“Choose a picture that describes/represents your spinoff company or the industry it operates in”

INVESTMENT MEMORANDUM

15.5.2024

“SPINOFF COMPANY NAME”

“Doing something great”

“Your name here”

“Your role”

“Your email”
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- Aalto financial statements template
- Aalto Cap Table template
Executive Summary

Provide a one-page overview of the spinoff company and highlight the most crucial pieces of information for readers. Typically, this brief executive summary includes:

- Company Name
- Industry
- A Mission Statement
- An Overview of Competitiive Advantage Including Sustainability Edge (if any)
- Describe shortly achieved milestones during the R2B project (technology) and R&D plans ahead
- Your Ask: Pre-Seed/Seed, EUR XM for X% equity for EUR XM pre-money to achieve what with how long runway?

Company Description

Provide a 1-2 paragraph description of your spinoff’s business, specifically highlighting what types of products/services you will provide, who your target market is, and why you think you’ll succeed with your current business plan.

Market Analysis

Outline the market you’re targeting and why you’re doing so. Highlight the demographics, psychographics, segmentations, and size of your total addressable market (TAM).

Who are you targeting? Buyer personas are semi-fictional representations of your ideal customer based on market research and real data about your existing customers. Outline these ideal customer personas here.

What legal considerations/regulations/product approvals/certifications does your business need to keep in mind for its core operating procedures going forward?

Product/Service

Describe your product/service in more detail. List each product and its functionality, how does it work?

Do you have IPR that makes your product/business model more defensible?

How has your product developed during the R2B project? Have you made any pivots, and if so, why?
**Business Model**

*What is your business model? What is your pricing strategy, i.e. what will you charge for each of your products and services, what will your markups be, and why? What KPIs are you planning to focus on at this stage?*

**Go-to-Market Strategy**

*What is your spinoff company’s positioning strategy?*

*Why are potential buyers going to be interested in your product/service? How will you address your buyer persona’s biggest challenges and goals?*

*What are your main customer acquisition channels (e.g., search engine marketing, event marketing, blogging, co-marketing, paid, etc.)?*

*How will you reach and engage with new leads? Are you pursuing an inbound or outbound sales strategy? Why does your prospecting strategy make sense for your business?*

*What sales channels will you utilize to sell your products/services?*

**Financial and Funding Plan**

*For the next four (4) years, outline each of your spinoff’s costs as a line item, followed by a total cost. You can include a more detailed techno-economic analysis (TEA) in your appendix. Provide also your sales forecasts for the next four (4) years, with the first two years monthly and the last two years annually. Include the Aalto Financial Statement template in your appendix.*

*Describe at which point in time and after how many EUR/units in sales are reached before you break even.*

*How long is the runway post-investment after your Pre-Seed/Seed round?*

*How much funding will you need in total to make your business a success?*

**Competitive Analysis**

*Describe the state of competition in your industry. You might want to include a SWOT analysis or a Porter’s Five Forces analysis here or in your appendix.*
Management Team

Who are the employees in key leadership roles, and what experience will they bring to the spinoff company? How will your organization be structured? What does your hiring plan look like?

Investment Thesis

As an example:

- Strong Market Potential
- Proven Technology, i.e. positive outcomes from pilot studies demonstrate the potential for widespread adoption.
- Scalable Business Model
- Experienced Team

Risks and Mitigation Strategies

As an example:

- Market Competition: Continuous innovation and securing strategic partnerships will be key to staying ahead.
- Regulatory Challenges: Navigating industry regulations will require dedicated legal and compliance expertise.
- Technology Adoption: Providing seamless integration with existing X systems will be critical for widespread adoption.

Sustainability Strategy

What is your impact mission? Describe briefly your Theory of Change with Five Dimensions of Impact highlighting your SDGs.

If you attach your Sustainable Business Model Canvas in the appendix, you can pinpoint that.

Appendix

- Lean Canvas or Sustainable Business Model Canvas
- Aalto financial statements template
- Aalto Cap Table template
- Something else