

Investment Terms & Conditions

MARCH 4, 2020

These investment terms and conditions (“Investment Terms & Conditions”) apply to (the proposals of potential) investees of the Utrecht Health Seed Fund (“UHSF”). UHSF reserves the right to change the Investment Terms & Conditions at its own discretion and at any time without prior notice. The most recent version of the Investment Terms and Conditions may be downloaded at the UHSF website.

No rights can be derived from the information provided on this document and therefore fulfilling all required terms & conditions does not guarantee a positive investment decision. UHSF will assess investment proposals on a first come, first serve basis and on their alignment with the relevant priorities of the UHSF. These Investment Terms & Conditions and all contractual and non-contractual disputes arising out of, resulting from, or in connection with these Investment Terms & Conditions are governed by the laws of the Netherlands. The general terms & conditions of www.uhsf.nl apply.

QUICKSCAN

Before submitting an investment proposal, please first check the basic criteria for an investment on our website to assess whether the investment proposal fits within the scope of the UHSF.

The main eligibility criteria are as follows:

- company – a Dutch ‘B.V.’, ‘C.V.’ or ‘N.V.’;
- product/service – innovation in development in the field of LS&H;
- technology – a technology readiness level (TRL) of 2–7;
- location – registered offices in the province of Utrecht.

Furthermore, the UHSF primarily invests together with other (financial) co-investors.

FUNDING CONDITIONS

After reviewing your proposal, the UHSF may decide to invest in your company. For funding, the following conditions are taken into account:

- UHSF provides customized funding, ranging from convertible (subordinated) loans to shareholdings;
- The amount, duration, and tranches of funding are based on the business plan of the applicant and the exit strategy. This is at the discretion of UHSF;
- The size of funding is at least € 100,000. The maximum duration is 8 years;
- UHSF requires a market-based interest rate or market-based payment on the funding provided;
- The fund aims for a minimum co-financing of 32.5% by external investors.

STATE AID

The UHSF is co-funded by public entities (the European Fund for Regional Development and the State of the Netherlands). UHSF will verify whether state aid for your company or project is permitted on the basis of the AGVV regulation (EU) Nr. 651/2014, the De-minimis Regulation (EU) Nr. 1407/2013 and the ERDF requirements (MA 'Kansen voor West'). NB - UHSF does not provide grants, but customized funding.

SUBMISSION INVESTMENT PROPOSAL AND GDPR

The UHSF handles your personal data with the utmost care. Personal data is information that can be traced to an individual, such as names, postal addresses and email addresses. Personal data is protected under the General Data Protection Regulation (GDPR).

An investment proposal can be submitted through the portal on the UHSF website (www.uhsf.nl). Once registered, a digital environment is created where your data is stored and all communication between you and UHSF is stored. By submitting your investment proposal, you are providing UHSF with explicit permission to store and use the data you enter for the purpose of processing your application, managing our possible position in your company and for audit purposes, including those by the Managing Authority of ERDF 'Kansen voor West', in particular the GDPR.

If you have any questions about submitting your application, you can reach UHSF via phone or e-mail. You can find up to date contact information on the UHSF website. Although we are available for questions, please note that we do not accept investment proposals outside the portal, i.e. via e-mail, mail or otherwise.

ASSESSMENT OF INVESTMENT PROPOSAL

When assessing your investment proposal, UHSF reserves the right to consult third parties, such as certain domain experts, in order to arrive at a proper assessment of opportunities and risks.

When doing so, we may share general information about a proposal, whilst protecting confidentiality. UHSF will inform you in writing of our decision after the assessment of your application. An appeal to our decision is not possible.

INTEGRITY, CSR AND NO CONFLICT OF INTEREST

Our analysis of your investment proposal, contains an examination of the applicant, the directors of the company, related parties and the ultimate beneficiaries (UBO).

By submitting an investment proposal, the company declares that the company, its directors and employees shall commit to the following standards:

- A. Integrity standards, i.e. there must not be any (a) violations of professional morality or professional integrity; (b) involvement in criminal offenses; and / or (c) involvement in money laundering;
- B. Standards for corporate social responsibility, i.e. the (potential) investee pursues an active policy on (a) the manner of dealing with raw materials and the effect of products and services

on the natural environment; (b) social relationships with employees and local residents; and (c) compliance with the rules of good governance, in accordance with a relevant company code of conduct.

- C. No conflicts of interest; if a conflict of interest nevertheless arises, the company will report this immediately its own initiative to UHSF.

COMMUNICATION

If the fund (co-)finances your project, you give us permission to mention this in our communications and the right to state your company logo with URL on our website and in our communications.

THE FOLLOWING SUBJECTS SHOULD BE INCLUDED OR EXPLAINED IN YOUR APPLICATION

GENERAL

- The objective and background of the company; the legal entity / legal entities that carry out the project, shareholder relationships, UBO statement.
- Website.
- Year of establishment of the company, number of employees, balance sheet total, turnover, SME declaration.
- Legal form, registered office, Chamber of Commerce number, office address (if different from statutory address), location where the project will be carried out to a significant extent.
- The objective of the project, the way in which these objectives are achieved and within which period, where possible quantified and subdivided into objectively measurable milestones.
- Description of proposition (problem that is being solved in the market), market sector(s) / relevant market, the target customers, competitive position, market expansion potential
- Relevance of the project to the company in relation to the strategy / management of the company.
- The role and skills of any collaboration partners.
- Description of the market introduction plan and the dependence on third parties therein.
- A description of the project, in particular the processes and / or technologies (IP) used.
- The way in which the project has previously proven itself in similar activities (if applicable).
- Feasibility assessment: technical, clinical and commercial. Scientific, technical, clinical argument and evidence. Technology Readiness Level of the innovation, product or service.
- Planning of the follow-up phase after positive completion of the Proof-of-Concept project including any dependencies (approvals, licenses, permits, procurement processes etc.)
- SWOT analysis of the project (strengths, weaknesses, opportunities, threats).
- Suppliers or buyers who are directly involved in the project; any dependencies.
- Where the project is implemented and how it is organized.
- Scaling options.

FINANCIAL

- Declaration of “no financial difficulties .
- The size of the project budget and the project financing and the requested contribution to the financing by the UHSF in terms of size and duration.
- Actions you have taken to attract other sources of financing - public and private.
- The size of the budget and the financing of the activities after successful completion of the POC project.
- Current valuation of the company, shareholder relationships, control relationships
- Vision on exit, exit options and horizon from the UHSF, and/or how and when the company will repay the loan and interest.
- Have financing or subsidies for the project or your company been applied for and has this financing or subsidy been received or refused? If so, on what grounds and from which authorities or parties has this financing or subsidy been applied for or refused?
- The following financial documents:
 - Annual accounts for the past three years (if available);

- Multi-year forecast of the extensive profit and loss account with substantiation;
- Multi-year forecast of the balance sheet;
- Multi-year cash flow;
- Investment budget and expected next investment round(s).

ORGANIZATION AND TEAM

- Relevant personal data and experience of the applicant in relation to the company.
- Dependence on persons to be appointed who are critical to the successful realization of the POC project and measures that have been taken to ensure the deployment of these people (including back-up).
- Description of the location and structure of the (project) organization and the dependencies of third parties in the project