

# How to position a business for growth capital

## Module 4: Investor presentation and documentation

GCE Ocean Technology Course Programme Winter 2021  
by Idévekst Energi on behalf of GCE Ocean Technology

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# Programme overview



Feb 16	Module 1: Intro and real-life examples	<ul style="list-style-type: none"><li>• Introduction to the programme: Background &amp; objective, Capitalization &amp; sales process, Programme overview &amp; modules, The investment landscape &amp; what it takes – an overview</li><li>• «Stories from real life»</li></ul>
Feb 24	Module 2: Preparations and business plan	<ul style="list-style-type: none"><li>• Preparations for a capital / transaction process: Why? What? How?</li><li>• Business plan: Which topics to cover? How? Some examples. Capital need / funding plan</li></ul>
Mar 9	Module 3: Investors and the investment process	<ul style="list-style-type: none"><li>• Different types of financial investors – and their characteristics: Business angels, seed, venture capital, buyout, family offices</li><li>• The investment process: Preparation, marketing, transaction (negotiations, due diligence, execution)</li></ul>
Mar 16	Module 4: Investor presentation	<ul style="list-style-type: none"><li>• Elements of a good investor presentation</li><li>• Giving an investor presentation</li><li>• Other documentation needs</li></ul>
Mar 23	Module 5: Growth and exit	<ul style="list-style-type: none"><li>• What does it mean to work with active owners to implement a growth and value creation plan</li><li>• Preparations for exit: Part or 100% sale of the company</li></ul>



# Agenda – Module #4 – Mar 16

## Part 1: Investor presentation – and other documentation needs

- Key contents of an investor presentation – a quick overview
- A “teaser”
- Other documentation needs

## Part 2: Telling – and selling - the story

- Different audiences – different needs
- What triggers an investor?
- Some examples
- Q & A

## Part 3: Investor presentation – an investor’s perspective: Hilde Støle Pettersen, Momentum

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# Presentation and documentation objectives



Overall  
transaction  
objectives

Attracting the right investors –  
and the desired funding

Low transaction risk

Favorable terms (\$\$, warranties,  
agreements, other terms)

Presentation and  
documentation  
objectives

- Marketing:
  - ● Triggering initial interest from potential investors and buyers
- Selling:
  - ● Generating deep / sincere interest from some of these investors / buyers
  - ● Describing and documenting value creation potential and other “selling points”, technology, uniqueness / edge, team, execution capabilities
- Enabling a sufficiently common understanding (company / buyer / investor) – to secure a successful transaction – as well as success after the transaction

# Typical documentation involved in a transaction process

Preparation

Marketing

Transaction

Post-transaction

Teaser /  
introduction

“Information  
memorandum”  
Prospectus

Investor /  
company  
presentation

“Company  
description”

Financial  
information

Other supporting  
information

Business plan /  
company  
strategy

Due diligence  
information

“Questions &  
answers”

Agreements

Updated / joint  
business plan  
“100 day plan”



# Key marketing material: Teaser / introduction / “one-pager”



## TYRIS AS - INVESTMENT OPPORTUNITY

### COMPANY OVERVIEW

- Tyris AS provides solutions and services enabling the seafood industry to combat fish diseases and lice problems comprising:
- Chemical and biological sensor solutions for early stage detection of a range of harmful fish diseases by conducting real time trace element analyses of the water in the cages. Fish having contracted a specific disease emit certain trace elements prior to showing symptoms and Tyris sensor solutions detect these trace elements allowing early intervention before loss of biomass.
- A treatment given by injections which causes sea lice not to attach to salmon/trout. The mechanism behind the treatment is the fact that sea lice do not stick to certain species (e.g. cod). To sea lice a treated salmon/trout appear to be a cod and the sea lice consequently do not remain attached to treated fish.
- Established in 2014 based on technology coming out of Chr. Michelsen Research and the University of Bergen
- 10 employees of which 6 PhDs within engineering and life science
- Facilities include advanced biological & chemical labs including assembly and test set-up for sensor solutions and a batch manufacturing set-up for injection liquid.

Tyris AS is a fictitious company has no resemblance to reality

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### INVESTMENT RATIONALE

- Recognized in and well positioned toward the seafood industry and in dialog about concrete business opportunities with leading fish farming players.
- The market for sensors for early stage detection of fish diseases expected to grow considerably driven by global need to increase aquaculture production as meat production declines –ref. e.g. on-going initiatives in the US, China, Australia and Norway.
- Sea lice is a major concern in the seafood industry resulting in significant increase in production costs, and consequently Tyris lice treatment will typically reduce production costs by more than 20%.
- Tyris' solutions expected to enable the fish farming industry (which is under regulatory and environmental pressure) to obtain new concessions and increased revenue.
- Unique technology successfully demonstrated at several fish farms.
- Highly capable and solution oriented technical team.
- Cost competitive and scalable delivery setup.

### BUSINESS PLAN HIGHLIGHTS 2020 - 24

- Scale up supply of sensor solutions.
- Invest in new production line for sea lice treatment injection liquid.
- Develop new solutions directed towards other species.
- Scale up organization and supply chain in line with business growth.

### FINANCIAL DEVELOPMENT



### ALL ENQUIRIES REGARDING THIS DOCUMENT OR A POSSIBLE TRANSACTION SHOULD BE DIRECTED TO:

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# Key marketing material: Teaser / introduction / “one-pager”



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# Company presentation – A possible index

## *Objective:*

- *Presentation that can be used in a meeting with interested buyers / investors to present the company – and increase this interest!*
- *And – ideally – that can be read (before or after a meeting) to give investors / buyers a good (and appealing) overview of the business*

- Executive summary
  - 1-2 pages summarizing the core elements of the plan
- Chapter 1 Company overview
  - Business idea & value proposition: The basic business idea and what problem(s) you solve and the resulting value you provide to clients
  - History
- Chapter 2 Products, services & technology
  - Products, services and core elements of the underlying technology/IPR
- Chapter 3 Market
  - Target market, market description (trends/outlook/size/segmentation), customers, competitors and competitive edge
- Chapter 4 Operational set-up and organization
  - Supply chain, manufacturing set-up, sustainability / ESG, revenue model, margins & pricing, how to sell/distribute etc.
  - Organization: Team, core expertise, required resources and facilities, organizational build-up, HSEQ
- Chapter 5 Business plan (3 – 5 years)
  - Short and long term objectives, overall action plan, more specific short term action plan (next 12 months)
- Chapter 6 Financials
  - Financial history and forecasts, capital required and plan for funding
- Optional: Appendix with additional detail on some of the topics above – if required

- ▪ ▪ ▪ ▪ *This index builds on the possible “Business plan” index outlined in Module #2 – but with some minor adaptations*
- ▪ ▪ ▪ ▪ *Typical length: Approximately 25 – 30 pages*



# Other documentation (1:2)



“Information memorandum”  
& Prospectus

- For publicly traded securities there are specific regulations from Finanstilsynet, EU etc dictating information requirements. Pls refer to these regulations and solicit legal advice if required

“Company description”

- Text document giving a description of the Company and plans – in a similar fashion to an Investor Presentation but with additional detail and intended to be read rather than presented in a meeting

Supporting documentation: In most transactions, one or more of the following may be requested / should be available:

Financial information

- Historical financials (official accounts, management accounts, ledgers, supporting analysis)
- Financial projections (assumptions, profit & loss, key balance sheet items, cash flow projections, sensitivities / scenarios)
- Budgets

Business plan / company  
strategy

- Strategy documents
- Market analyses
- Business plans, financial plans, action plans

Due diligence information

- Typically extensive information covering all essential aspects of the business (upside and downside / risk)
- Financial, legal, environment / sustainability, commercial, technical / products / IP, operational, organization, etc etc

# Other documentation (2:2)



## “Questions & answers”

- Be prepared for questions during the process – and seek to provide good answers to these
- During DD: Establish a structured Q&A mechanism / channel – and keep track of and document all questions and answers

## Other supporting information

- Depending on the situation, various supporting information may be relevant and asked for. E.g., supporting technical / product information, market analyses, customer / partnership / other agreements, offers, past and future financial information, etc.

## Agreements

- Term sheet / letter of intent / LOI
- Share purchase agreement and/or investment agreement and/or asset purchase agreement
- Employment agreements, rental agreements, other agreements
- Shareholders agreement

## Updated / joint business plan

- Updated business plan – made in conjunction by / with common understanding from both old and new shareholders

## “100 day plan”

- Part of business plan – with specific focus on actions in the period immediately after transaction – to secure a good start to the common ownership – and to create value for both old and new shareholders

# “Content above style”, but both matter....



## Content

Covers the essential topics appropriately  
(ref. the proposed index on page 10)

What is the business idea – and what makes your business unique? How will you make money?

Why and how will you succeed? Explain how the company has “what it takes”

What are your plans? Are they credible? Are risks considered and addressed appropriately?

How will the company create value going forward? For customers, the company, investors?

What makes this a good investment opportunity? How will you generate an attractive return for your investors?

## Structure, style and format

Structured, logical, easy to follow

Tells a convincing story – in a credible way

Is the presentation intended to be presented in a meeting, or read, or both?

Free of errors (language, numbers, facts and contents)

Layout / formats are “good enough to give a professional impression”

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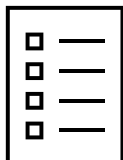
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# Marketing – process



1



- Investor presentation
- “One-pager” for initial introduction without NDA
- NDA to be used when sharing investor presentation
- Prioritized list of investors including contact details
- Draft your input to a potential term sheet

Documents

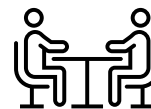
2



- Contact the investors and present your case on a “one-pager” level.
- Follow-up as needed
- Investors will evaluate the investment opportunity and decide if they want to continue the dialogue
- Try to align as many potential investors as possible

Initial dialogue

3



- Sign NDA prior to sharing the investor presentation
- If feasible, give the presentation in a meeting with the investors
- A Q&A-phase will follow – respond swiftly!
- Do not enter into exclusivity at this stage

Management presentations

4



- Set a deadline for the investors to submit indicative offers if you have several interested investors
- Evaluate the offers; valuation, expertise, relations
- Be prepared to enter into exclusivity
- Sign term sheet and prepare for DD and negotiations

Indicative offer & Term sheet



# What are investors and buyers typically looking for?

**Attractive business idea**



**Strong value proposition**



**Attractive business model**



**Strong competitive edge**

**Credible & able to execute**



**Resources: Team**



**Resources: Capital**



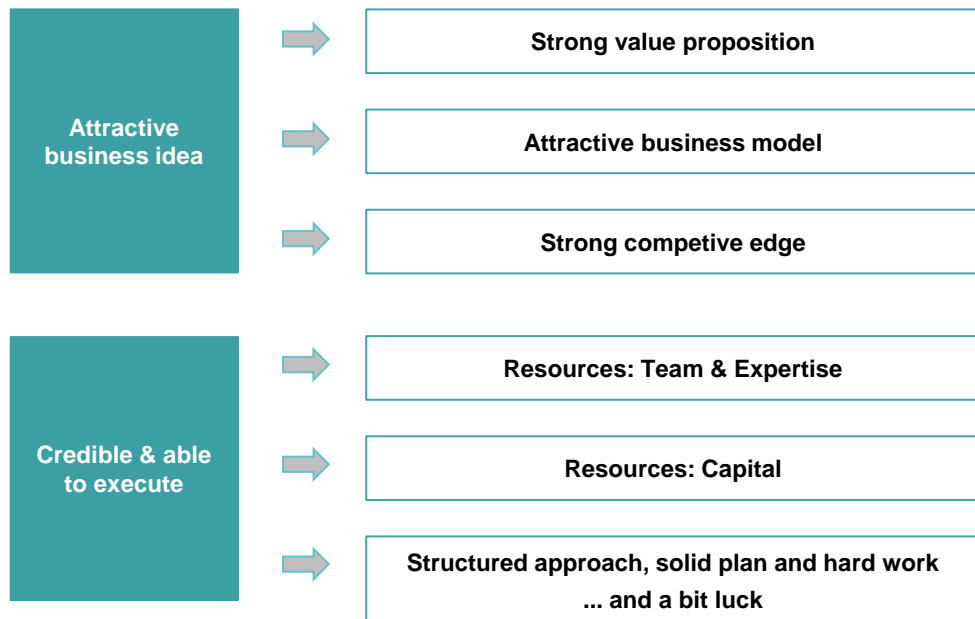
**Structured approach, solid plan and hard work  
... and a bit luck**

# What will make your buyers or investors “tick”?



**Need to “Cover the basics” on all dimensions – with no “black holes”**

**What are the “unique selling points” that will make buyers / investors really want your business?**





# What are the “unique selling points” that will make buyers or investors really want your business? *Some examples*



## Industrial buyers

Unique technology and patents

Strong products or services

Team / competence / capabilities

Market position – market access – contracts - consolidation

Regulatory developments or other external developments

GAS  
SECURE



## Financial buyers / investors

Business model

Scalability & growth potential

Consolidation opportunity

Profit improvement potential

Exit opportunities (later on)

“Megatrend” fit



# Bringing it all together in a value creation plan (1:2)



## Example

### Business objectives

Which position is the company aiming for (in 3 – 5 year perspective)?

Top 3 supplier of XXX to the oil & gas industry in the North Sea

### Key initiatives

1. Introduce new products X and Y to the market
2. Geographic expansion - UKCS
3. Enter ZZZ segment through an acquisition
4. Streamline manufacturing setup and logistics

### Action plan – how will you get there?

#### High level 3 year plan

#### Specific 1 year plan

2020

2021

2022

New product X and Y	⇒	xxx xxx xxx	xxx xxx xxx	xxx xxx xxx
Geographic expansion - UKCS	⇒	xxx xxx xxx	xxx xxx xxx	xxx xxx xxx
Acquisition ZZZ segment	⇒	xxx xxx xxx	xxx xxx xxx	xxx xxx xxx
Streamline manufacturing setup and logistics	⇒	xxx xxx xxx	xxx xxx xxx	xxx xxx xxx

# Bringing it all together in a value creation plan (2:2)



## How will we ensure success?

## Revenue

## EBITDA

Company XX – 2019  
starting position

New product X and Y

Basic technology development and patents in place  
Pilot customer testing underway with strong feedback  
Launch plan XXX

Geographic expansion -  
UKCS

Market analysis completed – confirming demand  
Norway customers AAA and BBB wants support also on UKCS  
In dialogue with 2 potential key employees

Acquisition ZZZ segment

Strong product synergies / market logic to combined offer  
4 potential targets identified. In initial dialogue with XX and YYY  
Fallback: Organic entry based on XXX

Streamline manufacturing  
setup and logistics

From 6 to 4 sites – based on ZZZ  
Service levels confirmed through XXX  
Potential savings: XXX

Company XX – 2022 target  
position

400

+100

+80

+120

700

40

+15

+10

+30

+25

120



# Giving an investor presentation

Have a story well planned, be firm and do not “let your mind fly” which could jeopardize your story’ message. Do dry runs before the investor meeting so you are sure you keep the allotted time.

- Important points
  - Explain your solution/service briefly and understandably to non-experts
  - Business idea – value proposition
  - Company’ ESG (Environmental, Social, and Governance) / sustainability
  - Uniqueness / IP
  - How you will grab and /or increase market share
- Your Team
  - Competency, stable workforce with right values
- Have investors focus
  - Put yourself in buyers- / investors seat
  - The value creation and return of investment
  - How will the new capital be spent



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# The investor presentation – an external perspective



Hilde Støle Pettersen

Momentum Partners



# Preview – Module #5 – Mar 23

## Part 1: Working with active owners to implement a growth and value creation plan

- A journey – jointly with an active owner - to create value and toward an exit
- Working with an active owner on a “day-to-day” basis – demands but also a resource

## Part 2: Preparations for exit: Part or 100% sale of the company

- Exit buyers – and implications on the plan
- Exit process

## Part 3: Working together with an active owner

Q & A

## Part 4: Programme wrap-up





# World Class Ocean Technology from Norway

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