

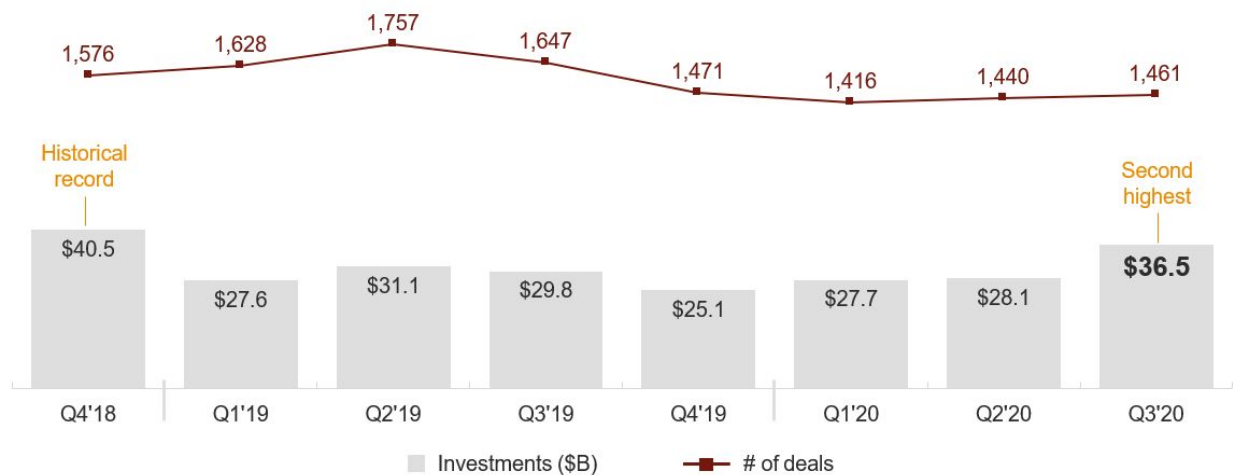
Newsletter Q4 2020

Investors, Entrepreneurs *and other survivors of the apocalypse*,

All startups struggle in the beginning, but the best persevere, overcome adversity and eventually thrive. Q4 has seen a major resurgence of Covid 19 cases and early-stage business opportunities in NC. Our companies, for the most part, are back on plan and growing again. Fund II investing is back in full swing. At the national level, according to Pitchbook, investments in VC-backed companies hit a seven-quarter high last quarter, up 22% year-over-year and up 30% from Q2. Even with a late year surge, overall investing for the entire year is still down 11% from 2019.



US VC funding in Q3'20 is second highest ever US deals and dollars – Quarterly



Although back on track now, several of our Fund I companies are generally behind plan due to the business shutdowns and slowdowns this year. For this reason, we are forming a small sidecar fund with our Fund I investors to insure that our best Fund I winners are well capitalized into their next round of funding or acquisition.



It was an interesting election for sure and there is a lot of speculation about how it will affect our industry. The consensus in the VC community is that a Biden presidency would be good for the venture business and portfolio companies. Nearly 80% of VC firms in the US supported Biden over Trump citing that they believe Trump's policies ranging from H1B immigration to net neutrality hurt innovation and entrepreneurship. You can read more about this in [Axios](#), [ITIF](#) and [Pitchbook](#).

Our New Investments

Although we have closed no new company investments since our Q3 newsletter, we do anticipate closing two new investments in Q4. We have made several follow on investments in existing Fund I and Fund II portfolio companies. Our second fund is in final diligence with two new investments and also considering several additional attractive opportunities.

Entrepreneur Spotlight

In these turbulent times of political unrest and uncertainty, our spotlight this quarter has to go to Fund II company EasyVote. When we invested in the EasyVote founders over two years ago I was immediately attracted to their mission statement,



“We will help to preserve the integrity of the US elections process”.

Never has the need for such a mission and technology been as obvious as this past week. From tracking campaign contributions and poll workers to the auditing of voting machines, EasyVote provides states, cities and counties the ability to ensure their voting processes are secure, compliant, transparent and auditable.



Ron Davis • 1st
Chief Executive Officer at EasyVote Solutions
2w •

Many Texas counties have adopted EasyAbsentee to help manage absentee ballot applications and track outgoing and incoming ballots by mail. EasyVote is excited to welcome Wichita, Milam, Marion, Kerr and Val Verde counties as new members of the EasyVote family of customers and we'd like to extend our gratitude to Randall, Comal, and Brazoria counties for their continued trust in adding EasyAbsentee to their existing EasyVote Election Management Platform. We look forward to continuing our mission of providing technology to modernize the election process.



Cofounder, Charles Davis, (seen here) lives in Wilmington, NC and serves as the company's Chief Operating and Financial Officer. The company sells several modules including its newest model, EasyAbsentee used to track absentee ballot applications received by mail. Ron and Charles are not only entrepreneurs, they are also patriots who are passionate about preserving the hallmark of our democracy; the US elections process.

Elections all over the US went a little easier, faster and without as many problems because of the technologies developed and deployed right here in NC by Fund II portfolio company, EasyVote.

Previous Entrepreneur Spotlights: “Where are they now?”

I've added this new section header because I thought it might be fun to see what happened to some of our previous entrepreneur spotlight winners. Do you remember Jonathan Hayes from Durham? His startup, RewardStock, quietly exited our Cary Lab and went radio silent last year. Because of a non-disclosure agreement, we were unable to say what happened to Jonathan and his startup. We can now tell you that Jonathan's Fintech startup was successfully acquired by financial giant, Experian, in an all cash transaction making a solid return for our investors.



Cofounders Fund I was the very first investor in Jonathan's pre-revenue idea. Mark Cuban put up the next round after Jonathan's exceptional performance on the SharkTank TV show. Seen here, Jon's lucky fundraising outfit never failed. So, better late than never, congratulations to Jonathan and his RewardStock team!

Cofounders Capital in the News

We work hard to keep our name out there as a “must stop” for all early stage entrepreneurs in North Carolina. You can read all of the past news about Cofounders Capital on the news page of our [website](#).

WRALtechwire: [Advocates for Free Enterprise argue that Apple Vs Epic could lead to more Government Intervention](#)

- David's views on Apple's iPhone ecosystem monopoly and how it may stifle innovation and hurt entrepreneurship.

ABC11 News: [Startup Summit Helps Local Entrepreneurs through Covid-19](#)

WRALtechwire: [Startup Summit Message...Dream Bigger](#)

Digital Journal: [Ecobot Wins NC Tech Award Top 10 NC Startups to Watch](#)

- In addition to acquiring its biggest competitor this quarter, Cofounders Fund II company, Ecobot, made the list of the top ten Tech companies to watch in NC.



WRALtechwire: [Here is where VC's are investing and why](#)

Оволодіння мистецтвом

- I'm not sure what this article is saying about us but apparently Cofounders Capital is big in the Ukraine!



Оволодіння мистецтвом прогнозування



Andrew Sheludnikov

Follow

Sep 8 • 2 min read



Перш ніж робити якісь інвестиції, ми проводимо багато часу із засновниками компаній, що моделюють їхнє підприємство. Ми працюємо разом, щоб з'ясувати, що є рушієм для кожної потенційної стратегії виходу на ринок. Який цикл продажів слід очікувати? Чи будуть у бізнесу сезонні відмінності? Який рівень зусиль буде

WHAT PETS THINK ABOUT QUARANTINE



DOGS:
He loves me
soooo much.
He quit his
job to be
with me!



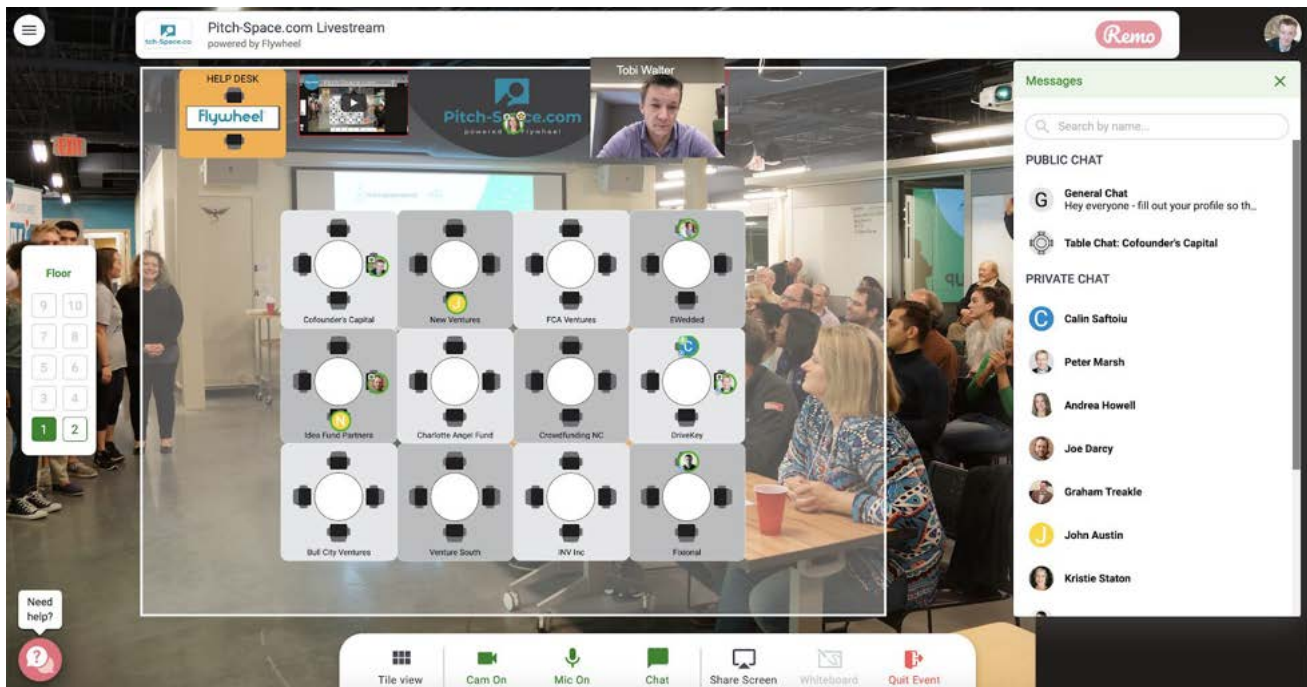
CATS:
I knew that idiot
would get fired
one day.

Our Events

We host, attend, judge, moderate or speak at several events each month. Our goals are to promote entrepreneurship and innovation, encourage local investing and to ensure that we see every startup company in NC that might be a fit for our fund and expertise. Since quarantine, our events have been limited to those that could be done virtually.



Flywheel's Pitch Space: Tobin held down the virtual Cofounders Capital Table at this pitch event.



Virtual Demo Days: Cofounders Capital Partners are attending a lot of Demo Pitch Events including these: [Kiwi Venture Fair](#), [Duke Law Tech Lab](#), [Charlotte Veteran](#)

Launch Chapel Hill: Tobi served as a mentor for the 14th cohort of Launch Chapel Hill.



StartUp Summit: **Thriving in a pandemic economy.**

David Gardner joined former Cisco CEO, John Chambers and Red Hat founder, Bob Young, speaking at this StartUp Summit event. Click on the link above to watch my session moderating a discussion with various types of NC investors and their views of early-stage capital during a pandemic.

NC IDEA Grant Selection Committee: Once again this year, Tim served as a core reviewer for his 12th cycle of grant awards.

SASEtank: Tobi was a shark tank judge as part of the annual meeting of the Society of Asian Scientists and Entrepreneurs in the US.

CED Investor Fly-In Tim and Tobi participated in this CED Event in which two of our companies were selected to present (out of 15 total) to highlight the most innovative companies in NC.

CED Gro Incubator: Tim will be speaking to this new entrepreneur cohort on building a repeatable sales model on Dec 1st.

Southeast CEO Summit: Cofounders Capital partnered with, and Tim presented at, the first annual SE CEO Summit.



Duke Venture Community: Tobi presented as a panelist at this Duke event.

2020 [Charlotte Dealmakers Conference](#)

M&A in a Post-Covid World

David served on the planning committee for the 2020 Dealmakers Conference focused on M&A activity in NC.



Mark your calendar...The NC Idea Summit is coming Nov. 16th and 17th.



SoftEd.com [Better Work Project Podcast](#) Tim was a featured speaker on the topic of "Thinking like a Start-up"

[NC IDEA Virtual Ecosystem Summit](#)

Tim will be on a panel at the 2020 event on November 16th and 17th.

UNC Innovation and Entrepreneurship 2020 Pitch Party: Tim served as a judge at this event.

[B2B Founders Growth Startup Podcast](#)


Tim was a guest on Brett Trainor's Podcast.


Duke Venture Community presents


Venture with Blue Devils


How to Win in the Startup World amid Uncertainty


Join distinguished members of the Duke community to discuss what 2020 means for young alumni and students interested in the startup world.


**Ali Byrd**
CFO & Investor | CoverWallet

**Adam K. Carson**
FinTech Lead | Point72 Ventures

**Shilpi Kumar**
Partner | Urban Us

**Kathryn Minshew**
Founder & CEO | The Muse

**Joel Rodriguez**
CEO | PlusReach

**Tobias Walter**
Principal | Cofounder Capital

Tuesday 9/15 8PM ET
Zoom conference
Sign up on Meetup
RSVP by Thursday 9/10



David Mantica • 1st
VP and General Manager at SoftEd
3w • 🗣️

Up to Episode 14 of the Better Work Project. Guest [Timothy McLoughlin](#) was FANTASTIC. His input on "Thinking like a Startup" shows his years of experience. The portfolio companies of [Cofounders Capital Fund I LP](#) that have him on their board are lucky. If you work for a big company and want to try innovation techniques from Startups or if you are interesting to enter the Startup ecosystem, great podcast for you! [#leanstartup](#) [#innovationmanagement](#)

The Better Work Project

Episode 14: Thinking like a start-up

Thinking like a start-up

softed.com • 1 min read

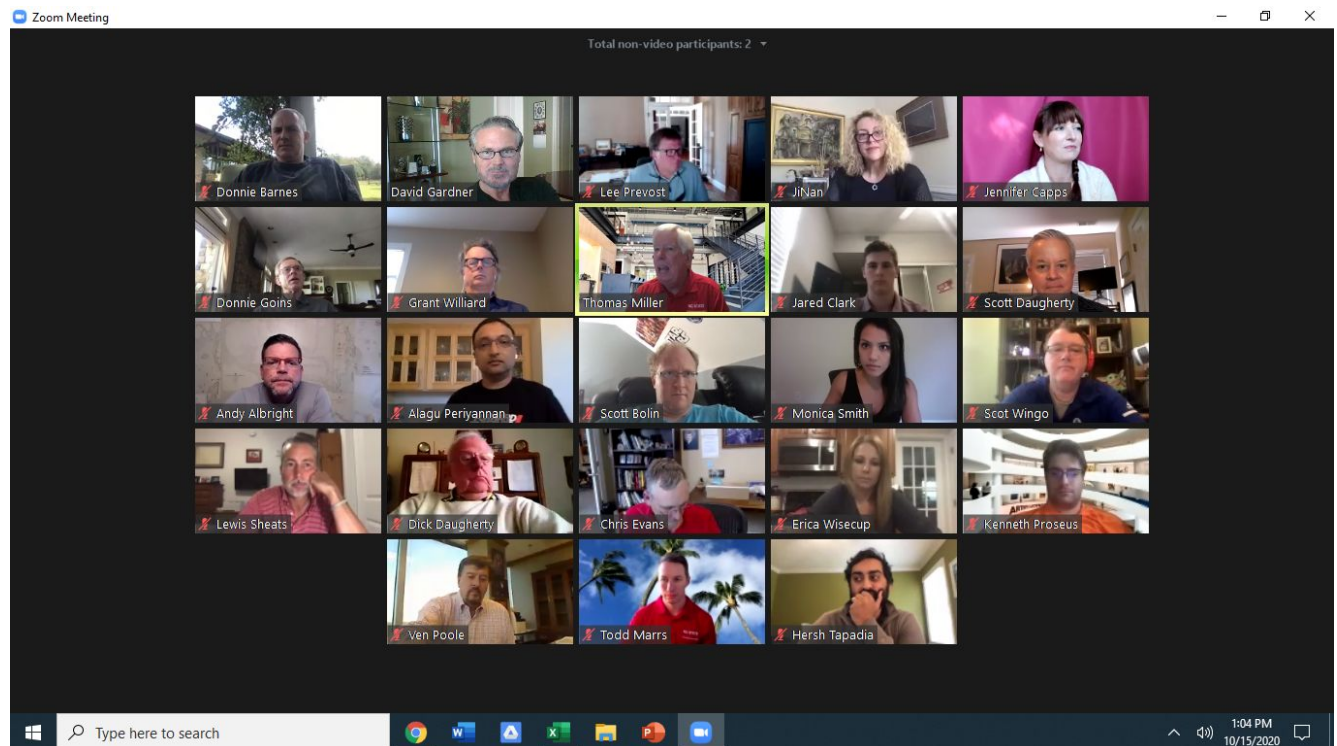


Startup Showcase, Launch Accelerator Demo Day:

Tim represented Cofounders Capital and Lab at this event.

NCSU Entrepreneurial Advisory Board

As I participated in this virtual board meeting, I was impressed by how active so many of our investors are in our NC startup ecosystem. In this one meeting I recognized a number of Cofounders Capital investors. Seen below are Donnie Barnes, Scott Daugherty, Lee Provost, JiNan Glasgow George, Andy Abright, Ven Poole, Dick Daugherty and Scot Wingo.



Our Publications

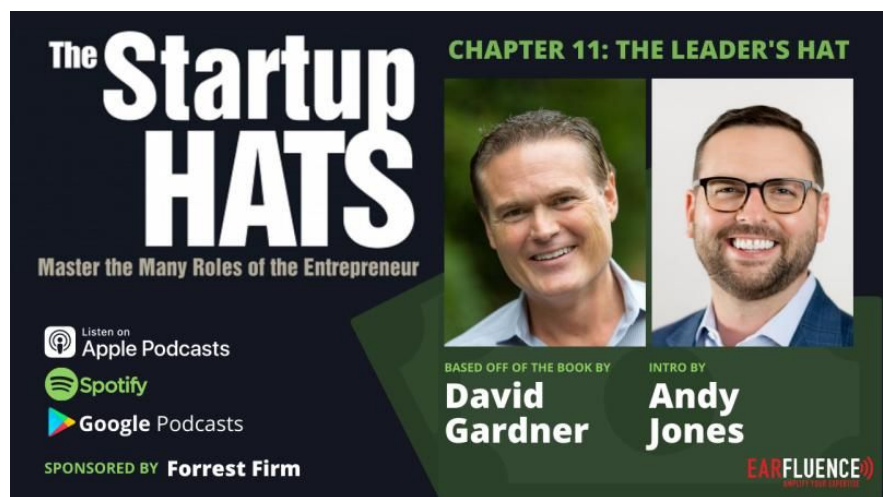
We try to contribute regularly in publications and podcasts on topics that we feel are important to our NC entrepreneurial ecosystem. We spend all day everyday working with entrepreneurs and startup companies and feel that we have our finger on the pulse of NC innovation. You can see many of our previous publications and blog postings on our [website](#).

WRAL Article: [Entrepreneurs Pay a Price When Using Virtual Technology](#) by David Gardner

Earfluence: [The Leader's Hat Chapter AudioBook Released](#)

Each month another chapter of the StartUp Hats Audio Book is being released with a forward by a local business leader.

Maliks in Jumanji: I really can't pass this off as a Cofounders publication, but the Malik's Annual Halloween Movie this year was super entertaining and I'm certain that of all of our Fund II investors, Steve Malik has the best abs!



How You Can Help

Our companies are in full swing and hiring again like crazy. The best way to help our startups right now is to send us candidates especially those with software development or sales expertise. There is a new section on our website called: [Cofounders Portfolio Companies Job Links](#). You can click on any of our portfolio companies listed there to see their open positions. Please share this link with any viable candidates you encounter.

With Appreciation

Each quarter we highlight one of our investors, advisors, vendors or ecosystem partners that we feel has really stepped up to the plate and consistently given the extra effort to help not only Cofounders but the NC funding ecosystem in general. This quarter we'd like to recognize Frank Watson, CEO of Fairview Investments in Raleigh. Since our first fund, Frank's team has managed our back office accounting, investor statements and general fund compliance. His team has been very knowledgeable, accessible and a real pleasure with which to work. I'm thrilled to have him as a vendor, advisor and part of our NC investor ecosystem.



FAIRVIEW® FV



Closing

We'd like to welcome our new cohort of interns. Tobi and Tim finalized our Fall 2020 intern team through UNC Kenan-Flagler ([Ammar Hameed](#), [David Hawkins](#), [Temoor Dard](#)) and Duke Fuqua's School of Business ([Alexis Summit](#), [Mahek Chhatrapati](#)).

Somehow Tobi manages to stay online working continuously while quarantined at home with Lars, his just turned three year old son. The pandemic has been tough on everyone but like Tobi, we persevere, do what we must and continue to perform our jobs to the best of our ability.

Hang in there everyone.