

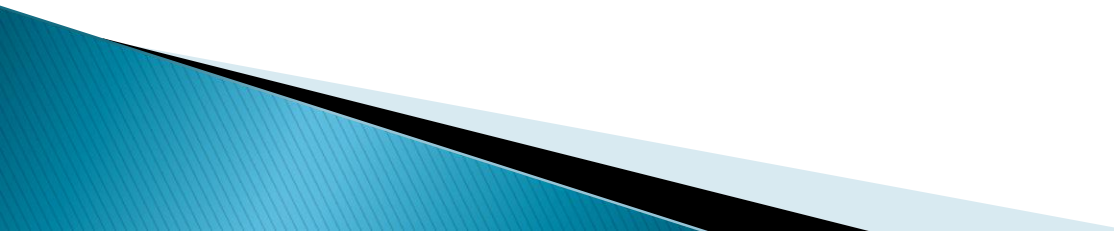
CapTherm Systems Inc.

How We Raised Our Money

Timo Minx, *Chief Executive Officer &
Thermal Architect*

CapTherm Team

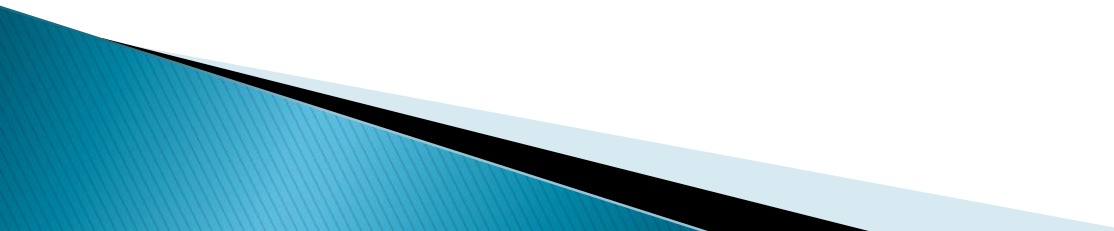
- ▶ **Timo Minx**
 - 6–7 years having developed the technology
 - Worked 2 Years at CapTherm's main Competitor

 - ▶ **Philipp Fuhrmann**
 - Strong Business Development, Marketing & Sales Background
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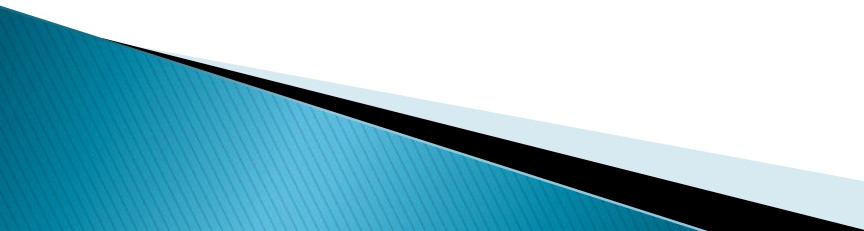
How We Raised \$1,900,000...??

- ▶ 1st L.O.I. within 36 hours
- ▶ \$1.9 Mio. Equity for 40%
- ▶ No ‘Standary Valley Terms’
- ▶ Board Majority
- ▶ \$6,000 in legal fees to negotiate and close deal (incl. Term Sheet, Subscription Agreement and Universal Shareholder Agreement)* BE INVOLVED!

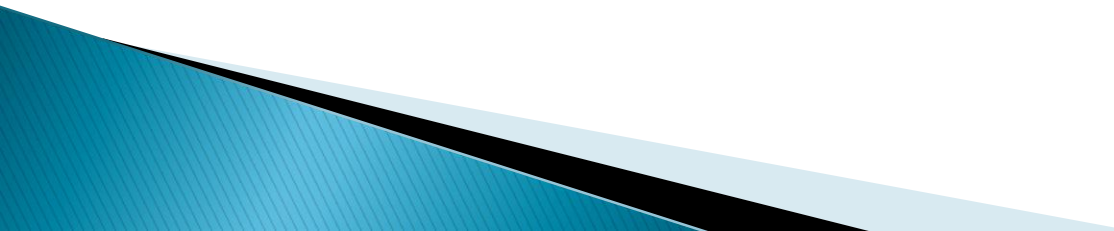
Key Ingredients to Our Success

- ▶ Strong team members
 - ▶ Strong IP portfolio
 - ▶ NVBC Competition
 - ▶ BCIT CAP Program and Partnership
 - ▶ Strong Business Plan, Financials (& hands-on planning)
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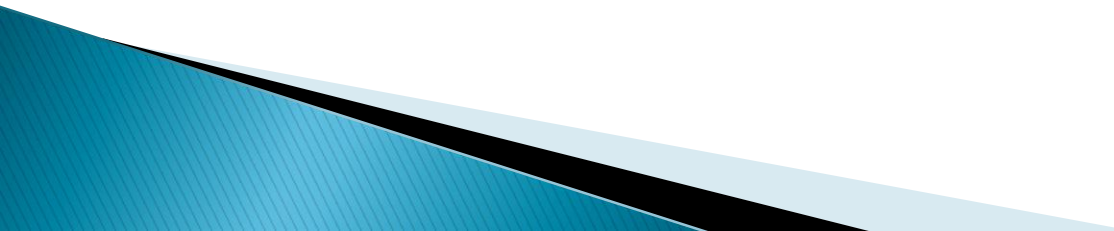
Finders Fee Agreement

- ▶ Have become very popular
 - ▶ Effectively how we raised our money!
 - ▶ Things to watch out for:
 - Don't agree to more than 10% (any combination of cash/equity)
 - 5% is a good deal, the lower the better. (We paid less!)
 - Never have it open ended (define a ceiling)
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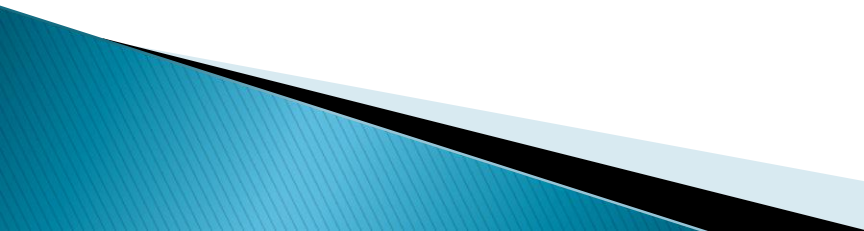
Lawyers

- ▶ Will knowingly give incorrect advice to be able to bill more hours and close the deal, regardless of the consequences for the founders!
 - ▶ There is no reason to spend \$500 an hour to close on a simple pre-revenue startup!!!
 - ▶ Try to find an external consultant – E.g. ex VC who is willing AND capable to put themselves in the opposite position!
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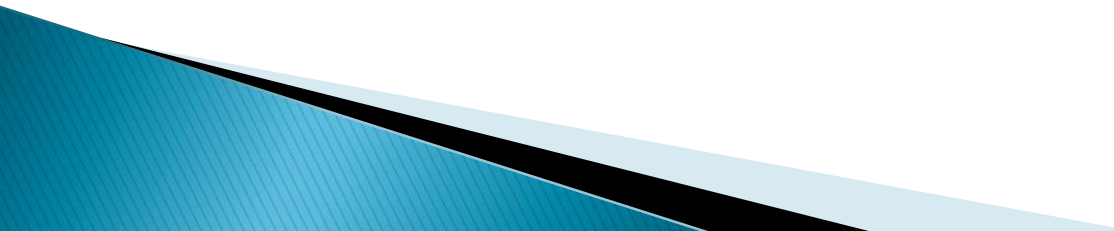
Importance of IP/Patents

- ▶ Patents are KEY!!!
 - ▶ File provisional patents, which are cheaper and provide added confidentiality
 - ▶ Try to find a lawyer that is familiar with your industry
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Partnership with BCIT

- ▶ Commercialization Bootcamp
 - ▶ BCIT has provided 30% of R&D costs
 - ▶ BCIT has provided 40% of Patent costs
 - ▶ BCIT has hugely helped us with recognition and credibility
 - ▶ Investor due diligence testing was conducted at BCIT
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NVBC Competition

- ▶ CapTherm made 5th place out of 178 competitors
 - ▶ Mentors provide “some” feedback
 - ▶ Lazy Money!
 - ▶ Forces founders to think about all aspects of their business
 - ▶ Cash prizes!
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Business Plan Pro Software

- ▶ Template driven approach to writing business plan AND financials
 - ▶ Get familiar with financials, different scenarios, etc... Get a “feel” for how spending impacts the plan!!!
 - ▶ I suggest the use of an Excel spreadsheet/financials, split up into phases as it is easier to follow and track than official financials
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