

KiwiTech Show 3 - Transcript - 2022-03-09 KiwiTech AIP:

“Everything You Need to Know About Aerospace Investing”

This is the Investor Connect KiwiTech 2022 podcast series. In this series, we discuss trends and topics in the startup world.

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Natalia Wilson: Hello everyone. My name is Natalia Wilson, and welcome to KiwiTech’s Angel Investors Panel. We are very excited to have TEN Capital Network as our event partner. We can't thank them enough for their immense support for this event, and for overall contribution to the startup ecosystem. As we get started, I would also like to take a moment and say, thank you, that we greatly appreciate all of your overwhelming responses for this event. Today, we have a fantastic panel discussion, followed by five premium startup pitches. I'm also joined by my colleague, Paridhi Agarwal, the two of us will serve as the moderator of the day. With that I would like to invite Ike Syed, SVP, Strategic Partnerships at KiwiTech to give a quick overview of the company. Over to you, Ike.

Ike Syed: Well, good morning, good afternoon folks, depending on which part of the world you are calling in from today. As Natalia mentioned, my name is Ike, I'm the Senior Vice President for Strategic Partnerships here for KiwiTech in the Washington DC area.

For those of you who may not know much about us, we'll just take a few minutes and share a little bit more background on KiwiTech. So at KiwiTech, we are a global community of innovators, enterprises, investors, as well as startups. With more than 500 companies in our portfolio, we are in pretty much every single vertical that you can imagine, deep tech, fintech, biotech. With more than 3000 investors in our network and more than 200 mentors, we have provided more than \$100 million of technology services as an in-kind equity investment, I'll talk more about that in the next couple of slides; and we have helped our portfolio companies raise an additional \$100 million in capital. We host more than a hundred events annually such as one that you see today, many of which used to be in person. With the ongoing pandemic, we have switched to a virtual format, but hopefully, go back to in person method soon. So a little bit about our background and how we got here, so in 2012, the founders of KiwiTech skilled one of the largest digital media publishing companies and sold it. The following year, our startup program came about. Over the next four years as we built the ecosystem, we started our demo days, a precursor of the one that you are in today. At that point, we had built a portfolio to more than a hundred companies. In 2019, we expanded overseas, outside of North America, and in the last two years, we have acquired a Graphite Financial, accounting and tax management company out of New York, launched our crowdfunding services, looking to acquire more companies. And the idea over the next two years is to acquire more than a thousand companies, portfolio companies in total, as well as having several exits, over a \$100 million exits for our 100 portfolio companies.

So what does the ecosystem look like? The way our methodology works is that we provide up to half of our service in the form of in-kind development. So let's take an example of an early stage startup that has half a million dollars of project development needs. That's just an example, there's no minimums or maximums. So we will take half of that, up to \$250,000 in the form of cash, and the other half we will take in the form of equity at the company's current valuation. For early stage startups, again, a great way to save capital to get a term sheet in play, to talk to an independent third party investor like us, as well as take advantage of our investor ecosystem. The deal flow is quite selective. Over the last two years, as an example, we spoke to more than 122,000 companies, about half of them we were able to get beyond the first discussion; out of that, almost a quarter we had a meeting with their CEO, and almost a quarter of that we went forward with the term sheet phase, ended up with a final pick of slightly over 300 companies. So you can see, we are quite selective in terms of who we work with, we do like to work with top notch entrepreneurs. Essentially, it is the team that we are backing, especially for companies that are early stage. The ecosystem is quite diversified, made up obviously of our portfolio companies, our investor networks, but also our incubators, accelerators, and corporate connections. Our technology team is more than 500 strong. I mentioned the Graphite Financial acquisition and the equity crowdfunding platform that we're looking to create as well. We have centers of excellence around emerging markets, crypto, advanced blockchain. And really the idea there is to have people like myself build partnerships on the ground, and then use our ecosystem to expand our global capabilities. The events are quite diverse. Obviously, we have the event today. In addition, we have family office panels, so other investor asset classes, institutional

venture capital panel; we have our communities such as blockchain, other industry verticals, and then, we also have a proud history of giving back to the historically underserved communities such as our female founders, black entrepreneurs matter, and Hispanic founders. So super excited about the event today for the Angel Investors Panel, have a great lineup and investors coming and speaking during the panel discussion, excited to hear from them, I really appreciate their time, wonderful startups coming and pitching to investors. Good luck to all of them. Back to you Natalia.

Natalia Wilson: Now, I would like to welcome our panel moderator, Hall T. Martin, founder and CEO at TEN Capital Network to kick start with the panel discussion on everything you need to know about aerospace investing.:-

Hall Martin: Thank you Natalia. My name is Hall Martin with TEN Capital, and today we have a great panel that's going to talk about everything you need to know about aerospace investing. And with that, let's go ahead and bring on our panelists today. First step, we'll have each one introduce themselves, and then, we'll go forward with the discussion. If you have questions, go and put them in the chat box, and we'll see if we have time to answer those as well. First up, we have Giuseppe Liberati. Giuseppe, can you tell us a bit about yourself and your firm, and what you do?

Giuseppe Liberati: Yeah, Hall, well, I'm Giuseppe Liberati, and I'm the founder of Bridging Value. We are team of business developers addressing the challenges of the energy matrix transformation. And in this area, we look at complex challenges. Energy is something that has triggered a lot of issues to this day, so it's not going there now. But in that area, we look at companies that are across different networks and different verticals, so we look across technologies. And then, most of the time when we're working with our clients, we find gaps, a lot of gaps, and we start scouting for different startups. In that space, and I got involved with the Houston Angel Network _____ anybody in the line knows that, it's one of the most – actually, it is the most active angel network in the country. And in that area, I am one of the board members and I'm the head of the aerospace committee. At present, we have a portfolio of about 12 different startups within our company and we're mentoring more and more of them globally. Right now, for example, I'm speaking to you guys from Madrid, Spain, and I'm very much involved in the ecosystems over here and building those bridges, it's actually what the future looks like. So yes, I'm all _____. Thank you for having me here today. Thank you Hall.

Hall Martin: Thanks Giuseppe. Next we have Greer Carper. Greer, can you turn on your video and tell us a bit about yourself and your work that you're doing?

Greer Carper: Hi everyone, Greer Carper, I'm with Boeing Applied Innovation, probably known as Boeing HorizonX Ventures. We're a Boeing's _____ capital arm, and so, we make investments into startups and small companies that have an interest or have a desire to get into a someplace within the aerospace ecosystem. For us, we're a strategic venture capital fund, which means that we are looking at a hypothesis besides just an

attractive return on investment, instead asking is there a mutually beneficial opportunity for both the startup and for Boeing to work together to achieve whatever intended outcomes we may envision. Recently, we announced a partnership with our CVC activities with a private equity fund called AeroEquity Industrial Partners at a Boca Raton, Florida. They are an aerospace and defense middle market private equity shop that wanted to expand into venture capital, and so, we have this partnership where, going forward, we'll be making investments through them as an entity. And for my role within Boeing Applied Innovation as that primary interface with AeroEquity, we're finding startups to invest in, and engage with those startups, asking tough questions as to what that value proposition may be between the startup and Boeing, and working with AEI to make investments into these companies. The last thing I'd mention, and this is fairly common with a lot of CBCs out there is that our team is also responsible for those post _____ activities. Just because a startup receives a large investment from a big corporation, it doesn't mean the corporation is actually going to do much with them. Boeing and other entities interact with many companies and many startups and small entities, and medium sized entities, and so, we have a team of internal liaisons, if you will, which is the team that I'm on that works with a startup in trying to realize that hypothesis that we put together when we make that initial investment. I'm happy to be here and appreciate the invitation, I'm looking forward to the panel.

Hall Martin: Great, thanks Greer. We do have a question from the audience, the question is: as a first time founder, what's the best way to contact an angel, if you do not already have them in your network? Giuseppe, you want to give us a first pass on that one?

Giuseppe Liberati: Sure. The first thing I would say, never be shy, and start asking questions, and maybe you don't have somebody directly in your network, but somebody that you know in your network might know an angel. Then the other thing I say, look for an angel network that is actually aligned with your approach, what you're looking for, and there's a lot of things that the angel mentors can actually be _____ the best thing you can get out of an angel network is a lot of advisors. And so, one of the things that for us at Houston Angel Network, you just simply go to our webpage, and you can apply, and we don't charge anything to apply, and get you into our pipeline to start working with us. And if you have a very interesting company, and interesting body propositions, for sure, we'll get to talk to you.

Hall Martin: Great. And Greer, what's your take on that question, if you want to modify it for your group, that's fine too?

Greer Carper: I may have to, as sort of a nuance, as a CVC, we typically invest from seed stage to series B, and angels are usually coming in a lot earlier than that. But we engage with angel networks, individual angels or entities like KiwiTech, or TEN Capital, for that matter, that allow us to get that kind of deal flow, so that we can find those startups to invest in later on. You can engage through cold emails or other interactions, be it, you know, finding them at conferences or events like these, but leverage your networks. And

if you are going after a given industrial sector, like aerospace, start to think about how am I going to build out my network within that given space, because that network is not just about trying to find perhaps access to that angel, or perhaps a board member or a board advisor, it's about trying to understand how does that market operate. Is this really the right market to go into it? And an angel that knows this space is most certainly going to be able to provide tremendous perspective on what the kind of pitfalls can be in going after a regulated market like aerospace. And so, be proactive in reaching out, utilize your networks, find individuals that can help expand and broaden the network, also that you can better understand who to engage and who to try to build up that network _____.

Hall Martin: Great, thanks. So let's talk about aerospace, in particular. What do you guys see as the main trend in aerospace? Giuseppe, why don't you kick it off there with what you see going on?

Giuseppe Liberati: Well, the biggest trend has been up to few weeks ago, the fact that private companies are accessing more and more space. And so, we are seeing a blossoming condition of companies everywhere, looking at different alternatives. If you think about this, we had an interesting panel discussion with the use of angel network, and my friend, George Pullen who's actually a space economy professor, he mentioned that right now in LEO, so the low earth orbit, we have approximately the size of the economy of Brazil floating on top of us. So imagine, like, expanding the world economy by one of the 10th-11th economy of the world, like floating up there. So that's actually a lot of wealth. Now that's a big thing. Now, we're seeing a lot of companies investing and developing, launching systems. Obviously, everybody knows SpaceX, and then all the other friends and foes in that space, but now we have to do, what are we going to do in space, so we're talking about lots of production and start manufacturing space, start storing things in space. And so, there's things that we don't even know yet. I was just reading today about a company called Inversion Space, for example. They're planning of storing human organs in space that will be directly shipped or dropped, if you want, to hospitals to bring them at the moment of the transplant. Would I have thought about that? No. So there's a lot of things that can happen out there, and there's, obviously, these days, we're looking more on the military and the defense kind of situations and data is actually irrelevant. There's so many things that we don't even know yet.

Hall Martin: That's great. And Greer, what's your take on the main trend you see going on today?

Greer Carper: When I look at what's going on now versus perhaps three or four years ago, I'd say, three or four years ago, it was perhaps around autonomy and electrification, which are still quite popular topics, but if you believe the Gartner hype cycle curve, we're very much in kind of that downward tranche _____. But I'll say, today, sustainability is a huge area of interest. It's because unlike perhaps even two or three years ago, in the commercial aviation, the industry and the airlines are all trying to ask the question of how do we be part of the wide solution space, that is in dealing with

climate change. And so, that's not just around how do we create better outcomes in terms of carbon footprint, there's also most certainly an efficiency play in terms of more efficient engines, more efficient operations, more efficient fuels, more sustainable fuels for that matter. And so, that's not just around a single technology set, but around the unique challenges that exist in certifying aircraft and engines operating these aircraft within the existing airspace construct and being able to understand those nuances and where small changes within the space could actually yield some pretty significant benefits. Besides sustainability, I'll say that digital twin and digital threat are most certainly areas in both manufacturing and in the maintenance space that are becoming a lot more interesting, have a lot more focus, and how do we create, not just better safety outcomes in the production and maintenance of these systems, but can also increase efficiencies when it comes to sourcing and assembling these very complex machineries to perform their various transportation outcomes. Those are the kind of two that come to my mind.

Hall Martin: Great. Thanks, Greer. And we have an additional panelist, Rick Tumlinson. Rick, thank you for joining us today. Can you tell us a bit about yourself and your fund?

Rick Tumlinson: Yeah, we have a small fund, SpaceFund, and _____ the advertisement right here; and we are basically focused on startups, I've been in the field a long, long time, and spent a lot of time trying to help launch, what we call, the space revolution that's happening, coined the term NewSpace a few years ago to help sort of identify this market, this sector. And the idea of SpaceFund is to focus in on these kinds of startups that are what we call frontier enabling, these are largely companies that are going to be making up the industrial infrastructure, of what we hope will be an expansion of civilization into the space. Now, that big goal put aside, we're very, very hardcore in a sense, in our way of looking at companies, and so, we focus in on companies that have very, very, you know, have those basic fundamentals. And yeah, we're really excited about what's going on. We have 19 companies in our portfolios, right now, and we're very lucky to say or happy to say or knock on wood, they're all doing great.

Hall Martin: So we have a question from the audience, Rick, and we'll start with you, and then ask the others. And the question is: what kind of fund structures do you see for funds focused on space, for example, do space funds have to be more patient when compared to a B2B or SaaS focused fund, or, are they looking at longer than 10 years?

Rick Tumlinson: Yeah, very interesting question, and we've encountered that quite a bit with SpaceFund itself. I think it's a combination, and I think that gets down to sort of the structure of the decision process in terms of what you're going to be investing in. There are certain elements of space infrastructure type of funds, or startups, that, for example, we love to find companies that have terrestrial, what we call, terrestrial revenue sources, or what NASA might have, in the old days, called spinoffs or whatever; they're making money now, or something they're going to do is going to make money near term, that gives you a shorter window. But when you get into longer stuff, you know, I started

one of the two asteroid mining companies, we were a little too early, and we look at time horizons when you're talking about resource development, hard infrastructure, mass infrastructure, those time windows are much, much longer. So it is a combination, and I think that can kind of be defined in the fund itself when you're reading the perspectives or the documentation they put up.

Hall Martin: Great. Thanks. And Greer, what's your take on that, what do you see as the structure of these funds, and especially, from a corporate VC point of view, how do you manage that?

Greer Carper: Well, I'll tell you, space is not one of my areas of expertise, but I must really agree with Rick's comments around terrestrial revenue sources, much like commercial aviation or even the military for that matter, there is a time horizon of what it takes to actually get up there, a schedule that is – it's not fixed, but it most certainly is measured in months, and not weeks and days. And yet, as a startup, you're going to be in a position where you're constantly managing cash flow. And if it's going to take you three or four years to build a LEO constellation to provide the outcome that you're looking to provide to your customers, then you're going to need a lot of cash to get there. And there are some startups that can raise that kind of money, but it's a challenging one. And all it takes is perhaps one or two schedule slippages because the lawn service that you thought was going to be there is no longer available, or has been delayed due to weather events or what have you – all of this are huge considerations, because you're spending a lot of money just to get there. And so, what I'd say is that is, like Rick, terrestrial revenue sources are really interesting, because it's a way, it's a stopgap, if you will. I also say this from a defense standpoint, we're seeing in the United States, a number of these companies pursuing these new fund matching programs like _____ Strapi or alternatively, NASA announced their version of Strapi back in December of this year, these are non-dilutive fund matching sources. And so, if you raise so much money, \$5 million, if you meet their criteria, you may get another \$5 million from those entities to incentivize you to stay within those markets, and to keep going. There's a lot of excitement there, it's easier said than done, there's only a fraction of companies that have been successful with it, but those clever ways that you can keep that cash runway extended, are things that we like to see, raising capital from angels or from VCs or CVCs like myself is one avenue, but as a founder, you need to be clever, and if you can find clever ways to do it without diluting yourself, then I think that's a good strategy.

Hall Martin: Great, thanks. And Giuseppe, what's your take on structuring a fund for space application?

Giuseppe Liberati: Well, building on what Greer and Rick said, first of all, patience is fundamental. So you have to be very patient. And from an angel perspective, it's actually not simple to make other networks or other partners in our common sport of investing, invest in something that does not have that reversal beachhead market at least. Now, one thing that is interesting though is that the challenges of space are extremely

technically, you know, technically, dense, let's put it this way. And so, one of the things that we are looking at is that, and often _____ has happened to me and it's happened to our friends, we tried to recommend companies to not just go on a journey on their own, start looking at partnering up, try to become, like, if you see that in order for you to get some solutions out of space, you might need that infrastructure piece, or, you might need other components, or, you might need other things that create that ecosystem. Now, if you start thinking like a system, not just your individual company, you're going to find partners. And now, building one plus one, oftentimes, if you're really going to what Greer just said, you're very smart and very active and very positive about your technology or your company, well, you're going to find a way to make one plus one equals three, instead of zero point something. So yes, patience, open mind, and really, willingness to go the extra miles.

Hall Martin: Great. Next question for all three of you is: do you mostly rely upon deal flow based on your network, or do you also have proprietary deal flow? There's specific types of companies you look for in terms of size or capabilities, let's start with Greer, what do you think about that?

Greer Carper: We'll take deal flow where we can find it, and I also mentioned that, for us, we are taking in this deal flow in account. We are gauging our internal networks, which is to say our technical subject matter experts, our program managers, our business development leads, and asking the questions of what would I have to believe in order to be successful and whatever customer set and problem that _____ a startup maybe tackling. That's a bit unique to us as a CVC, and other CVCs that are more strategic in nature which we're asking that kind of question of what an alignment may be. But there are a lot of great publicly available venues from accelerators and incubators to other kinds of co-working spaces that provide an opportunity for startup to be exposed to many different entities within aerospace. We find it where we can find.

Hall Martin: Great. And Rick, what can you say about your deal flow process?

Rick Tumlinson: Yeah, it's a similar answer, but also the new space or the new commercial space field is so small. We're still almost, at the leadership level, it's almost like small town. Right? And so, you hear stories, and you run into people, and you hear about somebody who's left. It's funny, I just talked to some guys that were starting up a company, and two young guys, and they proudly announced on their deck that they had a combined 10 years of experience in the space. We realized, okay, well, one of them interned at Virgin Galactic, and one interned at SpaceX, but the great idea, they're out there. One of our partners, Meagan Crawford, we call her the startup whisperer, she's been running one of the longest ever space business plan competitions. So she's got her fingers on the pulse there, and it's sort of my job is to then do the, what we call the BS no BS call, where we call the people that have been around a while, and say, okay, does this apply, little questions of laws of physics, things like that, and follow up on it. But the deal flow itself, and I should say this, when we started, it was a big question when are we going to get the deal flow. Well, we know all these people. Now, people know who

we are, they're just pouring through the website, they're coming at us from every direction. It's like a bad zombie movie, we got so many of them coming at.

Hall Martin: Understood. And Giuseppe, what's your take on that as far as that goes?

Giuseppe Liberati: _____ Rick is saying, and, by the way, with Han, we had Meagan as one of our panelists, so Rick, we know how Meagan is and really how she talks to people, and she actually was very – it's amazing listening to her. For us, deal flow is actually, as everybody said, comes from every angle. One thing that we're really working now heavily, is really connecting with the universities, and _____ really capture those projects before with the technology transfer departments. I'm part of the materials department advisory board of the Colorado School of Mines, and let me tell you a little bit of that story, that's from a little bit of my alma mater. On Mines, there's a lot of technology, it's an engineering school, and each department was working independently. And all of a sudden, they had a visit from NASA and said, guys, we need this, this, and this, because we're going to start mining different materials on the moon and on different asteroids, you guys have everything, you have the engineering, you have the chemical engineering, you got all the mining, you got metallurgy department, why didn't you guys have a space program? So this is kind of funny, because sometimes in space, we're trying to solve the same problems that we might be solving on Earth with a different level of complexity, but at a certain point, talking to each other, that's when you clash the idea, and the clashing of ideas is that when you have things happening. So again, answering deal flow, deal flow comes from every angle, we're looking at the university, we trying to be at the head before companies come up, but ultimately, it's really being able to understanding what people are proposing makes sense, if they don't break the second law of physics.

Hall Martin: Great. So the next it's more of a technical question, and what is the future of work and the role of machine language and artificial intelligence in space and aerospace, are there any industry comparisons you can make? I guess we're asking what is the applications and how far along is it developed? Greer, you want to start off with that?

Greer Carper: Yes, this is a fun one, because this is an area that I actually know a decent amount about. So most of my focus in aerospace and defense is around autonomy in AI machine learning, and so, think commercial aviation for autonomous aircraft, from larger aircraft to pack delivery vehicles to military use cases around swarming or ISR TC PET workflows kinds of stuff. I'll give you one example of the challenges within this space. I'll start with commercial aviation, and that is, there is a small subset within machine learning, which in turn, I call deep learning, which is a technology area that has a tremendous amount of interest right now, and one that really didn't exist 10 years ago, but in terms of popularity and ubiquity as it has now, but the use of deep learning is a challenge within aviation, because aviation is built on a set of rules and standards and that includes things like software assurance. When you look at DO-178 as a standard, it asks for the most safety critical design considerations to be _____ in terms of

reliability. That is a huge number, and it explicitly calls out that any kind of software and algorithms that are used have to be deterministic. Well, deep learning is non-deterministic in how it's formed, and so, you have these entities that want to use this new bleeding edge technology, deep learning for ADHD use cases, including safety of flight, and yet, the regulators have no way of reconciling this with the current standards. And so, you have a number of entities that are trying to change and shape those standards, and that's a journey, and it's a long one. And if you have the cash flow, the runway to be able to withstand that journey, then good on you. But when you look at how long it takes to get even a small amount of regulations changed or updated, it's measured in years, if not decades. I think everyone in the drone space thought that it would be a lot more mature than it is now, it's because it's taking a lot longer to get these rules created, to getting consensus, to getting feedback, and think about all those considerations they're in. I must really think machine learning have use cases within this, but if you're a company that is using AI machine learning, particularly around deep learning for safety, critical use cases, be careful. Understand how not just the customers, but the various stakeholders involved, think about this new technology and whether or not that may be a roadblock for you to generate the value that you are trying to create.

Hall Martin: Great. Thanks Greer. And Rick, what's your take on machine language and machine learning and AI in the space application space, do you see a lot of it being used, or, do you think it's still a far way off?

Rick Tumlinson: No, I think by necessity, it's going to be, you know, look, because of the life support requirements of human beings, that additional infrastructure load that you put on your cost is extremely high. And so, it comes down to, in a sense, you have to make the decision of, you're sending people basically, because you want to, right? And because they want to go, and it has something to do with your core mission, your core activity is about humans being in space. The end of that spear, the end of that activity chain, whatever you want to call it though, for example, I'll give you this, we were talking about asteroid mining. When you get into asteroid mining, on the one hand, having AI and those kinds of capabilities is super important, because you're going to be able to, you know, you're going to have time lags, you're going to have robotics out there, there's time lags and decisions, and those moments are when a robotic vehicle or machine or whatever can go off, off the rails unless there's some sort of AI component on the other end before you tell it don't turn left, don't turn right, there's a cliff, whatever, these kinds of things. And at the same time, the flip side of that is AIs and machines, one of the jokes we had in our company was the idea of have you ever watched one of these mining shows on the History Channel. Because if you have, you'll notice that about three quarters of the show is the machine breaking down or a rock getting caught in something, and that requires a human with a hammer. Right? So it's a blend, but absolutely, the leveraging impact where you're going to have, you know, it's probably not going to be either-or, it's going to be you're going to be multiplying almost like a force multiplier type situation – one person overseeing a 100 robots that are doing something on the far side of the moon or something like that.

Hall Martin: Great. And Giuseppe, what's your take, where do you see AI and ML making inroads into the space and aerospace sector?

Giuseppe Liberati: Well, the basic things that we're doing so the beach and markets and the _____ businesses that we're talking from startups is mostly data driven. So we're collecting a lot more data from out there, and we're using it for application we never thought in the past we needed them. I'm mentoring a company right now, they're designed – they're changing the real estate appreciation and valuation of units and land by just integrating aerospace data, instead of having somebody going out in the field, they are doing that. So we're going to have – so AI and machine learning, particularly, let's say – let's not mix them, because there's a different way of separating them anyway. And the application of data management and data, extracting value from data is going to be extremely important, no matter what. Building on what Rick was saying is actually very interesting, because, imagine, like a fleet of robots, of rovers on a different planet, one of the things that's interesting is that you have to create a system, like, on an edge computing system that can actually take decisions locally. Now, we're like we're – especially with the delay that we have in sending information to outer space, we could not be right there right at that time. So definitely, we need to do that, we need to do – we will be leveraging more and more of this information. Additionally on that, few, like, it was about a year and a half ago, there's been one of the first ever transactions, financial transaction that was marked by I think JP Morgan between two satellites, acting if the two satellites were two different entities exchanging some financial activities. And they used obviously a crypto base, so blockchain as a technology in the background is actually used for transaction. You don't expect to bring your coins or your jar coins and bills and stuff in space, it'd be a little complicated. So that's another angle that we definitely need to start looking at.

Hall Martin: Great. So we have another fund question, and the question is: what's your sense of the space focused VC landscape, are there enough VCs at different stages out there investing in space, or are there too few, and where do you think the gaps or opportunities are for fund managers considering a space focused fund? Greer, let's start with you on that.

Greer Carper: I mostly think that the number of space focused VCs is growing, which I think is a positive thing. But I also would say that I fear that the space focused VCs may be in for a similar kind of ride than what we saw. Currently, when it comes to the drone space, you had a lot of VCs who are going after drones and autonomy and a lot are getting cold feet now, because we're starting to see those first large fundraising success stories become failures, unfortunately. And so, when those assumptions around regulatory adoption and timing and scale, begin to _____ a lot of investors get there as well. Now, I'm not saying that's going to happen with the space focused, and I'll let my two panelist colleagues speak to the trends in that respect, but I would be concerned about those kinds of things, just from my own experience.

Hall Martin: Great. And Rick, what do you see out there with the VC funds, where are the gaps, where are the opportunities?

Rick Tumlinson: There are actually only a very, very few pure space funds, less than five, I think that I know of, through 100% space that don't have drones, they don't have other things in their mix. I see a couple of countervailing trends going on. One of them is that we found in our fund, space has a very interesting angle to it in that the people that that want to invest in space are often, they're trekkers, they're space nerds, they're geeks, they love space; and for them, the idea of the interface with the actual company is where the fund is, like, they want to be able to play directly with the company, they want to call the CEO. They want to either be helpful or be a pain, depending on which way you look at it, as far as the company goes, but they want hands on. So when it comes to investing in a fund that creates a one step removal for them. And one of our challenges has been to get those kinds of people to come into our fund, it's been a real challenge because they want to go straight to the company, they don't want to have to deal with us. So we have to make it, I don't want to say so much fun, but we have to make it interesting for them, and we have to engage the actual investors in the LPs that we're dealing with. So that's one of our big challenges frankly is the excitement of like, I want to play in space, and rather than here, give us your money, and we'll do that for you. The time constraints as far as being able to look at these long windows, I think Greer is highlighting something in drones we'll run into in space, and that there's going to be a growth of excitement, reality hits. Those who don't have the stomach for it, those – we have several crypto people that I've engaged with. I'm going to say this more carefully, I don't want to upset anybody, but there are crypto people that we have had engagements with in our funds, and they were basically looking for immediate satisfaction, they're looking for quick, they want to ride this baby. These are people, you know, the check their Bitcoin account every 30 seconds and have alerts. And so, space is so diametrically different, it's like, okay, just relax, don't look at your watch, look at your calendar. It's that kind of thing.

Hall Martin: Great. Thanks. And Giuseppe, what's your take on that though, where do you see the opportunities?

Giuseppe Liberati: There's two different ways, I'd like to take that question, and so, the first one is that compare space to any other industry, you know, any other industry that we know, let's say, logistic or transportation, or, let's say, mobility and so on and on. Like, you have a certain 0.5 number, and how many funds are there, so take that ratio and apply that to an economy that is still in the process of making. So as Rick says, there's not a lot of funds that are just purely space, but ultimately, the ultimate goal is that space needs infrastructure, it will need transportation, it will need other verticals, so it will be kind of an enabler, so the funds are going to be enablers or those extension of the verticals that we already know on Earth. So if you look at it from that perspective, I don't know if I would go in 100% fund, in space at this time. I will try to look at what are the verticals that are going to expand in the space, so that can actually have a beneficial effect on space linking back to that _____ anchorage, let's put it this way. And so, if

you want to start your own fund, don't forget about space, consider it into the matrix, but don't limit yourself just in space.

Hall Martin: Great. Well, thank you guys. We are at the end of our time. We appreciate your time, your experience and your wisdom that you shared with us today.