

October 2023

Atlanta's Technology Executives Roundtable

Expanding Internationally: Key considerations, potential benefits, and avoiding pitfalls

*Please hold until
the session begins*

TEER | Technology Executives Roundtable



John Wichmann

President 2023

Technology Executives Roundtable

Founder & CEO, Gather Sciences

Your Forum

Candid discussion

CEOs, CFOs, CTOs & Investors

Subject Matter Experts

Complex leadership issues

Share, challenge & test ideas

ZOOM Etiquette

- “Pin” the TER video box on your Zoom feed
- Please mute audio/video during presentations.
- Chat if you want to ask a question.
- We are recording for educational purposes; this is not specific legal, accounting or tax advice; consult your advisor

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Featured Fund & Company

Fund of the Month



Rohan Verma
Principal
Lewis & Clark Ventures
rohan@lacventures.com

Company of the Month



Tom Bell
CEO/Co-Founder
Maast
tom@maast.com



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LEWIS & CLARK VENTURES

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Introducing Lewis & Clark Ventures

Our Family of Funds



Full-spectrum of investment stages and sectors unlocks valuable insights for our portfolio companies



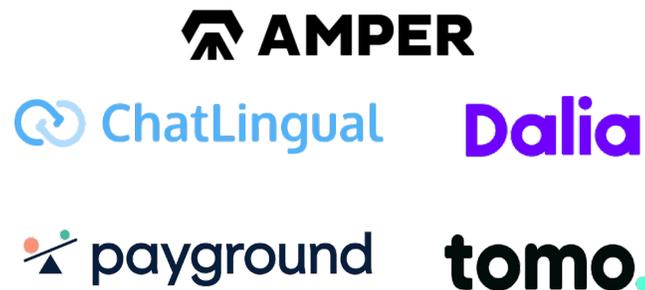
- **Revenues and EBITDA** up to \$100mm and \$5mm, respectively
- **Control investments**, including co-investment
- **Wide Industry Focus:** Industrial Products & Services, Business & Financial Services, Food & Beverage, Niche Manufacturing, SaaS, Value-Added Distribution
- **2 successful exits** in last 12 months with > 5x aggregated return

Active Portfolio



- **Tech Fund I:** 14 investments (2 exits, 3 public market listings)
- **Healthcare Tech Fund I:** 4 investments (1 public market listing)
- **Tech Fund II:** 6 active investments (target of ~15)
- **Deploying** remaining 2/3 of capital over the next ~2 years

Tech Fund II Portfolio



- **Total capital raised** of \$257mm from 77 LPs
- **Late-stage VC and growth investments** across entire value chain from pre-production to distribution
- **Lead deals** and participate on boards of 13 current portfolio companies

Active Portfolio



Ventures team benefits from shared back-office capabilities and collective wealth of knowledge across broader family of funds

Our Team

Former founders and operators with 130+ years of combined operating experience lead our uniquely qualified investment team



Tom Hillman
GP & Founder
12x Founder



Tim Spihlman
Managing Director
1x CEO | 2x CFO



Michael Rockhold
Principal



Rohan Verma
Principal



Brian Hopcraft
Venture Partner
1x Founder | 2x CEO



David Poldoian
Operating Partner
1x Founder | 2x CEO



Max Hillman
Operating Partner
1x Founder | 2x CEO



Nick Nardacci
Sr. Associate



Johanna Mennona
Analyst

Our team embodies an entrepreneurial mindset and is focused on providing founders with the tools, guidance, and resources they need to succeed

A Little Bit About Me



Introducing Lewis & Clark Ventures

LACV At a Glance



Investing Tech Fund II *2021 vintage fund*

- \$55mm raised
- \$13.8mm deployed
- 5 investments to-date

Emerging, yet Established *Two funds (\$104mm AUM)*

- **Tech Fund I:** 14 investments (2 exits, 3 public market listings)
- **Healthcare Tech Fund I:** 4 investments (1 public market listing)
- **Tech Fund II:** 6 investments to-date

Focused on B2B Software *Late Seed through Series A*

- Vertical & horizontal platforms
- \$1mm - \$3mm ARR
- ~20+ Customers

Experienced Team *A track record of success*

- Founding team working together for 12+ years
- Venture Investment Professionals with extensive industry experience
- Culture of friendly intensity, transparency, and fairness

Differentiated Approach *Operators first, Investors second*

- **Operating Mindset:** Our personal experience as founders and entrepreneurs drives our strategy
- **Anti-Valley Mentality:** Grow quickly (but not at all costs) and build a real business
- **Interest in “Hidden Prime”:** Seek companies, geographies & founders coastal funds often overlook

Investments Include

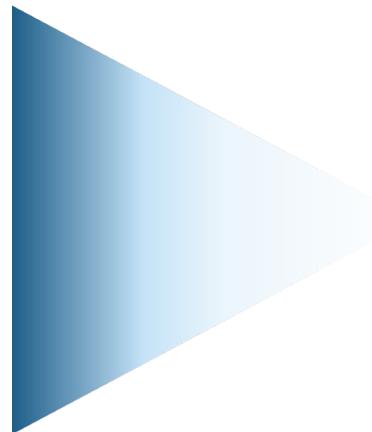


Introducing Lewis & Clark Ventures

Where We Invest

The “Hidden Prime” Profile

We look for “**Hidden Prime**” companies, which we define as capital efficient companies with a large TAM, great product-market fit, and disciplined founders that have been overlooked by large, coastal funds due to location, founder profile, or any number of other reasons. We do not aim to compete against mega-funds – our competitive advantage is our differentiated perspective from Silicon Valley.



- ✓ **Scale-Ready Company:** we only invest in companies that have already proven product-market fit and are poised to grow rapidly - this usually means \$1 - \$3mm of ARR, growing >100% year-over-year, with 20+ customers that have gone through a renewal cycle
- ✓ **Compelling Market:** end-market is of paramount importance – in general, we only look at companies with a TAM greater than \$500mm in markets with clear opportunity for innovation
- ✓ **Bold Founders:** key characteristics of our founders include determination, courage, persistence, and humility, and we always prefer founders with relevant industry experience
- ✓ **L&C Value Add:** we are not passive investors – we only invest where we know our expertise will be useful and appreciated

Our Current Fund II Portfolio

Dalia

\$3.0mm

Series A

August 2022

 **payground**

\$2.0mm

Seed +

May 2022

 **AMPER**

\$2.3mm

Series A

March 2022

 **ChatLingual**

\$3.0mm

Series A

December 2021

tomo.

\$3.5mm

Series A / Series B

June 2021 / February 2022

Introducing Lewis & Clark Ventures

How We Add Value

We add value beyond just capital to our portfolio companies

1

Upgrade Recruiting

- Take companies from 10 to 100+ employees
- Accelerate buildout of key business functions, focusing on thoughtful and proactive recruiting
- Bring in outside expertise when applicable

2

Scale Sales & Marketing

- Stand-up dedicated sales team and help founders work to remove themselves as bottlenecks in the sales process
- Execute proven sales strategy and establish winning marketing formula
- Develop pipeline forecasts to inform revenue estimates

3

Build-Out Finance & Accounting

- Shift from backward-looking to forward-looking
- Develop KPI's and financial reporting procedures
- Hire VP of Finance or Fractional CFO

4

Prepare for Next Stage

- Build business attractive to later-stage funds
- Advise founders on strategic alternatives
- Make introductions through our network to later-stage funds

“Lewis & Clark was at the top of my list from the start. As former founders, they are a cut above in operational interest and understanding. Their attitude is always ‘how can we help you build and strengthen your business?’ That’s the mindset of the whole firm.”



Alex Frommeyer,
Founder & CEO



“The biggest differentiator between Lewis & Clark and other firms we considered was their experience as founders and operators. They have a track record of success and can truly relate to entrepreneurs who are in the trenches every day.”



Rod Reason,
Founder &
Chairman



Featured Fund & Company

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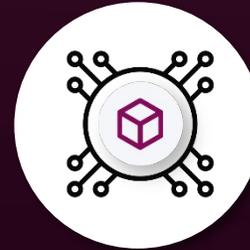
Tom Bell
CEO/Co-Founder
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EMBEDDED FINANCE



Financial services
into non-financial
platforms

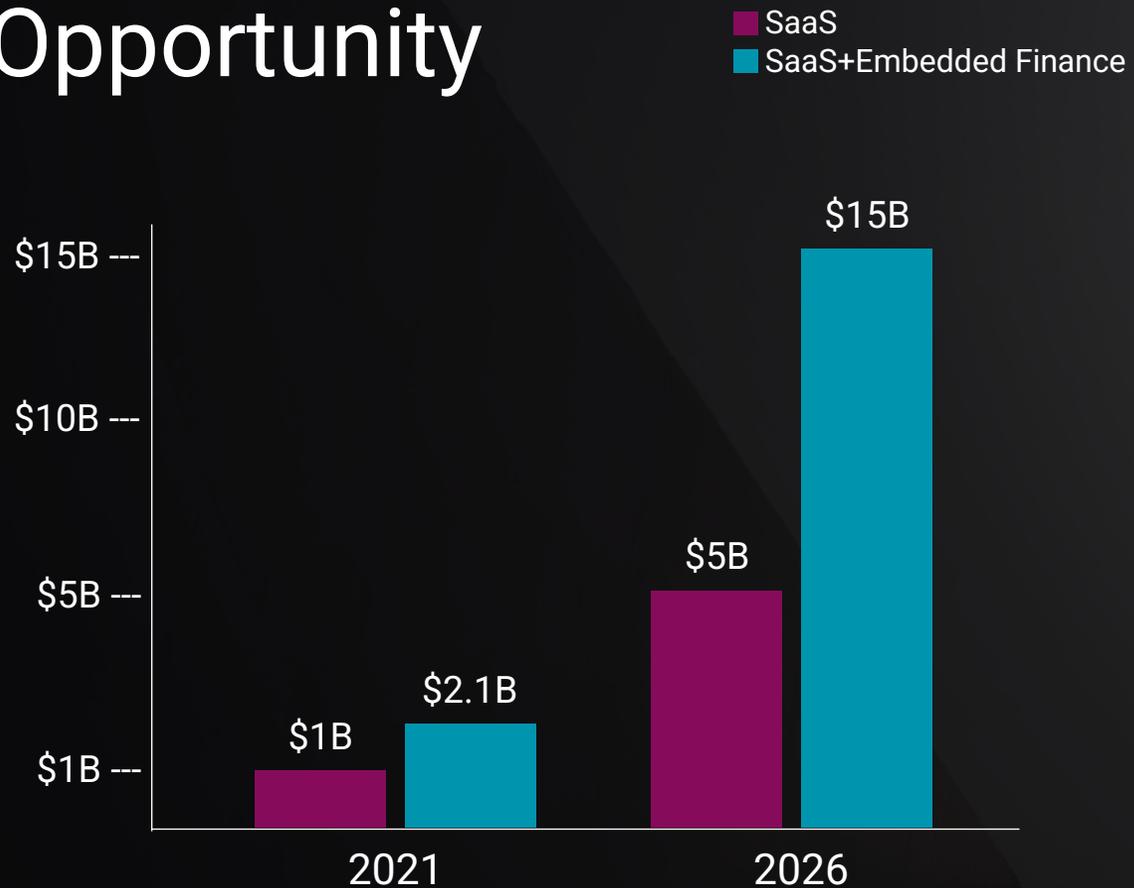


More than only
PaaS or BaaS



The market is
ready and looking
to activate

SaaS Revenue Opportunity



Matt Harris et al. "Embedded Finance: What It Takes to Prosper in the New Value Chain." Bain Capital. 2022.



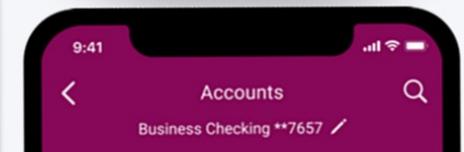
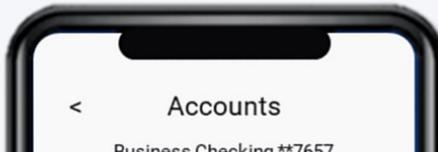
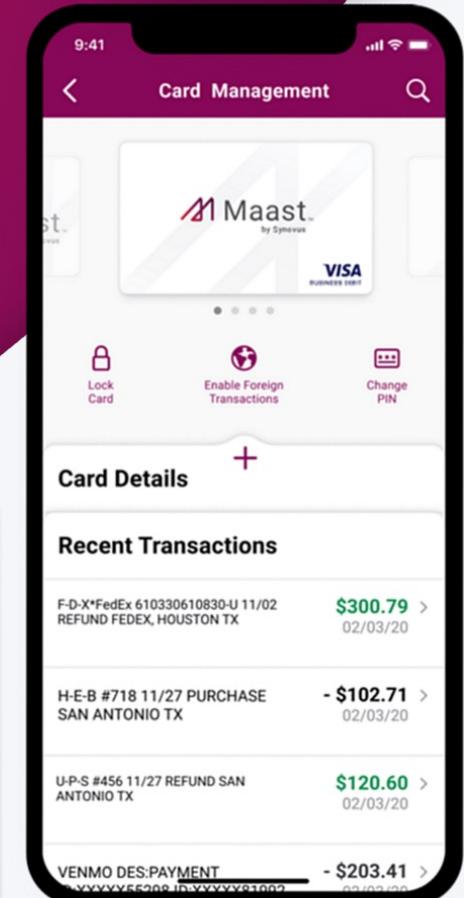
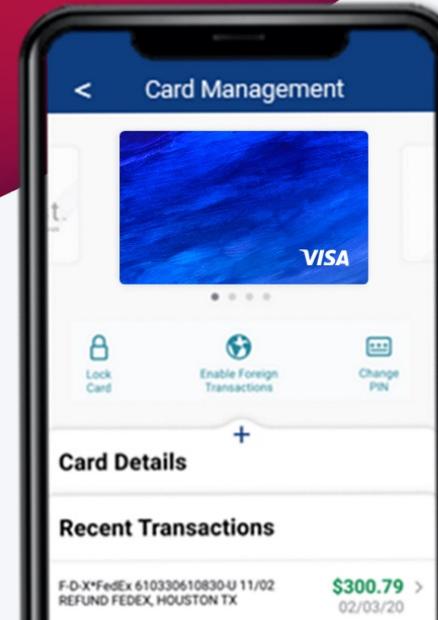
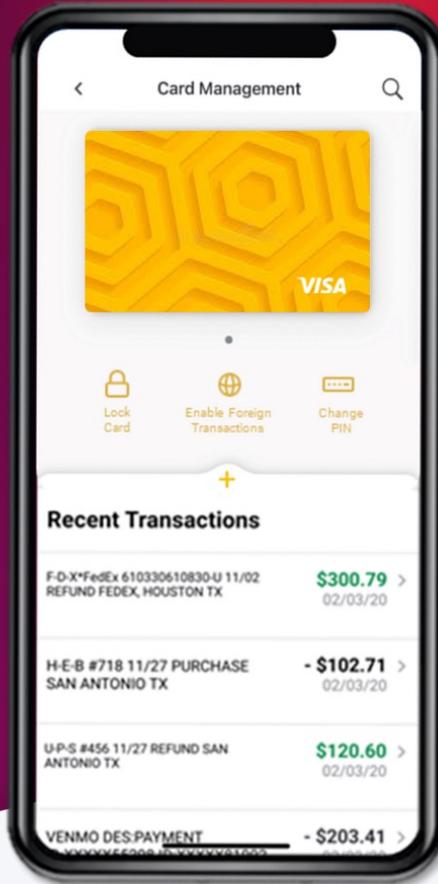
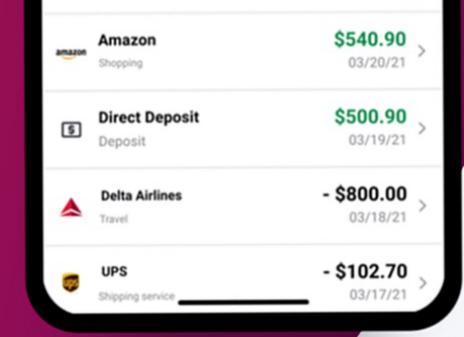
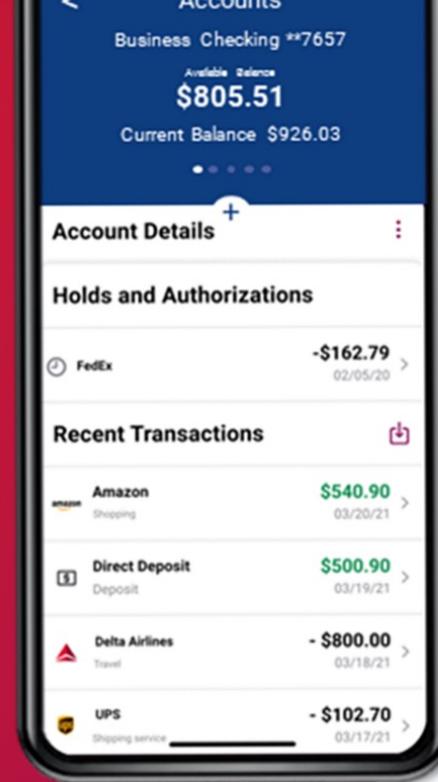
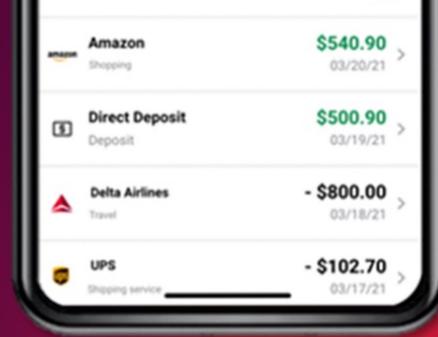
50%

of SMBs use
vertical-specific
software to run
their business...
compared to
30% in 2018

BCG, 2021



Embed payment acceptance, banking, and more as features in your software, under your brand.



UNLOCK HIDDEN REVENUE



Payment
transactions



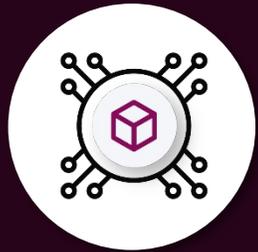
Checking
deposits



Loan
originations

(coming soon)

BRING IT TOGETHER



Embedded Solutions

Create a better experience by removing tech, operational, and regulatory barriers.



Underwriting & Onboarding

Reduce admin work, we manage funding, underwriting, and compliance.



Adoption

Speed to revenue with science-backed, always-on, multi-touch campaigns.



Compliance & Security

We take care of securing data and maintaining regulatory compliance.



Support

Save on resources and expenses while Maast provides customer support



Stability

Backed by 130+ years of proven innovation and security by Synovus Bank, Member FDIC.

 Maast

BANK ON YOUR PLATFORM



Panelists



MODERATOR:
John Yates
Partner
Morris Manning Martin



Dana Thomas
Chief Operating Officer
Evident



Catherina Blewitt
Consumer Content & Business Services
IDA | Irish Development Agency



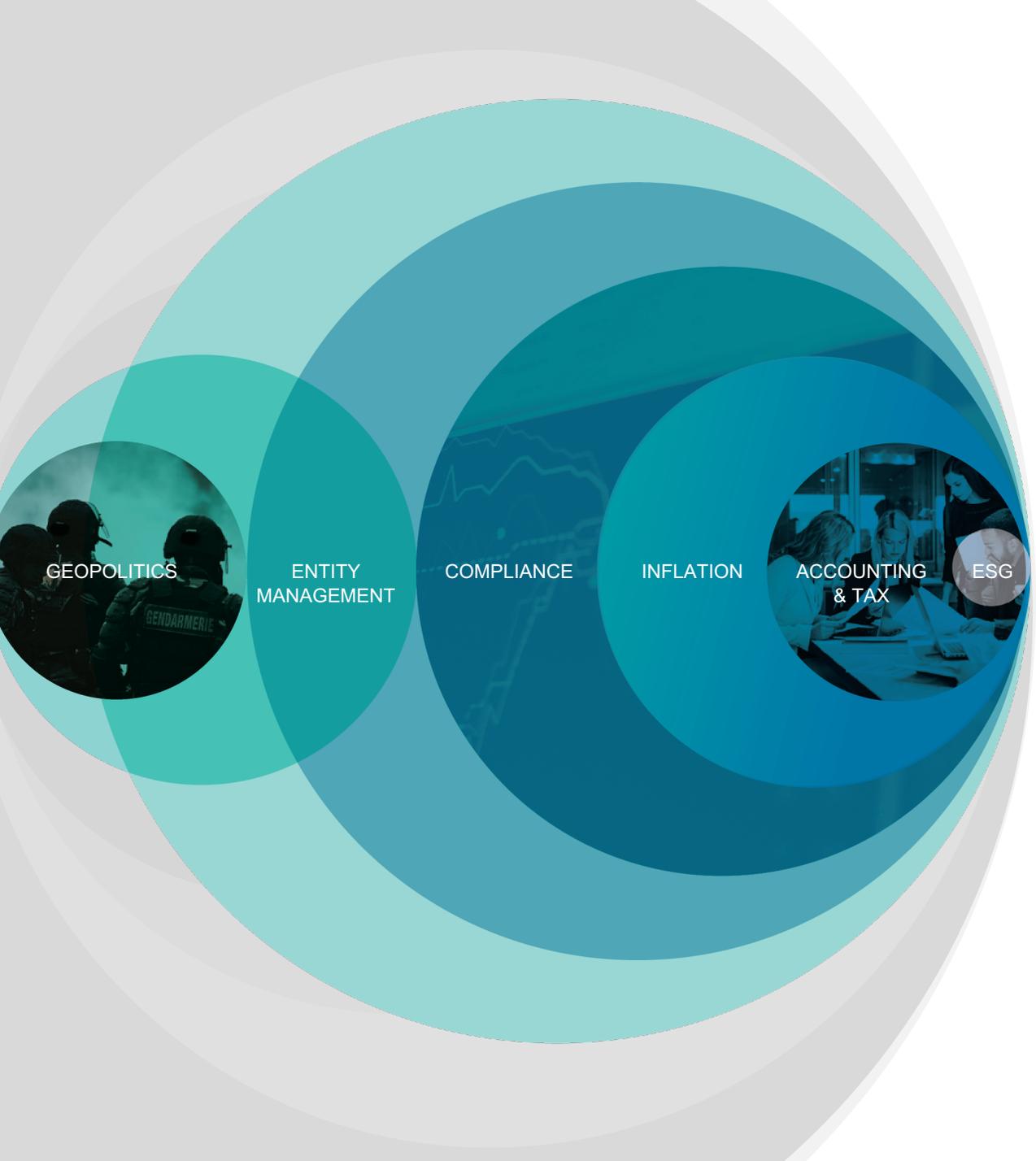
Nick Rueter
Partner
Frazier & Deeter



John Blount
Co-Founder/CXO
Reibus International



Ard Crebas
Head of Business
Development
North America & Caribbean
TMF Group



THE GLOBAL BUSINESS COMPLEXITY INDEX 2023

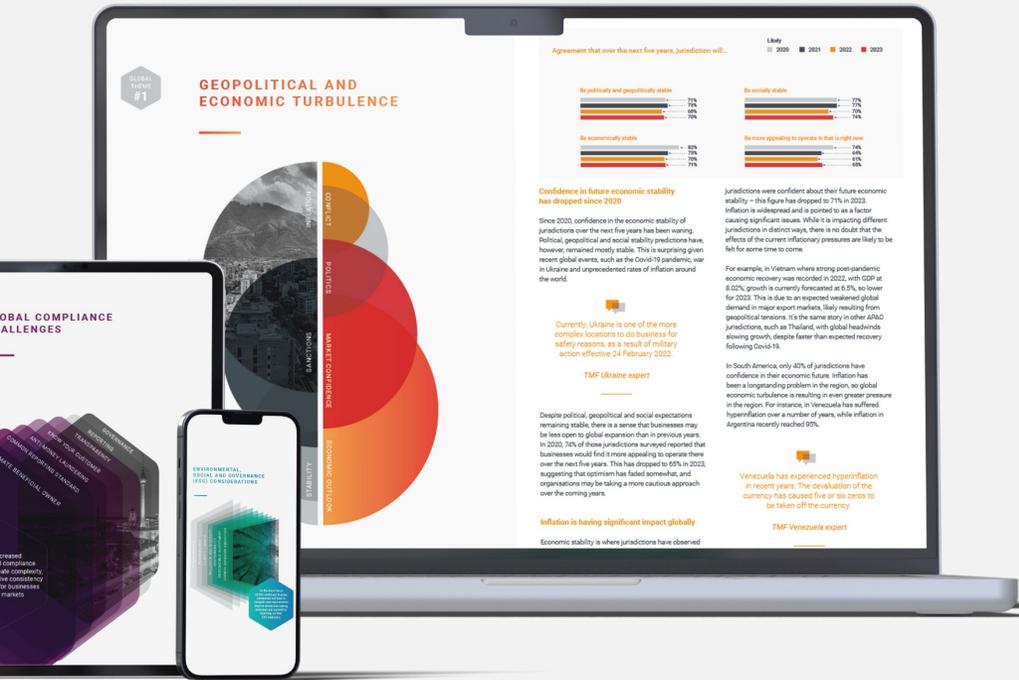
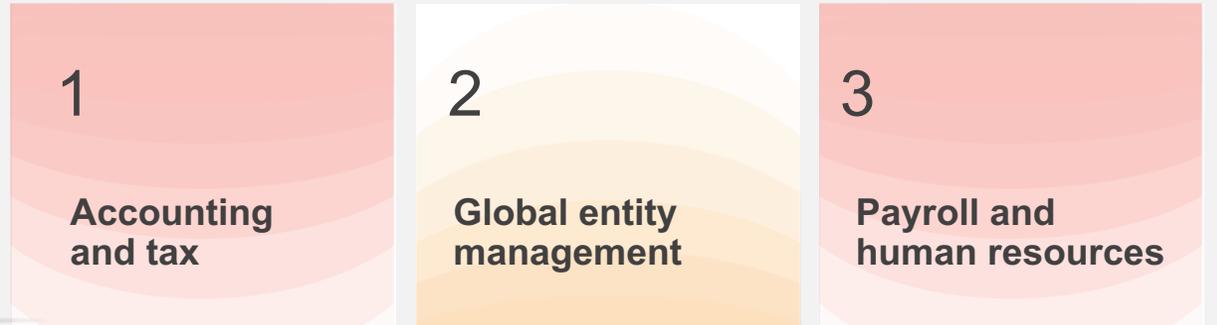
Layers of complexity:

The challenges of cross-border
business compliance

THE GLOBAL BUSINESS COMPLEXITY INDEX 2023

78 jurisdictions ranked according to how complex or simple they are to understand and operate in. While these locations cover only 72% of population, they account for 92% of global GDP and 95% of FDI.

Analysis focused on **three core areas** of business operations:



The headlines



France tops the GBCI ranking

as the most complex place to do business



The Cayman Islands ranks as the simplest

jurisdiction worldwide for another year



Latin America remains the most complex region

in the world for business compliance



Egypt features in the GBCI

for the first time this year



1

Geopolitical and economic turbulence



2

Global compliance challenges



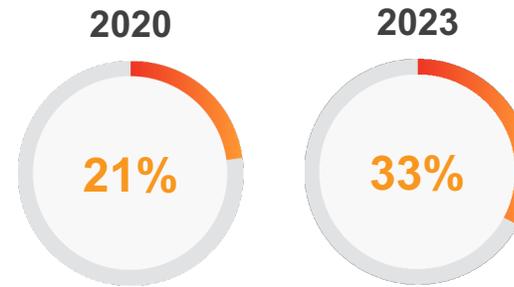
3

Environmental, social and governance (ESG) considerations

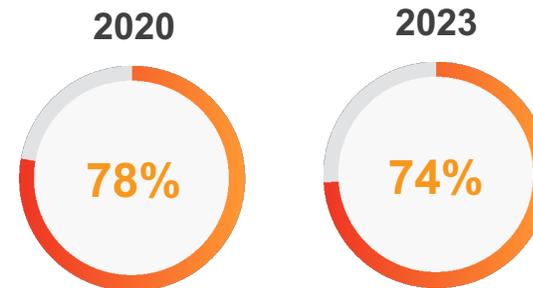
Some aspects of accounting and tax localisation are increasing



% of jurisdictions where tax/legal representatives must be a local citizen



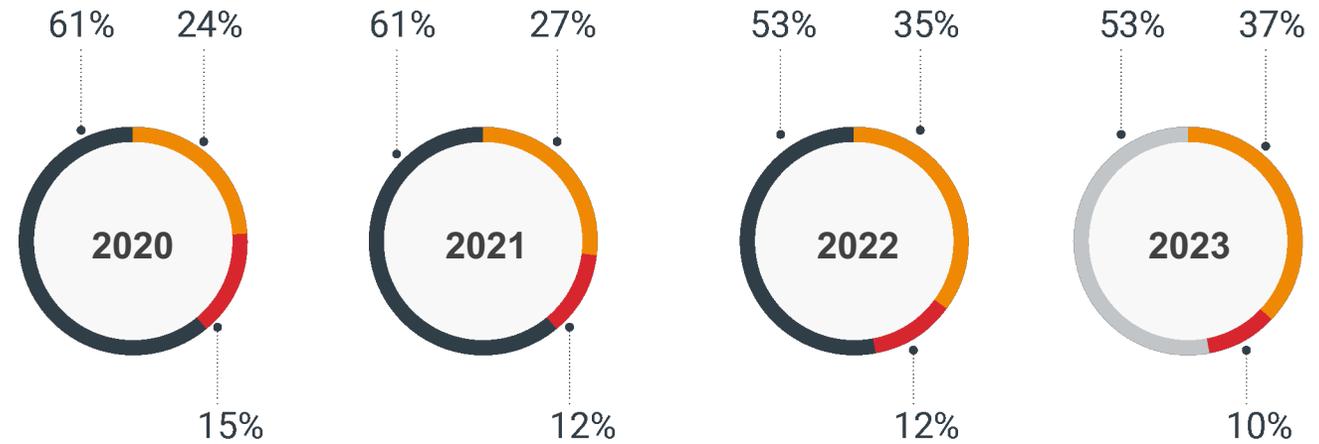
% of jurisdictions that allow accounting records to be maintained abroad



Digital approach to accounting and tax still on the rise



Is it mandatory to upload tax invoices on a tax authority's system/portal?



— Yes – compulsory for all companies to upload tax invoices onto a government platform

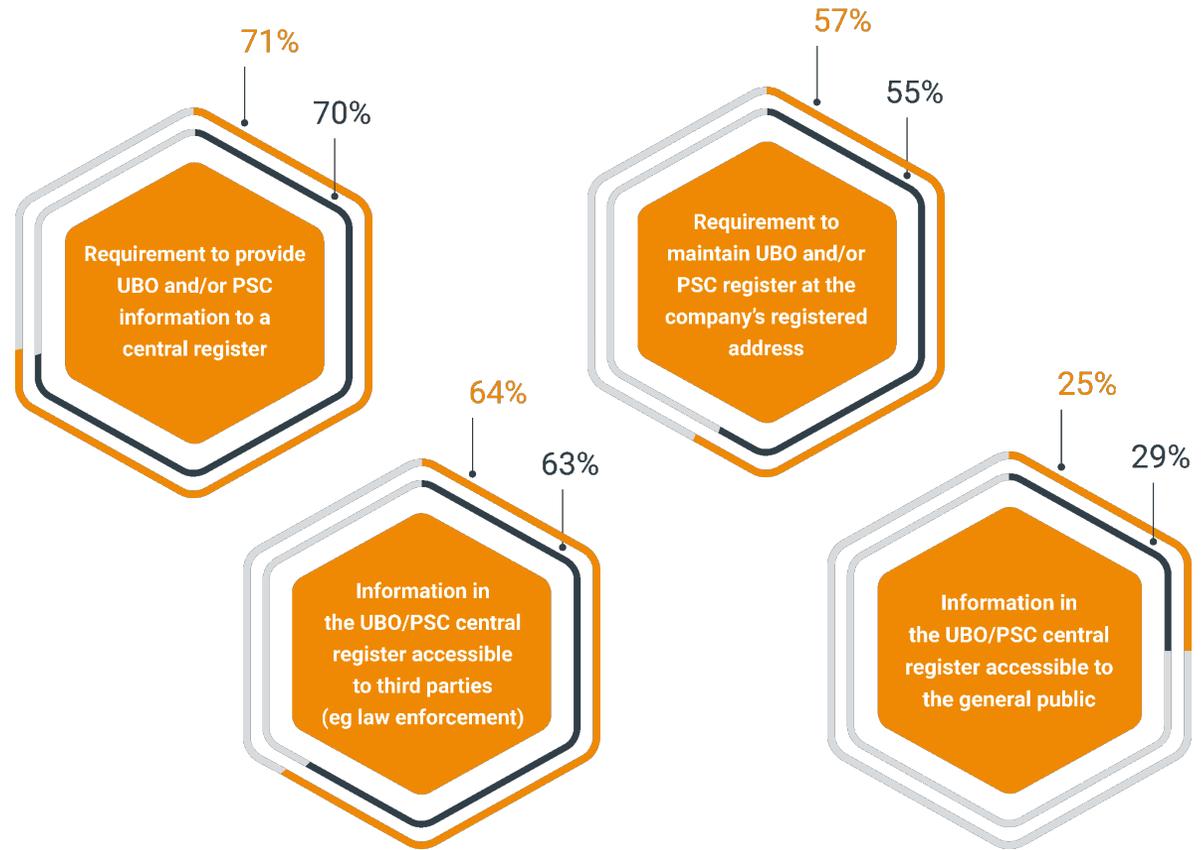
— Yes, depending on certain criteria it is compulsory for companies to upload tax invoices onto a government platform

— No

Global compliance requirements remain stable



% of jurisdictions where UBO/PSC register statements are mandatory (2022 vs 2023)

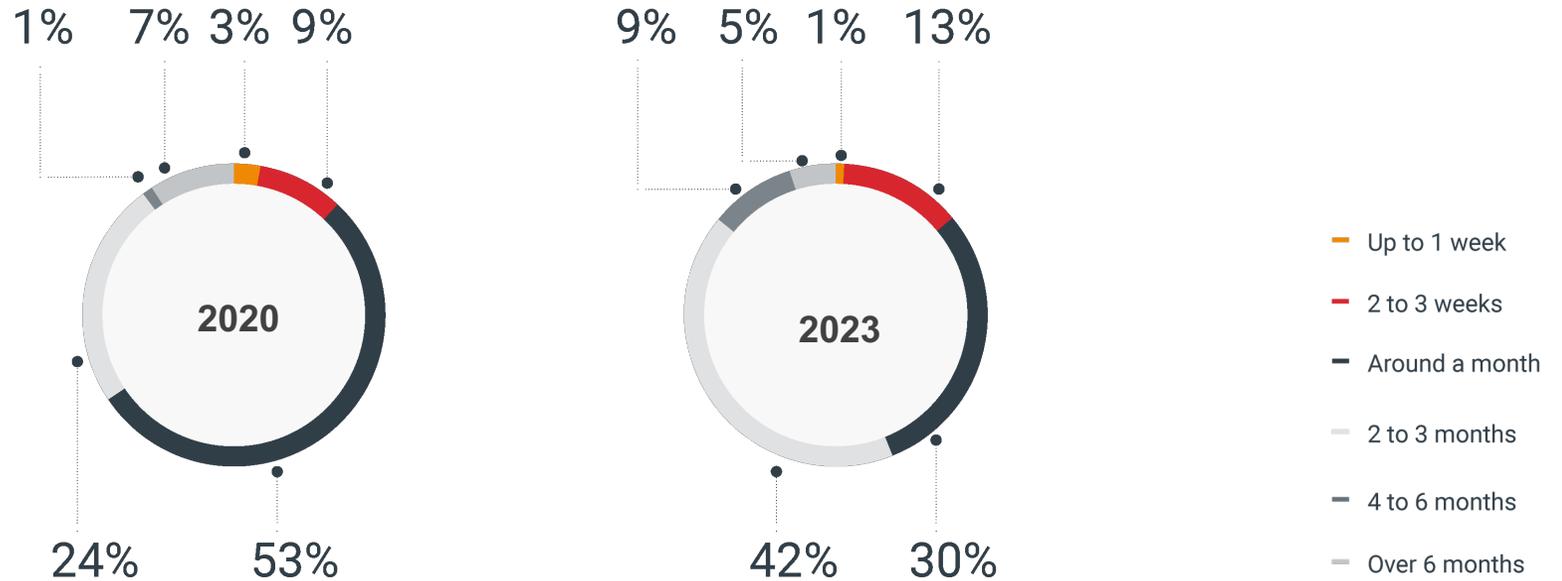


— Yes (2022) — Yes (2023)

Factors affecting speed of establishment in new markets



Average time to open a bank account from abroad (2020 vs 2023)

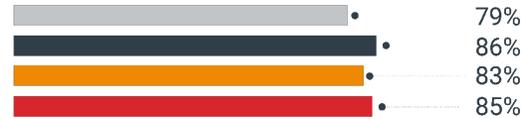


Global focus on transparency and reporting



% of jurisdictions where reporting to government on all employees is required (all organisations, 2020 - 2023)

Payroll data



Details on foreign-national employees



Individual pay



Employee demographics



Employee bonuses



Personal circumstances (gender pay gap, disabilities, any other)



■ 2020 ■ 2021 ■ 2022 ■ 2023

Inflation is having a significant impact globally



% of jurisdictions where inflation is impacting employee attrition



- Yes – inflation has increased attrition
- No – inflation has not noticeably affected attrition
- Yes – inflation has decreased attrition
- Not applicable – we haven't experienced significant inflation

Today's business world

1

Geopolitical tensions

continue to cause uncertainty



2

Inflationary pressures

are having a significant
impact

3

Rising interest rates

have triggered stresses
in the financial markets



4

World trade

recovering following the
Covid pandemic



Complexity Insights dashboard

Visit the GBCI hub on the TMF Group website [here](https://www.tmf-group.com/dashboard) or visit:

[tmf-group.com/dashboard](https://www.tmf-group.com/dashboard)

Belgium

- International positioning: 3.04 / 10, Low
- Legislative requirements: 6.58 / 10, High
- Penalties and liability: 4.81 / 10, Medium
- Employment rights: 10.00 / 10, Very High
- Level of decentralisation: 3.94 / 10, Low

Argentina
12th Most Complex Jurisdiction

- GBCI 2022 ranking: 12 / 77
- Complexity rating: 5, High
- Overall complexity score: 8

Overall Commentary and Outlook

Argentina has been classified as a 'High Complexity' jurisdiction based on how local requirements reported by TMF Group experts compares with other assessed locations. This gives the jurisdiction a ranking of 12 in the TMF Group 2022 list of most complex jurisdictions.

Argentina is a jurisdiction which is focused on the present; where tradition and simplicity both hold some value, technology plays a role in reducing complexity, and legislation and practices align somewhat with global standards. The jurisdiction makes little effort to attract foreign direct investment, and expects to see a significant decrease in the amount of investment from foreign companies in the coming years.

The jurisdiction is unlikely to become more appealing to operate in and neither likely nor unlikely to introduce greater laws and regulations relating to economic substance requirements. The jurisdiction is expected to remain stable technologically; and see instability in politics, the economy, society, legislation.

Key facts

- Population (World Bank): 44,938,712
- GDP (World Bank): \$445,445,177,459.43
- GDP per capita (World Bank): \$9,912
- GDP growth (World Bank): -0.61%
- FDI net inflows (World Bank): \$10,017,593,412.34

Croatia

- Accounting and Tax: 6, Medium
- Human Resources and Payroll: 6, Medium
- Rules, Regulations and Penalties: 4, Low

Legal and Regulatory Considerations

- Branch vs. Subsidiary
 - Liability protection
 - Access to banking and other services
 - Ownership reporting requirements
 - Resident shareholders / directors
 - Red tape – notaries, apostilles, etc.
- Contract law
 - “Four corners” or “Four corners+”
 - Auto-renewal terms
 - Choice of law and venue
- Other legal and regulatory considerations
 - IP protection
 - Competition law
- Employment law
 - Termination conditions and severance
 - Unions
 - Classification concerns
 - Employee benefits and incentive equity
- Data privacy and AI
 - GDPR
 - EU Artificial Intelligence Act

Questions & Answers



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Announcements



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**Please join us for our
November 2023 special event**

(in-person only)

**** LOCATION** – The Buckhead Club**

**Thirteenth Annual
John Imlay Leadership Award Ceremony**

**In Honor of Monty Hamilton,
Founder & CEO at Sparq
Tuesday, November 14, 2023**

TER | Technology
| Executives
| Roundtable