

# Understanding Your Virtual Data Room



Ultimate  
Checklist and  
Template



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**PART ONE**

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# Overview of the Data Room



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The Australian startup sector is becoming increasingly saturated with businesses and founders looking for funding from seed, series or angel investment rounds. Entrepreneurs solve the world's biggest problems, so it's madness that investors reject 97.3% of opportunities.

To stand out from the crowd, not only do you need a revolutionary idea, a passionate team and a vision to change the world, you need to cut through to investors and show them why your startup is worth their time and money!

A data room is an integral component of the capital raising journey, as it **provides prospective investors with a wealth of confidential information about your business in a controlled manner**, including capitalisation tables, pitch decks and current and future valuations of the business.

It should contain the **answers to every potential question an investor may have about how your business operates**, and **reflect the high quality and commitment to excellence of its founders**.



**PART TWO**

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# Benefits of the Data Room



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## Cut through with Data

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A great data room shows investors that you value and respect their time by accommodating qualitative and quantitative evidence about the strength of your company.

It represents the **founder's commitment to raise capital and handle the accompanying responsibility**, reassuring investors that their money will be utilised efficiently.

A great data room also saves you time as an entrepreneur, **giving you time to perfect your pitch and maximise your chances of securing investors.**





We see hundreds of startups every month at CapitalPitch and many of them fail to provide any sort of data room, let alone a comprehensive package that's guaranteed to **wow** investors.

So we decided to curate a complete data room template that's sophisticated and intuitive, which you can follow to assist you on your fundraising journey.

Keep in mind that this template is modelled off CapitalPitch's unique data room requirements, so some of this content may not apply to other investors. As an entrepreneur, you'll need to decide which elements are most critical to your Startup.





**PART THREE**

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# Components of the Data Room



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## **1. Investor Communications**

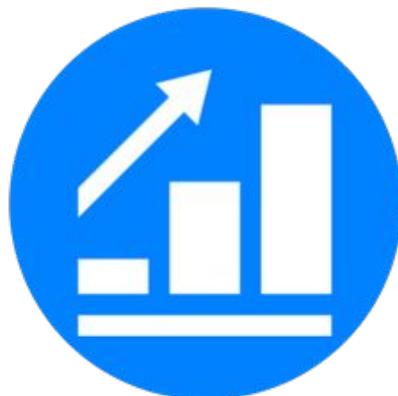
Any information previously produced by the company and provided to potential investors or other third parties should be uploaded here. Details of the previous raise amount, purpose, valuation, type etc. should also be here.

Components of this section should include:

1. Previous Investor Communications
2. Investor Presentations
3. Promotional Videos

## **2. Corporate Governance**

Items in here should list and provide a structure chart of all entities (parent, subsidiaries, etc) and major ownership around the company. Entities in the process of being set-up should also be included with a date and reason for the change referenced.



## 2. Corporate Governance (continued)

Some examples of items to include in Corporate Governance include:

1. Corporate Structure
2. Certificate of Incorporation
3. Constitution of Company
4. Shareholder List and Capitalisation Table  
**(we recommend using our powerful Capitalisation Table Calculator!)**
5. Shareholders Documents
6. Shareholder Agreements
7. List of Legal Jurisdictions
8. Licenses
9. Director and Executive Register
10. Director Details
11. Board of Directors Meetings
12. Shareholders' Meetings
13. Securities Regulator Correspondence

[Click here for our complete resource hub!](#)

### **3. Business Matters**

Any forward-looking business plans, whether approved by the board or not, should be provided. These should cover the product, market, sales, financial and technical elements of the core business of the company and related entities, including:

1. Business Plans
2. Sales, Advertising and Marketing Matrix
3. Markets
4. Competitive Environment
5. Customer, Partnership and Supplier Details

### **4. Financials and Tax**

The accounts may be audited or unaudited, be for the prior 3 years and interim periods; and should include, as a minimum, the Balance Sheet, Income Statement and Cash Flow. Capital Structure would be beneficial. The Notes to the Accounts are useful to assist investors in understanding the financials. Other important indicators are:

1. Financial and Bank Statements
2. Capital Expenditure
3. Tax Matters
4. Auditor Statements

## **5. Material Agreements**

All material contracts and agreements that have been signed by the company or its related entities with 3rd party customers who have contracted services from the company or its related entities. This includes standard terms and conditions agreed by customers, as well as:

1. Product and Service Contracts
2. Confidentiality Agreements
3. Indebtedness
4. Insurance Policies
5. Contracts with Related Parties
6. Research & Development
7. Assistance Programs
8. Guarantees & Contingent Obligations
9. Management & Consulting Contracts
10. Other Agreements



## **6. Employment and Labour**

Organisational chart for the company and related entities showing all teams, management and staff. Name and job title should be provided. This is for all part-time, full-time and contract staff working on an ongoing basis (3+ months). Projected hires and open positions should also be noted, along with:

1. Organisation Chart and Senior Management
2. Staff Records and Projections
3. HR Policies and Employee Benefit Plans

## **7. Technology**

Identify and describe all IT used by the company and related entities, including the architecture, code type, database design, version, etc. Also include any outsourced or hosted services used to provide the key products or services (including the function, name of the service, name of the service provider). This includes technology core and peripheral to the business offering, such as:

1. Licenses & Inventory
2. Development of Technology
3. Software Development
4. Technology Contingency Plans

## **8. Intellectual Property**

A summary of the company and related entities' intellectual property portfolio including a list of patents, trademarks, industrial designs, domain names, social networking accounts. Details as to the jurisdictions where patents, trademarks etc are registered/filed should be noted, as well as:

1. Intellectual Documents
2. Intellectual Infringements

## **9. Real Estate**

Description, location and character of all real estate property owned (wholly or partially), commercial or residential, by the company or its related entities. Material deeds, surveys and other property title documents should also be included. Mortgages should be referenced with the appropriate documents, as should insurance.

If partially owned, full details (name, registered/home address, business, etc.) of the co-owner should also be provided.

## **10. Litigation and Government Regulation**

Provide summaries regarding proceedings, start date, current status, cost, insurance cover, if any, and any legal opinions concerning any active, pending or threatened actions including the following: civil suits, criminal actions, tax claims/disputes/investigations, administrative actions, etc. against or by the company, its directors or executives acting on behalf of the company or its related entities. Also worthy of inclusion are:

1. Legal Proceedings, Obligations and Approvals

## **11. Miscellaneous**

Recent analysis of the company or its related entities prepared by accredited third parties (investment bankers, engineers, management consultants, accountants) that provide opinion or analysis on the varying aspects of the product or market. Usually, the following points are also mentioned:

1. Industry Analysis
2. Press Coverage
3. Other Relevant Documentation



# About CapitalPitch

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CapitalPitch is a lead investor, as well as a business coach, advisor, filter, due diligence expert and capital raising platform for startups at the Seed and Series A stage.

For startups we get them investor ready, lead their investment via our fund and help them close their round with smart and strategic follow-on investors.

For investors we act as the ultimate filter, showcasing only the best investor ready businesses together with rigorous and transparent due diligence on our platform.

Why are we here?

Entrepreneurs solve the world's biggest problems but lack of access to capital is killing them. We believe sophisticated, accredited & professional investors should more easily be able to invest in the future of job creation & innovation.

For more about CapitalPitch, see our website [www.CapitalPitch.com](http://www.CapitalPitch.com)

For FREE downloads, videos, eBooks, blogs & resources, see our website <http://hub.capitalpitch.com>

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## Apply for Funding

CapitalPitch is investing in startups generating \$10k - \$250k /month revenue and seeking to raise \$500k - \$3m.

If this sounds like you, then click here to apply for funding now!

[Apply Now](#)

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