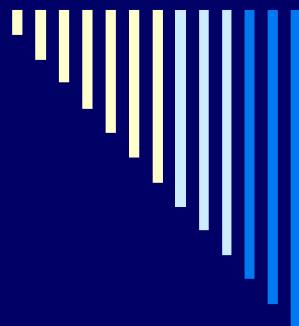


Answers to Un Asked Questions

*A smart guy will avoid errors ...
that a wise guy can solve*

David Seligman
+972 (54) 772-6559
david.seligman@gmail.com

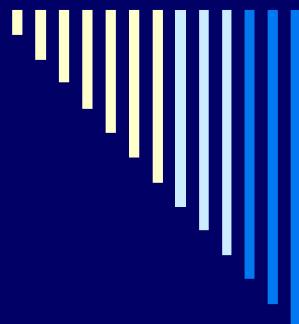


Advisors

Understanding how to work with advisors

But making your own decisions

- **The CFO is a Jack of All Trades (CPA, Economics, Lawyer, Insurance Agent and above all a Sales Person)**
 - Example 1: The Tax Advisors will advise the best “Pure” tax advice, but it will not necessarily fit into the “Real Life”
 - Example 2: The Marketing Advisors will advise the best location from “Marketing” point of view, but only the CFO can see the full picture of Operations, Labor, Cost etc.
 - Example 3: Legal can advise the best text for Employment Agreement, but the lawyer never faced an un-happy employee that needs to sign this

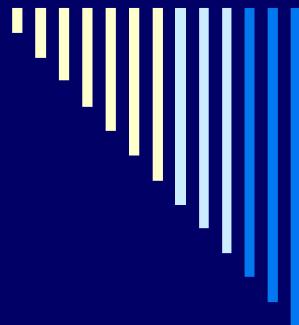


Advisors (Cont.)

Understanding how to work with advisors

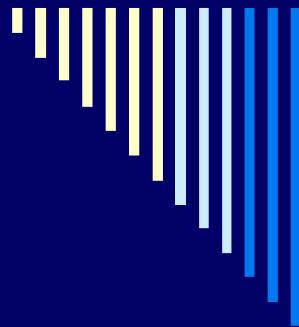
But making your own decisions

- The secret is to “Gather” all advise, “Digest” all the advice, “Consolidate” all the advice and then (and only then) to present the “Consolidated Recommendation”.
- The recommendation may not be 100% as advised by professionals, but it would be the best compromise between all advisors
- Above all:
 - “Answers to un asked questions”



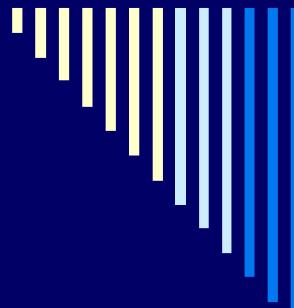
Cap Table

- **Cap Table at formation**
 - Ensure no tax issues upon issuance of shares to founders
 - Tax issues upon issuance of shares to service providers
 - Avoid investments in subs which create an inherited conflict
- **ESOP**
 - ESOP amount, calculate from TOP to BOTTOM as Wise versa
 - No \$0 price and post termination
 - ESOP tax issues to contractors
 - 409A to US persons
- **Reporting**
 - Create a cap table from start and not from last round



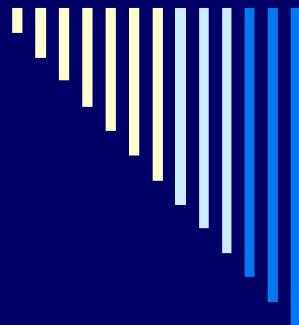
OUTSOURCING BOOKKEEPING

- **Seems a logical solution but.....**
 - Not managed by real experienced CFO, but more like providing Controller service
 - Running on low margin, hence providing the bare minimum
- **Not serving the true Customer**
 - The CEO ignores official financials (because to complex, to late)
 - Providing solution to government agencies, not for true financial management
 - **Examples**
 - Timing of expenses tied to invoice process
 - Minimal trial balance not supporting budget
 - No true business reports (HR, Sales, Inventory etc.)



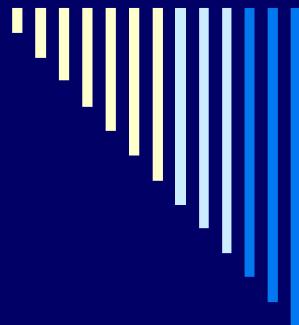
Other “CFO” Topics (sample only)

- **HR**
 - Commission plans while rapid growth (not % of sales)
 - Maintain Database for M&A
- **Investor Relations**
 - Think not of what you want to say, but of what audience can listen to
 - What you do and why, not how you do it
- **Insurance**
 - Not only D&O
 - Also Product Liability, Cyber etc.



Be a TRUE partner

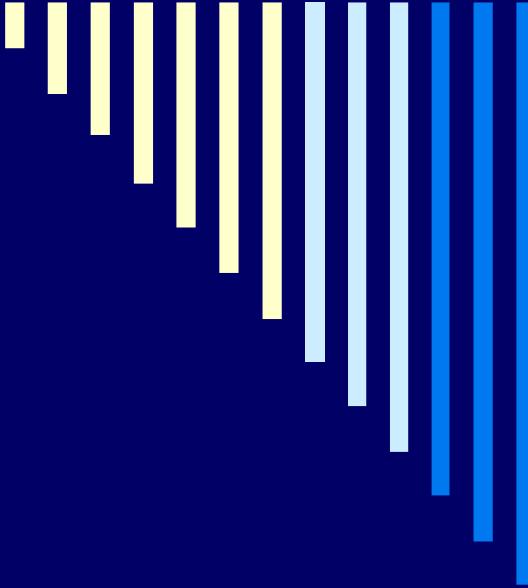
- **What if**
 - You were hired as a demand of investors
 - Not given resources
 - Acting as Controller with a VP Finance title
 - Taken as a given
- Then they go and hire a seasoned CFO just before an IPO
- **Be a TRUE partner**
 - Bring the added value with timely and informative reports
 - Added value above bookkeeping,
- **Take finance out of the back room to the front of the company**



About David Seligman

David Seligman is an experienced CFO:

- **29 years in 5 public companies (NASDAQ: LNOP, RVSN, NURM and ELOS + TASE: SONO) and several start-up companies,**
- **In large and small companies, in both the US and Israel**
- **With excellent NASDAQ track record (including a successful IPO, NASDAQ: RVSN)**
- **Strong business background**
 - **A successful turnover situation in an extremely stressful environment (NASDAQ: NURM) and,**
 - **A quick and efficient M&A transaction.**



Thank You

David Seligman
+972 (54) 772-6559
david.seligman@gmail.com