

# LVenture Group\*

CAPITAL FOR GROWTH

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Investor Briefing  
Milan - 11 July 2017  
Luigi Capello

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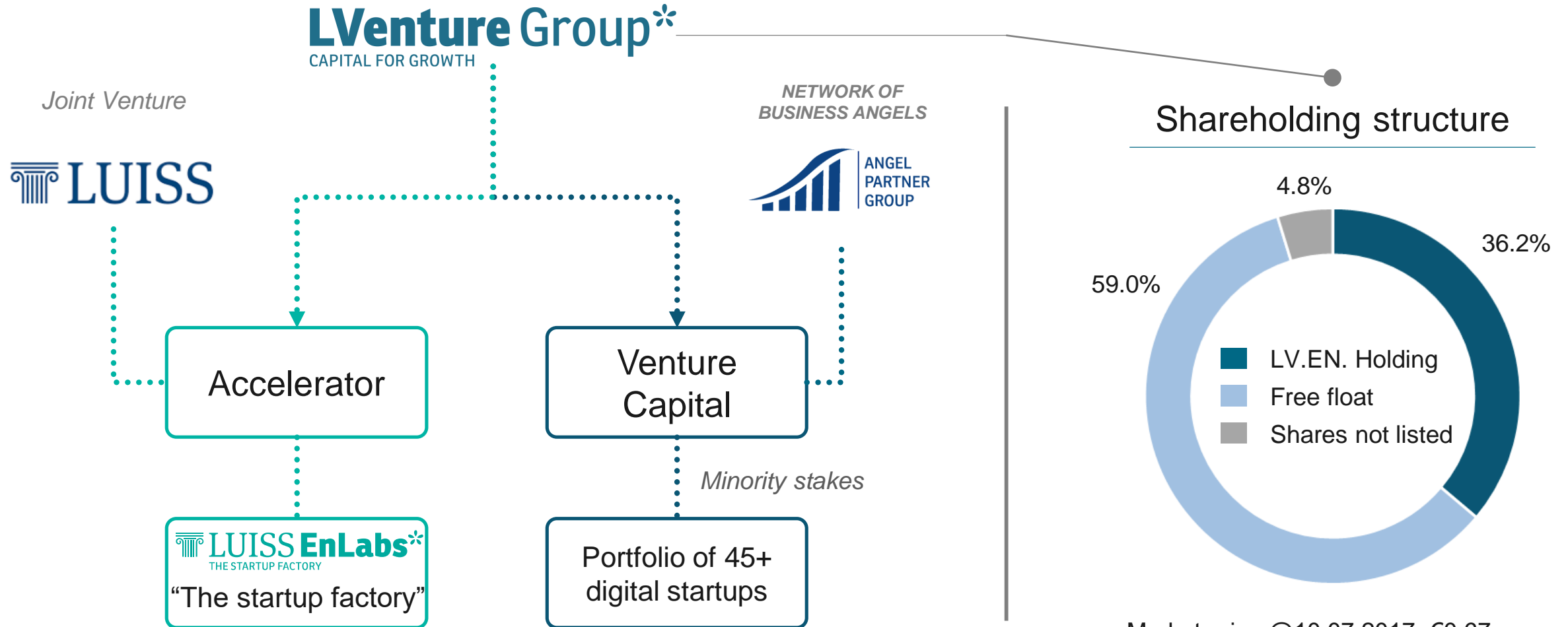
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# Intro: LVG - Capital for growth



Market price @10.07.2017: €0.67 p.s.

Target price (Finnat): €0.77 p.s.

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# LVG: a unique equity story

1

We are the only listed early stage VC in Italy

2

We own a top European Accelerator

3

We have a strategic 5.000sq location

4

We are eligible for fiscal incentives

# 1 We are the only listed early stage VC in Italy

## Competitive advantage



**Permanent capital for our startups**

- Potential to invest over and over again in generations of startups: we are not a one-time fund
- Possibility to invest longer / more in "Star" startups



**Democratic access to VC rounds for our investors**

- With us everyone can invest in the growth of exciting tech companies from their earliest stages (typically not allowed until IPO)

**PEERS**



2


# We own a top European Accelerator

## Competitive advantage

## Rationale



**High-quality proprietary dealflow (@ Pre-seed level)**

- Lead investor in the startup since the very beginning, with possibility to fully capture the value increase (standard deal: €80k for 9% through SFP) -----> 



**Risk mitigation (@ Seed level)**

- Cherry picking process at the end of the Acceleration Program (with 20% discount on pre-money valuation)

PEERS





# 3 We have a 5.000sq location

## Competitive advantage

## Rationale



**In-house  
startup ecosystem**

- Contamination effect: place to be for European fast-growing scaleup (es. AdEspresso, Blueface, Mercatus)



**In-house  
corporate ecosystem**

- Attraction effect: reference centre for leading international corporates looking for innovation

**PEERS**

**STATION F**

# 4 We are eligible for fiscal incentive

## Competitive advantage

## Rationale



**30% fiscal incentive for equity investments (@ LVG capital increase)**

- €1mn investments in LVG: €300k tax reduction (individuals)
- €1mn investments in LVG: €80k tax reduction (corporates)



**80% guarantee from MCC (@ LVG debt issuance)**

- €1mn LVG debt financing: banks guaranteed up to €800k

**PEERS**

**NONE!**

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# Where are we coming from

	2013	2016
Revenues	€170k	€1.7mn
Investments	€600k	€2.3mn
Portfolio	#18 startups	#40 startups

# A compelling business strategy

1

**Breakeven**  
(above EBITDA)

2

**Exit**  
(below EBITDA)

**Strategy**

- Scale increase for the 3 major business lines (Acceleration, Open Innovation, Coworking)

- Value maximization for the “Star” investments (LVG stake: typically ~15%)

**Target**

- EBITDA <-€0.5mn in 12 months, breakeven in 24 months

- Early exit in 12 months, large exit in 24 months

# 1 Breakeven (above EBITDA) (1/2)

## Business line

## Overview

### Acceleration

- 5 months Program, 2 batch per year (ca. 12-15 startup)
- Revenues of ca. €45k per each startup admitted to the Acceleration Program

### Open Innovation

- Sponsorship (BNL, Wind, Accenture)
- Vertical Accelerators (ex. Cybersecurity with Cisco, NTT Data, Infocert)
- Pre-Acceleration Programs (ex. Industry 4.0 with Google)

### Coworking

- Rent of the location

# 1 Breakeven (above EBITDA) (2/2)

Business line	Key advantages	Next steps
<b>Acceleration</b>	<ul style="list-style-type: none"><li>– 100% visibility (every new startup automatically converts in ca. €45k revenues)</li></ul>	<ul style="list-style-type: none"><li>– New Acceleration Program in Milan (Lifestyle, 4Q2017)</li></ul>
<b>Open Innovation</b>	<ul style="list-style-type: none"><li>– Alternative source of high-quality dealflow</li><li>– Link with “jumbo” corporates</li></ul>	<ul style="list-style-type: none"><li>– New Pre-Acceleration Program (Artificial Intelligence, 4Q2017)</li></ul>
<b>Coworking</b>	<ul style="list-style-type: none"><li>– 100% visibility (in-house startup and corporate ecosystem)</li></ul>	<ul style="list-style-type: none"><li>– New spaces under scrutiny (with no additional renting costs)</li></ul>

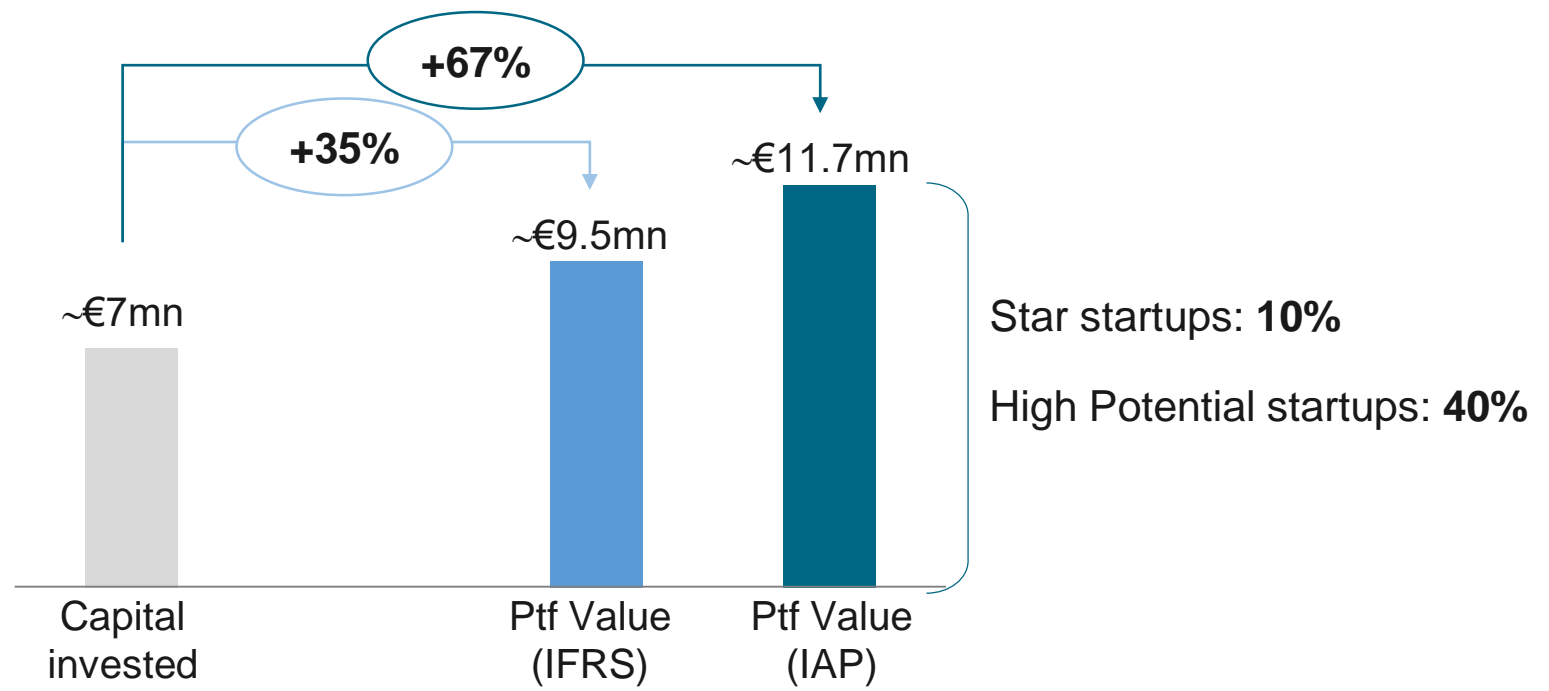
# 2 Exit (below EBITDA) (1/2)

## LVG Asset

**Portfolio of 45+ digital startups**

## Overview (@ 31.12.2016)

- Max investment post Acceleration Program is ca. €250k: LVG equity stake in the range of ~15%





## 2 Exit (below EBITDA) (2/2)

### LVG Asset

### Key advantages

### Next steps

**Portfolio of  
45+ digital  
startups**

- Well-diversified portfolio across the digital space (software platform, marketplaces, IoT, SaaS, gaming, e-commerce, edutech, VR)
- Professionally managed
- Ideal portfolio maturity: avg. duration of **36 months** vs. exit expected in 6 years from “LVG Investor Day”

- Full valorisation of “Star” investments (avg. post-money value currently between €8-15mn)
- Evolution of “High Potential” investments into “Star” (avg. post-money value currently between €3-7mn)

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# Where are we coming from

2016

2017YTD

Capital  
increase

~€4.0mn

~€2.6mn

Strategic  
investors

sara  
assicurazioni

LUISS

KAIROS

ZENIT SGR  
SOCIETÀ GESTIONE RISPARMIO

sara  
assicurazioni

# A clear financial strategy

2018

Beyond 2018

## Strategy

- Potential call for new resources to finance investments and business growth (size and timing to be defined)

- LVG to become progressively self-sustainable

## Target

- Open to enrich LVG shareholding base with top class anchor investor (medium term approach required)

- LVG to provide premium returns to its shareholders (total shareholders remuneration of 50% from 2019)

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# Our results

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Accelerated revenue growth (10x in 3Y)

Increased investments (4x in 3Y)

Realized first exit (Netlex: 2,4x, ~40% IRR)

Strong revaluation for 50% of the portfolio

Stock appreciation: +30% in 1 year

# Awards: LVG among the most active VC in EU



## Most Active VC Investors in Europe Q3'16



Rank	Investor	Rank	Investor
1	High-Tech Grunderfonds	9	Caixa Capital Risc
2	Business Growth Fund	9	LVenture Group
2	Global Founders Capital	9	Northzone Ventures
4	SEED Capital	9	Index Ventures
4	Almi Invest	9	Balderton Capital
6	360 Capital Partners	15	Passion Capital
6	Bayern Kapital	15	Seedcamp
6	Earlybird Venture Capital	15	SpeedInvest
9	London Co-Investment Fund	15	Sunstone Capital

Source: Venture Pulse, Q3'16, Global Analysis of Venture Funding, KPMG International and CB Insights (data provided by CB Insights) October 13<sup>th</sup>, 2016.

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# Closing remarks: we are...

## ...AT THE END OF THE CORE BUSINESS STABILIZATION PHASE

- Over the last 3 years we have increased revenues by 10x and investments by 4x
- Breakeven expected in 24 months

## ...IN THE MIDDLE OF A VISIBLE PORTFOLIO REVALUATION

- Avg. portfolio maturity of 3 years (exit expected on avg. at year 6)
- Early exit expected in 12 months, large exit in 24 months

## ...JUST AHEAD OF A SIGNIFICANT BUSINESS ACCELERATION

- Strong pipeline of core projects (new Acceleration Programs, new Vertical Accelerators)
- Ambitious projects to kick off (new spaces, sponsored VC fund)

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