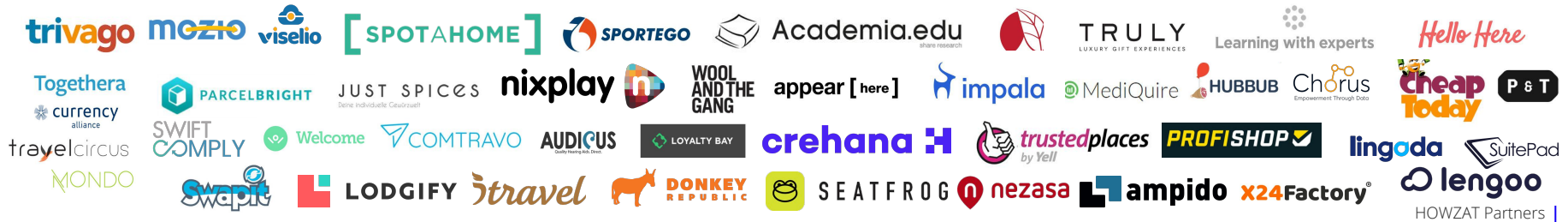
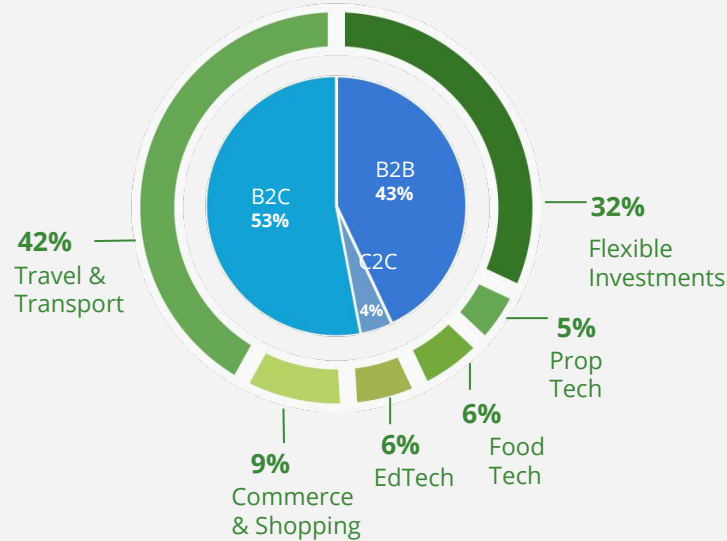


5 MAIN CAUSES WHY EARLY STAGE START-UPS FAIL TO RAISE

19.08.2021 H/F Webinar



HOWZAT PARTNERS: WE HAVE BUILT STRONG EXPERTISE ACROSS OUR CORE SECTORS



AN EXPERIENCED TEAM WITH HIGH STANDARDS

We bring to the table outstanding entrepreneurial know-how, as well as investment, management, financial and legal expertise.



**David
Soskin**
General Partner



- 15+ years VC investment experience
- CEO of Cheapflights
- Head of Global Media M&A, ABN AMRO
- Consulting (BCG, Bain)
- Founding Partner at HOWZAT
- MBA (Harvard)



**Sascha
Hausmann**
General Partner



- 15+ years VC investment experience
- CEO of WorldRes, RateTiger, Busy Rooms
- Partner at StellantPartners (M&A)
- Founding Partner at HOWZAT
- Accounting and Tax (Reinhard & Partner)



**Rodrigo Ponce
de León**
General Partner / IR



- 5+ years VC investment experience
- Board seats in EU/US, incl. Hackers and Founders & Immersive Artistry
- Seasoned Investor & Fundraising Advisor (\$100m+ raised)



**Dr. Thomas
Koch**
Legal Partner



- 12+ years VC investment experience
- Founding Partner (Andersen Tax & Legal Germany)
- Luther Law Firm, BakerMcKenzie and Linklaters
- 8+ years with HOWZAT
- German and English Law



**Anton
Werner**
CFO & Partner



- 3+ years VC investment experience
- Co-Founder Beach-Inspector
- CFO (Outfittery, Home24)
- PE experience (Cinven)
- Blockchain Investor
- Founding Partner at ennea



**Tobias
Salzig**
Venture Partner



- 10+ years VC investment experience
- Head of Deals at Angelgate
- 20+ years in Corporate Finance & Strategy Advisory (€90m+ raised in private & public investments)



**Jan-Frederik
Valentín**
Venture Partner



- 10+ years VC investment experience
- CEO of listed Travel24 & FERIEN Touristik
- MD & CMO of KAYAK Europe
- Angel investor and Founding Partner at ennea
- Political Scientist & Journalist (Süddeutsche)

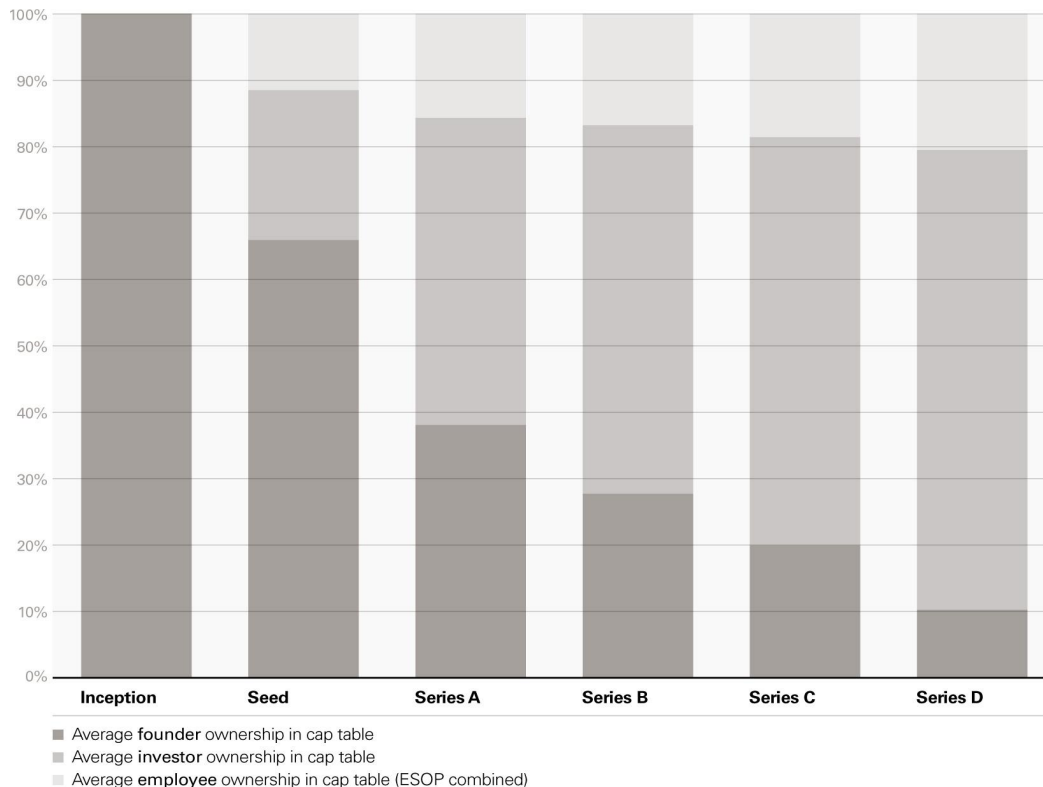
5

CAPTABLE PROBLEMS

- (Operative) Founding team has too little shares left
 - Excessive dilution in past rounds
 - Passive shareholders (former co-founders)
- Too many little shareholders

5

CAPTABLE PROBLEMS - TYPICAL SHARE DISTRIBUTION



5

CAPTABLE PROBLEMS - INVESTOR EXPECTATIONS

“Every investor has a different minimum equity threshold he wants founders/mgt. to hold. I have seen Series A rounds fall apart, because the founders only held 30% of the company”

Former Head of M4E at Axel Springer

“The Cap-Table issue must be resolved prior to Series A. Else, no VC that I know, would take a look. They simply don’t want to be bothered with the hassle of resolving this situation.”

Partner, Atlantic Labs

5

CAPTABLE PROBLEMS - HOW TO PREVENT/MITIGATE

- Prevention
 - Beware of minimum ownership benchmarks in order to avoid over-dilution in the first place
 - Work with reverse vesting already upon company formation
- Mitigation
 - Resolve issue before you go out and address investors (legally binding shareholder/board resolution necessary)
 - Options at hand
 - ESOP
 - Capital increase with capital reserve payment = future liability

4

TOO LITTLE TIME PLANNED FOR FUNDRAISING

- Complexity of fundraising process often times severely underestimated.
- Team goes out too late -> backed against the wall / runs out of money

4

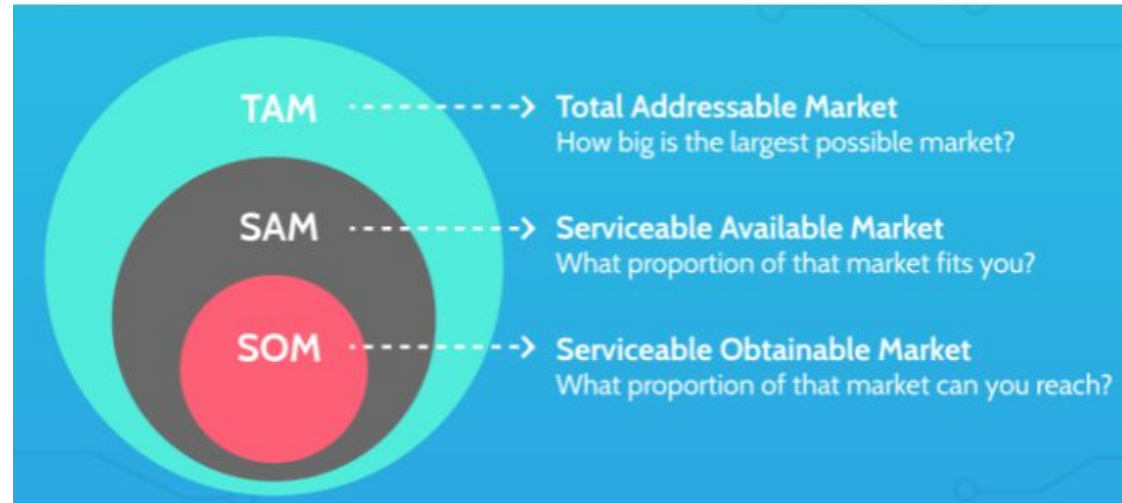
TOO LITTLE TIME PLANNED FOR FUNDRAISING - MITIGATION

- Expect a minimum duration of >6 months
- Align your internal budget, roadmap / milestone plan and work backward
- Establish and cultivate investor relationships ahead of time
 - Investor updates to stay in the fold

3

YOUR MARKET IS TOO SMALL / WRONG INVESTOR

- >1x fund return necessity
 - 100mio = <10% -> 1bn
- TAM/SAM/SOM
- SAM = 10bn



2 YOUR VALUE ADD IS TOO SMALL

- How severe is the pain/problem you are solving?
- Focus key: 5 small vs. 1 large
- Your product/service needs to be 10x better than the status quo
- Ask yourself why your business fulfills this rule
- How can you prove this? Traction vs. surveys

1

THEY DON'T BELIEVE YOU'RE THE TEAM TO PULL IT OFF

- Strong team trumps individual stars
 - Single founders
 - Complementary skills <> necessary skills
 - Industry expertise / network
 - Attitude (Self Reflection) / Vision
- Be bold, but don't be naive
 - Bullish revenue, but not craaazy (Hockey Stick)
 - Understanding of the workings of the business model and its main levers, realistic level of expenditures

FUNDRAISING MASTERCLASS

MVP Edition powered by Howzat Partners

OUTLINE

1. Masterclass Structure
2. Curriculum
3. Application Process

1

MASTERCLASS - MVP EDITION STRUCTURE

- Duration: 10 weeks
- Weekly webinars
- Weekly Mastermind Group Meetings
- Individual Coaching Sessions
- Closing Event

2 MASTERCLASS CURRICULUM

1. What you need to know when assembling a founding Team
2. How to get to a Proof of Concept
3. Legal Set-Up
4. Investor Landscape and Expectations
5. How to master the art of fundraising
6. How to build a winning Pitch Deck
7. How to build a financial plan that is VC proof
8. Arriving in the post fundraise reality
9. How to scale your business

3

MASTERCLASS APPLICATION PROCESS

1. Application Questionnaire
2. Face-to-Face Zoom Call

Application deadline: Date

Start Masterclass: 01.10.2021

Visit us:

www.fundraising-masterclass.com