

A satellite view of Earth at night, showing the curvature of the planet and numerous city lights glowing across the dark surface. The lights are concentrated in coastal areas and major urban centers, creating a pattern of yellow and orange specks against the deep blue of the oceans and the black of space.

WHAT ARE INVESTORS LOOKING FOR?

Dimitrios Kourtesis, PhD
Partner, Ideas Forward,
Program Manager, OK!Thess

What we do ▾

Who we are ▾

Sustainability

Investors ▾



Media ▾

Careers ▾

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Avantium

We believe in a *fossil-free* world
Let's go!



Avantia

R&D for applications in the energy, chemicals and pharmaceutical industries.

New biofuels and bio-based chemicals, and new crystal forms of marketed drugs under patent.

Founded: 2000

Funding: \$199.8M

[ABOUT](#)[PRESS](#)[CAREERS](#)[CONTACT](#)

THE FUTURE IS FORMING

We are developing long duration energy storage systems to enable a fully renewable, affordable and reliable electric system.

[SEE HOW](#)

Form Energy

Develops and commercializes a low-cost battery system that can store wind and solar energy for a long duration

Core technology invented at MIT

Founded: 2017

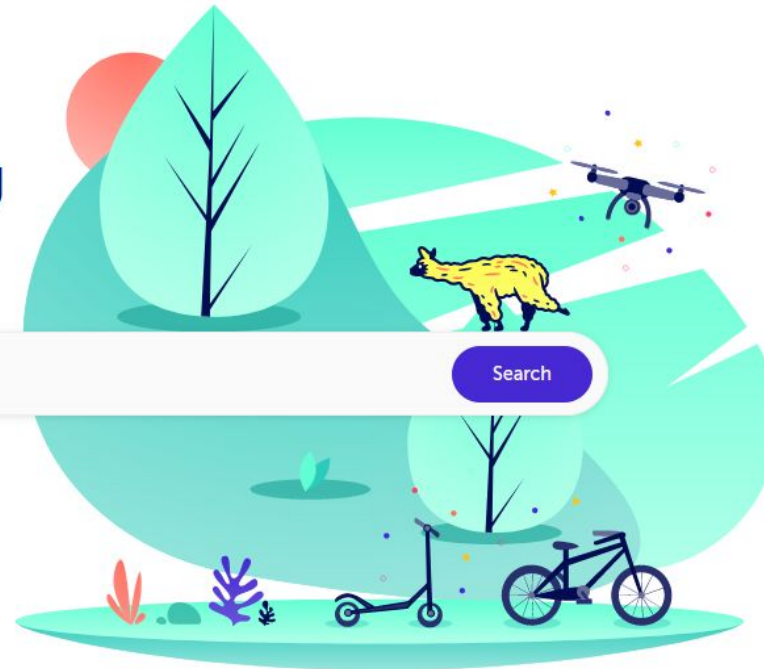
Total Funding: \$125M

Rent (almost) anything

Convenient access to any item

[Search](#)

Or

[list an item](#)

Access More

Pursue passions. Get things done.



Save money

Buy less. Rent for a fraction of the cost.



Help the planet

Live lighter. Reduce waste.

Explore our categories



Film & Photography



DJ Equipment



Drones



Electronics



Lenses



Musical Instruments



Projectors



Electric scooters



Sewing machines



Transport

Fat Llama

Peer-to-peer rental marketplace for almost anything

Doing for rentals what eBay did for buying and selling used items

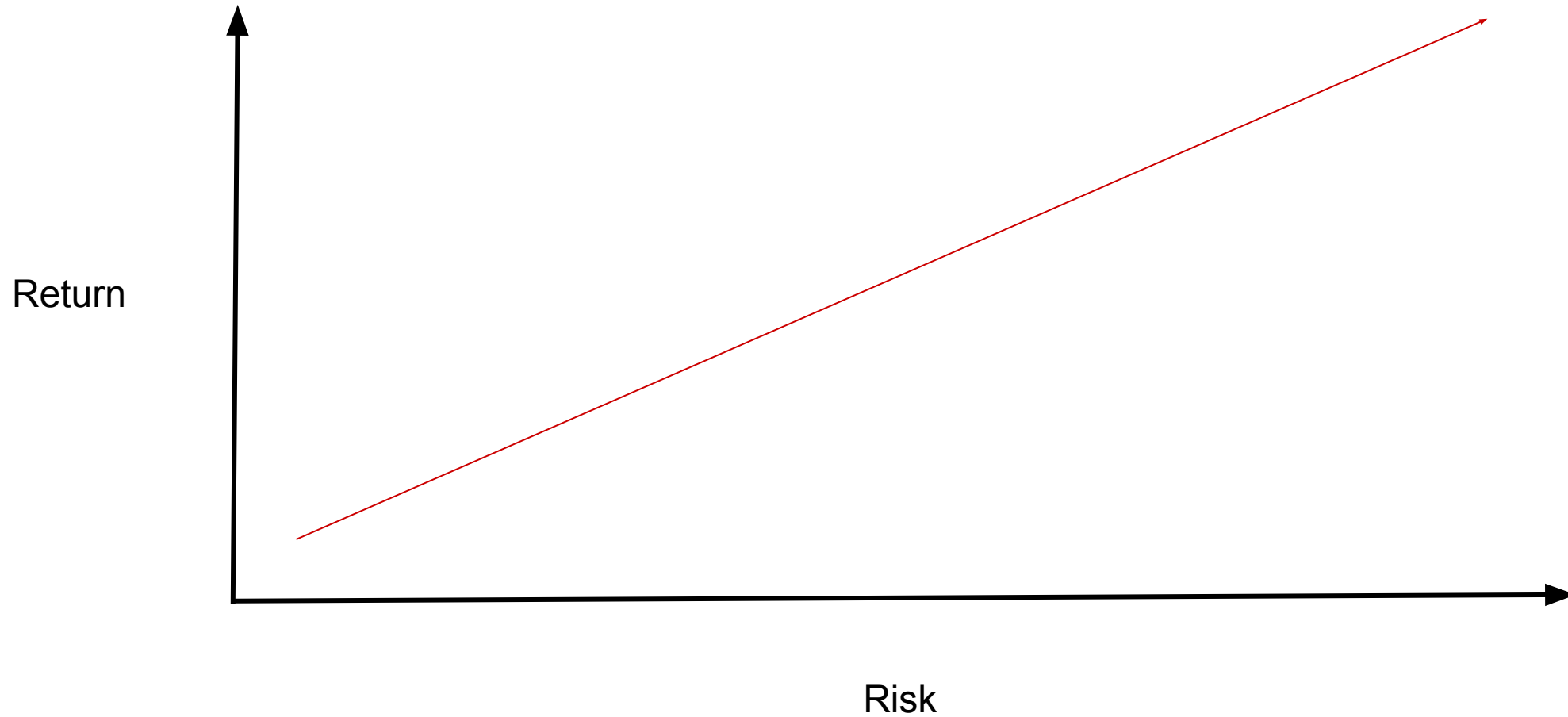
Major competitor differentiator: items insured up to \$30,000

Founded 2016

2017: Y Combinator alumni

2018: raised \$10 million in Series A funding

RISK:RETURN



RISK:RETURN PROFILE

Rate of
Return

Low Risk High Return	High Risk High Return
Low Risk Low Return	High Risk Low Return

Level of Risk

RISK:RETURN PROFILE

Rate of
Return

<div>Low Risk High Return</div> <div>What founders believe</div>	<div>High Risk High Return</div>
<div>Low Risk Low Return</div>	<div>High Risk Low Return</div>

Level of Risk

RISK:RETURN PROFILE

Rate of
Return

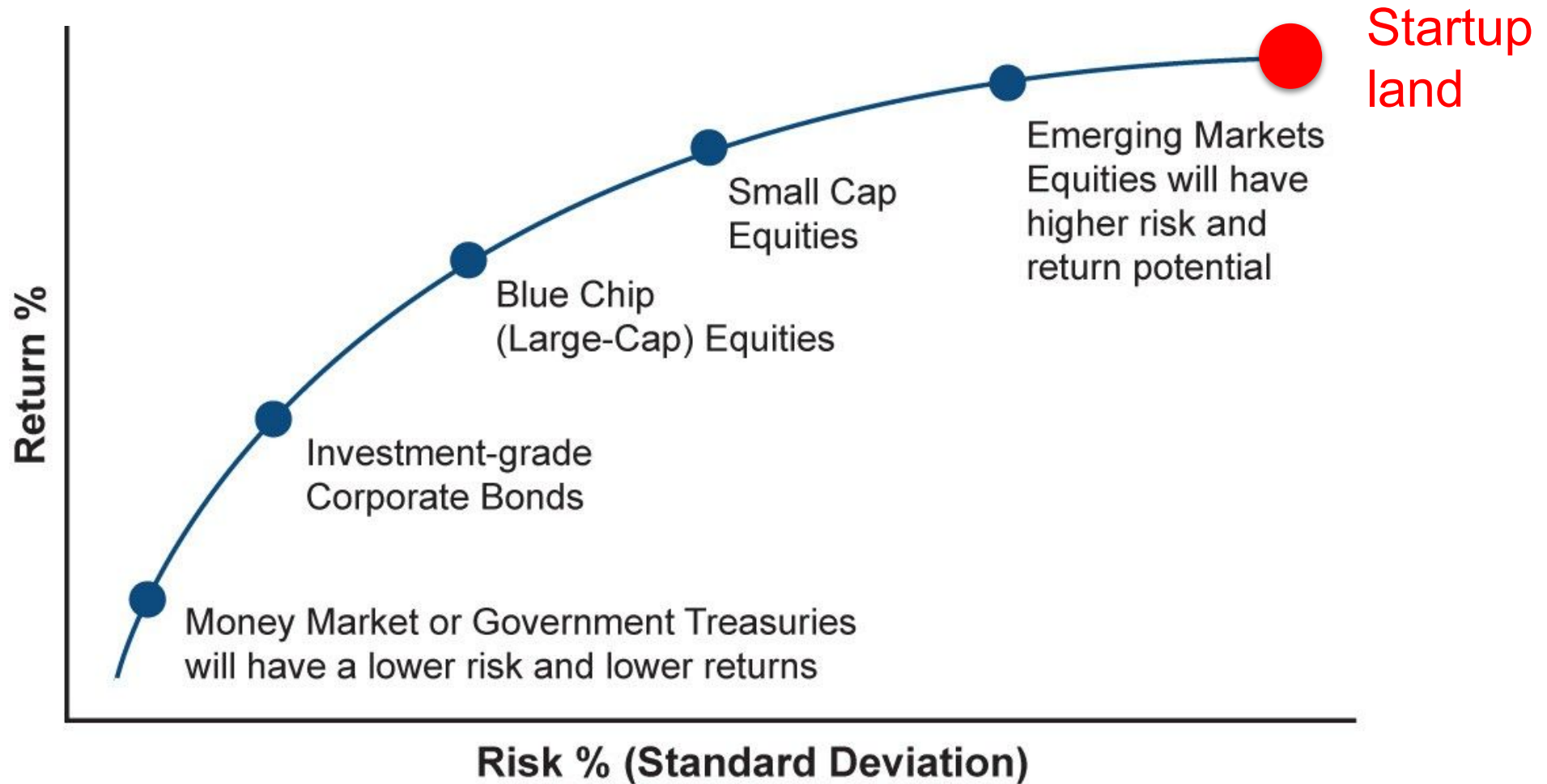
<div>Low Risk High Return</div> <div>What founders believe</div>	<div>High Risk High Return</div>
<div>Low Risk Low Return</div>	<div>High Risk Low Return</div> <div>What startups usually are</div>

Level of Risk

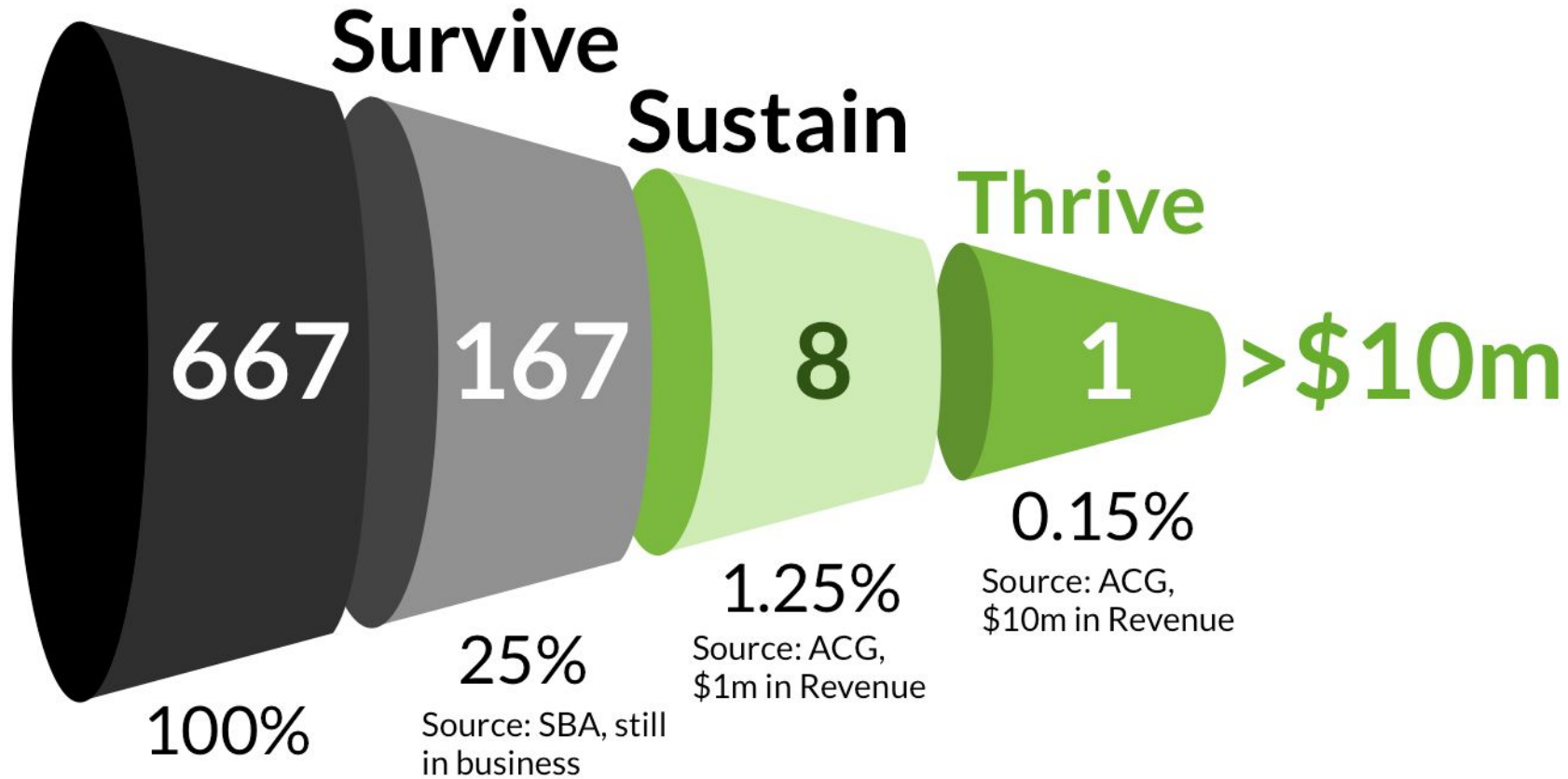
RISK:RETURN PROFILE

Rate of Return	Low Risk High Return What founders believe	High Risk High Return What VC portfolios are made of
	Low Risk Low Return	High Risk Low Return What startups usually are
Level of Risk		

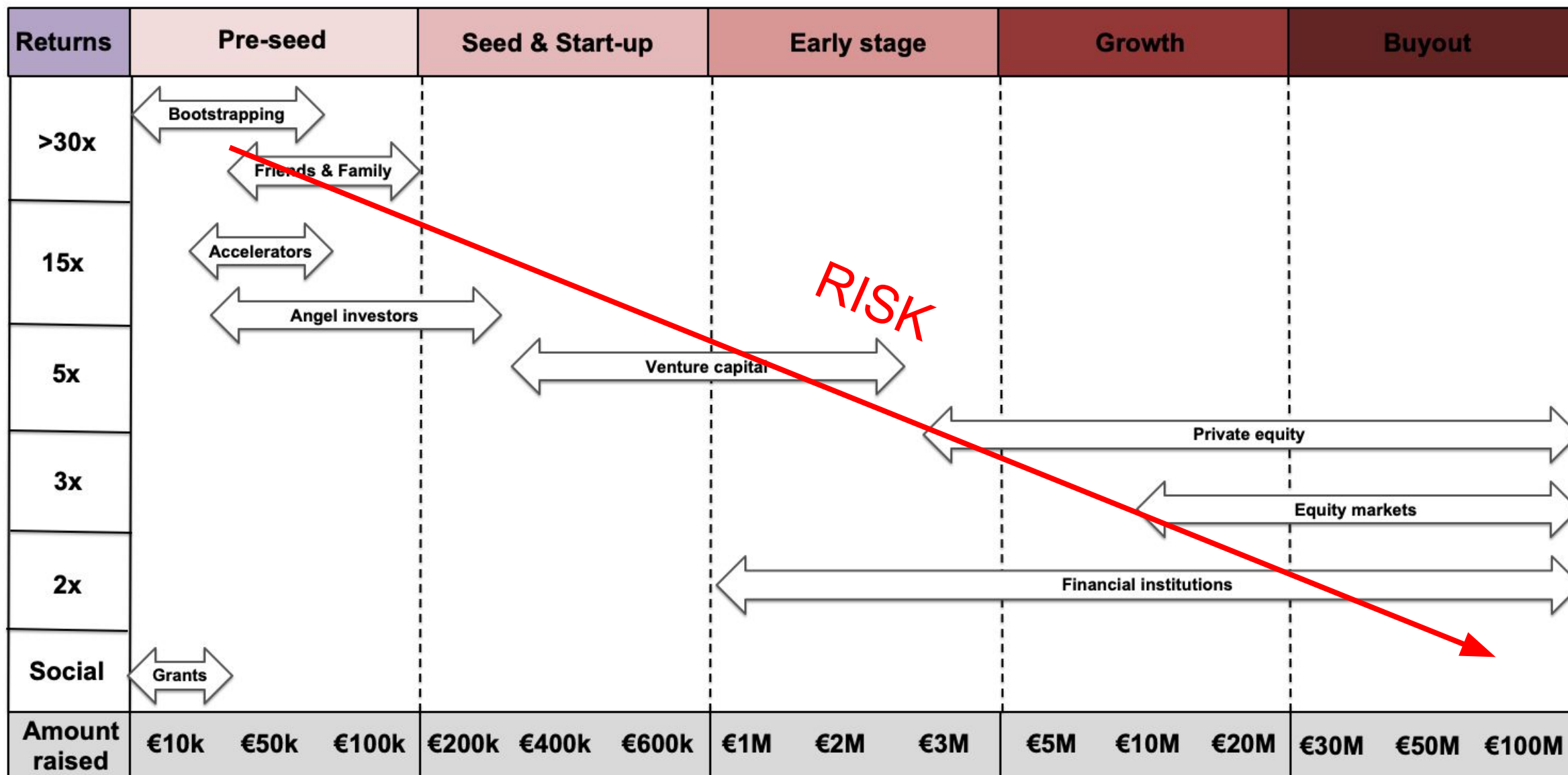
RISK:RETURN PROFILE



MOST STARTUPS FAIL


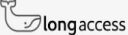






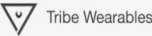











Source: What is the truth behind "9 out of 10 startups fail"? (Quora.com)











Source: Velocity Partners VC

JEREMIE OPENFUND II

 Your personal travel concierge Go to the site	 Digital archival solutions Go to the site	 All-in-one recruiting software Go to the site	 Boat rental marketplace Go to the site
 Ask like-minded people Go to the site	 Small lodgings booking system Go to the site	 Popularizing play Go to the site	 Set and forget CMS management Go to the site
 Wearable computing evolved Go to the site	 FMCG coupons in your smartphone Go to the site	 Mixtapes made personal Go to the site	 Professional reports & infographics in seconds Go to the site
 Enriches product pages with video Go to the site	 Broadband infrastructure management Go to the site	 Aircraft cockpit on a tablet Go to the site	 Delicious food delivered in minutes Go to the site
 Electromagnetic simulation for chipmakers Go to the site	 IoT development and update tools Go to the site		

OPENFUND I

 Social media monitoring for international markets Go to the site	 Image processing as a Service Go to the site	 Choose a taxi on your phone Go to the site	 Sport events management software Go to the site
 Premium food products marketplace	 Browser based immersive 3d gaming	 Collaborative realtime list editing	 Fashion discovery engine

EXAMPLE PORTFOLIO OF A GREEK VC

Openfund Venture Capital

- Openfund I (2009-2012)
- Openfund II (2013-2016)

Portfolio:

- 26 investments
- 14 closed
- 9 operating
- 3 exits/acquisitions

THE BEST VCs SCORE (BIG HITS) ONLY 1/3 OF THE TIME

Early stage VC is a lot like baseball, if you get a hit one out of every three times, you are headed to the hall of fame.

By "hit" I mean an investment that returns 5x or better.

Even the very best investors in the VC business only get a hit about 1/3 of the time.

Fred Wilson (Union Square Ventures)

STARTUP INVESTING, AS A BUSINESS

“The two most important things to understand about (early-stage) startup investing:

(1) effectively all the returns are concentrated in a few big winners

(2) the best ideas look initially like bad ideas.”

Paul Graham (Founder, Y-Combinator)

ONLY INVEST IN “FUND RETURNERS”

The best investment in a successful fund equals or outperforms the entire rest of the fund combined.

This implies two very strange rules for VCs. First, only invest in companies that have the potential to return the value of the entire fund.

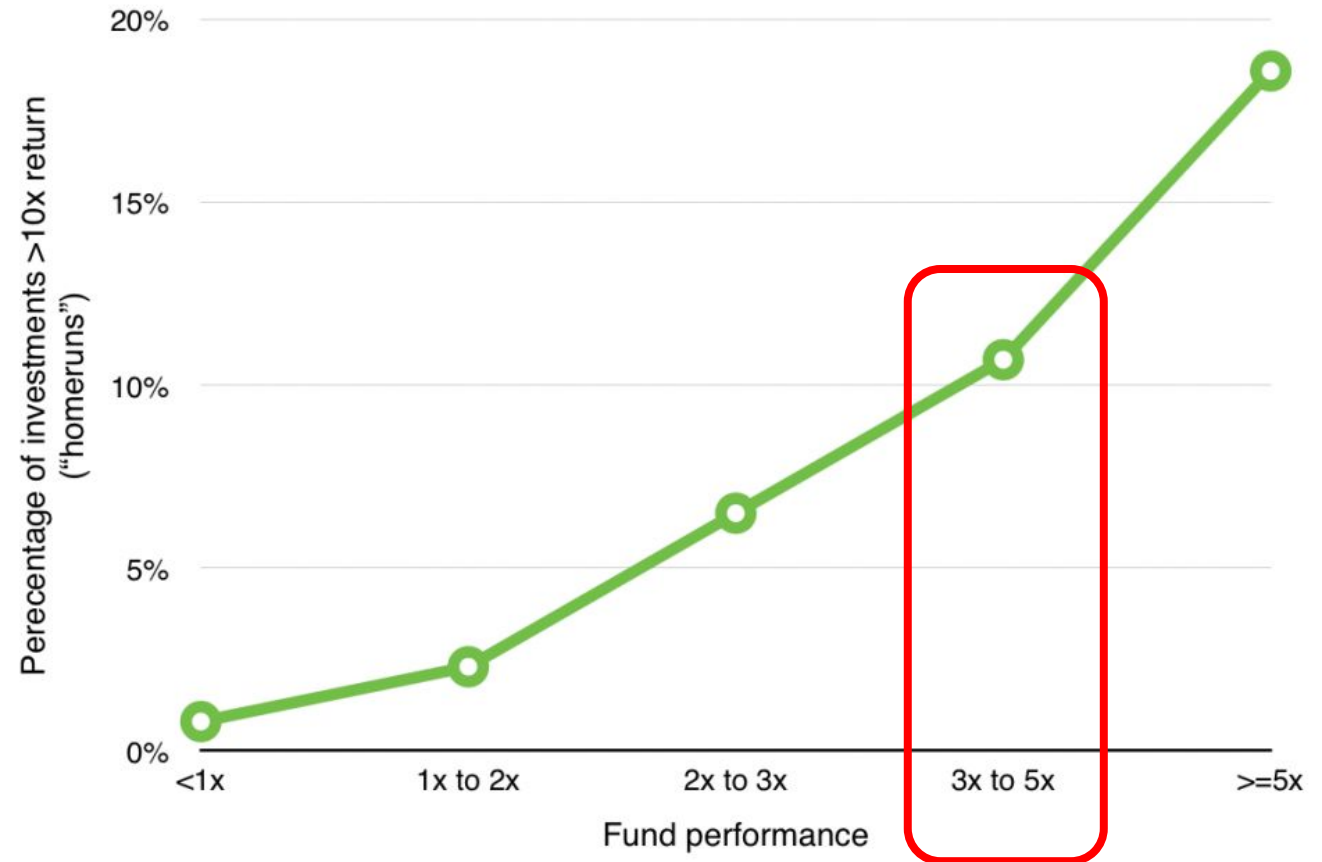
Second, because rule number one is so restrictive, there can't be any other rules.

Peter Thiel (co-founder PayPal, Palantir Technologies, Founders Fund)

“FUND RETURNERS”, “HOME RUNS”, “TEN-BAGGERS”

A VC fund's performance is determined by the number of “homeruns”* in its portfolio

**homerun = a company whose value increases 10x or more between the time the VC invests in it and the time the VC exits*



ALL INVESTMENTS MUST LOOK LIKE POTENTIAL “FUND RETURNERS”

“To get the 3-5x return that most VCs target,
10% of their portfolio need to return 10x or more.”

That explains why we are so focused on market size.

Getting a 10x result is hard and
if 10% of our portfolio is to reach those dizzy heights
all of our investments must have that potential.”

Nic Brisbane (Partner, Forward Partners)

VC FUNDS NEED TO PITCH TOO

Let's see how a VC fund pitches to raise money from its own investors.

(Thanks to Seedcamp for sharing their pitch deck!)



Full pitch deck here: <https://www.slideshare.net/seedcamp/seedcamp-fund-iv-fundraising-deck>

Since 2007, we have invested in 244 early stage internet companies now worth over \$3Bn



A snapshot of recent portfolio fundraises



Raised \$28M Series A led by



in September 2016



Raised \$10M Series A led by



in January 2017



Raised £4.5M Series A led by



in February 2017



Raised \$4M round led by



in April 2017



Robotic Process Automation

Raised \$30M Series A led by



in April 2017



Raised \$7.5M round led by



in May 2017



Raised \$10M round led by



in July 2017



Raised \$66M Series B led by



in July 2017

An increasing number of exits



Acquired by



in February 2016



Acquired by



in March 2016



Acquired by



in August 2016



Acquired by



in September 2016



Secondary sale of 25% of our stake
in the company

in December 2016



Acquired by



in March 2017



Acquired by



in April 2017



Acquired by



in July 2017

Learning and growing over the past 10 years

The experiment	Fund I (2007)	€2.5M fund 22 companies Portfolio market cap: €250M+	“Extremely strong performance for a first time and small fund, learned we needed to write larger checks”
The winning formula	Fund II (2010)	€5.2 fund 97 companies Portfolio market cap: €1.7Bn+	“Our first ‘unicorn’ in TransferWise, a few exits, and a very strong group still raising further rounds, learned we need to do follow-ons”
Scaling up	Fund III (2014)	€20M fund 125 companies Portfolio market cap: €1.1Bn+	“The formula is now right. Larger fund allows us to write bigger checks and get in on meaningful traction. Early days yet but the portfolio is solid, learned we should extend our market position”

We invest in capital efficient businesses that leverage technology to scale fast globally



We look for
**outstanding
teams**



Building **truly
differentiated
products**



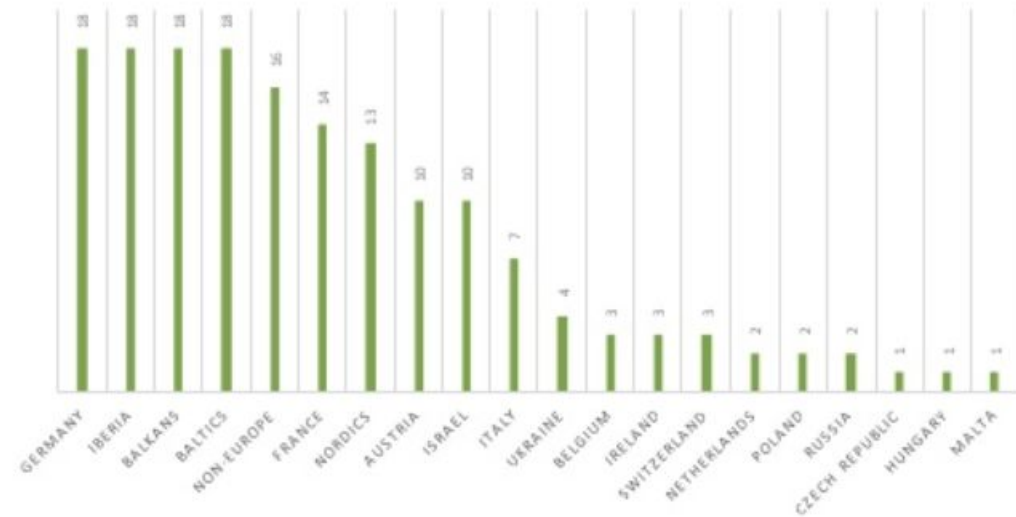
In **large
addressable
market,**
i.e. **in the \$Bs**

The team

Given the early stage at which we invest, the people behind the vision play a key role in our investment decision.

The founders we back come with various backgrounds and levels of experience but they need to demonstrate a clear ambition as well as an ability to execute and build a strong team around them.

In addition to investing in UK founders we are the most prolific investor in founders based across Europe



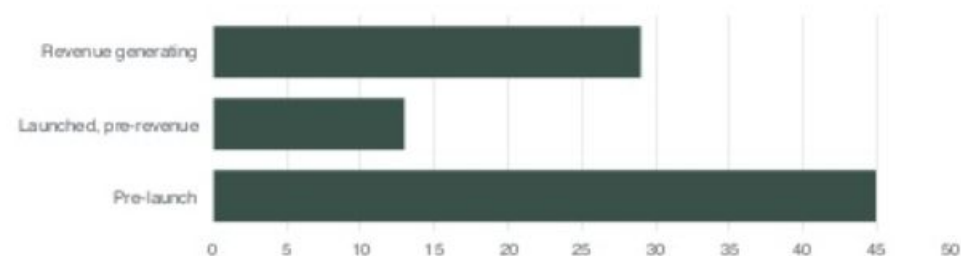
The product

We look for defensible businesses that have a disruptive product through which they create lasting value for their users.

We need to see a clear and realistic path to monetization even if actual monetization at the time of investment is not a requirement.

Whether they are pre-launch or already revenue generating, the companies we back are all early stage and face a common set of challenges

Status of Fund III companies at the time of Seedcamp investment



The market

Our strategy is horizontally focused, as we believe that through our platform we can build industry winners across various sub-sectors.

As industries evolve they become more and more cost efficient to serve. Therefore our thesis evolves alongside the startups that rapidly disrupt, expand, and alter industries.

We invest across various sectors in capital efficient businesses that can scale fast



We are one of the top performing VC firms in Europe

	Fund I (€2.5M)	Fund II (€5.2M)
Total Value to Invested Capital Total Value to Paid In (TVPI)	7.2x	8.3x
Cash Returned (DPI) - 3.2x		Cash Returned (DPI) - 4.4x
IRR: 12.2%		IRR: 23.6%

Benefits of becoming a Seedcamp LP



Financial upside (targeted
net return 3-5x)



Follow on opportunities through
syndication of our companies



Access to Seedcamp
founders, investors and
mentors across EMEA and the
US (15 events per year)



First access to our dealflow
& direct investing

- LPs are part of our Investment Forum that participates to the investment decision on all our pre-seed investments
- Syndication opportunities in seed deals
- Preferred access to our portfolio through regular Office Hours

THANK YOU

Interreg  **Balkan-Mediterranean**
EUROPEAN UNION

SMECOMP

FINAL CONFERENCE

Friday, February 12, 2021



www.smecomp.eu