PURPOSE VENTURES

Curtin Ignition

Funding Strategy

Plan for TODAY

- Why you need funding and when to get it
- What types of funding are available
- Why we pass on investments
- The Purpose Ventures Fund
- Funding Tips
- Q&A

A bit about **DEREK**

The personal stuff

A bit about **DEREK**

My VC journey

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Greensense	$2m	2008 - 2014
Innovation Bay	$5m	2014 - 2018
Go Capital	$11m	2014 - 2018
RAC / BetterLabs.	$23m	2017 - 2022
PlusEIGHT (Powered by Spacecubed)	$5m	2019 - 2023
Purpose Ventures	$55m	2023 - present
Malka Foundation	$30m	2024 - present

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Not all money is good money.

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Why do you need funding?

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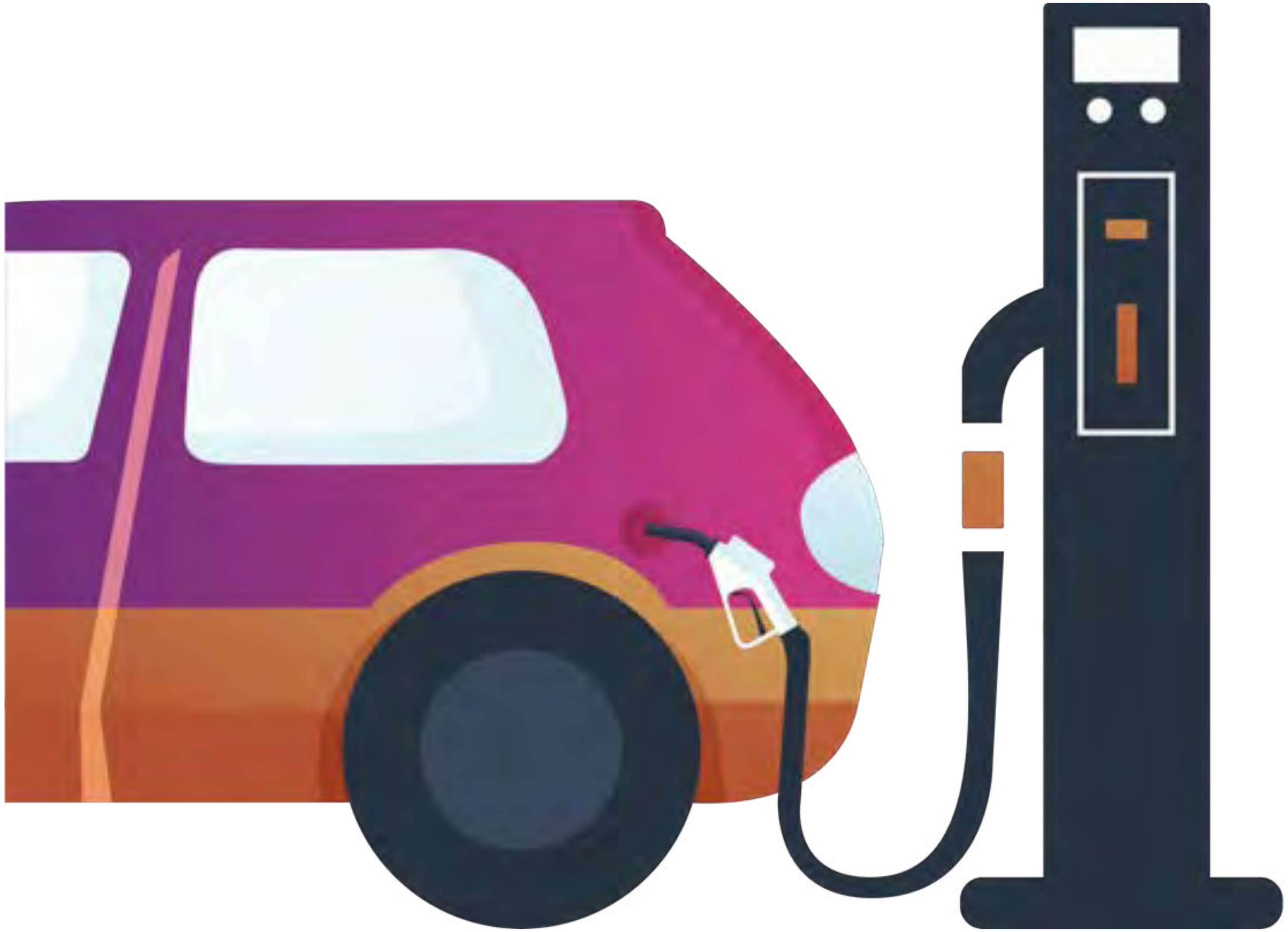
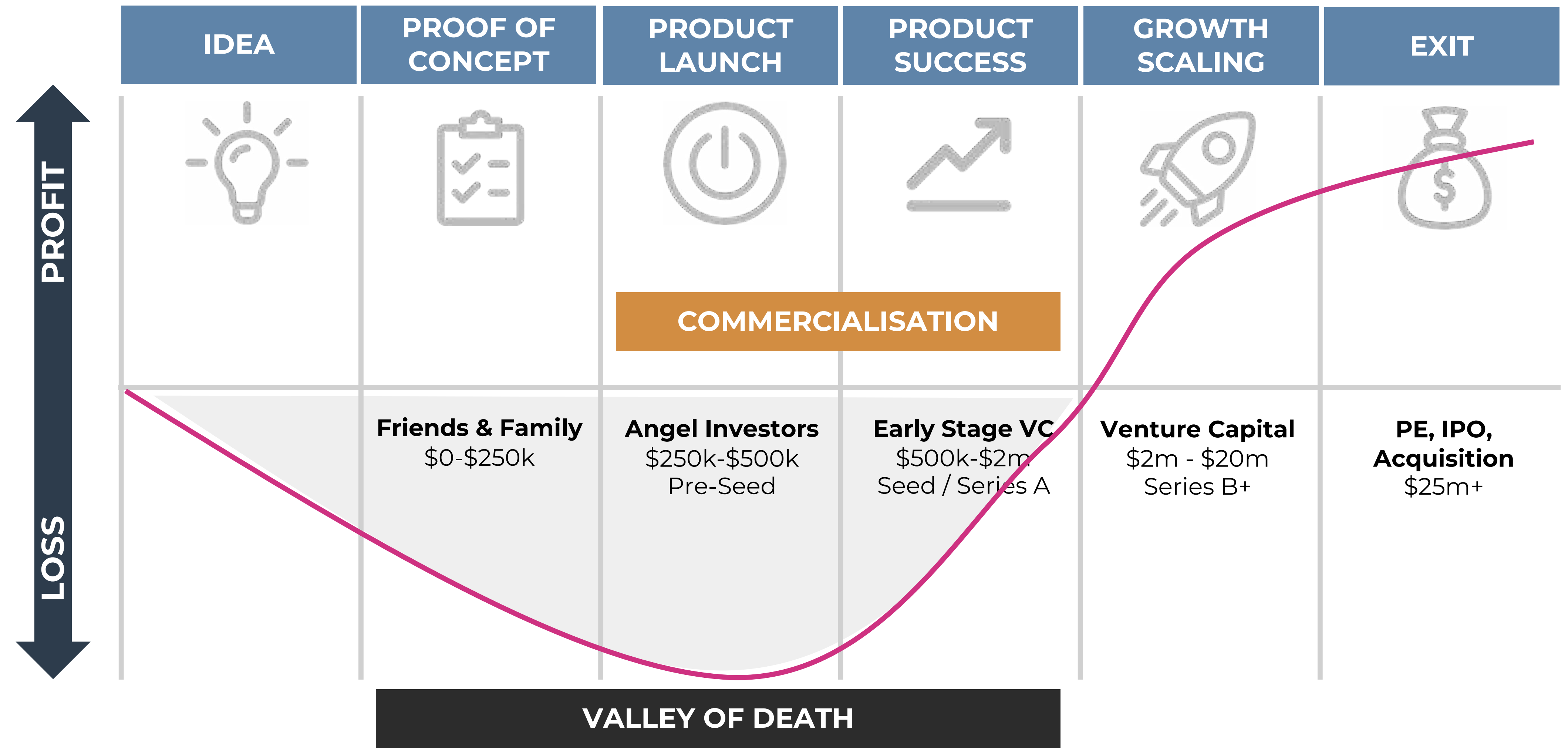
Fuel in the tank to the next stop…



When you need FUNDING

Who to get funding from at each stage



When you need FUNDING

Stage, purpose and likely round size

	PRE-SEED	SEED	SERIES A	SERIES B+
Purpose	**DISCOVERY** Can you find a problem worth solving?	**PROBLEM SOLUTION FIT** Can you prove that you can make customers happy?	**GO TO MARKET FIT** Can you build a factory that can produce a lot of happy customers?	**SCALE MARKET FIT** Can you scale the first product market fit to de-risk the next PMF?
Round	\$50k - \$100k	\$500k - \$1m	\$3m - \$10m	\$20m+
Valuation	<\$1m	\$2.5m - \$5m	\$15m - \$50m	\$100m+

How long is the **FUNDING JOURNEY**

Plan for longer than you are probably thinking

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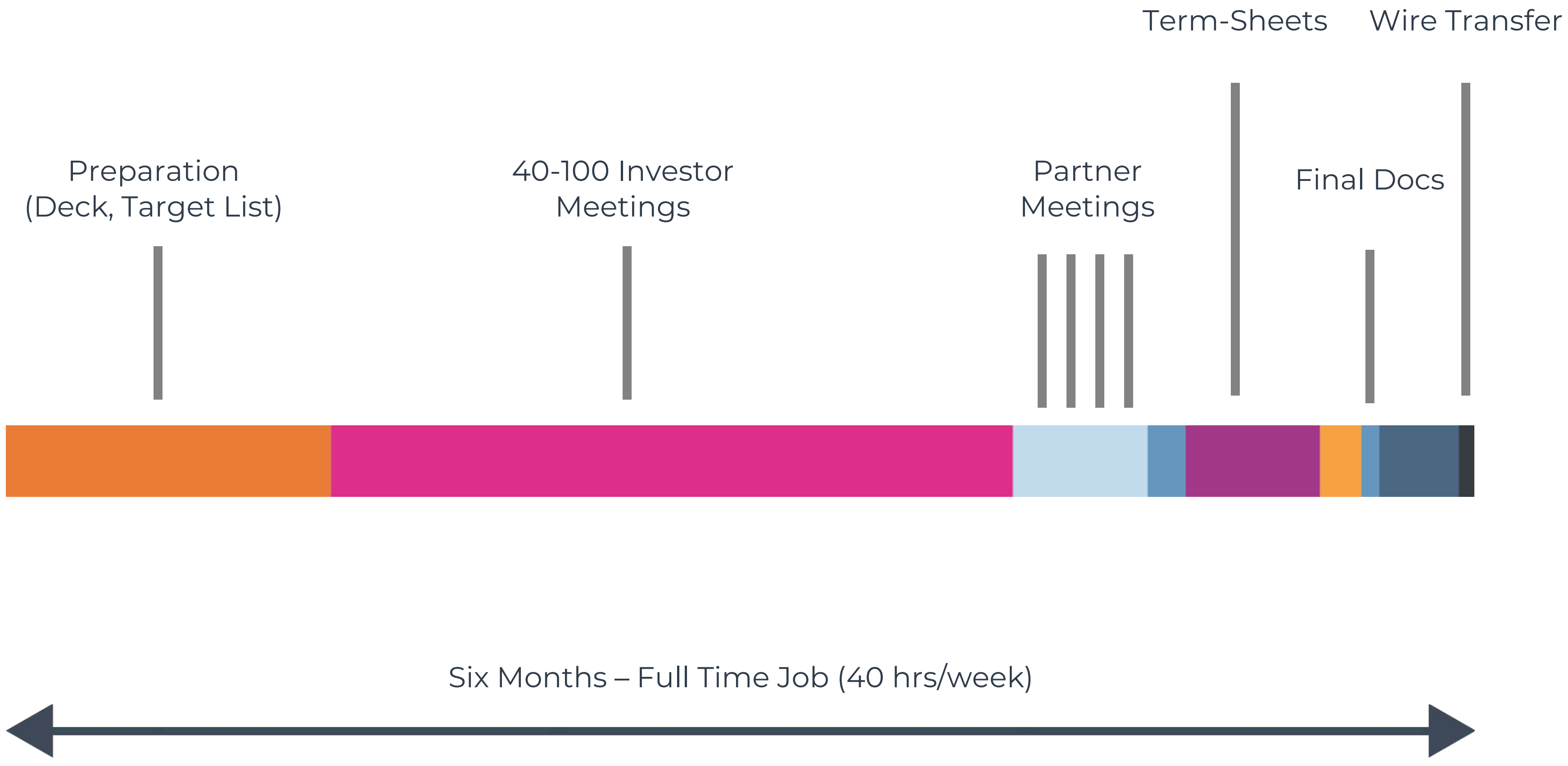

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What should be on your pitch deck?

	500 Startups	Guy Kawasaki	Sequoia Capital	NextView Ventures	Crowdfunder	Airbnb Pitch Deck
Slides	11	10	11	15+	12	13
Executive Summary				•		
Problem	●	●	●	●	●	●
Solution value proposition	●	●	●	●	●	●
Market Validation/Why Now?			•	•	•	•
Product	•		•			•
Market Size	•		•	•		•
Business Model	●	●	●	●	●	●
Underlying Magic	•	•		•		
Competition	●	●	●	●	●	●
Competitive Advantage	•					•
Marketing Plan/GTM	•			•	•	•
Founding Team	●	●	●	●	●	●
Board/Advisors			•	•		
Traction/Milestones	•	•		•	•	
Press/User Testimonials				•		•
Fundraising	●	●	●	●	●	●
Financials/Use of Funds		•	•	•	•	

● Must-Have

• Nice-To-Have

Types of Funding

Is your Funding DILUTIVE

Funding can be dilutive or non-dilutive to your equity

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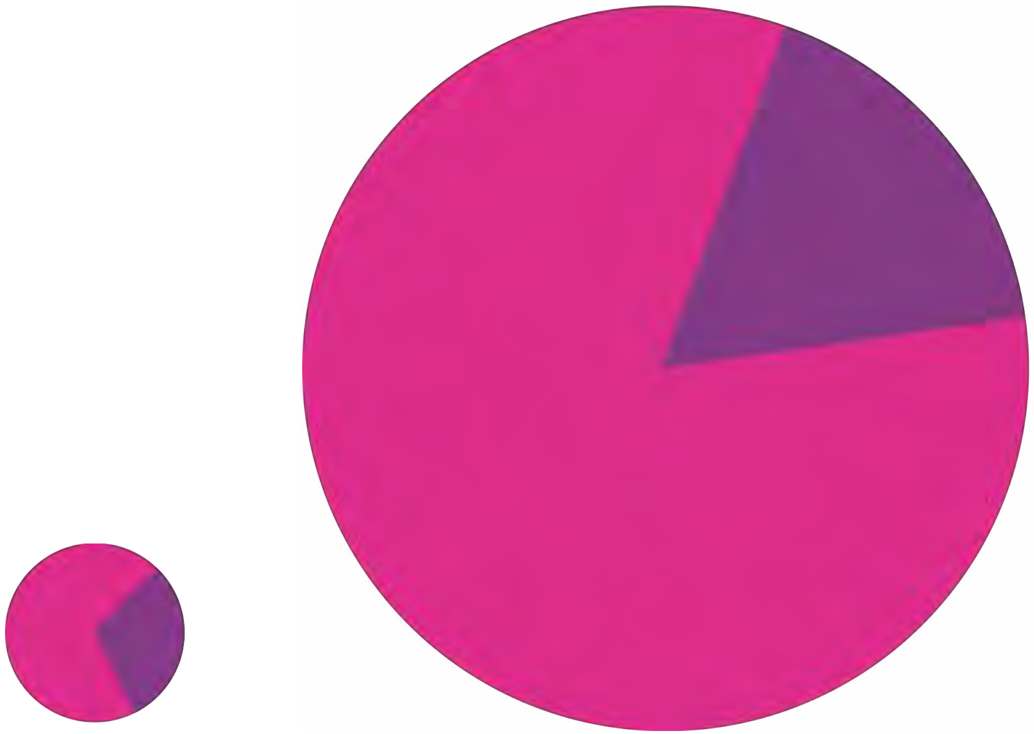
DILUTIVE

NON-DILUTIVE

Dilution isn't always bad.
What size "pie" do you want to build.



Personal Capital

- Shows your commitment to the business
- Alignment with investors
- Non-Dilutive

Friends, Family & Fools

- Back you because of relationship
- May not add value beyond the capital
- You are high risk – don’t take more than you should
- Which is more important – the relationship or the venture?
- Dilutive


CONVERSE
ALL STAR

Bootstrapping

- Good way to self fund
- Maybe slower but good risk mitigation
- Know when to stop for the sake of the venture
- Non-Dilutive


OLT
9

Accelerator/Incubator

- Take a small amount of equity with some funding
- Good mentoring, peer network, alumni, masterclasses
- Plus Eight, Startmate, UWA Venture, Curtin Accelerate etc
- Dilutive

Angel Investors

- Good early investment option
- Can often add value beyond the capital
- Perth Angels, Med Angels, Innovation Bay
- Syndicates like Venture X, West Tech Investors, Curtin Syndicate etc
- Dilutive

Grants

- Industry Growth Program, Innovation Booster Grants, Commercialisation Bridge
- Application process can be helpful
- R&D Tax Incentive
- Non-Dilutive

Crowdfunding

- Product – Tests Customer Demand
- Product - Non-Dilutive
- Equity – lots of small shareholders
- Equity - Dilutive


医学养生会所

Customer Revenue

- The best kind of funding!
- Takes time raising capital – what if you spent that time…
- Non-Dilutive

Types of FUNDING

Summary of the funding types – plus some others...

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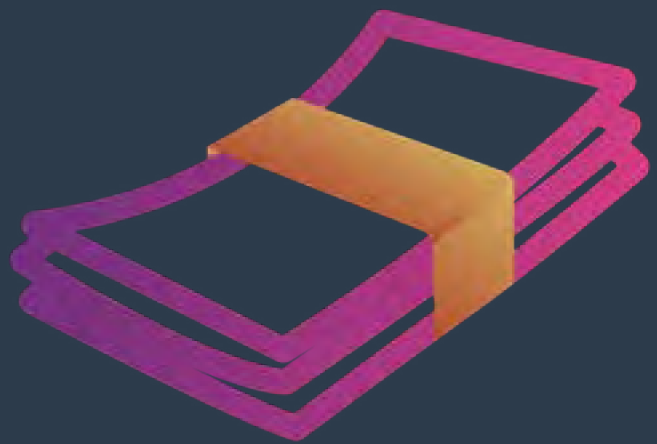
DILUTIVE	NON-DILUTIVE
Personal Capital	Personal Capital
Friends, Family, Fools	Bootstrapping
Accelerators	Grants
Angel Investors	Crowdfunding (Product)
Crowdfunding (Equity)	Debt
Venture Capital	Venture Debt

Raising your first **$50,000?**



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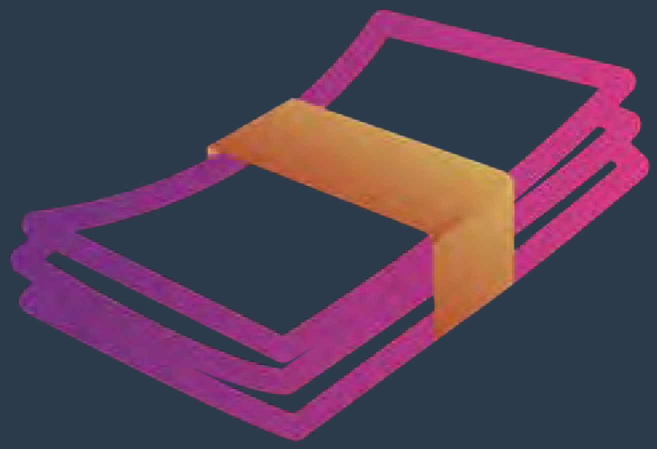
Raising your first **$1,000,000?**



Why we pass on deals

Why we PASS ON DEALS

And how you can be investor ready

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1 Lack of founder commitment and/or equity

Uninvestable CAP TABLES

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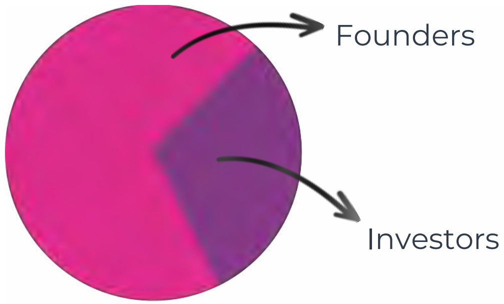
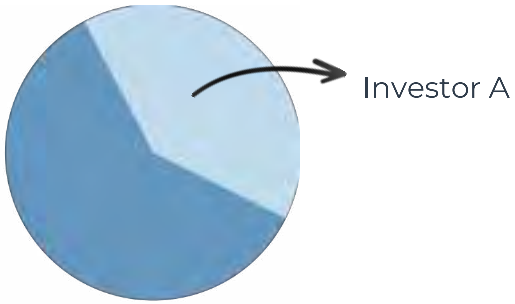
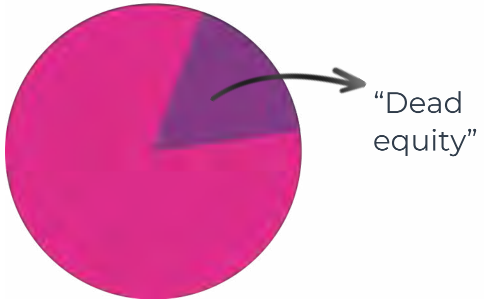
Founders with less than 80% before seed round



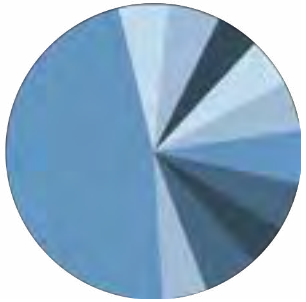
One investor with too much control



Ex-founders and/or universities with more than 10%



A zoo of investors



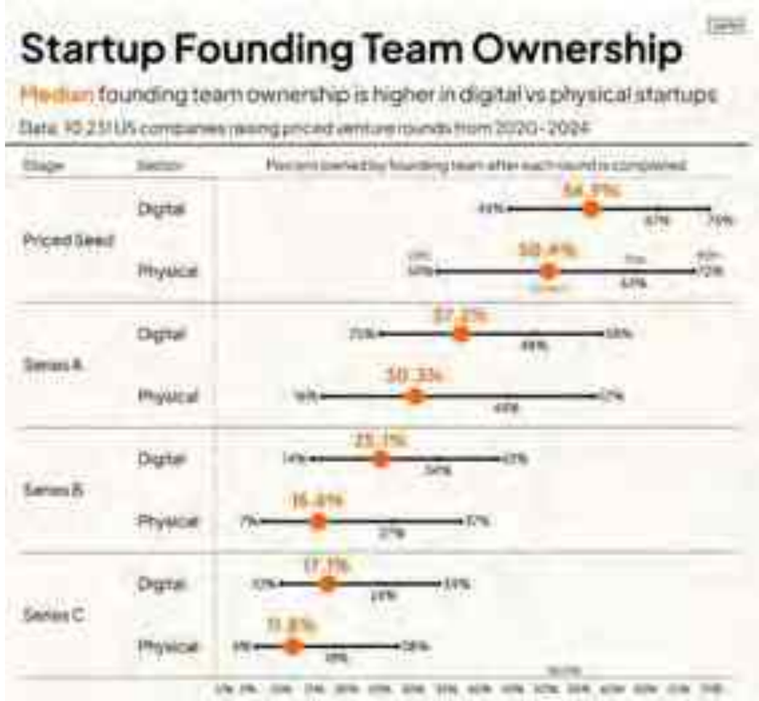
How much equity do **FOUNDERS GIVE**

Across each venture round (Data from 1,229 priced round – 2023 US only)

		PERCENT OF ALL ROUNDS IN STAGE BY DILUTION						
Stage	**Median**	**Under 5%**	**5-9.9%**	**10-14.9%**	**15-19.9%**	**20-24.9%**	**25-29.9%**	**30%+**
Seed	**20.5%**	5%	9%	13%	19%	26%	15%	13%
Series A	**19.5%**	8%	8%	16%	20%	20%	14%	13%
Series B	**17.2%**	11%	14%	17%	21%	17%	9%	12%
Series C	**12.6%**	19%	21%	26%	13%	13%	3%	6%
Series D	**10.3%**	18%	32%	18%	6%	9%	12%	6%

While we are on EQUITY

Some more data you might want to consider



Why we **PASS ON DEALS**

And how you can be investor ready

1 Lack of founder commitment and/or equity

2 Loving the solution more that the problem

Why we **PASS ON DEALS**

And how you can be investor ready

1 Lack of founder commitment and/or equity

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3 Business hygiene

- Cap Table
- IP Ownership
- Balance Sheet and Debt
- Different convertible instruments
- Shareholders Agreement Terms

Why we **PASS ON DEALS**

And how you can be investor ready

PURPOSE VENTURES

1 Lack of founder commitment and/or equity

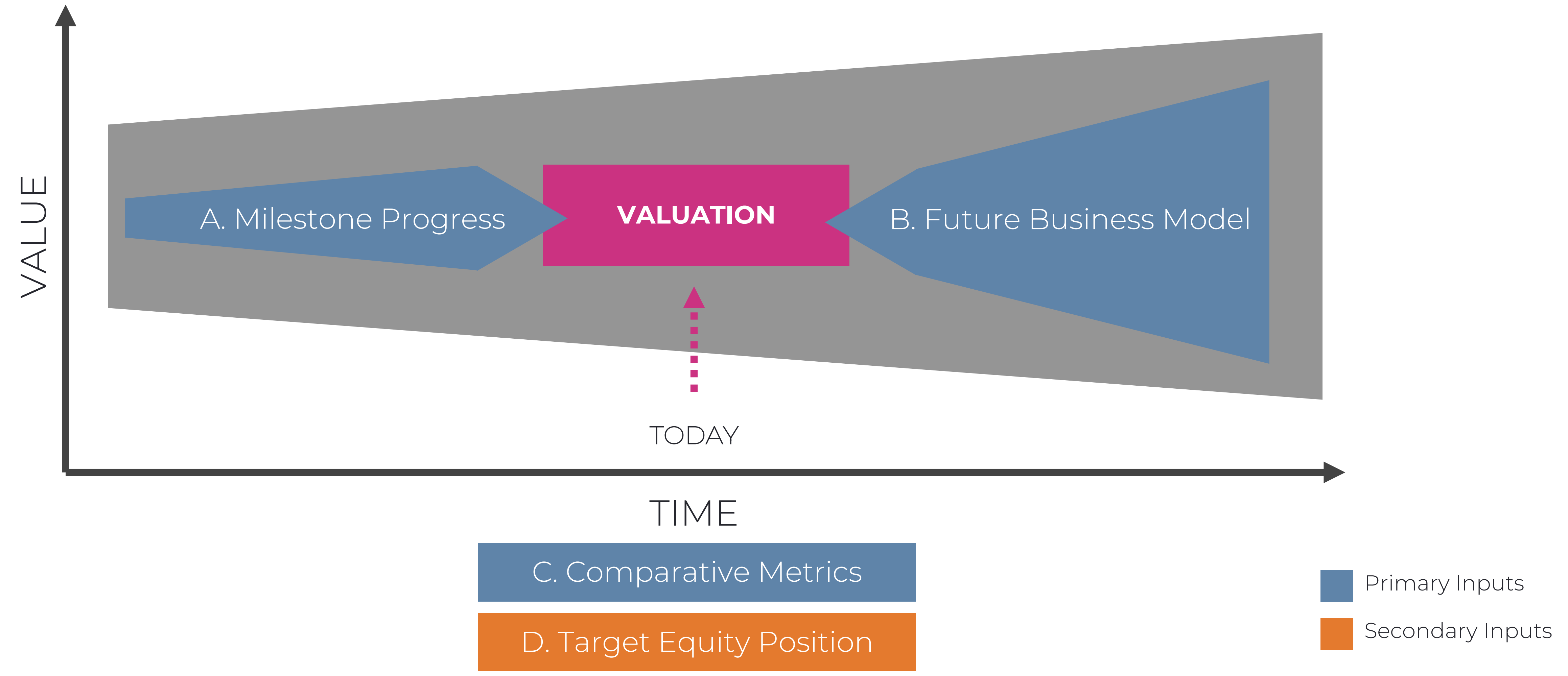
2 Loving the solution more that the problem

3 Business hygiene

4 Unrealistic valuations

How we think about VALUATION

The inputs that matter



Due diligence is always on

The Purpose Ventures Fund 1

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- $55m fund
- 70%+ for WA operated businesses
- Industry agnostic
- Pre-Seed > Series B
- $1m - $3m first cheque

Fund Update

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APPLICATION
789
PITCH
149
DUE DILIGENCE
33
TERMS
14
INVESTED
13

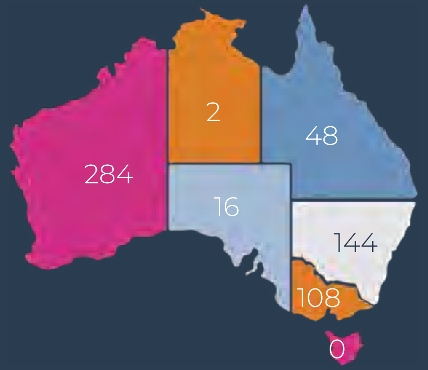
PIPELINE

299
FEMALE FOUNDERS APPLIED

1,024
MALE FOUNDERS APPLIED

INVESTED
17 Male Founders
8 Female Founders

FOUNDERS



INVESTED
10 WA Companies
3 Other Locations

GEOGRAPHY

HEALTHCARE	119 **(3)**
PROPERTY	38 **(4)**
RESOURCES	28
CLEANTECH	79 (5)
AGRICULTURE	35 (3)
EDUCATION	44 **(2)**

SECTOR

Due Diligence ON YOUR INVESTOR

Just because they say they have a fund doesn't mean there is capital

- Can you let me know the size of your fund?
- What size investments have you made?
- What was your last investment?
- What's your process?
- Have you exited companies before and what was the experience?
- What help do you provide beyond the capital?
- What rights and conditions are attached to your capital?
- Can I speak to some companies in your portfolio as a reference?

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Questions

APPLY HERE