Raising Startup Capital: eVTOL Financing 101
Lesson 1: April 8

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Raising Startup Capital: eVTOL Financing 101

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Principal
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New Vista

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Advanced Air Mobility (AAM) / eVTOL Investment Outlook

Dana Jensen
Senior Industrial Policy Analyst
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Q1’21 US VC investments and deal activity surge
US deals and dollars – Quarterly

Investment Environment

Source: PwC/CB Insights MoneyTree Report Q1 2021
Advanced Air Mobility (AAM) Supplier Ecosystem

- Based on Agility Prime and NASA data, the AAM Supply Chain Working Group has identified at least 374 supply chain members – 47 public companies (12.5%), and 327 private (87.5%).
- One in three companies in the space are <5 years old.
- The single most frequent source of financing was Paycheck Protection Program (PPP) loans disbursed in April 2020 as part of the CARES Act.
- After suppressing the PPP outlier, it is clear that deal counts are on the rise, though we have not yet calculated total deal value over time. (Many deal terms are not disclosed so the dataset is incomplete).

*Data shown here is derived from the PitchBook private capital markets database.**
Mergers & Acquisition (M&A) activity was the single most frequent financing vehicle, with just over 1/5 of firms reporting it as the last transaction.

38% of firms reported venture capital (VC) as the latest source of funding, 48% if you include accelerators/incubators.

Government grants play an important role at 16% (AFWERX SBIR/STTR, NASA, ARPA-E)

12% of firms have raised later-round VC and could be contemplating going public.
Raising Capital: eVTOL Financing 101

Rafferty Jackson
Principal
Jack Industries

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RAISING CAPITAL OVERVIEW:
BASIC TYPES OF INVESTORS

RAFFERTY JACKSON, JACK INDUSTRIES
Angels

Pros:
• Supports founders
• Quick due diligence and funding

Cons:
• Small amounts of money
• Unlikely to know institutional investors
**Angels**

**Pros:**
- Supports founders
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**VCs**

**Pros:**
- Loads of money and connections
- Positions company for exit/sale

**Cons:**
- Customers are LPs, not founders
- Aggressive, controlling
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Family Offices

**Pros:**
- Hybrid between Angel and VC
- More money than Angels

**Cons:**
- Unstructured, mission driven
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**Incubators**

**Pros:**
- Supports founders emotionally
- Training, networking and skills

**Cons:**
- Quality and value vary radically
- Dead equity
**Angels**

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**Strategics**

**Pros:**
- Knows the business
- Like-minded with founders

**Cons:**
- Slow moving, corporate process
- Competitor, trade secrets

**Accelerators**
**Angels**

**Pros:**
- Supports founders
- Quick due diligence and funding

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**Accelerators**

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- Knows the business
- Like-minded with founders

**Cons:**
- Slow moving, corporate process
- Competitor, trade secrets

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**Strategics**

**Pros:**
- No dilution
- Serving the customers

**Cons:**
- Couldn't get funded shine
- Public criticism and reviews
RAISING CAPITAL OVERVIEW: BASIC TYPES OF FUNDING
PRE-SEED  SEED  SERIES A  SERIES B  SERIES C+  EXIT: IPO
Pre-Seed → Seed → Series A → Bridge to: Series B → Series C+ → Exit: IPO
<table>
<thead>
<tr>
<th><strong>Amount of Investment</strong></th>
<th>Less than $1M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical Company Valuation</strong></td>
<td>$1M to $3M</td>
</tr>
<tr>
<td><strong>Investor Type</strong></td>
<td>Friends and Family, Accelerators, Crowdfunding, Early Stage Angels</td>
</tr>
<tr>
<td><strong>Company Stage</strong></td>
<td>Pre-Product</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>Hiring Critical Members, Developing Product Prototype</td>
</tr>
</tbody>
</table>

**SOURCES:** CRUNCHBASE AND FROM PRE-SEED TO SERIES C: STARTUP FUNDING ROUNDS EXPLAINED (RYAN LAW)
<table>
<thead>
<tr>
<th><strong>SEED</strong></th>
<th><strong>Amount of Investment</strong></th>
<th>$150K to $1.5M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical Company Valuation</strong></td>
<td>$3M to $6M</td>
<td></td>
</tr>
<tr>
<td><strong>Investor Type</strong></td>
<td>Friends and Family Accelerators, Crowdfunding Angels and Early Stage Venture Capitalists</td>
<td></td>
</tr>
<tr>
<td><strong>Company Stage</strong></td>
<td>Signs of Product Market Fit Signs of Traction</td>
<td></td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>Fuels Growing Beyond Funding Product Development</td>
<td></td>
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**Sources:** CRUNCHBASE AND FROM PRE-SEED TO SERIES C: STARTUP FUNDING ROUNDS EXPLAINED (RYAN LAW)
<table>
<thead>
<tr>
<th><strong>SERIES A</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of Investment</strong></td>
<td>$1M to $15M</td>
</tr>
<tr>
<td><strong>Typical Company Valuation</strong></td>
<td>$10M to $15M</td>
</tr>
</tbody>
</table>
| **Investor Type** | Super Angels
Family Offices
Venture Capitalists |
| **Company Stage** | Revenue Growth
Customer Acquisition |
| **Use of Proceeds** | Sales and Marketing
Customer Insights |

**SOURCES:** CRUNCHBASE AND FROM PRE-SEED TO SERIES C: STARTUP FUNDING ROUNDS EXPLAINED (RYAN LAW)
<table>
<thead>
<tr>
<th><strong>SERIES B</strong></th>
</tr>
</thead>
</table>

| **Amount of Investment** | $5M to $35M |
| **Typical Company Valuation** | $30M to $60M |
| **Investor Type** | Family Offices, Venture Capitalists, Strategics |
| **Company Stage** | Ability to Scale |
| **Use of Proceeds** | Expensive Hires, New Market Segments and Revenue Streams |

SOURCES: CRUNCHBASE AND FROM PRE-SEED TO SERIES C: STARTUP FUNDING ROUNDS EXPLAINED (RYAN LAW)
<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Amount of Investment</strong></td>
<td>$20M to $300M+</td>
</tr>
<tr>
<td><strong>Typical Company Valuation</strong></td>
<td>$100M to $120M+</td>
</tr>
<tr>
<td><strong>Investor Type</strong></td>
<td>Late Stage Venture Capitalists, Sovereign Wealth Funds, Private Equity, Strategics, Hedge Funds, Banks</td>
</tr>
<tr>
<td><strong>Company Stage</strong></td>
<td>Large Scale Operations</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>Moving into New Markets, Fueling Acquisitions</td>
</tr>
</tbody>
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**Sources:** Crunchbase and From Pre-Seed to Series C: Startup Funding Rounds Explained (Ryan Law)
<table>
<thead>
<tr>
<th><strong>Amount of Investment</strong></th>
<th>Liquidity Event - Investors Get Money Out</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical Company Valuation</strong></td>
<td>Depends on Market Segment</td>
</tr>
<tr>
<td><strong>Investor Type</strong></td>
<td>Retail Investors Primary and Secondary Market</td>
</tr>
<tr>
<td><strong>Company Stage</strong></td>
<td>Profitable (Uber, AirBnB, Snap Exceptions) Public Company Compliant</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>Global, Market and Segment Expansion Operations Execution</td>
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</tbody>
</table>
WHERE DO SPACS FIT IN?
SEEKS EARLIER STAGE, CAPITAL INTENSIVE COMPANIES AND DOES A ONE-HOP CAPITALIZATION THROUGH SPAC MERGER

EXIT: PUBLIC MARKET VIA SPAC
<table>
<thead>
<tr>
<th><strong>EXIT: IPO</strong></th>
</tr>
</thead>
</table>

| **Amount of Investment** | Liquidity Event - Investors Get Money Out |
| **Typical Company Valuation** | Depends on Market Segment |
| **Investor Type** | Retail Investors Primary and Secondary Market |
| **Company Stage** | Profitable (Uber, AirBnB, Snap Exceptions) Public Company Compliant |
| **Use of Proceeds** | Global, Market and Segment Expansion Operations Execution |
### EXIT: PUBLIC MARKET VIA SPAC

<table>
<thead>
<tr>
<th>Amount of Investment</th>
<th>SPAC IPO and PIPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical Company Valuation</td>
<td>Depends on Market Segment</td>
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<tr>
<td>Investor Type</td>
<td>Retail Investors Primary and Secondary Market</td>
</tr>
<tr>
<td>Company Stage</td>
<td>Series B+: Ability to Scale, Large Scale Operations, Public Company Compliant</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>Series B+: Expensive Hires, New Market Segments, New Revenue Streams, Large Scale Operations, Acquisitions, Operations Execution, Global Expansion</td>
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</table>
RAISING CAPITAL OVERVIEW: THREE COMMANDMENTS
BE AS SERIOUS ABOUT YOUR CAP TABLE AS YOU ARE YOUR STARTUP.
NON-DILUTIVE FUNDING IS ALWAYS THE WINNER.
PICK THE HIGHEST QUALITY DOLLAR.
RAISING CAPITAL OVERVIEW

RAFFERTY JACKSON, JACK INDUSTRIES
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Investment Insights for AAM / eVTOL

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Lesson 2: May 6

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Principal
NEXA Capital Partners

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