



Connect Denmark / Go4Venture Investor Seminar

Introducing Selected Danish Technology Companies to London-based VCs

23 January 2004

A few Words from the Organisers

A few words from Connect Denmark

As a non-profit organization, CONNECT Denmark has been at the forefront in fostering high-growth entrepreneurial companies in Denmark since its start in early 2000. A natural extension of our main activities has been our active role in the European Investment Forums that have taken place in Copenhagen in the past couple of years in cooperation with Europe Unlimited, more specifically the EIF and the Nordic Venture Summit in 2003. These events have been visited by a great number of international VCs, resulting in a heightened awareness for Danish Technology companies and their potential in a global perspective.

This event in London, together with Go4Venture, is a significant next step for Danish companies. It has been extremely well received both by London investors as well as by the participating companies and the Danish VCs who attended. They have all benefited from this experience and the additional contacts made on this occasion.

We look forward to seeing you again on January 20, 2005!

Dorte Wiene

From Go4Venture

As you know Go4Venture (www.go4venture.com) aims to help grow Europe's next generation of technology companies by providing them fund-raising support and M&A advisory services with global reach.

We were therefore delighted to support Connect Denmark's initiative to introduce a few selected Danish technology startups to London-based VCs. All the companies presenting were actively seeking financing, and all of them have already received funding from leading Danish venture capital investors, i.e. most of them were at B-round stage or later.

From talking to the participants, the half a day seminar was a great success and yet again another useful initiative in educating entrepreneurs on international investors' expectations. This was also an occasion of show-casing to the London-based VCs some the exciting investment opportunities which exist in technology across Europe.

Jean-Michel Deligny

Lessons from the Day

Go4Venture is London-based independent corporate finance advisory firm servicing European technology companies of all stages with a focus on fund-raising and exit strategies. Their Managing Director, Jean-Michel Deligny, summarises the feedback received during the seminar.

The meeting was the opportunity to get feedback from UK-based VCs as to their level of interest for Danish startups. Four messages came out from their comments:

- **“Don’t expect VCs to be proactive”** - Most UK-based VCs are not particularly knowledgeable about Denmark’s leading positions in technology areas such as encryption, audio or optical. In their ruthless time allocation to various opportunities, they see Denmark as a “low hit rate” country, purely based on size. In short small countries don’t attract major VCs, who feel exploring opportunities in the big economies (UK, France, Germany) have a higher probability of success. This is particularly true as the number of active European technology VCs decrease rapidly, and therefore there is less evidence of competition among them and fewer feel the need to try new things to succeed.
- **“Size matters”** – By and large UK-based VCs manage sizeable funds, often in excess of EUR 100 million, but some as large as \$800 million. They need to invest EUR 5-10 million and more over the life of an investment. It is therefore important to come to them with business plans which are ambitious, say raising at least EUR 5 million in a B-round. Remember that many rounds are syndicated these days, and that existing investors will probably want their pro rata share as well. So even a EUR 5 million B-round may not leave enough room to a large UK-based VC.
- **“B-round and up, or perhaps breakthrough A”** – It is well known that Tier 1 Silicon Valley VCs often only invest in companies within one hour drive of their office. European VCs don’t have this luxury as no country has sufficient critical mass in one region to support a self-standing VC community. It remains that UK-based VCs are unlikely to fund an A-round (which requires much hand-holding) outside the UK. They may, and they increasingly will, but the chances are probably limited. Their preferred mode is to work on B-rounds and up, in association with local VCs. More remains to be done in building links between VCs in the UK and investors in smaller countries such as Denmark.
- **“Ambition, ambition and poise”** – UK-based VCs will compare any Danish investment with their UK or US peers. Like it or not, the US style is pervading the European IT entrepreneur scene and, to compare favourably, Danish entrepreneurs will need to be bold and be ready to tell the world they are planning to become a leader in their chosen space. This also means that presentations need to be sharp: don’t forget that our US colleagues get trained quite early in presenting and debating in public so get ready to be their match!

List of Participants

Company	Name	Title
Investors		
1 Amadeus Capital	Jeppe Zink	Associate
2 Apax Partners	Henrik Kraft	
3 Apax Partners	Ramon Nunez	
4 Apax Partners	Siddharth Patel	
5 b-business partners	John Collis	Managing Director
6 b-business partners	Hugo Pereira	Investment Manager
7 Digital Networks	Francesco di Valmarana	Partner
8 Doughty Hanson	David Rosensweig	
9 IDG Ventures	Anil Hansjee	Principal
10 Index Ventures	Ben Holmes	Senior Analyst
11 Intel Capital	Thomas Friis-Hansen	
12 Jerusalem Venture Partners	Laurel Bowden	General Partner
13 Jerusalem Venture Partners	Tal Lev	Principal
14 Kennet	David Carratt	Managing Director
15 Olicom	Jacob Bratting Pedersen	Investment Director
16 Vertex Management Ltd.	Bo Ilsoe	
Presenting Companies		
1 Ascio Technologies Holding A/S	Mogens Nielsen	CEO
2 Bridicum A/S	Steven Caruana	Investor
3 Bridicum A/S	Henrik Falkenthros	R&D and Operation director
4 Configit Software A/S	Svend-Erik Jensen	CEO
5 Configit Software A/S	Henrik Reif Andersen	CSO
6 Configit Software A/S	Thor Birkmand	CEO
7 Dezide	Claus Skaanning	CEO
8 Dezide	Mike Fish	Adviser
9 End2End	Atte Miettinen	Chief Marketing Officer
10 Scalado	Mats Jacobson	CEO
11 Scalado	Pierre Elzouki	VP Business Development
12 Tpack	Søren Støvring-Hallsson	CEO
Organisers		
1 CONNECT Denmark	Dorte Wiene	Director
2 CONNECT Denmark	Jacob Rafn	Project Manager
3 CONNECT Denmark	Søren Jonas Bruun	Chairman
4 Go4Venture	Jean-Michel Deligny	Managing Director

Company Profiles

- **Ascio** (www.ascio.com) is a European leader in web domain name management. Ascio is a c. **EUR 10mn revenue business, cash profitable** on the back of a highly automated service developed using its own technology. Based on a **EUR 5mn investment**, management aims to grow its business to EUR 50mn within 4 years. Existing investors include the Danish Investment Fund, Danske Venture and Internet Ventures Scandinavia.
- **Bridicum** (www.bridicum.com) is a **managed security services provider**. Bridicum is used by some of Europe's largest financial services companies, including the Danish Central Bank, Denmark's largest pension fund, and **Lloyd's of London**. In October 2002, the company raised close to GBP 3mn from Swiss and English investors. The company is now developing its presence in the UK and is seeking to raise another **EUR 3mn** to expand its business.
- **ConfigIT** (www.configit-software.com), is a 2000 spin-off from the University of Copenhagen which has a **patented technology for rapid real-time configuration based on more than 10 years of research** in formal verification. The company is seeking between **EUR 5 and 10mn** to expand geographically and enter the financial services sector in addition to its current industry focus. Existing investors include CAT Science Park and Slottsbacken Venture Capital.
- **Dezide** (www.dezide.com), claims to have developed the **best technology worldwide** for handling complex customer support problems online in an automated fashion. The technology is protected by **8 patents**. Dezide has already three significant references (SAS, TDC and Telenor) and is seeking to raise **another EUR 3-4 mn** to develop its business internationally. Key existing investor is Novi Innovation.
- **End2End Mobile** (www.end2endmobile.com) is **Europe's leading managed service provider and content/application aggregator for mobile data services**. End2End is headquartered in Denmark, with additional sales offices in France, Germany, Spain and the United Kingdom. End2End has raised capital from Deutsche Bank Capital Venture Partners, HP and Draper Fisher Jurvetson ePlanet Ventures.
- **Scalado** (www.scalado.com) develops ImagePilot, a highly efficient imaging software optimised to minimise processor, memory and bandwidth usage while producing superior quality pictures. Its software is used both for web (e.g. CNN.com) and mobile handset applications (e.g. SonyEricsson's P800). The company was **awarded the 2003 European IST Prize in Q4-02**. The company is **seeking EUR 2-3mn** to support the marketing of ImagePilot worldwide. Existing investors include Olicom and TeknoSeed.
- **T/Pack** (www.tpack.net) develops solutions which address the two most pressing issues in telecommunications today: delivery of new billable customer data services and extended utilization of installed assets by **providing Ethernet services over existing SDH/SONET equipment**. T/Pack works as a development resource for telecom equipment manufacturers, and provides for the design and development of individual chipsets to complete module integration projects. T/Pack is currently fully funded but is **currently considering a further round of fund-raising to accelerate expansion**. Existing investors include InnFond, Olicom and Slottsbacken Venture Capital.

Programme

Introducing Selected Danish Technology Companies to London-based VCs

Location: The Danish Embassy, 55 Sloan Street, London SW 1X 9SR

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| 09.00 | Welcome by Dorte Wiene, <i>CONNECT Denmark</i> and Jean-Michel Deligny, <i>Go4Venture</i> |
| 09.15 | Configit Software A/S
<i>15 minutes presentation and 10 minutes Q & A</i> |
| 09.40 | Bridicum A/S |
| 10.05 | Dezide |
| 10.30 | Ascio Technologies Holding A/S |
| 10.55 | Coffe break |
| 11.25 | End2End |
| 11.50 | Scalado |
| 12.15 | Tpack |
| 12.40 | Lunch and networking |