

Investment Principles

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Introduction



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Global Investment Fund Results

- Track Record of Effective Fund Management
 - Most active venture firm in Southern California ⁽¹⁾
 - SV Fund 1, vintage 2003, 45 portfolio companies
 - 47% realized IRR – 26 exits
 - 4.1x return including unrealized investments
 - Top 1% of all funds of same vintage
 - SV Fund 2, vintage 2011, 80 portfolio companies
 - 40% realized IRR - 11 exits
 - Average hold period of just 14 months – still early in investment cycle
 - WaveMaker Labs, vintage 2012, 12 portfolio companies
- Broad deal access – demonstrated by 200+ co-investors and 120 investment companies, 20% of investments in Asia
- Ability to leverage global, C-level relationships across media and software
 - Unique relationships and platform provide additional value to portfolio investments
- Proven capability to identify winning platforms at early stage
 - Portfolio companies have raised more than \$750M in follow-on investments
- Cross-border support for start-ups from incubation to exit

1. Per PWC Research and SoCalTech.com

Investment Approach Background

- Challenges to traditional VC approach:
 - Return of each fund disproportionately reliant on one or two “home run” deals to cover other deals that lose money or have modest returns
 - Home run deals – huge industry shaping ideas – need huge amounts of capital to succeed
 - Consistent access to the best deals (Airbnb, Uber, Twitter) tends to fall to a small list of top tier VC’s
 - This leads to insights like those found in the Kaufman Report – no reason to invest in any funds outside the 10-20 leaders
- Specific challenges at time of inception for Siemer Ventures:
 - Small fund size – can’t finance world changing technologies
 - Little premier deal access – lack consistent admission to best deals
- Our strengths:
 - Unusually strong global relationships with buyers and investors – due to banking division
 - Located in high growth tech markets outside the Valley

Siemer Ventures Investment Approach

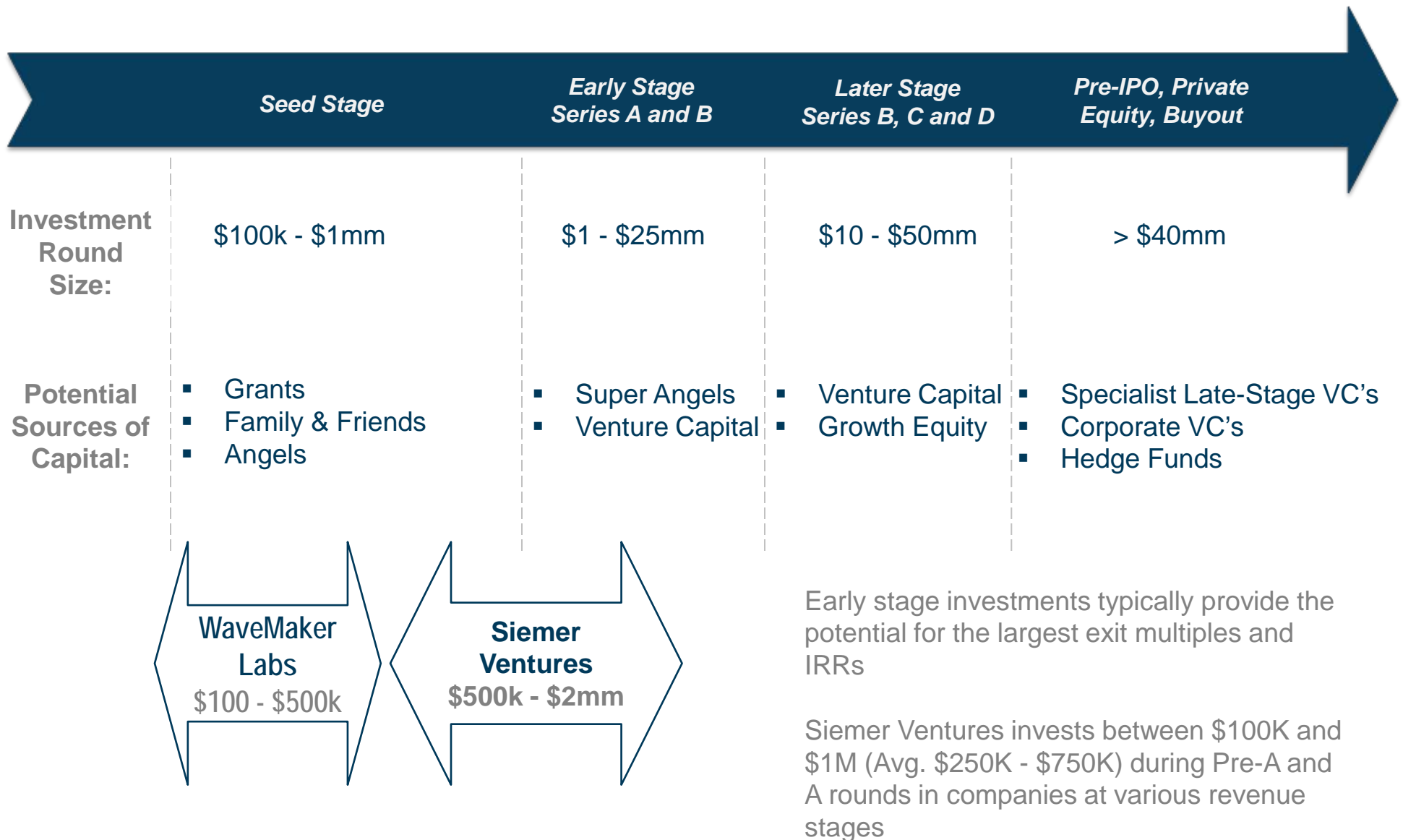
- Siemer Ventures Philosophy

- Ignore ‘Home-Run’ style deals – those that need tens of millions in investment to reach any meaningful exit
- Ignore companies without meaningful revenue/traction at time of investment
- Seek prospects that have the ability to reach profitability with a single investment round of \$5M or less
- Seek opportunities in niche markets that solve specific problems and create valuable enterprises with typical valuations of \$30 to \$100 million

- Result

- 75% of investments generate positive returns (1.5X or higher)
- Pursuit of revenue generating companies mitigates downside risk – very few ‘zeros’
- Investments typically at favorable valuations because they are outside standard VC parameters (small addressable market, boring sector, limited upside)
- Takes advantage of fact that 97%+ of all VC-backed companies exit for less than \$100 million
- Still have managed to participate in two \$1B+ EV investments

Venture Capital Investment Stages



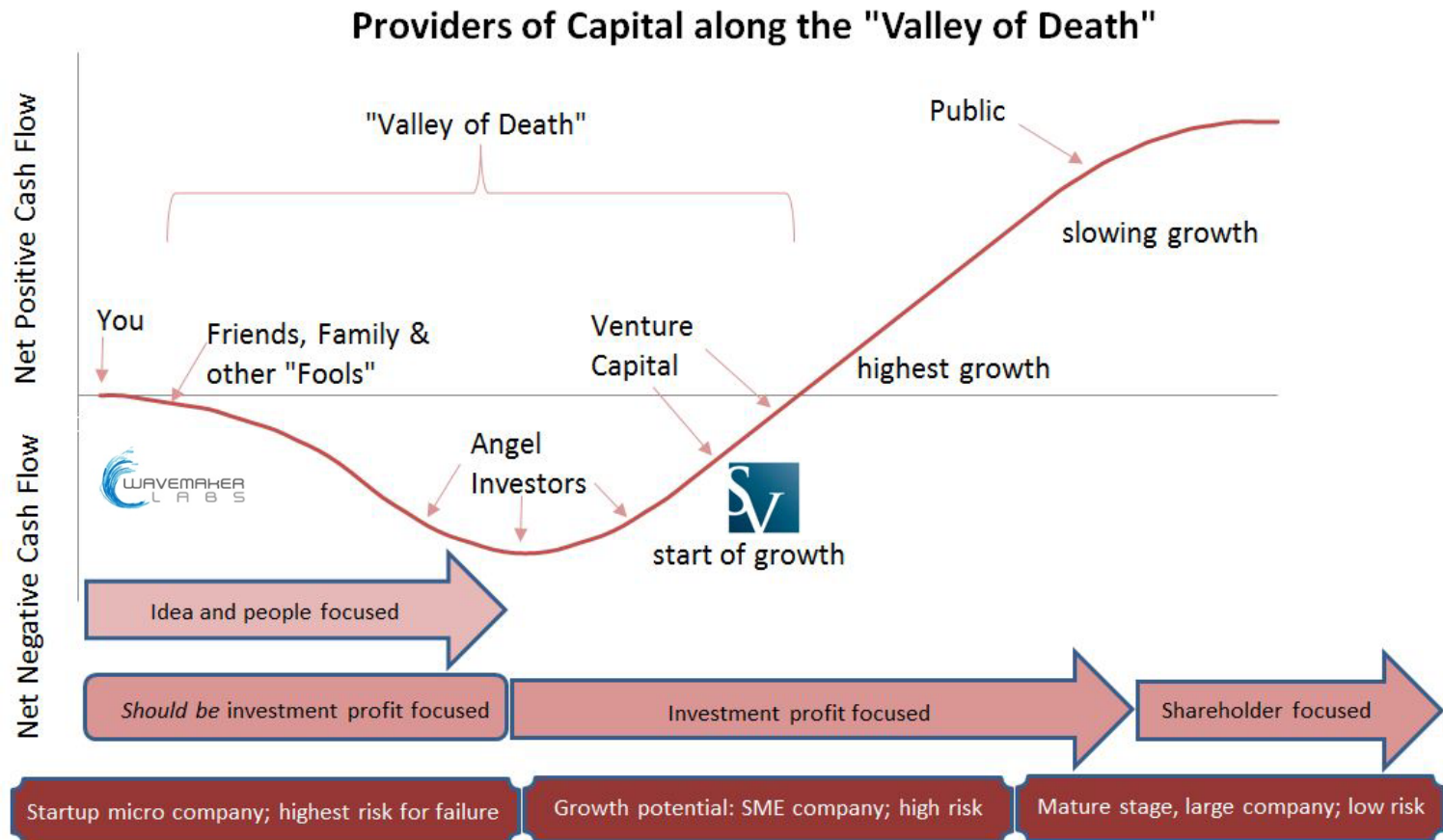
WaveMaker Labs Overview

- Targeting 40 portfolio companies
- WaveMaker houses and incubates teams at an early stage
- Singapore NRF (National Research Foundation) entity matches investments ~ 6x1 and subsidizes 85% of cost structure
- Received approval in March 2012
- Model and Investment parameters: \$470.0K (USD) per investment
 - \$72K from WML and ~\$400K from NRF program
- Headquartered in Singapore but with the ability to leverage low cost development teams from other countries/regions
- Have completed 12 investments since receiving approval

Bridging The “Valley of Death”



Cash Flow and Company Stages of Growth



Siemer Ventures Strategic Investments

Siemer Ventures has invested in leading global venture capital funds, incubators and accelerators, including its own incubator in conjunction with the Singapore NRF, WaveMaker Labs



Unique Global Start-up Network

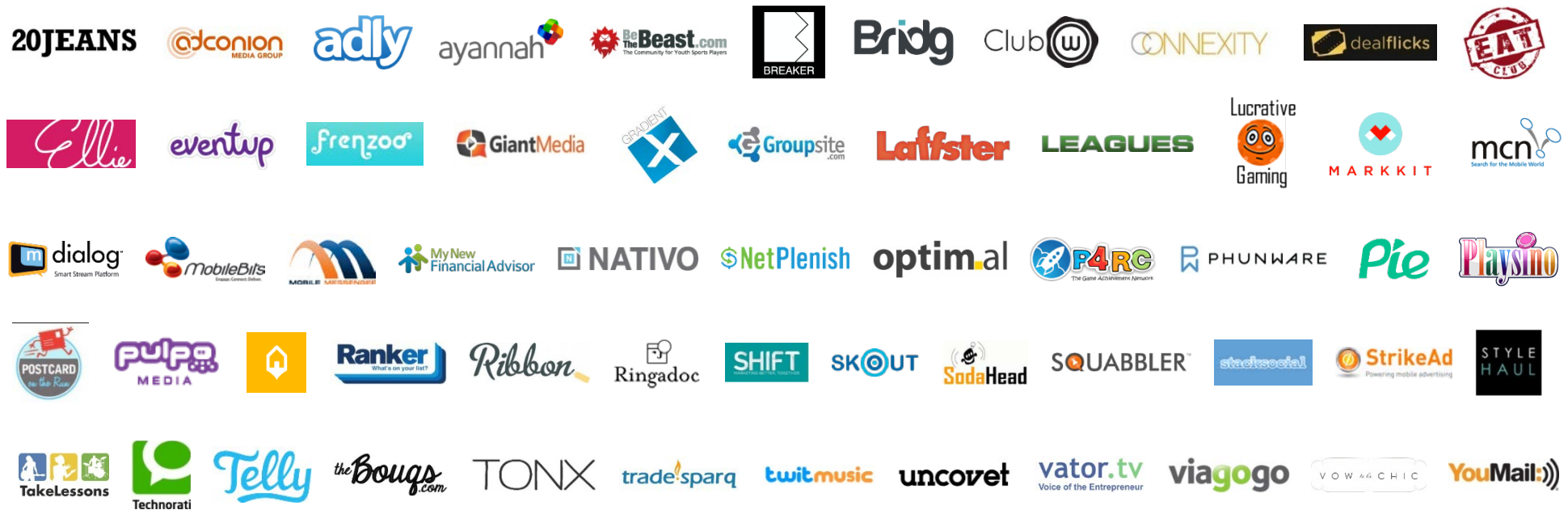


Siemer Ventures Portfolio

SaaS and Other Investments

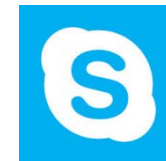


Digital Media Investments



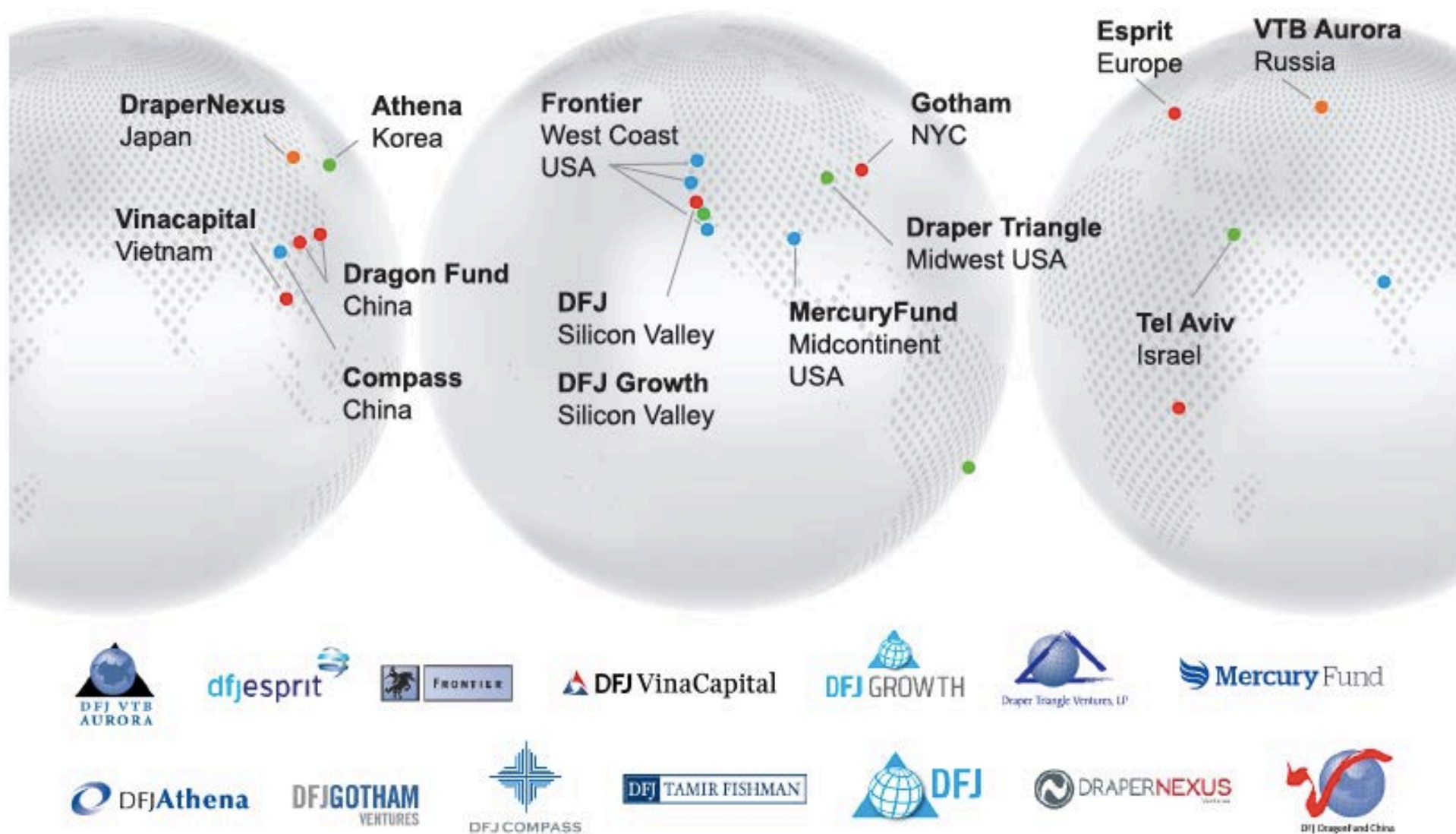
Siemer Ventures and the DFJ Network

- Siemer Ventures has been given approval-in-principle to join the Draper Fisher Jurvetson (DFJ) Network, a venture capital collective of 14 funds across different countries with over \$7B in AUM since 1985 and over 500 companies in its portfolio including:



- Siemer Ventures would be the network representative to cover Singapore/SEA. This will help elevate the region's status in the global technology start-up ecosystem.

A Truly Global Network



Selected Previous Co-Investors



Strategic Investment Banking Relationship

Siemer Ventures leverages its relationship with Siemer & Associates for value add investing

- Value Add Investing
 - Create business development opportunities, recruit best executives and make key introductions
- Extensive Network
 - Close working relationship with VCs, angel investors, industry executives and strategic buyers
 - Visibility from Siemer Silicon Beach Summit (SSBS) and other outreach programs resulted in global brand recognition
 - Access to participate in the best deals
- World Class Infrastructure & Resources
 - Full resources of Siemer & Associates including databases, research, systems and infrastructure
 - Team of experienced Analysts and Associates
- Risk Mitigation
 - Evaluate opportunities based on a top down approach by pre-vetting with likely acquirers

Networking & Social Capital

- Connecting a broad global network of investment and business professionals via:
 - Offer exclusive CEO dinners around the globe (Los Angeles, Singapore, London, San Francisco)
 - WaveMaker Labs Demo Day
 - Conference receptions (Adtech, CES, SXSW)
 - Hosted global summit (Siemer Silicon Beach Summit)
- Benefits include:
 - Provides deep insight on global, and regional trends in business, investment, and technology
 - Opens access to partnerships and opportunities for portfolio companies
 - Accessibility to business experts in multiple industries



Siemer Silicon Beach Summit

We host our annual Siemer Silicon Beach Summit at Shutters on the Beach in Santa Monica

- Invitation-only summit for over 600 leading global technology and media CEOs, C-level executives and Venture Capitalists
- Siemer Silicon Beach Summit Highlights:
 - Interactive roundtable discussions covering various verticals including software, early-stage VCs, and traditional vs. digital media
 - Panels with leading strategic buyers
 - Presenting companies
 - WaveMaker Awards ceremony honoring emerging thought leaders, CEOs and companies
 - \$160K award to the startup best demonstrating the potential to achieve rapid scale and success



Past Panelist Companies



Luxola / WaveMaker Labs Case Study

Luxola Raised a \$739K Round in August 2012



- Luxola is the leading online destination for luxury cosmetics and skin care in the APAC region, and features prominent International brands like Maybelline, SK-II and Sleek Makeup
- The Company is based in Singapore and markets its products in Singapore, Malaysia, Indonesia, The Philippines, Hong Kong, UAE, Brunei and Thailand
- Luxola received an initial round of financing in August 2012 as WaveMaker Lab's first fund investment
- The Company was generating approximately \$15K in monthly revenue at the time of investment
- Customer demand validated business model despite relying on weak website technology
- WaveMaker Labs invested \$470K through the NRF program in Singapore, with another \$300K coming from other investors
- Post-investment, WaveMaker Labs incubated the company and helped bring in a strong technology and logistics team
- 6 months later, in April 2013, Luxola achieved \$100K in monthly revenue and closed a \$2.0M round led by GREE Ventures
- In March 2014, the Company raised another \$10.0M round led by TransCosmos and GREE Ventures

Phunware / Siemer Ventures Case Study

Phunware Raised a \$1.2M Round in June 2011



- Phunware is a mobile app development platform, allowing brands to engage and monetize users
- Siemer Ventures invested early as part of a \$1.2M round in June 2011
- Phunware was generating \$40K in monthly revenue at the time of investment - first technology module was built and was receiving strong market reception
- Seed round enabled Phunware to reach \$150K in monthly revenue and continue developing products
- Siemer Ventures invested in the next round of \$2.5M, enabling Phunware to reach \$300K in monthly revenue and achieve high margins
- To fuel growth, Phunware desired to make 1-2 small acquisitions. S&A introduced GoTV - Phunware raised \$6.0M and spent \$5.0M to acquire GoTV
- After integration of GoTV, Phunware became profitable at a rate of \$1.0M in monthly revenues
- Later, S&A would introduce TapIt!, a mobile ad DSP Phunware could integrate into its platform. Acquired in Dec 2012, TapIt! lifted Phunware to a profitable \$22.0M annual run rate
- Phunware just completed an additional \$30.0M raise

Thank You



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