

SEEDERS

MASTERCLASS
FOR BUSINESS
ANGELS

***“BECOME A PROFESSIONAL BUSINESS ANGEL:
LEARN, EARN & GET CERTIFIED”***

1. Introduction

Early stage startup funding is very critical to any strong startup ecosystem and is generally considered the most risky with potentially large return on investment. Business Angels are individuals that invest earlier in the life cycle of an emerging business and base their investment decision upon the business idea and the qualification of the management team.

Lebanon is not short of individuals who want to give back and help the entrepreneurship eco-system. Lots of “backers” are currently already investing on an individual basis, and constantly looking at good investment deals; some are interested in doing the same but lack the investment expertise or access to deal flow; others want to simply follow the investment decisions of a group, or are looking to create a new investment asset class, or even diversify their investment portfolio.

This MBA (MasterClass for Business Angels) is a one-year long program aimed to professionalize and democratize angel investing, and build investment readiness of “novice” angels through a structured approach. It uses the GoBeyond (<https://go-beyond.biz>) methodology, which is a combination of a syndication vehicle with small investment tickets and access to knowledge sharing tools to educate investors, a mixture of a learning environment and “on-the-job” one-year novice angel “get-going” program.

2. The Program

Selected angels will enter a year-long MasterClass for Business Angels program where novice angels will combine “Group” education with syndicated investing, as per below description:

- The class will be formed by a group of up to 15 to 30 participants
- Each registered participant will “pool” an entry ticket of \$15K (equally)
- This “pool” is placed in a SPV (Special Purpose Vehicle) for Investment (typically a Lebanese Holding Company), in which each participant is an equal shareholder
- The SPV benefits from a 50% Investment Guarantee by IM Capital (see annex 4)
- The group meets MSMEs via investment meetings (or pitch events), 2 to 3 MSMEs every 6 to 8 weeks
- The group debriefs the sessions (moderated by a coach and deal-leader from GoBeyond and IM Capital), conducts due diligence, votes (via majority) to make the “group” investments, and decides how to contribute to the MSME’s growth
- The group makes 3 to 4 joint investments at the end of the year (portfolio-approach) with a range of \$50K-\$100k per investment
- Each participant has access to an on-line collaborative platform to view the program events, the deal flow and to track his portfolio investments and performance.
- Individual angels have the option of top-up or individual sidecar co-investing in the MSMEs
- The angels enhance their learning with training opportunities via a curriculum covering all aspects of angel investing, delivered via educational videos or webinars taught by expert angels and in person sessions.

3. Benefits

With this program, individuals with as little as \$15K as an overall investment budget could become qualified business angels. They would hold a small portfolio to maximize and earn returns, leverage community intelligence, and invest small tickets to learn and spread risk to deliver returns for their own portfolio and for the entrepreneurs they support.

The approach adopted would turn angel investing into an asset class for all types of investors (accessible to medium net-worth executives), and allows them (through the SPV) to be “Accredited” or “Qualified” vis-à-vis existing co-equity funds such as IM Capital and iSME by Kafalat.

The alumni of these MBA classes would form a qualified angel network that will become an important and independent player in the Lebanese entrepreneurial landscape, as it will fill an equity gap at both funding and sector level, by injecting much needed “smart” money in early-stage high-risk ventures or MSMEs in Lebanon or beyond. These “engaged” qualified angels could keep investing and build portfolio over time, alongside other MBA classes.

4. Fees

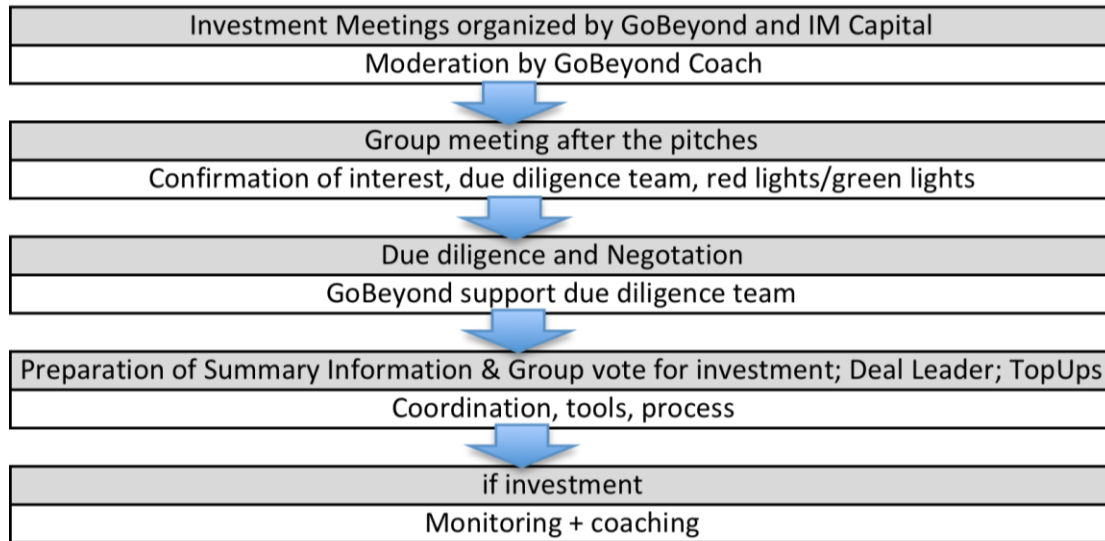
The fees of the MBA are divided in 2 parts:

- Tuition fee: \$2,500 per participant, which covers access to the workshops, on-line curriculum and investment tracking tool, deal flow, pitches, follow-up, and a Go-Beyond certification.
- Capital participation: \$15K as capital injection in the SPV (the financing vehicle to be created by the group for the sake of the investments)

5. GoBeyond Angel Investor Training Curriculum

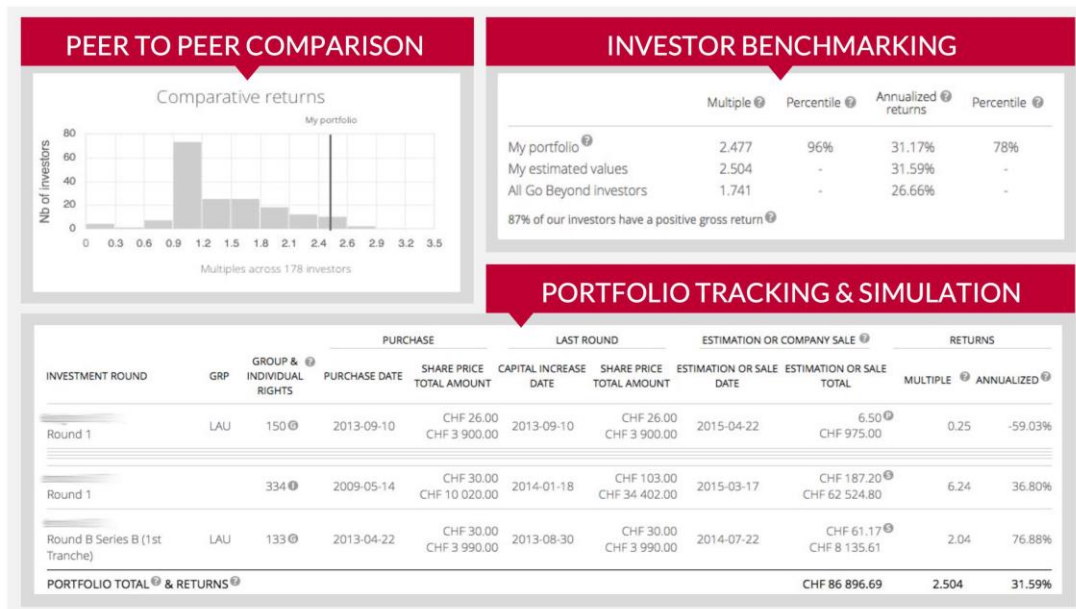
Module name	Description
Early Stage Investing Overview	Find out who Business Angels are, why they invest time and/or money in start-ups and how to get started. Learn the early stage direct investing process and best practices.
Investment Strategy	Develop (or refine) an early stage investment strategy for investors
Due Diligence	A detailed guide to conducting due diligence; from investor and entrepreneur perspectives.
Deal Terms	Understand the general terms and conditions of term sheets/shareholder agreements and the impact they may have on an investment.
Company Valuation	Understand the most common methodologies used to evaluate the share value of a small business.
Manage and follow-on rounds	Become familiar with the stages of growth of small businesses and how to support them.
Exit Investments	Learn possible exit strategies and discuss how to prepare for them throughout the life of the investment.
Financials	Learn about (or review) the fundamentals in financial reporting, financial analysis and investment tools relevant to angel investing.
Impact Investing	What is impact investing? Learn how to assess if a start-up can meet investor people, planet and profit objectives.
GBI Investor Portfolio Returns & Liquidity	See current performance of investments made by Go Beyond Investors; Share investment strategies, experience, returns & portfolio; Review exit/liquidity options and best practices.

6. GoBeyond Angel Investment Track



7. GoBeyond Investment tracking tool

Each participant has access to the GoBeyond on-line monitoring tool to view deals and due diligence information, make investment decisions, track portfolio performance, and compare returns against other investors:



Annex 1. About GoBeyond

Go Beyond (<https://www.go-beyond.biz>) enables novice & experienced, small & large investors, to access angel investing as an asset class through its unique platform, tools, training and expert angels. Go Beyond operates in Europe and the US, and its team is comprised of seasoned business angels and is the subject of a Harvard Business School case. The community screens 1,000 deals every year in 11 countries to select the best early-stage deals in all sectors, from Internet, healthcare, FinTech, clean tech to business services, consumer goods, lifestyle and education.

<http://www.youtube.com/watch?v=-jJ4eA0Q2ts>

GoBeyond Group coaches and deal-leaders



Brigitte Baumann

- Founder and CEO of Go Beyond Early Stage Investing
- Business Angel since 2003 and has received The European Investor of the Year from EBAN in May 2015
- President Emeritus of EBAN, the European trade association for Business Angels and Seed Funds www.eban.org and Member of the Board of CTI Start Up www.kti.admin.ch
- Past Chair of Young Presidents Organization's www.ypowpo.org (24k CEOs) global Angel Investing group.

<https://www.linkedin.com/in/brigitte-baumann-gervais-97557>



Guilhem Porcheron

- Partner Deal-Leader at Go-Beyond Int. since 2005
- CEO interim and transition management for Intermediate Size Companies, since 1995.
- CEO Carrefour Polynesia 2013-2014
- CEO Groupe Jardiland 2008-2011 and 1997-2000 (www.Jardiland.com)
- CEO Tignes Ski Resort 2001-2003

<https://www.linkedin.com/in/guilhemporcheron>

Annex2. Proposed timeline for the MBA Program « Class of 2016-2017 »

Date	Description								
July 31, 2016	Deadline for registrations								
	Legal paperwork: Creating the SPV - Sign by-laws / shareholder agreement – Share subscriptions – Open bank account - Collect the capital - Registration of investors on GoBeyond platform								
	<p>Investment Strategy Webinar</p> <p>Part 1 - Monday 22nd of August 20:30 to 22:00 CEST</p> <p>Part 2 - Wednesday 24th of August 20:30 to 22:00 CEST</p>								
Sept 8-9, 2016	<p>Session 1</p> <p>Venue: Chamber of Commerce Beirut</p> <table border="1"> <thead> <tr> <th>Sept 8, 2016</th> <th>Sept 9, 2016</th> </tr> </thead> <tbody> <tr> <td>10AM - 1PM GB workshop “Early-stage investing overview”</td> <td>2PM - 5PM GB Workshop “Due Diligence”</td> </tr> <tr> <td>2PM - 5PM GB Workshop “Angel Investment Strategy”</td> <td>5PM - 6PM Pitches</td> </tr> <tr> <td></td> <td>6PM - 8PM Group debrief (Confirmation of interest, due diligence team, red lights/green lights)</td> </tr> </tbody> </table> <p>Coach/Moderator/workshop leader: Brigitte Baumann & Guilhem Porcheron (GB)</p>	Sept 8, 2016	Sept 9, 2016	10AM - 1PM GB workshop “Early-stage investing overview”	2PM - 5PM GB Workshop “Due Diligence”	2PM - 5PM GB Workshop “Angel Investment Strategy”	5PM - 6PM Pitches		6PM - 8PM Group debrief (Confirmation of interest, due diligence team, red lights/green lights)
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	<p>Manage & Follow-on Rounds Webinar</p> <p>Part 1 - Monday 26th of September 20:30 to 22:00 CEST</p> <p>Part 2 - Thursday 29th of September 20:30 to 22:00 CEST</p> <p>Company Valuation Webinar</p> <p>Part 1 - Monday 03rd of October 13:00 to 14:30 CEST</p> <p>Part 2 - Wednesday 05th of October 13:00 to 14:30 CEST</p>								
Oct 20, 2016	<p>Session 2</p> <p>Venue: UK Lebanon Tech Hub</p> <p>5PM - 6PM Pitches</p> <p>6PM - 8PM Group debrief (Confirmation of interest, due diligence team, red lights/green lights)</p> <p>Coach/Moderator/workshop leader: Guilhem Porcheron (GB)</p>								
	<p>Deal Terms Webinar</p> <p>Part 1 - Monday 24th of October 20:30 to 22:00 CEST</p> <p>Part 2 - Wednesday 26th of October 20:30 to 22:00 CEST</p> <p>Investment Strategy Webinar</p> <p>Part 1 - Tuesday 08th of November 13:00 to 14:30 CET</p> <p>Part 2 - Thursday 10th of November 13:00 to 14:30 CET</p> <p>Due Diligence Webinar</p> <p>Part 1 - Monday 14th of November 20:30 to 22:00 CET</p> <p>Part 2 - Wednesday 16th of November 20:30 to 22:00 CET</p> <p>Financials Webinar</p> <p>Part 1 - Monday 28th of November 20:30 to 22:00 CET</p> <p>Part 2 - Wednesday 30th of November 20:30 to 22:00 CET</p>								

	lights/green lights) Coach/Moderator/workshop leader: Brigitte Baumann (GB)
TBD	Graduation Ceremony of Class 2016-2017 Follow-on investments

Annex 3. GoBeyond types of certifications and requirements

Investor Group Coach

- Selection of deals that will present, presentation rehearsal and feedback following presentation
- Support and coordinate deals in due diligence and negotiation
- Continuously update the Presenting and Due Diligence & Closing google docs and attend the Group coach call every 2 weeks
- Liaise with Go Beyond Investing deal closing team to complete the pre and post closing process for deals that are “ready for investing”
- Run the monthly investor meetings and prepare the minutes
- Ensure good investor group dynamics and satisfaction
- Support getting new members in group, in getting their due diligence documents and welcoming them
- Learn and use Go Beyond Investing tools

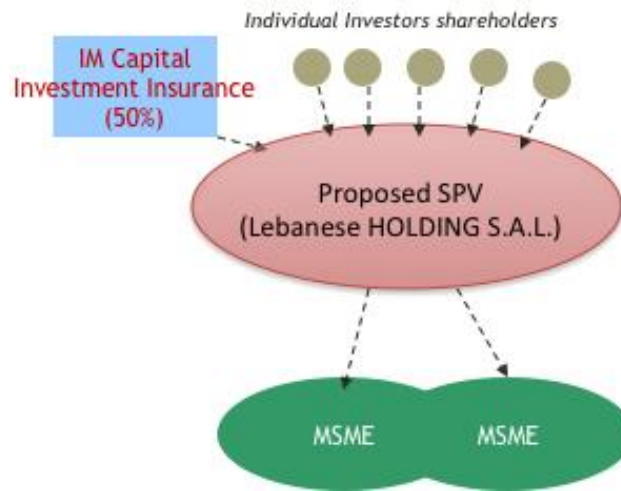
Deal leader:

- Lead due diligence and negotiations
- Support the closing of financing rounds
- Represent pooled Investors and those who choose monitoring service in the deal:
 - Board member or member of advisory/strategic committee if applicable
 - Disseminate information received from entrepreneur to fellow investors
 - Assist with regular reporting from the entrepreneur – ideally each quarter
 - Coordinate the votes needed for the Annual and Extraordinary General shareholder meetings
- Assist in follow-on rounds and preparing for exits

	Business Angel	Deal Leader	Group Coach	Venture Partner
Training	Min 6 modules: overview; due dil; deal terms; valuation + 2 modules	Min 6 modules: overview; due dil; deal terms; valuation; manage & follow-on rounds; exits	8+ modules: overview; due dil; deal terms; valuation; manage & follow-on rounds; exits	8+ modules & can teach the core 4: overview; due dil; deal terms; valuation
Deal Flow			Screen deals	Screen and bring deals
Deal Due Diligence / Negotiations / Closing	Deal partner on 2 due diligences	Led at least 1 due diligence	Led 3+ due diligence and can do valuation, deal terms negotiations and done at least 1 closing	Bring deals; lead due diligence and negotiations and can support the closings
Investments / rounds made	Min 3	Min 3	Min 6 (+ Group member for 2 years)	8+ investments with follow on rounds plus return track record
Management of deal		Can represent investors; ideally has board experience		Ideally has been deal leader in 2+ deals

Annex 4. Investment Guarantee

IM Capital will provide the SPV formed by the participants with a partial guarantee on investments in early-stage businesses, thus mitigating some of the risk associated with investing in early-stage businesses and encouraging increased capitalization:



GUARANTEE TERMS:

INVESTMENT INSURANCE SHALL ONLY BE PAYABLE AT THE END OF THE INVESTMENT INSURANCE TERM, WHICH SHALL NOT BE LESS THAN 2 YEARS AND SHALL NOT EXCEED 10 YEARS;

THE MAXIMUM INSURANCE PAYMENT (“MIP”) SHALL BE EQUAL TO THE TOTAL OUTSIDE CAPITAL INVESTED IN THE SPV MULTIPLIED BY THE COVERAGE PERCENTAGE, WHICH IS 50%. FOR EXAMPLE, IF THE TOTAL OUTSIDE CAPITAL INVESTED IN THE SPV WERE \$300K, THE MIP WOULD BE \$150K. AT THE END OF THE INVESTMENT INSURANCE TERM, THE AGGREGATE NET PROFITS/LOSSES SHALL BE CALCULATED ON A PORTFOLIO BASIS AND, IF LOSSES EXIST, IM CAPITAL SHALL MAKE A PAYMENT TO THE SPV EQUAL TO THE COVERAGE PERCENTAGE MULTIPLIED BY SUCH AGGREGATE NET LOSSES. HOWEVER, SUCH PAYMENT CAN NEVER EXCEED THE MIP.

“AGGREGATE NET PROFITS/LOSSES” IS MEASURED BY AGGREGATING THE INVESTMENT VALUE FOR EACH INVESTMENT COVERED BY THE INVESTMENT INSURANCE AND THEN SUBTRACTING THE OUTSIDE CAPITAL INVESTED.

CONTINUING THE EXAMPLE ABOVE, IF THE AGGREGATED INVESTMENT VALUE FOR THE PORTFOLIO IS \$200K, AGGREGATED NET LOSSES WOULD BE \$100K (= \$200K IN AGGREGATED INVESTMENT VALUE - \$300K OUTSIDE CAPITAL). ASSUMING A COVERAGE PERCENTAGE OF 50%, IM CAPITAL WOULD MAKE A PAYMENT OF \$50K TO THE SPV.

ALTERNATIVELY, IF THE AGGREGATED INVESTMENT VALUE IS \$1 MILLION, AGGREGATED NET PROFITS WOULD BE \$0.7 MILLION (= \$1 MILLION AGGREGATED INVESTMENT VALUE - \$300K OUTSIDE CAPITAL). IN THAT CASE, NO PAYMENT WOULD BE MADE TO THE SPV.

“INVESTMENT VALUE” IS MEASURED FOR EACH PORTFOLIO INVESTMENT AS FOLLOWS: (I) IF THE INVESTMENT HAS BEEN LIQUIDATED, THE TOTAL AMOUNT OF OUTSIDE CAPITAL INVESTED MINUS ALL DISTRIBUTIONS TO OUTSIDE INVESTORS, INCLUDING DISTRIBUTIONS, DIVIDENDS, AND FINAL LIQUIDATED AMOUNT; OR (II) IF THE INVESTMENT IS A GOING CONCERN, THE TOTAL AMOUNT OF OUTSIDE CAPITAL INVESTED MINUS ALL DISTRIBUTIONS TO OUTSIDE INVESTORS AND MINUS THE FAIR MARKET VALUE OF THE INVESTMENT (WHICH FAIR MARKET VALUE SHALL BE DETERMINED BY AN INDEPENDENT VALUATION EXPERT TO BE SELECTED BY IM CAPITAL).