



## Third Frontier

Innovation Creating Opportunity

### Pre-Seed Fund Capitalization Program

Ohio Third Frontier has helped establish Ohio as a leading location for early-stage risk capital investment through the capitalization of multiple Ohio-based Pre-Seed Funds. The growth of emerging technology start-up companies has been stimulated by Pre-Seed Fund investments, which are generating revenue and jobs for the state by supporting new, innovative, and successful opportunities for economic growth.

The goals of the Ohio Third Frontier Pre-Seed Fund Capitalization Program (PCFP) are to:

- Increase the number of professionally managed Pre-Seed Funds investing throughout Ohio;
- Increase the amount of early-stage capital being invested in Ohio technology-based companies;
- Create a risk capital climate that supports the development, retention, and attraction of investable technology companies in Ohio; and
- Build a pipeline of technology company deal flow that increasingly attracts the resources of venture capital firms both within and outside of Ohio.

The PCFP provides investment capital to new, proven existing, and/or proven management teams of existing Pre-Seed Funds that will provide capital to early-stage technology companies. PCFP proposals selected for awards are required to invest 100 percent of Ohio Third Frontier funds and matching private capital in Ohio technology-based companies in the imagining, incubating, or demonstrating commercialization phases. The companies will, in almost all cases, not be sufficiently mature to attract venture capital funds or other forms of commercial financing.

A PCFP-funded Pre-Seed Fund must be structured to:

- Invest in the eight Ohio Third Frontier technology focus areas (see following);
- Invest in new opportunities, existing Ohio companies, or companies that will relocate to Ohio as a condition of the investment; and
- Have a formal relationship with Ohio organizations such as the Entrepreneurial Signature Program; previous Ohio Third Frontier funded Pre-Seed Funds; or other organizations, either with or without state support, in connection with the commercialization of technology-based opportunities in the imagining, incubating, or demonstrating phases.

Ohio Third Frontier focuses investments in the following eight areas:

- Advanced Materials related to advanced polymers, ceramics, composites, carbon fibers and nanotubes, and specialty metals and alloys
- Aeropropulsion Power Management
- Fuel Cells and Energy Storage
- Medical Technology related to imaging, surgical instruments/equipment, implant devices, and regenerative medicine
- Software Applications for business and healthcare
- Sensing and Automation Technologies
- Situational Awareness and Surveillance Systems
- Solar Photovoltaics

### Lead Applicant

The Lead Applicant must be a for-profit or not-for-profit Fund based in Ohio or with a Principal Place of Business in Ohio.

- A for-profit Fund will distribute returns to cost share providers (investors), whether the investors are for-profit or not-for-profit entities or individuals.
- A not-for-profit Fund intends to reinvest the profits into further investments in companies meeting the Fund's investment criteria.

A Lead Applicant must be willing and able to enter into a non-recourse loan agreement with the State of Ohio.

### Funding

\$25 million in funding will be available for the Fiscal Year 2012 program. Funding will be in the form of a non-recourse loan, with awarded amounts ranging from \$500,000 - \$3 million.

### RFP Timeline

- RFP Released – June 22, 2012
- Bidders Conference – July 12, 2012
- Letters of Intent Due – July 26, 2012
- Proposals Due – By 2:00 p.m. on August 23, 2012
- Awards – Approximately November 2012

### Program website

<http://www.ohiothirdfrontier.com/PreSeedFundInitiative.htm>

### Program contact

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