EPFL VERVE VENTURES
FELLOWSHIP PROGRAMME

VERVE VENTURES

EPFL

AGENDA

Goals of today's meeting

- General Introduction to Verve Ventures
- Investment Team Introduction
- Program Structure
- Working Mode
  - Workflow & Tools
  - Expectations
  - Immediate next steps
- Mentor-Student pairs
- Q&A + Foto

MEET **VERVE VENTURES**

VERVE VENTURES

EPFL

VERVE VENTURES IS A
TECHNOLOGY AND
NETWORK DRIVEN
VENTURE CAPITAL FIRM

VERVE
VENTURES

VERVE VENTURES IN A NUTSHELL

We belong to the top 10% most active VC investors in Europe

60m

EUR investment volume in 2022

+300

Private LPs

250+

Investment rounds executed

140+

Startups financed

140+

PORTFOLIO COMPANIES FROM EARLY TO GROWTH STAGE ACROSS EUROPE

WE FOCUS ON TECH STARTUPS IN 3 SEGMENTS

Digital

- Fintech
- Industry 4.0
- Proptech
- Future of work
- Cyber Security

Health & Bio

- Digital Health
- Biotech
- Medtech
- Diagnostics
- Nutrition

Tangible

- Robotics
- 3D Printing
- Quantum Technology
- Photonics
- Drones

THE VERVE VENTURES PORTFOLIO

European science and technology startups

140+
Portfolio Startups

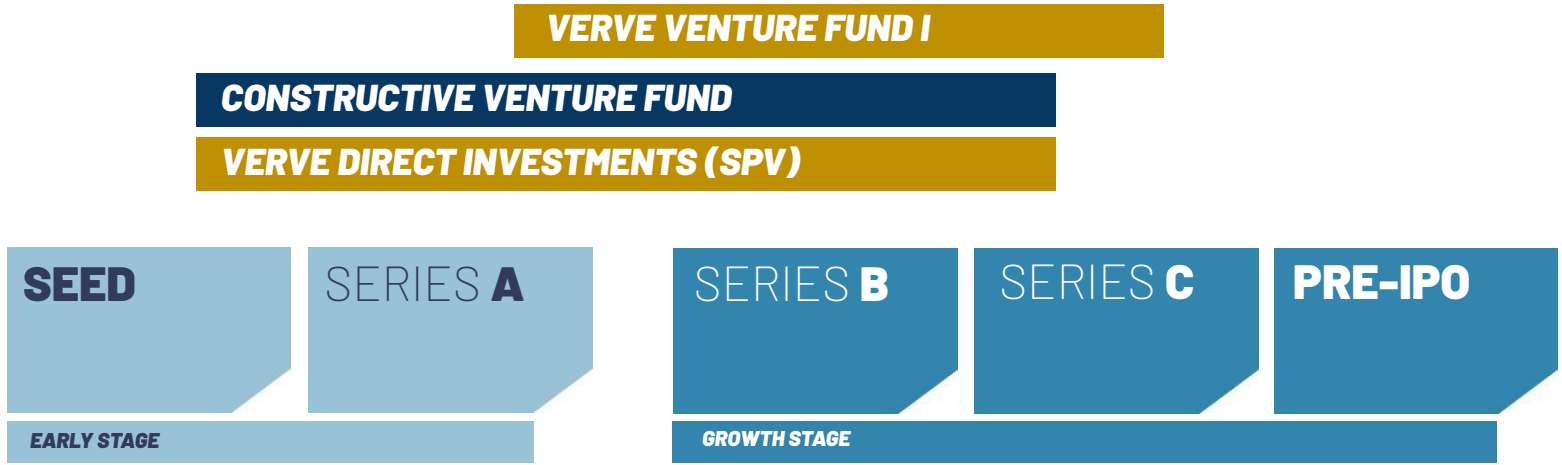
25-30
New investments each year

40-50
Follow-on investments each year

WE SYNDICATE

From a broad investor network and several investment vehicles

We invest 500K to 3.5m in a first investment in around 30 new startups every year. Across Europe and in different stages.



MEET THE
INVESTMENT TEAM

VERVE
VENTURES

INVESTMENT TEAM - WHO WE ARE

40+

MULTIDISCIPLINARY EMPLOYEES ACROSS 5 OFFICES

INVESTMENT TEAM

Michael Blank
Head Investment Team

Romeo Bütler
Principal

Xavier Mesnier
Principal

Michael Lütolf
Principal

Thomas Meier
Investment Manager

Emma Schepers
Senior Investment Associate

Vinciane Lhuissier
Investment Associate

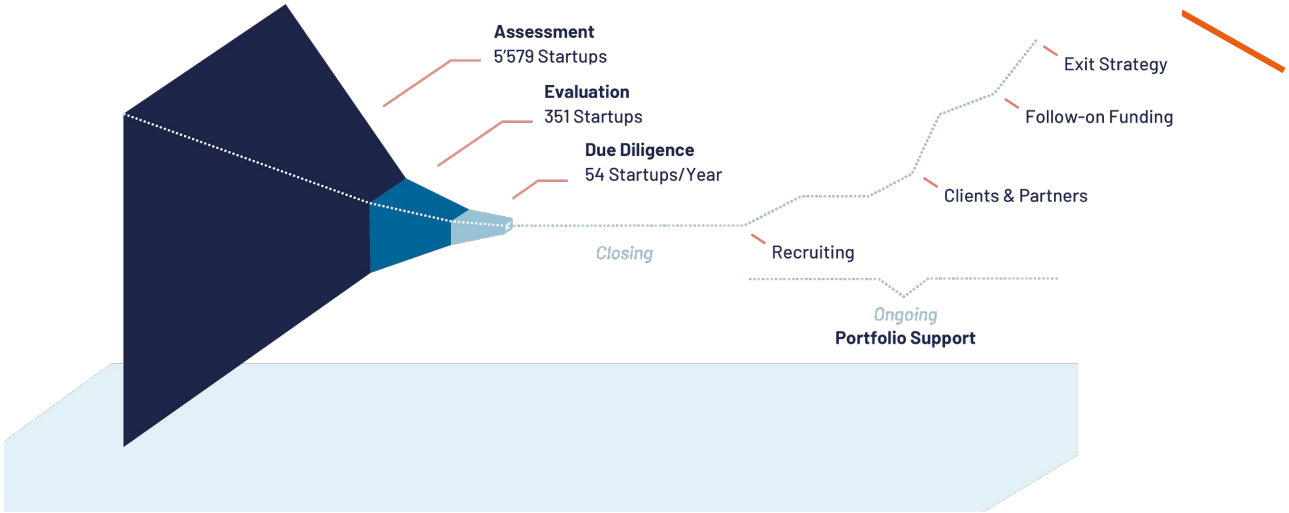
Oleg Chervonnyi
Senior Investment Associate

Stefan Albers
Senior Investment Associate

Samir Jola
Senior Investment Associate

PROGRAMME CONTENT

STUDENTS WILL LEARN ALONG A FULL INVESTMENT PROCESS



Scouting & **assessing** real Business Cases by talking to Entrepreneurs and experts

Learn to evaluate startups and what a **Due Diligence** process looks like

Negotiating and closing a financing (**Term Sheet**)

RECENT SUCCESSFUL EXITS

Portfolio exits in 2021 and 2022

WHAT ARE WE LOOKING FOR

Ideal startup investment profile

VCs look for passionate and resilient entrepreneurs, dedicated to building disruptive, technology-driven companies going after large markets.

LARGE MARKETS

DEFENSIBILITY

SCALABILITY

HOW WE SELECT THE BEST STARTUPS

Thorough and systematic analysis

+400
Work hours

Expert interviews

Terms negotiation

TECHNOLOGY

- Core Technology
- Development Roadmap
- IP
- Final Product

TEAM

- Management
- Board of Directors
- Hiring Strategy

MARKET

- Size of the Market
- Trends
- Competition

FINANCIALS

- Business Model
- Revenue Streams
- Financing Strategy
- Exit Strategy

STARTUPS SUITED FOR VC

Summary

Fit with the investment thesis of the investor

Investors usually specialize on industries or geographies, some also on certain funding stages

Young companies, but with a proven concept

Most startups are not funded based on an idea, but based on the first “proof of market” or “proof of technology” (i.e. they have the first paying customers or working prototypes)

Very high growth

Startups need to be able to grow exponentially, their business needs to be scalable (doubling your customer base doesn’t mean doubling your costs)

Technology-driven industry disruption potential

Startups with a technology that offers the potential to change how an industry works, that creates a completely new market, that solves a problem no one has been able to solve

Privately held

PROGRAM **STRUCTURE**
PROGRAM SCHEDULE

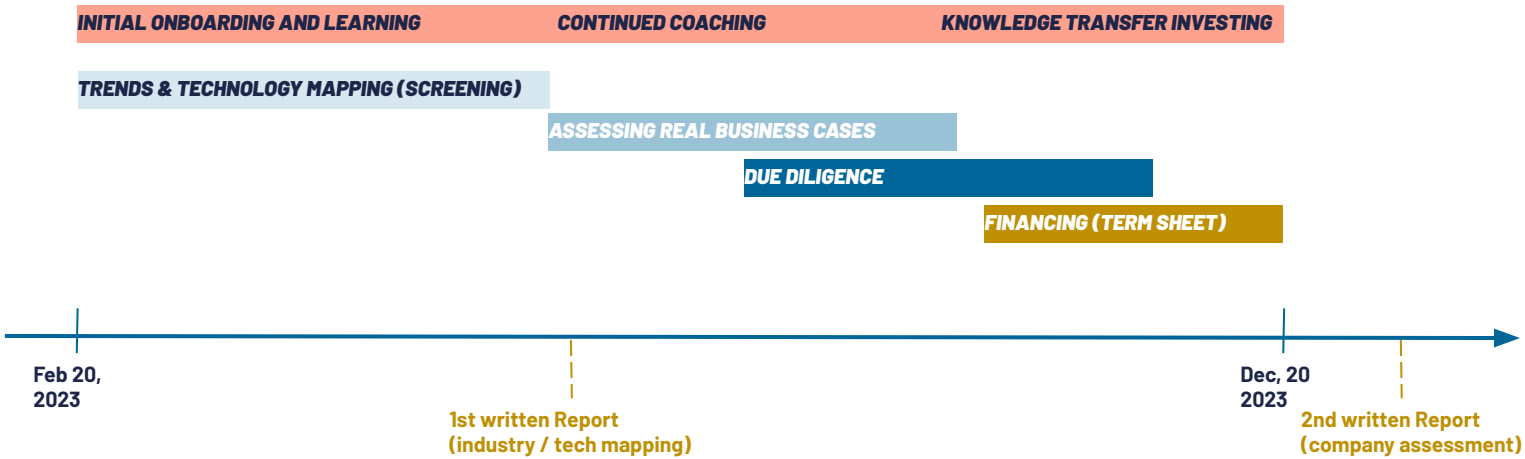
VERVE VENTURES

EPFL

PROGRAMME SCHEDULE

A 10 MONTH PROGRAMME

Load of the programme is approximately 2 hours per week on average over 10 months (total of 88 hours = 3 ECTS).



ALIGNMENT SCHEDULE (dates preliminary)

Every Second Friday of the month

What	Date	Who
Kick-Off Lausanne (session on Tools, modus operandi, expectations etc.)	Feb 20	Samir
Knowledge Session: Introduction to VC & Challenges of Startup investing	Mar 17	tbd
Knowledge Session: How to assess a startup in different fields (SaaS, Medtech, Hardware etc.)	April 14	tbd
Knowledge Session: Founder talks with PhD founder	May 12	tbd
Industry mapping presentations Lausanne (or Zurich?)	June 23	Samir

ALIGNMENT SCHEDULE

Every Second Friday of the month

What	Date	Who
Knowledge Session: Terms & Valuations	July 14	tbd
Knowledge Session: Introduction to Convertible Loans	Aug 18	tbd
Knowledge Session: Marketing & PR in Venture (maybe Eugen)	Sep 15	tbd
Knowledge Session: Startup Exits	Oct 13	tbd
Final gathering, maybe presentation thesis etc. for the space (dinner? drinks?)	Nov 24	Samir

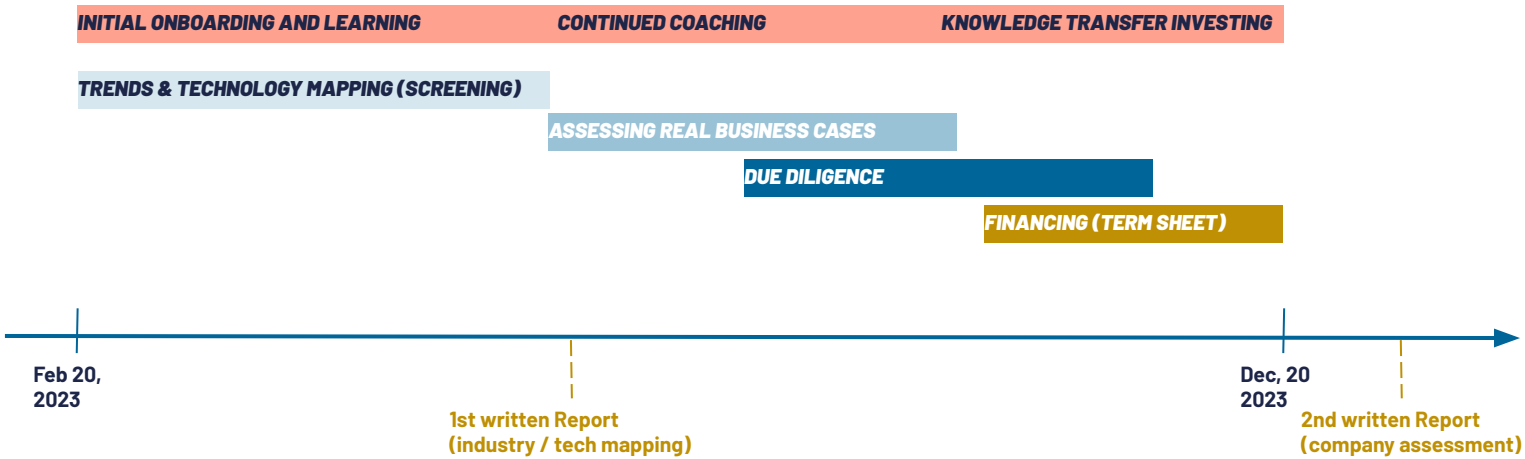
WORKING MODE

VERVE VENTURES

PROGRAMME SCHEDULE

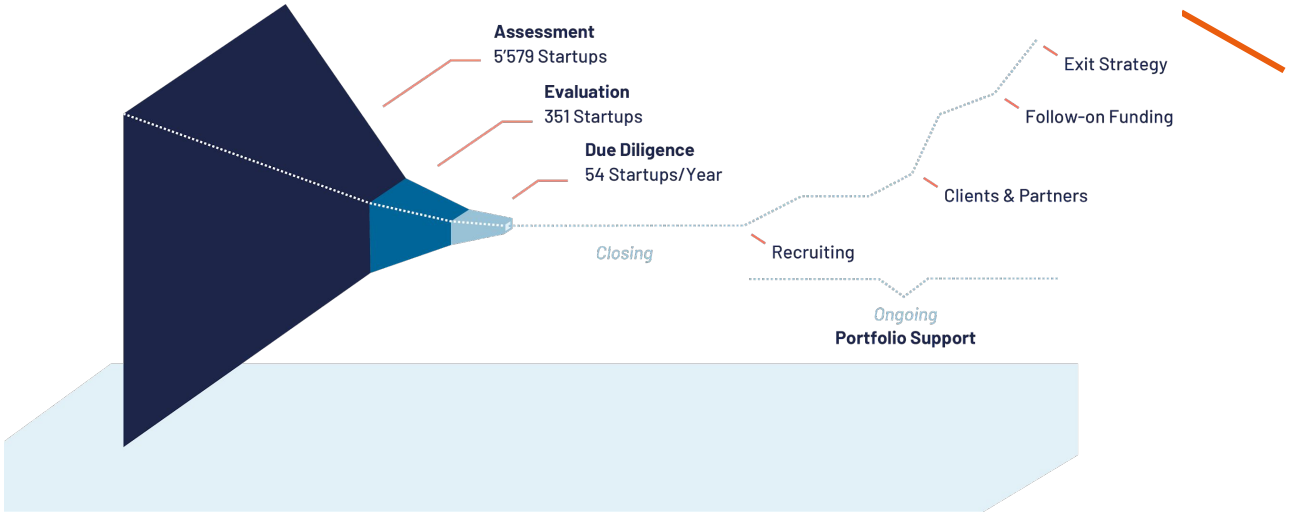
A 10 MONTH PROGRAMME

Load of the programme is approximately 2 hours per week on average over 10 months (total of 88 hours = 3 ECTS).



PROGRAMME CONTENT

STUDENTS WILL LEARN ALONG A FULL INVESTMENT PROCESS



Scouting & **assessing** real Business Cases by talking to Entrepreneurs and experts

Learn to evaluate startups and what a **Due Diligence** process looks like

Negotiating and closing a financing (**Term Sheet**)

BRIEF OVERVIEW OF INVESTMENT TOPICS (1/2)

Technologies and Trends that we are planning to focus on within the programme

- Quantum technologies (including computing)
- Applications for Additive manufacturing
- Energy Management (storage, software, smart grid)
- Technologies for Battery management (including charging and wireless power transfer)
- Novel recycling methods (batteries, solar modules)
- New technologies and materials for sustainable construction and infrastructures
- New technologies and materials for medtech and life sciences (incl. applications of photonics and graphene)

BRIEF OVERVIEW OF INVESTMENT TOPICS (2/2)

Technologies and Trends that we are planning to focus on within the program

- New technologies and applications to enhance Human Computer Interaction (gaze control, gesture control, brain-computer interfaces)
- Efficient computing, data & cloud infrastructure
- Enabling technologies and software for robotics
- Enabling technologies and software for applications in mobility, logistics, agri and foodtech
- Tools for software developers, devops, data scientists (APIs, applications, infrastructure, automation, AI/ML applications, cyber security, CI/CD)
- Robotics - Automation of Work (Future of Work, Human-Machine Interaction)

HOW TO BUILD A PRACTICE

3 STEPS

BEFORE STARTING...

TOPIC CLEARED AND PIPELINE BUILT

- Make sure you have a key **definition** and **scope** in mind of your investment topic - explain it to a 12y old
- Get a hold of your investment pipeline or build a pipeline

DEFINING FOCUS AREAS

1. MARKET OVERVIEW

CONCEPT

Mapping topic into clusters and focus areas:

- Top-down (~problem space) approach
- Bottom-up (~solution space) approach

For each focus area, include:

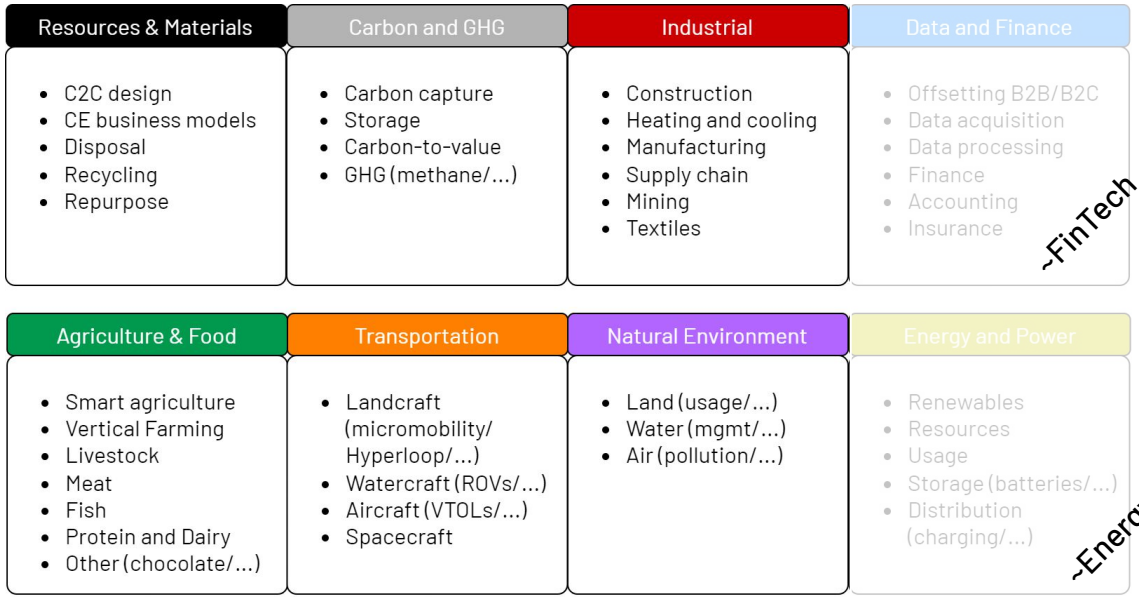
- **Market** (size, growth, trends)
- **Landscape** (segments, competition, exits)
- **Timeline** (market and product maturity, progress)

→ market maps, portfolios, reports, articles
→ template document (mapping)

DEFINING FOCUS AREAS

1. MARKET OVERVIEW

CLIMETECH



- 8 clusters
- 30+ focus areas

DEFINING FOCUS AREAS

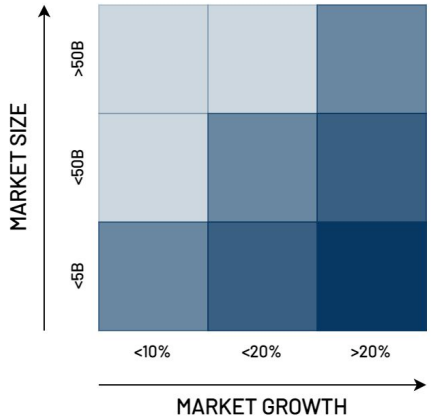
2. DECISION FRAMEWORK

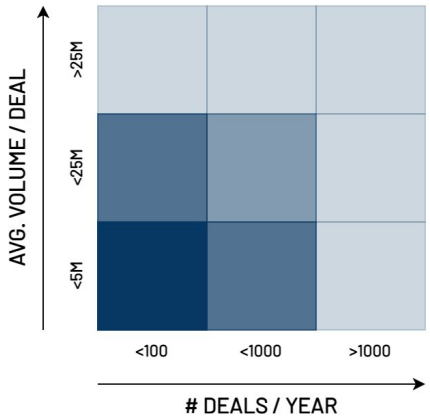
CONCEPT

A) Market landscape:

- **Focus** on emerging markets which are not too crowded, have a high growth rate and a high TAM projection (bottom right corner)
- In general, **avoid** high average deal sizes (mature or overvalued) and high average deal flows (crowded in #companies and #VCs)

But caution..





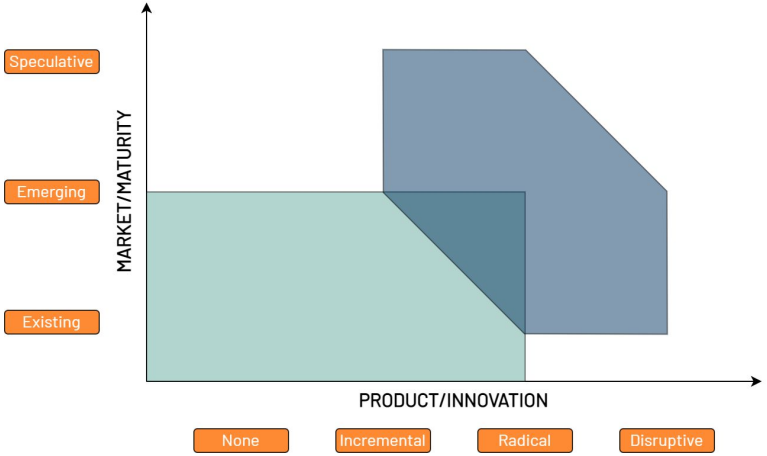
DEFINING FOCUS AREAS

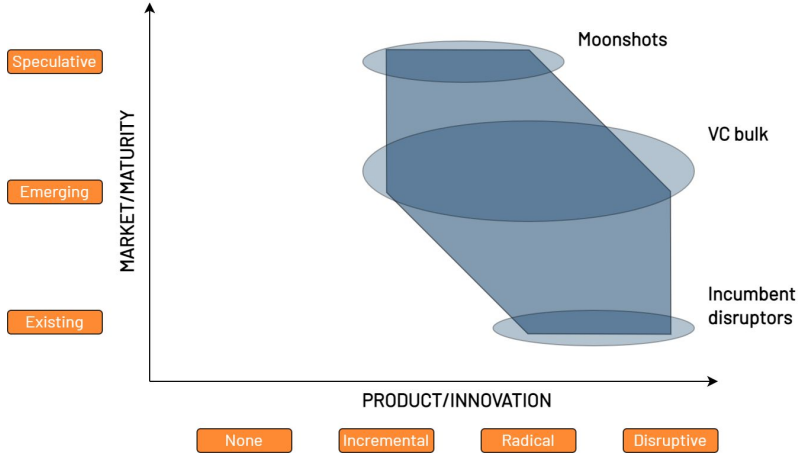
2. DECISION FRAMEWORK

CONCEPT

B) VC investment diamond:

- ~Circle of Competence
- Market maturity and product innovation defining a risk front and diamond shape area of interest





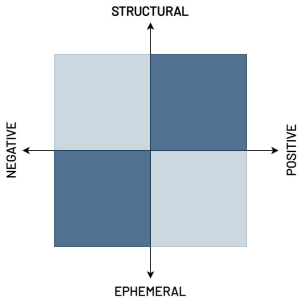
DEFINING FOCUS AREAS

2. DECISION FRAMEWORK

CONCEPT

C.1) Trends:

- Go back to the problem space perspective (structurally + or ephemerally -)
- What are trends supporting the progress of the product and market development (~hype cycle)



C.2) Company "Verve" fit:

- Weighted average
  - ~investors
  - ~existing portcos/network/expertise
  - ~personal interests
  - ~other departments (Marketing, IR, PM, PS)

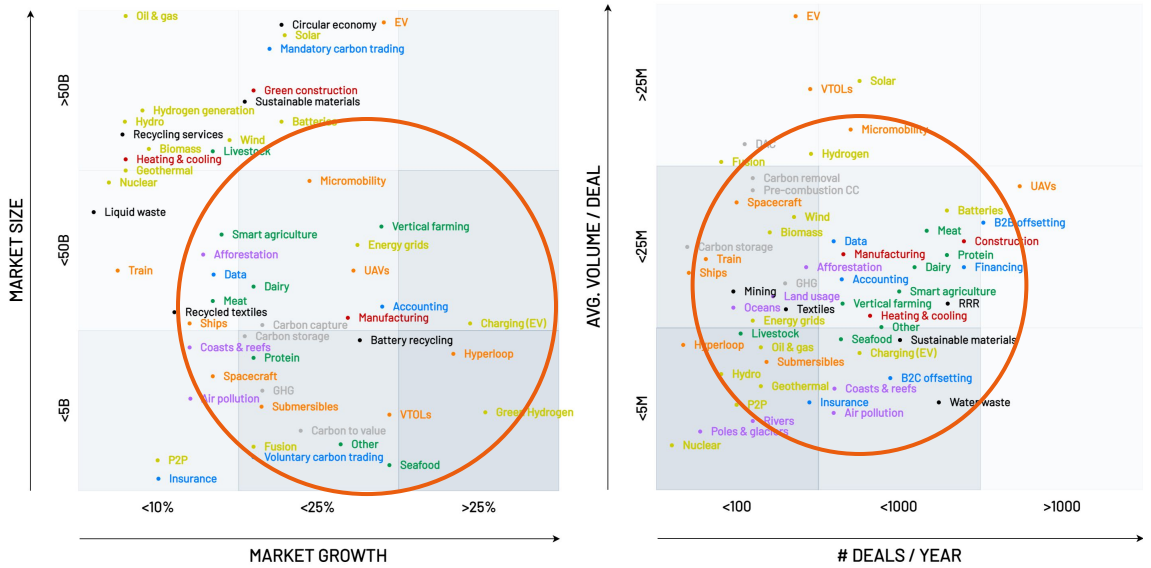
Category	Criteria	Rating	Weight
Investors	Does this area match with our private investors, their interests and drivers to invest with us? E.g. no B2C SaaS?	x/6	0.2
	Does this area match with our institutional investors and investment vehicles? From a tech, BM or geographical perspective?	x/6	0.15
Synergies	Does this area match with any existing portcos that could provide a lead into the space?	x/6	0.15
	Does this area match with your personal interests and knowledge from a technical or investment perspective? How well can you navigate the space already/in the future?	x/6	0.3
	Does this area match with our existing network of co-investors (VCs) that could provide dealflow or leads in?	x/6	0.1
Other	Does this area match our marketing efforts, the story we aim to sell and can we position ourselves uniquely?	x/6	0.1

DEFINING FOCUS AREAS

2. DECISION FRAMEWORK

CLIMETECH

A) Market landscape:



- 8 clusters
- 30+ focus areas

Dig deeper into the reasons as to why the market size/growth is small or large (trends).

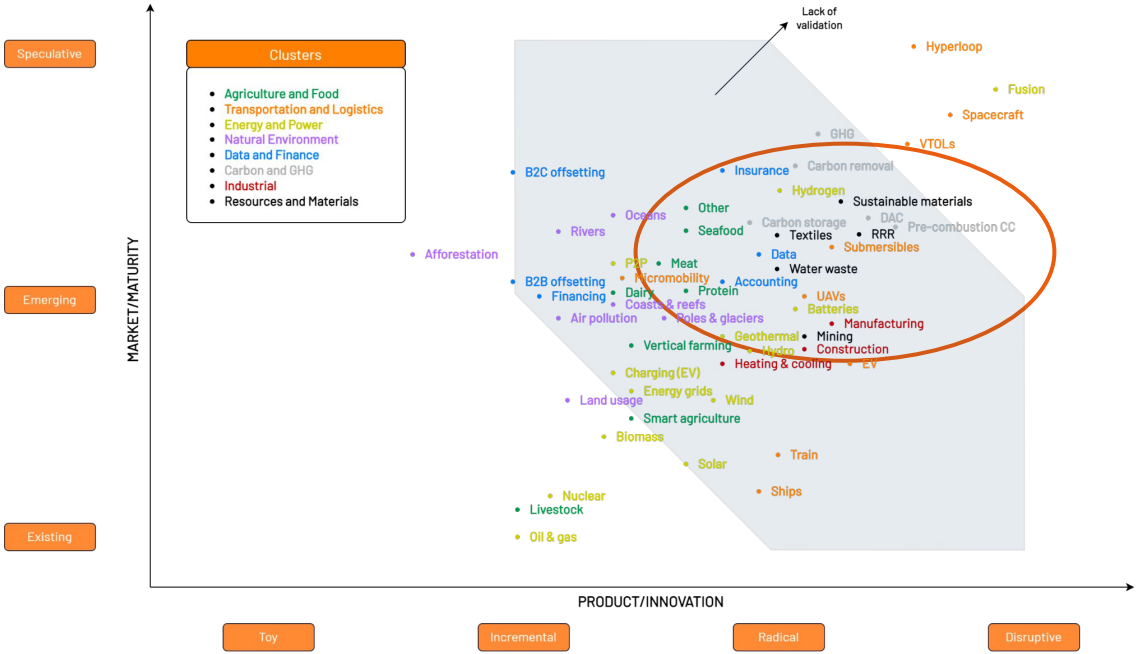
Not all quantifiable..

DEFINING FOCUS AREAS

2. DECISION FRAMEWORK

CLIMETECH

B) VC investment diamond:



- 8 clusters
- 30+ focus areas

We focus on deeptech products in emerging markets and visionary products in speculative markets.

DEFINING FOCUS AREAS

3. DEEP DIVE

CONCEPT

Include:

- **Drivers:**
  - What trends support the market growth and technological progress?
  - Do you agree with the trends, why (not)?
- **Risks:**
  - What is the core problem being tackled ?
  - What can hinder even the best solutions of going to market?
- **KPIs:**
  - What defines a winner in this space?
  - Where lies the complexity or bottleneck (IP)?

Thesis:

Which industry sectors are affected by a large, un(der)addressed problem/opportunity within my investment topic and are presented with new technologies/solutions to be commercialized in the next years - thereby creating a large market?

DEFINING FOCUS AREAS

3. DEEP DIVE

CLIMETECH

Drivers, risks and KPIs:

- EU carbon markets (mandatory) fuel carbon offsetting, carbon capture and afforestation
- Carbon offsetting does not entail a solution to the root cause, but is only a facilitator which is susceptible to market and regulatory dynamics
- Carbon offsetting products should focus on quantifiable data, scalability (carbon capture sources, GHG extensions) and compliance

<Focus area>	
Description	<Description of the focus area and what it entails in max. 3 lines>

Market	• **TAM:**
	  ○ <size and CAGR>
	  ○ Sources: <hyperlinks>
	• **Trends:**
	  ○ <supporting the overall thesis>
	  ○ Pros: <supporting the growth/need>
	  ○ Cons: <not supporting the growth/need>
	• **Competition:**
	  ○ Incumbents: <incumbents>
	  ○ <new entrants, barriers to entry>

Timeline	• **Market maturity:**
	  ○ <VC interest, investment volume>
	  ○ <proof of demand>
	• **Product maturity:**
	  ○ <VC interest, investment volume>
	  ○ <technologies, innovation>

Thesis	<Explain the (ir)relevance of the sector today and in the future, its problem/opportunity size and why this would (not) be a potential fit for>
Note	<Any additional notes, sources, articles, ...>

DEFINING FOCUS AREAS

3. DEEP DIVE

CLIMETECH

(Preliminary) Thesis & Focus Areas:

1 SUSTAINABLE MATERIALS

- Start of the supply chain
- Tackling material scarcity and negative sourcing impact
- Industry-agnostic with radically new technologies and products unlocking new capabilities

2 RECYCLING AND REPURPOSING

- End of the supply chain
- Tackling material scarcity and negative sourcing impact
- Radically addressing the finite resource base on earth and unlocking the missing supply link

3 CARBON AND GHG CAPTURE

- Target not only future impact, but reduce our past effects on climate
- Radical technologies atm only addressing a fraction of an emerging market (GHG), fueling adjacent sectors (offsetting)

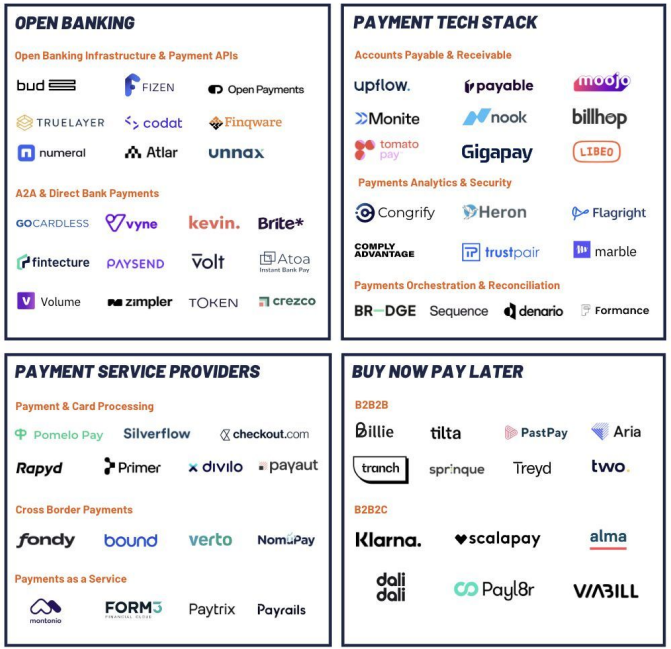
By targeting the above 3 verticals, we both reduce our **past and future impact** on nature and climate through its **removal** (Carbon/GHG Capture) and **adjustment** (shifting our supply chain). Developing new materials bears a strong potential in providing alternatives to existing products but also unlocks more efficient processes and capabilities. However, without adjusting the end of the supply chain, providing new materials has little use, for which we ensure the bottleneck in adjusting our supply chain impact is fully targeted - connecting start and end (Recycling & Repurposing). Finally, by addressing the carbon and GHG capture market, we are able to invest in what we believe is only the tip of the iceberg. In particular as technologies will further scale up and broaden to also include other GHG besides carbon alone.

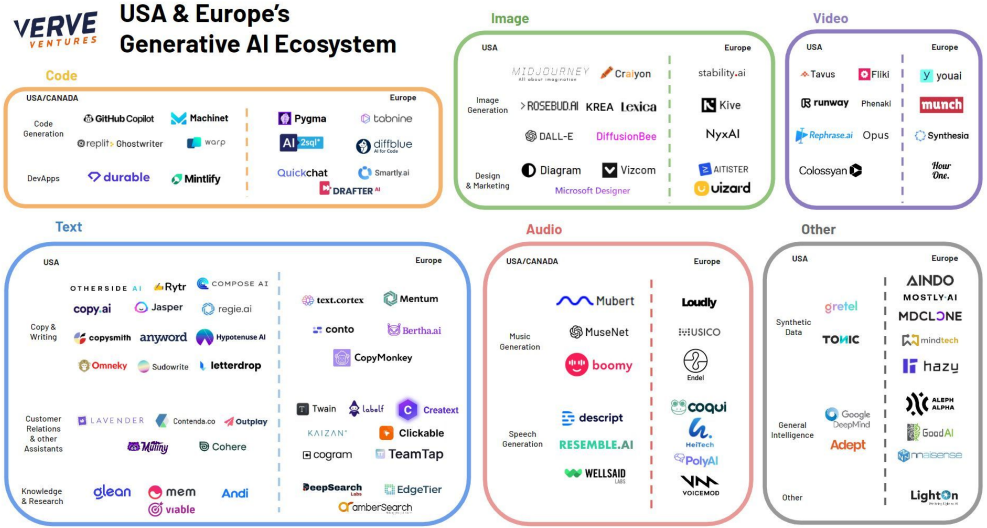
FURTHER EXAMPLES

Industry Mapping

THE EVOLVING PAYMENTS ECOSYSTEM IN EUROPE

VERVE VENTURES





TOOLS WE ARE USING

Workflow

Dealroom Premium

Your mentor can get you dedicated reports and data

Crunchbase & Pitchbook

Lots of free public resources

Gdrive

Our main collaboration tool to share documents, files etc.

Slack

Our communication tool for announcements and questions concerning everyone

CORNERSTONES FOR SCREENING

Workflow

Founding Year: No later than 2012

Typically, older companies tend to be “SME” like, potentially profitable but not growing exponentially

Amount of capital raised: 0 - 20m.

Companies that raised more are typically not in our scope anymore, as they are too late stage

Geography: EU

We invest in Europe, but the US is a good indicator for future trends

Technology-driven industries

ICT/SaaS: proven business model, initial recurring revenues
High Tech: PoC must be given, industry traction is a strong plus
Life Sciences: PoC must be given, platform technologies desired

Resources:

Always: Company website, social media, news (startupticker.ch, techcrunch, sifted)
3rd party providers: Dealroom (premium access), crunchbase, pitchbook
Country-specific business index (Zefix for CH)

IMMEDIATE NEXT STEPS

First things to do

- Sign NDA (pending)
- Share private gmail address
- Join Slack Channel & Gdrive
- Schedule first 1:1 with mentor

MENTOR **INTRODUCTIONS**

VERVE VENTURES

EPFL

INVESTMENT TEAM

Michael Blank
Head Investment Team

Romeo Bütler
Principal

Xavier Mesnier
Principal

Michael Lütolf
Principal

Thomas Meier
Investment Manager

Emma Schepers
Senior Investment Associate

Vinciane Lhuissier
Investment Associate

Oleg Chervonnyi
Senior Investment Associate

Stefan Albers
Senior Investment Associate

Samir Jola
Senior Investment Associate

Q&A

VERVE VENTURES

NOW IS A GREAT TIME FOR EARLY STAGE DIGITAL INVESTMENTS

Economic Cycle and Startup Incorporations