



Supporting Innovative Startups in the Czech Republic



INTRODUCTION TO CREDO VENTURES INC.

STANFORD SCHOOL OF ENGINEERING

EUROPEAN ENTREPRENEURSHIP AND INNOVATION
THOUGHT LEADERS PROGRAM

APRIL 2009

DISCLAIMER: This presentation contains super confidential proprietary information, some or all of which may be legally privileged. It is for the intended recipient only. If you are not the intended recipient you may not read, use, disclose, distribute, copy, print or rely on this presentation.

© 2009, Credo Ventures Inc.

Who am I?

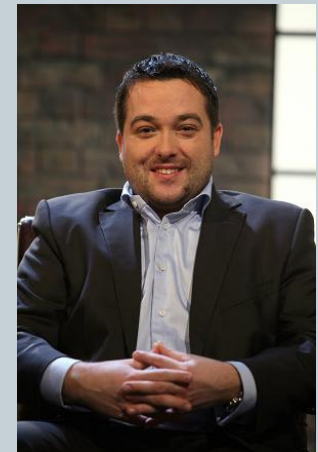


- **2009 Eisenhower Fellow** (Multi Nation Program)
- Managing Partner **Credo Ventures & Credo Int.**
- Founder & Board Member **TUESDAY Business Network**
- Member of the Board Czech VC & PE Association (**CVCA**)
- Member of the Board of **AMISTA** Investment Company
- Jury Member **Entrepreneur of the Year**
- Jury Chairman **Technology Entrepreneur of the Year**
- Jury Member **Startup of the Year**
- Member of the Board of several companies in CZ
- Angel Investor in **inSophy** and **Agilitas**
- Dragon at **Den D** (Dragons' Den) on Czech TV

Who am I?



- **Entrepreneur**
 - **Credo Int.**, Acron Communications, Marketing Partners, Incubator 2.0, **Credo Ventures**
- **Consultant**
 - UniBusiness Holding, GeNe, CzechInvest, HELP.cz, Strats.com, Europe Unlimited, IESE Business School, MCI Management, One-2-One, CESNET, Visual Connection, Alza.cz, Deltax Systems, PRAM, ...
- **Investor**
 - Monitor.cz, Crazy Tomato, **inSophy**, **Agilitas** (*private*)
 - **Biosynchron**, **Shopguru.cz** (*with Credo Ventures*)
 - **Retail Info**, **Nostromo ICT**, **Geewa**, **ANT**, **INVIA.CZ** (*with MCI Tech.Ventures, 2005 - 08*)



Pre-requisites



- There are a lot of **smart** and **innovative** ideas in the Czech Rep and CEE. People are gadgeteers, they are creative and playful. Also, Czechs have a tradition of inventors, researchers and scholars.
- Still, most of the creative ideas **get sold too early or even never realised** due to low level of awareness and entrepreneurship.
- There is a **lack of early stage financing possibilities**, and with the current financial crisis in the market there will be at least in 2009 (liquidity crisis).

3 things that make America what is now... ... come from Czech



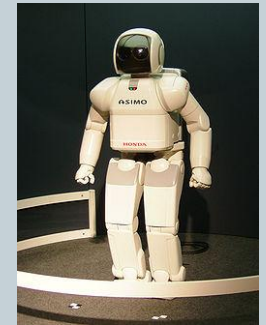
● Pistol

- From the Czech *pistole* and this one from the Czech *píšťala* (flute or pipe, referring to the shape of a Hussite firearm)...



● Robot

- The word *robot* was introduced to the public by Czech writer Karel Čapek in his play *R.U.R. (Rossum's Universal Robots)*, which premiered in 1921.



● Dollar

- The German name *Thaler* comes from the Bohemian coin minted in the 16th century from silver mined at Joachimsthal in Bohemia (Czech Rep).



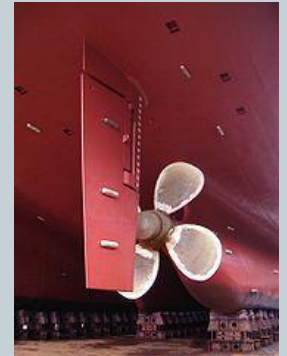
Now a couple of serious examples...



- **Lightning rod**
 - invented by **Prokop Divis** in 1750's
- **Propeller Marine**
 - invented and patented in 1827 by **Josef Ressel**
- **Arc Lamp**
 - invented (or significantly improved) by **Frantisek Krizik** in 1900's and sold as a patent
- **Polarograph**
 - invented polarographical method and its use in analytical chemistry by prof. **Jindrich Heyrovsky** (Nobel Prize winner in 1959)
- **Contact lenses**
 - invented by Dr. **Otto Wichterle** (Nobel Prize nominee in 1993) and currently used by 100 million people around the world
- **Nanospider**
 - unique nano-fiber technology invented by prof. **Oldrich Jirsak**



Arc Lamp



Propeller Marine



Contact Lenses

Early stage financing – Reality

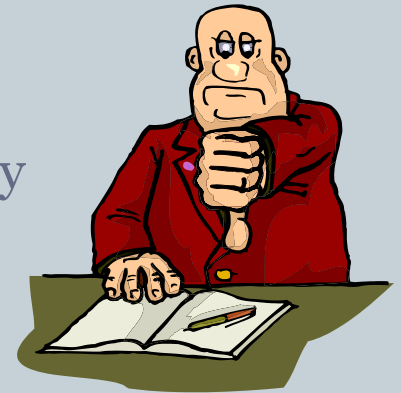


- **Business Angels**

- Growing base of *potential* angels, but still not significant
- Hundreds of *potential* angels in the market, only ~20 active
- Key obstacle for the entrepreneurs is how to get to the angels

- **Seed Capital**

- Some successful entrepreneurs do it opportunistically
- Non-existent in any institutional form



- **Bank loans**

- Leitmotif of a start-up entrepreneur: Banks love to offer loans... to people who are wealthy and doing great, in the times of high liquidity in the market... unlike what's usually the case of the start-ups (and now in the marketplace)...

Early stage financing – Reality



• Venture Capital

- Just a bit of stats for the Czech Republic (www.evca.eu):
- In 2008 there was a total of € 57 million invested in VC/PE
 - ✦ Out of which Seed Capital was ZERO
 - ✦ Out of which Startup Capital was ZERO
 - ✦ Out of which Growth Capital was € 16 million in 3 companies
- In 2009 there are 2 VC funds active in the Czech Republic which claim they invest in early stage

Executive Summary

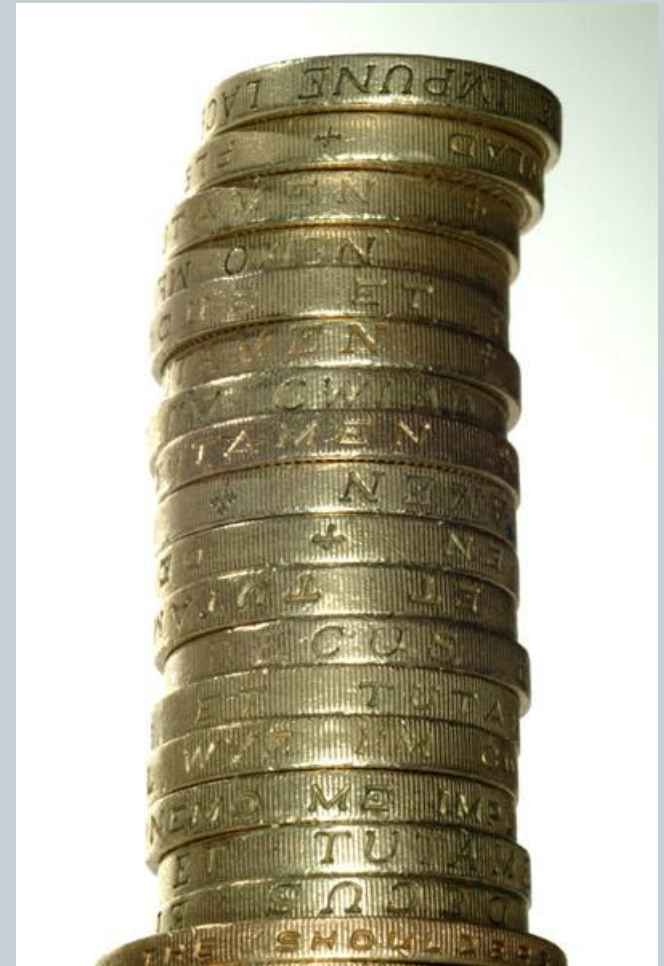


- || **Credo Ventures** was established as a **Seed / Early Stage Investment Company** in January 2009
- || Focus of Credo Ventures is on investments in the range of CZK 200,000 – 1,500,000 (\$ 10,000 – 75,000)
- || Credo Ventures **is not limited to sector**, only limitation will be to seed or start-up projects with **high-growth potential**, with **international aspirations**
- || Formation of Credo Ventures is the first step towards **raising a € 20M venture capital fund in 2H 2009**

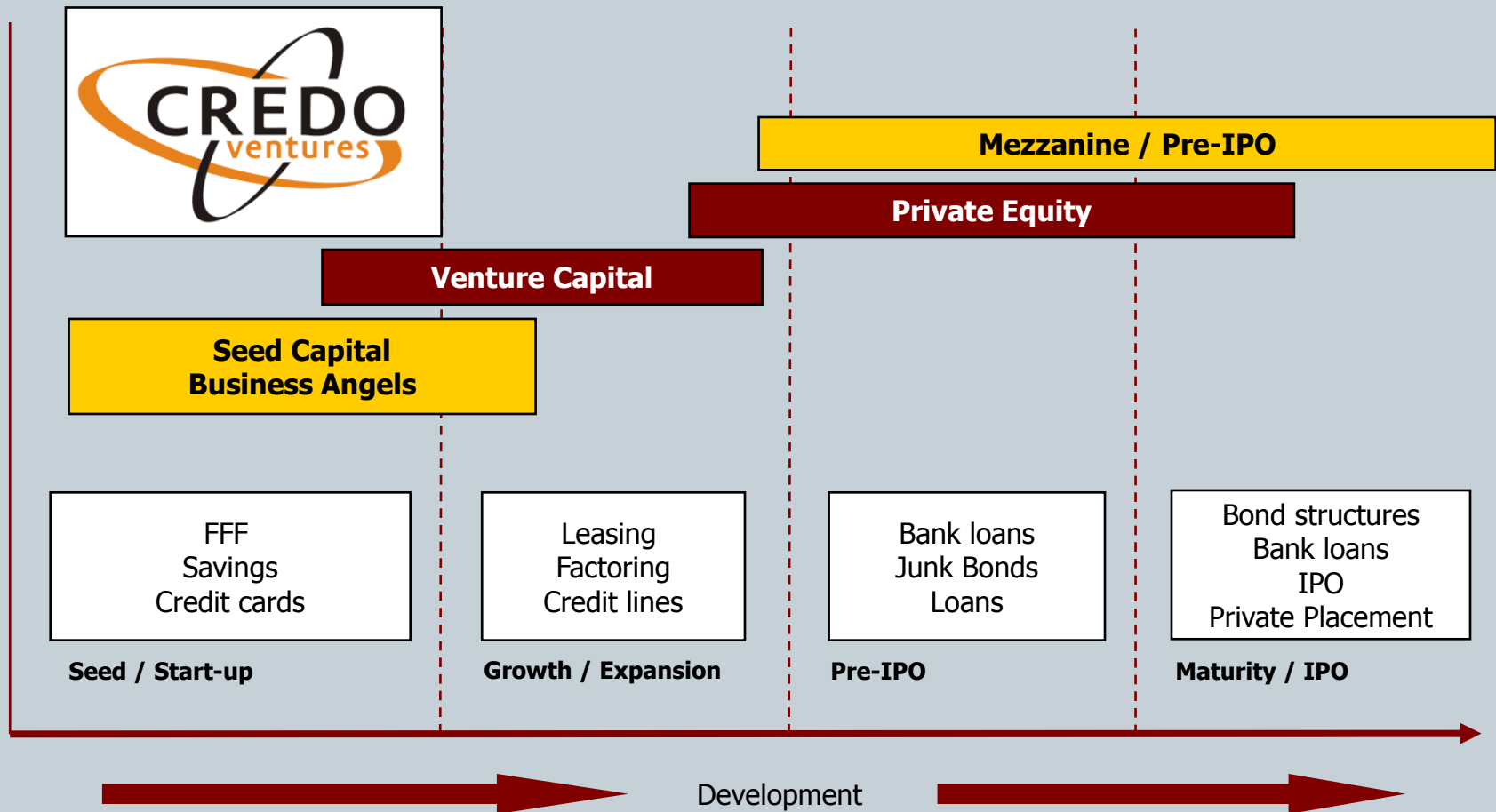
Credo Ventures Proposition



- Offering viable seed and early stage financing, with value added
- Backing start-up entrepreneurs with initial financial investment but also business expertise & mentoring
- Helping to bring innovative products to market or accelerate development of existing companies
- Supporting start-ups to get to the next level, receive more financing or turning into profits
- *“Entrepreneurs backing Start-ups”*



Credo Ventures Positioning



Looking for...



- Enthusiasm & Passion
- Smart New Ideas
- Entrepreneurship
- Commitment
- Temporary Monopoly



Thank you...



Ondrej Bartos

Managing Partner & Chairman of the Board

Credo Ventures Inc.

V Tunich 10, 120 00 Praha 2, Czech Republic

Email: bartos@credo.cz

Mob: +420 602 378 701

Skype: obartos

<http://www.linkedin.com/in/OBartos>