NGcodec: A Start-up’s Journey from Launch to Acquisition

Oliver.Gunasekara@NGcompute.com
CEO & Co-Founder Ngcodec
& NGcompute
NGcodec Background

- Summer 2012 co-founded NGcodec Inc. to focus on H.265/HEVC
- Two years of VC rejections, No salary, followed by pivot to datacenter
- Chance meeting with super angel, $3M Seed funding Nov 2014
- Opened office in Waterloo, Canada, amazing talent, SR&ED tax credit
- Xilinx invested $11M in a convertible note and SoW, Won FPGA customers
- Gave world’s first AWS F1 demo at AWS Re: Invent 2016 launch + PR
- In 2018 Twitch select NGcodec video encoder for its popular streams
- Acquired by Xilinx in 2019, 5x return for early investors
Takeaway #1 — Vision & Entrepreneurial Skills

- Have a huge vision — “Own Video encoding”
- Don’t worry about not sharing ideas
  - Ideas are easy, execution is hard
  - Sharing helps get support
- Perseverance and resilience — “Churchill”
- Curiosity — allowed me to pivot
- BusDev / networking — funding, hiring, customers
- Celebrate every success — “Champagne”
- Network of mentors
Takeaway #2 — Funding

- For DeepTech consider NSF SBIR grant
- Be strategic with investors to target
- Practice pitching at different venues
- Expect to receive plenty of rejection
- Clear Milestones and $ for next round
- Give shares not options with buy back
  - Qualified Small Business Stock (QSBS)
Takeaway #3 — Hiring, Culture & Wellness

• Define your core values — MICC
• “Work hard and have fun”
• Manage work life balance
• Open communication
  • Regular all hands meetings / AMA
  • Present boards slides to the team
• Wellness board & monthly lectures
• Hire outside of Silicon valley
## Takeaway #4 — Some of the Tools We Used

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Thank you