

Venture funding your business idea

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Agenda

1. Types of Investment
2. Characteristics of venture capital investments – Seed Capital



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The speaker



- Rasmus Bjerregaard, rb@seedcapital.dk
- Investment manager, Seed Capital
 - Evaluate/invest in new tech ideas, run portfolio companies as board member
- Technical background from various startups and corporations.
- M.Sc. Electronics+Computer science, specialized in signal processing; BCom1 (DK: HD 1. del); Ba.Psy.Minor

Types of Investment

Types of investments

Self financed

E.g. consultancy or NREs financing product development

Friends and family

The wealthy aunt from America

Loans

Possibly government supported loans. Banks (nowadays) seldom provide risk capital

Soft loans

E.g. EU or government support for green initiatives

Grants

E.g. research grants

Business angels

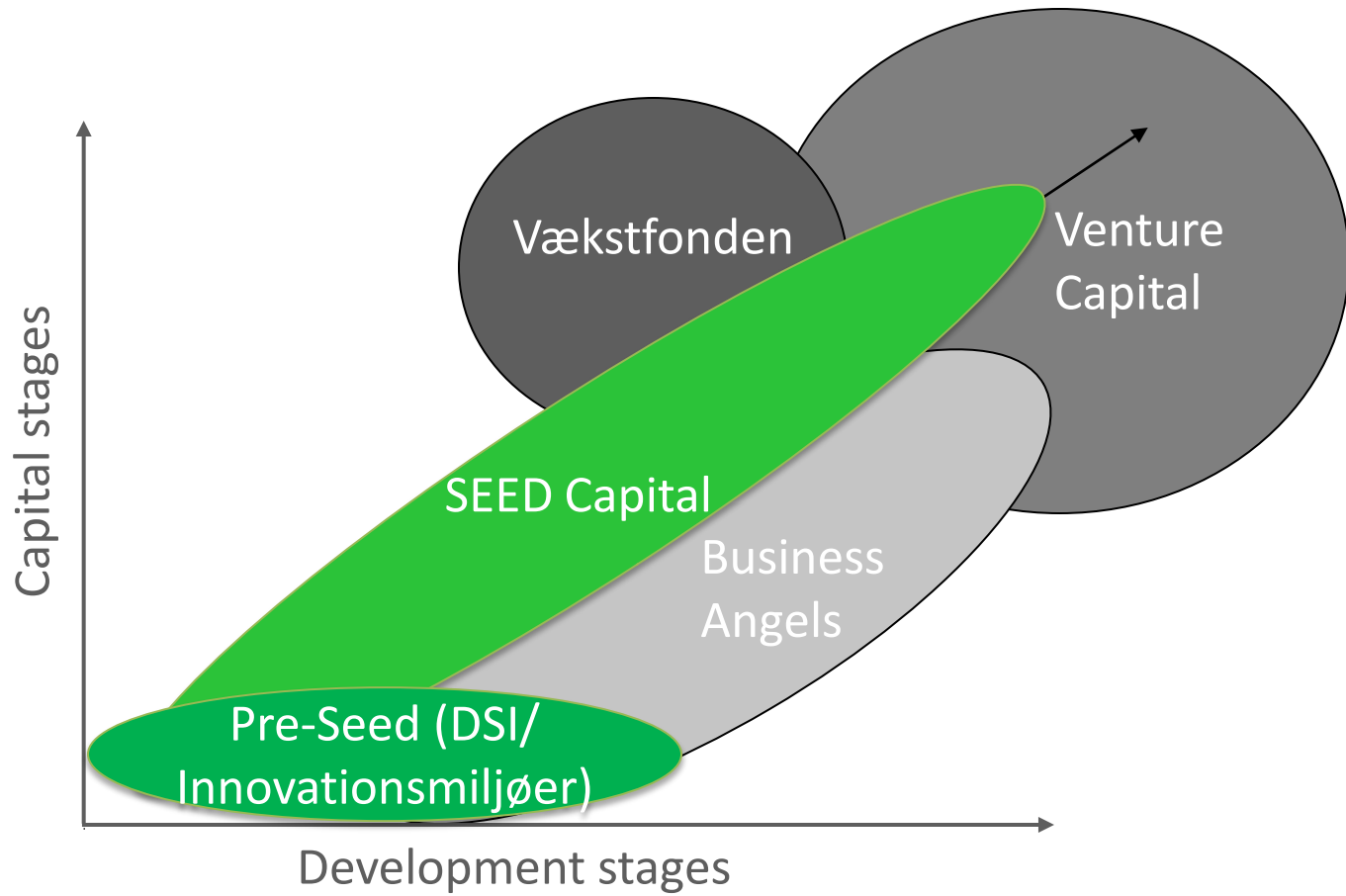
Affluent individuals

Innovationsmiljøer

Government funds for technological growth startups

Venture Capital

Funds administering risk capital from institutional investors and high net worth individuals



Characteristics of Venture Capital Investments

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SEED Capital

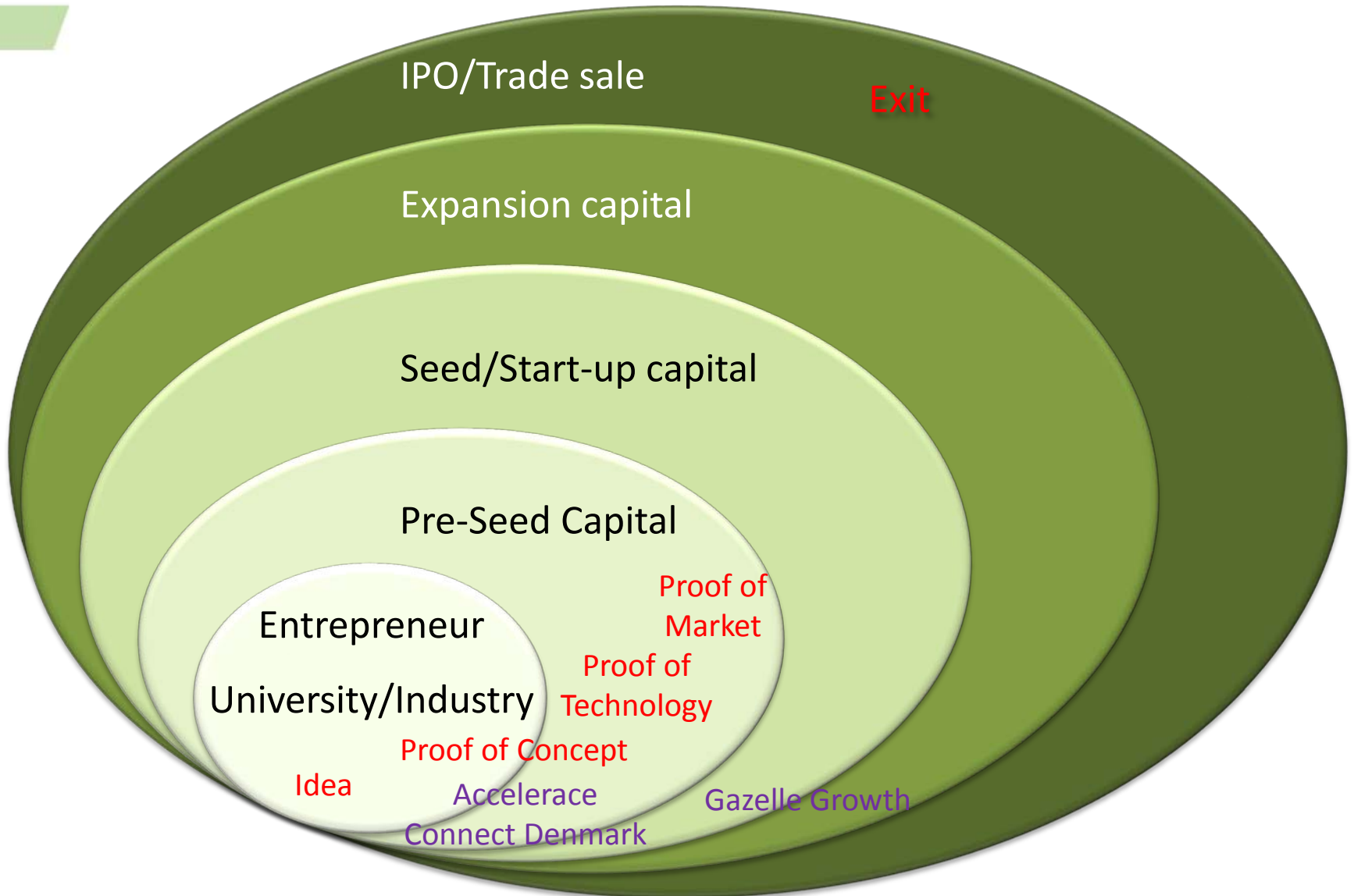
Characteristics of VC investments

Small cake – big piece ~ big cake – small piece

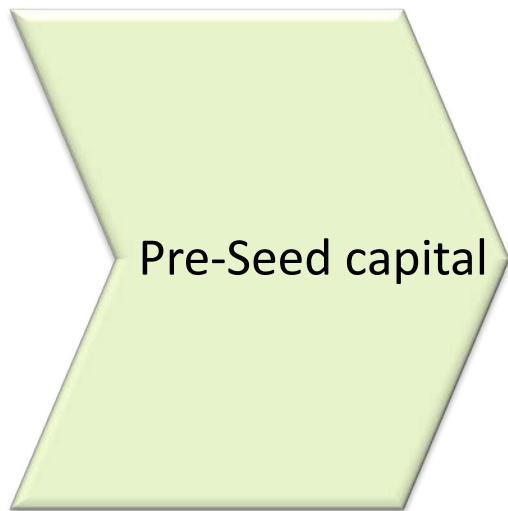
Small cake – big piece ~ big cake – small piece

- Exemplified by SEED Capital
 - No two VC funds are exactly the same but much of the thinking is the same
 - You'll get the idea...

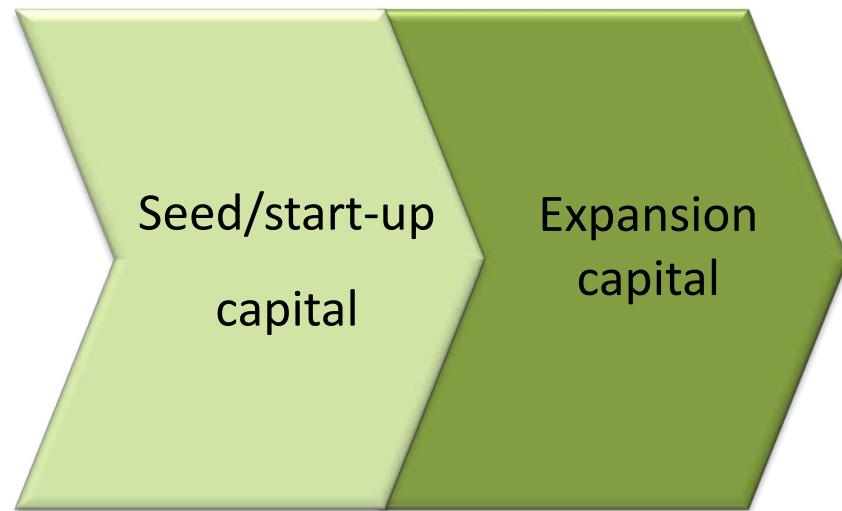
Venture Capital Investment Rounds



The Venture Industry in Denmark

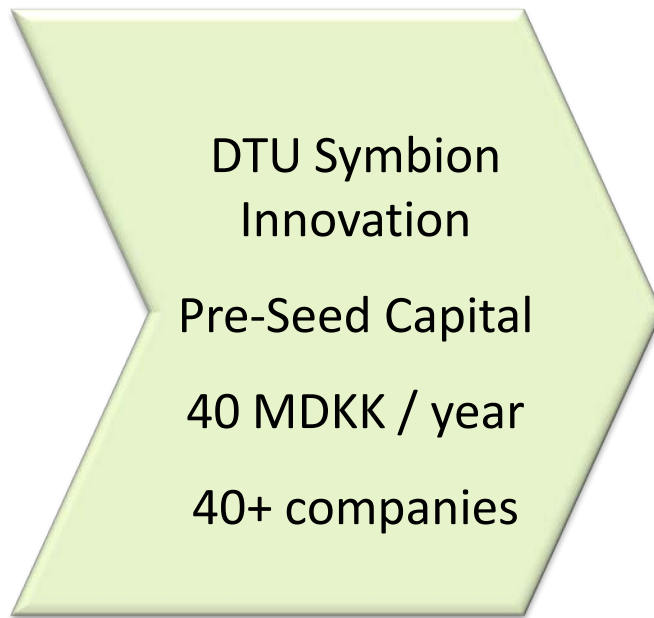


6 Government funded pre-seed investors
Invests **100 MDKK** / year
Innovationsmiljøer



+20 Venture Capital companies
Local and few large pan Nordic VC's
More than **20 BDKK** under management

DTU Symbion Innovation & SEED Capital in brief



Government funded



Classic VC mostly privately funded
1 BDKK under management

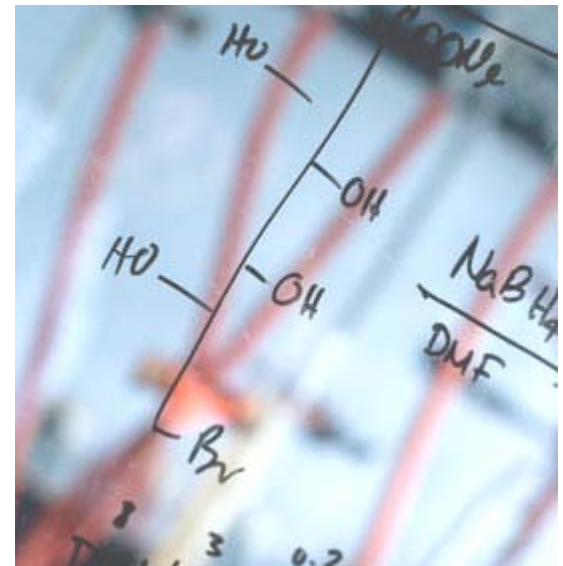


SEED is looking for...

- Very strong value propositions
- Highly scalable business opportunities
- Significant growth potential
- Strong team
- Strong IPR (if possible)
- Good exit opportunities

Due Diligence

- Technical
 - Can it be done?
 - Can it be done for the expected price and within the time?
 - What are the risks?
- Commercial
 - Is there a market?
 - Can it be reached?
 - Is it profitable?
 - Is it scalable?
- Legal
 - Who owns the rights?
 - Can we expect strong patents?
 - Is there freedom-to-operate?
- Organizational
 - Is the team capable of reaching expectations?
 - Need/can/will it be strengthened?



A year in brief at SEED

- 300-400 ideas screened
- 60 ideas results in meetings
- 10-15 new investments
 - Usually DKK 1,5-2 mill.
- 3-4 follow-up investments
 - Range DKK 15-25 mill.
- Hands on
 - Board Member
 - Business Development
 - Organization Development
 - Fundraising
- 1-2 Exits
 - After 5-8 years



SEED Portfolio, technology & team



ICT

22 companies



Cleantech/Industrial

8 companies



Lifescience

31 companies



Partners | Investment managers

SEED
CAPITAL