

# Mission-driven capital to preserve our way of life, a profile of C5 Capital

*With #QVCS, Maddynews profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Kurt Scherer, Managing Partner at C5 Capital.*

Temps de lecture : minute

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C5 Capital was founded in 2014 by our CEO, André Pienaar. He was previously the youngest Managing Director at risk consulting firm Kroll and founded C5 after recognising the need for a mid-stage VC focused on cybersecurity.

Back then, cybersecurity didn't have nearly the visibility it does today - it wasn't a corporate priority and was typically handled by the IT department. Now, it's a top-three agenda item for Fortune 500 CEOs, and the majority of headlines around the world typically have "cybersecurity" or "ransomware" on the front page. C5 Capital was ahead of the game.

As we identified more trends and world-class companies, we built a team of investment and operations professionals with significant transaction experience, supported by a distinguished network of Operating Partners from government and the private sector. Our focus and collective experience in business, government, and science gives us our edge.

# Which industries are you working in?

As well as cybersecurity, we also invest in space and energy security. All three domains are focused on the foundational elements of our evolving digital infrastructure, and these sectors are creating tremendous value in both commercial and government markets.

In the space sector, there have been two important shifts that have driven a fundamental change in the economics of space.

First, as computing and sensing power have improved, and hardware has become lighter, the cost of participating in the industry has exponentially decreased. Second, through relentless discipline and a “first principles” approach led by SpaceX, the cost of launch has significantly decreased. These two trends have exponentially driven down the cost of participating in the industry and have made LEO much more accessible. This access has opened the market to a broad range of new players and new capabilities.

In the 90s, it was all about telecoms. Now, areas like geospatial intelligence - new decisions that can be made by collecting data across a broad range of spectra - have become more important.



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[What nuclear energy can learn from space technology advancement](#)

## What do you look for in a founder?

We want to know what gets them out of bed in the morning. The best founders are looking for more than a quick exit. They're trying to serve a market, or make the world a better place, and that usually comes with a healthy dose of passion and conviction.

We also look for someone who knows their strengths and weaknesses and has surrounded themselves with a team that complements those attributes.

And of course, the founders we back must be people we can work with on a day-to-day basis. Business is about people. If they're not enjoyable to

be around it's going to be difficult in the long term.

## Can you talk about your current portfolio?

We have some incredible companies in our portfolio. To give you three examples:

RapidSOS is transforming US emergency services from a voice-based system to a data-driven platform. It allows first responders to get to people in need much more quickly by accessing a caller's precise location through their mobile devices. RapidSOS is one of the few startups that can credibly claim to have saved over 8,000 lives.

Axiom Space is building the world's first commercial space station. It has an exclusive contract with NASA to use the International Space Station (ISS) to support Axiom's space construction. In-orbit research and manufacturing will enable new discoveries, materials and products that can reshape life on Earth. Axiom will provide universal access to Low Earth Orbit so that innovators, governments, and individuals can do the same.

X-energy is transforming the way clean, safe, secure, and affordable energy is produced by building a new kind of nuclear reactor that is walkaway safe. It's much cheaper to build than a traditional reactor, it can't melt down, and all the waste can be stored on-site for the life of the plant.

Advanced small modular nuclear technology is also a critical tool on path to zero-carbon emissions, providing low-carbon power for industry and the population. X-energy recently announced that they will collaborate with Dow (NYSE: DOW) on the intent to deploy a high-temperature gas reactor to provide not only the electricity that is critical to its operations, but also carbon-free, cost-competitive process heat to one of Dow's U.S. Gulf

Coast facilities.

## How has COVID-19 changed the way you operate?

When Covid hit, the first thing we did was hold daily meetings across our global team. Even though there was some initial resistance, everyone quickly appreciated the connection and leadership. Within a couple of weeks, we all felt the sense of cohesion those meetings brought us while working from home.

Like many businesses, a lot of the habits we built during that time - like working remotely - have allowed us to become more efficient, staying connected while reducing travel time.

## What does the future look like?

We see three important trends. First, things are going to get faster. This spans everything from computing speeds to increased productivity from working remotely. Second, technological convergence - bringing previously unrelated technologies together, which opens new uses and new markets. Third, a rapid development of AI and machine learning will underpin much of the digital infrastructure evolution.

More broadly, it's important that, as citizens of Western democracies, we advocate for a bottom-up, free-enterprise network approach to innovation with our allies, which will always be superior to the top-down, autocratic methods used by our adversaries. It may be more challenging sometimes, but in the end, the diversity and volume of thought through a networked and aligned set of teammates and allies will create and produce a superior outcome.

# What makes C5 Capital different?

C5 Capital focuses on mission-driven capital - backing the right leaders and technologies to preserve our way of life. To succeed, we need diversity of thought. Governments can't do this alone. They need to work with private companies and nonprofits in new ways than has been done previously. C5 exists to fund the best ideas that come out of that ecosystem to help with everything from tackling climate change and protecting against cyberattacks to dealing with space debris.

To do that, we've built a team of sector experts. Our Operating Partners include accomplished leaders from government like Admiral Mike Mullen, who served as the 17th Chairman of the U.S. Joint Chiefs of Staff and Harry Coker, former Executive Director of the National Security Agency (NSA), and many others. Their knowledge of national security and public policy gives us a deep understanding of the areas in which we invest.

## What one piece of advice would you give founders?

Have strong convictions, loosely held. Believe in what you're doing but be ready to pivot when situations change. It's important to listen, observe, and evolve.

Kurt Scherer is Managing Partner at [\*C5 Capital\*](#).