

Funding Mechanisms for Technology Transfer:

OSTF - Open Sky Technologies Fund

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EUROPEAN
PRIVATE EQUITY &
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ASSOCIATION



Bundesverband Deutscher
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Various Ways to Conduct Technology Transfer

Licensing

- Pro: could be quick transaction
- Con: little return, little or no influence on the usage, could take very long to find a licensee

Spin-Off

- Pro: guaranteed 100% willingness to maximize the commercial potential of the technology
- Con: may take long, success not guaranteed if done wrong

Various Ways to Start Up a Company (1 of 5)

The entrepreneurial approach always is:

Take whatever you can get to reach your goal

Various Ways to Start Up a Company (2 of 5)

The self-funding approach:

- Very insecure outcome
- Founder is detached from resources for experience and guidance

Various Ways to Start Up a Company (3 of 5)

The public funding approach:

- Does not cover the whole company development cycle
- Typically not a commercial win-win constellation between funding source and recipient

Various Ways to Start Up a Company (4 of 5)

The bank funding approach:

- Banks only fund balance sheet investment opportunities and not R&D project plans
- Founder is detached from resources for experience and guidance

Various Ways to Start Up a Company (5 of 5)

The Business Angel funding approach:

- Does not cover the whole company development cycle
- Often more a hobbyist approach than serious business

What Venture Capital Wants to Achieve

First and foremost: successful business

By selecting the best of the best investment opportunities

By drawing on the venture capitalist's accumulated experience and established relationships

Through rigorous execution

How to Turn a Technology Into a Successful Product

Day 0: have a vision,
Day 1: build a mockup,
Day 2: become a call center and arrange customer presentations,
Day 3: improve the mockup with the customer feedback,
Day 4: get back to the most interesting prospects and sell,
Day 5: build the product for the customer (deliver!!).

Understand market dynamics: where does the market go, who are early adopters, who is hesitant, why are all your competitors going to the right when you are going to the left?

Understand best practices R&D processes and try to mimic them. Project and product manager functions are not a luxury but a necessity.

The People Factor

No matter what technology, intellectual property or “business” you have, it’s worth nothing if you lack execution

Entrepreneurial energy and excellence in execution are BASIC requirements of a successful business

Investors **NEED** an experienced team to have any chance of success. If you lack the right team members, we will help you find them

The Fund (1 / 3) - Profile

Volume: €100 million

Investment targets: space-related technologies and satellite applications for non-space applications

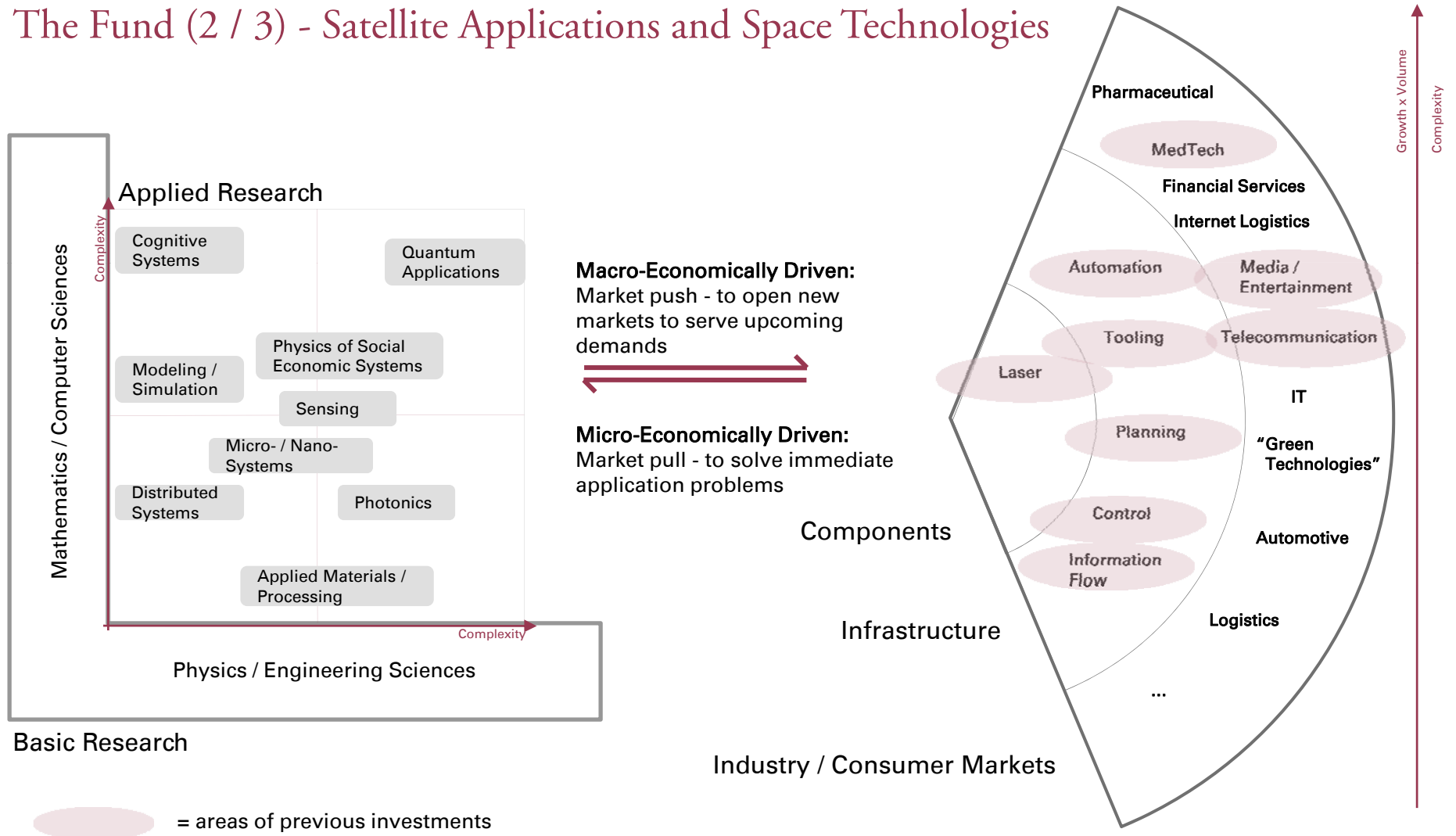
Staging: first round plus follow-on investments (including potential co-investors) with a maximum total participation of €5 million per portfolio company

First round target: to break even at an annual revenue level of €1 - 2 million

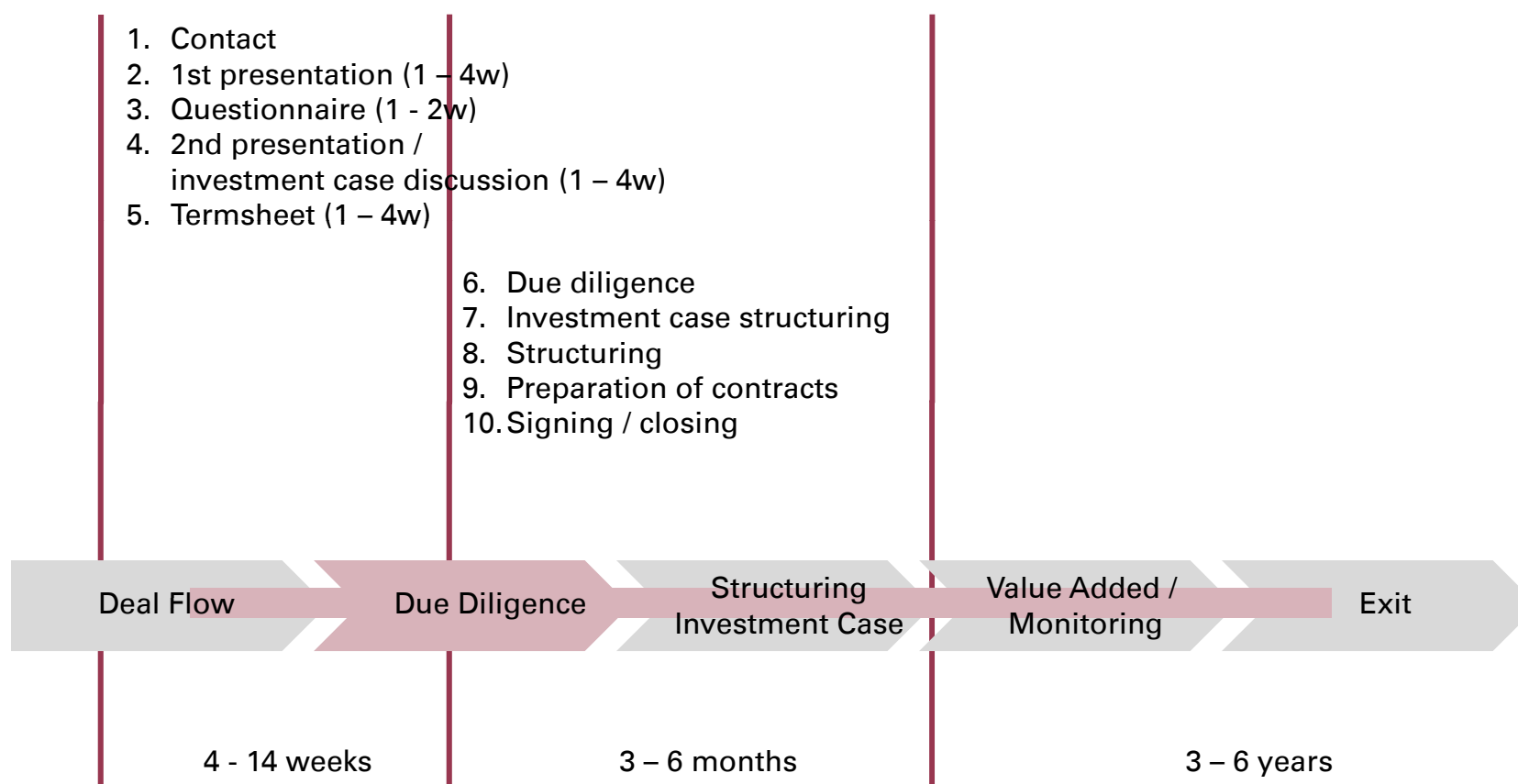
Location: any of the 18 ESA member states

Target: exit after 3 - 6 years as a fast growing company with a global business

The Fund (2 / 3) - Satellite Applications and Space Technologies



The Fund (3 / 3) - Schedule



How to Approach Us

You need to have a piece of technology which originates from a best of class research facility

You need to have a strong vision for creating a disruptive product or service which changes the way people work or live

You do NOT need a business plan but do need clear sketches about:

- what do you have
- why it is unique
- what your vision is
- how to get there

Everything beyond we do together

How to approach us? Like a customer!

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