



KRAJOWY
FUNDUSZ
KAPITAŁOWY



piłnierska instytucja typu fund of funds w Polsce, która zajmuje się inwestowaniem w fundusze venture capital/private equity (VC/PE). Powstał w odpowiedzi na zaproszenie do zamknięcia luki kapitałowej (zobacz raport) polegającej na niedostępnym dla małych i średnich przedsiębiorstw kapitałowego funduszy inwestujących w N+D, ze szczególnym uwzględnieniem małych przedsiębiorstw innowacyjnych lub prowadzących działalność badawczą-rozwojową.

FUNDUSZ FUNDUSZY
ZAPEŁNIANIE LUKI KAPITAŁOWEJ

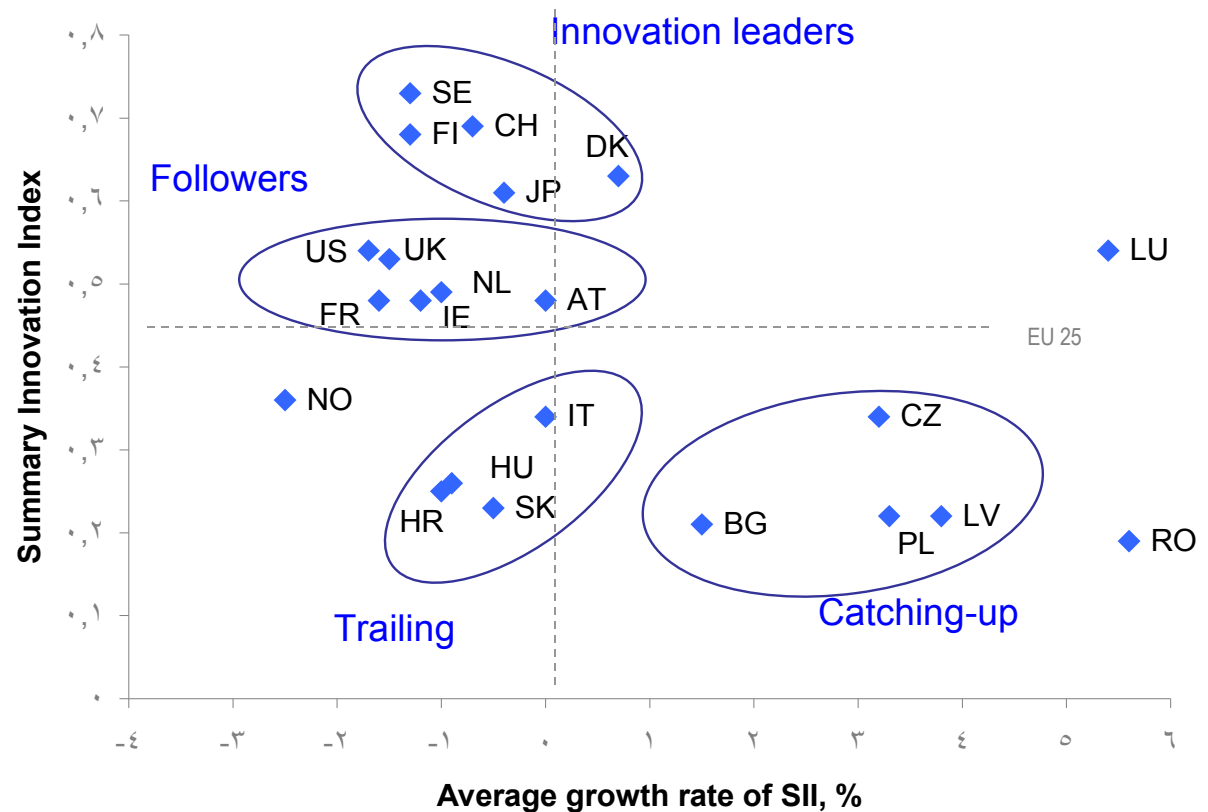
VENTURE
CAPITAL

How KFK can fill in the financing gap on the Polish high-tech market

TMT Ventures, 27/02/2008

How are we positioned in terms of innovation?

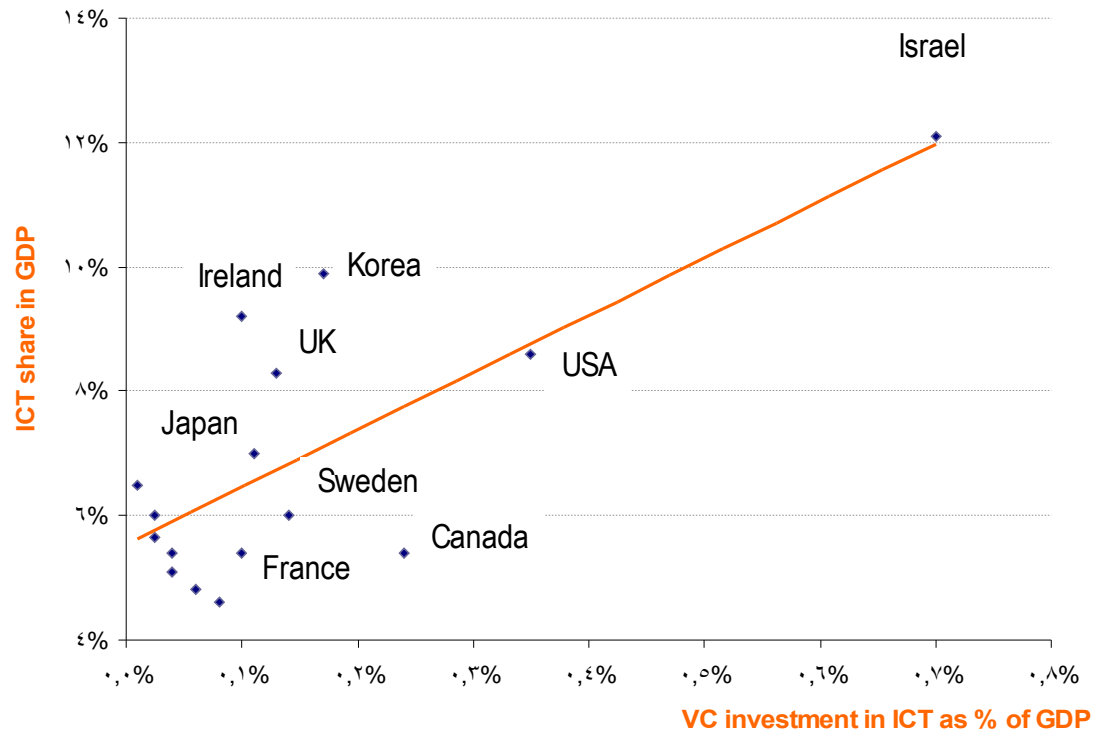
European Innovation Scoreboard



Source: (MERIT) and the Joint Research Centre (Institute for the Protection and Security of the Citizen) of the European Commission

Venture capital is clearly associated with innovation...

Correlation between VC and ICT



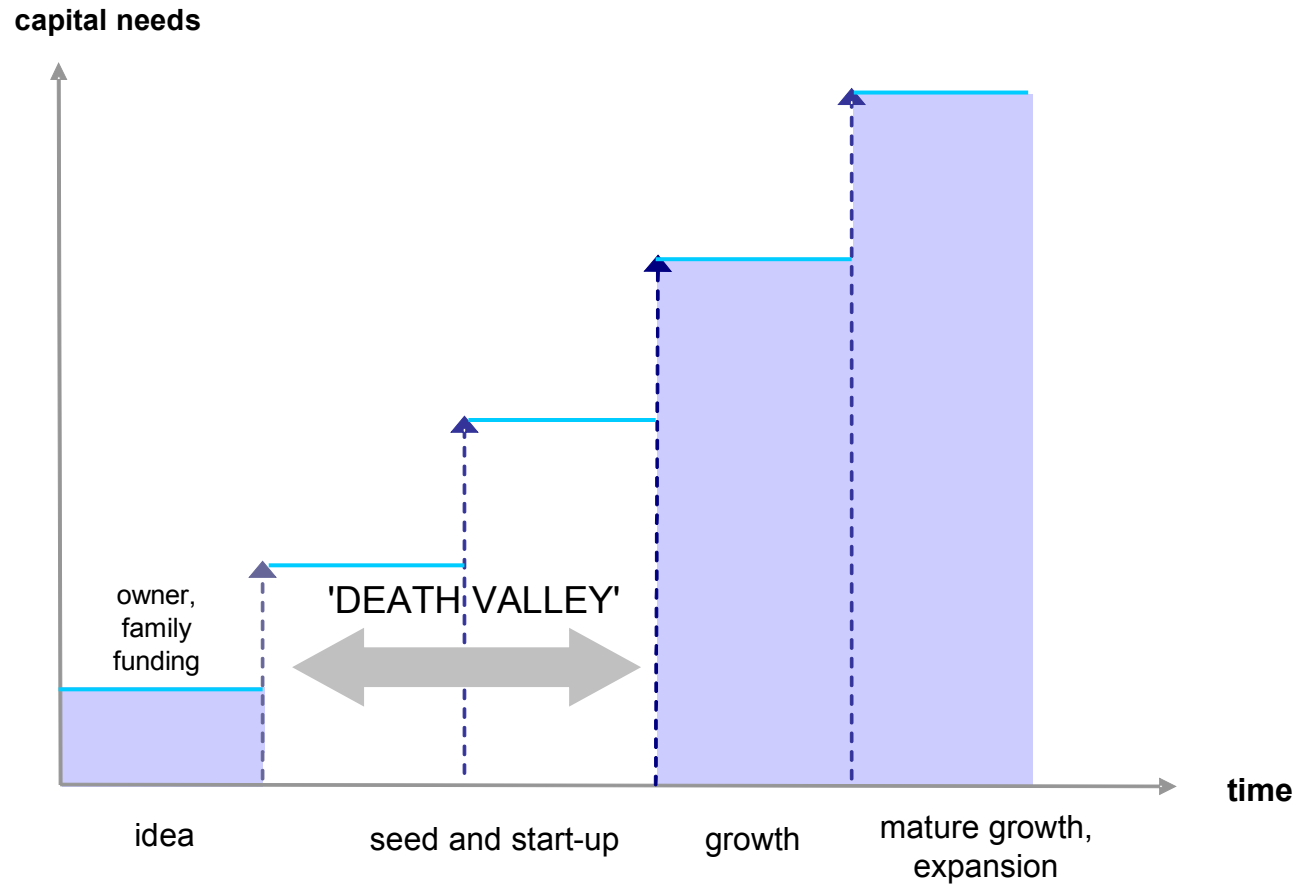
Source: Yozma after USA Census, OECD, IVC Research Center, CBS

ICT = Information and Communication Technologies

...but small companies receive little attention from VC investors

- ▶ Average deal size is increasing year by year
 - ▶ There is a clear and continuing trend towards regionalisation of PE/VC in CEE
 - ▶ Seed and start-up investments are outside the focus of most PE/VC funds
- => SMEs have very limited access to equity funding

'Death valley' is a serious problem



Source: prof. dr inż. J.G. Wissema, *Technostarters, why and how?*

This all means an equity gap

An equity gap means that the market fails to provide enough equity financing for small investment projects

- ▶ Equity gap results from relatively high cost of preparing and monitoring of small projects as compared to those **large** ones.
- ▶ Additionally, small projects usually carry **higher risks**, which further discourages managers from investing.
- ▶ On the other hand, small innovative projects can also produce **above-average** rates of return.

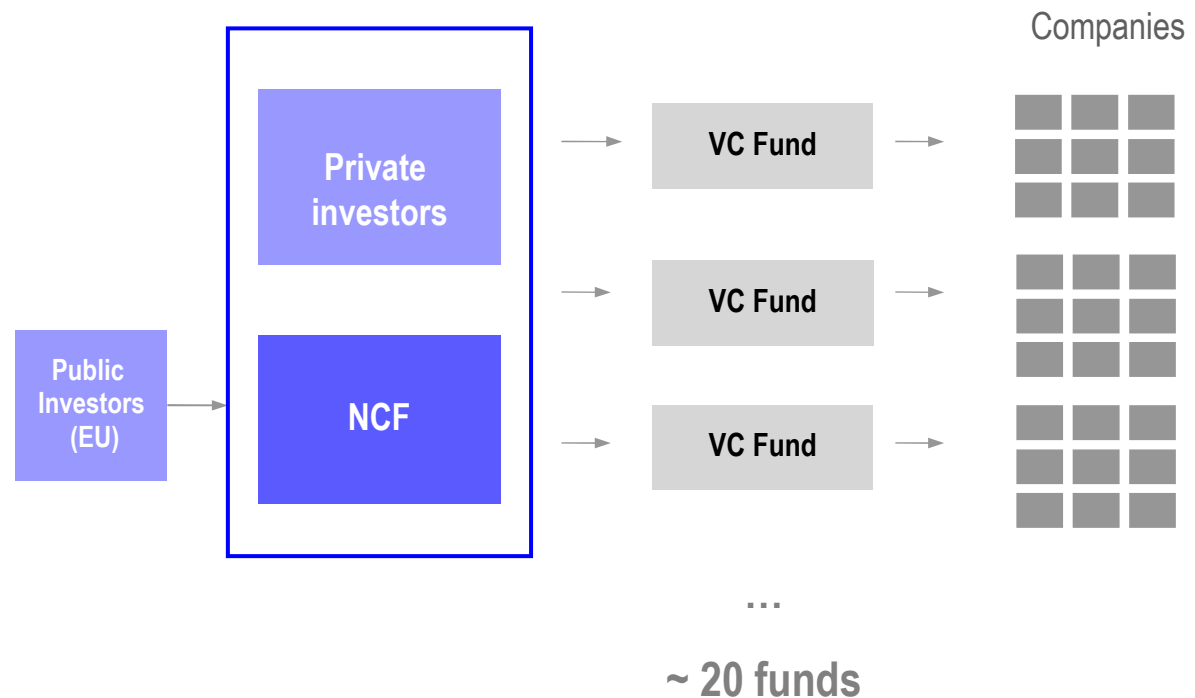


Response to the equity gap

- ▶ KFK is a holding fund that was established with the aim to reduce the equity gap persistent on the Polish market.
- ▶ KFK invests in VC funds targeting Polish SMEs.
- ▶ We target professional management teams with experience in VC-related investments and the focus on innovative and high-growth projects.

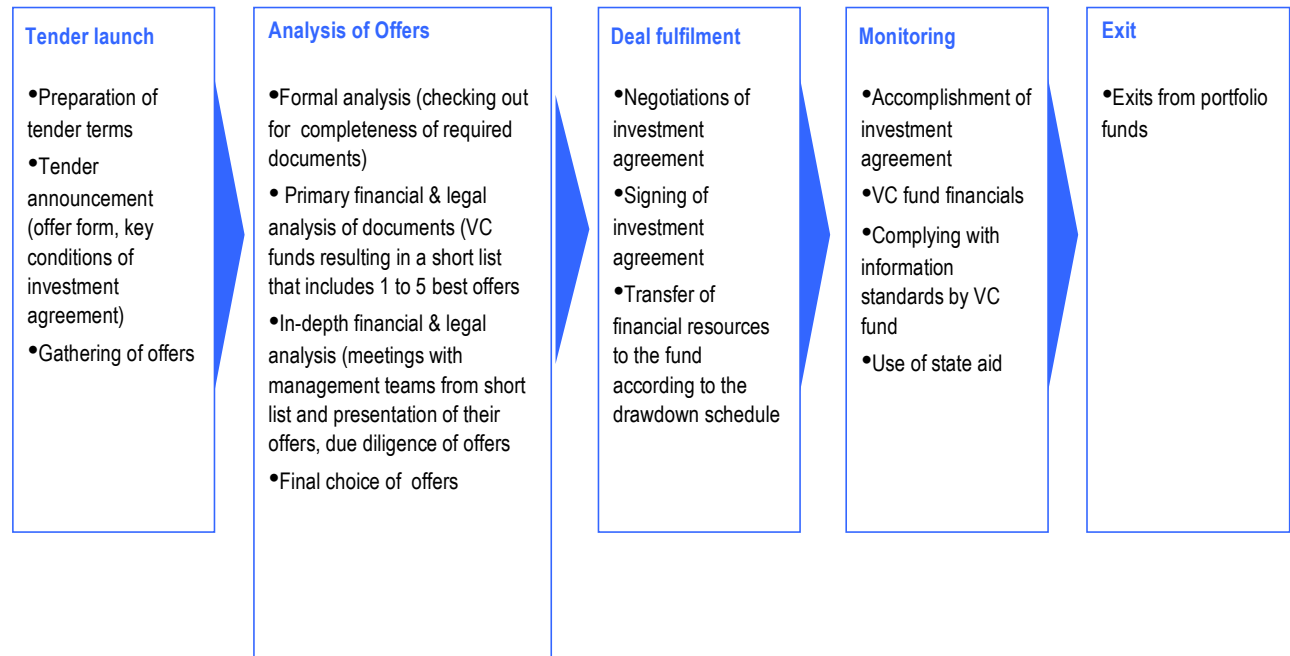
KFK as a holding fund

- ▶ As a holding fund, KFK invests in VC funds which target small and medium-sized companies. In the coming years, our investment portfolio will grow to around 20 VC funds.



Our investment process

- ▶ We have designed our investment process to meet best practice that works at recognized fund-of-fund investors

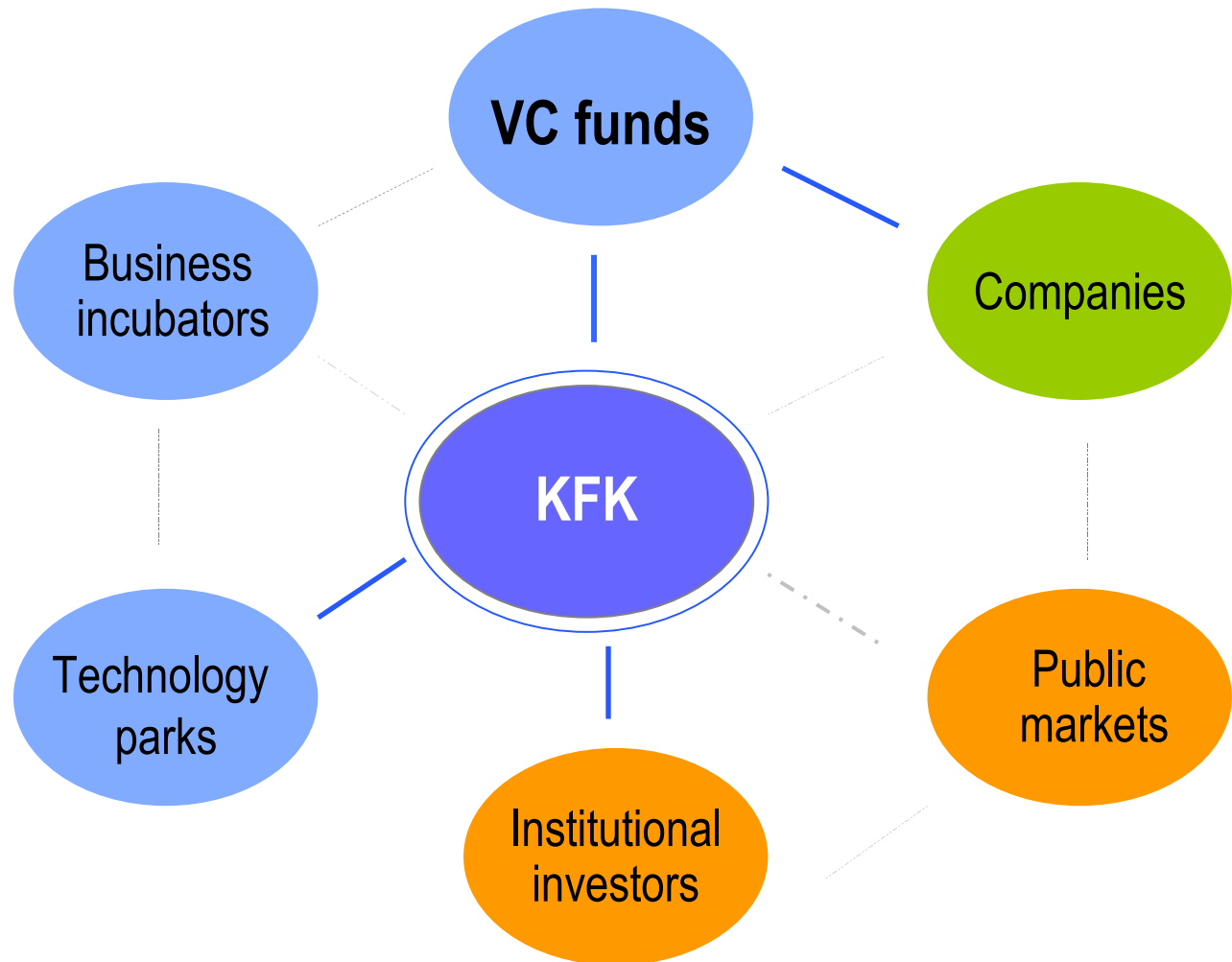




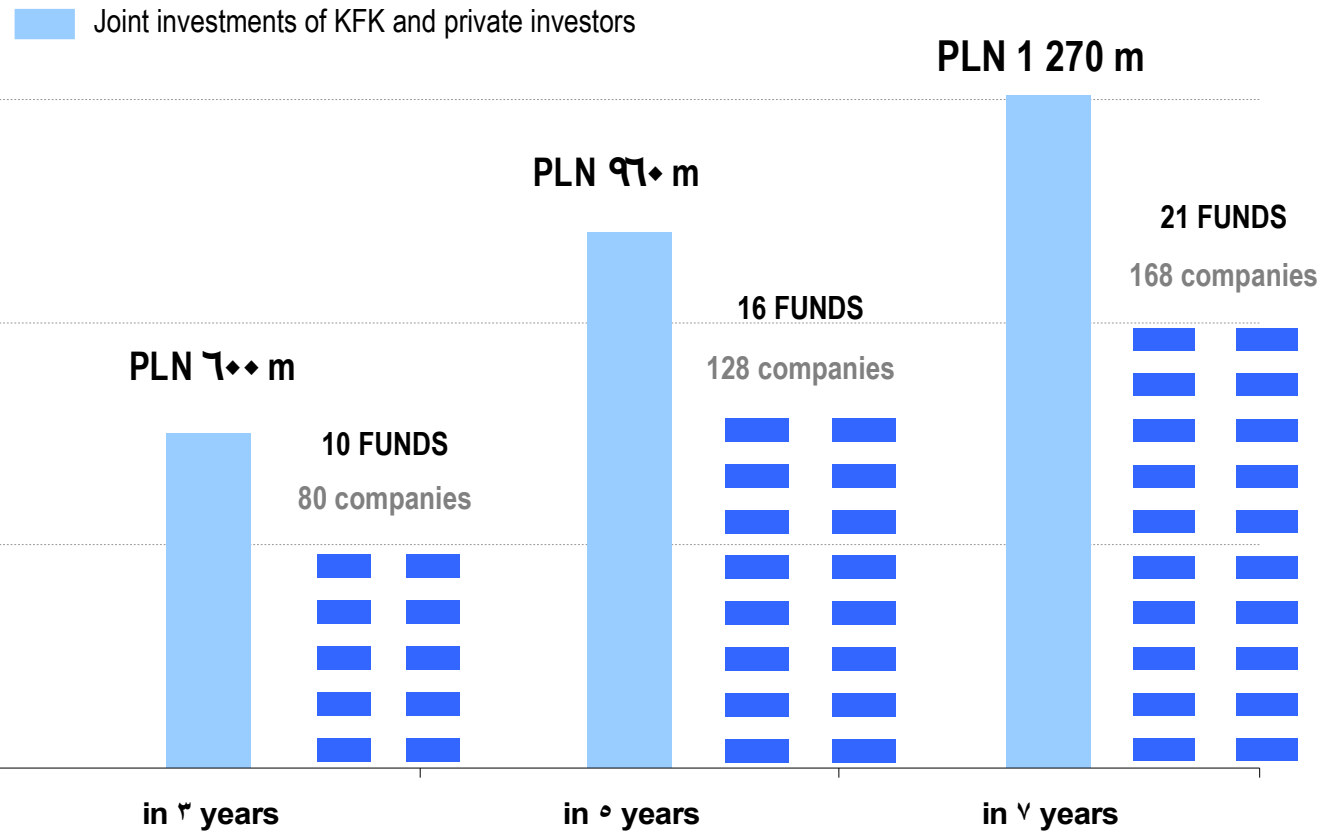
Our investment activity

- ▶ Investment activity commenced in **2007**
- ▶ 2 portfolio funds: **BBI Seed Fund** and **Helix Ventures Partners (MCI)**
- ▶ Joint cap of those two funds is **PLN 100 million**.
Focus on early-stage high-tech projects
- ▶ Next bidding procedure: April 2008.
PLN 150 m at disposal, **3x as much** as in the first round

KFK as a part of the financial market



KFK in 3 – 5 – 7 years





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Thank you

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