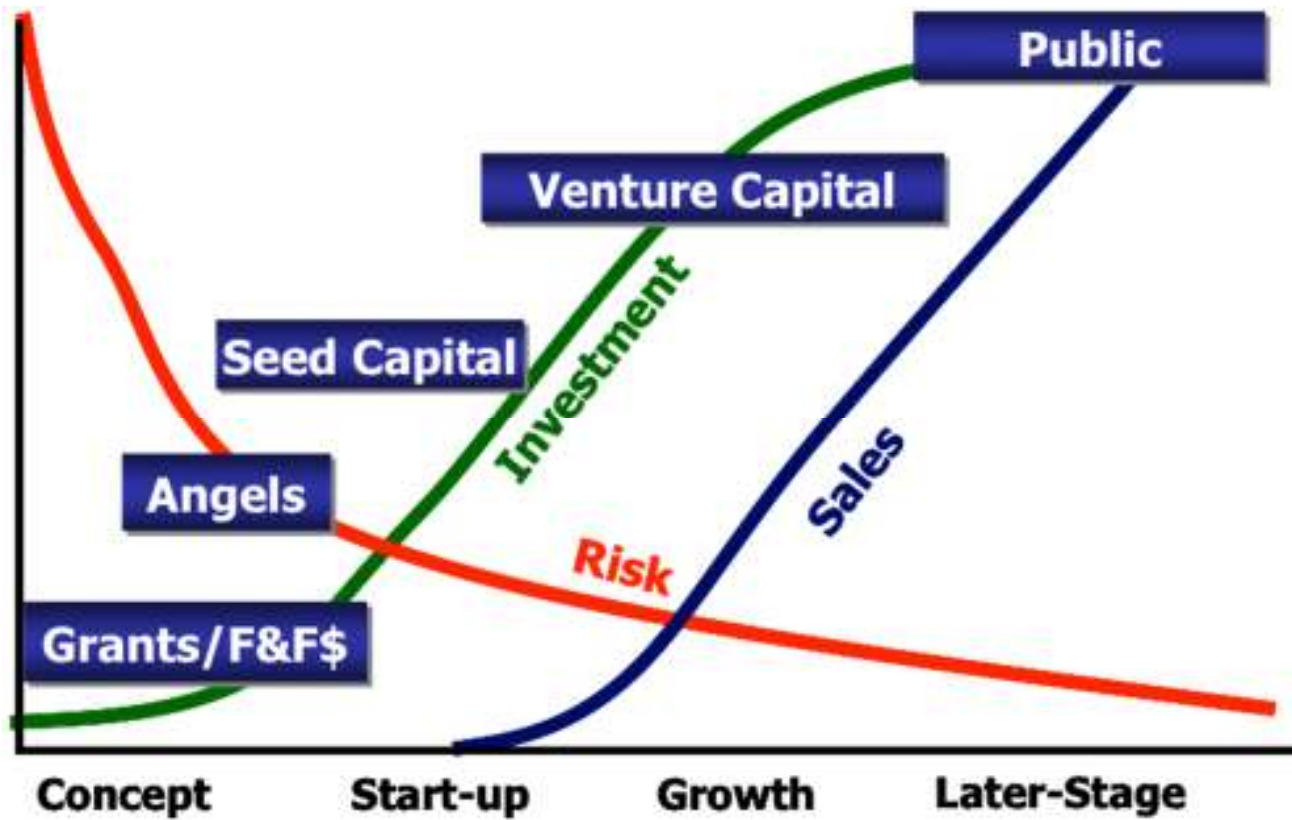




# Enterprise development stages





## What is good and bad about business angels?

- Make sure you have more than 1 angel
- But do not grow too much, it is easy to work with only 2-3
- Angels are particularly good for young entrepreneurs
- Make sure angel contributes to business not only with money
- Keep angels in the loop – communicate and ask
- Do not give away controlling stake to one investor
- In case of disagreement, entrepreneur may run himself into conflict of interest (start parallel business)
- Angels are not always easy to work with, but they may open the doors



## And VCs?

- Be sure you will have a supervisory board established and members delegated
- Financial plan and budget are the most important documents
- Financial discipline helps to plan business and resources properly
- VCs have an exit time and strategy
- They think in ROE terms
- And they can provide extra capital if needed
- Specialised technology VCs can provide their network for proof of concept
- Banks like institutional investors for later stage financing



## ProBioSan Laboratory financing case

- Concept launched by one entrepreneur, later developed by business angels
- Supported by Business Angel Fund, co-financed with Jeremie (EIF) program
- Start-up phase with entrepreneur + 3 business angels + the Fund
- Later + 2 business angels
- Initial investment of 200K EUR, now equity investment reaching 600K EUR
- Intelektas LT+ Laboratory facility project of 600K EUR
- And Intelektas LT R&D project of 200K EUR



## ProBioSan Laboratory future financing needs will depend on export and NPD strategy

- We hold our own brand, any export projects to larger markets will need a sizeable investments (both to marketing and manufacturing capacity), mainly equity – financing **round B**.
- R&D is a costly activity, but very lucrative if you succeed. Financing strategy mainly based on Framework 7 and 8 programmes, cofinanced with company's equity.
- NPD and product prototypes may require additional equity and Framework financing.
- Potential new high-tech product global business cases will need additional external financing – **round C**.
- We consider **listing** in the long run.



Overall – the funding infrastructure in Lithuania is building up well

**Thank you**

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