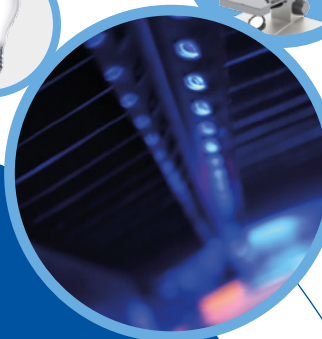


Bayern *Kapital*

Venture Capital für Bayern



Financing Innovation

by Venture Capital for
High-Tech Companies

THE COMPANY

Founded at the end of 1995 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, product diversifications and expansion of the market share.

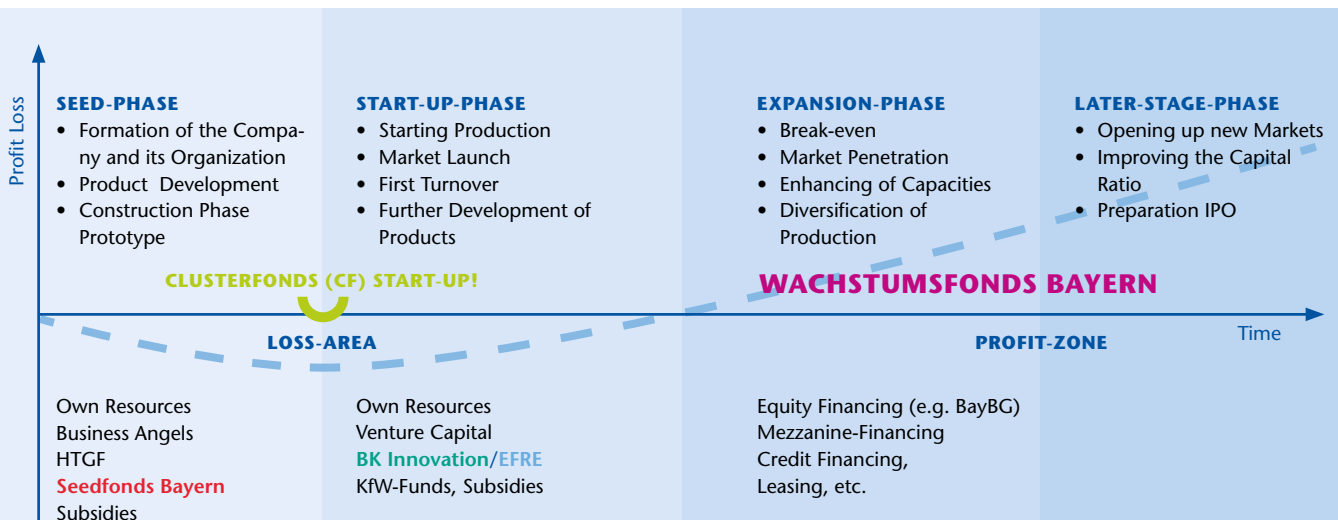
The requesting company has to be located in Bavaria. Industries are e.g. IT/software, life sciences, new materials, micro-systems & environmental technologies.

Bayern Kapital and its funds have invested in more than 235 companies and currently manages funds to the value of EUR 340m. The five investing funds currently managed by Bayern Kapital are: Seedfonds



Bayern, Clusterfonds Start-Up!, Innovationsfonds, Innovationsfonds EFRE and Wachstumsfonds Bayern.

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.





FINANCING WHAT?

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

- Amount of overall investment: EUR 250k or EUR 500k in conjunction with High-Tech Gruenderfonds
- Models of Investment: equity shares plus shareholder loan, silent partnership

INVESTMENT CONDITIONS

EU-Regulation No. 651/2014 Art. 22 plus Art. 2 No. 80 must be observed.

In conjunction with High-Tech Gruenderfonds:

- max. EUR 500k from High-Tech Gruenderfonds (HTGF) and max. EUR 250k from Seedfonds Bayern at the first step
- Combination of equity share and subordinated loan:
 - 18,75 % shares of the company (nominal quotation), therefore 12,5 % HTGF and 6,25 % Seedfonds Bayern plus
 - Shareholder loan with option for conversion into shareholders equity, duration: seven years interest: 6 % p.a. (respite for four years)
- Personal contribution amounting to max. EUR 50k by the founders. The coach or a seed-investor can pay half of this amount
- Chance of follow-up financing (max. EUR 250k from Seedfonds Bayern)
- Stand alone: the Seedfonds Bayern invests up to EUR 250k



CLUSTERFONDS START-UP!



THE BUSINESS COACH

A coach – selected by the company – 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 comprehensive support in early phase of the project
- Monitor 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/download



BUSINESS ANGELS

Business angels are welcome with Seedfonds Bayern and Clusterfonds Start-Up! as further investors up to EUR 200 k; otherwise as a partner of Innovationsfonds Bayern.

FINANCING WHAT?

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

- Maximum amount of investment: EUR 500 k
- The investment builds a bridge from seed-phase to start-up-phase

INVESTMENT CONDITIONS

- EU-Regulation No. 651/2014 Art. 22 plus Art. 2 No. 80 must be observed
- 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 two years)
- Alternative: investment in equity plus agio, valuation of further private investors in equity
- Silent partnership (subordinated): possible in individual cases; conditions specific to the project

A business coach giving technical and economic advice is necessary (comparable to Seedfonds Bayern).



INNOVATIONS- FONDS/INNOVA- TIONFONDS EFRE

FINANCING WHAT?

Innovationsfonds (IF) and IF EFRE are co-investing funds. They finance capital investment and working capital for innovation projects of young technological companies; EFRE with emphasis on assisted areas of the European Regional Development Fund:

- Financing especially during the research and development, constitution and expansion phases of Small/Medium Sized Companies (SME)
- Maximum investment amount: EUR 2m
- Equity share (in special cases associated with subordinated, convertible loan), silent partnership

INVESTMENT CONDITIONS

Investment conditions regarding equity share:

- Conditions for equity share are identical to IF and independent private investor

Investment conditions for silent partnership:

- Fixed basic fee not contingent on earnings, profit related investment-fee, appropriate exit-fee
- Duration of the silent partnership: up to 30.03.2025



WACHSTUMS- FONDS

FINANCING WHAT?

Wachstumsfonds Bayern provides equity capital for technology-oriented companies with strong growth targets for the phases following seed and first-round financing. Cooperation with an independent private investor is obligatory.

INVESTMENT CONDITIONS

- Terms and conditions pari passu to private investor
- Amount EUR 2m – EUR 8m (possible in different financing rounds) up to maximum equal capital sum as the private investor
- Capital may be used for e.g. product diversification, long term studies and field tests, international expansion



THE INDEPENDENT PRIVATE INVESTOR

A co-operating private investor (investment company, business angel) is obligatory, must not be a shareholder of the requesting company before and is investing in the project simultaneously:

- Co-operating private investor has to prove his excellence in technical and management know-how
- Capital investment from additional private investor must be equal to IF-investment except in special cases. For example the private investment of Business Angels only needs to be 30 % of the total investment at the earlystage-funding
- Bayern Kapital-funds as co-investor act in line with the market economy operator test using the same terms and conditions as the independent private investor (pari passu)

FONDS OVERVIEW



Seedfonds
Bayern



Clusterfonds
Start-Up!



Innovations-
fonds/EFRE



Wachstums-
fonds

- Co-operating private 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 the Bayern Kapital-fund about the economic situation and project progress
- Common exit



Bayern Kapital 

Please contact us for further information

Bayern Kapital GmbH

Ländgasse 135 a

84028 Landshut

Phone: 0871 92325-0

info@bayernkapital.de

www.bayernkapital.de