



Bayern *Kapital*

Venture Capital für Bayern



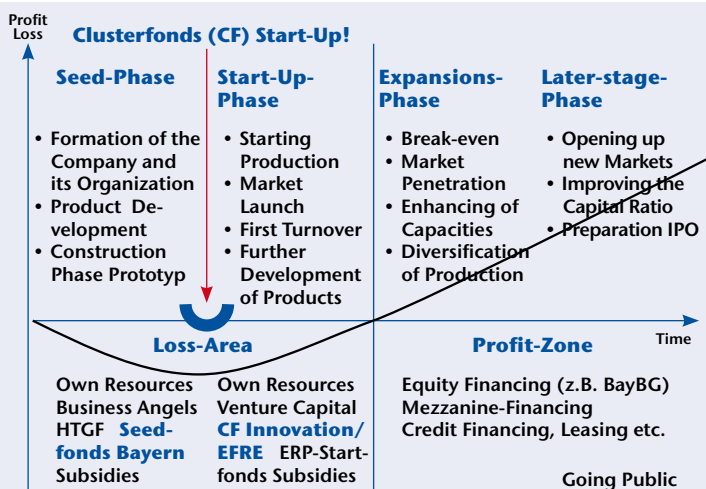
Financing Innovation

by Venture Capital
for High-Tech Companies

The Company

Founded at the end of 1995 as part of the „Bavarian Future Initiative“, Bayern Kapital GmbH is a wholly-owned subsidiary of the LfA Foerderbank Bayern (Bavaria’s development bank). Bayern Kapital’s objective is to finance research and development as well as the market launch of new products.

Bayern Kapital and its funds have invested in more than 180 companies and currently manages funds to the value of 190m EUR. The four investment funds currently managed by Bayern Kapital are: Seedfonds Bayern, Clusterfonds Start-Up!, Clusterfonds Innovation and Clusterfonds EFRE Bayern with a total funding of almost 94m EUR.



Partner of Seedfonds Bayern is often the High-Tech Gruenderfonds (www.htgf.de). HTGF was founded jointly by the German Federal Government, the KfW Bankengruppe and industrial enterprises under the „Partners for Innovation“ initiative.

Seedfonds Bayern

Financing what?

Seedfonds Bayern finances technology companies (not older than 12 month) during the seed-phase:

- Industries: software & IT, medical technology sector, new materials etc.
- Amount of overall investment: 250k EUR or 500k EUR in conjunction with High-Tech Gruenderfonds
- Models of Investment: silent partnership, equity shares plus shareholder loan

Investment Conditions

In conjunction with High-Tech Gruenderfonds:

- Maximum amount 600k EUR as follows:
 - max. 400k EUR from High-Tech Gruenderfonds (HTGF) and max. 200k EUR from Seedfonds Bayern
- Combination of equity share and subordinated loan:
 - 18% shares of the company (nominal quotation), therefore 12% HTGF and 6% Seedfonds Bayern plus
 - Shareholder loan with option for conversion into shareholders equity duration: seven years interest: 10% p.a. (respite for four years)
- Personal contribution amounting to max. 80k EUR by the founders. The coach or a seed-investor can pay half of this amount.
- Chance of follow-up financing (max. 300k EUR from Seedfonds Bayern)
- Duration: final date 30.12.2020

Seedfonds Bayern

The Business Coach

A coach giving technical and economic advice is necessary.

The business coach is welcome to invest in the company.

His responsibilities are:

- Check and document conditions governing the participation and prepare the documents covering the application for Seedfonds participation
- Provide technical and operational advice
- Provide comprehensive support in early phase of the project
- Monitor and confirm spending of seed money
- Take an active role in transition to subsequent financing

A list of coaches can be found at:

www.bayernkapital.de/Seedfonds/Coaches



Clusterfonds Start-Up!

Financing what?

Clusterfonds Start-Up! finances young technological companies (12 to 24 months old):

- Industries: software & IT, medical technology sector, new materials, etc.
- Maximum amount of investment: 500k EUR
- The investment builds a bridge from seed-phase to start-up phase

Investment Conditions

- Equity share: 10% shares of the company and shareholder loan with option for conversion into shareholders equity, duration: seven years, interest: 10% p.a. (respite for 2 years)
- Alternative: investment in equity plus agio, valuation of further investors in equity
- Silent partnership (subordinated): possible in individual cases; conditions specific to the project

A coach giving technical and economic advice is necessary.



Clusterfonds Innovation / EFRE

Financing what?

Clusterfonds Innovation / EFRE (CIE) are co-investing funds. They finance capital investment and working capital for innovation projects of young technological companies; EFRE with emphasis in rural areas:

- Financing especially during the research and development, constitution and expansion phases
- Industry: life-science, micro-system technology, communication technology, software etc.
- Maximum investment amount: 2m EUR
- Silent partnership or equity share

Investment Conditions

Investment conditions regarding equity share:

- Conditions for equity share are identical to CIE and leadinvestor

Investment conditions for silent partnership:

- Fixed basic fee not contingent on earnings
- Profit related investment fee
- Appropriate exit-fee
- Once-off fee amounting to 2% of the investment (not relating to EFRE)
- Flexible adjustment of the investment conditions depending on situation of the company (age, revenue etc.)
- Duration of the silent partnership: up to 31.12.2018

Clusterfonds Innovation / EFRE

The Leadinvestor

A co-operating investor (investment company, company or business angel) is investing in the project as „lead investor“:

- Co-operating investor has to prove his excellence in technical and management know-how
- Capital investment from additional investor must be equal to CIE-investment except special regulations (EU law).
For example in structurally weak areas (GA – for details see our website) the private investment only needs to be 30% of the total investment
- Co-operating investor supports technological company comprehensively for example in questions of strategy and its realisation. Investor uses his/her network contacts particularly with regard to potential customers and partners.
- Constant reporting to CIE about the economic situation and project progress
- Common exit



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