices in Vancouver and boundless testing grounds in Whistler, home of the 2010 winter Olympics, Recon Instruments is dedicated to enhancing performance and experience of millions of action sports enthusiast around the world. We are already endorsed by a growing community of alpine skiers and snowboarders and we are in the final as the hottest new brand of 2010 at ISPO in Europe. In January we are shooting a film with Discovery Channel to be aired during Olympics.

We are raising CAD 0.9-1.5 million in an Angel round to finance the scale up to mass production and to fuel the growth into related industry applications (other action sports, aircraft, military). Just under \$1 million has been raised to date, with 50% government funding rate, so we are firmly positioned to provide significant leverage on each dollar invested and thus expect a 10 times return multiplier in 3-4 years through either cash buyout or IPO. The closest industry comparable is a Public company named Microvision trading at 64x revenues, which confirms the market's belief in the future of Head Mounted Display technologies.

Executive summary to interested people



PRODUCT & TECHNOLOGY:

- **Hardware** – Head Mounted Display mounted inside goggle or helmet
- **Software** – GPS, Sensing, Web, Smartphone, and visual UI
- Fits in e.g. Snow/MTB Goggles, MC Helmets and Military Equipment
- Combines hands-free user interfaces with augmented reality

FUNDING TO DATE:

- Founders: \$200,000
- Angels: \$420,000
- Government grants: \$320,000
- 45% of core R&D costs covered by SR&ED cash based tax credits

INITIAL MARKETS: (Snow & Dirt)

- 108 million people
- \$1.0 billion in goggle sales
- Average yearly growth of 11%
- Addressable market: \$755 million

OVERVIEW

Recon Instruments, Inc. ("Recon") is a Vancouver based Company focused on delivering innovative self-contained Head Mounted Display ("HMD") technologies. A working prototype, mounted inside a pair of ski goggles, has been demonstrated to the Tier 1 global sports eyewear companies with negotiations ongoing. In November 2009 Recon entered into a partnership worth CAD 3.4 Million with Zeal Optics of Colorado (USA). Under this 3-year agreement, Recon will deliver an estimated 65,000 hardware units under a co-branding agreement using the existing goggle manufacturing and distribution channels of Zeal Optics.

The miniature built in display delivers real time feedback/visualization to the user based on a variety of applications running either on-board or wirelessly through Smart handheld devices (iPhone, Android, Blackberry). The image displayed inside the goggle (or helmet) is easily readable and completely non-obtrusive to front and peripheral vision. Furthermore, minimum user interaction is required during run time. On-the-move access to information would increase efficiency, improve safety, measure performance and ensure full enjoyment of the application.











N = 100

100

1. *Journal of the American Medical Association*, 2000; 283: 2689-2694.

	A	B	C	D	E	F	G	I	J	K	L	M	N	O
1	Commitment	Pre-money val	Vigtig	Sidst kontak	Name	Country	Relation	Video(update rec	Business plan	Executive summary	Pics	Presentat	CDA signed	RECEIV
2														
3		x		17-dec Ni		mann	DK	INSEAD		x	x	x		
4														
5	CAD 75000	CAD 7 million x		21-dec Ru		FI	INSEAD			x	x		Ready for CAD 75000	
6														
7				03-mar BC		IT	INSEAD			x	x			
8														
9				CONTACT UL Ca		den	??	INSEAD		x	x			
10														
11				Bu		Copenl	DK	N/A						
12														
13			x (new yc	03-mar Ey		er		INSEAD		x	x		x	
14														
15				TILBAGE MID Fa				INSEAD		x	x			
16														
17				Lir		USA	INSEAD							
18														
19				Ke		USA	INSEAD							
20														
21				Se		USA	INSEAD							
22														
23						USA	INSEAD							

Further material sent

-  2008 business plan
-  Bio summary
-  Financial model_Recon Instruments_2010_3
-  Founders resumes
-  MoU_Zeal
-  NPV calculation_Zeal contract
-  Status on negotiations with potential partner
-  Team and advisors

Signed deals

$N = 9$

Name	CAD	Subscription agreement	Has received bankaccount details	Money transferred	Money received
R [REDACTED]	75000	ok	x	x	x
H [REDACTED]	29800	ok	x	x	x
M [REDACTED]	50000	ok	x	x	x
A [REDACTED]	250000				x
F [REDACTED] u	50000	sent - awaiting shareholders agreement			
N [REDACTED] etzm	200000	sent			
D [REDACTED] fer	25000	ok - received			
F [REDACTED] cia	50000	ok - received	x		
T [REDACTED]	100000				

Ps. They are all very happy now

Vancouver's Recon Instruments Acquired by Intel for \$175 Million

by *Rob Lewis* on Jun 17, 2015 | *News, Business*

Where there's smoke, there's fire.

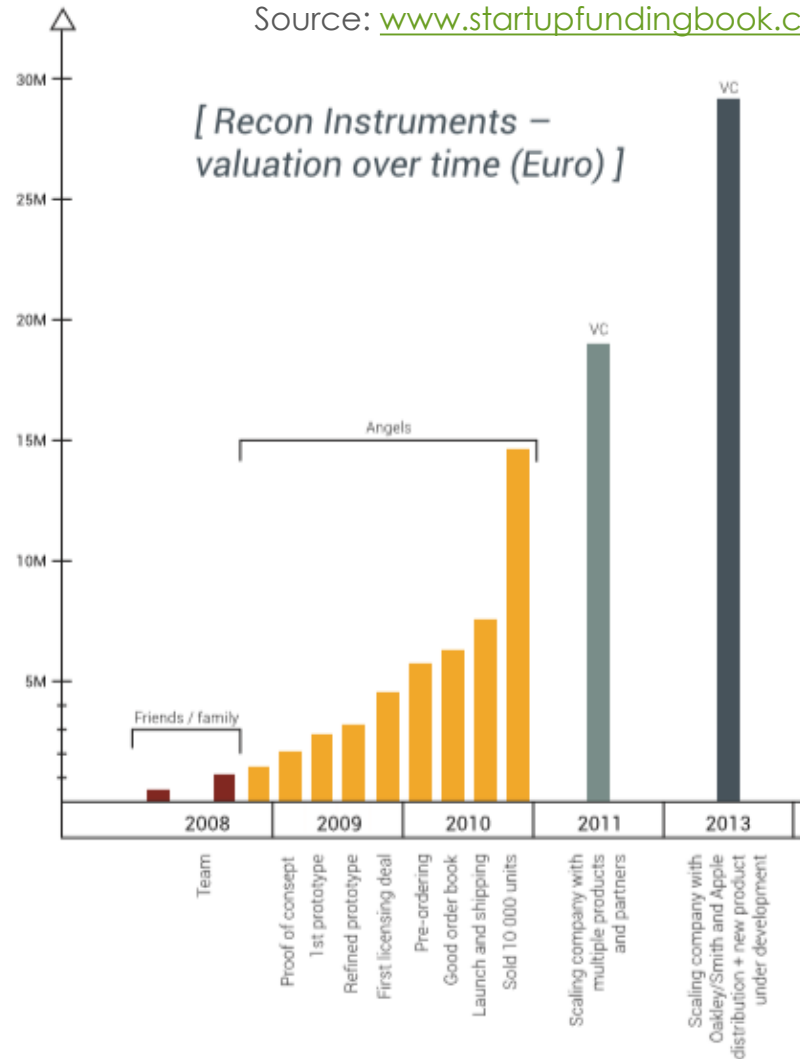
Three weeks ago Techvibes **reported** that Intel was acquiring Vancouver's Recon Instruments.

Today Intel **announced** that they have indeed acquired the intelligent wearable technology company which builds heads-up displays and other products for sports and profes-

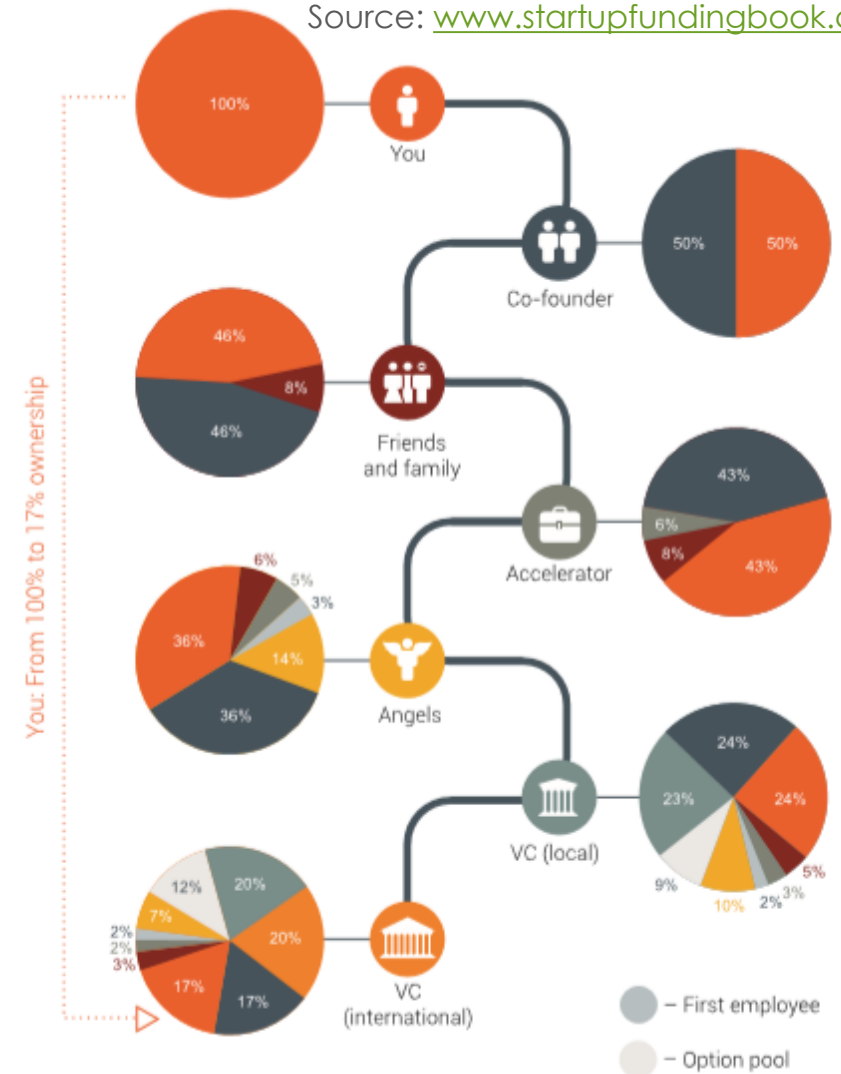


Ps. Do you need the money...now?

Source: www.startupfundingbook.com



Source: www.startupfundingbook.com



Wrap-up!

1. Bootstrapping and team!
2. Investors invest in different phases – in which are you?
3. Which risk/reward are you offering?
4. Do you really have a VC case?
5. Prioritize your investor search (know you/know industry)
6. Get introduced by mutual contacts
7. Understand what is the investor searching for,
8. Don't write a long business plan!
9. Find investors that are not famous!
10. (The secret 10th step)

Thanks!

Nicolaj Højer Nielsen

Nicolaj@startupfundingbook.com

0045 25462580



Back-up



Quick walk-through of pitch deck

Company name	Brief description
Capdesk	<p>Capdesk is online software (SaaS) aimed at private companies and their investors. Capdesk is a shareholder management tool that makes it easier for companies to manage their investors, for investors to be updated on progress in the company, and for investors to trade these shares in unlisted companies. Capdesk was founded in 2015 and the pitch deck used here is from the business angel funding in 2015-2016.</p>
Recon Instruments	<p>Recon Instruments is a consumer electronics company. Their first product was ski goggles with a built-in head-up-display (computer screen) and later a sunglasses version. The company was founded in 2007 and sold to Intel in 2015. The pitch deck used here is from 2009 when the company was looking for business angel and/or venture capital funding.</p>
MotilityCount	<p>MotilityCount is a biotech company. Their first product was a male fertility test (sperm quality test) for home use. The company was founded in 2010, and the pitch deck used here is from the first investment round in 2011 where business angels and public funds invested in the company.</p>
Sepior	<p>Sepior is a cyber security company. Their first product is an encryption solution that protects cloud services (Dropbox, Gmail etc.) from being hacked. The pitch deck used here is from the seed/venture round in 2015 and 2016.</p>

1. The intro (Capdesk)

The logo for Capdesk, featuring the word "capdesk" in a bold, white, lowercase sans-serif font. The letters are closely spaced, and the overall style is clean and modern. The logo is centered on a solid blue rectangular background.

capdesk

A market for the worlds unlisted shares

2. The team (Capdesk)

Team



Christian Gabriel, Founder
Country manager in FundedByMe
Partner in Heartreacher
Boardmember Danish Crowdsourcing
University of Copenhagen



Casper Arbøll, Founder
Project manager in FundedByMe
Partner in Heartreacher
Msoc. Copenhagen Business School



Mikkel Boje CTO
Partner in AccurateIT
IT Manager Net Company
+10 years IT developing experience
Master Computerscience



Martin Damhus, CIO
Partner in AccurateIT
IT Manager Net Company
+10 years IT developing experience
Master Computerscience



Ivan Sandqvist Investor
+4 succesful exits within
payment
solutions



Nicolaj Højer, Investor
Wellknown Danish business
angel. +20 deals,
Business Angel of the year 2016

3. The pain (Motilitycount)

Pain: Male infertility

Many couples are concerned about sperm quality

- 1/6 of all couples have to use In Vitro Fertilization to get pregnant
- Large part of infertility cases are linked to sperm quality
- USA: Population of 6-7 million women having problem getting pregnant*
- Denmark: 37.000 IVF treatments per year**
- Denmark: 8,5% of all babies are born with the help of IVF***

But need to visit specialty clinic or hospital to get answer

- No valid home-test on the market
- Couple will have to visit their doctor
- But doctor/GP can not test sperm quality, and will refer to IVF clinic/hospital
- If not living close (less than 1 hour away) to hospital/clinic, sperm sample has to be produced at the site...

Very inconveniently, time consuming and embarrassing for men/couples to know if he has poor sperm quality

* <http://www.cdc.gov/reproductivehealth/infertility/#4>

** <http://www.sst.dk/Nyhedscenter/Nyheder/2012/Fertilitetsbehandler2010.aspx>

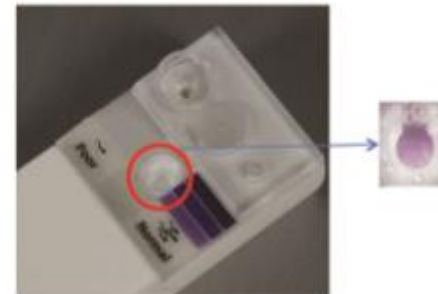
*** http://fertilitetsselskab.dk/images/2013_dok/aarsmoedefiler2013/dfs2012.pdf

3. The solution (Motilitycount)

Solution and value proposition

An easy-to-use test-kit, which gives a fast and reliable answer on male fertility

- **Results:** Colour reaction (poor vs. normal sperm quality)
- **Privacy:** Eliminates the need to visit IVF specialist/hospital for (initial) testing
- **Convenience :** Can be bought at pharmacies, drugstores and online
- **Reliable:** Test results correlate strongly with golden standard (microscopy)
- **Fast:** Gives answer within 30-60 minutes
- **Easy to use:** No liquids to handle



4. The unfair advantage (Sepior)

Our secret source

Know how

- Leaders within Secure Multiparty Computation (SMC)
- The first in the world to have commercialized SMC
- Commercial SMC applications dependent on *both* speed of algorithms & knowledge of practical use
 - Our general-purpose algorithms are the worlds fastest
 - Special-purpose algorithms tailored to key management (otherwise SMC not feasible!)

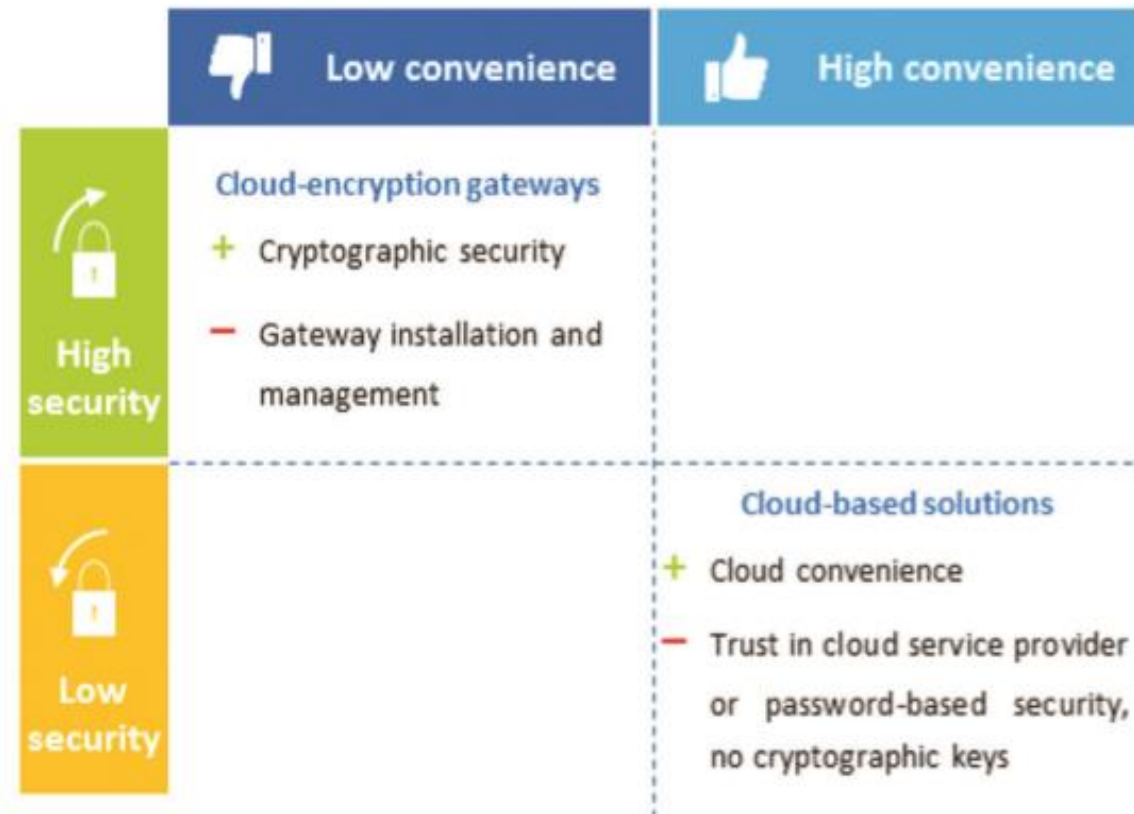
IP strategy

- Patenting specific parts of the KMaaS solution, making it even harder to enter for potential future competitors

Unique and hard to replicate know how, built upon +20 years of university research

5. Competition (Sepior)

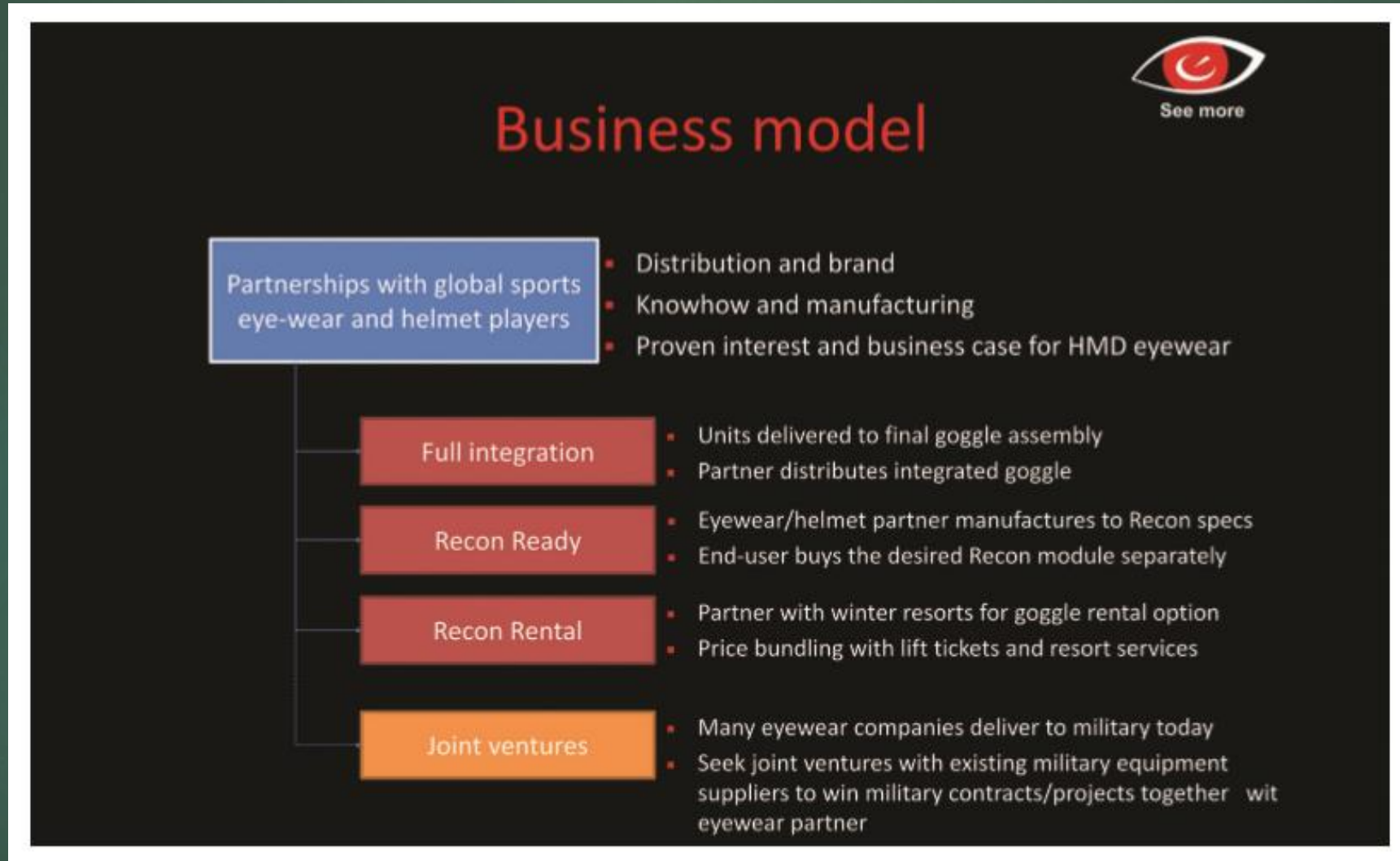
Current security & convenience trade-off



5. Competition (Capdesk)



6. Business model (Recon Instruments)



6. Business model (Capdesk)

Business Model

Price per transaction:

Minimum **\$100**

Maximum **0,5%**

7. Traction (Capdesk)

Traction

Since beginning from scratch in **June 2015**

- ✓ Built and launched beta
- ✓ + 120 companies
- ✓ + 15.000 shareholders on boarding
- ✓ Government Grant
- ✓ 2 acquisition offers from major players
- ✓ Law firm clients in Sweden, Netherlands and Denmark
- ✓ Opened London office

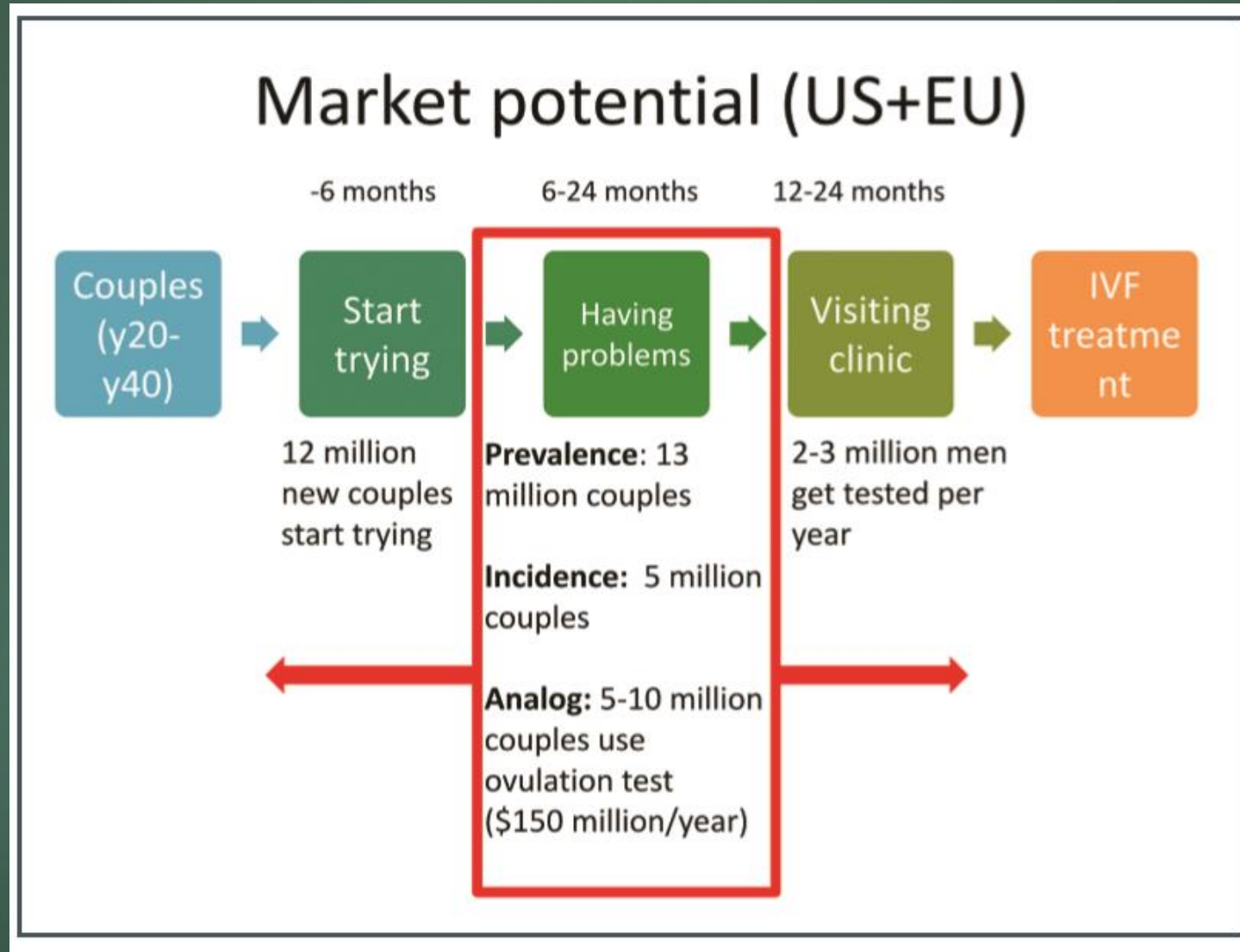
7. Traction (Recon Instruments)



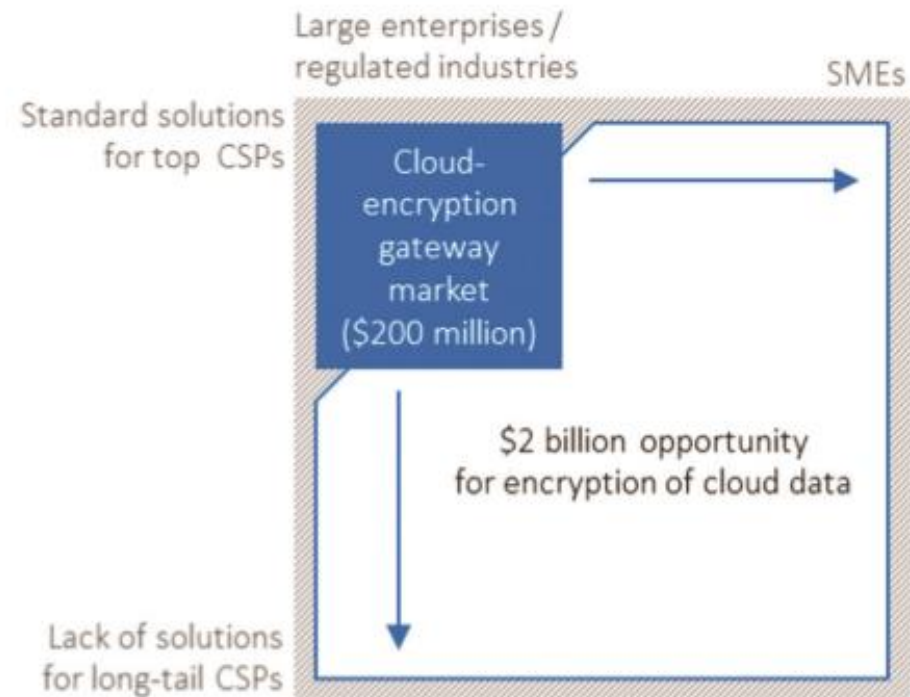
Traction

- Founded in British Columbia in January of 2008
- 14 employees, 14 external investors
- 3-year contract with Zeal Optics worth \$3.4 million
- Working prototype demonstrated to the Tier 1 global sports eyewear companies (*negotiations ongoing*)
- 3 patent applications filed – IP owned in full by Recon
- 50% government funding (based on rate in 2008/9)
- Discovery channel shoot and Olympics demo planned
- In the final for ISPO hottest new brand of 2010
- Request For Proposal from Boeing

8. Market (Motilitycount)



8. Market (Sepior)



9. Go to market (Motilitycount)

GO-TO-MARKET STRATEGIES

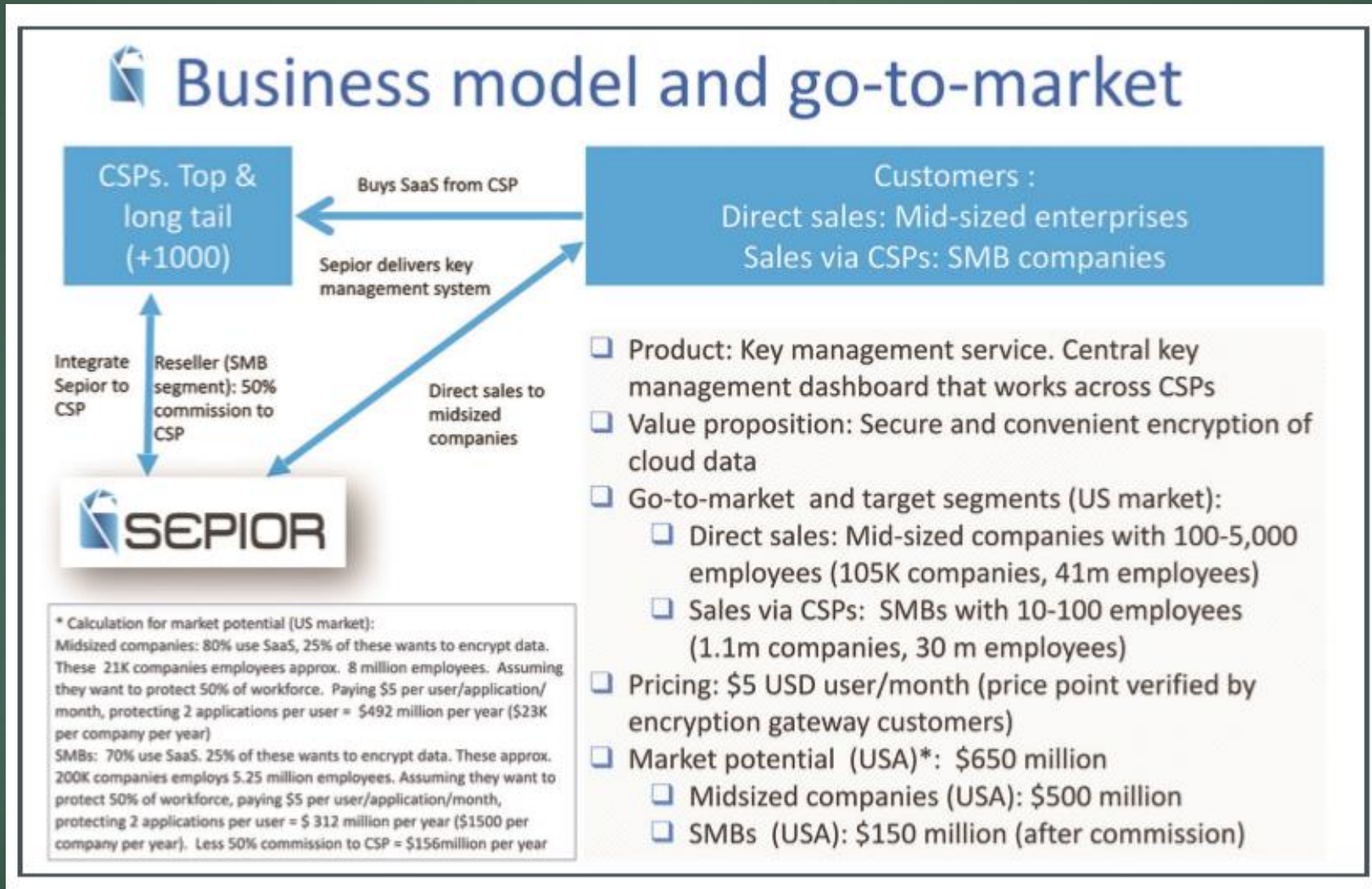
PLAN A

- Licensing agreement with major OTC player in 2012
- Sales and marketing to be done by partner
- No further capital will be needed

PLAN B

- Bring the product to the market
- In collaboration with independent distributors
- More capital will be needed in 2013
- Long term strategy will remain the same (Plan A)

9. Go to market (Sepior)



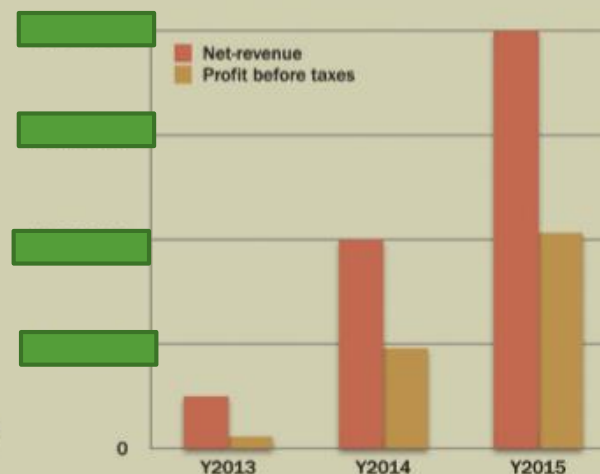
10. Financials (Motilitycount)

FORECAST

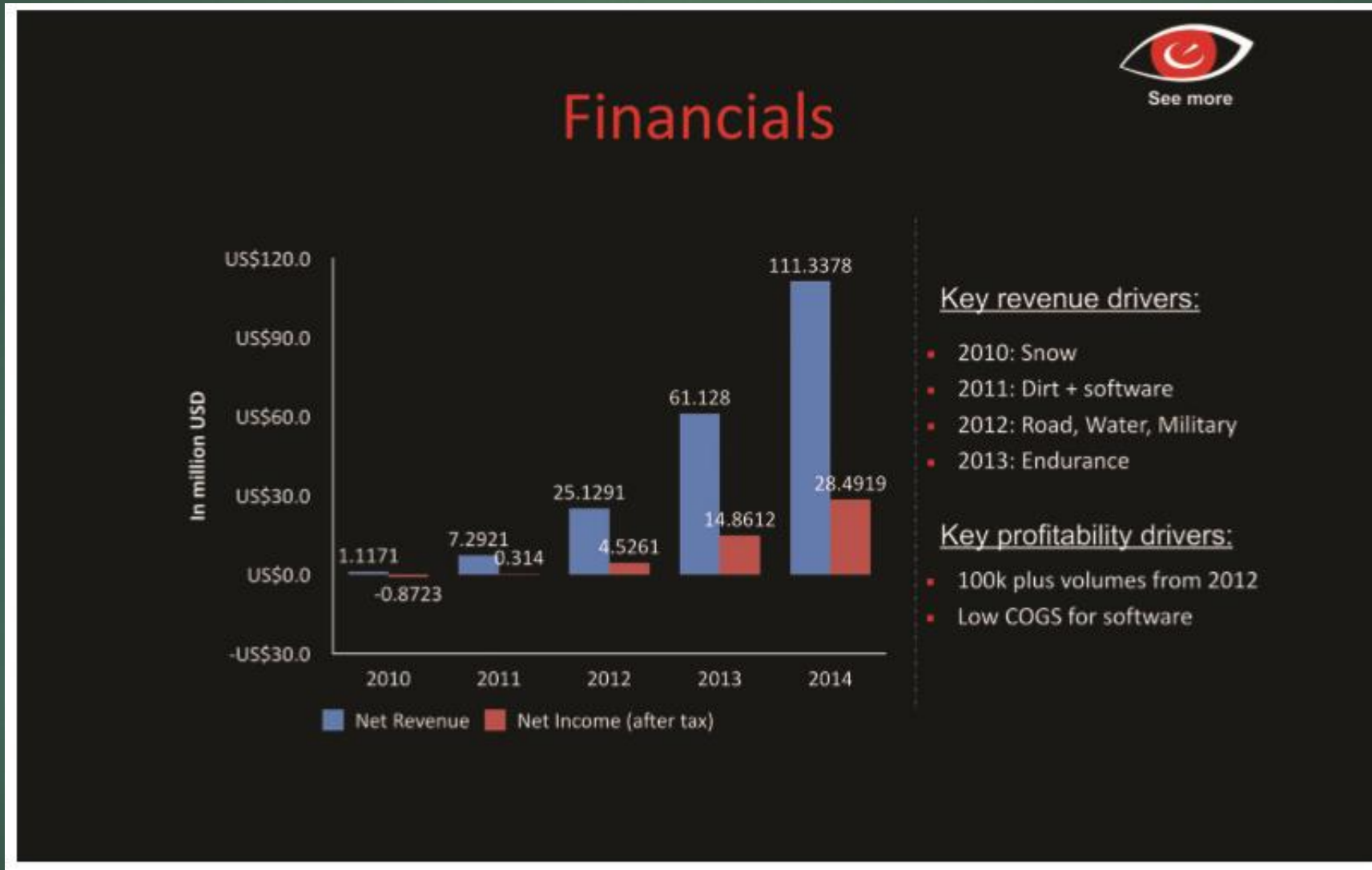
ASSUMPTIONS

- Licensing agreement to be signed [REDACTED]
- Distributed by global market leader [REDACTED]
- Product to be launched in January 2013
 - 2013: [REDACTED] units
 - 2014: [REDACTED] units
 - 2015: [REDACTED] units
- Retail price: \$40-60/unit
- Sales price to licensing partner: \$10/unit (COGS of \$4/unit)

Y2013-2015, USD million



11. Financials (Recon Instruments)



12. Milestones (Motilitycount)

DEVELOPMENT ROADMAP

	FINAL PROTOTYPE:	PRESALES MODEL:	SALES MODEL:
Product development	<ul style="list-style-type: none">-Device and size optimized to reduce test time-Cells stained at inlet	<ul style="list-style-type: none">-Finalize design and functionality-Test of device outside project group (IVF clinics and sperm-banks)	<ul style="list-style-type: none">-Optimize design based upon feedback from external tests-International tests (IVF clinics and sperm-banks)
Milestones	<ul style="list-style-type: none">-Test time <1 hour-Test results comparable to CASA studies (Computer Assisted Sperm Analysis)	<ul style="list-style-type: none">-Test time <30 minutes-Closed system with semi-automatic loading of fluids and cells-Positive clinical tests	<ul style="list-style-type: none">-Production cost less than \$10/unit-Roadmap to reduce costs to \$4/unit-Positive clinical tests-Signing of licensing agreement
Timing	6 months	9 months	6 months
Costs	DKK 1.5 million	DKK 2.5 million	DKK 2 million

13. The ask (Recon Instruments)



Fund Raising

- \$900k CAD raised to date
 - 50% from non-diluting government sources
 - 50% from high net worth individuals (current investors have shown interest for additional support)
- Seeking 1.5-2 million CAD for 2010
 - 880k CAD for R&D
 - 330k CAD to execute sales growth
 - 500k CAD in working capital

13. The ask (Sepior)

Series A funding: \$5 million

Use of proceeds:

- R&D in Aarhus:
 - Expand software-development team (to aprox 10 FTE)
- US HQ
 - Management team
 - 2 presales (tech)
 - 5 sales reps

Milestones next 12-18 months:

- Product:
 - Expand API and solution with new features
 - Integrate to key CSPs
- Sales:
 - Partnership/integration agreements with 20 CSPs
 - Solution used by 500 end-customers (25,000 employees)
 - Annualized revenue of \$2 million

14. Summary (Capdesk)

Why Capdesk?

1

Ambition, team and technology
to impact a \$250B market

2

Scaleable

1 company = 200 shareholders
200 shareholders = 10 company invites

3

Born global

Users from all over the world

4

Exit Opportunities

Exchanges, Investment Banks, Transfer Agents, Investment Platforms, Payment providers etc.