



BOOSTR

**FIRST GLOBAL PUBLIC
STARTUP INVESTMENT
ECOSYSTEM**

**Market Trends &
Project Description**

Early Stage Funding Methods

The main methods of early stage funding include crowdfunding, venture investments, business angel and business accelerators investments



\$4,4 bln Attracted globally in 2017

4% Annual growth rate

Business Angels



\$206 mln Attracted globally in 2017

7,8% Annual growth rate

Business Accelerators



\$155 bln Attracted globally in 2017

10% Annual growth rate

Venture Capital







\$49 bln Attracted globally in 2017

81% Annual growth rate

Crowdfunding

Most of the investments are gained from venture investors and business angels so the majority of startups are seeking to find them

	 Business Angels	 Venture Capital	 Crowdfunding	 Accelerators
Who are the investors	Private investors/ entrepreneurs or small investment firms	Venture Funds, institutional investors	General public	Accelerators
Average investment	Less than \$1 mln	\$5-8 mln	Less than \$1000*	Less than \$100k
Main Issues	<ul style="list-style-type: none">• Search of investors and project presentation• The complexity of evaluating the project's prospects at the early stage	<ul style="list-style-type: none">• Difficulties in communication with investors• Compliance with the norms of document circulation	<ul style="list-style-type: none">• High risk of non-return• Lack of legal guarantees• Limited financial opportunities of backers	<ul style="list-style-type: none">• Insignificant investment size• Initially low acceptance rate

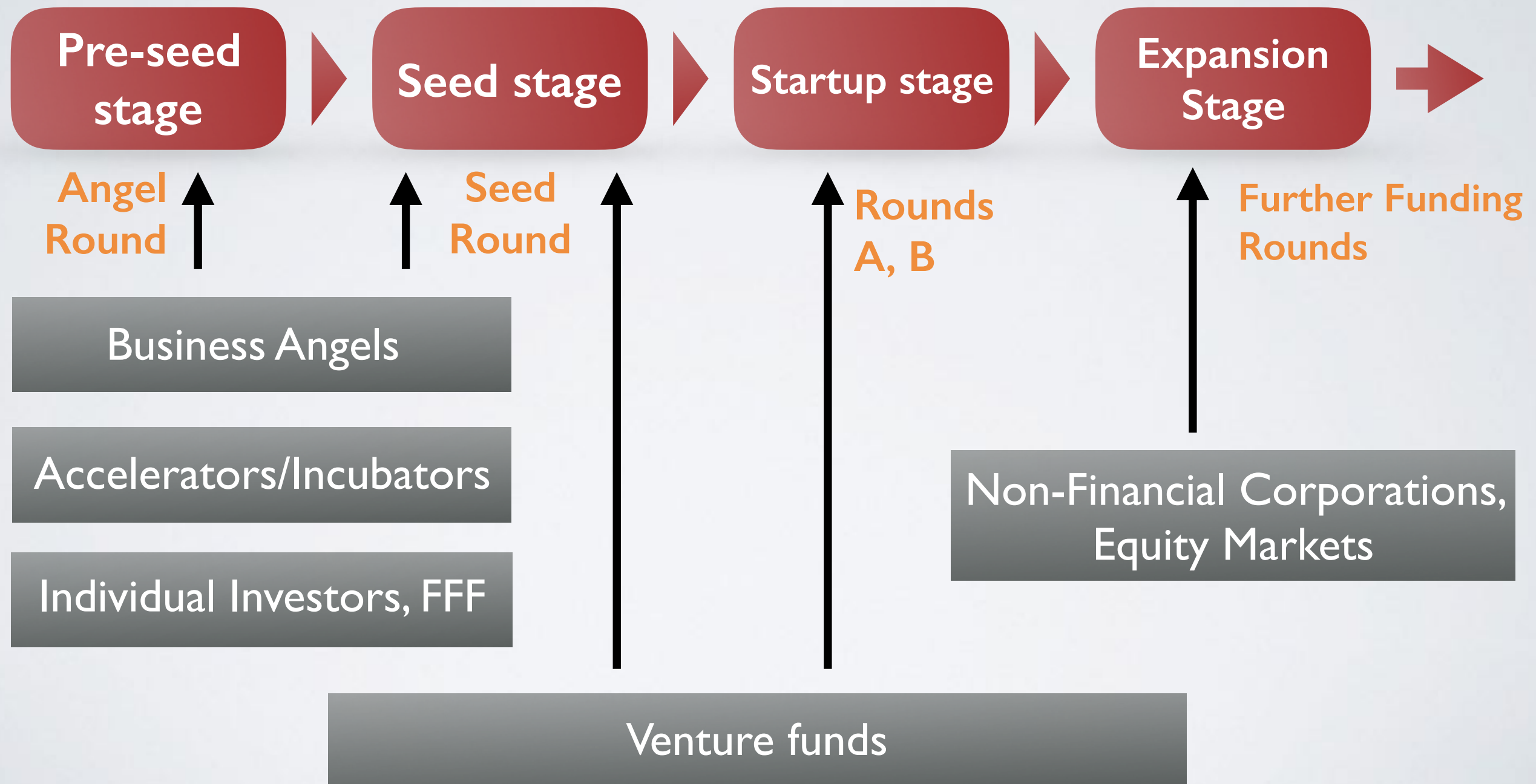
Early Investments Geography

Most actively, early investors (venture capital and business angels) fund the US market and startups in South-East Asia. The volumes of investments for 2017 are indicated below:



Startup Financing Cycle

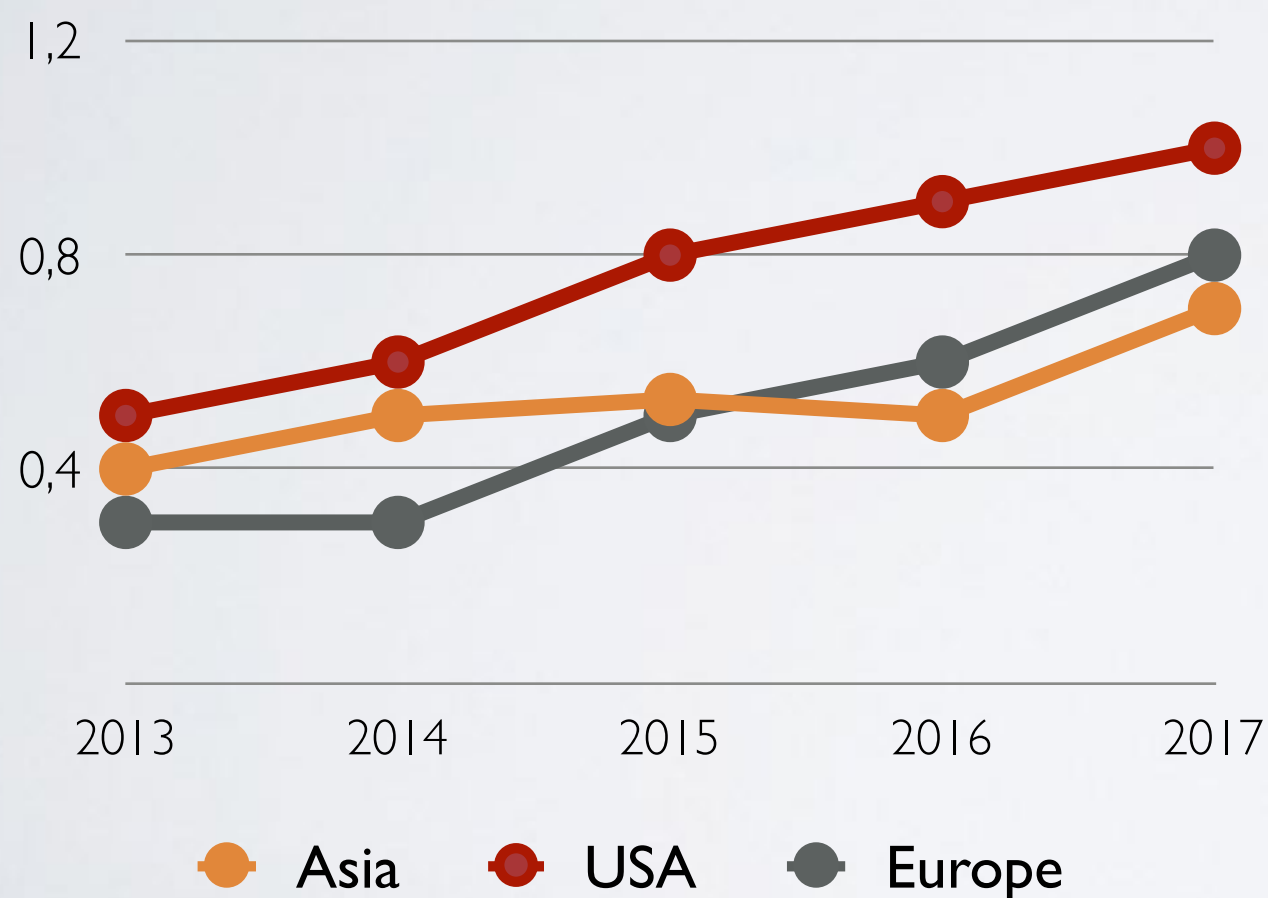
Venture capital is typically raised for the purpose of investing in the equity of startup companies. A financing diagram illustrates chronology of how start-up companies are typically financed.



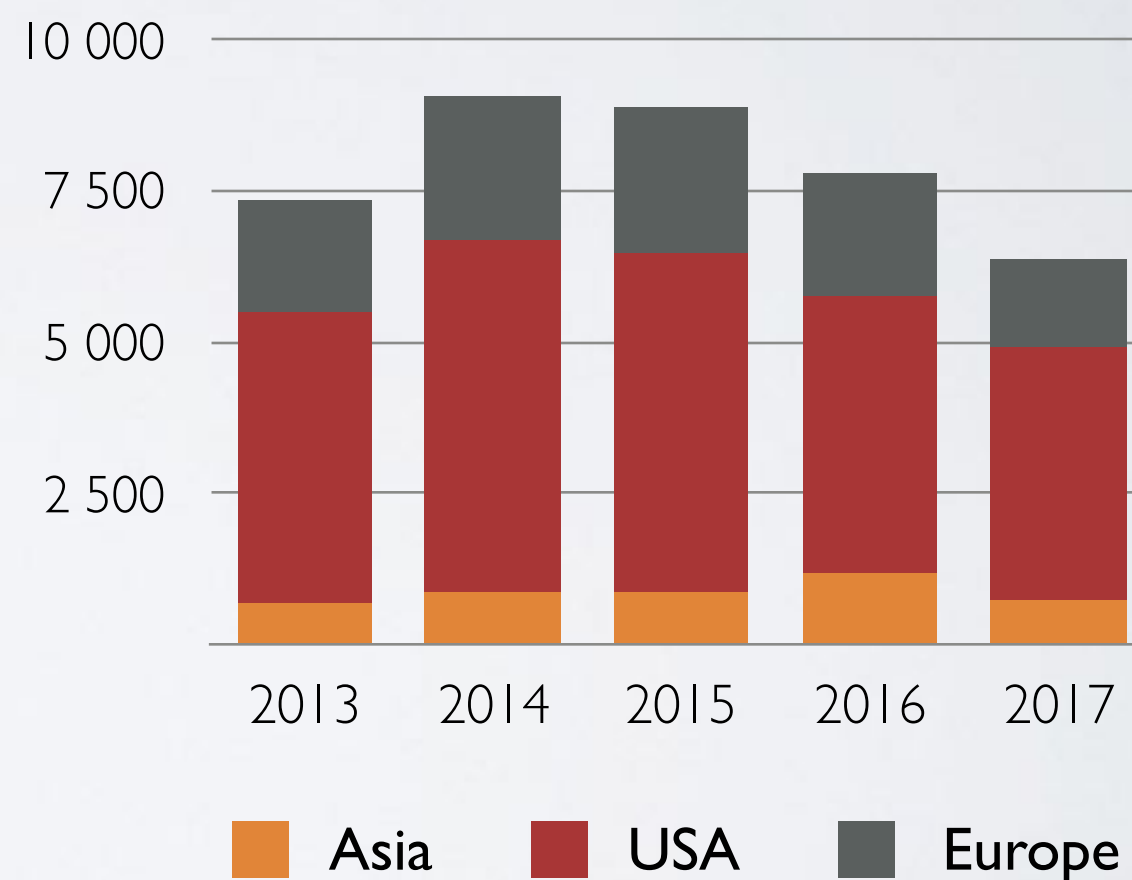
Angel/ Seed Round Statistics

The number of angel and seed stage deals continued to decline, highlighting a long-term trend that began 3 years ago. Every major region of the world has been affected by this trend, indicating profound problems in this sector

Median Deal Size in Angel/Seed Rounds (\$M),
by Regions, 2013-2017*



Number of Deals Closed, by Regions,
2013-2017*

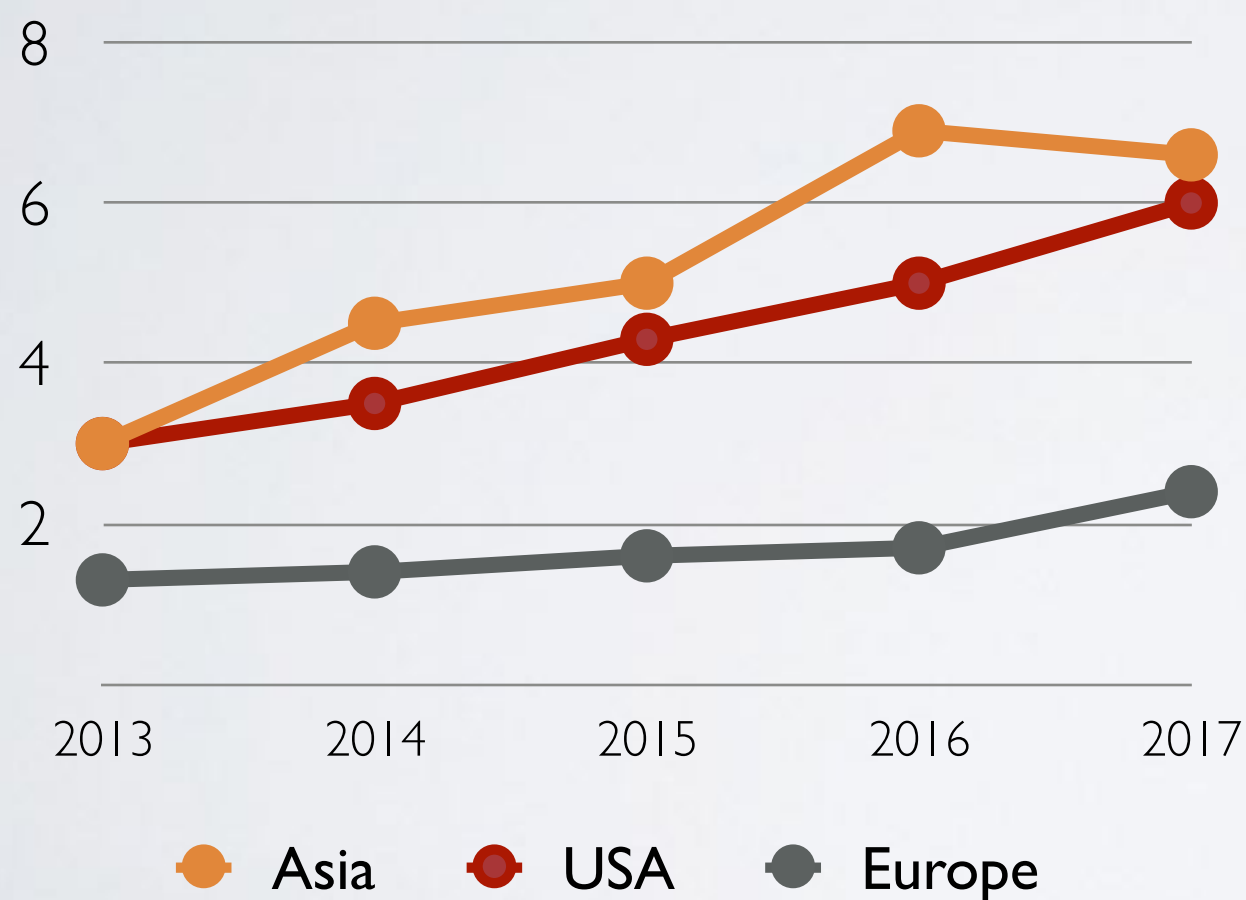


*Only visible market deals considered

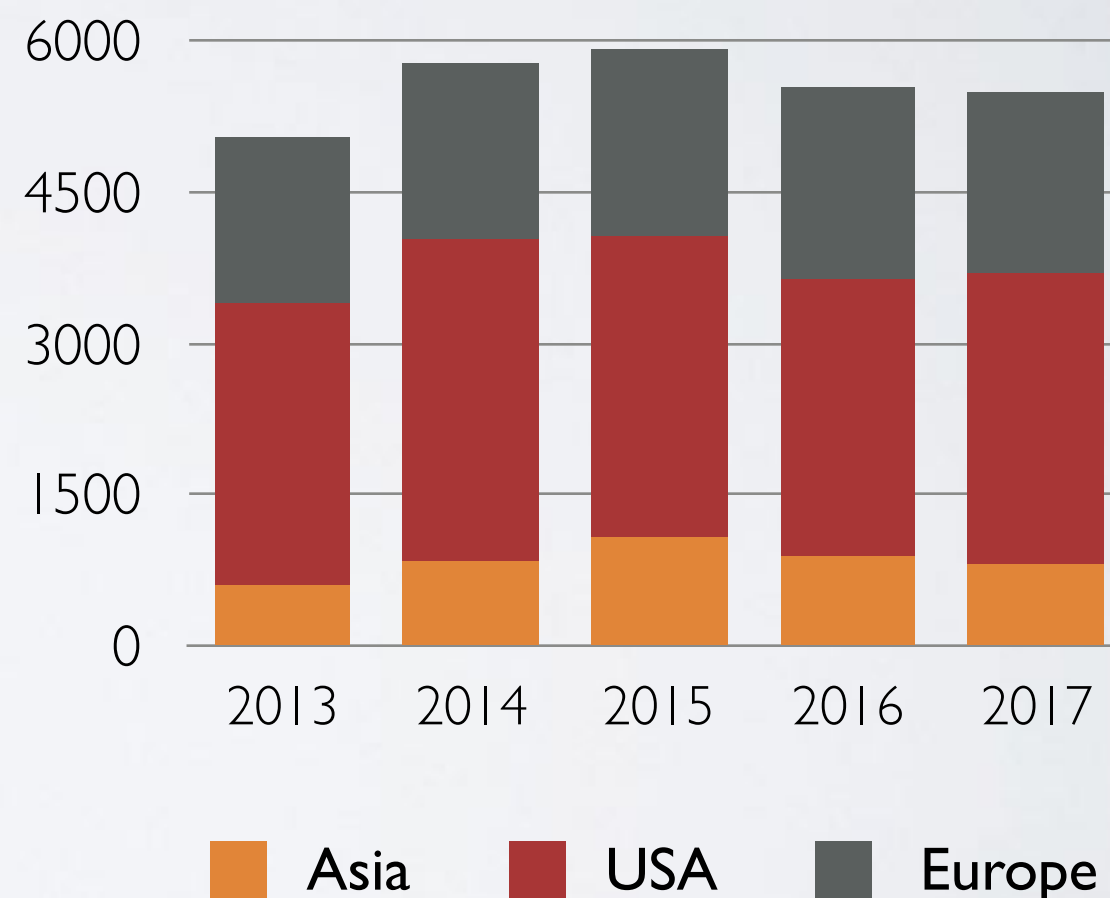
Early Rounds VC Statistics

Early Stage deals (Series A&B) display the decline in number of deals but general investment volume grows, which, added up, indicates investors' difficulties in finding promising projects

Median Deal Size in Early (A&B) Rounds (\$M),
by Regions, 2013-2017*

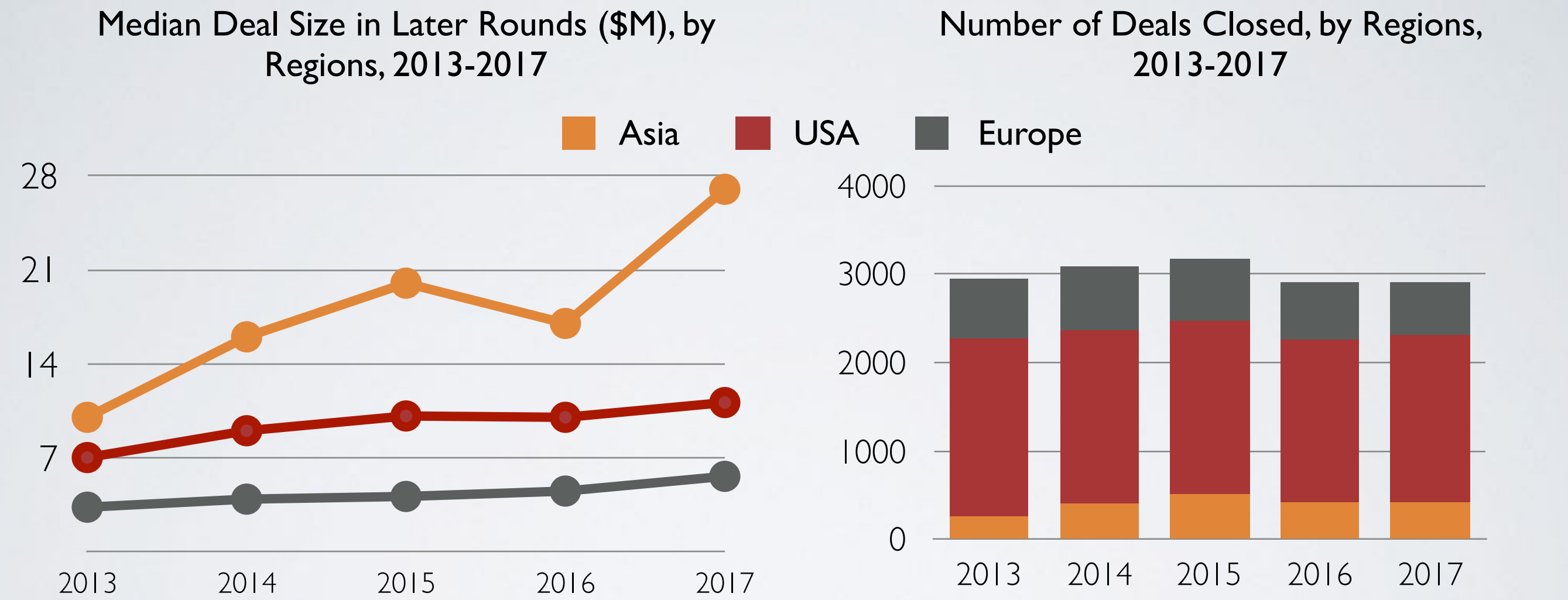


Number of Deals Closed, by Regions,
2013-2017*



*Only visible market deals considered

Most of the money goes into later rounds of financing for more mature and safer companies. Asia is the fastest growing financial market now



Top Financings in 2017, by Regions

China, \$5,5 bln Late Stage Financing

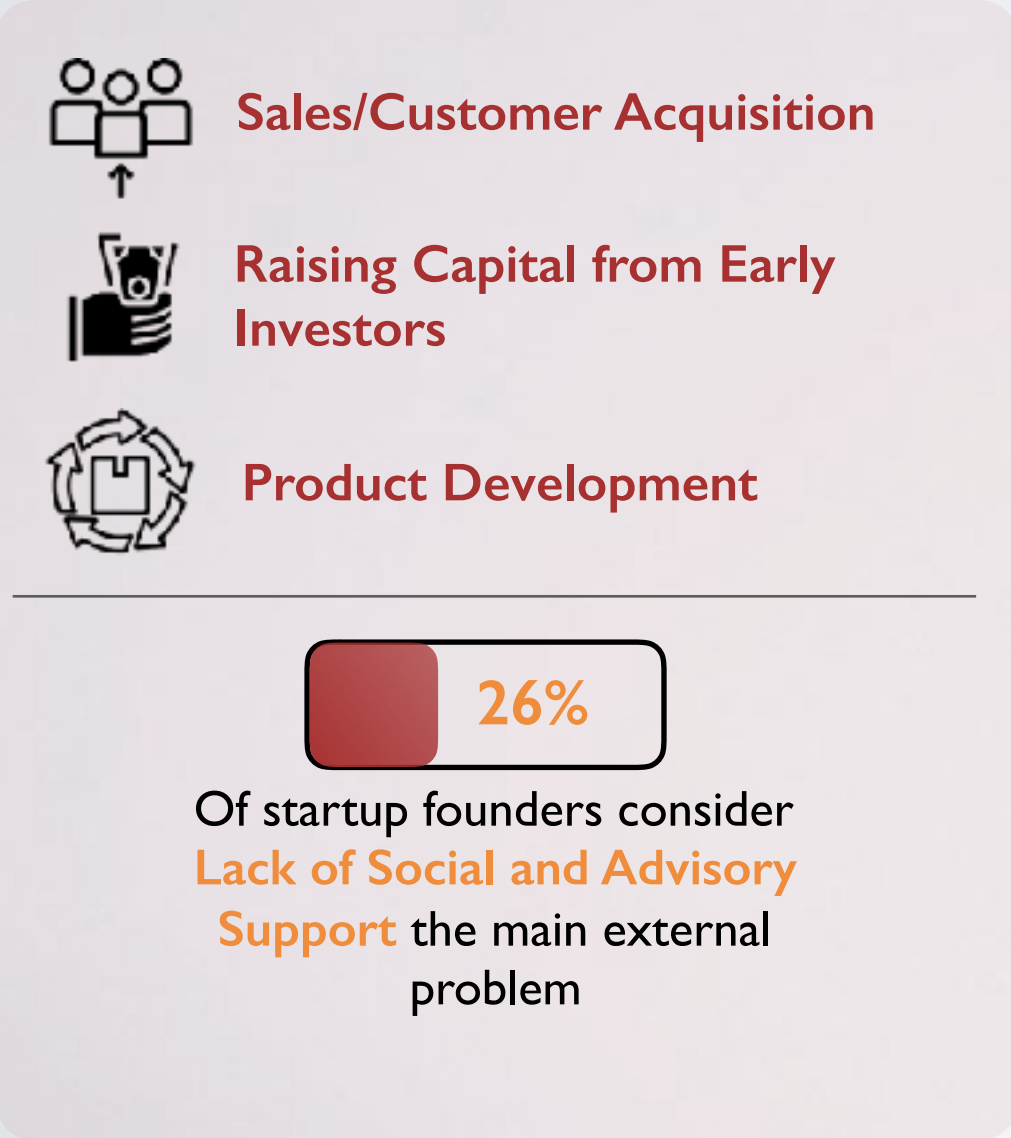
USA, \$3 bln Late Stage Financing

UK, \$0,5 bln Late Stage Financing

Sales/Customer Acquisition, Product Development and Raising Capital are the biggest challenges for European startups while investors are reluctant to take excessive risks

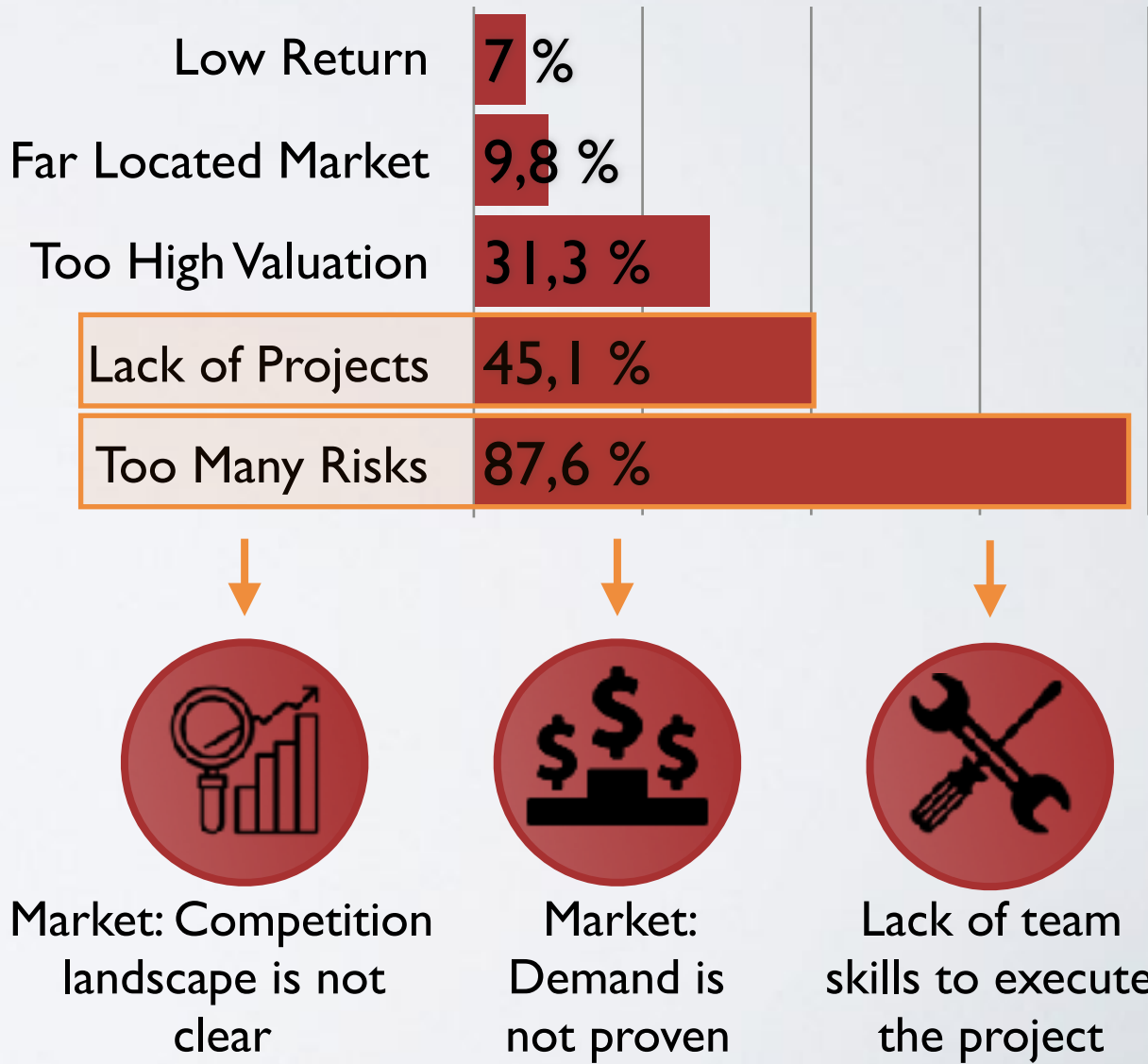
Startup Specific Problems

Key Internal Challenges European Startups face
(Survey of Founders*)



Investors Specific Problems

Reasons Why Business Angels Did Not Invest in Investment Opportunities in Europe (Survey*)



Early Investment Challenges in Asia

Despite the market of early investments in Asia has demonstrated a sharp growth during past few years, investors and startups faced difficulties connected with the market overheating

Startup Specific Problems

Key Challenges for Asia startups



Investor Search Issues

Asia startups experience great difficulties in attracting investors - both local and foreign.



Lack of Managerial Skills

Low ability to manage the work process and present the project lead to an inadequate performance of Asian startups. Only 1%* succeeds in China

Investors Specific Problems

Key Challenges that Asian investors face

Difficulties in finding new projects

Most of respondents mentioned difficulties in finding perspective projects in early stages due to the lack of information

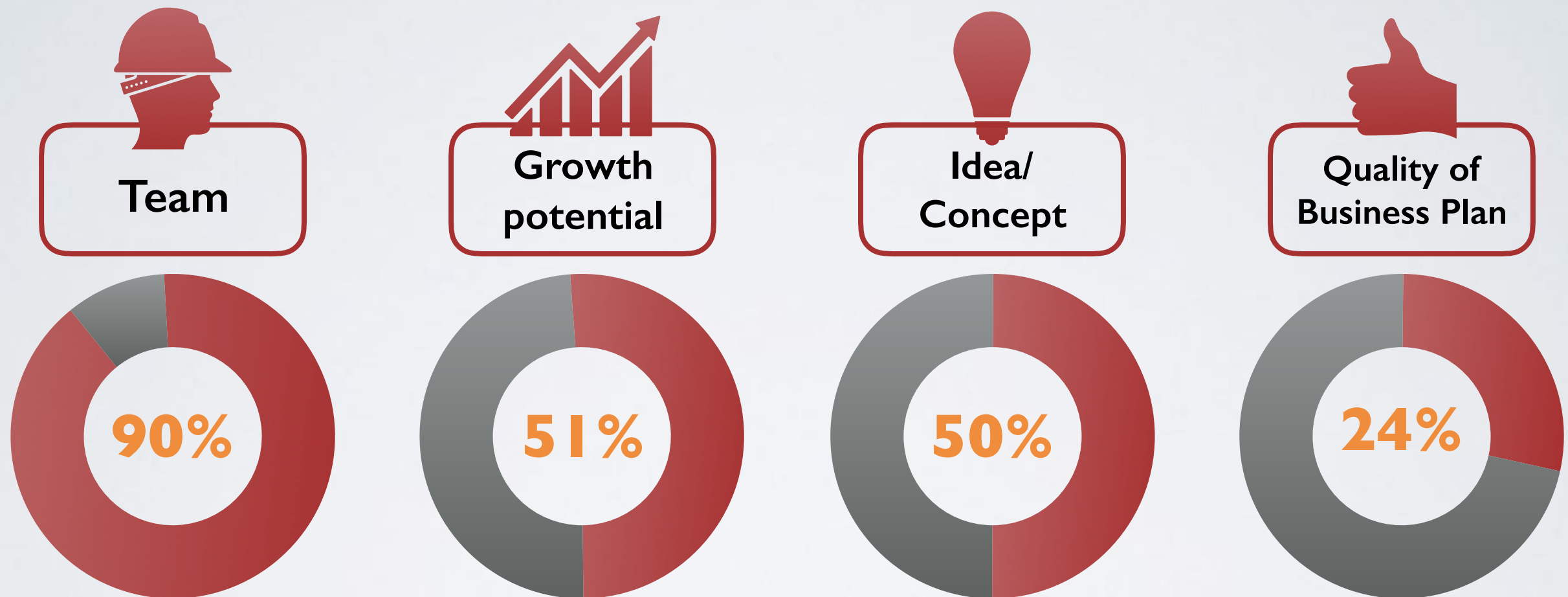
Valuations of the Projects are too high

Many investors note that the valuations of potential targets are being too high even in the early stages

General Challenge to Early Investors

The following factors are decisive for Business Angels to start an investment but the lack of information about startups often prevent them from investing

Decisive Factors for BA to Start an Investment*




! It takes a lot of time and resources to find out whether a particular startup meets early investor's requirements.


*Share of respondents mentioned the factor among the most important

Among the most popular solutions in the market are startup accelerators and incubators and these concepts still have a room for improvement


Main Issues for Startups:

- High Fees/Equity**
Startups are often required to pay contributions or give shares
- Low Acceptance Rate**
1-15%. Promising projects are often screened out
- Lack of Direct Contact with Investors**







3 to 6 months
Short-period programs



Seminars, intense mentorship by self and others





Early or late venture stage




1-5%
Average acceptance rate

Business Accelerators







1 to 5 years
Long term programs



Ad hoc, human resources, legal education; minimal mentorship



Early venture stage



Less than 15%
Average acceptance rate

Business Incubators

Global early stage investment market shows growth and investors are eager to put their money into startups. Nevertheless, there is a declining trend in number of deals indicating the following market problems:



Investors' Problems

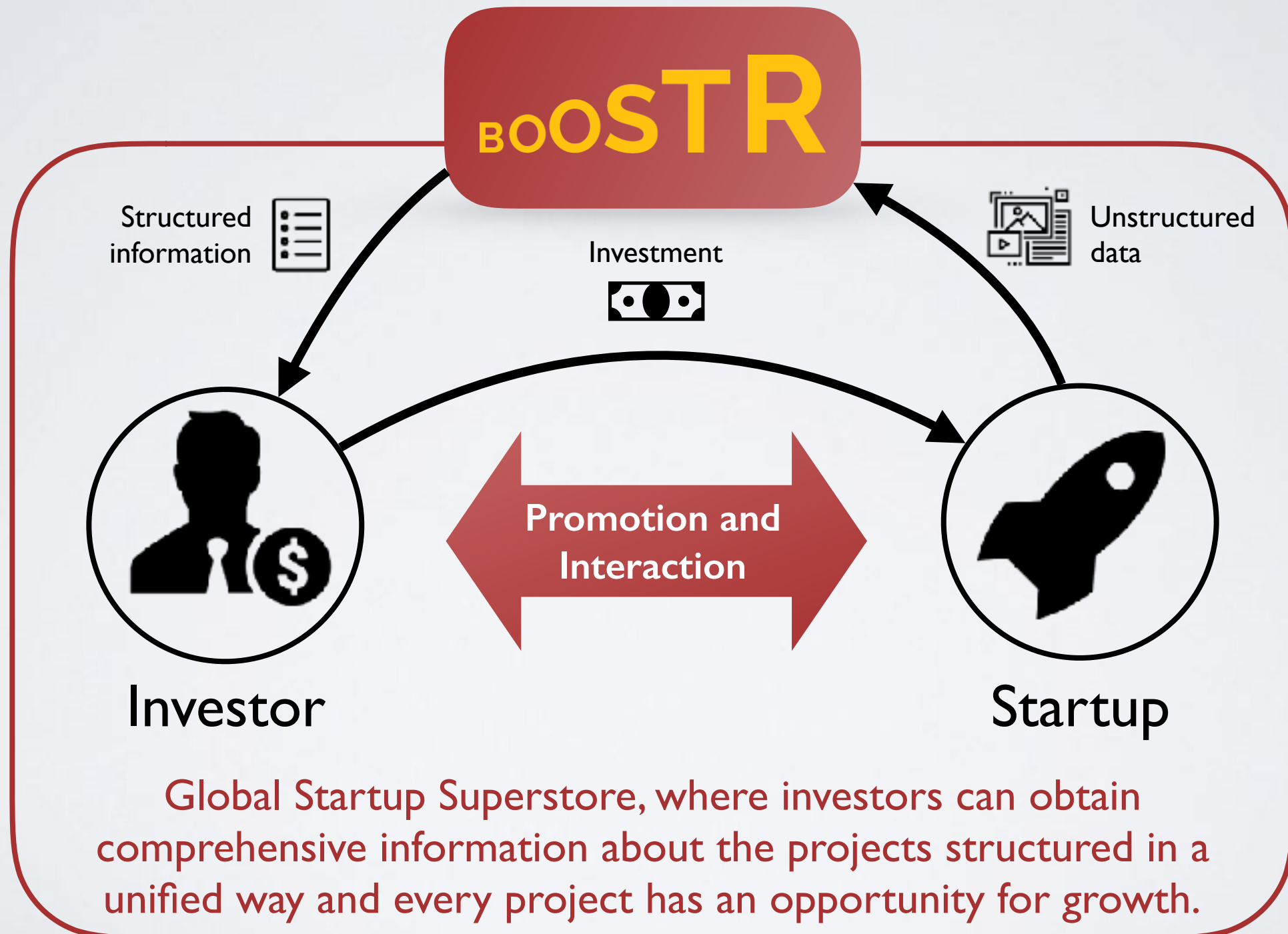
- I. Difficulties in Finding and Evaluating Startups**
- II. Overvaluation of the Startups' Equity**



Startup Problems

- I. Attracting Investors**
- II. Lack of Managerial Skills**
- III. Entering the International Market**

BOOSTR is a publicly traded US company which aims to solve both startups' and investors' problems by creating an ecosystem where all participants can easily collaborate with each other



BOOSTR strives to create an international network of startups and investors maximising the amount of projects presented to different investors in any part of the World. It is crucial to establish offices in the main startup centres



The marked cities provide the best ecosystems for startup development according to relevant indices. The initial **BOOSTR strategy** is to penetrate these cities to gain as many promising projects as possible. (Data on 2017)

City	Ecosystem Value	Metropolitan Population	Startup Output	Early-stage Funding per Startup	Global Connectivity Index*
San Francisco	\$264 bln	7.6 mln	13-16 k	\$762 k	11.0
New York	\$71 bln	24 mln	6.3-7.8 k	\$568 k	6.7
London	\$44 bln	14 mln	4.3-5.9 k	\$451 k	10.8
Beijing	\$131 bln	25 mln	4.8-7.2 k	\$682 k	1.7
Los Angeles	\$30 bln	14 mln	3.7-4.6 k	\$450 k	1.7
Tel Aviv	\$22 bln	3.7 mln	2.2-2.7 k	\$509 k	12.9
Berlin	\$31 bln	6 mln	1.8-2.4 k	\$483 k	9.9
Paris	\$12 bln	12 mln	2-2.6 k	\$270 k	10.8
Singapore	\$11 bln	5.5 mln	1.6-2.4 k	\$276 k	11.4
Shanghai	\$42 bln	34 mln	1.8-2.7 k	\$255 k	4.4
Bangalore	\$19 bln	8.7 mln	1.8-2.3 k	\$229 k	8.3
Moscow	\$3,4 bln	19 mln	1.5-3.4 k	\$61 k	8.8
Sao Paulo	\$ 3.5 bln	21 mln	1.6-2.9 k	\$84.8 k	4.3

*Global Avg - \$4.1 bln

*Global Average - 1762

*Global Avg - \$252 k

*Global Average - 6.1

BOOSTR Entry Requirements

BOOSTR acquires an equity share in startup in the start of cooperation

Share of equity required by
BOOSTR is 5-10%
(exact share - by agreement)



BOOSTR offers to
startup \$20 000 of its
equities at no cost.



\$20 000

The stocks can be given to founders or
included in the balance sheet of startup

1

BOOSTR does not participate in
project management and leaves
the right to make decisions to
the founders.

2

BOOSTR is always ready to
transfer its share in the startup
to its founders on mutually
beneficial terms.

3

BOOSTR will give the shares
back to the startup in 3 years
if the start-up does not
attract any investment

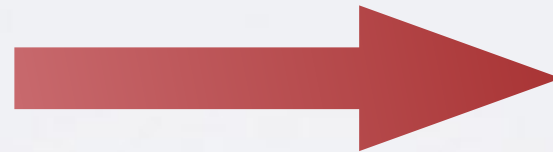
BOOSTR does not select startups based on the product/idea - we leave it to investors. The applicants should only meet the following basic criteria:

- 1) Sustained Team (preferably, with 2 or more founding members)
- 2) At least one of the founders has the experience of working in the industry
- 3) Well-designed Idea/Developed Prototype
- 4) Described Competitive Advantages
- 5) Sustainable Monetization Model
- 6) Transparent Business Model
- 7) Expected Return on Investment Higher than 1
- 8) Trust in the Project and Determination to Take Risk

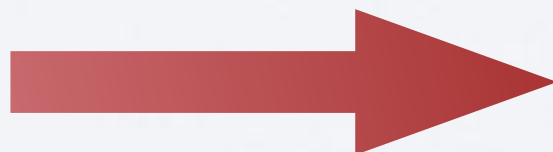
One of the key factors of attracting investments is how the startup pitches are delivered to investors. BOOSTR presents projects considering local business practices and type of investors

EXAMPLE:

Business Angels invest when they are inspired by project so more **info about the team and a narrative** is needed

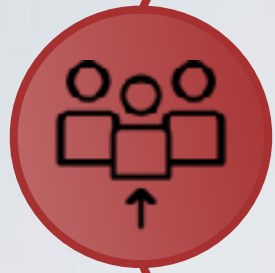


Venture investors prefer to see more **data and databased facts** when deciding about the project



BOOSTR Advantages for Startups

In addition to helping with the product development, legal and financial issues, we give startups an opportunity to communicate with investors from all over the World



Marketing & Worldwide Promotion

BOOSTR allows startup to announce about itself to investors from all over the world



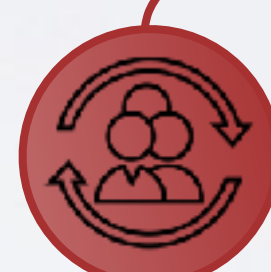
Low Barriers to Entry

BOOSTR does not select startups based on the product/idea and does not require payments for its services



Access to Global Capital

BOOSTR facilitates the search of funds by presenting projects to investors and participating in the major events around the world



Global Networking

Startups benefit from annual founders' networking events that take place in leading startup centres



Legal, Financial, Tax Support

- Accounting, financial consultancy
- Jurisdiction registration assistance
- Tax optimization, etc.



Accompaniment of Investment Deals

Finding an investor, deal assistance up to the final stage

BOOSTR Advantages for Investors

BOOSTR

Business Angels and Venture Investors will be enabled to broaden geography of their investments and fund any company based on the structured information since BOOSTR offer a full-fledged analysis of numerous startups

BOOSTR

Each startup on BOOSTR will have an up-to-date profile presented by sections



Standardized database with information about perspective projects worldwide



Broadening the scope of investing and internationalization



Regular startup presentation events in each city of BOOSTR presence



1. Characteristics of the team
2. Product description
3. Market analysis and growth prospects
4. Financial indices and the business model
5. Terms of cooperation

BOOSTR is a publicly traded US company whose stocks will be listed on the Over-the-Counter market.



OTC Market is the best option to enter the financial market and attract funds from a wide range of investors.



BOOSTR will submit audit reporting annually

The biggest companies that also were listed on the OTC Market

Company	Capitalization
	\$249 bln
	\$74 bln
	\$78 bln
	\$14 bln

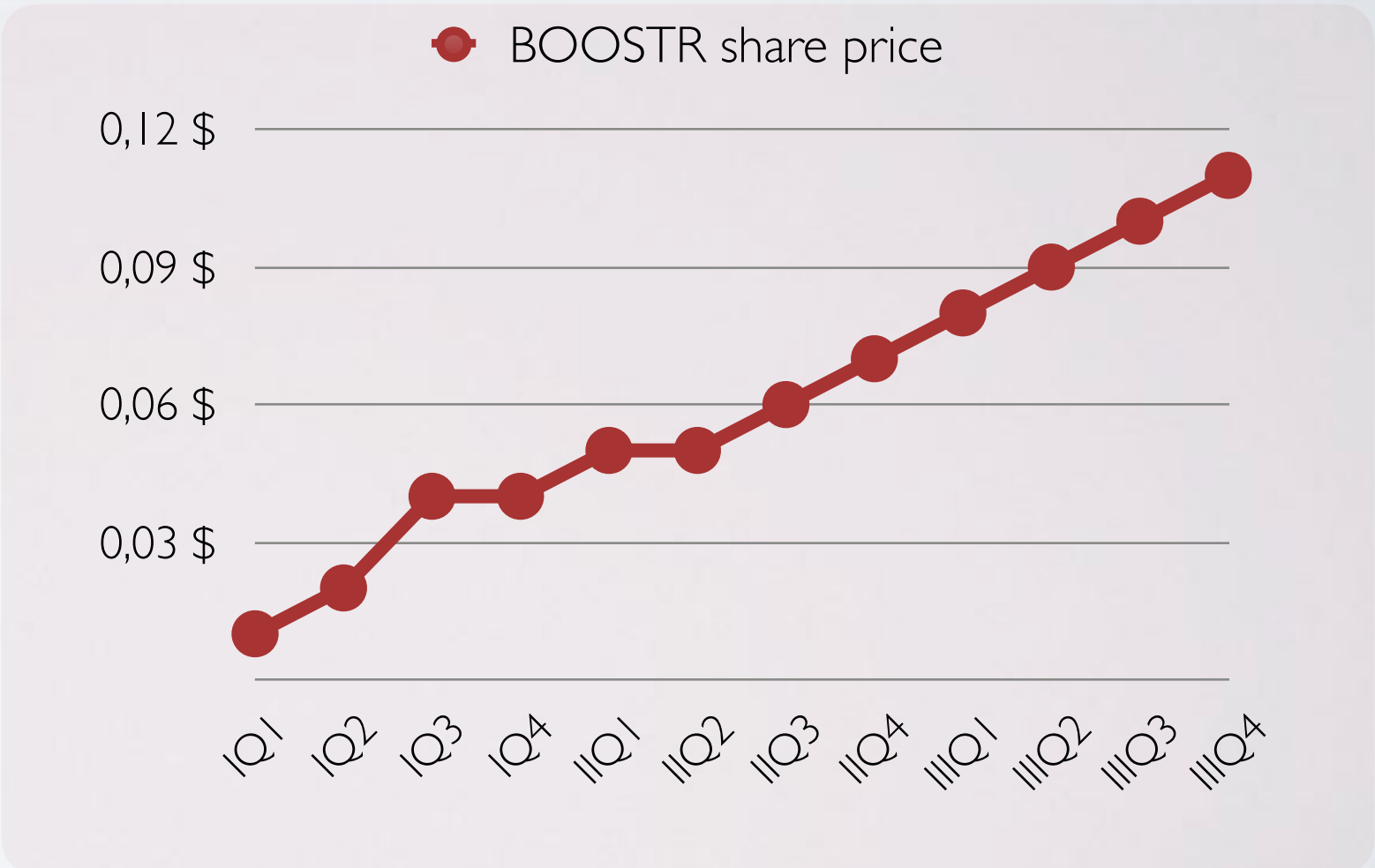
Business Model & Stock Price

First 3 years, BOOSTR will finance operational costs with stock sale. The stock price will go up due to new startups coming quarterly. According to Bloomberg statistics, BOOSTR has opportunities to quadruple its stock price

Business Model

- BOOSTR issues 10 bln of shares with initial price \$0,01
- Quarterly, approx. 100 projects will join BOOSTR community
- During the first three years, operational costs are covered by stock selling
- In 3 years, BOOSTR is expected to sustain operational self-efficiency

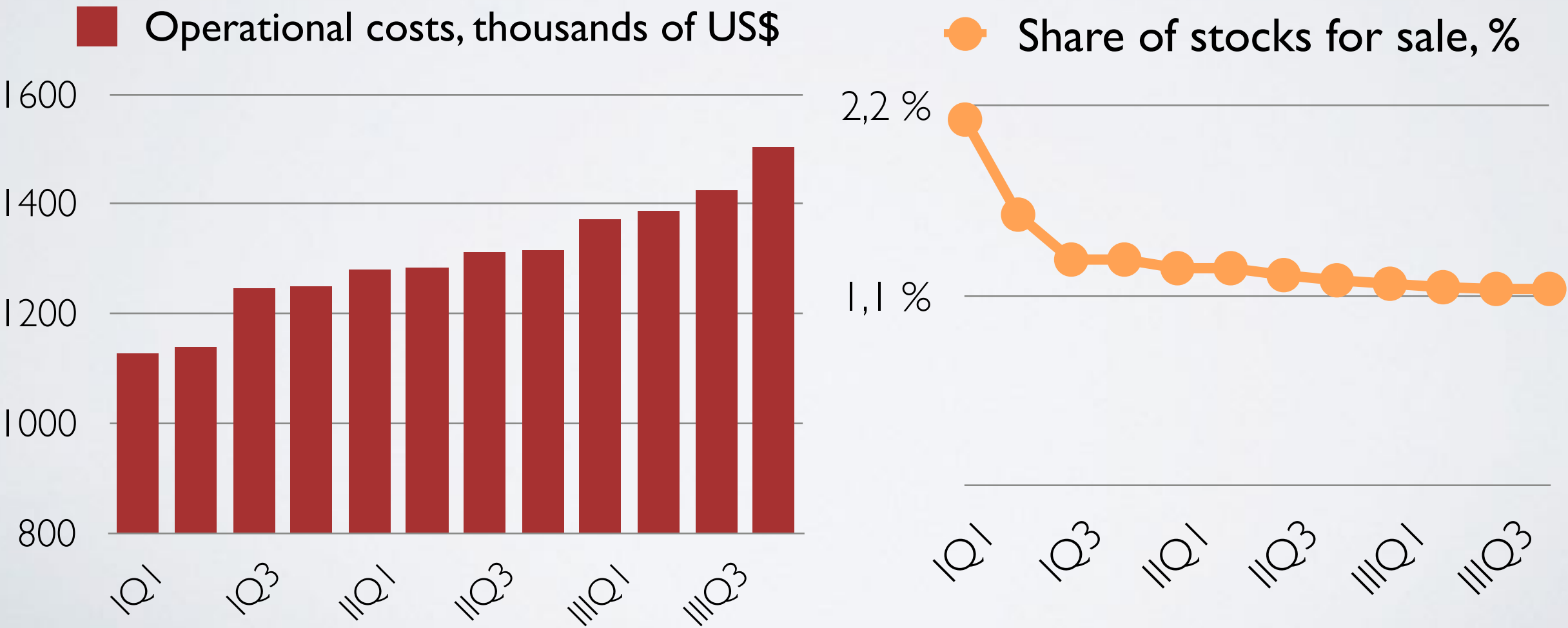
Forecasted Share Price Based on Expected Number of Projects



Operational costs are expected to increase less than the market value of BOOSTR, which makes the growth strategy sustainable

After 3 years, BOOSTR plans to generate profits from owning equity of startups, which would cover its operational costs

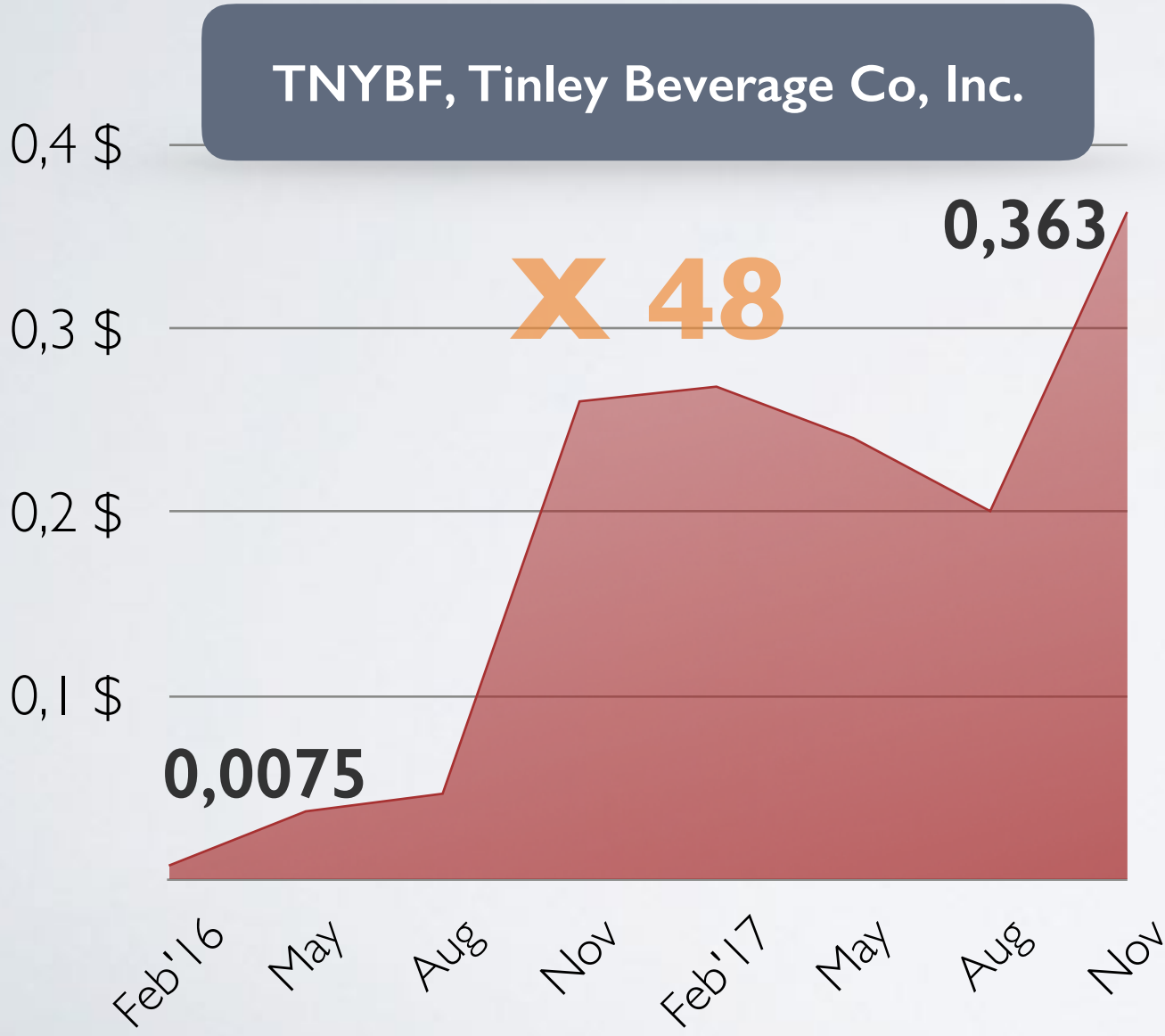
Stock sale will cover operational costs in the first 3 years



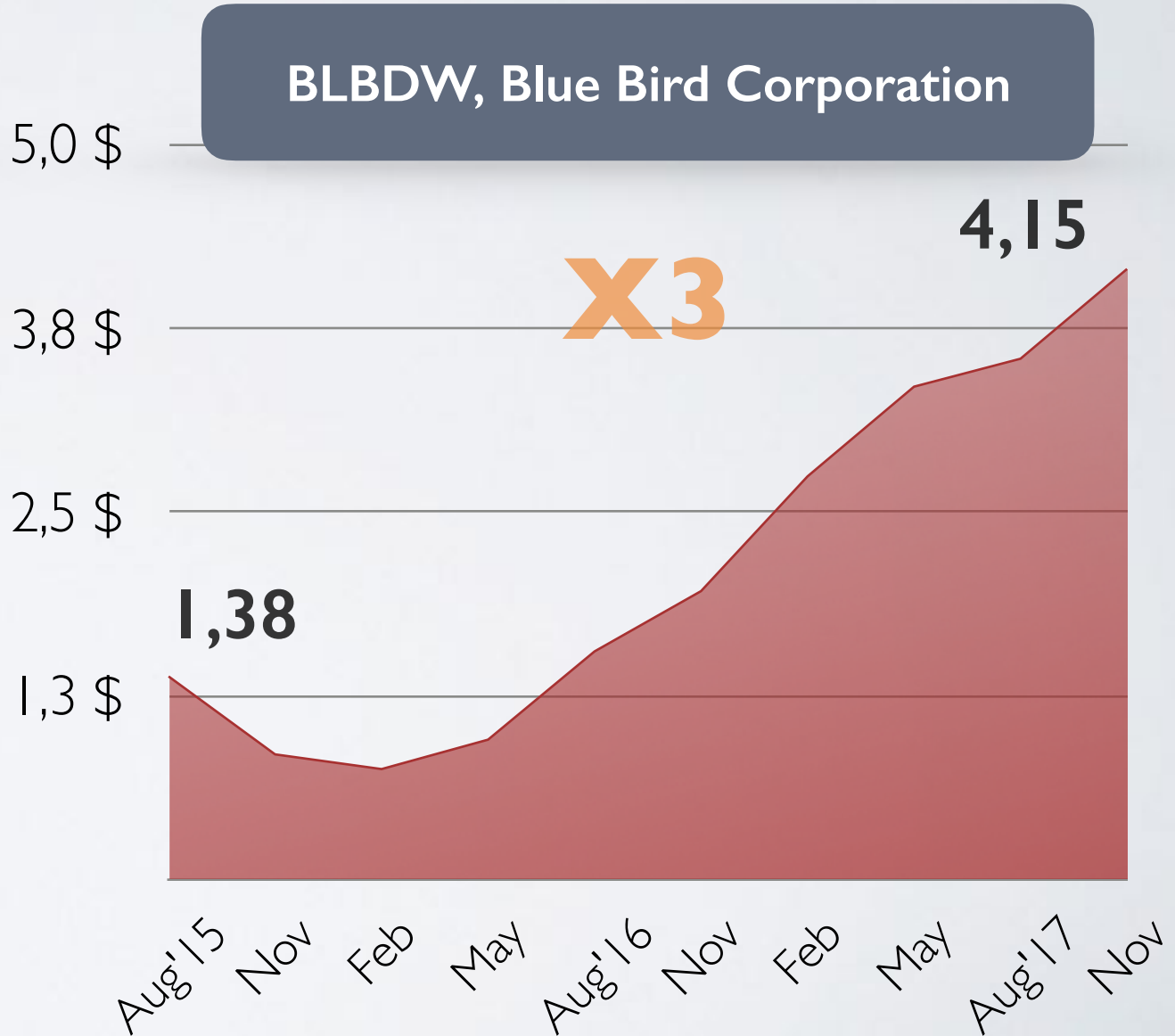
Growth Examples

Significant number of companies listed on the OTC market demonstrate stock prices growth after issuing shares of stock

The example of the sharp price increase in 2 years



The example of the moderate growth in 2 years



BOOSTR needs a \$2 mln investment to launch the Investment Ecosystem. The first two stages before the OTC listing are as follows:

I

\$2 mln



2

**Stock Pre-sale
at 50% discount**



Initial investments in BOOSTR needed for:

- The Launch of BOOSTR
- Issuing the Stocks

The second step includes:

- Selling Stocks at the 50% of Initial Offering Price
- Recruitment of the First Group of Startups

List of sources used

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