



**TIVENTURE**

HIGH-TECH SEED CAPITAL IN SOUTHERN SWITZERLAND

# Giornata dell'Economia 2017

Prospettive di un Business Angel

Sergio Magistri

14 novembre 2017



# Agenda

- Speaker background
- What is an Angel Investor
- Ticino strengths & weaknesses
- The role of TiVenture
- What can we do for the startups



# Speaker Background

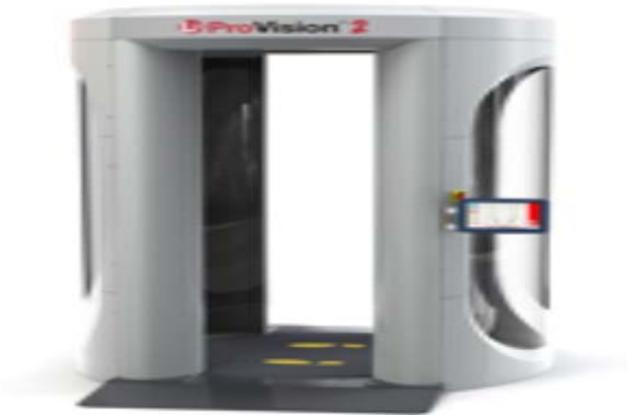
- 1972-82 ETH 3B & PH.d. biomedical engineering (Doppler ultrasound)
- 1984-88 Ultrafast CT for cardiac imaging
- 1990-04 InVision, CT for aviation security
- 2005-17 Angel Investor
- 20010-17 Arktis in Zurich
- 2015-17 BOD TiVenture

In summary a technology & people driven entrepreneur that had to learn how to find the money



# InVision Technologies, San Francisco

- InVision developed the first TSA certified CT technology for aviation security
- Started in 1990 with 10 employees, sold to GE in 2004 with 1000 employees for \$1.2B (\$900M net)
- NASDAQ IPO in 1996 and raised >\$300M between 1996 and 2004
- A number of strategic investments including SafeView, microwaves screening portals sold in 2006 for ~\$70M





# InVision CTX at the SFO airport



24/10/2017

TiVenture

39



# Arktis Radiation Detectors, Zurich

- Arktis develops advanced technologies for radiation security & safety
- Arktis was started in 2007, today has 25 employees (manufacturing is outsourced)
- Raised 17.5M with 2 rounds of financing complemented by 6.3M in government grants (USA, UK, CH, EU)
- Products include radiation detection portals, mobile systems and pedestrian portals





# DARPA on Arktis Detectors





# What is an Angel Investor

- A natural personal evolution from developing new technology, markets and products to helping startups that do the same
- The history of humanity: make available experience & resources to the next generation
- The pleasure of working with smart and motivated teams at the frontier of technology & service
- And, of course, the challenge of finding the money.....



# Ti Strengths & Weaknesses

- **Limited geography: need to look north and south of the canton for good ideas willing to relocate**
- **The historic focus on the (shrinking) financial services is leaving behind a risk adverse culture that doesn't fit the startups culture**
- **Very good support from the Ticino & Swiss institutions**
  - Funding from the Fondazione Centenario BancaStato
  - Upcoming TI changes in the taxation of startup's investments (hopefully)
  - Upcoming Swiss Entrepreneur's Fund of 500M to be allocated "VC style"
- **Availability of local equity funding: TiVenture Investor Club**
- **Availability of qualified resources that would like to remain in the territory**



# The role of TiVenture

- **Running a professional selection process with an independent BOD and clear success objectives**
- **Leverage institutional funding with local private sources: TiVenture investor club**
- **Coaching, helping, networking and lot more**
- **Support & drive all initiatives that are fostering local entrepreneurship**
- **Leverage success to scale up the effort within the local limitations**



# The TiVenture Team

## 3 members of the BOD

- 50 m/y Silicon Valley experience, Google BD, public US company and a number of CH investments
- An outstanding President with very good connectivity with the banking industry
- Fiercely independent, professional & committed to success

## 2 managing partners

- Serial entrepreneurial experience in biomedical, high-tech and management
- A time tested selection process
- 17 investments to date for a total of 7M that leveraged additional 25M of private funding



# What can we do for the startup's

- **Improve TI entrepreneurial culture:**
  - Few success stories will help a lot
  - Continued availability of funding: changing a culture takes time & money
  - Institutional support
- **Leverage external VC funding**
- **Time: Silicon Valley took 40 years to grow to full bloom**
- **All of this to be implemented understanding the local and geographical limitations**
- **Equity incentives, Taxation:**
  - Stock options are taxed significantly higher compared to the US, a clear disadvantage
  - Stock grants (with no current value in a startup) are taxed as income also a clear disadvantage



# Conclusion

- **The culture is changing**
- **The deal flow is growing**
- **We have committed investors & institutions**
- **The startups are growing**