

## Company profile

**Bayern Kapital GmbH** was founded in 1995 on the initiative of the government of Bavaria as a **wholly owned subsidiary of LfA Foerderbank Bayern** (Bavaria's development bank). As the venture capital company of the State of Bavaria, Bayern Kapital provides founders of innovative high-tech companies as well as innovative young technology companies with equity capital financing.

27 Bayern Kapital employees currently manage **eleven investment funds** with a total investment volume of approximately **340 million euros** and partners with the German venture capital fund Coparion established by the KfW bank and the seed stage investor High-Tech Gründerfonds (HTGF).

### Investment objectives

Innovative companies create the jobs of the future. These companies engage in high-risk research and development projects, and therefore depend on venture capital to develop successfully.

From each of its **specially structured funds**, Bayern Kapital invests in young companies – working closely with other venture capital companies, business angels and business coaches. The network surrounding Bayern Kapital provides the young companies, in which it invests, with fresh capital as well as additional **business know-how and targeted market contacts**. This has served to sustainably create **5000 jobs** in future-oriented companies.

### Investment target groups

With its funds, Bayern Kapital provides **young technology SMEs** (small and medium-sized enterprises) with investment capital to help them realize their promising innovative products and production methods. The innovation projects have to be primarily conducted in Bavaria by the companies themselves. Furthermore, the projects should provide a technological opportunity with calculable risks and hold the promise of economic success for the investee company.

### Investment reasons

With its funds, Bayern Kapital participates in the **financing** of investments and working capital required for **innovation projects** in three phases:

- **The research and development phase** – the investee company develops a new product or procedure up to the manufacturing and testing of prototypes.
- **Set-up phase** – the investee company prepares for production within the framework of adaptation development. This also includes the market launch of technically new products, processes or services.
- **Expansion phase** – the investee company extends its product range, enters foreign markets (after achieving approval if necessary) and thus increases its market shares

### Investment models

As a basic principle, Bayern Kapital's funds only invest **in cooperation with a private investor**, who supports the investee company with the technical and business aspects of its project throughout the investment period. The funds remain minority shareholders and do **not seek participation in company management**. The equity capital is provided in accordance with the progress of the project. The investment period is usually **five to ten years**.

As a management company, Bayern Kapital manages the following funds among others:

- **Seedfonds Bayern**  
Seedfonds Bayern provides young technology companies with equity capital in the seed phase. The fund participates together with a consulting business expert, who supports the seed fund investment as well as the investee company as its mentor with regard to industry-specific and management issues. Seedfonds Bayern provides up to 250,000 euros at the start. When co-financing a project together with HTGF, the shared starting maximum investment is 750,000 euros.
- **Clusterfonds StartUp!**  
Clusterfonds Start-up! finances young technology companies that have achieved proof of technology to help them bridge the gap between the seed and start-up phases. The investment of up to 500,000 euros is preferably carried out in cooperation with a consulting business expert.
- **Bayern Kapital Innovationsfonds / EFRE**  
Bayern Kapital Innovationsfonds provides young technology companies with equity capital of up to 2 million euros to finance innovations. The fund always invests in cooperation with a private investor, who provides the investee company with the same amount of capital as Bayern Kapital Innovationsfonds. The private investor supports the investment based on a cooperative agreement and helps the investee company in its strategic planning and implementation. They also help establish contacts with potential customers and partners. Bayern Kapital can invest together with business angels according to the 30/70 financing model. In such cases, Bayern Kapital provides up to 70 percent of the total financing amount.  
In these situations, Bayern Kapital Innovationsfonds EFRE primarily invests in the European Union's funding areas and offers special conditions in several constellations.
- **Wachstumsfonds Bayern**  
Wachstumsfonds Bayern provides technology-oriented start-ups (SMEs) in Bavaria with equity capital for growth financing as a co-investor. To be eligible for investment from this fund, the start-up has to have a successful business model, which has already received seed and series-A financing and is looking to expand. The amount invested in each start-up ranges from 2 to 8 million euros (also in several rounds of financing).

### **Investment portfolio**

Bayern Kapital's portfolio currently comprises around 75 companies. Thus far, Bayern Kapital has invested approximately 260 million euros of equity capital in over 250 innovative technology-oriented companies from various industries including life sciences, software & IT, new materials, nanotechnology and environmental technologies. Among others, the company has invested in voxeljet AG, shore GmbH, eGym GmbH, Limata GmbH, Theva GmbH (industrial technologies); Definiens AG, congatec AG, crealytics GmbH, Entelios AG; Propertybase GmbH (software, IT, communications); SuppreMol GmbH, Corimmun GmbH, Micromet AG, GeneArt AG, MorphoSys AG, numares AG, Pieris AG, Vasopharm (life sciences).

### **Bayern Kapital PR contact**

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