

WHAT SHOULD BE IN AN INVESTOR DATA ROOM?

An investor likes the presentation and asks for access to the data room. The founder sends a folder containing several versions of the pitch deck, an old financial model and customer contracts with no clear index. The information may all be there, but the investor now has to work out which version is current and how the documents support the claims made in the meeting. A useful data room gives a reviewer a clear route through the business. It makes important claims traceable, shows what is current and provides context where the records need explanation. Founders can build that structure before an investor asks for access.

START WITH THE QUESTIONS INVESTORS WILL ASK

Begin with the deck and the financial model. Mark each material claim an investor may want to test: revenue, customer numbers, retention, product ownership, the size of the market, funding already raised and the use of the new capital. For each, identify the underlying document, calculation or record.

If the deck says that five major customers are under contract, a schedule should identify the customers, contract dates, scope, value and status. The agreements can then be made available at the appropriate diligence stage. If a number is an estimate or a forecast, label it as such and explain the assumptions. An investor should not have to infer whether a figure describes cash collected, work contracted or sales still in the pipeline.

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GIVE THE ROOM A SIMPLE STRUCTURE

There is no universal folder list. The right structure depends on the company's stage, sector and transaction. Most equity raises, however, need a clear starting point and a small number of recognisable sections:

SECTION	EXAMPLES TO PREPARE
Start here	Document index, company overview, current deck, key contacts and date of last update
Company and ownership	Incorporation documents, articles, current cap table, share classes, option arrangements, prior funding and material board approvals
Financial	Statutory and management accounts, current cash position, financial model, revenue schedules, debt and explanations of significant variances
Commercial	Customer and supplier summaries, material contracts, pricing, pipeline definitions, retention and concentration analysis



SECTION	EXAMPLES TO PREPARE
Product and intellectual property	Product overview, roadmap, material IP registrations or assignments, technology and security information appropriate to the business
People and governance	Leadership biographies, organisation chart, key employment and contractor arrangements, policies and material disputes
Round	Funding requirement, use of funds, proposed structure, draft terms when available and relevant tax-scheme correspondence
Sector-specific	Licences, approvals, clinical or technical evidence, safeguarding or other records material to the company's activities

Use a short "Start here" index to tell a reviewer what each folder contains, which documents are current and whom to contact with questions. Add a note where an expected item does not exist or will be shared later. Silence can look like an omission.

RECONCILE THE NUMBERS BEFORE GIVING ACCESS

The deck, model, management accounts and statutory accounts may show different figures for legitimate reasons. They may cover different periods or use different definitions. Explain those differences in a short reconciliation rather than expecting an investor to discover the answer. Check that customer counts, revenue, cash, headcount and funding history are consistent across the materials. Date schedules and forecasts. Retire superseded files from the active folders, while retaining an internal record of what was previously circulated. If a material figure changes during the raise, explain the movement and issue a clearly dated replacement.

The same principle applies to non-financial claims. A partnership discussion is different from a signed agreement; a pilot is different from a paying customer; an application for approval is different from an approval received. Use descriptions that match the evidence.

SHARE SENSITIVE MATERIAL IN STAGES

A data room does not have to give every interested party access to every file at once. An initial folder can contain the deck, overview, high-level financials and summaries. Detailed customer agreements, personal information, code or sensitive commercial terms can be reserved for a later stage and shared with suitable access controls, redactions and advice where appropriate.

Give each authorised reviewer named access where the platform permits it. Limit permissions to what they need, maintain a record of access and remove it when the process ends. An NDA may be appropriate, but confidentiality terms alone do not replace thoughtful decisions about what to disclose and when. The business should also be able to respond to requests for additional documents without losing control of versions. Assign an owner to the room and a person responsible for each section.

TEST THE ROOM AS AN INVESTOR WOULD

Ask someone who did not assemble the documents to trace three claims from the deck to their sources. Can they identify the latest model? Can they find the documents that support a revenue figure? Can they see who owns the product's intellectual property? Can they understand an unusual item in the accounts without requesting a meeting?

Record the gaps and fix them before outreach. A short explanatory note can be more useful than adding another folder of raw files. The aim is a room that is complete enough for the stage of discussion, accurate and easy to navigate.

A data room is a working record of the investment case. When its documents agree with the deck, and the limits of the evidence are stated clearly, diligence can focus on the merits and risks of the business rather than avoidable discrepancies.

PREPARING FOR A RAISE?

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