



# Seraphim SaaS Fund I

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[marshall@seraphim.ventures](mailto:marshall@seraphim.ventures)  
+64 21 980 797

[ben@seraphim.ventures](mailto:ben@seraphim.ventures)  
+64 21 369 880

[craig@seraphim.ventures](mailto:craig@seraphim.ventures)  
+64 21 747 170

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# Setting the Scene

# Thesis

Seraphim SaaS Fund I is a \$50m pre-seed to Series-B fund intended to generate substantial returns without requiring outsized exits.

## Why Seraphim?

**Team.** Seraphim's Partners and Directors are founders themselves and have extensive domain experience across Startup, SaaS, Investment, Capital and M&A. Our team has successfully navigated both growth cycles and downturns to deliver investor returns.

**Partners.** Our network of invested advisors provide our founders with advisory, governance, networks and global in-market support. This is how we increase our portfolio survival rate, reduce founder time to exit and maximise fund returns.

**Founders.** We take founder wellbeing seriously and our founders and partners share learnings and cross-selling opportunities across the portfolio. Our focus with founders is on shared values and aligned strategies.

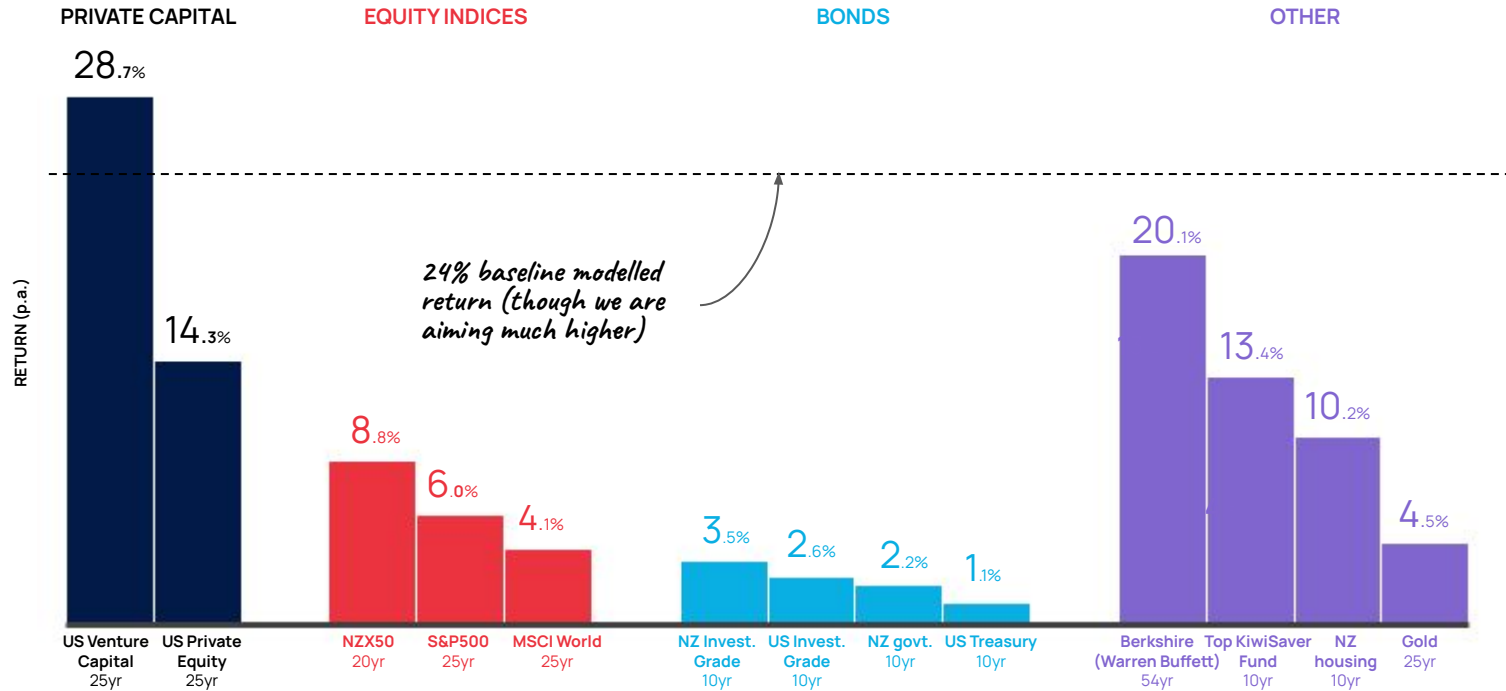
## Why now?

**Stage.** We invest early on preferred terms in New Zealand companies with global potential. Our portfolio construction doesn't require us to hunt unicorns in order to achieve top quartile fund returns.

**Sector.** NZ has over 1,000 active SaaS businesses. Compared to the USA, NZ SaaS companies are more capital efficient, show faster growth and trade on lower valuations. Over the last 5 years NZ SaaS exit valuations have had a CAGR of 75%.

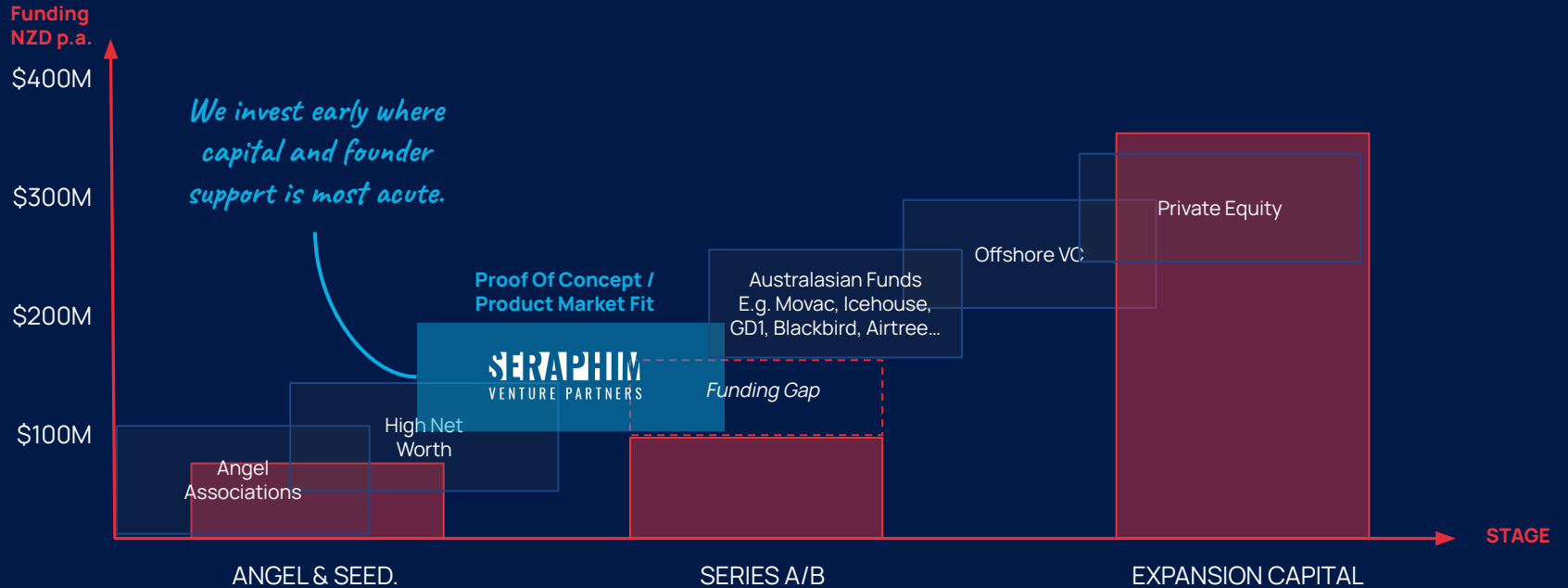
**Timing.** Downturns create opportunity. While existing funds are facing write downs, we have quality deal-flow at corrected valuations. Historically, funds launched by first time managers and during bear markets have tended to generate higher overall returns.

# The venture advantage





# Funding Gap



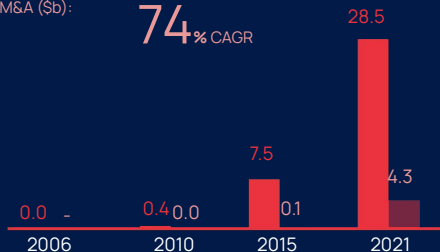
# SaaS

NZ SAAS OPPORTUNITIES ARE GROWING RAPIDLY

Key

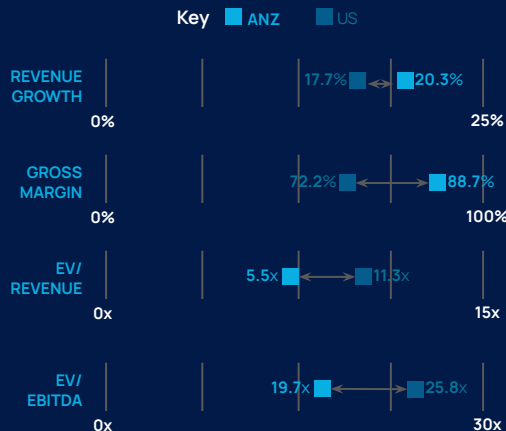
Market Cap (\$b): **66%** CAGR

M&A (\$b): **74%** CAGR



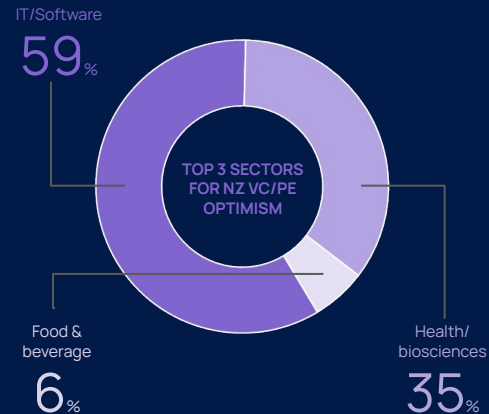
Source: Clare Capital Analysing New Zealand's SaaS Boom November 2021

SUPERIOR FUNDAMENTALS, AT CHEAPER VALUATIONS



Source: Blackpeak Capital SaaS Sector Update August 2020

STRONGEST OUTLOOK, OF ALL NZ VC/PE SECTORS



Source: EY New Zealand Private Capital Monitor 2022

# People & Pipeline

# Seraphim founders



## Marshall Couper

### The Operator

Marshall's focus is on Seraphim's founder and government relations.

Marshall was a trade diplomat in Geneva, before working in private banking and joining a VC firm in London. After 5 years advising Australian blue-chip firms in leadership and performance improvement he more recently supported 200+ SaaS founders at Callaghan Innovation in NZ.

Marshall is passionate about founder wellbeing and social impact and founded mental health SaaS startup, Loffty in 2019.

[linkedin.com/in/marshallcouper/](https://www.linkedin.com/in/marshallcouper/)



## Benjamin Northrop

### The Connector

Ben's focus is on Seraphim's partner and advisor networks.

Ben was founder & CEO of award winning enterprise messaging company, Run The Red, which was acquired by Pushpay (NZX:PPH) in 2016.

Ben thrives on the energy of start-ups and is a mentor and supporter to local founders, incubators and accelerators. Ben is also an active early investor in a number of successful SaaS startups including Connectworks, Welteq and HNRV.

[linkedin.com/in/benjaminnorthrop/](https://www.linkedin.com/in/benjaminnorthrop/)



## Craig Weise

### The Governor

Craig's focus is on Seraphim's fund management and investment governance.

Craig is the founding CEO of NZ Green Investment Finance, a \$400M public/private fund. Prior to NZGIF, Craig spent two decades in US and NZ primary capital markets, before a role as Commercial Director at NZ Treasury.

Craig enjoys empowering people and change through capital investment. He is a Chartered Alternative Investment Analyst (CAIA) and Certified Investment Fund Director (CIFD).

[linkedin.com/in/craig-weise/](https://www.linkedin.com/in/craig-weise/)

# Operations



**Patrick Hadfield**  
Analyst

- New Zealand Treasury
- Cameron Partners

[linkedin.com/in/patrick-hadfield/](https://www.linkedin.com/in/patrick-hadfield/)



**Jason Holdsworth**  
Operations

- Founder RiteQ (Ceridian)
- Founder Voluntas Ventures

[linkedin.com/in/jason-holdsworth](https://www.linkedin.com/in/jason-holdsworth/)



**Krishna Guda**  
Financial

- Director, Ericsson M&A
- Chair SaaS Incubator

[linkedin.com/in/krishguda/](https://www.linkedin.com/in/krishguda/)



**Graham Shaw**  
LP Advisory Committee Chair

- Chair Pushpay, Christian Savings
- Former Director Xero

[linkedin.com/in/graham-shaw](https://www.linkedin.com/in/graham-shaw/)

# SaaS advisors

Seraphim has an extensive network of invested advisors, including...



**Brent Spicer - NZ**  
Product fit & go to market  
- Founder & CEO Marsello



**Andrew Butel - NZ**  
Development  
- Founder & CEO EndGame



**Dr Jeremy Buckley - NZ**  
Technical architect & strategy  
- Founder & CEO ConnectWorks



**Andrew Abernethy - HK**  
Legal (M&A & venture)  
- Partner Abernethy Partners



**Peter Gillingwater - UK**  
UK / AU talent & market entry  
- Founder & CEO Newfound



**Richard Collins - UK**  
International revenue growth  
- CRO Linnworks



**Nigel Lawry - NZ**  
Product commercialisation  
- Co-Founder Black Pearl Mail



**Tim Norton - US**  
Start-up strategy & scale  
- Founder & CEO 90 Seconds TV

# Pipeline

We have quality deal flow.

Seraphim has negotiated exclusive access and preferential investment rights with a number of impressive founders.

- Founders that have execution ability and that are aligned with our values.
- Capital efficient companies in big markets with global potential.
- Companies that are solving big problems and have a clear path to exit.

We are in late stage due diligence with the following ...

# Pipeline



Technology that corrects third party analytics data so companies can optimise their digital marketing and advertising investment.

- \$210k ARR
- \$600k active trial users
- Clients include Meetup.com, Briscoes, Rebel Sport, Genesis Energy, HNRV and Fisher Funds
- Meta and TikTok partnerships

[www.rescuemetrics.com](http://www.rescuemetrics.com)

## Dacreed™

A SaaS learning experience platform for the financial services sector.

- \$360k ARR
- \$1.8m ARR 12 month target
- Clients include ASB, Corrections, Dept of Internal Affairs, Oranga Tamariki, Health New Zealand, Delta Insurance, Astute Financial, Vega, Accuro
- NZTE support for UK market entry

[www.dacreed.com](http://www.dacreed.com)

## CodeLingo

A code collaboration platform that saves software developers 30-60 minutes per day in increased efficiency.

- 5000+ Beta developer users including Canva, Atlassian, Square and Cogent
- Experienced founders and commercial team from Canonical (creators of Ubuntu), Avos (YouTube founders), TracPlus, ADInstruments, Escher Group

[www.codelingo.io](http://www.codelingo.io)



# Values

## Amore Love

We work on projects that we are passionate about and with people that we respect. Enjoy the journey.

## Veritas Truth

We think big and outside of the box, but we question everything & validate with data. No assumptions.

## Valorem Value

We roll our sleeves up and bring more than just investment. We add substantial value.

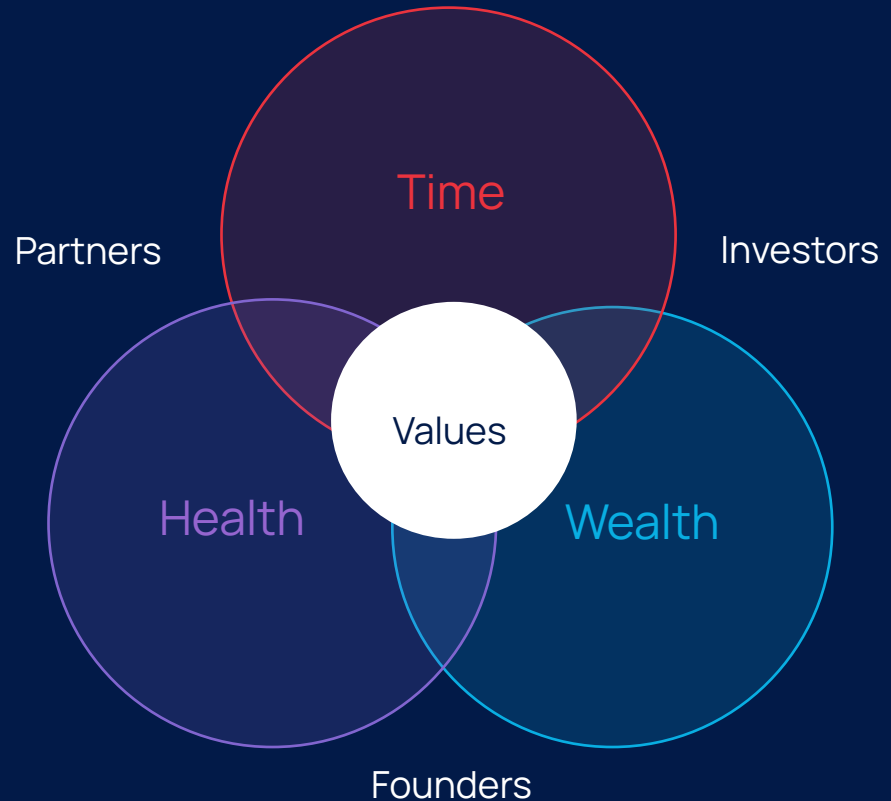
# DNA

Business is personal, its about people.

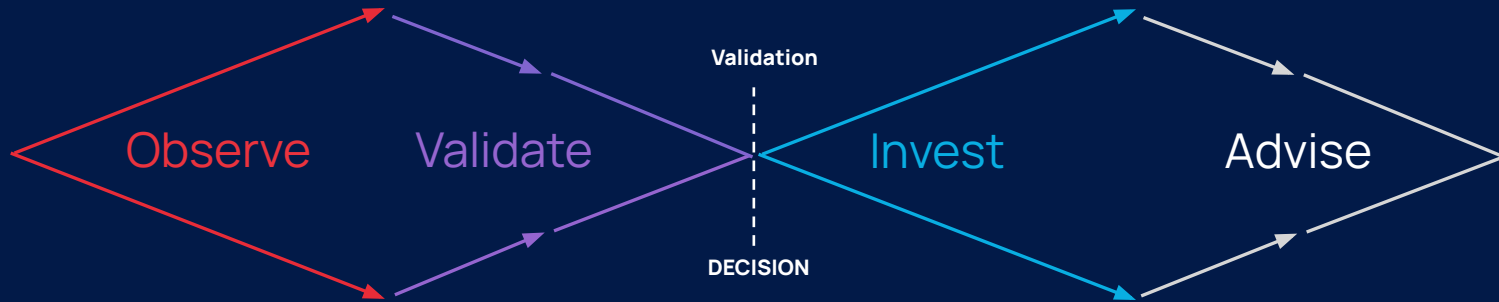
65% of startups fail as a result of people issues, as opposed to business issues.

As founders and investors ourselves, it's in our DNA to support the three pillars of our founders' core needs.

When you look after your people, the returns will look after themselves.



# Process



Due Diligence:

Research and understand the opportunity rather than merely assuming it. Speak to and spend time with the people involved.

Gap Analysis:

Insight gathered from the discovery phase to define the opportunity and our ability to add substantial value.

Implementation:

Test different solutions at small-scale, rejecting those that will not work and improving the ones for rapid release. Gather user feedback.

Alignment:

Select from Seraphim's SaaS advisors to engage with founders. Align all parties on plan and success metrics. Execute.

# Fund Metrics

# Fund summary

# \$50M TARGET

with oversubscriptions of up to \$100m

MANAGEMENT FEE  
2% average on  
committed capital\*

CARRIED INTEREST  
20% over an  
8% hurdle

TARGET INVESTMENTS  
Globally scalable NZ  
SaaS businesses

TARGET STAGE  
Pre-seed to  
Series B

MINIMUM INVESTMENT  
\$250,000\*

MINIMUM FIRST CLOSE  
\$5,000,000

INVESTMENT PERIOD  
5 years\*

FUND LIFE  
Open ended\*

\* see the Seraphim SaaS Fund I Limited Partnership Agreement for more details

Legal



Accounting



Banking



# Modelled returns

To achieve our target baseline scenario return of...

# 24%

 IRR

# 3.1x GM

# 2.7x TVPI

...we will:

1

**BUILD A CONCENTRATED, EARLY-STAGE PORTFOLIO**

# 15

Companies

**Seed:**

12 @ \$5m pre-money

**Series A:**

3 new @ \$20m

7 follow @ \$20m

2

**BE HANDS-ON, TO DRIVE SUPERIOR EXIT RATES**

# 7

Exits

**Seed, Series A&B:**

x1 each

**Series C:**

x4

3

**EXIT AT UNDEMANDING VALUATIONS**

# 0

Unicorns required

**Seed, Series A&B:**

\$15-100m exit valuation

**Series C:**

\$200m exit valuation

# Scenario assumptions

**Disclaimer:** The information contained herein constitutes forward-looking statements. We assume no obligation to update, and you should not unduly rely on, such statements.

<b>Base scenario</b>											
NZD	Valuation (post-money)	Capital raise		Investments		Outcome			Companies remaining	Months to exit/graduate	Valuation (exit)
		Round size	Cheque size	New (#)	Follow on (#)	Graduate	Exit	Failure			
Seed	5,000,000	1,000,000	750,000	12	–	7/12	1/12	4/12	7	12	15,000,000
Series A	20,000,000	5,000,000	3,000,000	3	7	6/10	1/10	3/10	6	24	50,000,000
Series B	60,000,000	10,000,000	–	–	–	4/6	1/6	1/6	4	36	100,000,000
Series C	125,000,000	25,000,000	–	–	–	–	4/4	–	–	–	200,000,000

<b>High scenario</b>											
NZD	Valuation (post-money)	Capital raise		Investments		Outcome			Companies remaining	Months to exit/graduate	Valuation (exit)
		Round size	Cheque size	New (#)	Follow on (#)	Graduate	Exit	Failure			
Seed	5,000,000	1,000,000	750,000	12	–	7/12	1/12	4/12	7	12	15,000,000
Series A	20,000,000	5,000,000	3,000,000	3	7	6/10	1/10	3/10	6	24	50,000,000
Series B	60,000,000	10,000,000	–	–	–	4/6	1/6	1/6	4	36	100,000,000
Series C	125,000,000	25,000,000	–	–	–	1/4	3/4	–	1	–	200,000,000
Unicorn	1,000,000,000	–	–	–	–	–	1/1	–	–	–	1,000,000,000

<b>Higher scenario</b>											
NZD	Valuation (post-money)	Capital raise		Investments		Outcome			Companies remaining	Months to exit/graduate	Valuation (exit)
		Round size	Cheque size	New (#)	Follow on (#)	Graduate	Exit	Failure			
Seed	5,000,000	1,000,000	750,000	12	–	7/12	1/12	4/12	7	12	15,000,000
Series A	20,000,000	5,000,000	3,000,000	3	7	6/10	1/10	3/10	6	24	50,000,000
Series B	60,000,000	10,000,000	–	–	–	4/6	1/6	1/6	4	36	100,000,000
Series C	125,000,000	25,000,000	–	–	–	1/4	3/4	–	1	–	500,000,000
Unicorn	1,000,000,000	–	–	–	–	–	1/1	–	–	–	1,000,000,000

# Contact

[enquiries@seraphim.ventures](mailto:enquiries@seraphim.ventures)  
[www.seraphim.ventures](http://www.seraphim.ventures)

[marshall@seraphim.ventures](mailto:marshall@seraphim.ventures)  
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+64 21 369 880

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