

PRESS RELEASE

Start-up Hub Bavaria

## EUR 200 million for rapidly expanding high-tech companies: Free State of Bavaria gives green light for “ScaleUp-Fonds Bayern”

- **From founding and start-up to later and growth phases: The Free State of Bavaria creates an end-to-end financing ecosystem for high-tech companies**
- **Bayern Kapital, the venture capital organisation of the Free State of Bavaria, will manage the newly launched “ScaleUp-Fonds Bayern” (Bavarian Scale-up Fund) with a total volume of EUR 200 million**
- **The goal is to realise large-volume financing rounds (EUR 20 to 50 million and more) for rapidly expanding Bavarian tech companies**

**Munich / Landshut, Germany, July 15, 2021** – The Bavarian state government has given the green light for its “ScaleUp-Fonds Bayern” (Bavarian Scale-up Fund), managed by Bayern Kapital GmbH, the venture capital organisation of the Free State of Bavaria. Founded in 1995 as a wholly-owned subsidiary of the LfA Förderbank Bayern, it is one of the most active high-tech start-up and growth investors in the DACH-region. The new fund will support ambitious technology companies from Bavaria during particularly capital-intensive expansion phases as a co-investment partner, together with private investors, to realise large-volume financing rounds.

**Hubert Aiwanger, Bavaria’s Minister of Economic Affairs:** “To scale internationally, Bavarian high-tech companies require large-volume financing rounds to boost their growth. With the ‘ScaleUp-Fonds Bayern’, there is now an effective financing instrument for that. With the fund, we give Bayern Kapital the necessary financial power to support our future technology leaders’ financing rounds during later-stage and growth phases – and excite more private investors about the Bavarian technology landscape at the same time. All in all, Bavaria has created a very effective ecosystem for high-tech financing as well as an attractive competitive environment for both businesses and investors. On this basis, we create qualified jobs and ensure Bavaria’s prosperity in the future.”

A prerequisite for financing via the “ScaleUp-Fonds Bayern” is a demonstrably successful, scalable business model based on innovative technology, ideally protected by intellectual property rights and with unique selling points as well as clear competitive advantages. The volume per investment can be between EUR 10 and 25 million, depending on the specific situation of the company. As every fund managed by Bayern Kapital, the “ScaleUp-Fonds Bayern” never invests competitively, but always cooperatively and always on equal terms with private investors. With the help of the new fund, financing rounds with a total volume of EUR 20 to 50 million and more are to be made possible for Bavarian high-tech companies. Bayern Kapital’s investment focus is on all high-tech sectors such as life sciences, software and IT, medical technology, mobility as well as new materials and environmental technology.

“For the future of Bavaria as a business location, successful start-ups are essential. In many cases, these require external financing, which also holds true for their expansion phase after seed or Series-A financing rounds, an often-critical time for the long-term success of a young company. That is why the

LfA is very happy to provide the necessary financial means for the ‘ScaleUp-Fonds Bayern’. The fund will only act as a co-investment partner, which ensures that private investors will also provide capital for each investment in addition to state-provided capital. Our engagement here will strengthen not only the individual businesses, but also Bavaria as a technology hub”, says **Dr. Otto Beierl, Chairman of the Board of the LfA Förderbank Bayern.**

For the new fund’s management, Bayern Kapital has assembled a team of experienced investment managers around team leader Markus Mrachacz. In addition, the internationally experienced venture capital and private equity manager Dr. Wolfgang Hanrieder has been brought on board as a fund representative. Among other positions, Dr. Hanrieder has worked at management level for the globally active private equity company Carlyle Group. For many years, he has also been active as a business angel and as a member of the supervisory and advisory boards of several well-known technology start-ups.

“We have already been very successful in the early and growth stages of businesses for many years. With the ‘ScaleUp-Fonds Bayern’, the Free State of Bavaria is now putting a final piece into place, enabling us to provide targeted support to Bavaria’s future technology leaders, from start-up phase to their entry into the structured financial markets: Bayern Kapital can now act as a powerful investment partner for large-scale expansion financing efforts as well, and activate even more private investor capital for Bavaria’s high-tech hubs”, says **Dr. Georg Ried, Managing Director at Bayern Kapital.**

“We are pleased that we have been able to specifically strengthen Mr. Mrachacz’s team with Dr. Hanrieder for this private-equity-related field of business, enabling us to gain highly qualified, immediate access to large, international investor circles. This will help us to be successful in fulfilling our mission for start-ups in Bavaria”, says **Roman Huber, Managing Director at Bayern Kapital.**

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#### About Bayern Kapital:

Bayern Kapital GmbH, based in Landshut, Germany, was founded as an initiative of the Bavarian government in 1995. It is a wholly-owned subsidiary of the Bavarian LfA Förderbank. As the venture capital organisation of the Free State of Bavaria, Bayern Kapital provides equity capital financing for the founders of young innovative technology companies in Bavaria. Presently, Bayern Kapital manages twelve investment funds with a total volume of around EUR 700 million. So far, it has invested roughly EUR 350 million in about 290 innovative technology companies in various sectors including life sciences, software & IT, medical technology, materials and new materials, nanotechnology and environmental technology. In this way, more than 8,000 long-term jobs in sustainable companies have been created in Bavaria.

More about Bayern Kapital: [www.bayernkapital.de/en](http://www.bayernkapital.de/en)

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