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Econometrist

5 years management consultancy

Government, unions, corporates

12 years ING:

Structured Finance, project Finance & Leveraged Finance

13 years NPM Capital:

Private equity

9 years on my own:

Boards, investment commissions,
(active) investing, M&A, start-up support,
mediation

Kairos

**Opzet voor een investeringsfonds
voor de innovatieve technologische maakindustrie
in Nederland en in Brabant in het bijzonder.**

Mei 2014



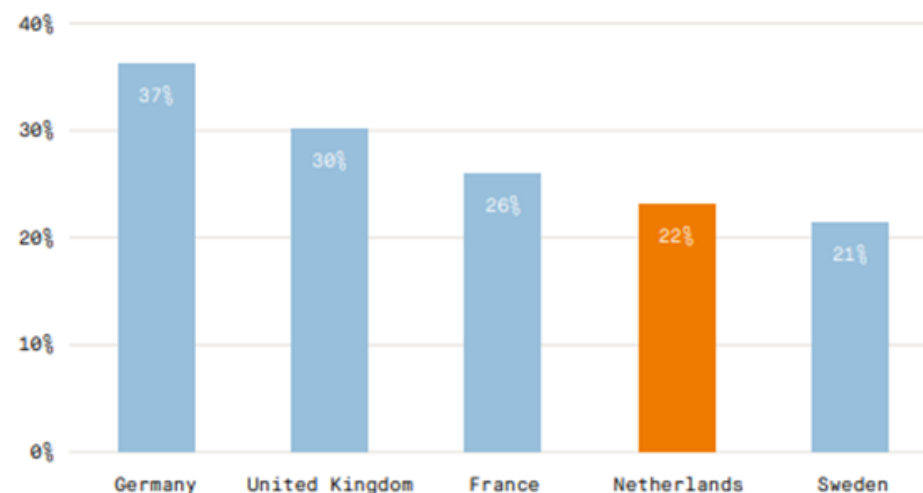
Dutch startups don't scale, lack of capital is a main driver.

The scaleup to startup ratio in the Netherlands is lower than peers.

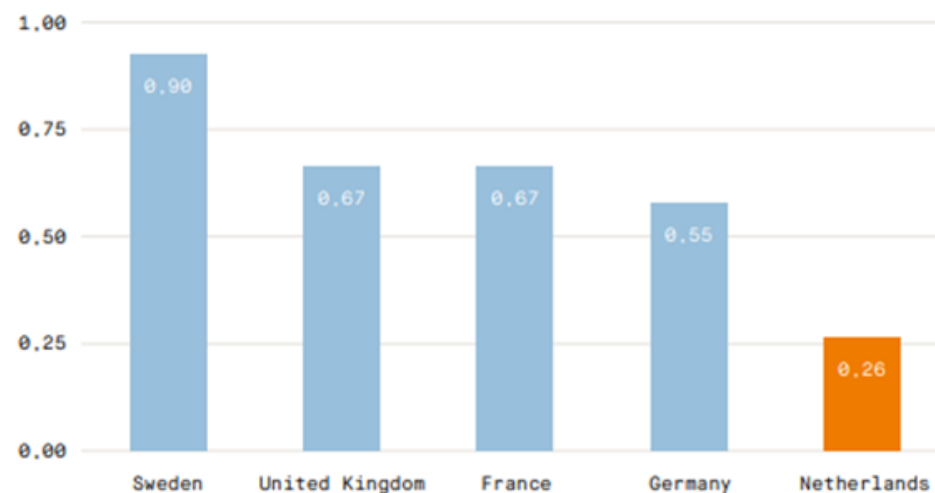
The lack of capital is one the main drivers. In 2022, total VC funding in the Netherlands was €2.6B and the average funding of all startups was €0.26M per startup. This was significantly lower than other major EU startup ecosystems. Sweden stands out with €0.9M in VC funding per startup.

	VC funding in 2022 €M per startup	VC funding in 2022 €B**	Number of startups*
Sweden	0.90	5.1	5.742
United Kingdom	0.67	27.3	40.495
France	0.67	13.9	20.650
Germany	0.55	10.8	19.659
Netherlands	0.26	2.6	10.143

Scaleup/startup ratio



VC funding (€M) per startup in 2022



Recommendations LeapTech



1. Realign strategic tech policy
2. Connect the community
3. Increase capital: Providing access to more 'smart' capital while increasing co-investment and knowledge sharing
4. Boost regional development
5. Develop and attract more talent
- 6. Support deeptech: Improving efficiency of tech transfer, business support, and funding for deeptech ventures to deliver more impact at scale**
7. Grow the base: Increasing the number of startups in the Netherlands by stimulating more diversity in leadership and inclusion in the ecosystem

OKAY... , and what should I do now?

Seed- & growth capital is growing

- VC community in NL grows, tickets still limited, deep tech / hardware indeed underrepresented.
- Angels, crowd funding, universities, ROM's, VC's, family offices, strategic investors, state, sometimes some PE funds, non dilutive (subsidies, loans)
They all play a role in one way or the other, but when for me?
- Investors seek return and are risk managers at the same time.

But Stamina is needed, sometimes rewarding:

- Investors wish to see as many opportunities as possible (number of leads is a "VC-kpi"), but:
 - "Why don't you come back some time further down the road, it is a bit too early for us"
 - "if the clinical trial is successful, we would love to have a further look"
 - "It is a beautiful initiative, but doesn't fit in our charter"
 - "We view this as hardware, but we do predominantly scalable digital"

In search for capital

- **The Promise:**

The pitch, the IM-”deck”, the diner, the good feeling, the klick, et cetera
The Investor mind : “we want to see ambition but no air-biking”

“Man is the only animal that can make a promise...”

And promise is debt. It doesn’t always feel comfortable.

- **The Fact:**

It always takes more and lasts longer. Investors know it.

- Readiness technology
- IP / regulatory approvals
- Go to market obstacles
- Slow response at potential clients
- Change in management
- Hick ups underway (Covid, lack of components, war etc.)
- Delay in fundraising

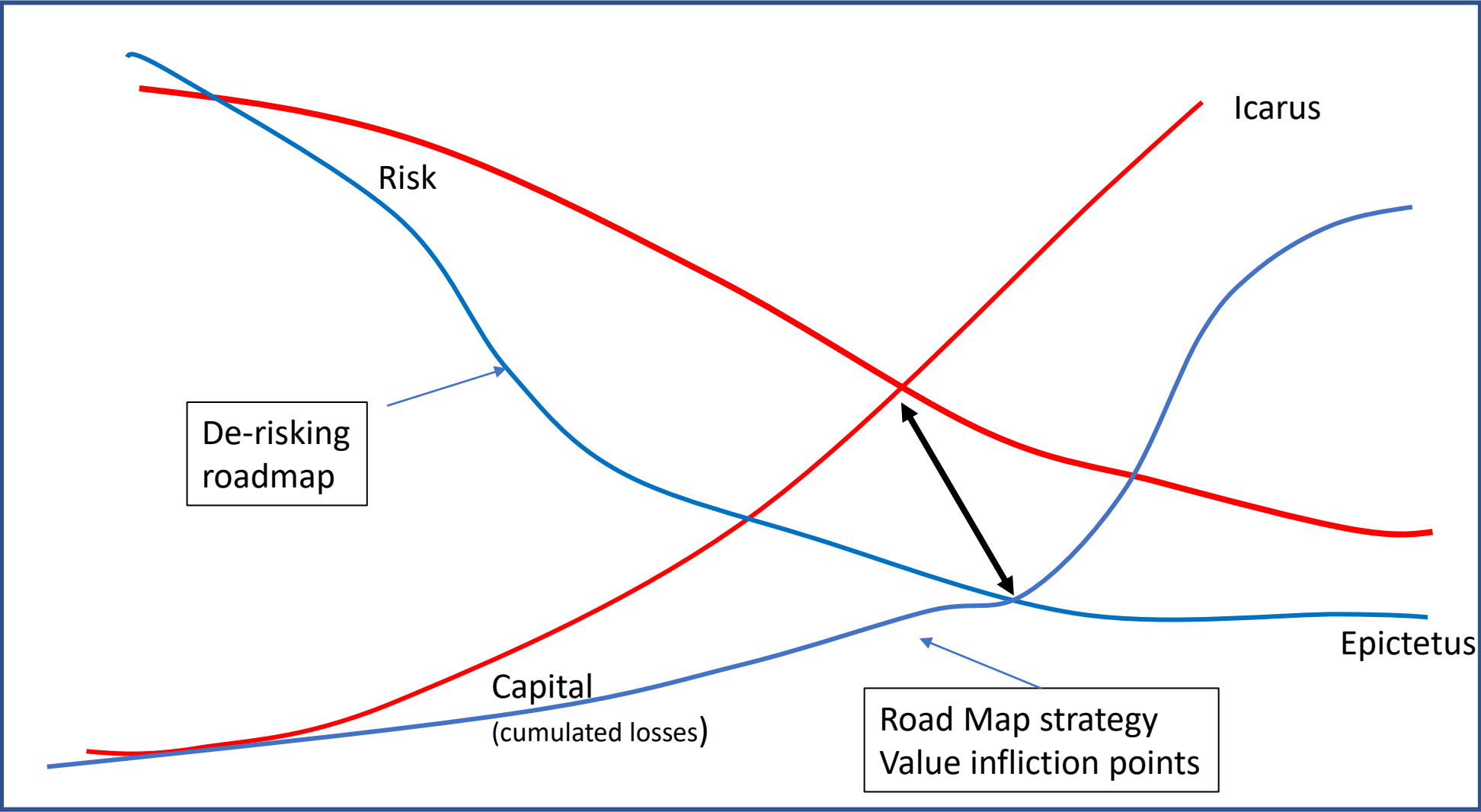
And time is money as well

- **Feeling uncomfortable?** : Founders should be prepared to make a step aside. Do I want that, and if, when?

- **Getting Irritated?**: Investors always want to be ranked first (liq prefs etc.) why?

Risk capital curves, promises and endurance

Capital/
Risk



Time from start to aspired break-even

Some observations and advice for your fundraising efforts



- It is starting to come in NL, but we are not in the USA
Big tickets in start-up / growth wil stay rare,

My advice

- Be selective in your search for capital
 - Deepen your knowledge of the capital markets and the players in it
 - Look for fit, don't let yourselves be decieved by generic enthousiasm. It only will cost time
 - Align your proposition with relevant criteria (don't push it too far ...)
 - Start with 3 of so, not the whole world, it isn't roulette
 - Start way in advance in building relationships with the right people, don't give up easily
- Manage your risk/capital curve thoroughly, do not think that you will be the first to get the jackpot
- Organise track record : in technology, in people, in market
I show you the facts, then you can show me the money
- Make no illusions about formal control, a smaller piece of a bigger pie is fine as well!
- Instead, search for investors with character.

Some observations and advice

- Are you a fundraiser at all? If not, get some one who is committed!
- Be an entrepreneurial Stoic
 - Goal oriented
 - Sobre and Realistic
 - Prudent and caring
 - And at the same time tempting :
 - Show a crystal-clear business case: “Goal, needs & benefits, technology readiness plan, scale up strategy, go-to-market”
 - Do your homework: competitive analysis and user cases!
 - Have a thorough risk analysis with mitigation measures
- Management and leadership is about character, not so much about CV
- Be prepared and open to re-assess your own role down the road. Know your limitations and be prepared to assume another, if needed
- Transparency is key!
 - Show the complete story.
 - Bad news travels fast
- Try to always stay indepedent, always being able to say: No
 - **Vanderlande:** stay as much as possible at the right side of the money!

