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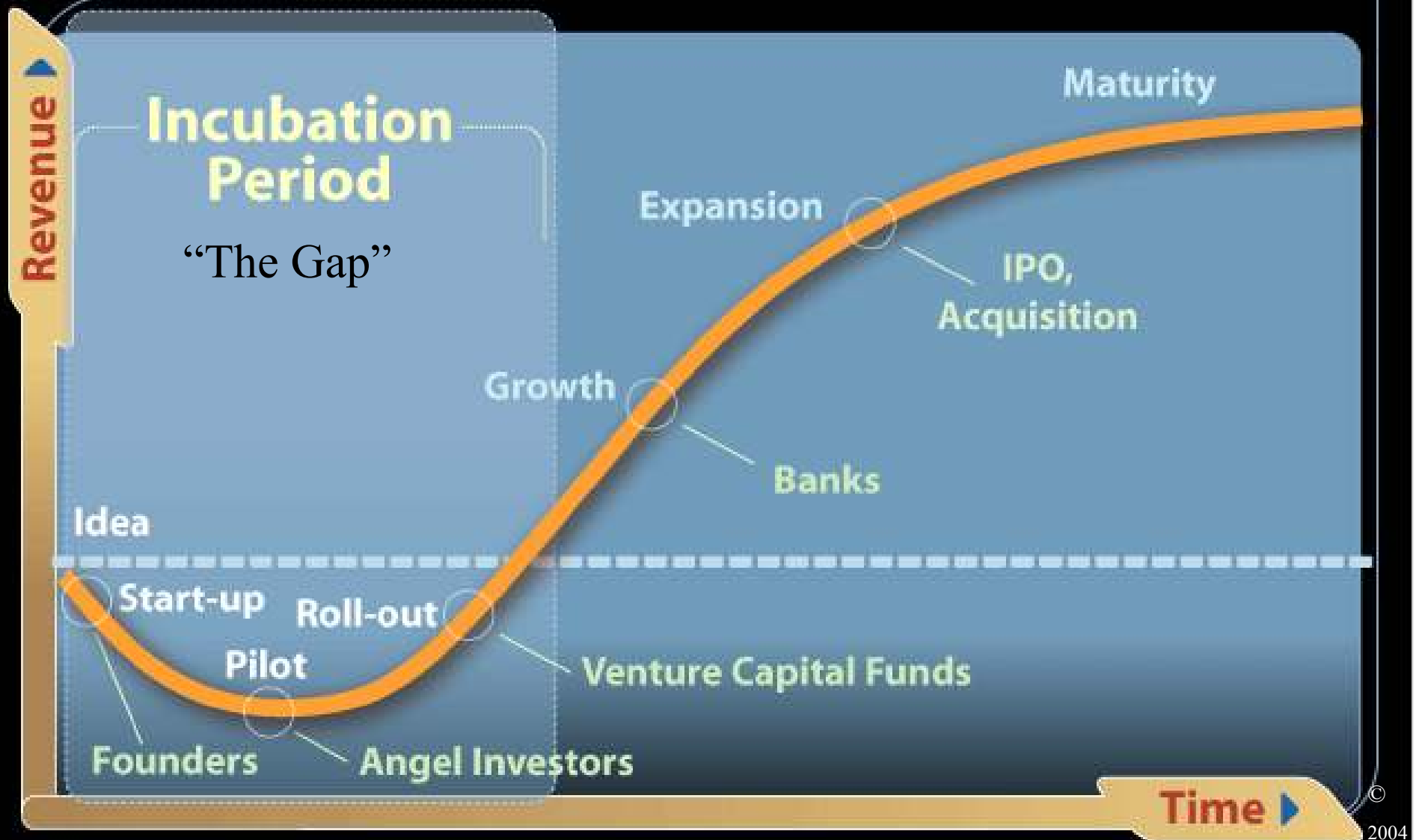
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Texas Emerging Tech Fund

Purpose

- “Job creation through company formation”
- Earn a return on State’s Investment!
- To accelerate the growth of our economy and create jobs, we must attack “The Gap”
- What is “The Gap”?
 - “The time between the formation of an idea (or product), and the formation of a viable business around that idea”

Company Growth Stages & Funding Sources



Emerging Technology Industries

- Aerospace
- Biotechnology
- Computer & Software Technology
- Defense
- Energy
- Information
- Life Sciences
- Manufactured Energy Systems
- Medicine
- Nanotechnology
- Petroleum Refining & Chemical Processes
- Semiconductors
- Other Pursuits (as determined by the Governor in consultation with the Lt. Governor and Speaker of the House)

Enabling Legislation

- HB 1765 - Fund 1
- Fund has three different components
 - \$50M for Research Superiority (Type F)
 - \$50M for Research Matching (Type E)
 - \$100M for Commercialization Grants (Type D)
- Designed to address the entire range of commercialization issues in “The Gap”

Fund II

- **20%- \$37m**
- **10%- \$18.5m**
- **70%- \$129.5m**

ETF Funding Structure

Legislation did not allow for in Fund I:

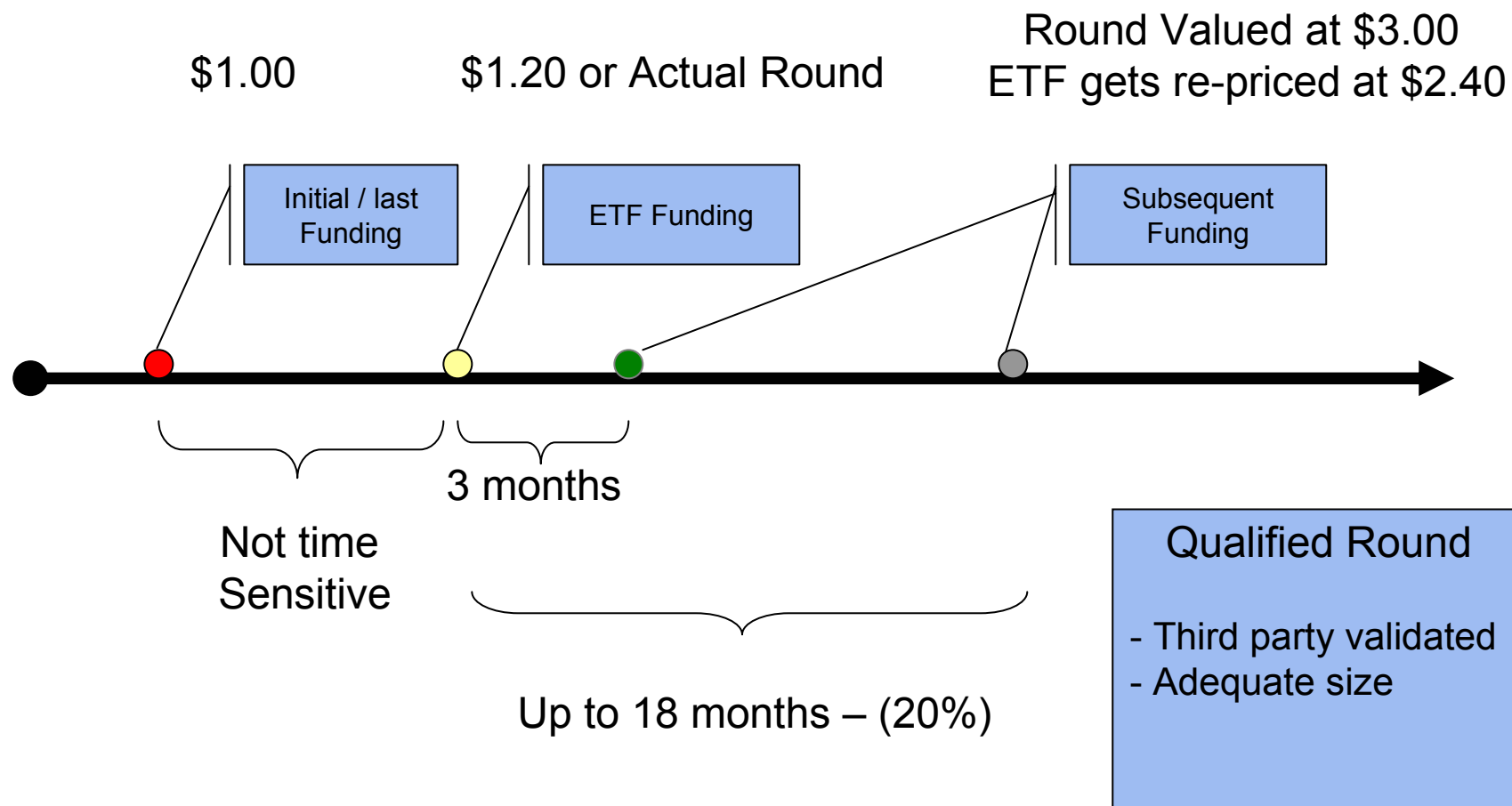
- True Equity
- Loans
- Any control features

Fund I

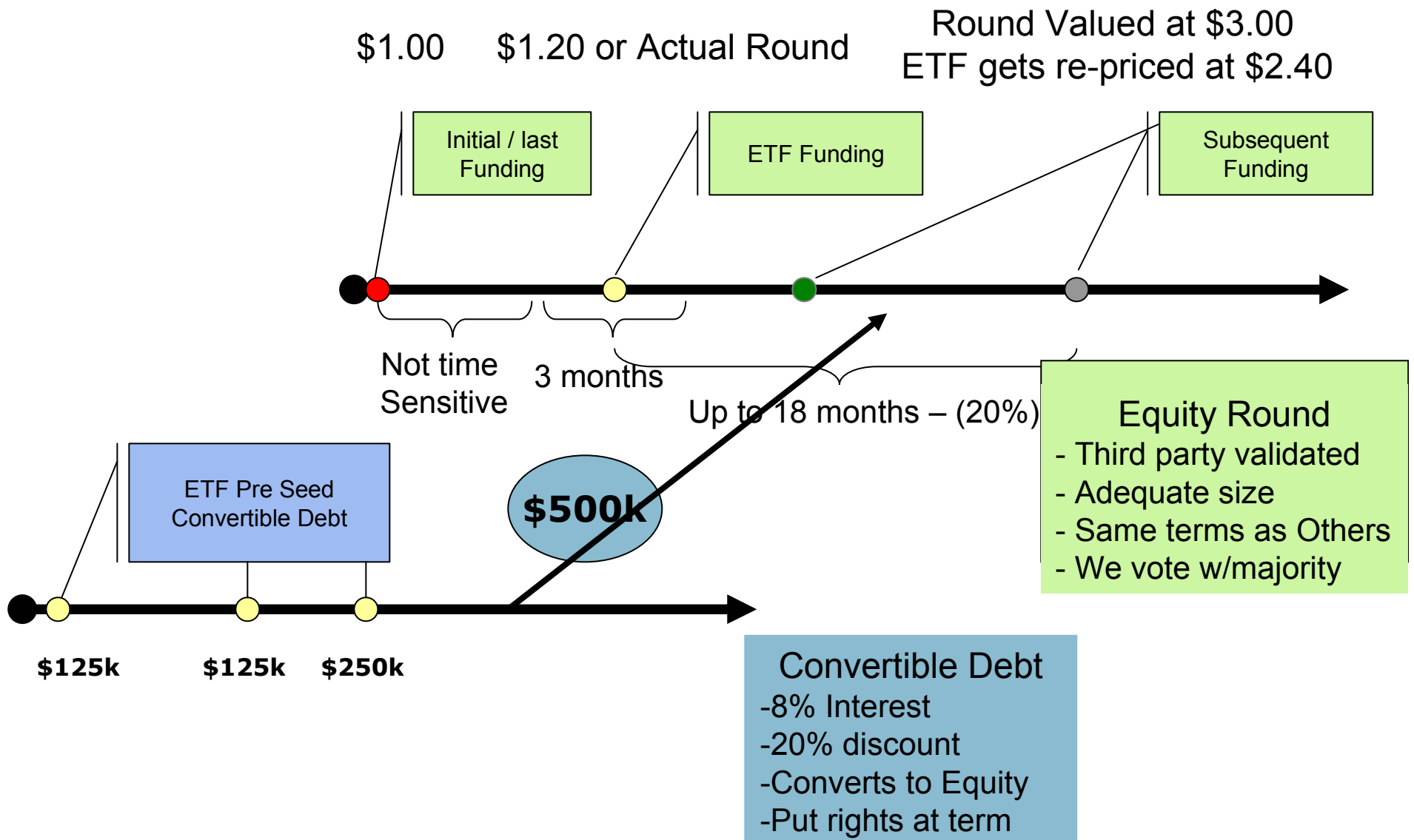
Fund II

- Naked Warrants ----- Equity
- No Bells and Whistles ----- Same terms as other Investors
- No Control Features ----- Same terms as other Investors
- No Convertible Debt ----- Use of Convertible Debt for Pre-Seed

ETF Funding Structure: Fund I 20/20 Model



ETF Funding Structure: Fund II 20/20 Equity Model



How to Apply

- Regional Centers source, groom, and pre-screen deals (Exception: Type F)
 - Note: Life Science deals are sourced in the regions, but pre-screened by a State Wide Life Science Center
- Pre-screened deals are forwarded quarterly to the Statewide Advisory Committee
- Advisory Committee forwards recommended deals to the leadership
- Governor, Lt. Governor, and Speaker must unanimously approve

Texas Emerging Technology Fund Centers of Innovation and Commercialization (CIC)

Texas Life Sciences CIC (Northwest)

Cooperating Institutions: Baylor
 University, University of Texas
 at Dallas, Texas Tech University
 Website: www.tlscic.com

Energy & Power Commercialization and Development Center (Northwest)

Cooperating Institutions: Texas Tech University,
 University of Texas at Dallas
 Website: www.enpdcc.com

North Texas Regional CIC

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.ntrcic.com

East Coast Regional CIC

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.eastrcic.com

Oil & Energy Commercialization and Development Center (West)

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.oilcic.com

Central Texas Regional CIC

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.centrarcic.com



The Old Central Regional CIC

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.oldcentralcic.com

Midland Energy Commercialization and Development Center (West)

Cooperating Institutions: University
 of Texas at Dallas, Texas Tech
 University
 Website: www.midlandcic.com