

The Impact Angel Group

Real Impact. Real Returns.

First Meeting Information (Deal Flow Manager)

Make sure the following has been obtained by the Deal Flow Manager:

What is the benefit to the customer?

Who are the customers?

What does it/the company actually do?

Why is there a market for this?

Why is this better than the competition/status quo?

Referral source:

30 second elevator pitch:

Stage with Impact Angel Group:

Company stage:

Impact:

Amount raised/being raised:

Structure of investment:

Valuation:

Biggest selling point(s) of investment:

Regulatory or product development hurdles:

First questions identified/initial due diligence needed:

Opportunities for mentoring/participation:

Second Meeting Preparation (Intern)

Spend no more than two hours doing an initial internet search to identify “earth shattering” issues that could change investment interest. The focus of this initial search is to ensure that there are no major red flags that investors will need to know about. If interesting, but not “earth shattering” information is found, it is helpful to record that information, but not essential.

Examples of “earth shattering” information include:

- 1) Accusations of criminal activity from founders
- 2) Major competitors that claim to offer similar products that the company did not disclose

Do an internet search by:

- Company
- Products

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- Principals (founders/team members)

Search for competitors:

- Spend a half hour or so searching for competitors. For example, if you are researching a test for Lyme Disease, google things like “Lyme Disease diagnosis” and see which companies come up.
- In addition to looking at current competitors, check gust.com and angel.co for upcoming competition

Record all of this information in one place and be sure to copy and paste the links in which you found the information into the document so we can access the information later.

Ask Managing Director to request the following documents if available:

- Financials - (preferably the past two years) and financial projections (preferably five-year projections if available)
- Term Sheet
- All of the information in the Impact Angel Group Executive Summary if it has not already been requested.

Second Meeting Questions (Managing Director)

Use this list of questions as a guide for collecting additional information before, after and during your second meeting. If appropriate, send some or all of these questions prior to or after your second meeting.

Existing Due Diligence

What due diligence has been done by others? Are documents available?

Product or Service

Is it complete?

- **If yes, what major improvements are slated?**

If not complete:

- **When is the expected date of completion?**
- **What major milestones have to be hit to achieve completion?**

Does it work?

- **How do we know?**

Is it market ready?

- **Are there any approval processes or regulatory considerations?**

IP

Have patents been filed?

How many and what patents have been filed and what are the status of those?

Is any of the technology licensed?

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Team

Are team members listed working full time? How are they being compensated? What are their strengths and weaknesses and how do they plan to address their weaknesses in the future?

Who is handling customer service?

Who is responsible for sales?

Who is their lawyer? Do they have outside consultants?

Sales and Marketing

How did they acquire their current customers?

How long is their sales cycle?

What is their sales and marketing process? (Direct vs. channel sales? How do they get their leads?)

If applicable, what is their site traffic?

If applicable, what is their site conversion rate? How do they measure that?

Funding

How is the company structured? (LLC? C-corp?)

What is the long term funding plan?

What are the drivers that will determine how much capital you will need in the future?

What is time to break even?

How long will this funding last?

- **What is the burn rate?**
- **Did the founders put in money?**

Industry Specific Questions

Health Care:

What are the prospects for reimbursement of the treatment/product?

What are the milestones you will need to hit to achieve reimbursement?

What reimbursement code(s) do you hope to go under?

Software:

Do they have a technical co-founder?

Who is doing their coding?

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