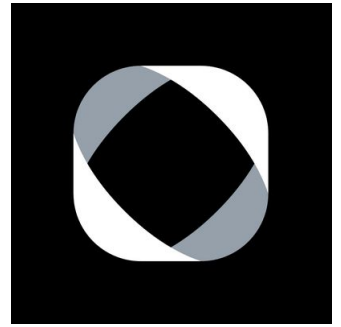


Bolt Threads: Crucial Pre-Launch Expertise For Next Generation Textile Business



The genesis for Bolt Threads started with a fascination with spider silk, a material several times stronger than steel. Spider silk is also incredibly versatile, but no one had ever successfully commercialized it.

Enter founders Dan Widmaier (CEO), David Breslauer (Chief Science Officer), and Ethan Mirsky (VP of Operations). Once they realized the technology had advanced to the point of making recombinant silk economical on a commercial scale and turning it into viable products, they got to work on answering the question of how and with which product it could make the biggest impact.

This question ultimately led them to pursue a vision of adapting the material to create the next generation of textiles.



“We want everyone to be wearing Bolt Threads apparel.”
***-Ethan Mirsky,
VP of Operations***

About Bolt Threads

Emeryville, CA based biotech startup focused on developing the next generation of high-performance fabrics from spider silk.



“EGFS’ focus on early-stage businesses and its flexibility offered us better value.” -Ethan Mirsky

Starting Up

Initial funding consisted of grants and funding from friends and family.

Early on, Bolt Threads used a CPA to handle its accounts.

Once the company started to outgrow the arrangement -- and was looking ahead to lining up Series A funding -- it was clear the time had come to transition from a solo practitioner to a firm with more resources.

A referral from the company’s banker led the founders to Early Growth Financial Services.

Initially, the founders were not sure a big accounting firm could give their early-stage startup the attention needed to help them grow their business.

After checking references and speaking with other accounting firms, it was clear EGFS was a great fit. Bolt Threads wanted someone with experience taking on small companies and helping them grow.

Having launched his financial services startup in 2008 to address the pain points that he and other entrepreneurs struggle with, EGFS CEO David Ehrenberg has a perspective that most accounting firm CEOs do not.

EGFS Differentiated Service

Ehrenberg promised the founders that EGFS would help them grow until to the point that EGFS was no longer needed, as well as offering to help find their first in-house CFO when the time came.

Another differentiator was the flexibility of EGFS’ “Use us as little or as much as you need” approach.



“I like the comfort level I have in knowing that financial matters will be taken care of, correctly, and I don’t have to worry about it.” -Ethan Mirsky

Financial Support at Every Step of the Development Process

In the early days, EGFS supported Bolt Threads by handling day-to-day accounting as well as helping the team develop the forecasts and robust financial models that they needed for a successful fundraising effort.

As the relationship deepened, it also shifted from support with ad-hoc needs and requests to a more formal and comprehensive one.

Three years later, the relationship has evolved to include accounting infrastructure maintenance via models and forecasting, formatting board-level financial presentations to support the fundraising process, formalizing processes such as systems for purchase orders, invoice and credit card purchase tracking, as well as managing Bolt Thread’s capital equipment inventory.



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As Mirsky points out, Bolt Threads is still at an early enough stage that having reliable numbers and flexible systems is still its main focus -- but EGFS’ expertise is helping the company create both the right mindset and the supporting framework to set itself up for the next stage of growth.

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“The EGFS team helped educate me on how accounting and finance works.”

Fundraising and Launching

EGFS will play a pivotal role in managing the financial aspects of getting to its commercial launch, planned for next year.

Bolt Threads is simultaneously pursuing partnerships with leading apparel companies while also investigating commercial applications for its technology.

In describing Bolt Thread’s experience raising its Series A round, Mirsky referred to something that takes many entrepreneurs by surprise.

“Thanks to careful monitoring, our Series A funds lasted significantly longer than originally planned.” Having someone to keep an eye on the burn rate and monitor the startup’s cash was key to making their resources last as long as possible.

Additionally, having the EGFS team in place to scrutinize planned spending versus the expected impact helped Bolt Threads going into its Series B round. Together they were able to find the balance between being conservative with the company’s cash -- by being careful with hiring decisions and outsourcing when necessary -- while at the same time not stinting on necessary equipment purchases.

Why EGFS?

Asked what he particularly recommends about working with EGFS, Mirsky cites the company’s value relative to other financial services firms the team considered. EGFS’ focus on early-stage startups and its willingness to come on board at a very early point -- often even before its clients have processes and procedures in place -- set it apart.



“An outsourced accountant can be very cost-effective compared with recruiting in-house talent.”

-Ethan Mirsky

For Mirsky, the EGFS team’s responsiveness “enabled us to do what we needed to do,” while showing a willingness to educate him “on how accounting and finance works.”

Founder Words of Wisdom

Mirsky’s advice to other CEOs who are considering working with an outsourced CFO is simple:

“Find a professional who can make sure your books are in order.”

The last thing busy entrepreneurs need is to have to deal with errors that result in audits, or worse: running out of money because they did not devote enough attention to important aspects of the business.

According to Mirsky, an outsourcing strategy “doesn’t have to be something that takes a lot of your time. It can also be very cost-effective compared with recruiting your own in-house talent.”

A Trusted Partner

The time and worry saved by having a trusted partner in place that can grow with Bolt Threads allows the founders to keep their focus on strategic goals, including growing the business and securing customers and business partnerships.



Bolt
Threads

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About Early Growth Financial Services

EGFS provides outsourced financial services and support to companies at all stages of development. We offer a complete suite of solutions and support, from CFO services and high-level financial strategy to day-to-day accounting, taxes and valuation.

EGFS operates in Silicon Valley, San Francisco, Los Angeles, Austin, Chicago, Boulder, Seattle, Las Vegas, and New York City. With 500+ small to mid-sized businesses nationwide, EGFS clients include Indiegogo, Klout, SNAPCARD, GoodEggs, Enplug, OUYA, and OpenERP.

Do you need help with day-to-day accounting, strategic finance, 409A valuation, or tax services? Contact Early Growth Financial Services on 415-234-EGFS (3437) or contact@earlygrowthfinancialservices.com for a free 30-minute financial consultation.

