



High-Tech Gründerfonds

Seed Capital for New Technology Based Firms

**Presentation of High-Tech Gründerfonds
NanoEquity Europe**

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Market failure in early stage capital

**Interesting, but
unfortunately
not in focus...**

**Wow, but we are
in a major
restructuring...**

**Brilliant, but
don't you have
some revenues...**

**Lots of potential,
but too early for
us. Try these
guys...**

**A loan? Let me see
your securities....**

Key facts High-Tech Gründerfonds

Size:	262 Mio. EUR Lifetime 5 + 7 years
Investors:	State, KfW, BASF, Telekom, Siemens
Focus:	Innovative High-Tech Companies in Seed phase (i.e. no commercial operations >1 year)
Investment:	500.000 – 1.000.000 EUR for equity stake and convertible loan In addition: Financial engagement of entrepreneurs required, further Investors welcome
Operational:	since 29. August 2005

Goal is financing of promising technology-based companies

- **„Small Business“** as defined by EU based in Germany
- **No commercial operations >1 year**
- **Technology / R&D-based** companies
- **IP & Know-how vested with team** and placed in the company
- **Basis for further financing rounds** (e.g. market entry, prototype, proof of concept, profitability etc.)

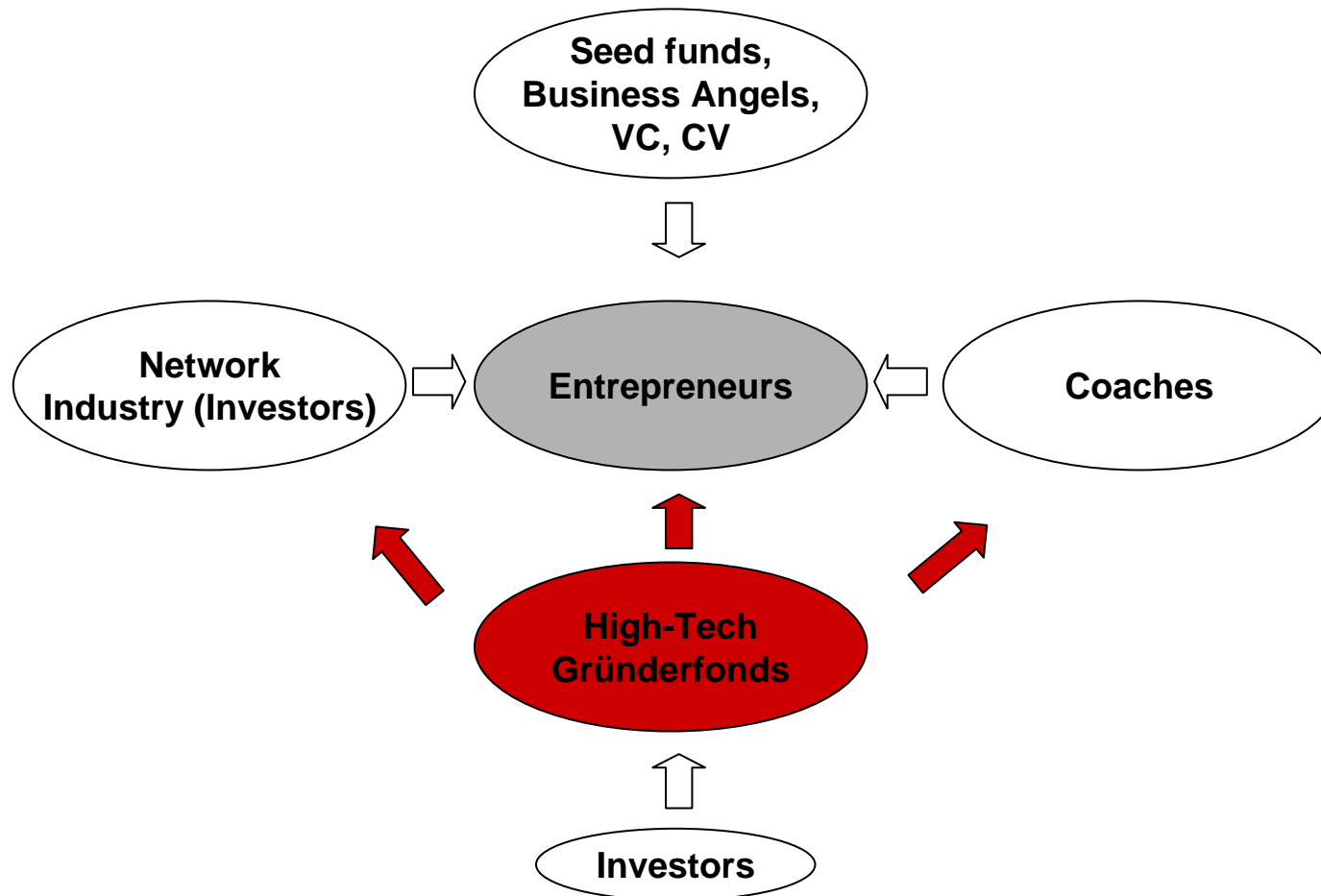
Key investment terms

- **Up to 500k EUR Seed Funding**
additional 500k EUR in later rounds
- **Standard terms**
15 % equity stake (no valuation)
plus convertible venture loan (dilution protection)
- **Interest accrues for first 4 years; conversion of loan into equity in further rounds**
- **Financial Engagement of entrepreneurs: min. 20% (10% former East Germany, Berlin):**
 - 50%-100% by founders
 - or up to 50% by Coach / Co-Investor

● **Typical Seed round:** **Σ 600-650k EUR**



Operations support in addition to funding



Operations support: Coaches

- **hands-on advise** at the company site
- **Entrepreneurs choose** from a network of accredited coaches and freely negotiates terms & conditions
- **Milestones based compensation**
- **Coaches may substitute $\leq 50\%$ of entrepreneurs financial engagement**
(via small seed funds, personal investment or business-angels)
- **Investment by coaches highly desired**
- **quality of coaching** ensured by High-Tech Gründerfonds

Where are we headed?



Mission

- Provision of **seed funding for young technology based companies**
- **successful partnerships with VC-Industry and other Investors**
- **(Re-) vitalizing of Seed Industry in Germany**
(Funding, Encouraging experienced managers to work for start-ups, Initialization of further Seed funds...)
- **No competition to other (Seed)-capital**

Where are we today?

Operations

- Steady & sufficient deal flow
- Processes in place
- Infrastructure up & running
- Coaching Network established

Team

- Management Team, Advisory Board, Investment committees established
- First phase of team building done, further growth planned

Networking

- Broad PR
- Effective networks with deal flow sources, VC, experts

Challenges

- Quantity – Quality – Speed
- Improvement of concept

Results:

- **> 1000 ideas seen**
- **> 300 ideas screened**
- **> 250 business plans**
- **> 50 „hot“ topics in the pipeline**
- **45 Investments commitments**
- **28 Investments closed**

Portfolio



Thank you for Your attention



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