Peec AI Investor: They will win against Profound & AirOps | Christoph Klink, General Partner @ Antler

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Show notes

I usually talk to the people building and executing search strategies. Today we're flipping the lens.

My guest is Dr. Christoph Klink, General Partner at Antler, where he leads investments across Continental Europe. Antler is the world's leading inception-stage investor.

They've made over 100 investments out of Berlin since 2021, among others Peec AI, one of the fastest-growing companies in the AI search optimization space, which went from inception to $29 million raised and 50+ employees in just over a year.

My 8 biggest takeaways from this episode:

1. The inception stage exists because of a matching problem, not a capital shortage. Lots of great founders have no rich aunt, and lots of rich aunts have no great founder niece or nephew. Most early-stage VC won't touch a company before it has a product, revenue, or at least a complete founding team. Antler bets on people before any of those things exist.
2. At inception stage, the bet is 80%+ on the founders. The product will change, the problem framing will change, and the market will surprise you. The one thing that can't be substituted is the team's quality and drive. Everything else is downstream of that.
3. Peec AI started in summer 2024, when AI search optimization didn't have a name yet. The founding team went through multiple problems before landing on it, threw away fast, and moved. The first product wasn't loved by everyone, but enough people clearly needed an answer to "how am I trending across AI models?" to make the signal real.
4. AI search is fundamentally harder to optimize for than classic SEO, and that's the business opportunity. In traditional search, the rules are known, the keywords are finite, and Google is a single platform you can measure against. In AI search, there are multiple models, each behaving differently, each changing frequently, and no native cross-model visibility layer. Marketers need a meta-level view that doesn't yet exist natively anywhere.
5. Peec AI's growth is almost exclusively inbound. The product creates its own pull because the question it answers, "how visible are we across AI models and why?", is one every marketing team has right now with no good existing answer.
6. The fear that should keep European founders up at night is not being out-raised. It's being out-executed. Anton from Lovable said it directly: he's not afraid of competitors raising more money, only of competitors shipping faster. The European founders building category-defining companies right now have internalized this. They post ARR milestones, not funding announcements.
7. Until 2020, only 27% of European unicorn founders had a technical background. Among European

companies founded after 2020 that have already crossed unicorn valuation, over 90% of founders do. The nature of who builds in Europe has changed faster than most people realize.

8. The conventional wisdom is that the most-funded company in a market wins. In AI search, funding is a lagging indicator of execution, not a predictor of it. The market is still fragmenting, consolidation is coming, but the winner won't be whoever raised the largest Series A. It will be whoever keeps figuring it out fastest as the underlying models and user behaviors keep shifting.

Let's connect

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Full conversation

[00:00:00] You'll find that there's a lot of great founders who have no rich aunt. And at the same time, there are lots of rich aunts with no nieces and nephews... ...that are great founders! We're trying to be the rich aunt for every great founder.". What would you say is the differences between an eye-search now? My feeling is the world has become a lot more complex. The searches that people put in are very different, and then the algorithms and nature of models change much more frequently – there's more to them too! There's a multitude of different models… And it will only really help you if you understand how your trending and tracking cross all of those. Before we dive into this, listen to the Masters Of Search podcast with me, your host Niklas Buschner.

[00:00:44] Each week, I sit down with some of these modest people around the world in SEO and AI search to bring you their strategies mental models. And top pieces of actionable advice. if You enjoy this podcast don't forget to like and subscribe. then follow it In your favorite podcasting app or YouTube. It helps us get top-notch guests and create The best possible content for you. let's dive into today's episode. i usually talk To the People building an Executing Search Strategies. Today we're flipping the lens. My guest is Dr. Christoph Kling, general partner at Antler where he leads investments across continental Europe. Antler is world's leading inception stage investor. They've made over a hundred investments out of Berlin since twenty-twenty one among others peak AI One of the fastest growing companies in the AI search optimization space Which went from the inception to twenty.

[00:01:35] nine million dollars raised and fifty plus employees. In just over a year We'll explore what the AI search space looks like through an investor's eyes, why the market opportunity might be fundamentally driven from SEO and what separates the winners from the rest. So welcome to the podcast Christoph! Thanks so much for having me Nicholas. Pleasure It is cool that you agreed because I know your probably super busy. Let us get right into it. Maybe a easy one for this start. How did you end up in venture capital? That is an excellent question. I started doing what i do now every day all-day a little over six years ago beginning of twenty right into this start of the pandemic Which was perfect and not so perfect time to be doing.

[00:02:19] What we did? it wasn't perfect time because there's a lot of disruption, and that is helpful if you're an early stage venture capital. It wasn't such a perfect time Because were people working with people in week. curate your community of people in person? And that for awhile which just a little bit harder still at took that decision about point after having tried to do the same thing in evenings and weekends. Before that I invested as an angel, started relatively early on with a group of friends or colleagues which made learning cheaper. so we start investing small tickets always in syndicates with

other people. Always found it intriguing unfortunately how to have day job order time for capital to invest during daytime was partnered with McKinsey worked on mostly cross m&a and organic growth strategies in european north america.

[00:03:13] And that consume me pretty much like a full-time job would so realize really quickly i will never be as helpful is i would like to beat the founders if i can only do that when i squeeze it into an evening when i squeezed into weekend because there's this a lot of doing diligence in deal flow then, making deals and then being actually useful in having value to founders. But I always found it intriguing, And i think realized at that start of the pandemic That It was just the right time for me To be doing something For a full day And throwing all the institutional backing A full team And myself with one hundred percent behind great founders So...it wasn't like I had a master plan But I got intrigued through kind of trying it out and dipping my toes in with angel investments relatively early on.

[00:04:08] Then realized is very, very inspiring because you get to work with people that are all working on what the future will hopefully look like right? So when When you look at what i do every day old A I Get To Work With People That Are All Quite Positive. They're Often Positively Naive. they Really Want to Change Something They Have a Lot Of Drive They have Love Energy and lots of great ideas. And I feel very humbled by that every day. all the fields, great place to be.". I think one of the most important things as an investor is you have to know your place and your places. that off the investor, which is by definition on the sideline. So i think what's one of those important thing they can do in early stage investors write a check And make sure that you're useful but don't stand in way of great founding team right?

[00:05:20] I think whenever you have the urge try go-in fix something You probably ill advised Because in the end, we hold minority positions around ten percent usually. And even if I wanted to do something... ...I couldn't really do anything and maybe half of time probably also wouldn't be as good as the founders are. So what we specialize is taking bets and putting money into very strong founding teams And then helping them being even better version of themselves, but not us trying to be the better founding team. if we were trying do that. We should been a different business and you've mentioned it way invest into diversified portfolio on. so I'm also very humble to beyond they the masses search podcast because by no means an expert in search like you are or many of your guests obviously our Um, so we invest also into robot tractors.

[00:06:18] We also invest in two cyber security. We invested to space tech investing too old sorts of different technology companies. So my specialization by definition won't be the best founder manager or employee all these companies. I think you earned your seat as a guest on the muscles search podcast because maybe You helped create and new champion in a tiny category, obviously. Or one category let's say if you look at the tech sector as whole from Berlin with PKI so... You have earned your seat even though yourself would not consider to be a master of search. but I feel like this description will hold now. i already mentioned that you are an inception stage investor and Some people have heard about Seed, they've heard about Sirius A. They've heard this but I think Inception Stage at least for some is fairly new.

[00:07:23] can you explain a little bit to us what Inception stage really means and how it differs from Seed or Sirius-A? There's great question because there isn't any definition of that. when we go into the Encyclopedia It won't tell exactly why it is cause its somewhat fuzzy. And if it's blurry on both ends, let me try and put into words. what is that we do. So usually first money in to a company. We Usually meet founders around the point where they incorporate a company. sometimes earlier Sometimes there already have incorporated a company doesn't really matter because the company incorporations really just the shell Arounded. It's necessary evil because you can't really buy shares in person Although we

say, We invest into people but you can only buy shares in a company.

[00:08:11] So the company has to be there But not at that point and time when we start working with founders And that inception stage. Me mean that Founders of the point where we first interact already making hundred came revenue. It also means That they are still an incomplete founding team Trying to figure out who am I actually building with and that they are in a wild validation an iteration mode on the problem. That there's all been added product at their building to solve every problem, right? And what we then do is would bring people physically together. What i mentioned initially. so if you have offices around the world. Right now sitting here in our office in Berlin if i flip the camera you'd see founders of the other side glass wall.

[00:09:02] We bring people into physical space together because we do believe that founders at the stage really looking usually for three things. one is capital. Second one is coaching from people that not necessarily need to know exactly the problem or product with a technology to solve it but they have pattern recognition of bad stages building an investment. and third ones community, investing that are building next to you, they're solving maybe adjacent problems. That have made mistakes before or gonna make mistakes after and we bring them together into our offices and then write a first ticket as quickly as we can. They can be off the weeks sometimes but it is really our way of underwriting people and actually taking a stake in very, very people-driven bet more so than the company at that stage.

[00:10:10] So if you invest at seed stage there's a company who has a product that is on market. You can already start looking at uptake growth At that stage... ...you really know what your getting into Inception Stage I'd like to say it's eighty percent plus the founders And then the rest of problem that they're solving and how there are tackling it. That stage is essentially not institutionalized really, so I sometimes jokingly call at the rich on stage also kind of a bad stage. if you have a rich aunt in your looking for funding that which i'm just going to back here because she knows you see trust you should believes in us wants to support you at better very early stage. But when you look at how rich aunts and great founders are actually allocated to one another, You'll find that there's a lot of great founders who have no rich aunt whatsoever.

[00:11:09] And the same time with lots of rich aunths which has no nieces or nephews they're great founders. So it is very imperfect allocation from one to other. We try to be on the rich aunt for every great founder writing their first ticket as early. And why do you believe in this rich aunt hypothesis, which is a great analogy by the way and so many other investors don't. Believe it or they don't focus on because I know a couple of VCs either like from LinkedIn for media also personally and i haven't come across another VC that does. inception stage actually your. it's pretty exclusive thing for antler. I think its kind. every investment stages asset class every investment product has its specialist. So it's kind of when you would ask me to help your design a real estate investment strategy, I would guarantee that we're going to lose a lot of money because just have no clue right?

[00:12:12] I'm not good at it and don't spend a lot time on it in pretty much every asset class. if you want to be good at that then an average stage should actually have the vote all out of time energy focus into it. any specializing something For us, it's not the specialization in just search or just robot tractors. Or just robotics on whatever might be for us is a specialization and that inception stage can have at that point I think its really specialization. spotting attracting the white people being useful for them at very early stage. now thats hard. why because of these lot institutionalize about stage And it's somewhat messy, a lot is going wrong. So you really have to enjoy that insane and crazy energy there in the stage but also that disruptive and destructive energy at some point.

[00:13:08] so sometimes what I say to founders if you throw away which working on right now should be the happiest version of yourself because he just validated something and you've just saved x-man

month maybe year and a half of your life going after something that isn't real. Now, usually it doesn't feel like that for founders because they're knee-deep into something They've started building... ...they are quite obsessed with solving their very problem. So throwing away feels wrong at this stage. But exactly the destructive nature or massive nature in those stages is fun. There's lots other people who don't really have appetite for getting into this messiness day-to-day and then rather take energy out of either being specialized in just one vertical industry, whatever it might be or want to see a lot more data.

[00:14:09] A lot more information that they can crunch their wants build the discounted cash flow model not set up the right way to be operating in this inception stage. And I'd say it's incredibly intense, because the majority of people that we and I interact with... ...I know were unfortunately not going back as a lot of people. so this week on Monday evening we hosted an event yesterday evening which was Tuesday and we're hosting another event tonight. All of that with Monday was two hundred fifty people yesterday, it's gonna be a hundred roughly um... And I know that one or three four five of these people maybe also zero? Maybe ten? We are going to back at some point but in the month there may have been three years.

[00:15:14] just yesterday on my phone with founder who i've known for already And it wasn't the right time to partner before that. But yesterday founder called me and said, hey Christoph can we talk because I think i'm ready to be going all in? I am ready to build again! Can you come sit at your office or work with us?". That's where I draw most of my energy from which is what I really enjoy. Then let's focus on one of the verticals you have invested. You could also call it AI Search, with PKI being your most prominent bet. What would you say? when did AI search become an investment case for Antler? So I ask a question. so we started working with the founding team behind PKI in summer of twenty-twenty four. that's what we got to know them and then they moved into our offices on September September, October twenty-four.

[00:16:19] And that seems very close and recent but I think the world of search in AI Search look quite different at that point still right? So the space if Geo or AI Search optimization or visibility for AI Search they didn't really have any of those names. it wasn't a thing. It was not key theme because there weren't people yet talking about. It was far from mainstream. And at that point, I think chat GPT when did it launch? It's fall twenty three and then a thing too. Twenty November twenty two on them than Google. When they throw up art and launch Gemini there is end of twenty-three beginning of twenty four. yeah so There was clearly something there but There wasn't yet that volume on it, a thing when you look at weekly active users things since then.

[00:17:23] It has six X something about five or six X. so was fifteen twenty percent of what it is today? So we're still there with something very much clear was fascinating but I think it's also very unclear. get what they would become. so I'll bluntly say We didn't have it on our radar just yet. All right, how did you get on our radar? Got an hour radar because the team that would then go off to build PKI was sitting here with us in our office. Twenty five meters That way In Berlin cranking on a lot of different problems. They they did exactly that. they churned through different Problems different solutions about different Different products at their point and threw away fast And at some point they hit what then now are solving which is helping companies be discovered on AI search.

[00:18:28] That's how we first learned about it and started looking into that, right? I think at that point It was very clear there were something going but didn't have the momentum yet also just wasn't as good I think Google had just a couple of months earlier. I think it was the summer of twenty-four, kind of merged the Google search to classical search and then this AI mode. And everybody was asking how is that gonna play out? How's they going to work? what's he gonna be in the future? but we got pretty intrigued because We saw early validation signals from the market. So, one of the things that the PKI

team did supremely well is not stand on a whiteboard like this one here for forever and try to come up with better concept or product roadmap.

[00:19:26] Or anything. but they actually built Mario's White Coat first product right? They build something put in front customers. I guess it was probably fair saying everybody loved their version just yet. But more than enough people love their version And there were very clear signal that people were looking for an answer of how they are actually trending on AI search, and then couldn't get the answer. And also top-of-the-line it was very clear that different models where somewhat hotter or less hot by week but month. whenever launched a new one kind everybody would be back to square one because once again had to figure out what is this model work? Where does it place me? why do you see there? So I think we saw very, very intense validation and pull from the market where...I want to say every marketing team was wondering about that exact same thing.

[00:20:27] And when you ask them how are your trending? Nobody would have a good answer! That's how it got into it.". And what would just say other differences between AI Search now and then SEO? because i feel like alot of people AI search and tools, whatever shape or form getting a lot more investor interest now versus SEO tools like NHRAFs etc. Systrics years ago. so what's the key difference from your point of view? My feeling is that world has become a lot complex. if you're trying to optimize for being amongst the first ten hits in usually Google search for a number of not infinite keywords and not infinite kind of combinations Of different words then this is somewhat solvable And it has become a bit more stable as well.

[00:21:31] That's I think the way that google search operates by now Is a lot more understandable understood researched? By people and buy by agencies that are helping you get discovered, then AI searches. So the one thing is people asking all sorts of stuff to a search And then it is reacting too. That right? so when When People Are We're we're A Customer Of PKR Right on We. as Answer Why Are We A Customer of PKI? Because We want To Understand What LLMs Tell Founders. When They Are Wondering About Which Investors Should I Work With And when they might actually type in, oh god I don't have a rich aunt. Who could that turn to? Right and two twin. actually that prompt is very likely where we're different from somebody prompting best investor in Berlin or Best Investor NSF for the best investor In Singapore.

[00:22:37] so be the searches that people put in are very different. And then, I think the algorithms and nature of models is changing a lot more frequently. There's also a multitude of different models that will only really help you understand how your trending and tracking across all of them. so it isn't something where Google can just help me to understand how visible i am. I'll actually need that across the different models, and i don't want to log into five six Different platforms. I want to actually have that as one integrated view. Then i want to somehow understand which ones are most important for me. so um How do i actually? Which one do i fix first? right where do i go? And also that is changing quite a bit.

[00:23:30] So Just just two things. what one of them Is think when When they the pki team started building perplexity was a major contributor in the field of AI search. It's not so much right now, all right? The grok is even larger right now and you'll probably have better numbers than that then. secondly we remember when had our portfolio day here in Berlin together with a company or the brand called Google summer last year. We talked about whether this would be an all awkward thing to say in a Google building, but we talked about the question of whether Google would be a thing moving forward. Now I think year-and-a-half later almost or solid year later We know it is a thing and It has actually reinvented itself.

[00:24:24] And it's just reinventing itself right now once again with the thing launching The next version really blended search and AI Search. So the only thing that's safe to say is we don't know what the

world of AI search and search gonna look like in six months from now. However, you have to actually stay on the ball and keep adjusting it And I think there are a lot more movement In that and complexity overall is higher than it used be in previous worlds. At same time because of multitude different models You need something as meta level above and helps you understand them then improve systematically. It's no secret that the space has also attracted interest from other investors, and also other founders who are building things especially in US which is not a surprise because US always do lots of stuff in the tech space.

[00:25:26] but something I'm curious about first so i have a multitude questions around it. How important do you feel like is it from either your investor standpoint or also from the company's standpoint to be aware of your competition? Like, to know what maybe their future roadmap is. To anticipate that and understand their hypothesis there? go-to market motion. so how much should look just at yourself And how much would you look at with others? are doing things a great question because they work for ourselves When whenever somebody asked me how do you compete in the market for great founders, right? And then they ask me all sorts of things about how other people are positioning themselves now. They talk about themself and kind what day will be due to founders?

[00:26:15] I'll always say listen i focus on actually being best version myself and our selves is most useful partner for founders that we possibly can't. if we excel at bad it's very likely when a win A large enough share of that market. Um, and I think That's similarly is true for most companies right? So you if you look particularly in your markets like Like bat one where you by now probably have a hundred plus companies that are doing something And i think There there's this probably three that or they're clearly ahead pqai as one Of them. um maybe there's even two that are clearly had than pkias One of them. But there is new competitors popping up. So just this week or the last week, we've seen a relatively large seed round and it has been funded in space.

[00:27:15] so that's still movement. people are taking different approaches to that. they're taking different directions. now if every time I see something go through my own feature roadmap Then it's very likely. I'm just going to build an absolute Frankenstein and so, i think It is very important that you stay focused on Building the best version of yourself for your customers. listening To your customers not trying to listen what other people have learned from Other customers because hopefully their product choices are a decision to go after What Their Customers Are Telling Them And The Customer Groups Of These Different Companies Are Obviously Different. The needs of them are obviously different. however at the same time you can't be blind to what's happening in market.

[00:28:06] Every every time also a big funding announcement pops, I think it is always good to think about. that means for you. take that into reflection and see whether that has an implication on where does somebody else seen something like your? don't say they're seeing earlier Or maybe you've already seen that and the thing. That's so bloody hard when your, when you're building a company early on is You'll always see what a company does today What one of your competitors? Does today but it will be very hard to infer what they do in twelve month. And I think this field that's incredibly dynamic. right now It's unfolding unraveling So quickly. there's even harder because you don't know what the environment does when Google is launching the next version of Gemini and what's it gonna do.

[00:29:04] You don't know to which level. there will be another deep-seek moment, right? And all these things are half power shaking up you in your competition... Those may more important than individual product or feature choices that competitors make. So I'd say a mix staying on execution of your strategy, but obviously feeding information into that as you go and keeping learning. because the one thing thats very clear is we don't know how companies will win in two years from now. So the ones who wins are the ones to figure it out until then. It's not necessarily a one that has figured it today... ...but it

keeps figuring it out. Maybe on that note, a little bit spicy question because I know you have lots of thoughts.

[00:30:01] So PKI is also from my perception but what i hear not only from Europe and the US definitely one of these companies ahead of others. so if you think about um a tour de france analogy uh you have basically the people that go to the front and they will basically decide the race on their own. then you have the peloton. And the peloton is really big now, and then pkai's in the front runner group which is great. but pki has just in quotes raised twenty nine million in total and there are competitors from the u.s. for us For example They have raised almost one hundred million In just one of their rounds. no my Spicy question after this long context is, Is it even possible to win from the EU with significantly less funding if you are facing competition that has a bank account.

[00:31:00] That's like five times to ten times the size of yours. and If so How? how is it possible? because I mean maybe at that point you can also be someone that Gives a lot of EU tech founders hope That we don't have to make ourselves too small. if we look at the funding rounds from the US so an absolutely convinced today's possible and If I wasn't convinced, It was possible then. I'd be wasting my life sitting here in Berlin working with founders mostly from Europe. i'm building in europe but not only for europe and i think that's one important thing right. so when you're a founder of the tech company that supposed to be growing very quickly. You likely gonna be serving an international slash global market.

[00:31:51] any need to think about that at the point time now. one thing on that makes me make some very positive about the ability of europeans to build great companies is we've seen number pretty visible, successes in the last years coming out of europe. so when you look for instance at loveable lovable is really going head to head with companies like replete from the u.s. we're lucky enough also be a small part if i'm off the lovable cap table. and what do you want? your ask on onton. i think it was first you first said. then uh... in a podcast as well, something along the lines if i'm absolutely not afraid of being outraised by others so am not afraid about other people raising more money. The only thing I'm really afraid is being out executed by others and, think they don't serve this world but also companies like legora which are going head to head with harvey or company's like kiki.

[00:32:57] they have deeply taken that medicine you need to execute And you need to not worry about the availability of growth funding or the bureaucracy, or different languages. Or the fragmented markets that there are actually needs to execute and founders who do that absolutely can build. I think generational category defining companies out Europe. There's a couple things have changed over last years in Europe. One is insane focus on execution And really, there's no founder out there who gets it. Who would be optimizing for vanity metrics like followers or startup competitions? Or whatever might. they are focused on commercial execution to focus some building products shipping product serving customers and printing revenue.

[00:33:55] you can see that from something. thats somewhat odd because a lot of Companies or number of companies all of a sudden publicly speak about the revenue that they're making. They post their AR are lovable was one of those said. I think it's quite visible for bad. PKI is doing that. very similarly this. others like land off where the big news and not funding rounds, but being used to hitting in our milestone there insanely focused on doing that printing real revenue reaching commercial. My second one is the nature in the background of European founders has changed and evolved over time quite a bit. So when you look at the top ten tech companies in the world, you'll find that ninety six percent of the founders have technical backgrounds.

[00:34:50] so they are engineers. they've been CTOs. there's been a technical roles before. When you look at the ten fastest growing software companies in the world, I think ninety four percent of the

founders have a technical background. And then in Europe when we look at all the unicorns that had been minted until twenty-twenty You'll find that just twenty seven percent of those Founders Have A Technical Background. So there's huge gap between what very successful looks like and What has Been Successful In Europe Up Until Twenty Twenty? When you Look Into Companies That Has Been Started Since twenty-twenty and are already through that sound barrier of being. At unicorn valuation you'll find bad over ninety percent of the funds have a terrible background.

[00:35:37] so think Europe there has grown up on two dimensions. one investors have become a lot more adaptable willing to take on greater technological risk, uh... And then secondly A lot more strong technical founders are choosing to build companies instead of going to work for senets. And I think that's a flywheel and momentum, it has got be very hard stop. every day in our office is young generation people. by the way founders become successful or younger these days. so two of the PKI founders were just on the Forbes under thirty list. The third one would have probably made it, but he's slightly over thirty. And we see a shift there indeed towards younger founders with just kind of back to seed round on with one founder that's nineteen.

[00:36:36] five years ago you wouldn't have seen the ass frequently. But now that the rules are how your build particularly software companies has changed quite a bit It is a little easier for young people because they have to unlearn less And they have learned it the right way, that you do things in twenty-twenty six right away. Which doesn't mean experience is not worth anything but maybe a little bit less because all of sudden we need to experience new ways and different ways of building and executing. Something I'm curious about concerning EU founders or European founders and market sizes. We sometimes hear that the European population is even significantly bigger than US populations. So technically speaking, The European market is a bigger market opportunity then the U.S., the caveat although it's multiple countries with multiple jurisdictions etc.. I have two questions.

[00:37:44] first What do you generally advise founders that want to build a European company and want to expand, for example from Berlin. To other interesting markets in Europe like France or Spain? Or whatever the most interesting markets are? And secondly if you would be on the seat of Ursula von der Leyen You could change one thing That will help The european ecosystem of companies and the European economy to become what I think a lot of people really want Europe to be come. To be a global economic champion, What would that mean? So for me it's always tricky with two questions because i'll always forget this second one. so may come back in asking you the second one but yeah don't forget it. Ursula von der Leyen!

[00:38:44] Europe is more fragmented than the US in many ways, right? So one of them's language. The next ones regulation or the next was culture. so we don't have one integrated market and a lot of ways. And the U.S.. Is A Lot More Integrated In A Lot Of Ways Which Also Means That Companies that are Kindof That You Can Serve in the S as a B to b Company Are Usually Larger. so if you sell To supermarket Change in Europe It's a lot more fragmented than it is to go sell two supermarket chains in the U.S., now we can complain and whine about that every day all day, it is a fact. maybe its going away over time but you have to deal with for now. I think The question of how important or challenge that is really depends on whether your are In business thats either heavily regulated market by market and or whether local language is a huge requirement for you, particularly in your product.

[00:39:53] And if it's in your go to mark now? If you build in health tech if you're building FinTech For instance It's very likely that you're going to be regulated market-by-market and then Luxembourg gonna have its own regulation on France Gonna Have Its Own Regulation and then Germany has its own regulations and the Netherlands do um and thats. That's a little painful. It also makes it a little easier to build the motor around your company because he is painful, actually enter that market. so if you can be

some bit of silver lining after all in the end. but this more painful to scale too large population. now let's not true for old companies and we have with portfolio company out of Berlin on his net bird said cyber security companies an open source company that is protecting networks.

[00:40:49] so it's building network security infrastructure and. These guys are protecting international networks off computers and devices. one of their early customers was a shipping company, but actually use there products to connect the different vessels. now by definition was serving a global market from the first day. Orders didn't really matter to them, it's not that important and the opposite of that would be usually fintech or health tech company something just very heavily regulated. so depends on what you're building. but I think the other question is when do we actually start going into likely biggest markets which are accessible for us? What's the right point in time to enter, what do you need to be successful?

[00:41:48] And would he needs a win in that market. Do we need to physically likely and what does it take two women on their answers? typically bloody hard to bloody competitive markets are there lots of great people and they may even have more funding or maybe able too compete at different levels from you. So if you want to make a dent, really make it dent right? so Make sure that you set yourself up for success and actually really penetrate the market. this is something that he can't do on half steam. uh...so-to-speak You can launch some test balloons into the market but then have go essentially all in. It's one of reasons why we've got many offices because We Can Help And Be Landing Pad Into These Individual Markets.

[00:42:42] I think in go to market and selling. when developing a market, local talent is still an important part of selling too most companies. And the thing it will remain to be. i don't kind of thinking these epic elliptic scenarios where we're all out-of-the job and going over world's gonna be full of unemployed people. I think some can change that radically on particular in selling things they are still gonna do with human touch involved. Obviously, it depends on the individual product. But you need some sort of local landing pad and people to come up with. how do I think about that as an investor sitting in Europe? How do we think about their fragmentation? And would i want That To Go Away? Would I Want To Call Ursula von der Leyen And Say Take That Away Make That Better.

[00:43:32] Yes I Do Because It Is Something That I Don't Love. I love the diversity of culture. I love that kind of. Italy is very different from France, Germany and this all nice. it's great quality life but sometimes gets in a way doing business. And what we're seeing right now Is really unique period where Europe because its being pressured from outside It has been kicked In at least the shin A number of times. now it's starting to do things that would probably have been impossible to pull off a few years earlier. One of those is the EU Inc initiative aiming too to start at twenty eight regime. gonna be one European legal entity sounds small but actually will be quite meaningful particularly also for, for people that are in the early stage investing business like we are because it may be an opportunity to establish kind of one european set of standard investment documents like a europeans safe note, which is something that in the?

[00:44:45] u.s broad down transaction costs transaction complexity quite abit on maybe and opportunities actually get back into market from first time. i'm very excited about that. so what would ask for is to make sure that we're growing more into one market. We are taking any friction out of there, the harmonizing regulation and they were cutting back in trimming on regulation word has grown a little bit too creatively over the last couple years but then it's hard enough will take time. so i've been sitting at dinner last weekend and I said why don't we just all speak English on this continent, why don't we just all do away with our wonderful languages? Why don't you start speaking English? because the only language that can probably settle in makes sense for everybody.

[00:45:41] Most people cannot already speak and I got a lot of push-back from it! Everybody hated the idea. I said no, but it's so nice and isn't wonderful. And we're now having this conversation in German. there are a lot of things that could never say an English. really why would you say? Then i said okay let us just make english the second official language at least. every official document investment document every piece doing business is also an English available. We can require that maybe something to settle on more easily. but also that will take time because people are proud of their culture, proud of the language and we'll take time. But I think again it is a unique period where Europeans are bit more outraged about what's happening to them from the world view politically And were might actually be pulling in same direction little bit more.

[00:46:42] So i'm very optimistic about next decade or two for European so not gonna without pain and that part of the transformation is going to be not so fun for everyone. I recognize it, but if you are in a position building something new or starting something particularly with technology... ...I can't see much better point-in time doing this. That was very optimistic! And also on that note about language sometimes we have to throw out an anchor maybe because its provocative on something that is still a big move from the status quo now, and I think just even we as small company see it. If you want to attract the best talent having everything available in English or being able to speak English as a company language super important because otherwise... It sounds so simple but people won't feel comfortable like if they join a company how should they thrive in this company?

[00:47:50] But yeah, I think you have a very good point on that. And i want to focus for the ramp up so-to say little bit of our conversation and we're going to focus on the AI search space again... ...and I have couple questions that are pondering quite some time.. ..and hope get the definitive answer now from you! So first one is Given how crowded the space has become, you mentioned yourself just a big seed round coming in I don't know. A couple of days ago. Do you think it's still worth to start a company? In that space? That's very tough question because i'm very biased Because they do have an interest in one particular company winning their entire space. um now I Think and every one of those are kind Lays and every one of those sectors where they've become a hype very, very quickly.

[00:48:48] And have attracted lots of competition. the question will forever be am I too late or am i still to early? To me in the next wave because something has changed and can actually roll up those companies that are just two years old. but i cant disrupt them once again because im building on different tech stack or taking market from a different angle right now. um... On the positive, there is incredibly high demand in this market. And I think it will remain a topic that's top of mind for marketers for awhile because its very unclear out-of-the-underlying models which one are going to win. It's very unclear what Google will be doing day after tomorrow as discussed before. they've just launched new search mode.

[00:49:39] now How is that gonna play out? Is it going to be like a barge or actually hitting home run. So, It's fair to assume this will remain dynamic. so far from just straight road you only need to execute on. At the same time there are companies who have a lot of funding but more importantly they had great people and momentum. Simon CPU of peak on here. i think he's is an absolute rockstar at the scene. It really strong people in these companies that know what they're doing and their executing with all eyes on the ball very, very strongly. so if I was to build a company. I wouldn't invest into another one because it already placed are very strong bet that i believe him. but if you want us to be the company I'd be very, very sure that i execute the hell out of it because competition is fierce and competitions unfortunately ahead me.

[00:50:47] so. If you see something nobody else does really truly believe in it and if im willing to execute a lot then by all means um. but if i also see other opportunities are maybe more over looked right now

than this may actually be interesting play for me as founder at this very point. You already provided the perfect transition for my next question, because that would be do you believe that PKI can win the category? And if so why do we believe even with significantly larger fundings and all the competition from U.S.? I totally believed that. once again i'm biased Believe me or don't, but I do believe that. No investment advice. Why? Do you have a leave at? I believe that for multiple reasons. so one of them not i'm Not sure.

[00:51:50] this is when it takes all market. think there's different market segments to serve with different products. So then they may be healthy coexistence of different Different companies in the in the market. But beyond that The pki teams stellar team are their executing incredibly well And they've built a stellar team around the founding team. They're moving at rocket speed, one of the fastest growing companies in Europe and that's for a reason... ...they still almost exclusively grow based on inbound demand or even exclusively growth. So there is for a reasons their product is great feedback from customers, and they are evolving that product very quickly. And so the products there are shipping today is different than what was shipped just two weeks earlier.

[00:52:49] I think it's amazing creativity to be targeting this market in a way where they execute growth strategies or how they partner with each other and you see them higher. That's kind of in. Oh, there is one other things and when you go to Silicon Valley or San Francisco You'll see billboards and posters on truck stops off-technology companies every day all the way. When you walk around Europe usually rather see cosmetics brands advertising on bus stops. What did PKI do? They took a page out of that playbook And used it for hiring quite aggressively around their series A Blastered entire Berlin with their messaging quite good messaging, because that is also one of those just kind of daring pieces off creativity and marketing.

[00:53:41] That they put out there And I think the totally are on the path Of being The winning maybe One of the winning companies if There's multiple winners emerging in this market. Do you think that the AI search space is an example of one of the philosophies, I think from people like a sixteen Z and maybe Sequoia where they say it's better to have. A small part in market that is insanely growing versus having a big part on a market that has plateauing or even going down. so you would rather take a small stake in PKI than getting basically multiple print companies that still do fly up printing or something. Is this an example? Like, is it like a schoolbook example of the AI search market for that principle?".

[00:54:39] I think the way they usually people will think about that as kind. Then being a market was there's a thousand competitors in your own zero point one percent. So I see these pitch decks every day all the way where somebody says, i've sized the market it's forced to seven thousand three hundred and forty-three gazillion euros. And by the way ,I only need to obtain zero point One percent of them are good and then still a deck up on. that is usually not how works because Usually if you're bad insignificant than the market you're never gonna be relevant enough to maintain that position and actually build something that's valuable in the long run. so i think indeed market of a research. That is currently quite fragmented in this stage where it's at work going to be seeing consolidation over time and we are going to see what we've already started seeing bad, I'm sorry for restarting some rush.

[00:55:37] take steaks and some of these companies and uh... and the space, it's likely going to continue that way at some point. We don't know of speed or benefits but there will be consolidation would very odd if wasn't also just companies dying out in market because they are outcompeted executed by others. so we're still looking for someone who owns this market not necessarily as a monopoly but closest is the best possible outcome. now I rather want exposed A space that is unraveling as dynamically as AI search as PKI compared to going into print media. Yes, of course I think has a venture capitalist with thing about high growth businesses. we're thinking about disruptive

business this week in our business that can start the category and That category Can then actually be sustained over time?

[00:56:32] And produce outsized returns for The company for its employees and for it's investors. i have two more questions. If you would look for, so let's say Antler Venture Capital Company. You want to serve great coffee in your office? The person that is tasked with finding a new coffee machine. how will do the research like? which platforms or tools or chatbots whatever? what are they used? where did we use search? Somewhere between Claude and Gemini. I think coffee is a very interesting example because the philosophy behind coffee in an office, it's very different. So there are strong believers of that coffee needs to be best for them and they believe in mediocre coffee. The theory about mediocre coffee shouldn't be too good!

[00:57:30] So people don't drink coffee all day but it also can be that bad so they are unhappy. So you need to hit this exact level of mediocrity in coffee, the people not too unhappily at same time dont drink coffee and lose their mind health. We're sitting on an office with founders who come and go where we sometimes have people here sharing a coffeemaker for one month or two. It's impossible to train everybody on an expensive Italian coffee maker, so we by definition are going after reliable high volume but good enough coffee. I think that is one of those searches where...I haven't tried it recently and would assume my friends Claude and Gemini can actually help me with. But to the point that we discussed earlier, it's exactly what makes a lot more complex today... ...to figure out how to win as manufacturer of coffee maker and coffee beans?

[00:58:33] Yeah! And then you should use PKI to understand how your are visible. Not my last question to wrap up Superinsetful conversation. What didn't we talk about that we should have talked about? Next one I also always ask that things was a killer question but it's hard to answer, right? Yeah. But i think the one thing we haven't talked about is in nature of this AI space whatever they are doing this because its very unclear what AI Space actually is and um...but We really don't know What It Looks Like In five years and we're only at the very beginning of a fundamental platform shift in a fundamental technological shift there. And whether were twenty percent or a third, fifteen percent ten percent or sixty percent I don't know.

[00:59:30] but they key thing that i notice that in these moments off technological shifts usually underestimate long-term effects and usually overestimate short term effect. I think there have already seen, probably in fall last year a number of people who already felt AIs overhyped and kind. it's all not so helpful. And then once again Q-Four we saw that Claude Code effect... ...and then on this year we saw Open Claw coming in and all the sudden kind of proactive productivity being something and me being able to steal that from my phone was all of a sudden possible, which unlocked the whole lot of new use cases around them. So there's a lot of things we don't know yet so we need to acknowledge it actually make sure we keep learning very fast... ...and that we actually need to keep pushing very quickly.

[01:00:33] The second one is There's a lot of reason why many people believe that there is going to be symbiosis off service and technology companies moving forward. You mean the Sequoia memo? Exactly! Speaking about services company, Camouflaging as an AI Company I think it makes tons sense in different Love different ways to think about it. that way makes tons of sense for a lot of service businesses. Interesting question there is always going be, Is the services company that's gonna actually stack technology part on top? Or somebody gonna disrupt their entire services industry by building something that's tech first and server second And they're just gonna be vertical but somethings gonna happen too to a lot of these different sectors.

[01:01:34] I think that's another very, very interesting theme to think about because also for your

listeners the agency works. services work right? Supporting others kind of counseling consulting helping others be more successful and how does that change as technology comes into play? who needs to level up, who actually need to be afraid of being replaced by somebody using the machine Tenex better than they do. And how you will have to stick out there? We could probably talk another seven hours about that and we clearly won't do it now! Yeah, but we already have the outline filled for update episode in a year where will check how PKI is doing and capturing US market. And annoying couple of U.S competitors also.

[01:02:24] there's so much to unpack with whole service tech company. if you look at OpenAI and Anthrope currently buying companies that help this concept forward deployed engineers bring AI into the company. So much to un-packed. they're great great, great impulses from you. Now on a final note if there's someone in the audience listening to that or seeing that somewhere in LinkedIn and they feel like hey I am The person for this second wave as you described it with. probably the space is very crowded but maybe the second way of coming. And If people Feel Like They Like How You Think? And They Get The Antler Hypothesis how can People Work With You? so obviously It's an application process, but how does it work and where to go?

[01:03:15] We can put all the links etc. in the description. Application is a horrible word. we haven't found better one for just yet which why still call that application? I think the honest answer. if you're out there If your crazy enough on building something And not scared of speed that this train currently has, then we'd love to meet you right now. And um... You can either come through our website uh android.co and drop us a note there and we'll pick it up or you can hit us at an event as mentioned kind of This week alone. We're with three events here alone in Berlin. So wherever you are in the world is very likely There's an Antler office next or close to you at least. You can send us an email, uh... Or you could ask someone um.. To introduce YOU TO US.

[01:04:14] Oh who knows you? So this afternoon I'm talking to two founders that have been recommended to talk to by other founders. right That's the best way to usually get in touch Um and just start talking. But i think most importantly keep building. It is a great decision. it was wonderful time for me at this very point and to be going all in. And if we can be helpful on a small part of your journey, please do reach out! Nice and to emphasize, further strengthen Christoph's point. Obviously he sits in Berlin but I know from our audience analytics that we have listeners all around the world. i will just quickly read out a couple of cities Lagos Nairobi, so if you are sitting anywhere there You should probably most Probably reach out to antler and see If this could be maybe a life-changing application even as that's not the best name.

[01:05:30] Nice because of thanks so much for taking the time in your busy day. It has been really A great episode. I think we learned a lot about how you look at it And i feel like we have completely fulfilled our investment hypothesis from a time angle that it's worthwhile for people to invest the time in our episode. So thanks so much, highly appreciated and already looking forward to an update episode! Thank you very much Fräwingne, I'm still optimistic about being back this year. And I will let Malten know if there is anything else he wants us to do? Rest assured. See you bye-bye.