

Startup Report

Austria 2018



www.StartupReport.at

Welcome to the 4th Annual Edition of Startup Report Austria - with more and bigger deals than ever...!

The top 11 funded Austrian companies raised € 5.000.000 or more, and together they have **raised more money** than all deals listed in last year's report (see data tables on pages 22/23 and page 68/69). 2018 has also seen **more deals than ever** before: 101 of them are listed in this report - once again, the most complete list of funding deals in Austria, thanks to the diligent work of my team and the amazing support of the Austrian startup community! We have been observing a funding boom in Austria over the past few years - some of those **data trends** I'll outline in this opening article.

This is already the fourth edition of this report in Austria. It is the **most complete, freely available, yearly list of startup funding** above € 250.000 over the past year. The startups' founders validated all of the information in the report, and it is a **compendium of startup knowledge, insights and tips, shared by the founders** of these successful startups. On top of that, a series of startup **eco-system insiders share their expert knowledge and perspectives** on the Austrian ecosystem in guest articles in the first section of Startup Report Austria.

Why this report exists

Two reasons motivated me four years ago to create this report: firstly, to show the whole Austrian startup ecosystem - and especially young and aspiring founders - that **it is possible to build a successful, fast-scaling business in Austria**; and secondly, to contribute to the "pay it forward" practice, by inviting the funded founders to **share knowledge with the community** in the Founder Q&A (see pages 26 to 121).

A huge thank-you to nearly half (!) of all founders who received funding last year, who share their knowledge in this report.

You ladies and gentlemen truly rock!

Top Trends of Startup Report 2018

53% more deals than last year across all categories: be it 250k-500k or deals above 5 million. They all increased compared to 2017. Even the number of deals in the range of 1 - 2 million grew (19 deals in 2018 vs. only 11 deals in 2017) - this is a range that is often hard for founders to raise money for, because it is too much money for business angels, and too little money for many VCs.

The money invested even grew by 63%, from 145 million in 2017 to 237 million in 2018. The top 11 startups raised more money than all 66 startups listed in the Startup Report Austria 2017. A strong signal that startups in Austria are maturing and that founders successfully attracted national and international capital to fuel their growth.

A closer look also reveals that total investment amounts for **larger funding rounds** (above € 2 million) **grew faster than smaller funding deals** below 2 million. Large rounds grew by 66% (€ 183 million vs. € 110,2 million), while smaller rounds only grew 54% (€ 54,6 million vs. € 35,4 million).

Carinthia, Styria, Tirol and Vorarlberg gaining ground

Vienna is being chased by several states. **Non-Viennese startups raised 39% of all capital**



Photo: by Bianca Perfahl

(steeply up from 16% in 2017!), and closed 36% of all funding deals (up from 29% in 2017).

Carinthia has seen two large deals (Bitmovin and Symvaro - see page 60), boosting it to #2 behind Vienna in terms of the highest total of capital raised in 2018.

Styria is #2 in 2018 in numbers of deals (12) and has thus surpassed Upper Austria (10). Styria clearly wins a comparison of those two states in terms of money invested, with their big investments in USound (5 million) and sendhybrid, Stirtec and eyeson, they have raised more than four times the amount that startups in **Upper Austria** have, which sees a large number of smaller, earlier-stage investments. It will be exciting to see how they will develop in the run up to Startup Report 2019.

Tirol climbed to #4 in numbers of deals. **Vorarlberg** has seen the 6th-largest investment of over 9 million by Crate.io (see page 28). Powerful signals from the west!

A Maturing Funding Ecosystem

A continuously growing base of smaller investments and an even faster increase of larger funding amounts into more mature startups show that

there are several startups that are growing up from being "teenagers" to being real global contenders for success.

Final Notes

People often ask me, why this report is in the English language. There are a couple of reasons. One is, that there are more and more international founders, who moved here from abroad to make Austria their startup's home.

But also, the information, the successes, the knowledge in this report needs to be able to travel across borders and language barriers. For that,

European founders, investors, mentors and ecosystem supporters can learn from each other, get to know each other and form **a community that spans this whole great continent** of ours: Europe!

Sincerely yours,

Florian Kandler

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Pioneers '19: The Focal Point for Austria's Startup Community

Once a year, in Vienna's Hofburg Imperial Palace, a who's who of the Austrian startup ecosystem comes together at the Pioneers flagship event. Pioneers '19 takes place on May 9th-10th this year, and you can expect to find Austria's most distinguished investors, most innovation-hungry corporates and 550 of the most promising startups on the international guest list of around 2,500 visitors. Ever since the event's story began in 2011, it has been one of the focal points in the year for the Austrian ecosystem - a place to be seen! Whatever your role in the local community, Pioneers '19 is a chance to catch up with peers, get inspired, meet new technology and, most importantly, forge remarkable new connections!

Life's Biggest Questions

Will we become a trans-planetary species within our lifetime? Will we be able to print fully functional organs? Will we find love with robots?

Together with leading corporate executives, innovation experts, top investors, international media, public sector representatives and those 550 bold startups from around the globe, Pioneers '19 seeks to answer these questions. Under this year's theme of 'Walk the Talks', attendees get to go beyond the technology hype while remaining firmly rooted in the reality of our future and discovering how deep tech is redefining our world.

Over the course of two days, visitors will experience an inspirational journey from the start of life to maturity and beyond. International thought leaders will offer insights into the technological developments impacting each stage of our lives, as well as how they'll change our daily existence in the future.

Speakers in the Spotlight

That line-up of thought leaders is led by Wikipedia Co-Founder Larry Sanger, who will share insights from his current role as Chief Information Officer at Everipedia. This is a project to create a Blockchain-based encyclopedia with a new incentive structure, which aims to improve on all fundamental features of Wikipedia.

To name just a few of the others who'll take to the Arena Stage in the Hofburg's spectacular ballroom, further speakers will include World Bank Lead Economist Wolfgang Fengler, NASA Space Human Factors Engineer Kerry McGuire, Breakthrough Starshot Executive Director Peter Worden, and professional racing driver and entrepreneur Collete Davis.

Another highlight on the Arena Stage will be the appearance of Catalan avant-garde cyborg artist Moon Ribas. She'll give a rendition of her Seismic Percussion performance, in which she hammers out the earth's tremors on a drum. She picks these up from the online seismic sensor she has implanted in her body.

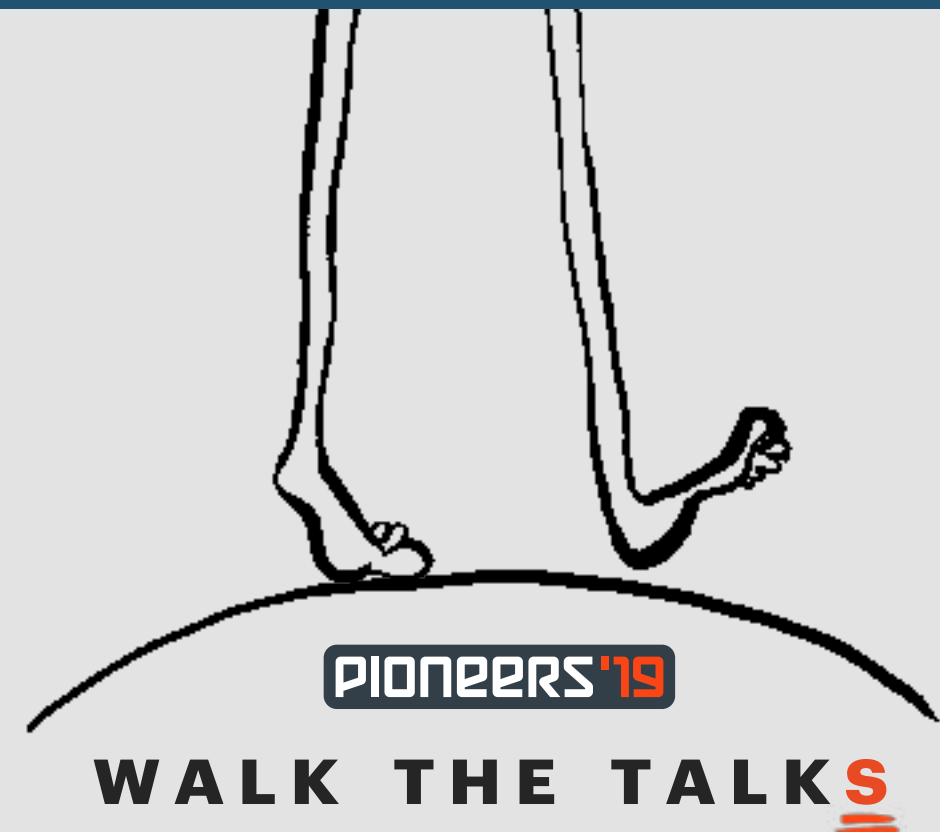
Networking with a Touch of Tech

Networking lies at the heart of every Pioneers event. While we believe fate can do great things, we've also been letting technology help make connections for several years now. This is our Match & Meet service.

Every Pioneers '19 participant has access to Match & Meet, which provides smart recommendations that can connect you with that startup, company or investor who can change your world.

Match & Meet scours the thousands-strong invite list, crunches their data and suggests people

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whose goals align with your profile criteria. You can view your top matches or search attendees by specific tags. You can then request meetings with individuals, and if they agree, the system will automatically schedule a time and place for you to come together.

About Pioneers

At Pioneers, we inspire, empower and create. Our purpose is to foster growth and innovation with a focus on deep tech. Since 2009, our diverse team has built an ecosystem, creating collaboration opportunities for tech innovators. We bring together startups, corporate executives, public sector innovators, and investors through digital

solutions, consultancy services, events and investments to create a prosperous future.

Once a year, in Vienna's Hofburg Imperial Palace, the Aute executives, public sector innovators, and investors through digital solutions, consultancy services, events and investments to create a prosperous future.

Pioneers '19 is supported by Google, Mercedes and PwC Austria.

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Three Deadly Sins of Founders

Guest article by Mag. Thomas In der Maur, Partner at Höhne, In der Maur Maur & Partner Rechtsanwälte GmbH & Co KG

The big problem with mistakes in the (pre-)foundation phase is that they are not so easy to avoid and often only pop up years later. Avoidance requires a lot of internal discussions, exchange of experience with successful founders and investors, and competent legal advice, for which the budget is often lacking. Here are three deadly – yet avoidable – sins, that I see very frequently in my work with startup founders.

Insufficient founding agreements

Anyone who joins forces with others for the purpose of achieving a common goal, whether he likes it or not, ends up in a so-called partnership under civil law. This is the least appropriate legal form to order joint entrepreneurial action in a meaningful way. The only way to do this is to negotiate a Founders Agreement carefully and fearlessly. The agreement regulates the formation of the will, the respective performance obligations, the prerequisites and conditions for the “real” incorporation and, above all, the fate of IP rights to which the respective creator/author/inventor is entitled without contractual regulation. Nothing is more tedious, time-consuming and emotionally demanding than solving unresolved conflicts of the founders too late, while incorporating the new company – often requiring courts to “help out”.

Careless handling of shares

The pitfalls are lurking both internally and externally. When a company is founded, there is no way around the open and concise discussion about the distribution of shares. On top of this, there are the rules governing management and decision-making and thus the future distribution of power. If the founders do not succeed in achieving fair rules of the game, which are considered appropriate by everyone, then conflicts are inevitable. These conflicts can tear the company apart or at least scare off investors.

But there are also dangers lurking externally when allocating shares of the company. After all, there are only 100 percentage points of shares of the company that can be given away. Sweat Money Deals have the advantage to preserve the sparse liquidity available at the beginning and therefore make sense. Why, however, do various consultants and start-up assistants have a stake in the company just because their services cannot be paid for in full? Nowadays there are legal, tax and promotion consultants who offer excellent advice at affordable conditions in the hope of good business in the future. Service providers should only receive shares in the company if the Sweat Money Dealer fits the team, shares the spirit of the founder with a certain enthusiasm and in particular also takes a financial risk him-/herself.

Sweat money deals, especially in the form of Phantom Shares, are a complicated topic in terms of income and turnover tax law. A conflict of objectives between clear civil and company law regulations on the one hand, and tax optimization on the other hand, is typically inevitable. The more clearly performance obligations are conditionally linked to the allocation of shares, the more relevant the question of which taxes apply – a topic, which has still not been finally clarified in Austria law. If the performance obligations are not precisely regulated due to tax prudence, the Sweat Money Dealer can easily lose the desire to provide agreed service in full. How do the founders get their shares back from him/her in this case?



Carelessness in dealing with IP

Innovation-driven companies are inconceivable without ingenuity. From a legal point of view, inventiveness leads to patent rights, copyrights or exploitation rights. If the intellectual property is created in several stages of development by different people, then a gap can easily arise in the “title sequence” of IP rights. This can become expensive as soon as products based on the inventions become successful on the market. But even when choosing a carefully coordinated trademark strategy, saving comparatively small amounts at the wrong time can lead to a painful awakening if the similarity search for the trademark has been carried out without appropriate expertise.

What has to be done?

1. Have intensive and open discussions in the pre-incorporation phase until the right solution has been found. Pay attention to the Fit for Investment, but do not ask for the usual, but work out the individually suitable solution with competent partners.

2. Far-sighted founders save the shares for those who truly believe in the team, the spirit and the idea – the investors.

3. Consistently pursue and document a clear IP strategy from the outset.

If you follow these rules, you can be confident in your search for investors. Venture capital also needs security. Stable and well thought-out agreements between the founders and well-documented IP rights provide that kind of security.

The biggest challenge that I am currently observing is for start-up companies to find exactly the smart money that fits the company. There are many good teams and ideas and even more capital on the market. Joint success is achieved by those start-ups and investors who fit together on several levels.

Thomas In der Maur.

www.startup-anwalt.at
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The importance of Cyber Security for Start-ups

Guest article by Andreas Tomek, Partner IT-Advisory, KPMG Austria

There is no company that can completely cut itself off from the Internet and that doesn't have to protect itself from attackers from the web. Attacks take place 365 days a year, 24 hours a day. The sad realization: sooner or later all companies will be affected. To notice it in time, to contain the attack and to take counter-actions - that is the big task and challenge!

There are some concrete measures that should be implemented already as early as in the start-up phase and at the latest in the growth phase, in order not to be get "run over" by cyber threats on the road to success (aka become "Road Kill").

3 types of cyber threats and how to deal with them

Small businesses and start-ups hear about cyber attacks from the media, but very few deal with the issue themselves. In many cases, the reason lies in the assumption that they are unattractive for cybercriminals or that they are highly complex.

Nevertheless, it is advisable to address this issue in good time and ask yourself the question: who or what do I have to protect my start-up from? The following examples are three typical types of attacks:

Script Kiddies are technically inclined people who download a ready-made attack tool from the web and just see what they can achieve with it. In this case, the company or start-up becomes a random victim of the automated attack of the tool. To protect against such an attack, hard disk encryption, regular updates as well as a large portion of common sense are recommended. You should never open every email, randomly click on links or plug in USB sticks. Further protection is provided by secure and individual passwords or the use of two-factor authentications.

Professional hackers are people who earn

their money underground by entering companies, stealing data and concepts and then blackmail companies. In these cases, reviewing internal processes critically can already be a first protective measure. It is also important to consider which data is stored in a cloud system and which data is worth protecting. Even if you don't apply for a patent today, you should bear in mind that stored data could still be of interest to attackers. In a further step, it is recommended to consult an external expert for technical and organizational consulting. Because every type of digitization always has a risk component. It should be a conscious decision to what extent one takes the risk.

State-run attacks and government intelligence services are other attackers who have extensive resources at their disposal. They include two to three percent of the top researchers and experts who's job it is to find security vulnerabilities in systems and software. They don't publish them but exploit them. Due to their expertise, protection is virtually impossible.

TO GET ON TRACK

There are two components to Cyber Security, regardless of company size: (1) The technical component, which includes "Hardening", detection of attacks, monitoring, log file analysis, deception technology, and others, and (2) the human component. The aim is to prevent employees and persons in their own corporate network from handling the information provided to

them mistakenly or carelessly.

The following rules can be summarized:

- 1) Use common sense: Update regularly, use complex and individual passwords or two-factor authentication.
- 2) Ensure "Hardening": Operating systems are not delivered in the safest state but in the most compatible one. So, make sure to tighten the default settings and handle administrator rights conscientiously.
- 3) Plan ahead: What is particularly important for us to protect and represents the value of our company?
- 4) Create awareness: All efforts are worthless if the employees are not trained. Employees must be made aware that they are jointly responsible for the "Initial Gateway" of attack, which must be kept closed.

Most security incidents still occur via phishing, e-mails with harmful attachments or links. Incidents should also be reported without consequences for employees. This is the only way to contain risks as quickly as possible.

Everyone can protect themselves on the simple level (e.g. Script Kiddies). When it comes to more complex, organizational and technical security measures, it is recommended to consult external experts.

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The Funding Ladder: An Easy Investment Roadmap for Founders in Austria

Guest article by Oliver Csendes, CEO Pioneers

Many things make an ecosystem go round, but funding is the most critical of them all. This is as true for Austria as it is for Silicon Valley: if the financial backing isn't there for founders, then they're going to set up shop elsewhere. Crucially, that capital has to mean more than just cash injections for pre-seed startups - a solid ecosystem must continue to offer entrepreneurs investment as they gather momentum and grow. Austria hasn't always offered a clear investment path in which founders can have confidence - but the good news is that this multi-tiered structure has now arrived!

Why Austria Needs Funding At Every Level

It should be an obvious point, but too often ecosystems underestimate the importance of ensuring a steady flow of cash for startups at every stage of their journey. Every founder knows that traction and scaling don't mean an easier time financially. It usually means more hiring, more product development, more marketing - more spending, in other words!

Yet many cities or countries offer a surfeit of pre-seed money, but lack the investors willing to back startups at Series A level. Others might have venture capital ready and waiting for those big and attractive Series B deals, but don't provide the early-stage support that ensures a steady local dealflow. And since investors at every stage like to invest close to home, both founders and venture capitalists are affected if part of the puzzle is missing in that city or country.

It's completely understandable for investors to specialize in companies at certain stages. But they can only do that with success if there are enough local investors working at the levels above and below them. Without having strong venture capital available at every stage, a breakdown in the flow of 'graduating' startups is inevitable - an ecosystem needs everyone to play their part!

In order for everyone in that ecosystem to really thrive, sometimes it needs somebody to take a step back and see the bigger picture.

Show Founders The Path!

If the availability of funding at every level is the foundation of an ecosystem, then founders are the first building blocks. And it's only when we show them that solid foundation that these entrepreneurial spirits will come and fill Austrian co-working spaces, join Austrian accelerator programs and pitch at Austrian events.

Busy founders choosing the best place to establish their startups don't have a lot of time to dig deep into the investment opportunities an ecosystem has to offer. So the more simply we can package their roadmap to success, the easier it is to attract them. That's why any ecosystem needs to examine that bigger picture: only then can it figure out what's missing and present a comprehensive offering that fills in the gaps.

I believe Austria has now done just that. And this is terrific news for founders.

Working with startup300: The Capital Ladder

As part of the startup300 group, Pioneers plays its part in a new and unique contribution to



the Austrian startup scene. Over the last few months the group has pooled its know-how and resources to create just the kind of ladder I refer to above: a clear path for direct financial investment and follow-on funding opportunities. Together with the other members of the startup300 group - startuplive, CONDA and capital300 - Pioneers supports startups from their initial stages all the way to Series B funding and create co-investment opportunities with other funds.

The first rung on our ladder is startuplive, which hosts the leading acceleration program in Europe and supports founders in the early phases of ideation, team-building and concept development. Those who manage to impress the juries at their renowned weekend events receive support, mentoring and up to €10K in funding. (A legal entity as well as an agreement between the founders and Pioneers Ventures regarding valuation and future growth plans are required).

Pre-selected early-stage startups can then get the next level of investment support when they join the Pioneers Ventures portfolio, with funding ranging from €50 - €100K.

Having gathered initial financial backing and having validated the idea, startups have the opportunity to collect funding of up to €1 million with the help of CONDA's new crowdinvesting service, CONDA Black, that offers syndicated investment opportunities to participating business angels. This can be followed by investments ranging from €150K to €1 million made by the crowd investment track of CONDA that's open to the public.

To help successful companies scale, capital300, the investment arm of startup300, offers growth-stage investments in collaboration with leading international VCs, starting at €1,5 million.

It's a pleasure to be part of an investment ecosystem in which there are no missing pieces. And, more than that, an ecosystem in which the players really talk to each other. It's not just a case of shoving startups through the ranks and hoping for the best. Both Pioneers Ventures and capital300 follow a collaborative approach towards investing, and offer interesting co-investment opportunities within the VC ecosystem. And through CONDA Black, investors in Austria can now invest in startups together with renowned business angels and Pioneers Ventures.

Finally, while the focus of this article is on the development of a clear 'capital ladder' for Austria, I should mention that Pioneers' collaborative role within the startup300 group goes far beyond building a powerful investment landscape. Our events (particularly our flagship at the Hofburg), consultancy services and digital solutions mean networking and collaboration opportunities for our stakeholders and community members, access to an extensive corporate and public sector partner network, business scaling support and publicity.

Oliver Csendes.

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Visibility – the hardest currency for early stage startups

Guest article by Emanuel Bröderbauer, Head of Marketing “Gründer” and SME at Erste Bank

Way before a startup needs financial support, its founders benefit most from receiving help in two very specific areas.

How to tell the story

In the very early stages of a startup, even before a company is incorporated, founders often struggle to articulate their ideas. They struggle to tell the story of the impact their ideas will have in their industry, to their customers, and to the world.

If founders fail to tell that story, they will find it much harder to convince co-founders, supporters, mentors, business angels, the media, let alone early customers, to take the leap of faith with them. They may also find it much harder to convince their loved ones to support them in their seemingly risky endeavor. They might also realize that sometimes it is much harder for them to stay motivated, if they cannot articulate their ideas and vision in a concise way.

It takes time, expertise and trust to help founders extract the essence of their ideas, add missing parts, and ultimately turn them into a compelling story, a business plan, or a pitch deck.

But this is really where I see founders make their first big leap from “having an idea”, to actually starting to see the pathway from an idea to a viable business.

How to get heard

Once a founder has “found his or her voice” and is able to tell his or her story, in a compelling way, it is all about helping and supporting those founders to get heard.

Any opportunity where they can share their vi-

sion, get heard and build a community of supporters is immensely valuable to founders at this stage.

We see them find co-founders, who they need to complete the range of skills in their team, in order to be able to turn the idea into a business. We see them attract mentors, who fall in love with their ideas, passion and dedication, and who go on to help open doors for them. We see them have those first interactions with potential future investors, and, later, go on to build relationships of trust and understanding that form the foundations of great business partnerships.

We want to do our part, to boost entrepreneurs in Austria

We are proud that each year we help hundreds of entrepreneurs to tell their story. For 200 years we have supported people to turn their ideas into reality. Erste Bank, together with Sparkassen, have set themselves the goal of supporting founders and startups with an extensive offering of services and products that goes far beyond the mere financing of startups.

We have our GründerCenters all across Austria, and we invite entrepreneurs to participate in the i2b Business Plan Competition that was created by Erste Bank and Sparkassen, together with Wirtschaftskammer Österreich. In 2018 alone, more than 1200 founders used the i2b services, and our 180 experts, to get ready, apply and participate by submitting their business plans.

We’re excited to see amazing founders rock the

stage at our national #Glaubandich challenges, and by giving them the visibility on stage, and to the broader public, we can help boost them to the next level.

I cannot think of many other jobs that yield as much satisfaction as seeing the successes of the “alumni” of our i2b and #Glaubandich programs, who then go on to build sustainable, growing

and impactful companies for the benefit of the Austrian economy and society. This is the real entrepreneurial spirit!

Emanuel Bröderbauer.

www.erstebank.at/gruender
www.i2b.at



Insights from our journey to corporate-startup collaborations

Guest article: Marcus Handl, Head of Corporate Development & Innovation, Kapsch TrafficCom AG

Corporations want to innovate like nimble startups. Startups seek to scale like established corporates. The complementary nature of corporates and startups suggests combining the best of two worlds – the scale and scope of large established companies and the entrepreneurial spirit and agility of small, fast-growing ventures.

Despite the mutual interest and complementary assets, successful collaborations are rare. With Kapsch's Factory1 corporate accelerator, we set out to build proof-of-concept projects with startups, to shape the future of mobility together. Our first step on the journey to collaborating with startups has taught us helpful lessons about how to create and manage corporate-startup collaborations. We need to systematically, and thoughtfully, consider the design dimensions of purpose, program, people, place, process, and partnership.

Purpose: Set the destination

While setting the destination is an obvious starting point, corporate complexities can be a stumbling block in clarifying innovation goals. The company's executive team needs to develop a shared understanding of where the journey with startups should go, and which innovation challenge to tackle together. After defining the objectives, corporations must align their goals with the startups' expectations. The collaboration needs to fuse corporate innovation outcomes, and startup benefits, to create mutual value.

Program: Pick the appropriate vehicle

Rather than adopting any startup program as a shiny new innovation initiative, companies need to select the program that best caters to the

purpose. Programs include hackathons, startup services, incubators, accelerators or corporate venture funds. The program-purpose fit depends on the available resources, as well as on the time frame for expected results. To accomplish our goal of identifying disruptive technologies early, while forging strategic partnerships with high-potential startups, we decided to adopt a corporate accelerator. The program needs to offer valuable features to attract the best entrepreneurs and facilitate the interactions of corporates and startups.

People: Bring the right people on board

Effective corporate-startup collaborations bring employees and entrepreneurs together, to combine intimate business knowledge with a fresh startup perspective. Internally, you need to find champions who can play a dual role. They need to be capable of working with the startups, as well as being skilled at navigating corporate structures. Ensuring executives' commitment, getting buy-in from business units and activating entrepreneurial employees are further design principles. Externally, we need to recruit the right startups to partner with. One of our collaboration efforts demonstrated that strategic fit is key. If the corporate innovation strategy is not in sync with the startup's growth plans, you lack the foundation for win-win alliances.

Place: Gather in the right spaces

In order to decide on the best setting to interact with startups, we aimed to grant autonomy with meaningful interactions. Since our ambition was to reach the best startups from around the world, we decided to run a remote accelerator combined with in-person sessions. We are blending online interactions, with face-to-face time, during the Kick-off Bootcamp event (Vienna) and our acceleration weeks in Vienna and San Francisco.



Process: Pave the way

The process design dimension focuses on the actions that link the startup program to corporate structures, in order to achieve startup-driven innovation. We have to adapt our internal processes by simplifying procedures in order to move faster. By creating ambidextrous organizational structures, we seek to execute existing business models while also creating new ones.

Partnerships: Stay the course

We experienced challenges in the post-program phase. To make the leap from running the program to building mutually beneficial partnerships, we learnt that we already needed to provide pathways for promising collaborations during the program. If a corporation decides against pursuing the collaboration, they should

nonetheless maintain meaningful interactions beyond the program, without burning bridges, to keep possible future collaborations open.

The road ahead

We aim to run our startup programs like the startups we serve: get started and evolve based on experience. Based on our experience with our first step, we are currently implementing the following changes for our second iteration of Factory1:

- Our search fields are closer aligned with our business units, to increase the strategic fit.
- Our entire board now sponsors Factory1 in order to ensure executive commitment and involvement throughout the program.
- The post-acceleration phase is better structured, with dedicated people responsible for assessing collaborations beyond the program.
- Partnership talks are included during the program and after the demo day.
- We are looking to establish partnerships and equity investments in the case of successful proof-of-concepts.

Our first step on the journey to corporate-startup collaborations was a path full of pitfalls, valuable exchanges and eye-opening experiences for the startups, as well as for our organization. What we learnt has been integrated into the second version of Factory1. We are eager to foster corporate innovation on a global scale and offer valuable support, for startups, to make the journey worthwhile for all.

Marcus Handl.

www.factory1.net

A real commitment to Viennese and international start-ups.

Guest article by Gabriele Tatzberger, Head of Start-up Services at the Vienna Business Agency.

Our grants and services aren't just funding and support, they're a real commitment to Viennese and international start-ups.

Attractive

Vienna can be seen as an attractive start-up hub because of its high quality of life, excellent services and infrastructure, its political social stability and its low-cost of living compared to other European cities.

Big, bigger, biggest

Furthermore, Vienna is the biggest University City amongst German and Central Eastern European countries

Finding top tier co-founders and early employees is one of the biggest success criteria for any new venture. Access to a talent pool of young, bright and international people is mission-critical.

Vienna attracts talent from all over the world Every tenth (!) person you run across in Vienna is a student from a high-end university.

Cheap, cheaper, cheapest

As office rents in Vienna are some of the cheapest in Europe (even cheaper than in Berlin) and with the reasons given above, our vibrant start-up ecosystem has become the hotspot for all international start-ups to enter the European and the Central Eastern European market.

Something special

Vienna offers, with the Vienna Start-up Package, an initiative where we invite every year,

through a global competition, 20 international start-ups to a two-month program and cover all costs of accommodation, costs of travel, coaching, networking and so forth. In addition to this, we offer a short & simple 2-week program for international start-ups, where we cover half of those costs. As we connect those international start-ups with the Viennese start-up ecosystem, we initiate a global exchange for domestic start-ups with regards to new markets, investors and other opportunities.

Just do it

Every start-up, even start-ups from abroad, can apply for our grants. Taken all together start-ups in Vienna can obtain around 50 million Euros per year. We don't act as an investor and do not take any equity, giving entrepreneurs full freedom to take their strategic decisions. We embrace ways of supporting founders that allow them to stay agile and lean.

Beyond this, every start-up gets exceptional free of charge support from our service departments, from support for settling down in Vienna, to support with technology related questions and a huge business network. Our funding isn't just funding; it is a real commitment.

Gabriele Tatzberger.

www.viennabusinessagency.at



We need more Corporate Venturing in the CEE region

Guest article by Andreas Nemeth, CEO, UNIQA Ventures GmbH

The year 2018 marked a record high for Corporate Venture Capital (CVC) activities around the globe. Corporations and their specialized Venture Capital entities participated in over \$ 50 billion of funding in startups across 2740 deals. Google Ventures, Intel Capital, Salesforce Ventures, Microsoft Ventures, you name it. Tech giants have seen Corporate Venturing as an integral part of their DNA for quite some time, because their business model depends on staying ahead in an ever-changing landscape. Innovative players in more traditional industries like insurance and banking have adopted this practice and made startup investment vehicles a standard for global companies of a certain size and ambition.

Founders need a clear vision

While UNIQA Ventures supports startups with industry know-how, network and capital, the entrepreneurs themselves need to have a clear vision on how to innovate their industry and offer new innovative business models that have the potential to change e.g. the insurance landscape. We are always seeking to create win-wins and align our interests as best as possible.

Founders need to prove that they can open doors to new ecosystems for an insurance player like UNIQA, while also being able to understand the dynamics of the market they themselves are approaching. On the other hand, exceptional founders, who can choose their investor, always have certain demands when they approach a Corporate VC; they want clear governance, fast decision loops and investment professionals, with industry knowledge, who can add value to the board.

The stage where we feel most comfortable is late seed to early growth / Series A with ticket sizes from 500k to 1M, while preparing for follow-on rounds with about 2-3 times that sum.

In the past few years...

If we look at the past few years, UNIQA Ventures itself is a startup, which has seen tremendous growth, and created traction. As a part

of the UNIQA innovation offensive, we started investing in startups in 2016, realized our first successful exit in 2017 and founded a specialized vehicle, UNIQA Ventures GmbH, in 2018, to further professionalize and provide our portfolio and target companies a leaner process with faster feedback loops. The existing Austrian business angel scene, and the presence of a few good funds in Vienna, helped us with co-investments and deal flow. However we didn't have a role model for CVC in Austria because there was none. That's why we had to look at global insurance groups, banks and technology firms to find proper models that worked the best. What we found was that venture firms, of large players that succeeded, always had clear corporate governance, a certain independence from the daily business of the parent company and a mixed team of investment professionals from outside, and industry experts from within, with a deep knowledge of the market.

Fortunately, we have seen many following us, as more and more corporates have become confident enough to put their capital to use in the world of disruptive ideas, and have set up Venture Capital initiatives too.

At UNIQA Ventures, we are proud to be a real pioneer in Corporate Venture Capital in Austria and the CEE region. We invest in new innovative business models, technologies, and platforms



to promote strategic benefits for our parent groups, to open up business opportunities and to deliver financial returns, just like a regular VC. We are constantly on the hunt for new opportunities in fields that are the most important for UNIQA: Health, Risk & Finance, Mobility and Home. We are convinced that bright founders, with a creative and entrepreneurial spirit, will shape these ecosystems; that's why we want to be an integral part of their journey.

The outlook for the Austrian startup landscape is still bright, and the ecosystem is further developing with new accelerators, conferences, meet-ups and incubators every year. Austrian Corporate Venturing will have to really get mov-

ing, to close the financing gap in the later stages, and to catch up with hubs like Berlin, Stockholm, London or Barcelona. At UNIQA Ventures, we are excited to play our role, as one of the leading CVCs, to help the best entrepreneurs and tech enthusiasts realize their vision, right here in the CEE region.

Andreas Nemeth.

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Funding **Multi-Millionaires** of 2018

✦ Venture Fundings of € 2 million or more into Austrian Startups in 2018 ✦

	HQ	Amount (€m)	Lead Investors	Founding Year	Team Size	European Investors	Global Investors
TourRadar	Vienna	42.5	TCV	2010	200	yes	yes
Bitmovin	Klagenfurt	24.4	Highland Europe	2013	137	yes	no
Bluecode	Vienna	11.2	not disclosed	2017	60	yes	no
Greenstorm	Kufstein	10.0 +	Bregal Milestone	2016	n/a	yes	no
Themis Bioscience	Vienna	10.0	GHIF	2009	30	yes	yes
Crate.io	Dornbirn	9.7	Zetta V., Chalfen V., Dt. Invest Equity	2013	40	yes	yes
Storebox	Vienna	5.0 +	SIGNA Innovations	2016	32	no	no
Nuki	Graz	5.0 +	Allegion	2015	40	n/a	yes
Eversports	Vienna	5.0 +	Enern, Russmedia, Market One Capital	2013	80	yes	no
Usound	Graz	5.0 +	eQventures	2014	45	no	no
Findologic	Salzburg	5.0 +	BE Investment-Partners	2008	50	yes	no
bsurance	Vienna	4.0	UNIQA Ventures	2017	10	no	no
cashpresso	Vienna	3.5	Hevella Capital	2015	15	yes	no
Adverity	Vienna	3.2	Mangrove Capital Partners	2014	n/a	yes	no
eyeson	Graz	3.0	eQventure	2010	n/a	no	no
Iron Mountain Int.	Vienna	2.5	Oasis Games	2017	16	no	yes
kompany	Vienna	2.0 +	European Super Angels Fund	2012	30	no	no
Playbrush	Vienna	2.0 +	n/a	2015	25	yes	no
PlanRadar	Vienna	2.0 +	Cavalry V., Berliner Volksbank V., aws Gründerfonds	2013	54	yes	no
sendhybrid	Graz	2.0 +	aws Gründerfonds, Österreichische Post	2016	39	no	no
refurbed	Vienna	2.0 +	Inventure Partners	2017	20	yes	no
Anyline	Vienna	2.0	Senovo, Push Ventures	2014	40	yes	no

www.StartupReport.at

Funding **Millionaires** of 2018

✦ Venture Fundings of € 1 million or more into Austrian Startups in 2018 ✦

	HQ	Amount (€m)	Lead Investors	Founding Year	Team Size	European Investors	Global Investors
RateBoard	Innsbruck	1.8	aws Gründerfond, Next Floor	2015	20	yes	no
Tapkey	Vienna	1.5	WITTE Automotive	2014	16	yes	no
Luke Roberts	Vienna	1.5	Fedor Holz	2014	10	yes	no
GoStudent	Vienna	1.5	Speedinvest	2016	15	no	no
techbold	Vienna	1.3	Michael Eisler	2015	40	no	no
Tractive	Pasching	1.0 +	Monkfish Equity	2012	70	yes	no
iDWELL	Vienna	1.0 +	PrimeCrowd	2017	15	no	no
IB Lab	Vienna	1.0 +	APEX	2016	12	no	no
Insider Navigation	Vienna	1.0 +	innogy	2014	19	yes	no
byrd	Vienna	1.0 +	Speedinvest, Reflex Capital	2016	30	yes	no
Rebeat Innovation	Tulln	1.0 +	GW-Invest	2017	6	yes	no
Symvaro	Klagenfurt	1.0 +	Diehl Ventures	2010	21	yes	no
JobRocker	Vienna	1.0 +	Surplus Invest	2016	60	yes	no
Parkbob	Vienna	1.0 +	Speedinvest	2015	20	yes	no
Music Traveler	Vienna	1.0 +	Hans Zimmer, Steve Kofsky	2016	12	yes	yes
Gustav Technologies	Vienna	1.0 +	Speedinvest	2016	8	no	no
Stirtec	Graz	1.0 +	eQventure	2013	19	no	no
View Elevator	Friedburg	1.0	OÖ HightechFonds	2014	8	no	no
Playerhunter	Vienna	1.0	n/a	2013	25	yes	yes

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Table of funding deals of € 250.000 to € 1 million: see pages 68/69

Historical Funding Amounts - total external capital raised to date

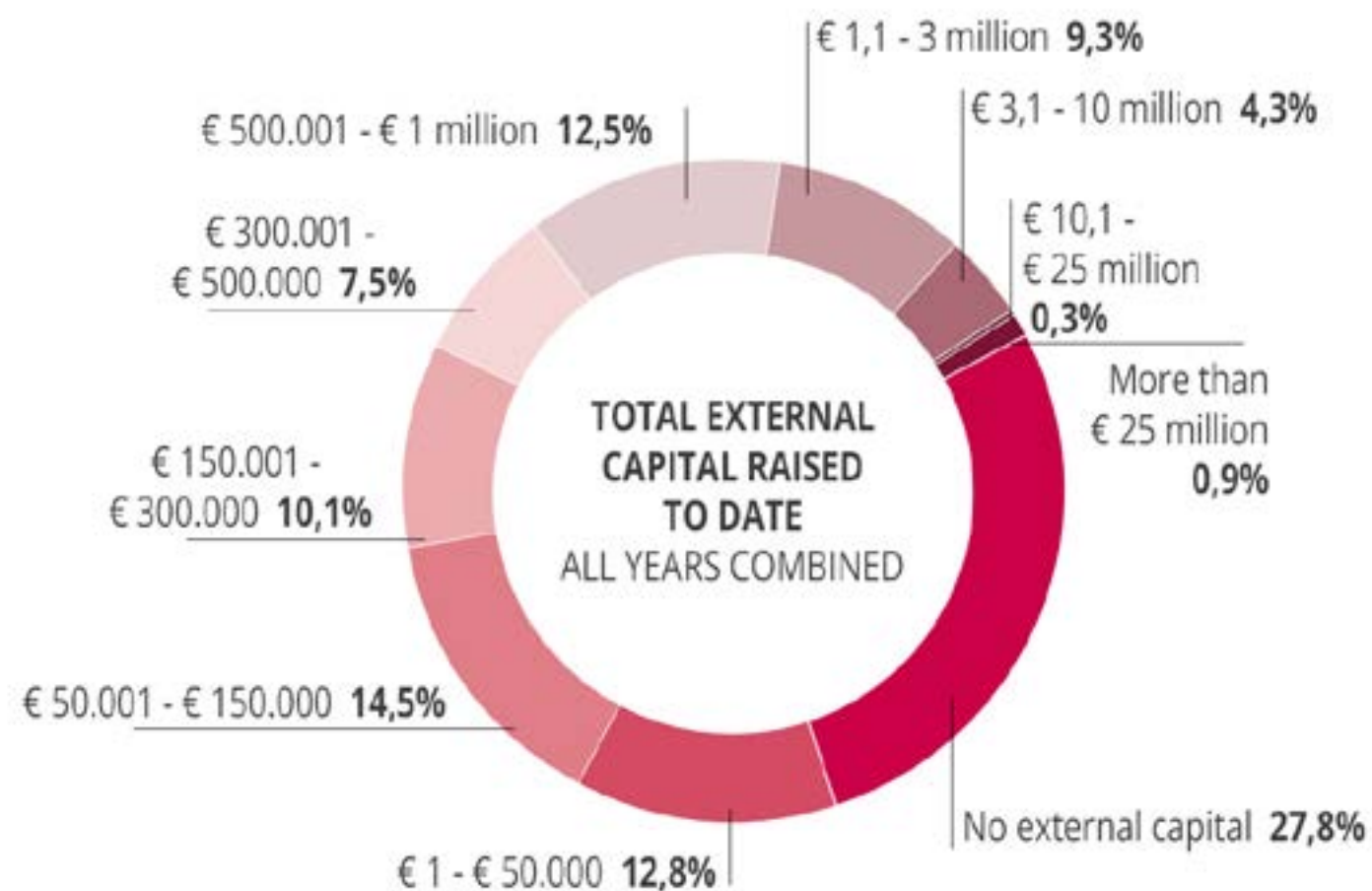
This data is provided by **Austrian Startup Monitor**. Their team did a study in 2018, polling 361 founders of the Austrian startup ecosystem, regardless of whether they had received funding in 2018, or not.

Only 27.8% of respondents had no funding (yet). This shows that founders of Austrian startups are actively pursuing external capital to develop their innovations, or to accelerate their growth.

It also shows that more than a third of respondents who had already received funding, did so for a total amount of less than €300,000. These are potential

up-and-coming startups that have not yet found their way into the Startup Report Austria, which has a minimum entry level of € 250,000 funding for the respective year.

So, it seems fair to say that we will have some interesting years ahead, "discovering" new startups as they mature to the stages of larger funding rounds.



Planned Funding Amounts - for the next 12 months

The chart on this page - also from the 2018 **Austrian Startup Monitor** - shows the ambitions, and needs of Austrian founders for raising capital in 2019.

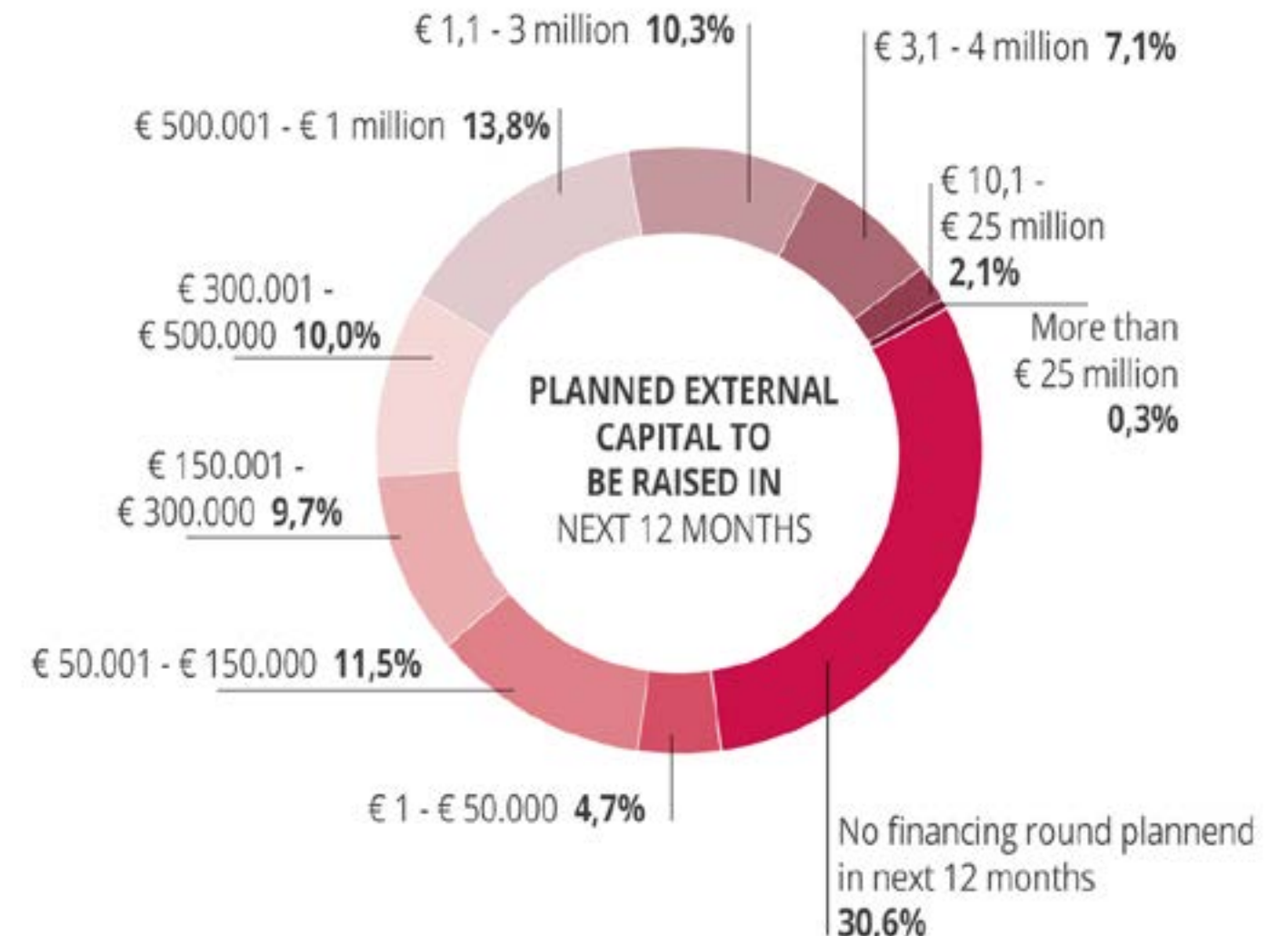
While 30,6% do not seek any external capital, the vast majority do. These numbers show that the ambitions of founders of Austrian startups are on a par with global standards where startups on a successful growth track raises capital every 12 to 18 months in the early stages.

If you compare the two charts, they seem to indicate an interesting trend; there are more founders aiming to raise more than €1m in funding rounds, than there have been such funding rounds previously.

Next, to the accelerating speed of large funding rounds that we have seen in 2018 (compare the analysis in my editorial on pages 2 and 3), this seems to be another positive indicator that: a) founders in Austria have the appetite, and the ability, to raise larger rounds, and b) that the ecosystem, and the startups therein, are maturing to later stages. A trend that we all certainly welcome.

Florian Kandler.

Full report at: www.AustrianStartupMonitor.at





What are smart questions to ask an investor in the first pitch-meeting?

Questions around their network: both operationally and strategically. Operationally: for us, topics like performance marketing, customer acquisition, and hiring were of relevance. Strategically: e.g. people they might know that can help with future follow-on funding rounds.

What makes a bad investor? And how can you find it out before taking the money?

Investors who only think of themselves, rather than the good of the company or the founders. You can find this out by asking for references to their existing portfolio. If they cannot do this, just reach out to company founders directly. Ask those

founders how the investors actually are once they are on board.

Give a concrete example of how your investor helped after they invested?

Introduction to follow-on investors for the consecutive Series A, B, C rounds. And a lot of help with operational topics, e.g. from key Zalando people on operational tactics.

How can founders get the best intros to investors? Who are the best intro-givers?

Through networking like crazy at conferences and startup meetups. And asking fellow founders who have those investors for introductions.

What was the most painful mistake you made

in your startup and what have you learned from it?

Deviating from budget during the due diligence phase of a funding round. The learning was: don't! Keep performing to budget more so than ever, during that particular phase.

What value of which KPI did you achieve that enabled you to raise the money?

The key metric for us is gross booking volume and year-on-year percentage growth of that metric.

Your #1 tip to get the initial contact with investors?

Networking and being present at every possible place where you might meet an investor / strategic investor relevant to your business.

Your #1 tip for the initial meeting with an investor?

Build rapport and give them confidence that you have the persistence and execution capabilities to deliver on your story.

Your #1 tip for funding deal negotiations with investors?

One tip I do quite commonly give is to look very closely at the fine print for the liquidation preferences.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Valuation is so subjective... it's about providing some sort of hard metrics to measure it. Whether it's net revenue and a multiple on it. Or gross booking value of the marketplace. And then triangulating based on your YoY growth and your team to justify your valuation. You'll have to have many arguments / data to counter the questions from the investors who'll always try to offer a lower valuation.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Apart from liquidation preferences that I mentioned above: don't focus on percentage ownership. Focus on the value of your shares that you hold. As long as that value is always going up (i.e.

share price from round to round), don't get hung up on percentage ownership.

How do you keep yourself motivated through tough times?

Huge belief in the vision for the business and keep physically active and your mind clear through sport & exercise. Plus friends and family are a huge help during these tough times.

How many investors did you try to contact in this funding round?

10

How many of those investors did you actually meet to pitch to?

10

How many months did this funding round require (from start to money in the bank)?

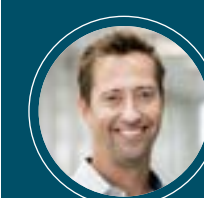
5

Did you prioritize to win international investors? Why/why not?

Yes, because there are no series B or C investors in Austria.

What is your favorite business book that helped you the most?

"Who: The A Method for Hiring".



Travis Pittman
CEO

Online marketplace for multi-day tours.



What are smart questions to ask an investor in the first pitch-meeting?

What is your sweet spot for investments? Do you typically lead or follow? Does our ticket size sound reasonable to you? Is your fund in its beginning or end cycle? Could you introduce me to *** (insert portfolio companies/customers)?

What makes a bad investor? And how can you find it out before taking the money?

Someone with no longterm intension, no experience in the startups sector, no positive references from portfolio CEOs and other people. Too strategic ambitions (usually a corporate who wants to push you in certain directions). You have to explore and research and do due diligence on the investor, it is VERY important. You can almost not undo a mistake there. You have to feel well interacting with the investor and board member on a personal level. It should be a good, open, honest interaction - simply a good experience on both sides. Because you will work long together, and there will be hard times.

Give a concrete example of how your investor helped after they invested?

Helping us navigate very large corporates and their procurement department. Connecting us

to top-level decision makers. Recommending team members or advisors we otherwise would not have known. Being a sparring partner in critical decisions (like monetization strategy, legal problems).

How can founders get the best intros to investors? Who are the best intro-givers?

It is indeed the only good way. Nothing weighs more heavily than a friendly introduction by a good person. It is not easy to get it, because it is kind of exposure. So make sure you use any chance to network on events, make a good impression, and constantly build out your network (it is hard work). Often it is just about being bold to ask, and then it happens. Best intro-givers are either customers or other VCs.

What was the most painful mistake you made in your startup and what have you learned from it?

In the first 2 years we were too distracted with early success on the media side (winning TechCrunch Disrupt) which made us focus on the wrong kind of target customer/users. We should have been more diligent to stay focussed and brutally look into what customers really use us for and expand on that. It also resulted in us scaling up too early

which cost a lot of money.

What value of which KPI did you achieve that enabled you to raise the money?

That's simple: number of paying customers and ARR closed.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

For seed investments there is not much to negotiate for, the ranges are pretty standard these days. Only with exceptional traction or stellar team you can escape these norms. For later stages: you look what the market is offering to you. It is very very rare that startups can set their valuation. 99% will take in termsheets and then negotiate the terms. Sometimes it is possible to lift it, based on fair value discussions. Defending it works best with a strong pipeline of deals, so more revenue can be assumed into the deal. But I do not recommend to focus on valuation at all. It should be fair of course. But the actual terms of the deal, the fund you could get, the partner you could choose is 10x more important over the valuation. It is a long journey and you need the best partners for the long fight with many rounds, not the best deal in one round.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky

deal terms that you would warn about?

Liquidation preference terms are important (if any, participating or not). Veto rights that face the operations and business (VS will always have veto on any deals). Voting rights. Make sure that not one single VC or investor can block a decision. Make sure that majority or weighted majority (75.1%) can talk all decisions. Otherwise you will always have to please this one guy the puts pressure on you. Especially true for not so experienced investors like angels or often corporates.

How do you keep yourself motivated through tough times?

I keep the big picture in mind and that's what I focus on. And I do a lot of skiing and mountaineering.

How many investors did you try to contact in this funding round?

Probably 35-40. And we met 99% of them. Tons of discussions. But remember, in the end you only need one lead-investor to convince.

How many months did this funding round require (from start to money in the bank)?

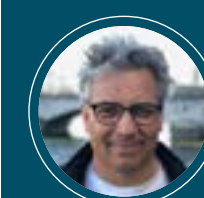
Nov 17 to June 18

Did you prioritize to win international investors? Why/why not?

Yes. For our business (ahrd core open source deep tech) you need the validation and support of valley investors. It really helps

What is your favorite business book that helped you the most?

I did a 3 year course in Harvard Business School a while ago. Some key learnings and most important on strategy can be found here: HBR's 10 Must Reads (6 Books).



Christian Lutz
Co-Founder & CEO

Industrial IoT Database technology for enterprise manufacturing and industrial organisations needing to scale the use of machine data in real-time.



What are smart questions to ask an investor in the first pitch-meeting?

What companies excite you the most, and why? (In the small talk before the pitch starts.)

What makes a bad investor? And how can you find it out before taking the money?

A bad investor asks stupid questions that show you he doesn't understand the business. Good investors ask the right questions and usually find the weak areas in your business fast ...

Give a concrete example of how your investor helped after they invested?

With our current lead investor we installed revenue stream owners that started to dig into the most

important drivers and levers of our revenues. That helped us to monitor progress on a weekly basis and drive revenues up faster.

How can founders get the best intros to investors? Who are the best intro-givers?

Either other friendly CEOs that have the investor you want to get connected to on their board or your current investors.

What was the most painful mistake you made in your startup and what have you learned from it?

For many years we had only a CTO and no CPO. We only got to a real product market fit once we started having one person fully responsible for "building a product people love", and then success

started to kick in.

What value of which KPI did you achieve that enabled you to raise the money?

For series A it was ARR and we got to roughly 1m.

Your #1 tip to get the initial contact with investors?

Use your network to get intros. Cold calling has never worked for me so far.

Your #1 tip for the initial meeting with an investor?

Ideally you manage to convey that you are working on a huge opportunity, with the right team in place. As the CEO you should convey: "integrity, passion, knowledge, skill, leadership, commitment, vision, realism, coachability" David Rose.

Your #1 tip for funding deal negotiations with investors?

Work to have several offers on the table. There is no better argument than to say I have a better offer and if you don't manage to change this or that then I will have to take the other offer ...

What was the most helpful advice you've ever received as an entrepreneur?

"Build a product people love and success will follow" Christian Reber.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We stopped trying to "find the right valuation" and waited for the market to come up with a valuation. As mentioned earlier the negotiation power comes once you have more offers on the table.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

The wrong liquidation preferences can kill the return for founders if the exit is not super good.

How do you keep yourself motivated through tough times?

Talk with your co-founders about it - once you feel that you don't need to shoulder it alone you feel better. Listening to Tony Robins also always helps :)

How many investors did you try to contact in this funding round?

93

How many of those investors did you actually meet to pitch to?

> 50

How many months did this funding round require (from start to money in the bank)?

4

Did you prioritize to win international investors? Why/why not?

There are almost no options for a Series A in Austria so you have to approach international investors.

What is your favorite business book that helped you the most?

The Hard Thing about Hard Things / High growth handbook



Hanno Lippitsch
CEO

THE place to find and book sport activities, fueled by mission critical operating system for sports providers.



Storebox

€ 5.000.000+

What are smart questions to ask an investor in the first pitch-meeting?

It depends on the funding round and the stage you're in. In Seed or Pre-Seed, focus on questions that educate you as to how the investor can bring value to the company - aka "Smart Money". Questions could revolve around: How can you support our business with your network, know-how, etc.

What makes a bad investor? And how can you find it out before taking the money?

Listen to other founders who have that investor

onboard already. And like in every business: "it is a people business". So the "social fit" is important. Ask yourself: would you go for a beer with that investor?

Give a concrete example of how your investor helped after they invested?

Hansi, our first-round investor, did the intro to Rene Benko of Signa Innovation. So, the concrete lead and the support in the funding process was very important and helpful to us.

How can founders get the best intros to inves-

tors? Who are the best intro-givers?

The wrong way is to send out pitch-decks randomly to investors. To get the best intros, contact start-up founders who have investors on board that you want to reach. The ecosystem is very small and people are open to helping out.

What was the most painful mistake you made in your startup and what have you learned from it?

We grew very, very fast. I had to change my mindset from "I have to do everything myself", to "I don't work IN the company but ON the company and its culture". It would have been better to start to work earlier on the culture and organizational structure rather than do organizational business every day.

What value of which KPI did you achieve that enabled you to raise the money?

The first, the number of Storebox locations. We had 20 already opened before the recent fundraising started. And revenue, we tripled it from 2017 to 2018.

Your #1 tip for the initial meeting with an investor?

Stay focused! I write the goals of each meeting on the soles of my shoes. Seriously. :-)

Your #1 tip for funding deal negotiations with investors?

It's only done when the money is in the bank. Trust is important, but it's always important to have plans B and C; and stay in touch with other investors to keep different options open.

What was the most helpful advice you've ever received as an entrepreneur?

Reflect about yourself and your role - and try to get better every day. -- Hansi Hansmann was one of the people who gave me that advice.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

On the one hand, the perspective of the whole market growth, but also in relation to the previous funding round. We tripled our revenue, so our valuation also tripled.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Certain control and veto rights. There are certain decisions, you, and your founder team, need to make fast and independently. Make sure you stay as independent as possible in your decision processes.

How do you keep yourself motivated through tough times?

We do a lot of coaching. We have coaches for leadership - which I feel, is very important. And of course we try to keep each other motivated within the founder team.

How many investors did you try to contact in this funding round?

4

How many of those investors did you actually meet to pitch to?

3

How many months did this funding round require (from start to money in the bank)?

4

Did you prioritize to win international investors? Why/why not?

No, we did not prioritize this, because our main focus is Austria and Germany at the moment. But maybe for the next funding round, we'll focus more on other countries like USA and China.

What is your favorite business book that helped you the most?

Radical Candor, by Kim Scott.



Johannes Braith
CEO

Storebox - Your Storage Next Door.



What are smart questions to ask an investor in the first pitch-meeting?

First of all I do not ask questions at the very beginning of the meeting, but instead present my own business case to gain interest, and make it very clear how an investor can make money by investing in us. If that's clear, I would discuss what their focus is, how long they plan to stay, when they want to exit, what's their expected multiple and what is their typical deal size. Because if those expectations do not match, it does not make sense to waste all our valuable time.

What makes a bad investor? And how can you find it out before taking the money?

There is no good or bad investor, there is only one whose expectations and business model fits with yours or not. So you must find out the answers to the questions as described above: I would discuss what their focus is, how long they plan to stay, when do they want to exit, what's their expected

multiple and what is their typical deal size. Because if those expectations do not match, it does not make sense to waste all our valuable time.

Give a concrete example of how your investor helped after they invested?

As the investment was closed by the very end of 2018, there was just 2 months before this interview, but looking at my early stage business angel investors, there were a lot of ways they helped me. You are asking for a concrete example, but my experience is, that the main advantage is they help you to avoid making common mistakes, and also to help onboard next step investors.

How can founders get the best intros to investors? Who are the best intro-givers?

I generally agree that an initiated contact is best, but I would not rely on it and in my experience there is always interest from investors if you do have a business model which suits investors, is in

a growing market, and can show great progress.

What was the most painful mistake you made in your startup and what have you learned from it?

At the very beginning build structures around people working in your company instead of building structures which fit the job market. Individual special tasks do not scale at all and create a lot of trouble when growing the company. This is of course tricky when your team might only be 5-10 people, but you really should focus on such structures as soon as possible.

What value of which KPI did you achieve that enabled you to raise the money?

Constant high two digit growth rate over years, at the same time with positive growth of two digit EBIT margins. I think KPIs are very important, but you also need to achieve strategic positions, such as showing success in new countries, product enhancements, partnerships and show that this business is truly scaleable.

Your #1 tip to get the initial contact with investors?

Use your network to get access. If you do not have access to a network, just contact the investors that are looking for great investment opportunities. Of course your message has to be short, very strong and clear.

Your #1 tip for the initial meeting with an investor?

Show that you, the founder, deeply understands the drivers of the business.

Your #1 tip for funding deal negotiations with investors?

There is no #1 tip, negotiation is an art, where people find a basis, for understanding each other, step by step. Other than that I am a profound believer in "separate the people from the problem" and "focus on interests, not positions", both results of the Harvard Negotiation Project.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

To get a good valuation is an art in itself. In our case we found some approximations from other

deals, but more important was to show how high the multiple can be for an investor with an attractive opportunity/risk ratio.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Watch out for unfair liquidation preference conditions and terms where an investor can block or force transactions in the future.

How do you keep yourself motivated through tough times?

If you do the right thing, you do know why you do it and every aspect of the company is conforming to your values, then there is no question about motivation. There will still be tough times and usually many more than the easy times, but that is all solvable under the above circumstances.

How many investors did you try to contact in this funding round?

We built up investor relations over the years and so can execute when needed. In total, there have been around 75 contacts. To close this funding, we just had to contact some of them and then look at which one fitted best.

How many months did this funding round require (from start to money in the bank)?

About 9 months.

What is your favorite business book that helped you the most?

I read about 25 to 30 books a year, most of them business related. There is not one book for me, but the different approaches, point of views and insights, which all connect in your mind and help you orient quickly.



Matthias Heimbeck
CEO

A leading European onsite Search and Navigation solution for web stores.

bsurance

€ 4.000.000

What are smart questions to ask an investor in the first pitch-meeting?

How smart is your investment e.g. what do bring to the table besides money? It could be access to markets, access to other investors, know-how about internationalization and so on.

What makes a bad investor? And how can you find it out before taking the money?

Very good question! I would say a mismatch between the promises the investor makes and the reality when it comes to working together with him. I would recommend speaking to startups which have already worked with the investor.

Give a concrete example of how your investor helped after they invested?

One of our Investors – a CVC – gave us very good support in getting projects from the corporate access to the market viewpoint. This was very helpful and speeded things up dramatically.

How can founders get the best intros to investors? Who are the best intro-givers?

Other investors. It's like everywhere else, a recommendation outside of the peer group is the most valuable one.

What was the most painful mistake you made in your startup and what have you learned from it?

The different speed between a startup and the corporate world: you need to be very patient.

What value of which KPI did you achieve that enabled you to raise the money?

Successful product launch and a full sales pipeline which has been constantly growing since month one of the startup.

Your #1 tip to get the initial contact with investors?

From my perspective, international conferences and accelerator programs are the best places to meet potential investors.

Your #1 tip for the initial meeting with an investor?

Be yourself and try not to impress.

Your #1 tip for funding deal negotiations with investors?

Try to combine different perspectives – it is always good to get into the shoes of an investor and to look from their perspective at your proposal.

What was the most helpful advice you've ever received as an entrepreneur?

Your valuation and the planned round is too small; you have to take into account the needs of the investors, too. I got this advice from a potential investor.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Very good question ;-). We started with a very low valuation and this developed over time during our discussions with potential investors. On the one hand we researched comparable deals in dealroom.co and crunchbase.com and on the other hand we calculated a valuation based on the business case and some common KPIs.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Always check your personal risk, and setup your life in a way that a full loss of your startup doesn't harm others who are dependent on you. When I found a company, I always mark the invested sum as a total loss – this gives me the freedom to make the right decisions.

How do you keep yourself motivated through tough times?

I go for a run, sleep on the problem and discuss the problem with some other serial entrepreneurs from my private network.

How many investors did you try to contact in this funding round?

After an initial evaluation, together with the contacts we created when participating at several conferences, we ended up with about 30 interesting investors.

How many of those investors did you actually meet to pitch to?

We had the pleasure to talk to about 15 investors.

How many months did this funding round require (from start to money in the bank)?

All in all it took us approximately five months to close this funding round.

Did you prioritize to win international investors? Why/why not?

Yes we did, simply because they are used to investing bigger amounts and our business model is a truly scalable one.

What is your favorite business book that helped you the most?

"Resonate" by Nancy Duarte. I do a lot of B2B sales pitches and this book totally changed my way of presenting things.



Lorenz Graeff
Co-Founder & CEO

bsurance enables the consumerization of insurance for B2C partners and insurance carriers, by embedding insurance products directly at the POS.



What are smart questions to ask an investor in the first pitch-meeting?

"The questions a founder should ask depend on the type of investor (VC / Angel) you are meeting and of course you should have done your research and don't ask for obvious information. What are the motives to invest into startups? What kind of involvement do they expect after the investment? In which range (ticket size) do they normally invest? Can they offer "smart money"? In which other startups have they previously invested? "

What makes a bad investor? And how can you find it out before taking the money?

I don't believe there's a generally true answer to this question because it depends on the relationship to the startup as well as on the expectations of each party. If a startup is looking for smart money and the investor can't provide additional value, it's a pity. If a startup is just looking for cash and the investor tries to be involved, it won't be a fit either.

So, be clear about what you expect and use the negotiation phase to find out the other party's expectations.

Give a concrete example of how your investor helped after they invested?

Our investors have helped us with their network and qualified intros.

How can founders get the best intros to investors? Who are the best intro-givers?

The best intro-givers are people with a network. You will only get the best intros when you know someone. It's often underestimated how much initial and ongoing work this means.

What value of which KPI did you achieve that enabled you to raise the money?

For cashpresso it was important to launch product extensions in order to tap into a new attractive target group as well as application fields. New partnerships, with major european banks,

have strengthened our standing as digital experts in the fintech scene.

Your #1 tip to get the initial contact with investors?

Have a good product or idea.

Your #1 tip for the initial meeting with an investor?

1) Don't bullshit! Be authentic. 2.) Know your numbers; you have to do your homework before talking to investors. 3.) Have a professional pitch deck, that also includes formatting and layout.

Your #1 tip for funding deal negotiations with investors?

Working with investors is a give-and-take, meaning a founder needs to be willing to compromise to a certain extent. A VC might require a board seat, regular board meetings, monthly reporting and, depending on the VC's stake in the company, a VC might exert influence on the company and the founder's decisions.

What was the most helpful advice you've ever received as an entrepreneur?

Sometimes you just have to trust your gut feelings.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

First, do your research and find out how high the valuation of other startups at a similar stage, with comparable traction, in the same geographic region are. But still, the valuation depends on your individual startup and identifying one can be a dynamic process.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

The valuation is only the first step. Other essential points, which can heavily impact the future structure of the company, are for example the investor's influence on decisions, which kind of control mechanisms are being established (advisory board) and how a possible exit will be structured. Generally one investor alone should not be able to block a decision (especially when there are multiple investors involved). Put effort into the development of the contracts in order to avoid critical

situations further down the road.

How do you keep yourself motivated through tough times?

Every day with wonderful co-workers is a good day :-)

How many investors did you try to contact in this funding round?

Numerous. We held a roadshow last year. It's important to coordinate your fundraising activities - from the research, initial contact, pitches on different events, support through existing investors. You shouldn't underestimate how well investors are connected and exchange on investment opportunities. Fundraising generally shouldn't be underestimated. Fundraising means a lot of effort and can't be done on the side.

How many of those investors did you actually meet to pitch to?

As many as possible.

How many months did this funding round require (from start to money in the bank)?

4 months

Did you prioritize to win international investors? Why/why not?

At a certain stage (above Series A) a startup needs to turn to international investors. The first financing rounds can probably be completed with Business Angels in Austria.

What is your favorite business book that helped you the most?

Radical Candor: How to Get What You Want by Saying What You Mean.



Daniel Strieder
Co-Founder & CEO

cashpresso enables users to pay for their purchases over time.



Iron Mountain Interactive

€ 2.500.000

What are smart questions to ask an investor in the first pitch-meeting?

Naturally there are a lot of different approaches for different situations and investor types. Personally, I'm working primarily with inbound investor interest lately, so I feel it's vital for me to understand the synergies first, and the expectations next. When I meet a potential investor who I'm not familiar with, I like to ask them questions which lead to them pitching me. What is their investment strategy? Where would we fit into their portfolio? What are their target sectors and industries? What synergies can they offer in my space? Basically, I need to answer the questions (for myself and my other shareholders) of, why this investor, and why now?

What makes a bad investor? And how can you find it out before taking the money?

There are probably whole books written on this topic. I think the answer will be different for every founder. I mostly look into pre-seed / seed / angel startups, so for them I'd say an obvious one is a mismatch in expectations. As a founder, the earlier the stage you are at, the more you want

and need to focus on your core technology, core product development, and proving your business model as quickly as possible, so you can focus all your power on building an organization capable of being scaled into a profitable business. If there's pressure to go to market too soon, pressure for an X return for the investor, etc. these things get in the way of you being able to operate effectively. Another red flag to me would be a total mismatch in strategy or industries. An investor who has never been part of a company in, or has never invested in similar companies in my market, raises a red flag for me. I always say vet vet vet. Any credible investor's track record should be easily obtainable and a founder should ask around, far and wide, for recommendations about any potential investor.

Give a concrete example of how your investor helped after they invested?

I am a big believer in strategic partnerships and synergy. In our example, our strategic investors are a major publisher of PC and console content in China, Japan, and SE Asia. Through working with them, we've opened the Asian market for our games, be that through platform, hardware, man-

ufacturer, and, or, marketing partnerships. Vice versa, we're providing our strategic partner with content, which they can distribute and monetize in a way that expands their markets into the West. A win-win situation, which is what any good strategic investment relationship is built on.

How can founders get the best intros to investors? Who are the best intro-givers?

It's always hard to get your foot in the door, so to speak. Every founder, especially at the very early stage, should understand it takes years to build a network of solid potential partners and investors, and those partners and investors potentially field hundreds of calls, emails, and introductions every month.

My suggestions are two-fold: One, prototype prototype as soon as possible. Don't just pitch an idea on a piece of paper, unless you're an utmost specialist in your field with a proven track record in your industry. Angels and other Investors love to see a strong product team with a promising, naturally rough around the edges, product they can click on, tap on, or put in their hands and start to "believe". Everyone has ideas, and many investors hear ideas all day.

Two. Now go out there and talk to everyone you can. Find relevant industry conferences and go. Have productive, two-way conversations with others in your space. Learn from angels and investors who are out there everyday and see the trends in your industry. Pitch gently and take in the feedback, improve, iterate and iterate some more. Building relationships is key in almost every industry, especially the games industry, and as these relationships grow, so does your access to others' networks.

What was the most painful mistake you made in your startup and what have you learned from it?

Where to start?! I wouldn't say I've had one particular "painful" mistake, but, there have been a series of small mistakes, which in hindsight affected the trajectory of the team, the product, and the organization. My advice to any new founder is that everyone makes mistakes, even founders and investors. It could be a wrong product or market assumption, it could be the wrong hire, it could be

the wrong investor or strategic partner, it could be you have to shutdown your startup entirely. These are all learning moments though, sometimes you just have to take the hit, learn the lesson(s), find a way to move forward, and utilize that newfound knowledge in your next venture.

What value of which KPI did you achieve that enabled you to raise the money?

If track record counts as a KPI then that would be my initial answer. My co-founders and I have been a part of the games industry for nearly 20 years, we've all founded and/or led several startups and studios, and have grown massive networks throughout the industry. It was in fact, a platform partner from mine and (IMI co-founder) Helmut's previous games studio which introduced us to our investors. They loved what our team had accomplished in the past, they loved the concepts we were working on for future games, and most importantly, our platform partners loved what we were working on.

Your #1 tip to get the initial contact with investors?

My #1 tip is to be out there and present to people. Don't run around screaming your pitch to everyone who will listen, but go to industry events, listen to talks by investors you respect, meet other startup founders who are in the same position, share information with them, share contacts with them, and above all, have meaningful interactions with members of the industry, and then doors will open for you. The unfortunate reality is that these things take time, which is not always available for the founder.

Your #1 tip for the initial meeting with an investor?

There's no secret handshake or anything. It's just basic common sense and is highly dependent upon your industry. Be courteous, listen, discuss, pitch your venture, and take in the feedback, and then move on to the next.

Your #1 tip for funding deal negotiations with investors?

Most of my negotiations have been in-depth, one

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on ones with decision makers, where I try and identify what their needs or expectations are, and where I fit. If I find that there is one value proposition that my investors are looking for, and which fits with me, that's my key point of discussion during that conversation.

What was the most helpful advice you've ever received as an entrepreneur?

It's not a major revelation, but in pitching investors, one of the key pieces of advice I learned from a former investor with an 11-figure net worth was: If it's not a "yes", take it as a "no".

It sounds cynical, but one thing a founder shouldn't do is waste time by barking up the wrong tree. If you've completed a pitch and hear back from the investor and they're asking to keep in touch (and chances are high you'll hear this response), take the feedback graciously, learn from it, thank them for their time and move on. Trust me, you won't wear down an investor by calling and emailing 10 times a week, you'll just annoy them, and what type of relationship is that anyway? Chances are very high you'll meet them again in the future, or as part of another venture, and maybe then the timing and fit are better.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

There are so so many potential bad terms. Here, a very good, experienced legal advisor is key. Some of the worst, in my opinion, are Protective Provisions. These are small agreements to the investor that the company cannot take certain actions without approval of the investor and can cover just about anything. From the amount of debt a company can take, to issuing of new shares, to the amount you're able to spend on travel. They may seem innocuous at first, but could terribly limit a startup's flexibility and maneuverability in hard times.

How do you keep yourself motivated through

tough times?

Surrounding yourself with supportive co-founders, a team of friendly reliable peers, and a healthy set of hobbies is a good first start.

How many investors did you try to contact in this funding round?

I constantly have a running list of 15-20 on my core target list. These are investors and strategics I've come to know and trust, who I regularly check in with, update, and some I even call friends now.

How many of those investors did you actually meet to pitch to?

About 10 of them, all primarily at the same industry conference within the same week.

How many months did this funding round require (from start to money in the bank)?

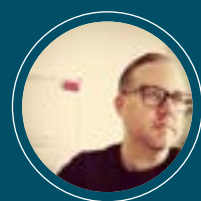
Roughly 4-5 months.

Did you prioritize to win international investors? Why/why not?

Absolutely. The games industry in Austria is almost non-existent, and Austria is already a small market as it is. So fundraising for a gaming studio has to be an international strategy by default.

What is your favorite business book that helped you the most?

Not really the all time best, but the most influential to me personally, and that I'd highly recommend that every new founder go out and read is "The Hard Thing About Hard Things" by Ben Horowitz.



Mike Borrás
Managing Director

A cross-platform, independent game developer and publisher.



What are smart questions to ask an investor in the first pitch-meeting?

When looking for investors we have always tried to get smart money, meaning not just cash, but also specific expertise that was relevant to us. So when speaking to investors, it's important to ask what their focus areas are (i.e. which industries or technologies they invest in, what are the current investments they have) because this will show you whether they have experience with similar projects or can help out with contacts within their network. Especially with VCs, another important point to clarify is what phase the VC fund is in, and whether they're actively looking for new investments at the moment. This can save you a lot of time with investors who are currently not on the lookout.

What makes a bad investor? And how can you find it out before taking the money?

A bad investor, from a company perspective, could be someone who is trying to sign an investment deal with very unusual, not company-friendly terms. This is not just bad for the founders and other current shareholders, but might even make follow-up rounds very unattractive for new investors due to the pre-existing conditions. Therefore make sure that you know the basics about investment terms before you start negotiating. Ideally also speak to other founders about what the standard deal terms are.

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Give a concrete example of how your investor helped after they invested?

Our lead investor (SpeedinvestX) is an expert in marketplaces and platforms. The partners have seen many attempts strive and fail. Thus, getting their input on red flags and future bottlenecks has been extremely helpful in anticipating problems we could not have foreseen from our own experience. Starting from real operational inputs on how to invoice on a larger scale, all the way to strategic KPIs to look out for.

How can founders get the best intros to investors? Who are the best intro-givers?

I think the best introductions to investors come from other founders. Personally I am fairly selective and only make intros if I think it adds value for both parties. Ideally other founders have no vested interest in making the intro other than matching two sides that should speak with each other.

Compared to that, existing investors that introduce you always have a vested interest since they have a stake in the company. This makes, the introduction slightly less powerful. Having said that, it is still a great way to tap into their, presumably larger, investor network.

Introductions from one investor, who is not yet invested, to another investor who is not yet invested, is probably the weakest form. It always raises the question why the first investor did not invest. There might be good reasons for it (stage, industry etc.), still I'd prefer an introduction from another person.

What was the most painful mistake you made in your startup and what have you learned from it?

To be honest, in our company we make mistakes every day and usually they're not something we feel bad about for a long time. Instead we try to learn as much as possible from them and try to do it better the next time. One of our company values actually is: "Embrace mistakes, don't repeat them". Of course there have been situations where a different decision would have been smarter in hind-

sight but what makes us fast and flexible is that we sometimes have to make decisions very quickly, with incomplete information. So my advice is: don't be too tough on yourself when you make a mistake. Just make sure you don't keep doing it over and over.

What value of which KPI did you achieve that enabled you to raise the money?

We successfully obtained a foothold in the German market which helped us to multiply our shipment volume, and as a consequence this translated into a significant revenue increase. However, we did not solely focus on revenue but also proved that our business model works by improving our profitability.

This showed investors that the team possesses the required execution skills and the company has found a path to a profitable business model.

Your #1 tip to get the initial contact with investors?

Look for the portfolio companies of your target investor and try to get an intro through one of the founders.

Your #1 tip for the initial meeting with an investor?

Sell your vision and know the numbers you need to hit to achieve it.

Your #1 tip for funding deal negotiations with investors?

Make sure you are negotiating with more than one party to leverage your position

What was the most helpful advice you've ever received as an entrepreneur?

Focus on recruiting early. Find a way to fill your candidate pipeline (e.g. invest in a recruiter) from day one and only accept the best talent. Never hire because 'we need someone who does the job asap'

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

The valuation and how it is calculated is something that changes a lot throughout the lifetime of a startup. Since we didn't have any actual sales numbers for our pre-seed round, finding the right

valuation was mostly about selling a vision to the investors and making them believe that we could build a successful company. The actual valuation was based on a number of factors, including industry research and looking at the valuations of other companies in our segment. Obviously, the further you grow as a company, the more you have to show actual KPIs and prove that you can achieve the goals that you have set yourself. Which KPIs will be looked at, will depend strongly on your company and the industry you're in. What is important is that you understand which KPIs investors are looking at in your case and perform the best you can in those.

How do you keep yourself motivated through tough times?

In our case, a great team spirit has helped us through tough times and has kept us going. One example of how we keep this team spirit high is that we regularly do company-wide meetups, where the whole byrd team gets together in one place, usually Vienna or Berlin, and we look back at the last quarter and what we have achieved. At the same time we also define the goals for the next quarter. This helps the whole team to take a step back from the small hiccups that they might be facing right now and see the big picture again.

Did you prioritize to win international investors? Why/why not?

Coming from Austria, the investors that are available on a national level are mostly limited to pre-seed rounds which is why for our seed round we were speaking to international investors as well. Generally speaking, if you have the option to speak to more investors, do it and try to compare the similarities and differences. However I wouldn't say that you should prioritize one or the other, it really depends on the industry that you're in and whether the investors that you're talking to can also provide follow-up investments or have a network that might be available for follow-up investments in the future. Of course, if your business is strongly focused on Asia, it might make sense to talk to Asian investors. If you're focusing on the US market, US investors might be the way to go. It is a known fact, that US valuations, for example, tend to be higher than those in Europe. However don't forget that US investors might require you to establish a US

company or to move your HQ there which might also lead to increased costs.

What is your favorite business book that helped you the most?

My personal favourite is "The Hard Thing about Hard Things" by Ben Horowitz. It's a very entertaining book where Ben Horowitz describes his incredible journey from running a startup during the Dotcom Bubble, to going through an IPO, up until becoming a VC investor at Andreessen & Horowitz. The book describes the massive ups and downs that he went through and gives some useful advice to founders at the same time. Another book that I'd recommend to anyone who is interested in how to build a great company culture with a strong customer focus, is "Delivering Happiness: A Path to Profits, Passion, and Purpose" by Tony Hsieh who writes about the American e-commerce giant Zappos.



Alexander Leichter
Co-Founder & CEO

We provide a digital, powerful and scalable logistics solution for online shops of any size.



What are smart questions to ask an investor in the first pitch-meeting?

Why are they investing in startups? Just for the money or for some deeper meaning? No investor will say just for the money, but if they don't have a compelling story it's a bad sign.

What makes a bad investor? And how can you find it out before taking the money?

A high maintenance investor, such as somebody who constantly tries to tell you what to do. Before you work with an investor always do reference calls with current portfolio companies. If an investor doesn't want you to do that, he or she is the

wrong investor.

Give a concrete example of how your investor helped after they invested?

They gave us strategic guidance on how to expand into other markets.

How can founders get the best intros to investors? Who are the best intro-givers?

When I want to get in touch with an investor, I always browse my (Linkedin) network connections and most of the time I find a relevant connection. The best intros are obviously from the most important people.

Your #1 tip to get the initial contact with investors?

Conferences like NOAH or Slush. When you attend, try to get as many meetings as possible.

What was the most helpful advice you've ever received as an entrepreneur?

The story of your pitch is nearly as important as all the metrics. Think about how much time you spend per week on which of these two parts.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

A mix of demand ("I have five other investors who are paying this valuation, so you have to do it too") and common multiples (e.g. for marketplaces it is the GMV run rate (platform sales) multiplied by 1-2)

How do you keep yourself motivated through tough times?

Celebrate small successes.

How many investors did you try to contact in this funding round?

100

How many of those investors did you actually meet to pitch to?

25

How many months did this funding round require (from start to money in the bank)?

6

Did you prioritize to win international investors? Why/why not?

Yes, international investors have much deeper pockets.

What is your favorite business book that helped you the most?

Pitch anything by Oren Klaff.



Peter Windischhofer
Founder

Refurbed is the marketplace for refurbished electronics. These are completely renewed phones, laptops and tablets.

PlanRadar

€ 2.000.000+

What are smart questions to ask an investor in the first pitch-meeting?

What are your expectations for our market segment? Which companies in our market segment are also interesting to you? Do you have startups from our market segment in your portfolio?

What makes a bad investor? And how can you find it out before taking the money?

Spray and Pray. I would recommend to check if he / she really understands the market segment and what you're trying to do. Also if his / her portfolio structure is more b2c or b2b, this should match with your startup to ensure that he / she understands you better.

Give a concrete example of how your investor helped after they invested?

For us there have been two important factors in deciding who were the right investors:

- 1) He / she has an understanding and track record of how to really scale a SaaS solution worldwide.
- 2) He / she has the knowhow and a track record in our domain / market segment to give us additional value in terms of intros, new leads, revenue drivers.

How can founders get the best intros to investors? Who are the best intro-givers?

I think investors should only be contacted via intros. A lot of them will only take a look at recom-

mended ventures.

Best intros are by other founders, maybe even founders of startups in their existing portfolio.

What was the most painful mistake you made in your startup and what have you learned from it?

There is this well known advice to hire slow and fire fast.

We made the mistake to hire the best available alternative instead of prolonging the search period. Our expensive learning was to never compromise about employees. In general people do not change their work style. They can try, but most of the time they will fall back into old habits.

So if you recognize that things are not going well, or that there is a mismatch, you should react immediately.

What value of which KPI did you achieve that enabled you to raise the money?

We already had medium five-digit MRR. A lot of questions are not asked if you can already prove traction

What was the most helpful advice you've ever received as an entrepreneur?

People do not change!

What is your favorite business book that helped you the most?

The Lean Startup; Predictable revenue.



Sander van de Rijdt
Co-Founder

PlanRadar is a cloud based SaaS-solution for construction documentation, and task and defect management, in construction and real estate.projects.



What are smart questions to ask an investor in the first pitch-meeting?

What is your investment experience in the sector (of the startup)? What is your investment criteria and overall strategy?

What makes a bad investor? And how can you find it out before taking the money?

I am not sure there is such a thing as a BAD investor, but rather a bad investor fit. It is important to have several conversations and meetings before accepting the investment. Just as an investor conducts a due-diligence on you, founders & startups need to do their investor DD as well.

Give a concrete example of how your investor helped after they invested?

Over the past years there have been several instances in which our group of investors created real value - we have awesome investors with a lot of real world, real-business experience - be it through introductions to corporate clients, introducing us to investors or helping us network with other founders.

How can founders get the best intros to investors? Who are the best intro-givers?

Introductions and referrals are the best way to expand your investor pool. As an early stage start-up, get involved in the business angel network and don't hesitate to ask for introductions. As you grow your business, also make sure to grow your investor audience and keep potential investors up to date, as some investors might be a good fit at a

later stage.

What was the most painful mistake you made in your startup and what have you learned from it?

Hindsight is always 20/20 (easy). Building a great business is always a trial and error process. One of our more painful mistakes or errors was underestimating the lack of synchronicity of the regulatory changes (e.g. anti-money laundering laws) and the affected industry segments (financial services, banking, insurance). Just because the laws are in place it doesn't mean the industry is ready. This meant a somewhat longer sales cycle than expected. Two years on, the regulations and the industry are now in sync.

What value of which KPI did you achieve that enabled you to raise the money?

Signing of first multi-year contract.

Your #1 tip to get the initial contact with investors?

Don't be shy, ask for an introduction.

Your #1 tip for the initial meeting with an investor?

Make sure you are prepared, test your investment story with friendly investors and do your due diligence on the investor so you can ask questions about potential fit.

Your #1 tip for funding deal negotiations with investors?

Don't stress out, the first offer is always unacceptable. Investors like to see how far they can go and it is a natural process that the termsheet will go back and forth a few times.

What was the most helpful advice you've ever received as an entrepreneur?

Listen to the naysayers to learn, but ignore them.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Is there ever a right valuation? The best way to find an acceptable valuation is to put it in relation to the overall terms.

What deal terms (apart from valuation) should

a founder watch out for? What are bad/risky deal terms that you would warn about?

There are a lot of unacceptable terms where the founders are squeezed to death. Watch out for the liquidation preferences, anti-dilution terms and punitive terms squeezing out the founders and early investors.

How do you keep yourself motivated through tough times?

If you know where you want to go and take your startup, tough times are just a mark in the road, nothing more and nothing less.

How many investors did you try to contact in this funding round?

5

How many of those investors did you actually meet to pitch to?

5

How many months did this funding round require (from start to money in the bank)?

3

Did you prioritize to win international investors? Why/why not?

We already have international investors, so there is no extra priority to win international investors.

What is your favorite business book that helped you the most?

Read "The Next 100 years", it gives you a good macro-view of where the world might be heading and puts all the micro-problems of daily business into perspective.



Russell E. Perry
Founder & CEO

kompany is the leading RegTech platform for Global Business Verification & KYC.



What are smart questions to ask an investor in the first pitch-meeting?

Do you share the same vision projected in the biz plan? Do you like the team?

What makes a bad investor? And how can you find it out before taking the money?

Investors with little or no operational experience, or investors with very small funds not willing to syndicate - this typically shows in their CVs, track record and portfolio history

Give a concrete example of how your investor helped after they invested?

Investing a sizeable amount immediately gave us big credibility in the digital access industry.

How can founders get the best intros to investors? Who are the best intro-givers?

Founders who have had success with the targeted VCs.

What was the most painful mistake you made in your startup and what have you learned from it?

Engaging with a team and investors for the wrong reasons - check your motives

What value of which KPI did you achieve that enabled you to raise the money?

A credible solution to a real problem triggered a strategic investor.

Your #1 tip to get the initial contact with investors?

Be ready for prime time before contact, then call them.

Your #1 tip for the initial meeting with an investor?

Say less and listen more, and ask (1)

Your #1 tip for funding deal negotiations with investors?

If this turns complicated and one sided - let it be

What was the most helpful advice you've ever received as an entrepreneur?

There is never a straight line to success, but con-

stantly improve, and over the long run effort will turn to success.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

It is about the investor sharing the vision and enabling growth - and then discounting a bit for risk.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Losing control early on.

How do you keep yourself motivated through tough times?

I always feel privileged to follow my dreams in my work - enjoy this freedom and accept the little hardships that come with it

How many months did this funding round require (from start to money in the bank)?

12 months

What is your favorite business book that helped you the most?

Learning to understand the "critical moments in the day of the life of the customer" by Prof. Lynn Philips, www.reinventures.com



Gilbert Hoedl
CEO

Tapkey is a platform for smart-phone-based access. Add mobile access to your products and services.

RateBoard

€ 1.800.000

What are smart questions to ask an investor in the first pitch-meeting?

Do you have experience in the industry we are targeting? What's your investment strategy?
*Do you have a network that could help us?

What makes a bad investor? And how can you find it out before taking the money?

A bad investor gets nervous very soon and has no experience in the field of Venture Capital. He wants to see a 500% ROI after 1 year and wants to earn out too early. We recommend to talk about prior investments and talk with the business owners where he has invested.

Give a concrete example of how your investor helped after they invested?

One of our investors has a big network in the in-

dustry and helped us to pitch our product to very important accounts; this was the biggest help for us.

How can founders get the best intros to investors? Who are the best intro-givers?

Other Startup Founders are the best intro-givers, they have experience with the investor and you will know what you will get.

What was the most painful mistake you made in your startup and what have you learned from it?

Never ask for money when you need it, take the money when you don't need it and when you are in a good position.

What value of which KPI did you achieve that enabled you to raise the money?

30k in MRR and double digit month on month growth.

Your #1 tip to get the initial contact with investors?

Talk with other founders, go to networking events and talk with them before you need the money.

Your #1 tip for the initial meeting with an investor?

Find out immediately what are the concerns of this investor and if he is the right one, don't just pitch to him, let him pitch to you.

Your #1 tip for funding deal negotiations with investors?

Don't just look at the valuation, it's tricky, some times the earn out options are more important.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

MRR multiple and data from other startups in the same field.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

The important deal terms are earn out options and liquidation preferences, even more important then the valuation.

How do you keep yourself motivated through tough times?

Just belief that it's standard to have up and downs, keep a long term vision and see what you have achieved in the past 6 months.

How many investors did you try to contact in this funding round?

Just 3 investors.

How many of those investors did you actually meet to pitch to?

All of them personally.

How many months did this funding round require (from start to money in the bank)?

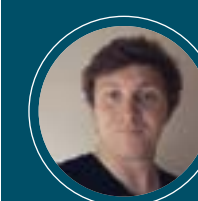
6 months.

Did you prioritize to win international investors? Why/why not?

No.

What is your favorite business book that helped you the most?

Blue Ocean Strategy.



Matthias Trenkwaller
Co-Founder

Revenue Management Software for hotels



What are smart questions to ask an investor in the first pitch-meeting?

At the first meeting I would recommend to find out about the network and relevant contacts of your investor. Ask about past investments, in which projects did the investor engage and with which organizations is he/she familiar with. Further, also investigate about your investors expertise and knowledge.

What makes a bad investor? And how can you find it out before taking the money?

Before signing any contract, there is the check on due diligence and the drawing up of the LOI. During this stage it is important to find out why is the investor interested and what are the underlying intentions to close this deal. It is crucial to find out if the cooperation will be fruitful and effective or if there are any personal purposes which the investor wants to take advantage of.

Give a concrete example of how your investor helped after they invested?

It was very helpful to us as a startup to make use of our investor's reputation. Being part of the Upper Austrian Hightechfonds, a public organization, it greatly helped us to get contacts and leads for new clients, as well as to work on our business network.

How can founders get the best intros to investors? Who are the best intro-givers?

Generally it is an advantage to get introduced to

a potential investor, however, we experienced it differently as our investor is not directly acting in the industry we are operating in. Still, we got introduced to our investor through the business network of the industry.

What was the most painful mistake you made in your startup and what have you learned from it?

I suppose that every startup struggles with time. Especially the underestimation of time, referring to whether the product and the client are ready for each other, is one of the most difficult assessments. Even if you are experienced in the industry, in practice, the time to market is usually longer than expected. Therefore I recommend detailed planning and elaboration, also with your investor, on how to bridge these periods of time.

What value of which KPI did you achieve that enabled you to raise the money?

For us it was the signing of an cooperation contract with Kone elevators. Through this agreement we were able to forecast sales and revenue which subsequently led to a successful funding.

Your #1 tip to get the initial contact with investors?

We joined a "tech2b" organization in Austria, that supports startups with an incubator program in the industry. In this environment we were able to establish the business model and to make the first steps towards our client network. Through this

organization I learned a lot about the structure of the business and also got to know our investor.

Your #1 tip for the initial meeting with an investor?

Prepare, prepare, prepare! Know your company and business model as well as the numbers and KPI's, prepare a great presentation, short but on point, and finally be ready to encounter every question of your potential investor.

Your #1 tip for funding deal negotiations with investors?

Take assistance and the support of a lawyer in order to understand the enormous extent of the relevant laws. I would not recommend to do this step on your own, it is important to get explanations to protect yourself, as well as other investors, while considering all the consequences. Negotiations are interesting and will define your future.

What was the most helpful advice you've ever received as an entrepreneur?

For me personally, it is important to never give up. Always look forward and remind yourself about the final goal and how you can achieve it through determination and an ambitious attitude!

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

In my case it was rather easy as there was a market assessment already made by a large enterprise that showed interest in our business. Therefore, I had an estimate of the current market value.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Additional deal terms are already stated in the LOI. There must be a plan for the consequences if you cannot reach your goals. What happens if you fail to reach the stated revenue, or do not finish with the development of your invention, or if you did not reach the required number of employees in the end? All these criteria are additional deal terms and have to be considered. I personally would not accept to be privately liable.

How do you keep yourself motivated through tough times?

Always stay positive. Think back to the last time when you had a low point and how you overcame it. This gives me the strength and motivation in order to stay positive and to tackle the current challenge.

How many investors did you try to contact in this funding round?

Initially we counted around 10 investors on our target list. However, we were only able to realize meetings with 6 of them to talk about the business up to negotiation stage.

How many of those investors did you actually meet to pitch to?

Thereof, we finally had 4 potential investors and in the end we could close a deal with 2 of them.

How many months did this funding round require (from start to money in the bank)?

All this round of funding required around 2 years from the start of fundraising until the money was with the business. As already mentioned we closed the funding round with 2 investors.

Did you prioritize to win international investors? Why/why not?

Until now, and for this round, we have not yet seen the necessity to take a look at international investors, therefore not yet. However, for the future we are working on the market development and we may take the chance in the future.

What is your favorite business book that helped you the most?

I am very interested in New Business and Innovation as well as the development thereof. I always try to stay on track with recent progress and read a lot of industry specific news.



Johannes Schober
CEO

Self-responsive emergency call system for elevators with integrated display for advertisements and information.



What are smart questions to ask an investor in the first pitch-meeting?

Let the investor introduce themselves first. Ask investors about their background and their career. Investors love to talk about their achievements in the past and this brings the startup founder to a perfect starting place for the conversation.

What makes a bad investor? And how can you find it out before taking the money?

Talk to as many founders as possible and ask them about potential investors before you start negotiations. Startup founders are always eager to support other founders and provide you with specific insights about your new potential investor.

Give a concrete example of how your investor

helped after they invested?

Mostly, I appreciate those investors who connected me with their network and provided me with new possibilities to spread the word about my product. In the real estate sector you especially rely on a strong network to move forward with your business. Therefore, I highly appreciate that some of my investors introduced me to their close friends in the real estate sector.

How can founders get the best intros to investors? Who are the best intro-givers?

In particular, I have to mention Markus Kainz from PrimeCrowd. He is a business-oriented networker in the Austrian startup environment and he created significant added value for our investment

round in terms of expertise and networking.

What value of which KPI did you achieve that enabled you to raise the money?

Beside the fact that revenue is probably the most important performance indicator, you always have to keep in mind that KPIs vary with your startup stage. I think that especially well-known reference customers are strong proof for the market.

Your #1 tip to get the initial contact with investors?

Don't hesitate to contact investors directly via phone or email. Maybe, the first trial won't work out to reach the investor, but they want you to prove that you are persistent and this will eventually work out at the end of the day.

Your #1 tip for the initial meeting with an investor?

Always be over-prepared: Pitch your presentation to independent persons. Investors like to see professionalism and this attitude has to be represented by the younger startup generation.

Your #1 tip for funding deal negotiations with investors?

Be proactive with your communications during the negotiation process. Founders have to feed the investors with hot news about their business on a daily basis.

How do you keep yourself motivated through tough times?

Talk to your team, focus on your product and in tough times think back as to why you established your startup.

How many of those investors did you actually meet to pitch to?

PrimeCrowd introduced me to about 20 potential investors during a one month meeting period and almost everyone intended to invest in iDWELL. Because of that privilege, we are able to select the 7 best investors and raised more than one million euro.

How many months did this funding round require (from start to money in the bank)?

The last round took about 4 months. Many thanks to PrimeCrowd, which enabled this process with a fixed timeline and supported the fundraising process a lot.

What is your favorite business book that helped you the most?

I am very impressed by Anthony Robbins and his book "Unlimited Power: The New Science Of Personal Achievement" as it gives you an insight into the psychological patterns of human beings which are helpful in business as well as in private life.



Alexander Roth
CEO

Multi-Channel CRM Software for property managers



What are smart questions to ask an investor in the first pitch-meeting?

What can you bring to the table as well as the money?

Give a concrete example of how your investor helped after they invested?

I invite my investors twice a year for a communal lunch, and a strategy workshop afterwards. This braintrust helps me to connect my strategy to the experience of the investors. There has not been one workshop where I was not surprised about the great insights I received.

What was the most painful mistake you made in your startup and what have you learned from it?

There was this one "great opportunity" I had figured out some years ago. I really loved the idea, the story and the product. We developed the solution for months and after that I tried to sell it. But it was hard to sell and the few buyers did not use it appropriately. We decided to kill it 3 years later, which was very hard for me. But I swore to myself never ever start programming one line of code without at least 5 paying customers upfront. Looking back, that mistake led me to my best decision as an entrepreneur.

What value of which KPI did you achieve that enabled you to raise the money?

Our average contract time (AVT) for our SaaS solution which is above 6 years and growing strongly.

Your #1 tip to get the initial contact with investors?

Talk to startup CEOs you respect, they will introduce you.

Your #1 tip for the initial meeting with an investor?

Never be afraid, you are the star in this meeting. Make a good show, be authentic and show them what drives your passion. If you don't know an answer to a question, don't tell them crap.

Your #1 tip for funding deal negotiations with investors?

It is always tough to value a startup. In my opinion, it is the core job of the founder to fight for a good valuation. Be prepared that your valuation may always be too high. Know your limits and be committed to leaving the table.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

As a startup, your story has more value than your numbers. Tell a great, emotional story about the future of your startup. This story combined with some key metrics, that make your startup special, are very powerful. Valuing a startup is always hard, because you do not have that big revenue. Avoid a valuation by Excel and fight for a valuation of the story.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Always avoid every form of exclusivity and special rights for investors to prevent other investors entering.

How do you keep yourself motivated through tough times?

It is essential to know why you get up in the morning. It's the story that I want to write with my company that keeps my motivation high. In good and tough times, you should always be focused and

reflective, this is why coaching is an essential element of my entrepreneurial life. On top of that, I reflect and learn with a mastermind group, full of entrepreneurs, that I have founded.

How many investors did you try to contact in this funding round?

Between 5 and 10.

How many of those investors did you actually meet to pitch to?

50%

How many months did this funding round require (from start to money in the bank)?

It always takes longer than you think. In my case 6 months was the goal, but it took 9 months.

Did you prioritize to win international investors? Why/why not?

We did not prioritize international investors, but it happened that we got one, which was great.

What is your favorite business book that helped you the most?

I would recommend "Der Weg zum erfolgreichen Unternehmer" from Stefan Merath to every German speaking entrepreneur.



Philip Kozeny
CTO

We create SaaS solutions for water and waste.

Luke Roberts

€ 1.500.000

What makes a bad investor? And how can you find it out before taking the money?

To me a bad investor is someone with limited experience that asks a lot of questions and makes the founders produce hundreds of reports not realizing that this means less time for more productive tasks.

Give a concrete example of how your investor helped after they invested?

Our investors ask great questions during our periodic meetings. As a founder you are into every detail but sometimes you need someone to see the big picture and question decisions you make.

How can founders get the best intros to investors? Who are the best intro-givers?

The best intro-givers are existing investors. They know the founders and company and put their

weight behind it by making an intro.

What was the most painful mistake you made in your startup and what have you learned from it?

We had one supplier that could not deliver the required quality and we trusted him for too long when he promised to do better in the next batch. We should have looked for an alternative supplier much faster. So if you are making hardware, always try to have at least two suppliers for every part you produce.

What value of which KPI did you achieve that enabled you to raise the money?

The most important KPI in our case is revenue. As a hardware business we need to show that we can reach people that are willing to buy our smart lamps. With a very successful crowdfunding cam-

paign and good traction thereafter we were able to attract investors.

Your #1 tip to get the initial contact with investors?

Ask for recommendations. Cold calling is very, very painful and frustrating.

Your #1 tip for the initial meeting with an investor?

Be prepared. It's always hard to anticipate what an investor is interested in. The better you are prepared, the higher the chance of a second meeting.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Valuations of young companies with no records are always difficult. The best way is to compare the company to similar companies and have a plan for

the next 2-3 years.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Everything that has to do with personal liabilities for the founders is risky and should be avoided if possible.

How do you keep yourself motivated through tough times?

The best thing is to have co-founders that are there if you think there is no way out of a situation. More often than not you will find a solution together.

How many investors did you try to contact in this funding round?

More than 100

How many of those investors did you actually meet to pitch to?

20

How many months did this funding round require (from start to money in the bank)?

8

Did you prioritize to win international investors? Why/why not?

Yes, we know that fundraising for hardware products is difficult in Austria and we actively looked out for German investors. The pool of investors is much bigger in Germany and there are almost no difficulties regarding culture, language etc.



Robert Kopka
Founder

Developing the world's smartest lamps.



What are smart questions to ask an investor in the first pitch-meeting?

How would you react if we were to announce a radical pivot 5 months after you have invested?

What makes a bad investor? And how can you find it out before taking the money?

If an investor is unsure about the industry and what the startup does and just follows the crowd making an investment. If something does not go as planned then the investor gets nervous as they don't understand the market and the dynamics well enough. Usually they start making you nervous instead of being supportive.

Give a concrete example of how your investor helped after they invested?

Helped raising more money, helped in the bridging round, introduced us to advisors, became a customer, introduced new customers

How can founders get the best intros to investors? Who are the best intro-givers?

Intros from existing investors, intros from someone who uses your product and is excited about it, intros from other founders in network

What was the most painful mistake you made in your startup and what have you learned from it?

It will not fit in this form. I could write a book about all the mistakes we made :) Most painful probably was raising money too early before we exactly knew what to do, and then having to keep up with investors expectations, which naturally led to rais-

ing more money, instead of focusing on products and customers.

What value of which KPI did you achieve that enabled you to raise the money?

Not real impressive KPIs, just story, vision and team

Your #1 tip to get the initial contact with investors?

Add and message on LinkedIn. Or get an intro.

Your #1 tip for the initial meeting with an investor?

Be yourself, try not to be nervous, create 'a fear of missing out' situation, and act as if you don't need the money, although you probably need it badly.

Your #1 tip for funding deal negotiations with investors?

Say no, and walk away in a situation they are not expecting. If they want to invest they will come back to you. Don't sell yourself short.

What was the most helpful advice you've ever received as an entrepreneur?

In my case it was Aaron one of my investors and advisors, he told me straight to my face that I speak too fast, and tend to explain things way too complicatedly. He said: 'Just say the bare minimum and assume everybody is smart.' I guess that's a good one for investor conversations, to keep things simple and not confuse people too much.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

After YC we had a YC demo day valuation, afterwards we defended it with a story, vision and at some point with product, customer traction and future potential.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Investors who hold a large stake early on and can't do follow up investments. Early stage you need either a lot of angels who can continue to support, or a few large ones that have the power to put in more capital if needed.

How do you keep yourself motivated through

tough times?

I tend to eat a lot of unhealthy stuff during such times, which is actually super counterproductive and stupid.

How many investors did you try to contact in this funding round?

100

How many of those investors did you actually meet to pitch to?

30%

How many months did this funding round require (from start to money in the bank)?

5

Did you prioritize to win international investors? Why/why not?

No preference to be honest

What is your favorite business book that helped you the most?

How to win friends and influence people.



Jan Alexander Jedlinski
Co-founder & CEO

Source, hire, pay and automate the entire lifecycle of a contingent worker on a single platform.



What are smart questions to ask an investor in the first pitch-meeting?

What is their exit strategy, and what other startups are they invested in?

What makes a bad investor? And how can you find it out before taking the money?

A bad investor is someone who just gives you reporting tasks and doesn't let you do your job. He / she creates too much overhead.

Give a concrete example of how your investor helped after they invested?

They helped us with setting up a planning and management structure. How we plan our strategic initiatives, how can we delegate, how to set up and measure OKRs (Objectives and Key Results), in a very efficient way.

How can founders get the best intros to investors? Who are the best intro-givers?

If you get introduced by somebody who knows you and knows the investor well.

What was the most painful mistake you made in your startup and what have you learned from it?

Not speaking to customers on day 1 and rather starting to develop a product because you think it's cool. Not focusing enough on the customer's needs.

What value of which KPI did you achieve that enabled you to raise the money?

We really had a strong team. There was no specific KPI. The investors just saw that there was a great idea and a great team, together with the vision that

convinced investors that we can pull it off.

Your #1 tip to get the initial contact with investors?

You have to be constantly present at different networking events. It is like a sales process: you have to be out there. And pitch as often as you can.

Your #1 tip for the initial meeting with an investor?

Have your 1-minute, 2-minute and 3-minute pitch ready and know it by heart. And especially know your market. Be able to give short, precise answers. That is something you will learn by doing it as often as possible.

Your #1 tip for funding deal negotiations with investors?

Find a lawyer you trust.

What was the most helpful advice you've ever received as an entrepreneur?

Take your time. Don't hurry. Sleep over it. - by my father.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We compared ourselves to other startups, looked at their track record and our track record. We also used some calculations like net-present-value. But in the end, because we did not have any revenue yet, we just had to try it out and negotiated it.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Milestones are tricky. What can happen is that you only work for the milestones and disregard other things that are also very important. That also shows you the quality of an investor if they understand that a company shouldn't just be working for milestones. But milestones should be a framework to give you some positive pressure to achieve certain goals. If you don't openly discuss this, with your investor, you could end up defining milestones that are not really good for your company. You need to consider how much leeway you have in case other things come up, which are not exactly these milestones, but go in the same direction as the milestones.

How do you keep yourself motivated through tough times?

It is my team! I have a great time. They just keep me motivated. Every time I'm not so motivated I look at them and then I see how everyone else is fighting and running. These guys are really working hard, and this really gives me the strength to go through the tough times myself.

How many investors did you try to contact in this funding round?

6

How many of those investors did you actually meet to pitch to?

6

How many months did this funding round require (from start to money in the bank)?

11

Did you prioritize to win international investors? Why/why not?

We did not in this first funding round, because we knew investors want to meet in person and also support the team locally. We felt it was too early to do it for this round. So we focused locally, and the investors we found are very helpful locally, and great guys.

What is your favorite business book that helped you the most?

"Der erfolgreiche Geschäftsführer. Rechte und Pflichten. Haftung und Insolvenz.", Manz Verlag (German). Every general manager should read that. Because once you read that, you'll question if you really want to start a company. But if you still do then, okay: you are serious about it ;-)



Richard Ljuhar
Co-Founder & CEO

X-ray-based Prediction and Classification of Bone Diseases - Bringing AI to the World of Orthopedics

Fundings of € 500.000+ in 2018

✂ Venture Fundings of € 500.000 - € 999.999 into Austrian Startups in 2018 ✂

	HQ	Amount (€k)	Lead Investors	Founding Year	Team Size	European Investors	Global Investors
weffect	Vienna	900	Follum Invest, Anholttoppen Invest	2016	8	yes	no
PhagoMed Biopharma	Vienna	775	Family offices, angels	2017	10	yes	yes
123sonography	Vienna	750	M. Ertler, H. Futter	2010	30	yes	no
Secureo	Innsbruck	750	aws Gründerfonds	2014	12	no	no
cogvis	Vienna	700	Consortium of priv. investors	2007	13	no	no
UNIsptter	Vienna	630	Howzat, GoBeyond	2016	7	yes	no
SCARLETRED Holding	Vienna	597	Greenrocket	2014	10	no	no
MOOCI	Vienna	500+	Startup300, H. Futter, M. Ertler	2016	9	no	no
Digital Claim	Vienna	500+	Quake Capital	2017	5	no	yes
Farmdok	Wieselburg	500+	tecnet equity	2015	11	no	no
Mostly AI	Vienna	500+	42cap	2017	10	yes	no
Difacturo	Gleisdorf	500+	CIB Software, Ulrich Brandner	2018	5	yes	no
twingz	Vienna	500+	Angelgate	2011	10	yes	yes
handcheque	Vienna	500+	n/a	2016	7	no	no
Carbon Recovery	Vienna	500+	primeCROWD	2017	5	yes	no
Yodel.io	Vienna	500+	European Super Angels Club, EXF Alpha	2016	8	yes	no
Journi	Vienna	500+	MairDuMont	2018	15	yes	no
Logoshuffle	Graz	500+	Up to Eleven, KaPa Ventures	2017	4	no	no
ToolSense	Vienna	500+	aws Gründerfonds, Segnalita Ventures	2017	n/a	no	no
Crystalline Mirror Solutions	Vienna	500+	aws Gründerfonds	2013	n/a	no	no
mobile-pocket	Hagenberg	500+	aws Gründerfonds	2006	38	yes	no
Grape	Vienna	500+	ONTEC AG	2014	20	no	no
Storyclash	Linz	500+	aws Gründerfonds	2014	12	no	no
ilvi	Gleisdorf	500+	eQventure	2018	n/a	no	no
App Radar	Graz	500	eQventure	2015	15	no	no
Onlim	Innsbruck	500	feratel media technologies	2015	25	no	no

www.StartupReport.at

Fundings of € 250.000+ in 2018

✂ Venture Fundings of € 250.000 - € 499.999 into Austrian Startups in 2018 ✂

	HQ	Amount (€k)	Lead Investors	Founding Year	Team Size	European Investors	Global Investors
CorpLife	Vienna	430	Patrick Pöschl	2015	31	yes	no
PhytonIQ	Oberwart	409	Crowd	2017	9	no	no
PlayersVote	Vienna	400	WWP Group, BLAGUSS	2015	5	yes	no
Domonda	Vienna	385	Braincap, SNI, Growth Ninjas, JCCI	2017	8	no	no
eBIKE-BOX HF	Birkfeld	350	Greenrocket	2018	3	no	no
myBioma	Vienna	300	European Super Angles Club	2018	6	yes	no
baningo	Vienna	260	Braincap, Byron Haynes	2015	8	no	no
Saturo	Vienna	250+	Square One Foods	2017	11	no	no
Venuzle	Graz	250+	LEAD, SU300, Alphateam	2014	8	yes	yes
tubics	Vienna	250+	Hermann Futter, Martin Egger	2017	5	no	no
Sheepblue	Vienna	250+	Tecnet equity, Growth Ninjas	2018	6	no	no
MOVEEFFECT	Pasching	250+	Growth Ninjas	2013	6	yes	no
own3d media	Steyr	250+	KaPa Ventures	2018	8	no	no
Roomle	Linz	250+	H.-J. Schelling, J. Artmayr	2014	n/a	yes	no
Pixelrunner	Hagenberg	250+	OÖ HightechFonds	2016	7	no	no
contextflow	Vienna	250+	IST Cube	2016	9	no	no
Imprint Analytics	Oberpullendorf	250+	Greenrocket	2013	11	no	no
Rudy Games	Linz	250+	Clever Clover	2013	8	yes	no
endiio	Vienna	250+	aws Gründerfonds	2015	11	no	no
FruX Technologies	Leonding	250+	aws Gründerfonds	2013	25	no	no
Haufe Advisory	Vienna	250+	Haufe Group	2015	17	yes	no
Breath ILO	Graz	250+	Corimas AG	2014	8	yes	no
MoonVision	Vienna	250+	MoonVestment	2017	12	no	no
CubileHealth	Innsbruck	250+	Segnalita Ventures	2016	8	no	no
ONDEWO	Vienna	250+	Catalysts	2017	12	yes	no
Klaiton	Vienna	250+	Haufe Group	2015	18	yes	no
Hektar Nektar	Vienna	250+	Bauerverlag	2017	n/a	yes	no
Waterdrop	Vienna	250+	n/a	2016	n/a	yes	no
uniPortal	Vienna	250+	Media in Progress	2018	4	yes	no
Prewave	Vienna	250+	Speedinvest, IST Cube	2017	6	yes	no
WisR	Vienna	250	Futter, Blahut, Karré, Geissler	2017	8	no	no
Cozyo	Vienna	250	n/a	2017	10	no	no

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Yodel.io

€ 500.000+

What are smart questions to ask an investor in the first pitch-meeting?

Their general investment strategy. Potential lead and follow on investments. Where is their added value? Where are they able to help bring the startup to the next level. Do they have a big network in terms of potential partners or can they help in the hiring process, etc.? How do they handle a situation when the startup has troubles and needs help (do they depreciate the startup immediately or are they willing to help to get out of a critical situation)

What makes a bad investor? And how can you find it out before taking the money?

Dumb money... doesn't understand the idea and thus doesn't even know how to help, can't pitch it to other investors, etc. Doesn't share the vision and the growth strategy and thus, tries to push the startup into a different direction --> DISTRACTION!

Find out by asking the RIGHT questions and inform yourself about this investor beforehand. Ask about previous investments and try to talk to the founders of those startups. Be critical and see if the investor's values align with yours.

Give a concrete example of how your investor helped after they invested?

Actively opened their network to potential new investors, even organized events in this regard.

How can founders get the best intros to investors? Who are the best intro-givers?

Successful startups from that investor are probably the best intro-giver. Someone they really trust and value. It's all about the network. Really try to leverage your contacts to see if you have a mutual friend to make the intro. In general a paying forward mentality is key. If you already did a favour for this mutual contact, they will try to get their inves-

tor to arrange a meeting and will also brief you on how to best prepare, and what to present.

What was the most painful mistake you made in your startup and what have you learned from it?

Hire fast - fire fast. I would evaluate new hires more quickly and make a decision within the first month without a grace period.

What value of which KPI did you achieve that enabled you to raise the money?

2,000 paying customers.

Your #1 tip to get the initial contact with investors?

Warm intros are key. If not, by showing great traction, some VCs might even try to contact you!

Your #1 tip for the initial meeting with an investor?

Know all your metrics, be prepared to answer any question about your company. Did I mention 'Know all your metrics'? :-)

Your #1 tip for funding deal negotiations with investors?

Investors are your partners. Treat them well and they will treat you well. Some details that are super important for investors, may be less important for you, so compromise on them quickly.

What was the most helpful advice you've ever received as an entrepreneur?

""Don't be so 'reasonable' in your expectations and goals!" - Carlos Eduardo Espinal, Managing Partner, Seedcamp"

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We were strongly supported by our pre-seed investors in finding our valuation. As they are well known in the ecosystem this was not a big topic for us.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

How much money do you need for the next 18

months to grow according to your strategy? And how much % is reasonable in that funding stage (e.g. for seed money, you roughly give 15-20%). I'd rather give up more shares of the company than give up important (veto) rights and control on the strategy.

How do you keep yourself motivated through tough times?

Having great co-founders that sit in the same boat with you, but push you when you are down. Honestly, just get through the tough times. It might be tough sometimes but you made the decision to take this path, so don't look back, only forward! Startup live is a roller coaster!

How many investors did you try to contact in this funding round?

Not applicable to us. Last funding round was from existing investors.

How many months did this funding round require (from start to money in the bank)?

3

Did you prioritize to win international investors? Why/why not?

Not necessarily prioritizing them, but they could be an advantage (e.g. if they in general have a bigger fund, thus a higher potential for follow up investments). But also, it is good to have local investors who you can meet on a more regular basis. (But again not applicable as we had a follow-on investment from existing investors).

What is your favorite business book that helped you the most?

Valley of Genius: The Uncensored History of Silicon Valley



Mike Heininger
Co-Founder & CEO

Yodel.io is the cloud based voice solution for SMBs to automate calls and integrate them into existing processes.



What are smart questions to ask an investor in the first pitch-meeting?

What is your profile as an investor? Which other start-ups have you invested in? What is your investment horizon? Generally any question that lets you understand how the investor makes his or her investment decisions and what type of investor he or she might be.

What makes a bad investor? And how can you find it out before taking the money?

Not sure that there are GOOD or BAD investors. It's a question of aligning expectations. Does the investor believe in your vision and your long-term plan? This is paramount, to ensure that there are no misalignments down the road – e.g. the investor looking to exit just when you want to scale the business with additional investments.

Give a concrete example of how your investor helped after they invested?

The investors support us on a regular basis by providing feedback, suggestions and connections. This support ranges from smaller suggestions, e.g. how to rework a contract based on what they had seen at other start-ups, to bigger items, e.g. making connections to other investors for the next round.

What value of which KPI did you achieve that enabled you to raise the money?

We had set out an ambitious plan to start with. Achieving the majority of that plan, within the target time window, really drove up the investor confidence in our ability to deliver. In terms of concrete KPIs, our ability to bring in public money was probably the single biggest KPI that opened the door to

investors in our 2018 funding round.

Your #1 tip to get the initial contact with investors?

Find out what the investor is interested in and where he invests. In our case, talking to an oncology-focused investor would be a waste of time since they will generally not consider investing in the infectious disease space.

Your #1 tip for the initial meeting with an investor?

Be concise, be bold, be frank. Deliver your ambition without getting lost in the details. Investors need to believe in your vision and your strategy. If the fit is there, the investor will be interested in learning about the details. If there is no fit, it's best to walk away (for both sides).

Your #1 tip for funding deal negotiations with investors?

Make a bold first offer and ideally have someone else already signed-up to these conditions. If you can confidently state that someone else has already agreed to, say, a valuation, then your negotiating position is vastly improved.

What was the most helpful advice you've ever received as an entrepreneur?

A serial entrepreneur gave us the advice to always be talking to the after-NEXT investors – meaning the investors who might invest in the funding round after the upcoming one. This gives you an idea of what to use the money raised in the next round for, in order to make the funding round after the next successful. This feedback is invaluable for finetuning your upcoming funding round and you can confidently claim that you have already identified the round of investors after the next one and once the funding from the current round runs out.

How did you find the right (realistic) valuation and how did you “defend” it in negotiations?

For our seed funding, we worked with a range. The investment was made through a convertible loan that had a range of valuations linked to milestones. This helped since we did not need to agree on one specific valuation but could rather cover different scenarios (best-case, in which the valuation was highest and worst-case, in which the valuation was

lowest).

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

What kind of decision making power will you retain on a day-to-day level? How are oversight and autonomy balanced? Have you given any individual investors any blocking rights that might slow your progress down the line? Ideally, try to treat all the investors the same (current and future). It will make your life easier.

How do you keep yourself motivated through tough times?

Believe in your vision and why it matters. Communicate it. Find others who believe in your vision and will tell you so. Especially in the tough times, you need to be sure that the pain is worth it.

How many months did this funding round require (from start to money in the bank)?

About four months from start to finish. Although we did start “advertising” before that we were about to set-up our business.

Did you prioritize to win international investors? Why/why not?

No. Especially in the early stages, investors tend to be local or from your network. From our experiences, investing in a different country adds a ton of complexity for investors (e.g. how do I evaluate a foreign legal contract?).

What is your favorite business book that helped you the most?

Screw it, just do it from Richard Branson. :-) Mostly, for the great title.



Lorenzo Corsini
Co-Founder & CEO

PhagoMed develops phage-based pharmaceuticals to address the global antibiotics crisis.



What are smart questions to ask an investor in the first pitch-meeting?

Does he already have other ventures in the market, and were they successful?

What makes a bad investor? And how can you find it out before taking the money?

Be careful if the negotiations are drawn out over an extended period of time (6 month+).

Give a concrete example of how your investor helped after they invested?

Provide new business contacts.

How can founders get the best intros to investors? Who are the best intro-givers?

It's less relevant how you get introduced, as long as you get the referrals to investors in the first place. The rest is up to you anyway.

What was the most painful mistake you made in your startup and what have you learned from it?

Be willing to quit if things are moving too slow with customers or investors.

What value of which KPI did you achieve that enabled you to raise the money?

There was not really one specific KPI but the vision we had for the market and the sales we had already made with our customers.

Your #1 tip to get the initial contact with inves-

tors?

Ask around, go to events and get some media coverage.

Your #1 tip for the initial meeting with an investor?

Speak bluntly. Trust is gained inch by inch and you should start at the beginning.

Your #1 tip for funding deal negotiations with investors?

Be patient and try to understand the doubts of your counterpart. In most cases there is a solution which satisfies both parties.

What was the most helpful advice you've ever received as an entrepreneur?

After reading Andy's quote below I have been looking ever since to achieve the last line (and this time I think we are very close): Andy Rachleff's Law of Startup Success: a) When a great team meets a lousy market, market wins; b) When a lousy team meets a great market, market wins; c) When a great team meets a great market, something special happens.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

By research. Listen to M&A consultant speeches and talk to other founders. During the negotiations it didn't change much.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Conditions, which have to be met in the future but which will be hard to control.

How do you keep yourself motivated through tough times?

Being able to rely on co-founders, and the team, and getting some of the burden off your shoulders from time to time.

How many investors did you try to contact in this funding round?

>20

How many of those investors did you actually

meet to pitch to?

<10

How many months did this funding round require (from start to money in the bank)?

5 months

Did you prioritize to win international investors? Why/why not?

At the beginning we focused on international investors, but in the end the much better partners for us came from around the corner.

What is your favorite business book that helped you the most?

No definite book but hands-on experience.



Michael Brandstötter
CEO, Partner

We are helping care givers with Fearless - the intelligent 3D sensor which is able to take over routine check-ups, and patient monitoring, from nurses.



We started in March and received the money in September. Actually we did most of the work in April, May and June. At that time, we thought we would close the deal at the beginning of the summer. It turned out, all the small questions to clarify and, most importantly, finding a signing date in the middle of the summer takes more time than you expect. The investment round ran quite smoothly after all, and we got the investment right on time. It's worth it, to get the great investor setting you want to have.

Give a concrete example of how your investor helped after they invested?

As a startup we mainly sell ideas to investors and crazy new stuff to customers. Both need a lot of passion, which is a must have for a founder, but if you want to grow fast you need to find partners who share your enthusiasm. One of our investors, for example, has an excellent network in the European agricultural trade and wholesaler sector. He connected us with sales and distribution partners who have the power and enthusiasm to bring FARMDOKE into new markets.

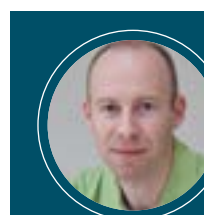
How can founders get the best intros to investors? Who are the best intro-givers?

For sure good investors know each other and the scene. We brainstormed with our business angel and our lead investor as to which investor would fit best with us. Then they got us some great intros. We also teamed up with primeCROWD, who also have a great network. This strategy worked very well for us. We got a great investor set up, a combination of venture capital investors, experienced business angels who once had their own successful startup, as well as a strategic investor from the agricultural sector.

Your #1 tip for the initial meeting with an investor?

Everybody has some relation to farming. Most of the people out there have relatives, friends, grandparents or neighbors who are farmers, and if not, at least everybody likes good and sustainably grown food. Find the relation between your idea and your investor of choice. It's much easier to talk if there is a common ground.

How many months did this funding round require (from start to money in the bank)?



Johann Prankl
R&D, CTO

FARMDOKE is a smart farming system featuring automatic record keeping with smartphones.



What are smart questions to ask an investor in the first pitch-meeting?

What makes you feel excited and passionate if you talk to others about our business?

What makes a bad investor? And how can you find it out before taking the money?

Ask yourself if you would hire this person as a business consultant or strategic adviser!

Give a concrete example of how your investor helped after they invested?

Network door opener to investors and plenty of good advice on how to handle contractual issues and which lawyer is the right choice for our challenge (AT-USA)

How can founders get the best intros to investors? Who are the best intro-givers?

"Skin in the Game" is the magic formula.

What was the most painful mistake you made in your startup and what have you learned from it?

Experience is the knowledge you have right after the moment you actually needed it! There is a lot of experience in each start up ...

What value of which KPI did you achieve that enabled you to raise the money?

It was the big picture and set up KPIs, as well as our commitment to enter the USA market.

Your #1 tip to get the initial contact with investors?

Get a referral from someone with Skin in the Game

Your #1 tip for the initial meeting with an investor?

Establish trust.

Your #1 tip for funding deal negotiations with investors?

Focus on the big points.

What was the most helpful advice you've ever received as an entrepreneur?

Focus on happy clients and get the revenue in.

How did you find the right (realistic) valuation

and how did you "defend" it in negotiations?

Would you bring a friend in for the same valuation?

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Focus on your clients and on revenue more than on your virtual valuation.

How do you keep yourself motivated through tough times?

Trust in your own capabilities and skills! Who else should trust you if you do not believe in yourself?

How many investors did you try to contact in this funding round?

>30

How many of those investors did you actually meet to pitch to?

>20

How many months did this funding round require (from start to money in the bank)?

>12 months

Did you prioritize to win international investors? Why/why not?

no

What is your favorite business book that helped you the most?

The Alchemist



Dimitar Rupov
CTO

Global number 1 EdTech platform for learning medical ultrasound with >400,000 registered users.



What are smart questions to ask an investor in the first pitch-meeting?

I guess that depends on your fundraising structure or timeline. To every investor I explain our fundraising timeline, the documents they will receive at each step and the requirements to move forward. In the last round I had a 3 meetings structure: 1) Pitch (high level meeting). 2) Growth plan (detailed strategy & plan meeting). 3) Due Diligence.

In the first high level meeting I want to know: Rough ticket size, previous relevant investments, expertise & network and typical co-investors they prefer to work with. (Plus if it's angel investors, also why they started investing and what's their motivation?)

What makes a bad investor? And how can you find it out before taking the money?

An investor is part of your team. I see it as similar

to hiring the right employees. You need to carefully select investors. If the core values of your company and those of the investor don't match, it's probably not the right investor. Make sure you are clear what your core values are & write them down (if you haven't already). In your investor meetings watch out for any behaviors that support or contradict with your core values.

Give a concrete example of how your investor helped after they invested?

Emerge Education (Nic Newman): Setting up a very clear fundraising strategy and plan. Especially about preparing all documents (from pitch deck to due diligence data room) before you start going to meet investors. We were perceived, by many investors, as one of the most impressive companies they had seen (at Seed stage).

How can founders get the best intros to inves-

tors? Who are the best intro-givers?

Create a folder on Google Drive for your current investors. This folder should include all your fundraising documents. Prepare a document for your investors with a template intro email they can use. That has 2 advantages: 1) It makes the lives of your investors easier. 2) Your pitch is always communicated in the way you want it.

What value of which KPI did you achieve that enabled you to raise the money?

For us it was showing our conversion funnel of students using our app & enrolling ultimately at universities. During the process I updated the investors about the funnel conversion progress. Also the NPS & user feedback we got was good data to have that showed our product and user focus.

Your #1 tip to get the initial contact with investors?

Try to get introductions. LinkedIn can be very powerful. If it's not possible and you know an interesting investor will attend the same conference as you, try to connect on LinkedIn before, and ask for a quick 10 min meeting over coffee or lunch.

Your #1 tip for the initial meeting with an investor?

Impress investors by telling them exactly about your fundraising timeline, the meeting structure and documents they will get at each stage. Show them exactly how you would like to have your round structured and what expertise or networks you are looking for. Then it's also easier for them to make a quick decision as to whether it's a fit or not. You need to get an answer about whether they are interested in proceeding to a second meeting, or if they are not interested. Don't leave the first meeting without a clear yes or no decision to move forward. The best indicator that you get that someone is seriously interested, is when they suggest a second meeting.

Your #1 tip for funding deal negotiations with investors?

Make it clear that you will come up with a draft term sheet and insist that you will provide it.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

In the early stages talk to other founders who are a little bit ahead of you. This helps to get a feeling for the market. If you have investors already, talk with them about their experience and what they see as being realistic for the next round.

How do you keep yourself motivated through tough times?

Talk with your co-founders about how you feel - do regular retrospectives. Get a good mentor who can have a look at the situation from an outside perspective. Do some sports and eat healthily. And remind yourself about why you started this company in the first place - your intrinsic motivation is very often the key to pulling through the tough times.

How many investors did you try to contact in this funding round?

Target list: 76

Contact/initial meetings: 41

Growth plan meetings: 14

Signed investors: 3

How many months did this funding round require (from start to money in the bank)?

Prepared all the documents for the round in January, started the initial meetings in February and closed in July. Plan double the amount of time you think you need for term sheet & contract negotiations.

Did you prioritize to win international investors? Why/why not?

Yes, mainly the priority were international investors. Our business case is around international student recruitment and therefore networks in our target markets were important for us.



Christoph Trost
Co-founder & CEO

Monster.com for higher education student recruitment.



What are smart questions to ask an investor in the first pitch-meeting?

What strategic value can you bring to my company? What part of your network can help us grow?

What makes a bad investor? And how can you find it out before taking the money?

Extremes are always bad: Absolutely no engagement is as bad as one who is always at your side and wants to make operative decisions.

Give a concrete example of how your investor helped after they invested?

By opening and bringing in their personal network - our investors, for example, helped us with establishing contacts to several decisions makers in large companies. Very important for us as a B2B

product.

What value of which KPI did you achieve that enabled you to raise the money?

Existing revenue stream. It doesn't have to be a lot, but if you are creating revenue, it means you have a working product.

Your #1 tip to get the initial contact with investors?

Use your personal network, ask and talk about your needs. As a B2B product, we especially got great endorsements from existing customers.

Your #1 tip for the initial meeting with an investor?

Always try to get a personal meeting and don't think startup shows and their culture are the

norms. You have more time than 2 minutes, when you have head to head meetings.

Your #1 tip for funding deal negotiations with investors?

Do also think about you and do not only concentrate on the advantages for the investors.

What was the most helpful advice you've ever received as an entrepreneur?

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

The valuation should be based on the vision and you have to defend it. Which by the way is in the spirit of the new investors. In the next round, they are sitting with you in the same boat and bene-

fit from higher valuations. Seeing money is always high-risk money and the valuation of a startup can't be based on current KPI's.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Investors give you their money and that always comes with the need for control, which is absolutely understandable. But don't accept too many commitments (reporting, update calls, financial decision rules) which hinder you in your daily business. You need time to lead your company.

How do you keep yourself motivated through tough times?

The right investors help you; they have more distance which allows them to be calmer. Many investors are experienced and know situations like that. And of course, your vision should always help you to stay motivated.

How many months did this funding round require (from start to money in the bank)?

6 Months.

Did you prioritize to win international investors? Why/why not?

That completely depends on the strategy of the startup. Our solution will be worth more if we are considered as an international startup.



Thomas Urban
CTO

The app to increase employee motivation, and your bottom line.



What are smart questions to ask an investor in the first pitch-meeting?

What are your values? (Do they match with my values?)

What makes a bad investor? And how can you find it out before taking the money?

I think the BAD investors are the one which talk too much in your daily business. Ask other Ventures from your target investor how they feel about having him or her as an investor.

Give a concrete example of how your investor helped after they invested?

Connecting to bigger VCs and giving references. This is a booster for bigger funding rounds.

How can founders get the best intros to investors? Who are the best intro-givers?

The best intro-giver is a person who is related to your potential investor, but that's not easy to find, so if you know NOBODY in the scene it would at the very least be better to have a (funding) consultant that could give some references.

What was the most painful mistake you made in your startup and what have you learned from it?

I underestimated the time it takes to fundraise. Even if you're at breakeven and have good growth it can take an enormous time to find the right match. So assume 6 to 12 months.

What value of which KPI did you achieve that

enabled you to raise the money?

Over €1MIO in annual revenue was a door-opener.

Your #1 tip to get the initial contact with investors?

My #1 tip is to read the tips from Flo Kandler on how to cold contact investors. My takeaway: It is VERY hard without a referral.

Your #1 tip for the initial meeting with an investor?

Be open and don't try to fool them about numbers or anything else. My lesson learnt the VC-scene is that everything can be very uncomplicated. If you have the right idea and the right investor, you can pitch on a napkin and still raise enormous amounts of money.

Your #1 tip for funding deal negotiations with investors?

It always depends on your needs, if you urgently need the funding you don't have a good position for negotiations, but try to keep it cool and not to show your investors your problems. I learned that it is important to have a good consultant for the negotiations, who has seen a few VC contracts before.

What was the most helpful advice you've ever received as an entrepreneur?

Some smart guy: „Wer nicht teilen kann, kann auch nicht multiplizieren“ (I think I got it from Bernhard Ungerböck, AWS Gründerfonds) - Remember that when it comes to shares, especially with employees options.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We got an offer from our VC and didn't renegotiate because it was a fair deal for both parties. Never tell investors your idea of valuations. Let them make an offer and negotiate afterwards.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Definitely liquidation preference and "bad-leaver" terms. Be careful and triple-check the term sheet with lawyers or consultants.

How do you keep yourself motivated through tough times?

Be careful with yourself. In the hardest times it is even more important to eat healthy and to do a lot of things which calm you down, like sports, yoga or meditation. If you are not 100% when you have a crisis or low point it can get dangerous. Never compensate for it with alcohol or narcotics, I've seen a few founders who were very successful, and then messed up their lives in such a phase.

How many investors did you try to contact in this funding round?

About 25 to 30.

How many of those investors did you actually meet to pitch to?

7

How many months did this funding round require (from start to money in the bank)?

12 months.

Did you prioritize to win international investors? Why/why not?

No because we have a focus on the DACH area.

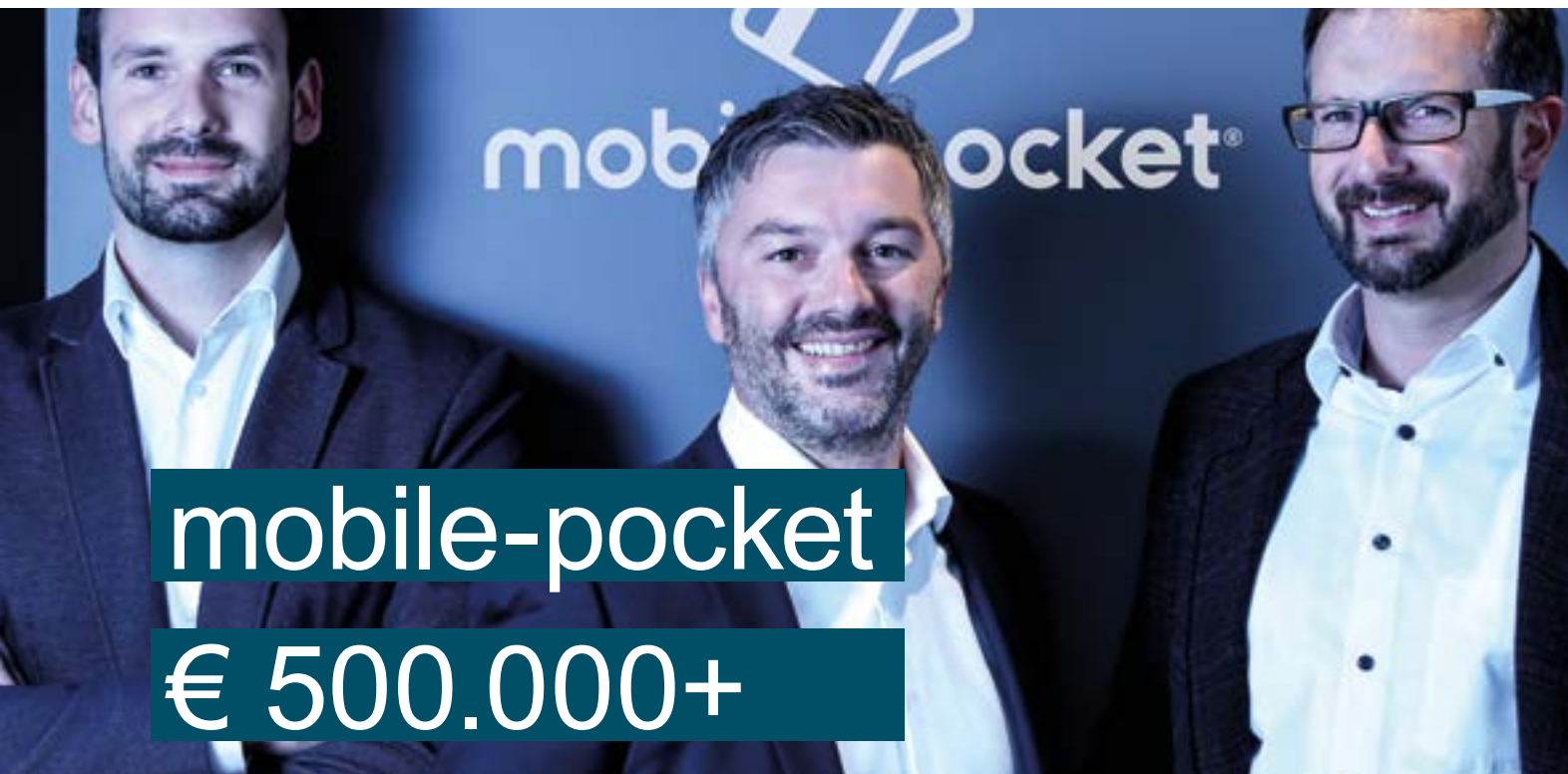
What is your favorite business book that helped you the most?

F. Malik - Leben, leisten, führen.



Richard Leitgeb
Founder

Online-retailer for security products like safes, smartlocks and alarm systems.



What are smart questions to ask an investor in the first pitch-meeting?

A genuine meant, “how are you doing personally today” combined with “What’s the strategy of your fund, or you personally, for the upcoming 2nd and 4th financial quarters?” This lets you understand, if the party, you want to potentially pitch your idea to, is actually doing very well and is currently receptive, or if you should aim and reschedule for a different kind of setting, or slot, to continue funding discussions. The second question allows you to plan ahead, to see if your current funding demands suit the investment strategy of the VC/BA. If you have a match here, you should be on the right track!

What makes a bad investor? And how can you find it out before taking the money?

I don’t believe in “bad” investors. Think about the question; is there a “bad buyer” for an apple in a supermarket? Personally, stay truly genuine when presenting your business opportunity to others. If you tend to desperately over pitch, you might find yourself successfully on board with people you might consider as “bad investors” or “bad partners”, but remember, there are always two parties needed to seal a deal. If you truly stick to why you believe the venture will

be successful, you will find the right people guiding your way with either funds or other skills. But please bear in mind, with staying “genuine”, I don’t mean unprepared raw pitching, as we have been used to in Austria for quite some time. You have got to get the message out there in a way that others are able to absorb. Explain what is your vision and reflect on it.

Give a concrete example of how your investor helped after they invested?

There were situations, where a kind of panic reaction was prevented, as Investors (in general) observe comparable stress situations more frequently and, due to their experience, are able to give guidance on how to steer the ship back into calm waters. Second, valuable introductions are the most powerful asset that people, engaged in your venture, are able to provide you with. That helped a lot.

How can founders get the best intros to investors? Who are the best intro-givers?

First, keep the introduction short, and nail it down to one sentence, what’s the common ground for the introduction that you are going to lay the groundwork for. In general, introductions that come from founders, people with good reputations, or industry experts, I consider as the most valuable ones. Additionally, if there is a personal

connection in place upfront, than that’s what’s being trusted in most.

What was the most painful mistake you made in your startup and what have you learned from it?

We went into a kind of “joint venture” with a potential investor, who actually went into bankruptcy pretty soon after. So I would consider this as one of those rare situations, where we ended up in bed with a “bad investor” kind of partnership. Advice is simple. Do your financial homework upfront. Don’t just assume that when 2 or 3 people speak out loud, the potential investor is “rich” or has done multiple deals and is trustworthy. For sure, that’s great, to have that kind of reputation, but work on your own background information. Use online services, invest a few bucks and do your background check on financials, potential investments and ask the investor kindly for references from other founders he or she currently works with and can give you a reference. The latter one gives you the most credible insight and it’s a task where you combine networking with gaining valuable information. Go for it, otherwise you will create a blind spot in your venture.

Your #1 tip for the initial meeting with an investor?

Learn as much as you can upfront before the meeting. Prepare your numbers of the current business and the past quarters. Be prepared to present in clear short sentences, perhaps supported with a pitch deck, the financial future that is the basis for the investment. Upfront, learn, which type of investments were mainly done before you entered the room. Learn, why they have been in specific industries (renewable, tech, health, finance etc.). Ask about ticket sizes and transaction time from first meeting to closing. In the case when you are sure that you want to continue, go for a clear structure of the way forward, of how to get a term sheet in place or a date for due diligence. If possible, have, a kind of at least, data room available with the relevant data that is necessary for due diligence. I now skip the standard “how to plan investors meetings” as there is plenty of material available publicly. Make use of it.

Your #1 tip for funding deal negotiations with

investors?

Lay out clearly why you need a specific amount to be successful. Also, in case there is a plan already in your pocket for a potential necessary series B or C, be transparent and make it clear, that you cannot spare over x % of shares, or else there won’t be a founder left to run the show after e.g. series A, which would be a kind of real dead end for investors.

How do you keep yourself motivated through tough times?

Stay close to your co-founders. In case you lose that connection, regain it quickly and immediately. Go out for a chat, an activity or grab a drink – right now! Personally, take yourself out of the “startup madness” to pursue other “hobbies” regularly like sports, music, culture, anything off topic, that helps you to then dive back in again. Perhaps don’t take up very time consuming kinds of activities, as this often results in not finding enough time away from your venture to enjoy them. Use travel time to get your mind fresh and do not stay 100% of the time on your screen. Think or let your mind rework the stuff you have already put in. Then, go ahead. If nothing truly helps to improve your state of mind or situation, drop the pencil, go out and support a friend or relative, who currently really needs a helping hand in some totally different kind of matter. Also, if you really want to take a step back, engage yourself socially in the community around you, or your office, for a few hours. Believe me, that’s one of the most powerful and meaningful things you can do to ease your mind and then get back fresh and strong to tackle the challenges ahead of you. When you have served soup to the homeless for a few hours, you will definitely be able to manage your current challenges.



Wolfgang Stockner
CEO

Bring your loyalty cards and rewards easily to your customers’ smartphones with mobile-pocket.



What are smart questions to ask an investor in the first pitch-meeting?

How did you support the startups in your portfolio? What is your experience in growing a SaaS solution? Who in your network could profit from our offering? What is your investment approach / timeline? How big is your fund / how about follow-up investments?

What makes a bad investor? And how can you find it out before taking the money?

In the first phases (pre-seed, seed...) I prefer people investing THEIR OWN money and not dealing with investment managers from early stage VCs. And I do prefer people with a good network and the motivation to be "hands-on".

Give a concrete example of how your investor helped after they invested?

Our investors went through the startup rollercoaster themselves, including a really successful exit. So we profit a lot from their experience as they know all aspects of startup-life. And of course we profit a lot from the network and experience of Byron Haynes - a really senior executive in the banking industry, the main industry we are targeting.

How can founders get the best intros to investors? Who are the best intro-givers?

Due to my experience it make a lot of sense to network within the startup ecosystem. Other startup entrepreneurs may give you intros to their investors, and in our case, we also profit a lot from our advisory board, where we have found really good support in this regard!

What was the most painful mistake you made

in your startup and what have you learned from it?

We learned that brand building and B2C is really tough and resource-intensive. And the Austrian market is very small, so reaching out to other markets is something you should start early on.

What value of which KPI did you achieve that enabled you to raise the money?

In case of SaaS, the MRR - monthly recurring revenue is an important KPI. In our case we profit a lot from the big brands we cooperate with.

Your #1 tip to get the initial contact with investors?

I recommend to: a) start early with researching who you would like to have as an investor; b) connect with them without pitching immediately; c) research what they are interested in and try to talk to them head to head.

Your #1 tip for the initial meeting with an investor?

Again try to have a conversation as two experts sharing thoughts on interesting topics, and ask about his / her opinion on certain topics you are working on at the moment.

Your #1 tip for funding deal negotiations with investors?

One thing you should avoid is to have time pressure because of your liquidity situation. Also the investors should know that you are also talking to others, so you create a FOMO (fear of missing out).

What was the most helpful advice you've ever received as an entrepreneur?

"If you ask for money - you get advice, if you ask for advice - you get money :-)"

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

There is actually no right or wrong in my opinion, and valuation is always a critical point. If you start too high, you may risk losing interesting leads; if you start too low, you risk losing a lot of shares. I guess it makes sense to postpone the valuation topic for as long as possible, so as to first convince them with business-model, team, traction and mo-

mentum...

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

As I said, network, experience and regular input on strategic topics can also be valuable besides money. (Perhaps a seat on the advisory board?)

How do you keep yourself motivated through tough times?

In my case: family, sports and of course the baningo-family!

How many investors did you try to contact in this funding round?

We short-cut the process as we turned to people we already knew or got an intro to.

How many of those investors did you actually meet to pitch to?

I don't know exactly, perhaps 10 in total

How many months did this funding round require (from start to money in the bank)?

As we knew a lot of people in our network, it was quite quick (4-6 months).

Did you prioritize to win international investors? Why/why not?

Not yet, perhaps later on, for bigger rounds.

What is your favorite business book that helped you the most?

"Traction" by Gabriel Weinberg, "4 steps to the epiphany" by Steve Blank, "Lean Startup" by Eric Ries, "Always start with WHY" by Simon Sinek, "Good to great" by Jim Collins, "Blue ocean strategy" by Chan Kim, and many more...



Maximilian Nedjelic
Co-Founder & CEO

baningo provides smart solutions enabling people to be visible and easily accessible online.



What are smart questions to ask an investor in the first pitch-meeting?

While there is an awful lot of emphasis put on preparing for a pitch, an investor is going to form opinions about you based on your first interaction, well before the pitch-meeting takes place. Be direct. Do not be shy. Also, do your homework about the investor (What do they invest in? How do they invest? What is their background? What do they care about? What do you want?). Here are some key questions you could ask that help make sure your first impression is a good one:

1. What is the last company you backed, and why?
2. Have you invested in a competitor, or are evaluating investing in one?
3. How many more investments are you planning to make this year?
4. What is your check size?
5. What is your investment process, and how long does it take?
6. Who else needs to be involved to make the decision to invest?
7. Who are some of the founders you backed that I can talk to?

By asking the right questions, you can avoid happy ears, avoid a "MAYBE", and really qualify investors in your funnel. In my opinion, this will put you in a much better position to get the outcome you want.

What makes a bad investor? And how can you find it out before taking the money?

For me, "BAD" investors tend to chase the latest trend or look for the right time in the market. Bad investors also tend to have more pride (primarily related to selling) and are more susceptible to the two emotions driving the market, fear and greed. Also - be vigilant of "FAKE" investors! There are thousands who have lost huge amounts of money, and valuable time, running after fake investors. Those who aren't emotional are the "BEST" investors.

Give a concrete example of how your investor helped after they invested?

I got direct intros to people I only knew from media and TV (NBA + NHL team owners, Silicon Valley startup celebs).

How can founders get the best intros to investors? Who are the best intro-givers?

The best intros probably come from entrepreneurs that the investor has already worked with. The best way to get a meeting with an investor is through an introduction from someone he listens to. Avoid middlemen. If the introduction starts with

"I don't know if you remember me," you're in trouble. Skip those kind of intros - you don't want intros from people the investor doesn't really know. This just makes you look bad.

What was the most painful mistake you made in your startup and what have you learned from it?

Being undercapitalized. Hiring too quickly, and then firing too slowly. Trying to be perfect and hence, being super-conservative on our cash needs in the early stages. Here is the thing about startups that I've learned over the last couple of years: it starts out as a big idea, it potentially becomes a big opportunity, and then it's all about pace. And that requires capital. Bootstrapping is great, but you've got to raise the money that you're going to need to keep your wheels turning and the dream alive - especially if you plan to compete on the big stage, and are going head-to-head against well-funded US startups. You need to move quickly. Time-to-market is crucial.

Your #1 tip for funding deal negotiations with investors?

Listen to learn and leverage your advantages. The first step is to listen and wait. Never show your term sheet first. Wait to see what the investor offers before posing your thoughts and terms. Ask questions around their enthusiasm for your company's mission, and their strategic involvement style.

What was the most helpful advice you've ever received as an entrepreneur?

"That's not easy, as I got so much great and helpful advice along the road. In retrospect, I guess, these are my Top 5:

1. Getting your business launched and your first product onto the market will take you twice as long, and cost you twice as much, as you think it will.
2. Don't you ever forget: It's your company - you decide.
3. Always look for people smarter than you, and surround yourself with people who can challenge and inspire you.
4. Show, don't tell.
5. Know when to let go.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Valuation benchmarks with US startups - all of them where either in sports, or SaaS-businesses.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Sam Altman (Y Combinator) wrote a short post about founder-friendly deal terms - I think, it's worth sharing: <https://blog.samaltman.com/a-founder-friendly-term-sheet>

How do you keep yourself motivated through tough times?

Remember your mission, and visualise a successful outcome. Stay positive, grind on and see it through (based on Nelson Mandela's quote "It always seems impossible until it's done.")

How many of those investors did you actually meet to pitch to?

Not too many, as the latest funding was a closed round.

How many months did this funding round require (from start to money in the bank)?

Close to 4 months (15 weeks).

Did you prioritize to win international investors? Why/why not?

No, we did not prioritize to win any international investors in the latest seed investment round - but this is going to be our plan for Series A.

What is your favorite business book that helped you the most?

Venture Deals by Brad Feld + The Hard Thing About Hard Things by Ben Horowitz.



Alex Pinter
Co-Founder & CEO

Gamified, crowd-sourced emotions in real-time across the entire fan journey (pre-game, live, post-game)



What are smart questions to ask an investor in the first pitch-meeting?

How could you help us besides giving money?

What makes a bad investor? And how can you find it out before taking the money?

That one who does not criticize your (mostly) too optimistic business case and / or road map and further doesn't state that he'll be happy if half of it comes true.

Give a concrete example of how your investor helped after they invested?

Investors have personally connected us with top experts and have won them over for us (experts who "normally" do not work with startups). Our investors are ALWAYS available for technical and economic questions and give advice for free.

How can founders get the best intros to investors? Who are the best intro-givers?

Turn to a financial services firm that is proven to

bringing together many investors and startups. PrimeCROWD has introduced us to many potential equity investors. CONDA has a very large crowd of lenders. We combined both. Take every chance to pitch wherever you can. You need 99 "No thanks" before you get 1 "I will do it" - and you never know if it's the first or the last of the 100 you've been introduced to!

What was the most painful mistake you made in your startup and what have you learned from it?

Even the best plans are delayed. That costs money! Make sure, from the beginning, that investors are prepared to invest more money in the short term. Acquire financial reserves!

What value of which KPI did you achieve that enabled you to raise the money?

(Remark: That's too complicated to explain in two sentences)

Your #1 tip to get the initial contact with investors?

You only have a minute to arouse the interest of a potential investor.

Your #1 tip for the initial meeting with an investor?

Stay authentic!

What was the most helpful advice you've ever received as an entrepreneur?

"Rome was not built in a day"

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Watch out for vesting conditions (are they balanced and fair (for both sides)?). When shares become free, you as founder should have the first right of refusal (having the right to buy these shares back). If you are not just thinking of a great exit (you should never, anyway!), but of building something sustainable ("organic growing" etc.), you should be careful that your shares may be inherited by your heirs.

How do you keep yourself motivated through tough times?

Always stay as the first one who believes in the (your!) project. If you doubt yourself, no one (no investor) will follow you. But do not be blind to your own mistakes. Get up and go on!

How many investors did you try to contact in this funding round?

Many tens of thousands! As we virtually used the addressees of our crowd financial service providers as a target list.

How many of those investors did you actually meet to pitch to?

About a hundred in personal meet-ups

How many months did this funding round require (from start to money in the bank)?

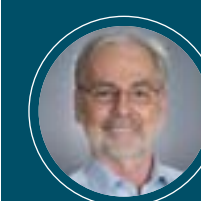
Roughly three to six months (depends whether it was equity or crowd-funding loans).

Did you prioritize to win international investors? Why/why not?

We do not specifically prefer them - but they help us with our international roll-out.

What is your favorite business book that helped you the most?

Business Angel Hansi Hansmann (Lisa Ittner & Florian Novak)



Claus Lamer
BizDev Manager

We extract 100% of valuable recyclables from waste tires as a contribution to the circular economy.



What are smart questions to ask an investor in the first pitch-meeting?

How's the interest in your startup? In which start-up is he invested? In his experience, how much money does your startup need to be successful?

What makes a bad investor? And how can you find it out before taking the money?

He's knowingly giving you too little money, too soon. Ask the investor how his current investments are going and what his last exit was like.

Give a concrete example of how your investor helped after they invested?

Our investor is a stroke of luck, the CIB Software from Munich provides real smart money. They are

our software partner and provide the software to generate structured invoices via virtual printer drivers and document servers.

How can founders get the best intros to investors? Who are the best intro-givers?

Visit Startup events like the Start-Up Spritzer or AustrianStartups. Address an investor directly at events. Please have a conversation, be polite and don't start pitching right away. Be prepared to explain your idea in one sentence.

What was the most painful mistake you made in your startup and what have you learned from it?

My biggest mistake so far has been choosing the wrong co-founder. Clarify the interests of your

partners as early as possible. Everybody always wants to work on a start-up. Always agree rights and obligations, in writing, and prepare yourself to draw conclusions if the agreements are not respected. Correct such errors as early as possible.

What value of which KPI did you achieve that enabled you to raise the money?

We received public funding from FFG.

Your #1 tip to get the initial contact with investors?

Look for an investor who suits you with his other startups. Write an email and ask if there is interest in an investment.

Your #1 tip for the initial meeting with an investor?

Find out everything about the investor, his start-ups and exits. Be prepared for questions about your numbers.

Your #1 tip for funding deal negotiations with investors?

Don't accept the first offer. Don't let them put pressure on you. Decide on an investor who wants to make your idea big, and not for the most money.

What was the most helpful advice you've ever received as an entrepreneur?

Ask for money and you'll get advice. Ask for advice and you get money.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

You can find some multiple tables on finance sites. With a little revenue in the future you will come to near 1 million valuation. If you don't have proven revenue now, be realistic and stay close to this value.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Try to get a convertible loan. Be careful when the investor creates the contract. Be cautious when it comes to the contract about usual and reasonable guarantees, warranties and indemnities.

How do you keep yourself motivated through

tough times?

You must be a positive personality as a founder. If you feel bad, seek help early.

How many investors did you try to contact in this funding round?

10

How many of those investors did you actually meet to pitch to?

8

How many months did this funding round require (from start to money in the bank)?

4 months

Did you prioritize to win international investors? Why/why not?

We talked to a lot of Austrian investors, but in the end we won an investor from Munich.

What is your favorite business book that helped you the most?

The Startup Owner's Manual - Blank & Dorf; Business Model Generation - Osterwalder & Pigneur; Value Proposition Design - Osterwalder / Pigneur / Bernarda / Smith.



Herbert Wechtitsch
CSO

Independent, international, decentralized invoice network.



What are smart questions to ask an investor in the first pitch-meeting?

A question I like to ask is: why do you want to invest in my startup? What is the added value that you can bring to my startup?

What makes a bad investor? And how can you find it out before taking the money?

Investors who are only interested in optimizing their short-term financial returns. Apart from that, it's all about the "social fit" between the investor and the founder team.

Give a concrete example of how your investor helped after they invested?

They introduced us to a large pharma company,

who ended up being a valuable long-term partner.

How can founders get the best intros to investors? Who are the best intro-givers?

The best intro-givers are definitely people who really understand your business, your mission, you vision, your values. People who are convinced about it themselves.

What was the most painful mistake you made in your startup and what have you learned from it?

Employee stock option programs: find the right way to remunerate employees. Set it up in a clean way, for instance "phantom stock", or having "verbal agreements" that are not put in writing.

What value of which KPI did you achieve that enabled you to raise the money?

Monthly recurring revenue of over ten thousand Euros.

Your #1 tip to get the initial contact with investors?

I'd rather have 10 qualified introductions via a person who knows and understands us, than sending 500 cold emails.

Your #1 tip for the initial meeting with an investor?

Be well prepared. Also know, on a "soft skill level", what the investor cares about, who the person is, what are his / her values.

Your #1 tip for funding deal negotiations with investors?

Have great advisors that you can trust blindly. Like lawyers, but preferably mentors.

What was the most helpful advice you've ever received as an entrepreneur?

Reflect about your daily actions. What went well, what didn't go so well, and how can you build on the positive experiences.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

I have a different view on this difficult topic. I believe, it needs to be a valuation that is okay for both, the founders and the investors. Ultimately you need to arrive at a situation where the investor gets a realistic share of the company, but founders don't give up too big of a share of their company. Valuation methods with multiples won't get you to a valuation that is okay for the founders.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Rights of control and veto rights are important for founders. Make sure you can still decide and control the direction of your startup, so you don't end up being an employee in your own company.

How do you keep yourself motivated through tough times?

You have to love what you do. And if you do, then negative times can be overcome. Believe in the vision and the team - this is the fundamental basis for my persistence.

How many investors did you try to contact in this funding round?

12

How many of those investors did you actually meet to pitch to?

9

How many months did this funding round require (from start to money in the bank)?

5

Did you prioritize to win international investors? Why/why not?

No, not in this round. Because we have a focus on the German-language region, we spoke to two German investors. However because we are a Business Angel case, we focused on finding local "smart money".

What is your favorite business book that helped you the most?

There are so many. But some of my favorite ones are by Simon Sinek, like "Start with why".



Janis Jung
Co-Founder & CEO

The medical quality seal.

CorpLife

€ 430.000

What are smart questions to ask an investor in the first pitch-meeting?

How can you help us except by supplying equity to the startup?

What makes a bad investor? And how can you find it out before taking the money?

When the investor is behaving like someone who is better and talks down to the startup.

Give a concrete example of how your investor helped after they invested?

Needed a C-Level Position and our Lead Investor

suggested two applicants immediately.

How can founders get the best intros to investors? Who are the best intro-givers?

M&A Companies like Prime Crowd do a good job in networking founders to investors.

What value of which KPI did you achieve that enabled you to raise the money?

Our Revenue Model and Cash Flow being positive.

Your #1 tip to get the initial contact with investors?

Be active don't wait until you get a response.

Your #1 tip for funding deal negotiations with investors?

The most important thing is not the valuation, it's the relationship with the investors, from the first day it is as if you are in bed with them, so it's important to have a good and respectful relationship.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We operated with realistic valuations, we never had to defend it.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Commitment to targets that are too high.

How do you keep yourself motivated through tough times?

My whole team motivates me every day when I cross the door to the office. It makes me happy working every day with my team. Our atmosphere is amazing.

How many investors did you try to contact in this funding round?

10 Investors

How many of those investors did you actually meet to pitch to?

10 Investors

How many months did this funding round require (from start to money in the bank)?

5 months

Did you prioritize to win international investors? Why/why not?

Planned for Series A

What is your favorite business book that helped you the most?

Delivering Happiness



Mario Nowak
Founder & CEO

We provide web-based software solutions for Companies to reduce their resources. We do this using an Employee Benefits Platform and a digital Expense Manager.



Domonda

€ 385.000

What are smart questions to ask an investor in the first pitch-meeting?

Track record, network for follow-up investments, portfolio companies with non-competing products with the same target group.

What makes a bad investor? And how can you find it out before taking the money?

A bad investor doesn't talk about the vision, but rather about short term financial goals. Offers only sweat money or doesn't define the exact scope of his sweat money. Asks for personal liabilities.

Give a concrete example of how your investor helped after they invested?

Helped us implement a functioning growth hack on LinkedIn. Helped us prolong our runway by switching to annual payment rather than monthly payments.

How can founders get the best intros to investors? Who are the best intro-givers?

Don't be too greedy, first build connections, and trust, with other startups and show that you are here to stay. Be helpful yourself first.

What was the most painful mistake you made in your startup and what have you learned from it?

Not following startup best practices. Stick to the industry rule books (Lean Startup, MVP and Design Thinking, etc.). We wasted time and money with the wrong sales approach and didn't collect, validate and execute on real data. The pivot we took worked, but it put immense financial pressure on us that could have been easier if we would have pivoted faster.

What value of which KPI did you achieve that

enabled you to raise the money?

We only had one pre-seed round in early 2018. The pitch was based on an experienced team that had first sales and an MVP. There was no clear traction yet, but we had a great vision and first sales.

Your #1 tip to get the initial contact with investors?

Go to events, meetups and talk to people. Ask friends or other startup founders you know. Ask for advice rather than money. If you ask for advice, you end up getting money. If you ask for money, you end up getting advice.

Your #1 tip for the initial meeting with an investor?

Be prepared. Know your market, peers and your KPIs. Show that you own your thing and tell something intriguing

Your #1 tip for funding deal negotiations with investors?

Create a bit of FOMO by setting a deadline. It definitely helps to have several angels or investors interested. Getting an LOI from one will put good "pressure" on the others to move forward.

What was the most helpful advice you've ever received as an entrepreneur?

The best piece of advice was psychological. I used to be bad at listening and taking advice. Instead of confronting me, my former boss (before I became an entrepreneur) pulled me aside and said this line in a very calm tone: "Try to look at this personal trait as a deficit without feeling bad about it". It really helped me understand better how I functioned, and allowed me to be less impulsive and make better decisions.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

We really played the team card. Three experienced founders that had high opportunity costs. We also had a professional license for a regulated business, which was seen as an asset. We defended the valuation by giving attractive terms with long investing periods.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky

deal terms that you would warn about?

Don't take in too much sweat money, make sure you have experienced investors and ask the founders of those startups about their terms. Don't allow for multiple liquidation preferences, anti-dilution clauses and make sure you create drag-along and tag-along clauses. Red flags are investors that don't know about these things.

How do you keep yourself motivated through tough times?

I took a 4 week break and started exercising 3x a week and spent time with my kids and family. It helped to see that things still move on even if you need a timeout. It helped me strengthen the trust in my co-founders and the team.

How many investors did you try to contact in this funding round?

25

How many of those investors did you actually meet to pitch to?

15

How many months did this funding round require (from start to money in the bank)?

3

Did you prioritize to win international investors? Why/why not?

No, we have a product for the German speaking area that has specific regulations. We had PrimeCrowd help with the fundraising

What is your favorite business book that helped you the most?

Lean Startup by Eric Ries.



Michael Haller
CEO

Accounting platform with an integrated financial service marketplace.



What are smart questions to ask an investor in the first pitch-meeting?

What investments have they already done? Why they invested, and in which categories and why? How the investor can and will help you, in detail.

What makes a bad investor? And how can you find it out before taking the money?

Actually, this really depends on the stage. So, at the early stage it is really about trust. If the investor doesn't believe in you, you should probably not take his money. I think investors can really help a lot, especially as you cannot be an expert in all areas and some investors' networks are great. But if an investor knows everything better than you, all the time, you should probably be suspi-

cious. I have heard of startups that are suffering from investors who are criticizing all the actions they do. This is probably the worst scenario, because it creates a very bad work environment. Building a startup is high risk - there are things you can control, but some not. You should definitely find out that the investor knows, and accepts, the risk before taking the money from him/her.

Give a concrete example of how your investor helped after they invested?

One of our investors invested cash and sweat equity. We liked the idea of having experts around us when it comes to investment rounds, digital marketing and sales. Some people don't like the mix of cash and sweat equity. Personally I am very happy with this arrangement, but it's clear that you

need a high level of trust on both sides to make this work properly.

How can founders get the best intros to investors? Who are the best intro-givers?

In my opinion investors that are willing to invest in your company can give the best intros. They already know you and can often access a good network.

What was the most painful mistake you made in your startup and what have you learned from it?

Sheepblue is now our 3rd startup software company and over the course of a decade I'm pretty sure that we've made a lot of mistakes (probably more than this page can cover :). Building up a young company you need to try things out. Some work, some don't. Later you can look back and say: "this was good" or "this was a mistake". But, going back and being aware of the same data and conditions, the same environment and circumstances, you would probably make the same decisions / mistakes again. I think that experience is something that helps intuitively avoid some of these mistakes, just because you take a different path before you come to these potential mistakes (where you probably would decide to do the same thing again ...)

Your #1 tip for the initial meeting with an investor?

I think it's extremely important that you are able to connect on a personal level, at least at a very early stage. In the beginning you can't provide many things except your ideas and the team. So what stays is trust. It helped us a lot that we had already founded two software companies before, of which one we had successfully exited. So, at least the investors trusted us that we were able to develop software and sign contracts :) Actually I believe that one of the main advantages of building up a startup is that you can choose the people you want to work with. Normally you surround yourself with people you like, and I'm striving to keep it this way with investors as well.

Your #1 tip for funding deal negotiations with investors?

Do not accept conditions that make you un-

happy. It doesn't make sense in the long term. In general, work out, and state, your interests and find out the interests of your investors. Based on that try to find a good solution for both sides.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Especially in the first round this is super difficult. There is no product yet developed, so it's really about everything going on around it. We all agreed together on a certain valuation for this angel round. But again: Do not accept conditions that make you unhappy. It doesn't make sense in the long term.

How do you keep yourself motivated through tough times?

"Everything will be okay in the end. If it's not okay, it's not the end." — John Lennon

How many investors did you try to contact in this funding round?

We had around 30 on our list.

How many months did this funding round require (from start to money in the bank)?

Between 6 and 9 months.

What is your favorite business book that helped you the most?

Already a long time ago I read "Crossing the Chasm" by Geoffrey A. Moore. It perfectly explains the Technology Adoption Life Cycle and the challenges that come when you need to cross the chasm...



Reinhard Falschlehner
Co-Founder & CEO

Sheepblue is a SaaS-solution for automated employee scheduling that takes individual preferences into account.



What are smart questions to ask an investor in the first pitch-meeting?

What do you like about the product? Whom would you suggest it to? How have you, or someone you know, solved the problem so far? Are you willing to help us with your network?

What makes a bad investor? And how can you find it out before taking the money?

An investor who only cares about himself, and would rather sacrifice you than help you, when he / she loses some money.

Ask other companies he / she has invested in, as to how satisfied they are. What do business partners think about him / her?

Give a concrete example of how your investor helped after they invested?

He helped Adrian, Maximilian, Stefan and me to focus again on what students need to increase the engagement rate.

How can founders get the best intros to investors? Who are the best intro-givers?

PR is very important. In our case that was

an important factor. The investor was contacting us because of a specific interview.

Get connected at events but don't overvalue the presence there. If you are at every event, nobody thinks that you are working on your product or service. Be yourself and don't tell everyone how good everything is. Ask for help and feedback.

What was the most painful mistake you made in your startup and what have you learned from it?

To integrate push-notifications too late. To overvalue sales at the beginning and undervalue user growth, which is the key for sales in our area.

What value of which KPI did you achieve that enabled you to raise the money?

The quality of the app and the team.

Your #1 tip to get the initial contact with investors?

Ask for help or feedback. Not every investor will help you, but some will. And they are your possible future ambassadors and influencers.

Your #1 tip for the initial meeting with an investor?

Don't lie about KPIs. It can hurt you later.

Your #1 tip for funding deal negotiations with investors?

Discuss the terms with your team, as Adrian, Maximilian, Stefan and I did.

What was the most helpful advice you've ever received as an entrepreneur?

Ask questions about what could have happened to your product sector in the past, such as: How did you solve a specific problem in the past? How much time did it cost you? How much money? Maybe there isn't a problem at all. JACKPOT, if you find out there could be a lot of pain in time, or costs, for your future customers.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Wasn't a big issue in our case. The strategic partnership was focused.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Vesting and focusing on what every part brings in, (time, money or network).

How do you keep yourself motivated through tough times?

Team spirit, and I think you have to have the founder gene, so even when you are down, you want to "solve the problem you are focused on".

How many investors did you try to contact in this funding round?

1

How many of those investors did you actually meet to pitch to?

1

How many months did this funding round require (from start to money in the bank)?

6

What is your favorite business book that helped you the most?

The Mom Test: How to talk to customers & learn if your business is a good idea when everyone is lying to you.



Emanuel Kaspar
Co-Founder

Helping students organize their lives, and companies connect with students.

ONDEWO

€ 250.000+

What are smart questions to ask an investor in the first pitch-meeting?

Which portfolio companies do you have? Why do you want to invest in us? Which challenges do you see for our company in the next 18 months?

What makes a bad investor? And how can you find it out before taking the money?

An investor who asks for a detailed business plan. An investor who is interested in the break even point. An investor who tells you what to do instead of advising you on topics.

Give a concrete example of how your investor helped after they invested?

Network and business access. Sparring partner

for product questions and follow-up investors. Access to large companies.

How can founders get the best intros to investors? Who are the best intro-givers?

Startup founders and close business contacts are the best intro givers.

What was the most painful mistake you made in your startup and what have you learned from it?

Waiting too long before getting rid of an employee.

What value of which KPI did you achieve that enabled you to raise the money?

MVP ready.

Your #1 tip to get the initial contact with investors?

Take part in pitch events.

Your #1 tip for funding deal negotiations with investors?

Know your companies value and set boundaries and deal breakers.

What was the most helpful advice you've ever received as an entrepreneur?

Hire and fire fast.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Extensive market research and analyses.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Voting rights should be distributed equally among shareholders (no veto rights for anyone). Adding good and bad leaver events. Respecting IP rights and confidentiality.

How do you keep yourself motivated through tough times?

Talk to co-founders and friendly startups. Sports.

How many investors did you try to contact in this funding round?

50

How many of those investors did you actually meet to pitch to?

30

How many months did this funding round require (from start to money in the bank)?

4

Did you prioritize to win international investors? Why/why not?

No, European countries are very close by :-)

What is your favorite business book that helped you the most?

The Mom Test by Rob Fitzpatrick.



Andreas S. Rath
Co-Founder & CEO

An on-premise conversational artificial intelligence platform for enterprises to automate human/machine conversations.



What are smart questions to ask an investor in the first pitch-meeting?

Try not to focus on valuation and the possible additional value that the investor might bring to the table (they love talking about this ;)). Three things matter: 1) That you get financing. 2) That you get it quickly and can focus on providing value to the customer again. 3) That you do not sign a term sheet that makes you less interesting for future financing rounds, or creates a lot of operational effort.

What makes a bad investor? And how can you find it out before taking the money?

Is the investor talking to you face to face and would you like to drink a beer with them? If not, that is a knockout criterion. Plus, investors are highly incentivized to stall negotiations to reduce their uncertainty. Thus, the best recommendation I have received is to have a clear timeline for the financing round and stick to it. Great investors challenge you

brutally on your numbers, which is a superb opportunity for a sanity check. Bad investors focus on term sheets and projections.

Give a concrete example of how your investor helped after they invested?

Additional value is not what you should look for in an investor. We are fortunate to have our investor, Square One Foods, on board and have received way more help than anticipated, but providing an example would contradict the previous sentence.

How can founders get the best intros to investors? Who are the best intro-givers?

We were lucky to get great introductions from some of our customers who work in startups or at VCs. Our shareholders also have great networks. Successful founders, or employees, of other VCs provide the most valuable intros.

What was the most painful mistake you made

in your startup and what have you learned from it?

We invested a lot of time and effort in analyzing, testing, and choosing the right name. It works well in all markets and from a brand protection perspective. However, the opportunity cost was high. Looking back, I would trust my, and my cofounders', instincts and go for it. Apple is not successful because of its name.

What value of which KPI did you achieve that enabled you to raise the money?

Only growth matters. When you look back at ~20% month over month growth, for more than a year, this is highly attractive to investors.

Your #1 tip to get the initial contact with investors?

They will come to you. Often not directly, but via mutual contacts, or after seeing you in the press, or being active in the marketplace. Reaching out on your own is unlikely to work.

Your #1 tip for the initial meeting with an investor?

Like with job interviews have meetings first with the less interesting investors to practice. And know your numbers.

Your #1 tip for funding deal negotiations with investors?

Be soft on the valuation. Be hard on staying flexible and being able to continue to execute after having signed the term sheet, and, of course, talk to other startups that the investor has invested in.

What was the most helpful advice you've ever received as an entrepreneur?

Ignoring survivorship fallacy for a moment I would say it was: "Do not overanalyze. Just start the company and do not look back." It worked out just fine for me, and thanks to my best friend, and trusted advisor, Sandra Mandl for the final nudge.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

There is a large range of valuations that can be argued for, so it is more about supply and demand. We found market benchmarks (valuations of oth-

er startups) to be helpful, as well as breaking the valuation down and discussing possible divergent views on specific factors.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

You can send the term sheet to a couple of people who have done it before. If it is not standard, it is bad.

How do you keep yourself motivated through tough times?

There is the sanitized answer from founders: Exercise, sleep, and meditation, and the empirical one: Netflix, Tinder, and beer. Both have their merits. After 1 or 2 years you will get used to the continuous rollercoaster between unicorn dreams and near death experiences – it is a part of the game.

How many investors did you try to contact in this funding round?

30

How many of those investors did you actually meet to pitch to?

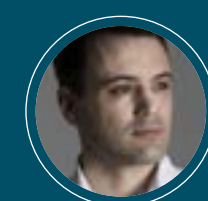
10-15

How many months did this funding round require (from start to money in the bank)?

9 months.

What is your favorite business book that helped you the most?

Invest 4 hours on YouTube videos to understand Elon Musk on first principle thinking, 4 hours internalizing the Stanford Startup lectures, and 4 hours digesting any writings online from Sam Altman or Paul Graham from Ycombinator.



Hannes Feistenauer
CEO & Managing Director

SATURO is a convenient, complete food optimized for your body. The smart alternative to fast food.

MOVEEFFECT

€ 250.000+

What are smart questions to ask an investor in the first pitch-meeting?

What do you like most about our product/company?
What were the reasons for attending this meeting?
What is important for you as an investor (for the founder team, product, KPIs, ...)?
How do you see your role in the company (only giving money, adviser, hands-on and also becoming a co-worker,...)?
What are the main points where you could help us?

What makes a bad investor? And how can you find it out before taking the money?

Since we do not have bad investors, I am not the expert in this. Investors must / should share the same vision and should help in growing the business.

Give a concrete example of how your investor helped after they invested?

There is a lot and I think it should be much more than only money. In our case they helped us with a lot of very good advice (e.g. business model,

growth, marketing,...) and also helped us getting more new customers. For example, we reworked our pricing model after input from our investors.

How can founders get the best intros to investors? Who are the best intro-givers?

Introductions are always the best way, not only for finding new investors but also for getting new customers or partners. It helps a lot to find out if there is a win-win for both sides and to get to know each other better. Without introductions, due to heavy workloads and other things, it is much harder to get to know each other. There are no standard best intro-givers. It should always be a person with positive connections to the investor (or customer / partner).

What was the most painful mistake you made in your startup and what have you learned from it?

There were a lot of mistakes :-). But the important thing is that you learn from these mistakes. This helps a lot for the future (and this learning process is also very important). We had to learn about find-

ing the right people to grow our business.

What value of which KPI did you achieve that enabled you to raise the money?

I guess these would be the participation rate of users with our software as well as a churn rate that was near to zero. These factors ensure high growth and longtime happy customers.

Your #1 tip to get the initial contact with investors?

There is not one tip, as always you should use multiple ways to connect with investors, e.g. events, via other startups or startup hubs / incubators and investor networks (primeCROWD, aws,...)

Your #1 tip for the initial meeting with an investor?

Share your vision and be completely honest. Which, by the way, should be the case not only for investor meetings, but also meetings with customers, partners, employees,...

Your #1 tip for funding deal negotiations with investors?

If both sides share the vision and have a good partnership, there should not be a big negotiation, only within a small range. If the difference is too high, you should ask if it is the right decision for both sides.

What was the most helpful advice you've ever received as an entrepreneur?

"Never stop learning" :-). But there is so much good advice!

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

By calculation via different mathematical models, and finding a suitable average of these values. The models were also the best argument to defend it.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Sweat money definitions and what other inputs are coming from the investor. You should also define bad case scenarios (it is always fine as long as everything is working well, but what happens in

worst case scenarios).

How do you keep yourself motivated through tough times?

Like what you do and do it with passion. Follow your vision and keep in mind that you need the low times to celebrate the high times. It should be your dream to do this business (it shouldn't be just a job).

How many investors did you try to contact in this funding round?

We worked with investor networks, so indirectly there were many hundreds but we mainly operated with the investor networks (e.g. primeCROWD)

How many of those investors did you actually meet to pitch to?

Around about 10.

How many months did this funding round require (from start to money in the bank)?

Including preparation, time it was 9 months.

Did you prioritize to win international investors? Why/why not?

No, since it was our first round we wanted investors with good connections in the DACH region, but for the next round we would also focus on international investors.

What is your favorite business book that helped you the most?

There is not "one book". I prefer getting my knowledge from several sources and comparing different opinions and approaches. Viewing in different areas with different solutions and tips is essential to get a fundamental knowledge so you can grow your business.



Roman Heinzle
Founder & CEO

MOVEEFFECT is the leading motivational platform for measurable and sustainable corporate health promotion.



What are smart questions to ask an investor in the first pitch-meeting?

How can you help us? What is your network? Would you stay with us for the next few years?

What makes a bad investor? And how can you find it out before taking the money?

Too much influence. Talk to other startups.

Give a concrete example of how your investor helped after they invested?

Helped with business development.

How can founders get the best intros to investors? Who are the best intro-givers?

tors? Who are the best intro-givers?

I didn't get any intros.

What was the most painful mistake you made in your startup and what have you learned from it?

- 1) I didn't see that the cofounder was headed for a burnout => talk more often to each other about social things and not only business.
- 2) Too loose overview => try to keep updated and "force" your employees to give updates.

What value of which KPI did you achieve that enabled you to raise the money?

We had annual revenue of over 100K, over 150 customers and almost no churn rate.

Your #1 tip to get the initial contact with investors?

Cold call, try to be at as many events as possible, but don't be like: "we are the next unicorn" but be confident.

Your #1 tip for the initial meeting with an investor?

Everyone is just a person - even investors. Get your numbers ready and be yourself.

Your #1 tip for funding deal negotiations with investors?

It's like in a market... you start with a price - they start with a price - we meet in the middle.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

There was not a right way. We talked a lot with our investors and thought about the next few years.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Investors are always first when it come to exit...

How do you keep yourself motivated through tough times?

Remember what you have achieved so far.

How many investors did you try to contact in this funding round?

30

How many of those investors did you actually meet to pitch to?

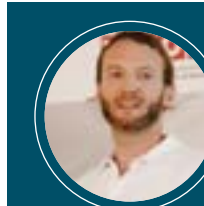
10

How many months did this funding round require (from start to money in the bank)?

8

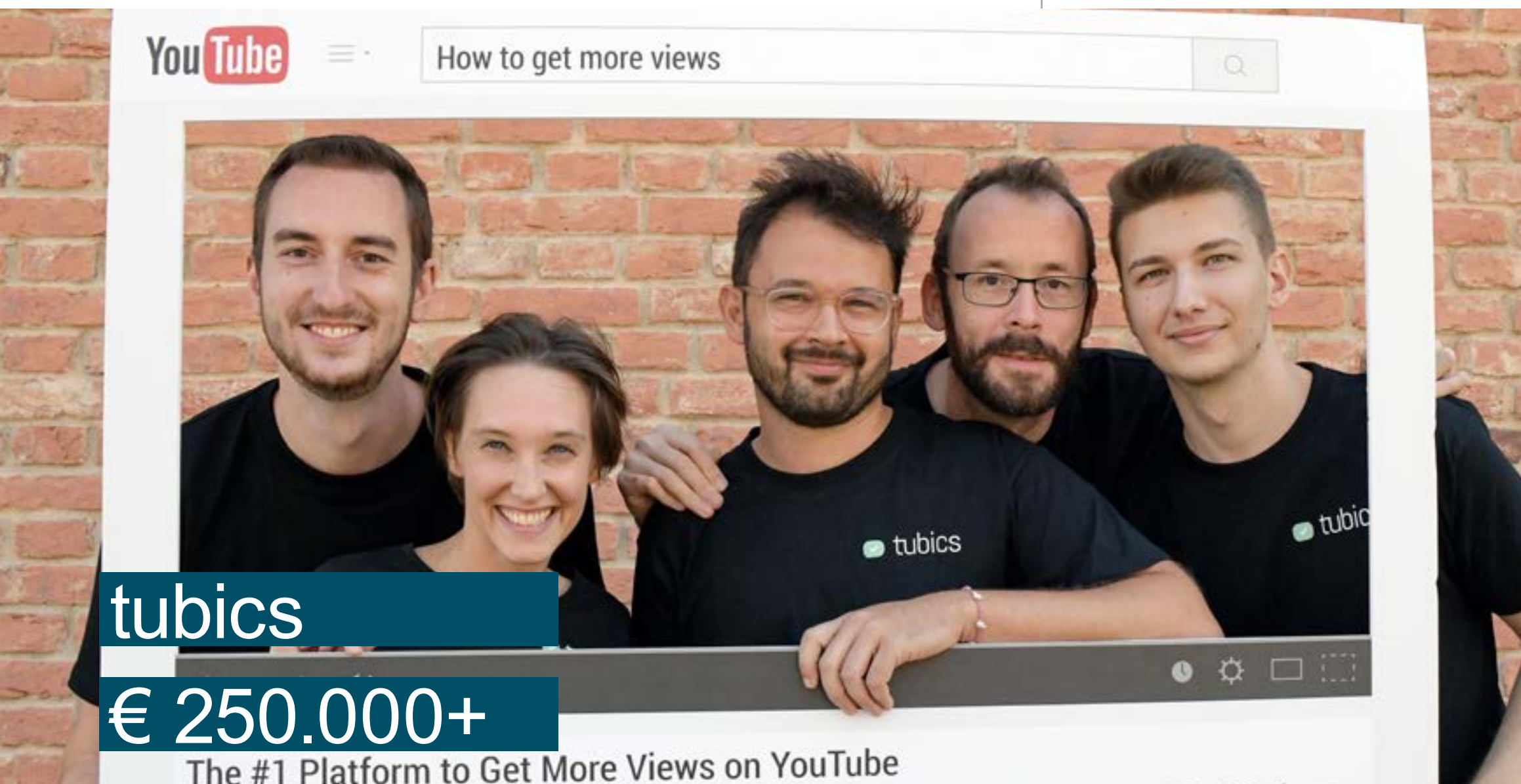
Did you prioritize to win international investors? Why/why not?

Not really



Wolfgang Lang
Founder & CEO

Booking and Management Software for facilities.



What are smart questions to ask an investor in the first pitch-meeting?

For business angels: If it's not evident find out why they are interested in your particular startup and what are their expectations on working together, financial gains, ticket size, valuation and follow-up investments. Ask about their prior experience in startup investments. This may answer many questions without asking directly. For VCs a lot of basic information is available online. So first do your research and then ask about those things that you are still missing. Ask questions that really matter to you, not just to sound smart.

Give a concrete example of how your investor helped after they invested?

Our very early investors believed in us, and trusted

us, even when the evidence, that we would have a useful and valuable product, was still pretty limited. This gave others the confidence to believe in us as well. Our investors introduced us to clients and to other potential investors. Their feedback is very valuable because they see, and have invested in, a lot of other startups which gives you some clue to understanding how you are doing compared to others.

How can founders get the best intros to investors? Who are the best intro-givers?

Be helpful to others and people will be helpful to you. The best intro givers are people that know you and appreciate what you do. So talk about your startup to as many different people as possible. Intros are part of the game so don't be ashamed

to ask for an intro. Make it easy for the intro giver. Prepare everything in a way that they just need to forward your message.

Your #1 tip to get the initial contact with investors?

You need to make clear exactly why you contacted this person. Good reasons can be: They are experts in your space. They have already invested in similar (but not competitive) startups. A common contact mentioned that he / she could be interested. Your pitch will typically evolve and improve. So before contacting your preferred investor be sure that you have already got some feedback before, and that you have already made one or two iterations.

Your #1 tip for funding deal negotiations with

investors?

In the best case you are always negotiating with several potential investors at the same time. Don't rely on just one, no matter how good things look. To get the first investor to participate in a round is the hardest. Ideally, you already have a second option when you start to negotiate with your most favored investor.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Be careful about liquidation preferences. There are many articles that will tell you about what is common and what not.

How many investors did you try to contact in this funding round?

30-40.

How many of those investors did you actually meet to pitch to?

About 10.



Claudia Eder
CEO

Video Search Engine Optimization for
Creators and Brands.

own3d media

€ 250.000

What are smart questions to ask an investor in the first pitch-meeting?

How many startups have you already invested in? Because the experience of investing is very important.

What makes a bad investor? And how can you find it out before taking the money?

What we really like about our investors is that they are very calm and patient. Investors should not be

impatient because everything looks good in Excel. Plans about revenues and other goals in the first months rarely come true. Our investors were very calm and we had good and productive discussions.

Give a concrete example of how your investor helped after they invested?

Our investors founded a lot of companies themselves. They always had good inputs and feedback from their own experience in building a startup.

Almost a kind of mentoring, where we got a lot of good feedback and tips for our strategy and plans.

How can founders get the best intros to investors? Who are the best intro-givers?

We were really lucky. Coincidentally we met someone who knew investors who were looking to invest in a startup in our industry. But in general, people at accelerators have a lot of contacts. You can also meet people at their meetups, who can help you to get in contact with investors.

What was the most painful mistake you made in your startup and what have you learned from it?

We got a lot of money when we started the company. So we thought, it is almost impossible to spend all that money. But for that reason, we were not focused enough on getting the revenue we needed. A lot of money can make you blind. It can make you lose your focus. We tried too many different things.

What value of which KPI did you achieve that enabled you to raise the money?

It was finding and building the right team. Investors always mention it in the Business Angel scene: the team is more important than the initial idea. We were three co founders. But we could not have made it, to where we are now, without having built a team where everyone trusts each other and people follow the strategy. When we pitched to investors, they chose us because our team was very good, even though our early KPIs around growth and revenue were still at a very early stage.

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

Especially in the first investment round, you shouldn't be too focused to negotiate about equity share and amount, but instead focus on finding the right investor.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

When we received the first contract draft, they wanted a lot of rights in the company, even when they had a less than 25% share of the company. So, even though you had more shares than them, they may want to have rights such as the ability to

remove you as CEO.

How many investors did you try to contact in this funding round?

1 (via introduction, not having been actively searching for investors)

How many of those investors did you actually meet to pitch to?

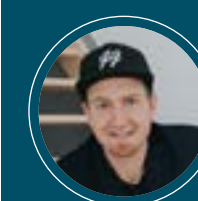
1

How many months did this funding round require (from start to money in the bank)?

1

What is your favorite business book that helped you the most?

The Lean Startup, by Eric Ries - for the basics and foundation. But also the biographies of Frank Thelen, Steve Jobs and Florian Gschwandtner - to learn from the honest stories and mistakes of other founders.



Thomas Rafelsberger
Founder & CEO

Services, products and tools for game streaming.



What are smart questions to ask an investor in the first pitch-meeting?

How flexible is the investor with trying different business models.

What makes a bad investor? And how can you find it out before taking the money?

When they negotiate only for themselves and do not have in mind the long term financial needs of the company.

Give a concrete example of how your investor helped after they invested?

By giving us fair investment terms, freedom to try different business models and support us both in the good and bad times.

How can founders get the best intros to investors?

Who are the best intro-givers?

The best intro giver is yourself, just go out and pitch to everyone, be passionate and intros will follow your own enthusiasm.

What was the most painful mistake you made in your startup and what have you learned from it?

For an investment I think the mistake at some point was to focus on selling the technology, instead of selling our team and our vision for the future.

What value of which KPI did you achieve that enabled you to raise the money?

A working MVP

Your #1 tip to get the initial contact with investors?

Research if they have invested in your vertical, if they are a match in terms of their interest and the stage you're at.

Your #1 tip for the initial meeting with an investor?

Ask many questions, rather than it being an interview, try to make it a 2-way communication.

Your #1 tip for funding deal negotiations with investors?

Have a clear idea what is negotiable and what is not negotiable and tell them.

What was the most helpful advice you've ever received as an entrepreneur?

"Create and commit to your own standards. Also for your company, don't follow the standards of

others" Adi T. CEO - Founder

How did you find the right (realistic) valuation and how did you "defend" it in negotiations?

It is realistic when you can convince the lead investor to agree on it, the next one then follows. We calculate the future investment needs and try to keep a cap table that would be attractive for future investors.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Keep it simple, no special terms for investors, no separate class, use common sense.

How do you keep yourself motivated through tough times?

The team, if the investor is feeling down and your team is motivated they will lift you up. Also users feedback, people solving their problems with your product is the best gratification ever.

How many investors did you try to contact in this funding round?

25

How many of those investors did you actually meet to pitch to?

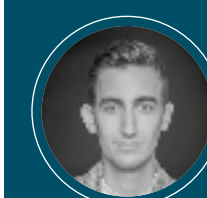
10

How many months did this funding round require (from start to money in the bank)?

5 months

What is your favorite business book that helped you the most?

The best team wins.



Matthias Urschler
COO

COZYO makes an AI interior designer.



What are smart questions to ask an investor in the first pitch-meeting?

It depends on the type of investor (Business Angel, VC, family office). These are the questions we usually ask Business Angels:

What else do you bring in, apart from cash? How much time do you usually spend with founders? Do you have experience in this area? Have you already invested in startups in this field? Which startups have you already invested in? (for DD: so you can get in contact with their founders and ask if the work / communications with the investor works well - or find out in case there are red flags)

What's your usual ticket size? Do you usually do follow-on investments? How long does your process

need? Are you okay with being syndicated to keep the cap table clean for later rounds?

What makes a bad investor? And how can you find it out before taking the money?

One that doesn't say "yes" or "no" to the investment (avoid it by communicating a strict closing-deadline for the round. In our experience most Business Angels can commit within 2-3 weeks).

Micromanaging, because they will consume too much of a founder's time (you will find out easily: they need more attention than other investors by analyzing and questioning every line of your calc sheet and the terms in every doc you send them - term sheet, data room rules, shareholder agreements etc.)

Basically we are always looking for a "Hell, yeah!", otherwise it's a "No".

Do your due diligence: ask other founders about their experience with this investor. And last but not least: trust your gut feeling. In the end we did not only decide rationally, but went for investors who we liked, trusted and were the best fit for WisR.

Give a concrete example of how your investor helped after they invested?

Apart from giving their input and advice in our monthly investor call, our investors regularly make intros to customers, stakeholders, and potential partners as well as other investors in their network for future rounds. They invite us to hold keynote speeches at events, or with organizations they have access to, and forward us any info, news, research etc. that might be relevant for us

How can founders get the best intros to investors? Who are the best intro-givers?

The best intro-givers are your existing investors, as well as founders of startups they've already invested in. We have already had good experiences with some Business Angel networks that spread your investment case to their network (although this takes up a bit more time, as they will have a process, and application forms to fill) We also found some investors via cold contacts, but no surprise: it's much more time consuming!

Your #1 tip to get the initial contact with investors?

Try to organize every initial meeting / video call with the entire founders-team present. It saves you time.

Your #1 tip for the initial meeting with an investor?

Prepare, and get a competent lawyer. You prepare the term sheet / convertible, not the investor. Always remind yourself and the investor: founder-friendly terms are company-friendly terms and therefore are investor-friendly terms.

What deal terms (apart from valuation) should a founder watch out for? What are bad/risky deal terms that you would warn about?

Speaking for Business Angel rounds:
a) Formal reportings that go beyond the legal requirements --> attention: there's the micro-manager again :) b) Liquidation preferences c) Formal board.

How many investors did you try to contact in this funding round?

Around 80

How many of those investors did you actually meet to pitch to?

15

How many months did this funding round require (from start to money in the bank)?

2 months (it was via convertible loans)

Did you prioritize to win international investors? Why/why not?

Yes, from the first round onwards, we contacted investors in Germany, UK, France, Switzerland, US etc. as we were always planning to expand our platform to other countries.

What is your favorite business book that helped you the most?

Dealterms.vc



Carina Roth
Co-Founder & CFO

Online job platform for retirees.

Imprint

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