



KRYPTON 4.0

— VENTURE CAPITAL —

Application Guidebook



About This Guidebook

Applying for Funding

This guidebook is meant to serve our applicants by helping them navigate the investment process with Krypton Venture Capital.

This Guidebook Will:

- ▶ Provide a general overview of Krypton's investment prospectus
- ▶ Describes the DNA of companies that could be a good fit for our portfolio
- ▶ Clearly guides startups through the application process from start to finish
- ▶ Help startups prepare accordingly for every stage of the application process.

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About Us

Founded

Founded in 2014, Krypton Venture Capital was created to disrupt the traditional venture capital industry. Krypton became the first seed fund in Israel with a positive ROI in less than three years.

In 2018, we created Krypton VC 4.0, expanding our investment scope to smart investments in **Initial Revenue Tech & Internet Ventures.**

Aim

Krypton's aim is to bring added value to the table with its strategic marketing expertise. Our skillset saves valuable time and money by shortening learning curves and bringing business insights to the table through introduction of unexpected markets and verticals.

Investment

As part of our unique investment mechanism, we focus on Go-To-Market Strategy with KPIs driven, and we let the voice of the internet dictate the strengths and weaknesses of any given product - **"No Wasted Time"!**

Revolutionary

This new approach gives Krypton the edge to revolutionize investments, while also providing the additional capital to ensure startups can maintain and finance a healthy and profitable business for the long run.

"Krypton's aim is to bring added value to the table with its go-to-market expertise."

Our Team

A Team Fully Committed To Getting A Deal Done

Our team of analysts bring a wealth of knowledge to the table to create a dynamic and versatile work process. Each member of the team has had experience in a variety of fields from advertising to investment banking, which creates a complete approach towards the many startups that come through our offices. While analyzing around 1,000 startups yearly, Krypton also places a strong emphasis on addressing our portfolio companies with the individual attention they deserve.



Moshe Sarfaty
General Partner

Founder and co-owner of Krypton VC – with a Dual degree in Economics & International Studies from Yale University. Mr. Sarfaty has accumulated years of experience in investment banking, trading, business valuation & strategy and equity funds. Prior to that he co-founded and managed a company in Belize which recognized the promise of river logging in the country and its “Green” potential. Moshe is a former president at Shabtai Society (formerly the Eliezer/Chai Society) and active member since 2006.



Eldar Buchris
General Partner

Eldar is a Cum Laude Bachelors BA graduate of the Interdisciplinary Center Herzliya. For three years, he was a senior business analyst at Giza Singer Even, Israel’s largest financial advisory and investment banking firm, specializing in financial valuations, construction of business plans and debt restructuring. Eldar is now responsible for the market analysis of new investments and business development within Krypton.



Ido Manor
General Partner

An experienced entrepreneur with various successful ventures under his belt, as a founder, CEO, and CTO. Startup addict, passionate about innovative technologies. Experience working with startups on strategy and business development from both sides of the fence. Mr. Manor founded and managed Lighthouse, the world’s first adaptive growth environment -a personalized startup community and workspace that changes with the needs of its entrepreneurs.

What Are We Looking For?

Krypton VC 4.0 focuses on seed **tech and internet ventures in initial revenue stage**, across various verticals such as:

B2B SaaS

Web Technologies

Fintech

Mobile

Insurtech

FashionTech

TravelTech

FoodTech

Marketplace

E-commerce

Consumer Tech

Gaming

Video

Social

AdTech

Blockchain

What Are We Looking For?

Krypton VC looks for three main things in a startup:

Strong, Fully Dedicated Team

The DNA of a startup is its team. We think it is of utmost importance that the team we are investing in is equally invested in their startup.

Ready or Almost Ready Product

Our model is centered around mass intelligence, and in order for us to effectively assess a startup's potential, the product needs to be ready to be thrown into the world to begin gathering data.

A "Me Too" Market

At Krypton VC 4.0, we love competition. Our competitors provide us with a proof of concept as well as invaluable information that will save your startup a lot of time and money. As such, a "Me Too" market allows us to get a sense of the environment, climate, and market potential. The Go-To-Market Strategy is pivotal to our analysis in discovering a successful startup.

The Application Process



One Pager/Deck: Puts your startup on our radar.

Initial Review: One of our Fund Analysts will conduct preliminary research on your startup and market.

Introductory Meeting: Preliminary meeting to get to know each other

Competitive Map Meetings: The most important phase in our due diligence process. Shows us market potential, go to market strategy and investment climate in your niche.

Technical Review: Allows us to evaluate the internal infrastructure and architecture of the product.

Brainstorming Session: An informal session to think outside the box about future cooperation and strategic partnerships

Deal Terms Negotiations: Closing

Stage 1: One Pager/Deck

Please email your one pager/deck to: info@kryptonvc.com



Your one pager/deck should include sections on:

Your Team:

Who you are and your background?

Your Market:

What market are you trying to enter?

Your Business:

What exactly do you do?

Your Competitors:

Who else does the same thing?

Your Marketing Strategy:

How do you plan on gaining exposure?

Your Revenue Model:

How will you make money?

Company Status:

Where does your product stand today?

Fundraising:

Equity structure? Previous investment rounds?

Financing:

Burn rate? Remaining funds?

Stage 2: Initial Review

Please email your one pager/deck to: info@kryptonvc.com



After receiving your one pager one of our Fund Analysts will review your company and determine if your startup fits into our investment prospectus.

What you should do:

- ▶ Expect to hear back from us within a couple of days
- ▶ Be ready to answer any questions our fund analysts might have.

Stage 3: Introductory Meeting

Please email your one pager/deck to: info@kryptonvc.com



The introductory meeting:

- ▶ Gives us a chance to get to know you
- ▶ Gives you a chance to demonstrate your product
- ▶ Gives us a chance to ask you questions about your startup

You should prepare a presentation that includes information on:

- ▶ Your **Team**
- ▶ Your **Market**
- ▶ Your **Competitors**
- ▶ Your **Marketing Strategy**
- ▶ Your **Revenues** and other relevant stats
- ▶ How much **Capital** you are seeking

Stages 4-6: Competitive Map



The Most Crucial Part of the Application Process

At Krypton VC we believe that your competitors are your best friends. In the age of information, where data is readily available on the internet, it is relatively easy for us to learn from the successes and failures of your competition. We are most interested in learning about the competitors that entered the market in the last 1-3 years and are making money.

The purpose of these meetings are to:

- ▶ See who is making money in the market and most importantly how they are making it
- ▶ Determine what the barriers to entry might be and how to best tackle your market
- ▶ Help determine the best go-to-market strategy for your startup

We will provide with you a separate guidebook to guide you through the Competitive Map Meeting stages of the application process.

Stage 7: Technical Review



The technical review is our internal process to ensure that the startup's product is built architecturally sound, and is ready to handle a large mass of users.

This meeting provides us with:

- ▶ A deeper understanding of the development team's capabilities
- ▶ Where there may be holes or weaknesses in the product that need to be addressed
- ▶ Scalability potential

For this phase, all you need to do is bring your CTO and/or Dev Team to explain the internal infrastructure and technical vision going forward.

Stage 8: Brainstorming Session



Before issuing a terms sheet we bring our startups in for an out-of-the-box brainstorming session.

While many companies have a clear vision of go to market strategy, user targeting and revenue models, we believe having an open-minded and abstract conversation can bring a great deal of value to both Krypton, as investors, and the team, as entrepreneurs.

This informal meeting involves members of our investment committee.

For this meeting we ask you to bring your team and your big ideas for your company's future.

We will discuss:

- ▶ Potential deal structures
- ▶ Strategic partnership opportunities
- ▶ Possible go to market strategies
- ▶ Pivots and/or niche refinement
- ▶ Anything and everything else beneficial to synergy between Krypton and your startup's partnership

Stage 9: Deal Terms Negotiations

This is the last phase of the investment process.



The usual series of terms sheets presentations is:

- ▶ Presentation of “White Paper” on which we present the basic guiding business deal principles that will go into the contract.
- ▶ Terms sheet - Legal department translates the outlined “White Paper” onto a more concise terms sheet that will be signed as an agreement to the deal structure and terms.
- ▶ Signature and celebrations
- ▶ Definitive Agreement - we will have the terms sheet sent to our lawyers and incorporated into a more comprehensive document.

A few key points:

- ▶ Krypton does not negotiate deal terms via email. We believe all business decisions need to be done personally and around the table together
- ▶ Krypton does not negotiate directly with lawyers. We ask that all changes be communicated directly by each party to avoid additional confusion
- ▶ We ask that deal terms be kept private until deal is closed and made official

Welcome To The Family

“You will give the people an ideal to strive towards. They will race behind you, they will stumble, they will fall. But in time, they will join you in the sun. In time you will help them accomplish wonders.”

Jor El

Life On Planet Krypton

WORK HARD

MARKETING TOGETHER

RESPECT

EXCELLENCE

GUIDANCE

TEAMWORK

STRATEGIC PARTNERSHIPS

Contact Details

Address:

Krypton Venture Capital
3 B.S.R Tower
18th Floor Unit 72
5 Kinneret Street
Bnei Brak
Israel

Email:

info@kryptonvc.com

