
OPENFUND

PRESS OVERVIEW

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Important:

- The text in this document is meant for use by representatives of press and new media. We consider it to document fully the raison d'être of the Openfund.
- Each section is self containing and does not require or suppose the existence of each previous (within reason). If you use in your writings more than one such section you may want to erase certain sentences, which are elegantly separated from the rest of the text.
- Some sentences may seem long and winding, but typically you can remove parts of them (between commas) without losing the gist of the meaning. The text is friendly to editing.
- The text within is safe to copy (as long as you don't get caught by your readers).

THE STORY - OPEN COFFEE

The idea and vision behind the Openfund originated out of the Open Coffee Greece story, so let us share this first. Open Coffee as a movement began originally on February 27, 2007, when the British investor Saul Klein announced on his personal blog that the following Thursday he would be at a Starbucks café in central London, available to anyone who was interested in meeting him. Of course this would be for mutual benefit. “Let’s establish from this point on a stable meeting point for open and periodical meet-ups of entrepreneurs, investors or anyone who is interested, in a completely informal environment”, he suggested. A few months later, the original idea had spread like an epidemic over more than 60 cities around the globe.

The need and vision of setting such an event seemed to be rather distant for Greece, when in June 2007, a small group of people interested in technological entrepreneurship gathered for the first time at a bookstore's humble café, responding to a call by George Tziralis. The investors were absent; however the inertia quickly gave in to enthusiasm, as the compatible start-up-related interests sparked. People got to know each other, ideas were exchanged, next to experiences and business cards, along with the promise for this pleasant experiment to repeat itself soon.

Since then many milestones have been reached, placing the Greek Open Coffee among the top of similar events around the world, if not the most prominent one, with respect to attendance count at least. Initially, the concept was enhanced with that of technological meetings in New York, where each first Tuesday of a month, starting 7pm, up to 6 speakers got to pitch their ideas or businesses over 5-10 minutes, to the most hip entrepreneurs of the city. Next –while keeping the quality unchanged— the idea was spread to Thessaloniki, the second largest city in the country, under the supervision and organization of Georgios Kasselakis, where it was met with success comparable to that of Athens. Following that, it has also spread in Ioannina and Patras with similar results. Finally, the 1-year anniversary of the event was marked by the co-hosting of an event with the largest technology-related blog on the planet, TechCrunch, leading to ever quicker expansion of the existing network of contacts and evangelists.

Today, two years after the first timid attempt, Open Coffee can report more than 40 meetings in 6 cities around Greece, with almost a hundred and fifty of guest speakers and many hundreds (a few thousands in total) participants (the last events in Athens gathered almost 300 people per se), which quickly turn themselves into evangelists of the event and the start-up concept at large. Speakers so far include entrepreneurs (more than 70, already successful or just commencing their operations), international targeted technology start-ups, investors and funding schemes, among others. Moreover, many other events have been triggered or co-organized, such as the international Startup Weekend and events with special interest groups on technology and business issues.

No matter of the amount of traction created or the criteria to call this a success, even maybe a grassroots change, what remains without dispute is the main ingredient behind the vision and people behind the Greek Open Coffee: The passion, ambition and drive to put the pieces of latent potential together and transform the infeasible to a tangible reality.

THE FACTS - LOCAL STATUS

Talking of the infeasible, it is of interest to refer to the current status of high-tech entrepreneurship in Greece, which could be considered indicative of the situation in the broader southeastern european region. To those related to the local industry, it is common sense that the region has yet to jump on the bandwagon of high tech entrepreneurship. The number of start-ups is small, if any, the deal flow remains far from strong, with few deals taking place, and the whole entrepreneurial ecosystem in general is striving, or simply does not exist, with the best and brightest of brains typically draining away in search of better opportunities.

The relevant metrics regarding Greece in 2007 indicate that venture deals contributed 0.002% of GDP (last in EU), while the expected allocation of funds raised for high-tech, early-stage investments was equal to 0 euros. Moreover, there is virtually no business angels' network, no mature incubators, a few local companies that could buy-out smaller companies and a very low activity of universities and public research institutions on making seed capital investments in their researchers' new ventures. To make matters worse, local venture capitalists lack the knowledge regarding companies of the new economy, featuring technological innovation and significant growth.

Assuming that the core components of a start-up ecosystem are its existing brainpower, its active community, its investment funding and any proper advisory available, it is obvious that the local ecosystem is in a bad shape, regarding its latter two components at least. However, there also exist some indicators that the needed ingredients for such an ecosystem are in place and are simply lacking a reliable trigger to ignite the whole start-up cycle. For example, regarding brainpower, Greece joins the top EU countries when it comes to higher education indices (without considering the significant number of greek students and researchers abroad) and availability of scientists and engineers, while the traction and interest occurred around the greek Open Coffee may stand as a reliable indicator of an entrepreneurial community with healthy and sustainable interest in the topic. Both the brainpower and community factors are considered to carry a tangible promise of optimism, being the most vital of needed prerequisites. Still, one may wonder what this very promise is about. Let's take a closer look into more matured entrepreneurial ecosystems.

THE PROMISE - GLOBAL TRENDS

New technologies in general and the web in particular offer today the opportunity to build disruptive businesses, by initially spending very limited time and resources. If Google, Skype and Facebook stand as the legends of our times, they are nothing but the tip of an iceberg, comprised out of thousands of examples of less or more successful enterprises, built by

taking advantage of software and the web. The promise of a couple of geeks with very little resources, developing a prototype application within a few months, and opening their service to the world straight from their garage has almost evolved into a myth, but at the same time stands as a tangible potential for the swarm of entrepreneurs that are willing to give what it takes to bring their vision into reality and change the world.

'The age of entrepreneur' in numbers translates in US and 2008 alone in Venture Capital firms which invested 28.3 billion \$ in 3803 enterprises, with seed and early stage investments counting for 6.8 billion \$ and 1453 of the total deals. At the same time, Information Technologies was the biggest sector with a share of 13.3 billion in total, and software/internet-specific deals counted for 5.0 billion. In Europe, Venture Capital fund allocation in 2007 was equal to 10.3 billion euro (not including buyout and acquisition deals), out of which 7.2 billion were invested in high-tech. Interestingly, out of these 7.2 billions, 3.3 were invested in early stage enterprises (seed and start-up phases), while the number of total deals closed across industries was finally equal to 3275.

Investment activity in Europe is proportionally strong as the American counterpart and the above numbers paint an optimistic picture regarding, if not anything else, the entrepreneurial spirit and trend to start-up, regardless of the general economic situation. And, at least according to investors' decisions and entrepreneurs' will, the promise and potential of high-tech entrepreneurship is a tremendous one.

THE VISION - BRINGING THE PIECES TOGETHER

Given the above numbers and global perspective, the zero amount invested in early stage, high tech start-ups in Greece gives shape to the problem in a clear way. The Venture Capital industry in the region gets a lot of traction and new funds lately, however local firms are not typically interested in investing anything less than 1.5M euro; seed and angel funding is simply not compatible to their business model. Receiving an investment of such a height, though, requires the entrepreneur to be in a sense already successful, having for example a yearly turnover of half a million. But, how can one succeed in reaching such numbers, with no initial investments at all? And, if he is able to get there by organic growth, what are the chances that he really needs venture capital to grow further?

What makes things even harder is the lack of proper advice. Especially in the early stage, advice is more vital than anything else to the founders. Expertise and directions from the best in the field, next to networking opportunities with contacts of global reach are rare, usually harder to get than any VC money. What's more, local advisors are expectably not well connected with their international counterparts, while the international ones are typically not approachable. Moreover, when you start-up, you probably do not have much time to waste looking for advisors, this is something that you expect your VC to bring on the table. However, this is not the case in the region, as it is usual for local VCs not to have any expertise on technology at all, or lacking the proper connections to bring you advice and global potential.

If the above paint a bleak picture, a closer look reveals a much more rosy view. The prerequisites for the ecosystem to blossom do exist, though the pieces are yet not in place. What's missing is a proper trigger, a sufficient linkage that will bring the broken pieces together and leverage on their synergies.

The system is broken, and it's clear that the bottleneck is early stage entrepreneurship. But, if what keeps entrepreneurs and investors apart is seed capital funding, there exists a solution. If economies of scale and significant traction are the main reasons for the lack of a network of capable advisors, there is a remedy. Finally, if what keeps community interest from maturing into actual entrepreneurial activity is a tangible roadmap to start-up, there is a plan. And this is where the Openfund comes to the picture.

THE VEHICLE - DESCRIPTION & STRUCTURE

The Openfund is targeting towards developing globally innovative start-ups that will eventually return benefits to everyone participated in this endeavor. To achieve this, the Openfund aims at bringing together all the parts needed to succeed in starting-up, including the best and brightest of teams of entrepreneurs and start-up ideas, a number of investors, a well-connected network of advisors and a carefully selected Executive Board to fine tune the whole set of processes.

In brief, this is made possible firstly by setting up a competition that allows the creation or discovery of start-ups with vision and potential. Following that, these start-ups are provided with proper advice, guidance and support to accelerate their maturation until a subsequent round or exit. The competition is based on a call for interest for start-ups that are to submit their business proposals within two months. The submitted proposals are then to be judged by the Executive Board, while the successful ones are summoned for a brief interview. The proposals that pass this second round of judgment are called in for further interviewing in front of both the Executive and Investors Boards of the scheme.

The chosen submissions are granted access to the support of the Openfund partners. This includes advice, networking and affiliations with the partners' allies. The newly formed businesses are continuously nurtured and mentored throughout their funding steps in all necessary aspects. Support includes, among others, legal and tax issues, hands-on mentoring in management, business and financial subjects is given when required, while technological and marketing consulting is also provided. These are the main benefits of participating in the OPENFUND.

However, to help jumpstart their business, start-ups also receive a seed round funding of 25 to 35.000 euros. This funding is provided over 4 months during which the participants work full-time on their venture and are monitored, supported and advised by the OPENFUND. The goal is for the teams to be provided with enough time to develop a fully functional product and a business based on it, instead of a simple business plan. This stands as another reason why we focus on software and web services, since the creation of prototypes in this industry is feasible in such a strict time window. Furthermore, the support of a next round of funding

will be under consideration, as well as a potential exit from the investment, or the extended support of the accepted start-ups. The suggested scheme is designed to operate in iteration cycles of 4 months.

THE PROCESS - PHASES

The Openfund is set around an open call for application of start-up ideas, the best out of which are selected to receive the Openfund benefits. The whole process goes like this, taking the first round of operations as an example:

Call of interest (expected duration: 2 months): The application period for the first round of funding is open 1/7/2009 to 31/8/2009. To participate a team needs to fill the Application.

First judgement (expected duration: 1 month): During the month following the end of the application period, applicants will be notified on whether they are selected as candidates for funding or not. Successful applicants are requested to provide more details on their submission and appear for a short interview.

Second judgment (expected duration: 15 days): The applicants who are not selected for the final round are briefed after their interview. Those that are selected are invited to give a presentation in front of the board, the investors and the advisors, at a full day workshop called "Start-up Day". The workshop takes place 15 days before the successful applicants are expected to start working on their startup. It will be promoted by the Openfund and is open to the public. Maximum 5 submissions will be finally selected and receive the full Openfund benefits.

Seed preparation (expected duration: 15 days): The applicants who are chosen after the "Startup Day" are given 15 days to prepare for the seeding period and sign the term sheet. The term sheet defines an amount of seed financing, ranging from 25,000 to 35,000 euros, for a share of 20% in the company that is formed out of the submission.

Seeding timeframe (expected duration: 4 months): Starting in December of 2009, the selected founders will be provided full support to focus on turning their startups into successful businesses. This time window is provided to turn an idea into a working prototype and a business that can be launched, sooner or later, depending on the particular circumstances of each startup. During the seeding timeframe, both the Executive and Advisory Boards provide extensive support to the start-ups, including advisory into technical and business aspects, next to access into an extended network of contacts. Moreover, a number of members of the Executive Board are assigned with the close monitoring of each start-up, while each start-up presents its progress to the full Executive Board once from month to month.

Exit: From the end of seeding frame, the alumni start-ups are provided with full support to grow, so as to end up in a further round of funding, acquisition or IPO. Within this context the Openfund works at helping funded startups towards securing one of the above targets. All Openfund alumni start-ups will essentially have in place, at least, all the requirements

necessary to make them an enticing target for further funding, both from local and international sources.

The aforementioned process is to be repeated in cycles that are designed to maximize the operational efficiency of the Boards and provide a steady flow of submissions, start-ups, resources absorption and exit opportunities. As such, the next cycle starts with a new call of interest right after the selection of the startups of each round, while the announcement of the new startups to be funded coincides with the end of the seeding timeframe for the start-ups of the previous round, and so forth.

THE TEAM - EXECUTIVES

In charge of running the Openfund is its Executive Board, which members are:

GEORGIOS KASSELAKIS, EXECUTIVE DIRECTOR

Georgios Kasselakis, 24, is an Informatics BSc from the Aristotle University of Thessaloniki, focused on Internet-related Technology and the syndication of data over it, as well as Algorithm Theory and Procedural Analysis. Over time he has worked as a hardware repairman, software engineer, software architect and recently project manager for informational systems built by commission. Past works include project management and software engineering for the first asynchronous e-learning platform to achieve a SCORM 1.2 certification (content export) in the world. He has also done architectural supervision and integration work for an expert system that automatically designs hydraulic elevators and integrated them in the existing CRM of Kleemann SA.

He has participated and excelled in competitions for entrepreneurial ideas and software design such as the Innovation 2006 (top 1.4% of 2700 proposals) and ImagineCup 2005 (2nd place in Greece) with the .pigeon project. While working on the Openfund, he also takes personal time for projects, such as the Sojourner which is a critique on the way content is syndicated on the web and also the way programming languages treat content that originates from the web as a foreign body. The first fruit of this effort is Twittastic. In his free time he also organizes the Open Coffee Thessaloniki event.

GEORGE TZIRALIS, EXECUTIVE DIRECTOR

Georgios Tziralis, 27, has received a Diploma in Mechanical Engineering with a specialty in Operations Research from the National Technical University of Athens. His PhD research covers the area of Forecasting, ranging from Econometrics and Time Series Analysis to Data Mining and Artificial Intelligence. His research endeavors focus on the topic of prediction markets, with a number of significant academic contributions. He also teaches -in a purely innovative way- Algorithms for Pattern Recognition at the NTUA's post-graduate program of Applied Mathematical Sciences.

As an entrepreneur, G. Tziralis served since 2007 as co-founder and CEO of AskMarkets UnLtd, a start-up attempting to bring the promise and potential of prediction markets to the masses. Other activities include co-founding MineKnowledge Ltd, an agency providing

simplified data mining services on demand and the 'comparison search engine' WebSource.it. Finally, G. Tziralis is widely identified as the initiator of Open Coffee meetings in Greece.

APOSTOLOS APOSTOLAKIS, MEMBER

Apostolos Apostolakis, 35, has received his diploma in Civil Engineering from National Technical University of Athens in 1996. In 1998 he cofounded with 2 friends e-shop.gr where he was involved until 2000, when he went to New York to get his MBA from Columbia University. In 2002 after graduation, he joined Boston Consulting Group where he worked as a consultant until 2004. During his time with BCG he was involved with projects in consumer and corporate banking as well as heavy industrial operations.

At some of his main projects he analyzed and improved credit processes for banks as well as helped formulate and implement revenue and cost allocation models between business units. In 2004 he rejoined e-shop.gr as a general manager where he serves until today. In 2008 e-shop.gr is the largest technology e-tailer in Greece and Cyprus, having 64 outlets in both countries, employing more than 500 people and expecting revenue for 2009 of 150 million euros. In the first years at e-shop.gr he was involved with all aspects of a growing company and since 2008 with the company having matured he is mainly involved with the marketing and the financial management of the company.

DIMITRIS ATHANASIADIS, MEMBER

Dimitrios Athanasiadis, 31, is a graduate from the Physics Department of the University of Athens (2001) with a PhD in Radioastronomy from the University of Manchester (2004). During his studies in the UK he has worked on reviews, data analysis using programming techniques, scientific observation, participating in various working groups, writing and presenting scientific publications, teaching to undergraduates and so on. He was also charged with responsibilities over the security and representation of undergraduate students, helping with the operation and management of the student campus. In Greece he contributed with various articles in youth press, an activity which he pursued for 2.5 years. From 2005 to 2007 he was employed in the National Observatory of Athens as a researcher, a position which included data analysis, compiling results and presenting them to the scientific team, participating in competitions and so on. In 2006 he participated with a 5-strong team in the Innovation 2006 competition held by Otenet, where he took 4th place among 2700 submissions. His role included providing the original concept, writing a large part of the business plan and doing the final presentation before the judges. He has also contributed in various blogs since 2004 (terrainnova.org, opencoffee.gr) and is an avid observer of all start-up and technology-related news he can get his eyes on. He also recently participated in various projects (webservice.it, howsocial.ru, greekstart-ups.com etc), while co-organising the Open Coffee Athens events.

TERESA FARMAKI, MEMBER

Ms Teresa Farmaki, 30, has received a BSc in Economics from the National and Capidistrian University of Athens and an MBA from Columbia Business School in New York with particular

focus in Entrepreneurship and Finance. She also studied one MBA semester at London Business School, where she supported Imperial College postgraduate students to complete commercialization studies on their innovation ideas. Teresa is currently Head of Private Equity at Piraeus Bank in Athens, where she evaluates a wide spectrum of venture capital and private equity investments in terms of size and maturity. In the beginning of 2009 she launched the 30M Piraeus-TANEO venture capital fund, which is now run by a team of three. Previously, she worked in investment banking at UBS Investment Bank in Mergers & Acquisitions in London and in Power and Renewable Energy in New York. She started her professional career in 2000 and has worked in several positions in asset management and consulting.

YANNIS DOSIOS, MEMBER

Yannis Dosios, 34, is the VP of Marketing at Smilebox, a leading photo and video sharing and preservation service headquartered in Seattle, Washington. His experience is in online paid search and SEO marketing, building profitable consumer business models, business development, partner management, brand building, PR and seeding programs, web analytics and research.

Before Smilebox, he was a Senior Product Manager at Microsoft, where he planned and managed a version of the Windows operating system targeted at users in emerging markets and launched it in countries in Asia and Latin America. Prior to that, he was a strategy consultant for the Monitor Group in Los Angeles, providing business strategy advice to senior executives in the pharmaceutical, technology and entertainment industries. Yannis holds a Masters in Business Administration from Stanford University and a BA in Mathematics from Harvard University.

SPIROS XANTHOS, MEMBER

Spiros Xanthos, 27, is the co-founder and VP of Engineering at Pattern Insight, a software company based in Mountain View, CA. Before that, Spiros conducted research in Systems Mining and Reliability as a member of the Opera research group at the University of Illinois at Urbana-Champaign that created the technology behind Pattern Insight. He has published several research papers in the areas of Systems and Software Engineering. Spiros holds an MSc in computer science from the University of Illinois and is currently on leave from the PhD program. He got his BSc in Computer Science from the University of Macedonia in Thessaloniki Greece, where he conducted research in Software Engineering. He has previously worked at Google. Spiros' interests include information mining from systems data, search engines, and large scale software systems development.

The Openfund is also commencing its function with Piraeus Bank being a founding supporter and significant investor. In this role, Piraeus Bank is taking a key position in supporting entrepreneurship and emerging technology. Other sponsors include Microsoft and Google.

Next to the Executive Board and investors, the Openfund brings into the table an extensive team of advisors, able to provide substantial support in all things start-up.

THE SCHEDULE - ESTART-UP NOW

The first call for applications is already open, and it will remain so until September 30, 2009. Then, the evaluation and selection of applications will take place, which are expected to be concluded at November 15, 2009. The seeding timeframe of the selected start-up will start at December 1, 2009, while at the same time the next call for applications will open, to iterate the whole cycle.

The Openfund will operate in consecutive rounds, with calls for proposals being open for a time window of two months, followed by another two months of reviewing and finally selecting the next round's companies, before the incubation phase begins. Incubation also will take place in parallel with the call for proposals and selection processes of the next round, so as to selected and to-be-selected companies being always in the pipeline. From that perspective, the end target is to found up to 15 companies every year, creating what we aim to be a quality flow of exciting companies.

It should be by now clear that the Openfund addresses an ambitious, yet realistic opportunity and tangible market need. And, by providing the missing links to bring the existing pieces together, Openfund aims at creating significant value for everyone participating in it. In this context, the goal is simple and straightforward: To form a number of stellar teams, help them turn their innovative ideas into globally-aimed, disruptive start-ups, and make them succeed.

It is the strong commitment that the Executive Board puts in place that finally serve to secure the fulfillment of this fundamental goal. If founding a company stands as the most efficient way to create wealth, for both founders and investors, or the society at large, it is firmly believed that the Openfund stands as the optimum way and shortest path from the current defunct situation into an enterprising ecosystem that provides tangible benefits to all of its participants, yet alone the ones who have caused its blossoming.