



**red** alpine

Financing Innovation

Dr. Harald Nieder

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- **Is there still a chance of being financed in Switzerland?**
  - A VC point of view
  - What companies are we looking at?
  - The way we see it
  
- **Is there still a chance of financing in Switzerland?**
  - Clues from our portfolio
  - Cheese, Chocolate, Banks .... And Startups?
  - Risk Takers: Entrepreneurs and Investors alike



- Early Stage Venture Capital Fund
- With 2 funds (soon 3) under management
- Portfolio of Life Science and ICT companies
- Investing mainly in Switzerland, Germany and Austria
- Late Seed / early Series A, (early) proof of market
- Hands-on approach, actively supporting portfolio companies

# What companies are we looking at?



- **Fast and high growth** – we have a limited fund lifetime
- **Scalable** – with low or moderate capital requirements
- **Exit opportunities** – achieving returns in time for our investors
- **International** – Switzerland is (usually) not enough

## Technology

- ✓ FinTech
- ✓ Blockchain
- ✓ Marketplaces
- ✓ Travel
- ✓ Media
- ✓ SaaS
- ✓ Social Networks

## Life Sciences

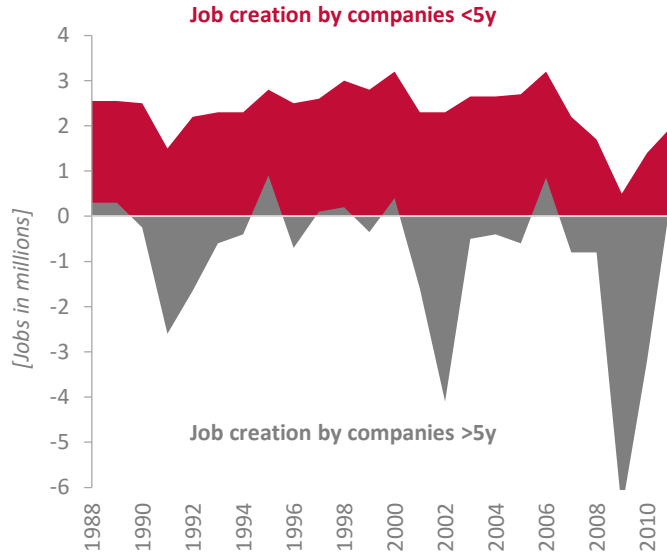
- ✓ Enabling technology platforms
- ✓ Diagnostics platforms
- ✓ Convergence of ICT & health
- ✓ Personalized medicine
- ✓ Digital Health

How does the situation look for these companies?

# VC = Value Creation



## Net Job Creation US<sup>1</sup>



## VC Investments: Lessons from the US<sup>2</sup>

VC Investment ~ <0.2% of US GDP

generates



21% of GDP

2

3

VC backed, high growth companies are game changers and important economic drivers

<sup>1</sup> Source: Kauffman Foundation; Adapted from: US census bureau Business Dynamics Statistics database

<sup>2</sup> Swiss Venture Capital Report 2016; since 2007

# VCs are everywhere, aren't they?



## [Accel Partners](#)

Total Capital: \$8.8 billion

## [Adams Capital Management](#)

Total Capital: \$815 million

## [Adams Street Partners](#)

Total Capital: \$1B+

## [Advanced Technology Ventures](#)

Total Capital: \$1.8 billion

## [Alsop Louie Partners](#)

Total Capital: \$98.6 million

## [Andreesen Horowitz](#)

Total Capital: \$2.7 billion

## [Apex Venture Partners](#)

Total Capital: \$140 million (current fund)

## [ARCH Venture Partners](#)

Total Capital: \$1.5 billion

## [Arthur Ventures](#)

Total Capital: \$65M

## [Atlas Venture](#)

Total Capital: \$2 billion

## [Avalon Ventures](#)

Total Capital: \$250 million

## [Austin Ventures](#)

Total Capital: \$3.9 billion

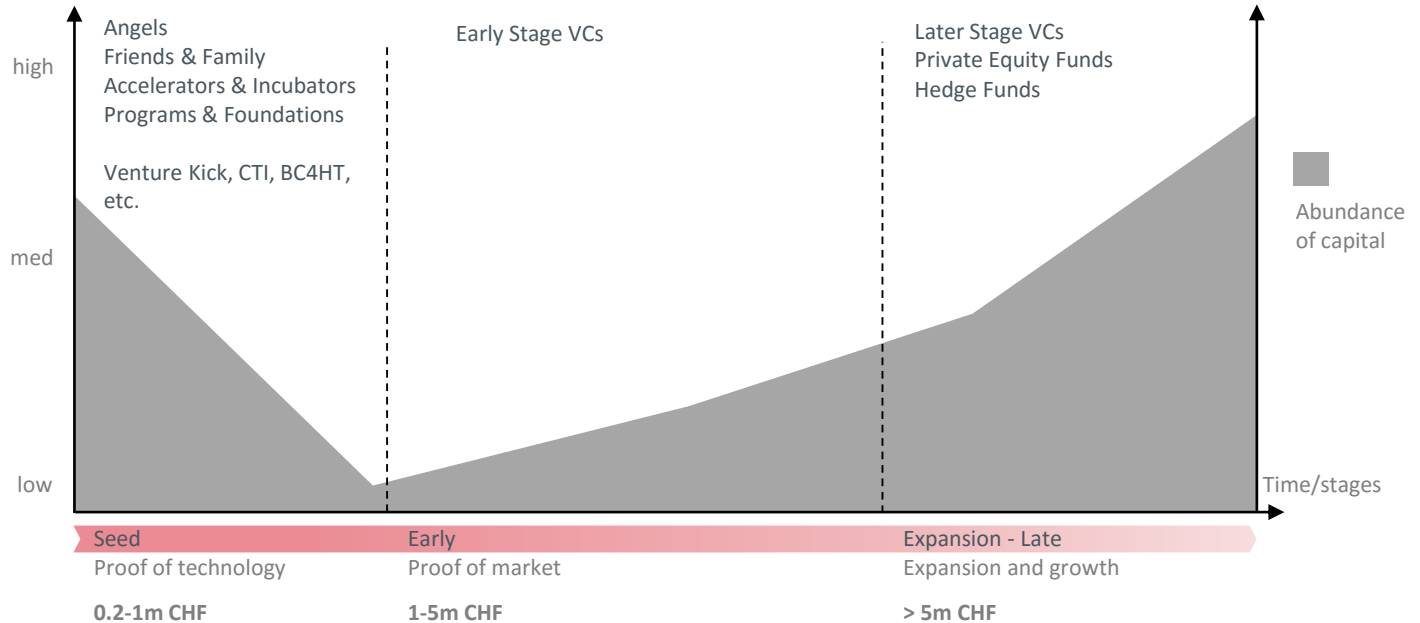
Combined AuM > \$ 23bn in a selection of US VC funds starting with 'A' ...

And now for something completely different: Switzerland

Name some domestic VCs....

As compiled by Walker Sands Communications

# The Way We See It



LACK OF RISK CAPITAL IN CRUCIAL INITIAL GROWTH STAGE

# What are the numbers?



- A total of CHF 676m of Venture Capital invested in Swiss startups in 2015
- Approximately the amount that was invested in California alone **per week**
- CHF 130m invested in ICT startups
- Approximately the amount that was invested in Californian ICT startups **in 1.5 days**
- Fun fact: In 2014, USD 2trn worth of private assets were managed in Switzerland vs. USD 1.4trn in the US

Sources: Swiss Venture Capital Report 2016; CB Insights / KPMG Venture Capital Report Q3 2015

Deloitte Wealth Management Centre Ranking 2015



# Is There Still A Chance Of Financing in Switzerland



Clues from our portfolio:



100% Swiss



Swiss / German



German / Austrian



German



German



British

etc.

↑ Life Science 100% Swiss

etc.

↓ ICT almost exclusively foreign



## Cheese, Chocolate, Banks ... and Startups?

Bob Young, founder of Red Hat, 2006:

“I am not sure what the purpose of my presentation here [at Oxford University] is, since you will all get great jobs and will never have to found your own company.”



## Cheese, Chocolate, Banks ... and Startups?

- Startup Culture
- Startup Ecosystem
- Freedom to Fail
- Cost Structure
- Sexy enough for founders?
- Employment security?
- International view / ambitions of startups
- Valid career option to found?
- Lighthouse cases / communicating big successes
- Talking about money
- Breaking the rules



- Yes, but:
- (Smart) risk takers: entrepreneurs, investors, regulators, government alike – closing the loop
- (ICT) Ecosystem is still incomplete ... but developing
- FinTech/InsurTech is a great opportunity, as infrastructure and Know-how is already here – think London (e.g. “New Bank Start-up Unit launched by the financial regulators”)
- Success Cases in the making – think Knip

## Contact

Redalpine Venture Partners AG  
Pfungstweidstrasse 60  
8005 Zurich  
Switzerland

P +41 (0) 44 271 15 30  
E [info@redalpine.com](mailto:info@redalpine.com)

[www.redalpine.com](http://www.redalpine.com)

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Redalpine Capital GP S.à.r.l.  
1c, rue Gabriel Lippmann  
5365 Munsbach  
Luxembourg

P +352 26 352 791